Findings Report

July 2008

EXECUTIVE OVERVIEW

The EPM (Employee Performance Management) technology market is growing in size, adoption and permeation by companies both small and enterprise if apparent while customer demands and market requirements are increasing.

Beyond the top thirty EPM providers additional market opportunity lies within developing significant vertical concentrations with accompanying product technology, features, and/or competencies.

For eVal to establish significant vertical concentrations, its vertical competencies, product roadmap, and customer acquisition solution must be aligned. This report details the market landscape and alternatives.

CONTENTS

1. **Market Landscape**
   a. Talent Management Landscape
   b. EPM Future Trends
   c. Product Trends
   d. EPM List
   e. EPM Criteria
   f. EPM Requirements
   g. EPM Pricing
   h. EPM Strengths and Weaknesses
2. **Product Roadmap**
3. **Summary Alternatives and Next Steps**
4. **Appendix: Competitive Analysis**

MARKET LANDSCAPE

Talent Management Overview

The Gartner Group, in its December 2007 publication "Magic Quadrant for Comprehensive HR BPO, 2007", forecast the worldwide Human Resources Outsourcing (HRO) service market will grow from $26.2 billion in 2006 to $42.7 billion in 2011, a 10.3% compound annual growth rate (higher growth rates down in the mid-market). The Gartner Group also defines a fundamental shift away from enterprises making large capital investments in infrastructure and applications such as enterprise resource programs (ERPs), and moving towards scalable, infrastructure-less solutions delivered via existing tools and networks.

According to Gartner, enterprise and middle market companies will choose between business process outsourcing (BPOs) providers or business service providers (BSPs) (or software-as-a-service (SaaS) providers as they are now more commonly known) – those companies, like Moderor, that maintain, host and deliver services directly to end customers via the Internet.

> "Due to a renewed focus on identifying and retaining top talent, the market for workforce performance management is red hot and IDC forecasts spending on software and services to grow to reach $2.6B in the U.S. by 2012," said Lisa Rowan, IDC's Program Director, HR and Talent Management Services.

Recent Market History

In August of 2005 Gartner recognized twenty-seven (27) Performance Management Vendors while today, by Ephor's, count there are at least 60 vendors only 30 have significant client concentrations. During this same timeframe a number of vendors have merged or been acquired. With such a crowded market most vendors have decided to address a specific segment or vertical. Even though the mid-market is crowded there is plenty of space for growth as the market size increases 20% y-t-y. While EPM is still the most rapidly growing HCM point solution it only commands 9% of the overall market behind Workforce management(14%) and Recruitment (15%)[1].

According to an Aberdeen study[2] 29% of Best-In-Class organizations (top 20% quartile performers against all companies) are planning to purchase new or upgraded employee performance management software in the next 12 months. This is driven by pressures in the areas of a need to improve overall employee performance and employee productivity. This in turn is driven by factors that continue to evolve and create ever increasing pressures such as; insufficient talent available and a diminishing workforce (43%), loss of high potential employees to competition (41%), an increasingly diverse workforce with differing views and expectations regarding career development (34%), looming economic downturn shifting workforce once again to increased productivity(26% increasing rapidly).

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[1]Forrester Research, Inc. January 2006.
[2] Aberdeen Group -- Managing Employee Performance May 2008

Companies characteristically spend between $1,000 and $1,700 per employee, per year for HR administration alone. According to a recent Towers Perrin survey businesses that have utilized web self-service and knowledge based human resource tools have shown a 100% improvement in administrative timeliness, a 38% improvement in accuracy, and a workload reduction of 50%. Today, only 9 - 13% of the companies in America are not using some form of online Strategic Management tool to become more efficient and remain competitive in their industry. Based upon the Aberdeen Group Study, this means a savings of $500 - $850 per employee per year in administration costs.

Ephor analysis scores Halogen and SuccessFactors as the strongest competitors in this space based on functionality, affordability, scalability, referencability, viability and vision. Authoria, Softscape, and Kenexa come in as a very close second. However we need to remember that these are not based on hard measures alone such as number of sales.

EPM Future Trends

In general there will continue to be new entrants within this already crowded market. We will also see a number of additional mergers and acquisitions. In some cases these acquisitions will be made to acquire the client base only. Many research analysts (Gartner, Forrester, Aberdeen) predict that companies increasingly will gear up to address the new topic of the "High-Performance Workplace" (HPW). HPW[3] is defined as an approach that focuses on how to increase the performance of people no matter what their role is. They could be employees, suppliers, distributors, agents and even customers. These approaches go beyond simple productivity to encompass effectiveness, innovation and business transformation.

Companies who will be embracing this new way of measuring and motivating themselves will need to link systems such as; collaboration support, information access, messaging and unified communications, social and personal networking systems, business intelligence, content analytics, e-learning and employee performance management. Already high performance companies are beginning to utilize these solutions such as HP, Intel and GE to name a few. Wal-Mart has used a form of this to measure their vendors for a number of years. Success by these companies will further drive market demand for performance management solutions. While these represent early adopters Gartner sees an increase for this integrated service of 10% through 2010. Gartner and Forrester are in the process of building maturity models so that clients can benchmark where they are in their HPW lifecycle.

In conclusion the EPM market continues to grow at a very rapid pace. It is a very crowded market and the face of the market will continue to change as the merger and acquisition frenzy grows. Market leaders will be those vendors who lead though use of technology or embrace verticals as key differentiators. In the technology area most vendors are expected to release SAAS versions of their systems. They also are rumored to be building new versions based on .NET and in some cases Ajax. Many are exploring Business Intelligence links with systems such as Cognos.   In the area of verticals it is important to examine who the key competitors would be in each segment prior to making entry.

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[3] Key Issues for the High Performance Workplace, 2007.

Product Trends

In 2007, the marketplace for software-as-a-service offerings was beginning a fundamental shift away from targeting enterprise customers, with increased focused upon the middle market segment, where adoption of such services lagged the enterprise segment. Increasingly, according to Gartner's most recent SaaS market segment evaluation, customers in this middle market segment were becoming more sophisticated and are demanding "best-of-breed" functionality across all HRO activities, including HRMS related systems. Gartner has projected that overall SaaS-delivered, ERP functional-equivalent software (which would include HRMS related services) will total $1.9 billion by 2011, a nearly three-fold increase from the original estimates in 2005 of $750 million.

According to Gartner, a trend towards SaaS style software offerings will be preferred by middle market customers for a number of reasons. Additionally, these customers will demand higher value solutions as they become more sophisticated buyers of these services. Key attributes of the demand that Gartner sees are the following:

· Human Capital Management (HCM) software services growth of 8.3% per year is expected through 2011, for a segment total of $6.6 billion[4]. HCM encompasses transactions processing as well as higher value functionality including strategic HR applications.

A large emphasis in this growth stage will be the adoption of strategic HR applications (talent management, workforce planning, recruitment and performance management) by firms seeking to extend their utilization of automation services for routine HR transactions[5].

EPM Leaders
1. SuccessFactors
2. Halogen

EPM Criteria
1. Target Market and Vertical Concentrations
2. Pricing
3. HR Consulting Services (beyond implementation support)
4. Platform (Software as a Service (SaaS), ASP / Hosted, In House, License)
5. Automated Workflow
6. Self Service
7. Best Practices
8. Templates / Libraries / Vertical Competencies
9. Metrics/Dashboard

Existing Service Offerings

Solutions abound in the human resource services industry. The service options and configurations are generally segmented by a client's number of employees as a marker for its size. Enterprise customers (those customers with more than 5,000 employees) generally have a much fuller selection of solutions and configurations. In the middle market (defined here as customers having between 100 and 5,000 employees), the options become less numerous as the number of employees drop. The small market (below 100 employees) generally has access to only independent software vendors (ISVs) such as SAGE family of products, Best Software and Execu-Trak, or PEOs serving smaller companies with one notable exception being Taleo's SMB recruiting product. The table below shows solution options for each customer segment.

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[4] Gartner, Inc."Dataquest Insight: Market Dynamics and Expectations for the ERP Software Market, Worldwide, 2007-2011", October 2007.

[5] Gartner, Inc."Dataquest Insight: Market Dynamics and Expectations for the ERP Software Market, Worldwide, 2007-2011", October 2007.

Mid-Market (SME's)

Products & Capabilities	Authoria	Empagio	ExponentHR	Genesys	Halogen	HRMS	Kronos	MYPaperlessOffice	NuView	People Strategy	People-Trak	Perfect Software	Performix	Lawson HR	Softscape	Spectrum iVantage HR	Success Factors
Tagline	"Make Talent Count"	"Human Resources Outsourcing"	-	"Customer Driven HCM - We believe people come first"	"The Employee Performance and Talent Management Solution of Choice"	"Back-office Solutions to Improve Busienss Perforamnce"	"Talent Management"	"MyPaperl ess Office"	"Managing People, Process, and Strategy"	"HROnline"	"Human Resource Software"	"Empower ing Human Capital Managem ent"	"An IEX, NICE Comnpany"	"Global Enterprise Software and Solutions"	"The People Managem ent Experts"	"HR Ssytems Created by HR Professionals"	"People Performance"
Overview	Full Talent Manageme nt Solution	HRIS / HRMS with HRO and Consulting :: 50 clients with 2M lives	HRIS & HRMS	HRIS & HRMS	Full Talent Management Solution	HRIS that partners with EPM and others	Bundled Point Solutions	Web HRIS/HRM S	HRIS/HRMS	Web TM / HRIS	Web TM / HRIS	License or Hosted HRMS/HRI S	Vertical HRMS	Enterrpsie Solutions	Full Talent Managem ent Solution	Systems Integrator	Full Talent Management Solution
Target Market	Enterprise & Mid-Market	Enterprise: 1k-20k	SME	Mid-market	Mid-Market	SME & Mid-Market	Mid-Market	SME	SME	SME	SME	Small to Mid	Mid-Market to Large	Mid-Market to Large	SMB's and Global Enterprise	Mid-Market	SMB, SME, Mid-Market, Enterprise
Vertical Client Concentrations	Enterprise	Enterprise	Labor Intensive Services	-	Healthcare, Financial, Professional		Long-Term Care, Retail, Hospitality	-	-		Professioa nl Services and		Call Center	All	30 Vertical Specilizati ons	-	All
Additional Verticals	-	-	-	-	Education and Government,		-	-	-		-	Education, Manufactu ering,	Financial Services, Outsourcing	All	30 Vertical Specilizati ons	-	-
Approxiamte # of customers entering 2008	1000	250	50	200	1250	100	Thousands	100	75	25	50	600	100	Thousands	Hundreds	Hundreds	Nearly a 1000
Pricing										$4-19 + Setup	$19 - $40 PEPM + Setup	License or Hosted					$2500 setup + 75 PEPM

Analysis: to be added

Up-Market:

Products & Capabilities	Authoria	Empagio	StepStone (ExecuTrack)	Lawson HR	Softscape	Success Factors
Tagline	"Make Talent Count"	"Human Resources Outsourcing"	"Global on-demand e-recruitment software solutions"	"Global Enterprise Software and Solutions"	"The People Management Experts"	"People Performance"
Overview	Full Talent Management Solution	HRIS / HRMS with HRO and Consulting :: 50 clients with 2M lives	Talent Management with Global e-recruitment strengths	Enterrpsie Solutions	Full Talent Management Solution	Full Talent Management Solution
Target Market	Enterprise & Mid-Market	Enterprise: 1k-20k	Global	Mid-Market to Large	SMB's and Global Enterprise	SMB, SME, Mid-Market, Enterprise
Vertical Client Concentrations	Enterprise	Enterprise	Enterprise	All	30 Vertical Specilizations	All
Additional Verticals	-	-	-	All	30 Vertical Specilizations	-
Approxiamte # of customers entering 2008	1000	250	500	Thousands	Hundreds	Nearly a 1000
Pricing						$2500 setup + 75 PEPM

Analysis: *to be added*

SMBs:

Products & Capabilities	ADP	Ascentis HR Office	Inquate	Perfect Software	Sage Abra HRMS	Softscape	Success Factors	UltiPro HR
Tagline	none	"The Home of HR and Payroll Solutions"	"Managaing Your Corporate DNA is a Click Away"	"Empowering Human Capital Management"	"Human Resource Management Software HRMS from Sage Abra HRMS"	"The People Management Experts"	"People Performance"	"A Holistic Approach to HR, Payroll, and Talent Management"
Overview	HR/B is a HR and benefits administration system	HRIS	MSFT Dynamics Platform Talent Management Solution for SMBs	License or Hosted HRMS/HRIS	Point Solutions by Function	Full Talent Management Solution	Full Talent Management Solution	Talent Management
Target Market	All with focus on SMB	SMB	SMB	Small to Mid	SMBs	SMB's and Global Enterprise	SMB, SME, Mid-Market, Enterprise	SMBs
Vertical Client Concentrations	SMB	SMB	-	-	Partners provide Vertical Expertise	30 Vertical Specizilations	All	Automaotove, Finance/Banking, Healthcare,
Additional Verticals	Restaurants	-	-	Education, Manufactuering, Other	-	30 Vertical Specizilations	-	-
Approxiamte # of customers entering 2008	Thousands	50	10	600	Thousands	Hundreds	Nearly a 1000	Thousands
Pricing				License or Hosted			$2500 setup + 75 PEPM	

Analysis: *to be added*

EPM Requirements

Feature / Trait	
Overall	Industry specific appraisals – based on verticals selected industries
Overall	Workflow – provide email notification of events and send reminders – provide reports identifying late or unattended work
Overall	Dashboard Reports and Analytics
Performance Review	Ability to access progress towards performance goals
Performance Review	Performance review process to include goals, objectives and competencies
Performance Review	Mid-year and multi-year rating capabilities
Performance Review	360 degree appraisal
Performance Review	Multi-rater appraisal
Compensation	Development of pay for performance strategies – build - tool to estimate financial impact, partner – strategy development on a customer by customer basis
Compensation	Ability to build compensation budgets independent of employees allowing multiple input into budgeting process (finance & HR)
Compensation	Ability to drive multiple and discrete targets, action items for each objective, compensation targets driving eligibility
Compensation	Total compensation management – base, bonus, stock, non-cash, executive pay, leave accrual, commission
Value-Add Features	Competency library and management tool
Value-Add Features	Writing assistance with legal editor
Value-Add Features	Development and career builder tool
Value-Add Features	*What else is critical?*
	What else is critical?
Security	Security of all information – ability to build access rules based on HR/Organization structure
Integration	Integration with MS Access and Excel with cross application reporting

EPM Pricing

The mid-market standard is based on three components:

1. Implementation Fee
2. Yearly or One-Time Baseline Charge
3. PEPM (per employee per month).

As detailed below, there three price point ranges.

This is 2007 pricing for Halogen, SuccessFactors and ExecuTRACK for a company with 1,200 employees.

Company	Market	Price	Components	Notes
Halogen	Mid-Sized (500 to 5k employees)	$37,500 for 1200	Employee and manager rating access, performance, career development (no elearning, succession planning or workforce management)	Implemetation and consulting fees required
Halogen	SMB (<500 employees)	$4800 per year plus PEPM over 100 employees	Employee and manager rating access (no multi-rater capability) .	Implemetation and consulting fees required
SuccessFactors	Mid-Sized (500 to 5k employees)	Prices for 1200 employee company: Compensation: $51,000 Performance $ 55,000 Plus $3750 for each module	Compensation Planning Solution – Key module represents approximately half of the fees Variable Pay Management Solution Performance Management Solution Talent & Succession Management Solution Total Goal Management Solution Career and Development Planning Solution - Key module represents approximately half of the fees Smart Employee Profile Context Sensitive Help Analytic Reports and Dashboards 360 Degree Review / Multi-Rater Solution	Complex pricing based on modules and use

SuccessFactors	SMB (<500 employees)	$2,500 per year plus $75 per employee per year		
StepStone (ExecuTrak)	Mid-Market	For 1200 employees: Pricing Web serivces 17,000 Performance 16,000 Compensation 16,000 Administrative roles 1,000 Maanger Access 5,000		

This pricing comparison is not an apples to apples; for example SuccessFactors has much greater functionality than the other two.

EPM Providers Strengths & Weaknesses

The following providers are EPM technology or vertical leaders as detailed below that illustrate EPM requirements and features for Moderor to evaluate. A more comprehensive list of providers is detailed in the appendix.

Authoria

Authoria has a full suite of Talent Management Systems which includes; Recruiting, Performance, Compensation, Development & Succession and Communications. In support of their products they offer rapid results, a rapid implementation methodology which allows customers to deploy their solution in weeks rather than months.

Authoria's acquisition of Advanced Information Management in May 2004 added Performance Advisor and Compensation Advisor to Authoria's Employee Advisor and Manager Advisor solutions. The integration of Manager Advisor content into Performance Advisor and Compensation Advisor provides managers with a single point of entry for a complex set of business functions.

Talent Profile
Managers and HR professionals can see all relevant information in a single place on any employee, including performance reviews, competencies, work history, career interests, language skills and compensation. This information is readily accessible and searchable as managers look to fill open assignments. The talent profile can also include information provided by employees.

Performance Advisor includes a facility to flexibly define performance reviews that include goals, objectives and competencies. It also has a strong workflow engine, organizational chart creation capability and career development planning. However, it does not include a learning management system (LMS), cascading goals (although support is included for goal alignment), or multiple discrete targets and action items for each objective (although targets can be set up in compensation and used to drive eligibility). The solution supports self-assessments and 180-degree assessments, and recently added 360-degree and multi-rater assessments (these capabilities were added in '06 and have been well received). Performance Advisor has been enhanced to offer writing assistance and includes legal scan. The integration of Authoria's Manager Advisor enables customers to define writing suggestions as an enhancement to the basic writing assistant.

From a technology perspective, they rewrote the application in 2007 on the .Net platform. The application is run as a SAS solution. Authoria's solutions are most appropriate for customers that want an integrated performance, compensation and succession-planning solution that has strong content to support employees and managers. They also have the industry leading HR knowledge management system which provides knowledge support for a number of the leading HRO suppliers.

300 large employers representing more than 4 million employees. Authoria is the dominant talent management vendor for large enterprises.
One-third of our customer base has more than 20,000 employees, across a diverse spectrum of industries that includes retail, financial services, healthcare, manufacturing, government, technology, and utilities

Authoria has had some internal issues over the last 12 months resulting in the departure of almost all of their senior management team with the exception of the Global Head of Client Services. The one outcome of this has been a dip in anticipated sales.

- Full suite of Talent Management Systems which includes; Recruiting, Performance, Compensation, Development & Succession and Communications providing managers with a single point of entry for a complex set of business functions.
- In support of their products they offer rapid results, a rapid implementation methodology which allows customers to deploy their solution in weeks rather than months.
- Facility to flexibly define performance reviews that include goals, objectives and competencies with a strong workflow engine, organizational chart creation capability and career development planning.
- Additional features include: Self-assessments and 180-degree assessments, 360-degree and multi-rater assessments , writing assistance with legal scan. Manager Advisor enables customers to define writing suggestions as an enhancement to the basic writing assistant.
- On .Net platform and is run as a SAS solution.
- Weakness:
  o Does not include a learning management system (LMS)
  o Does not include cascading goals (although support is included for goal alignment), or multiple discrete targets and action items for each objective (although targets can be set up in compensation and used to drive eligibility).

Performance Advisor includes a facility to flexibly define performance reviews that include goals, objectives and competencies. It also has a strong workflow engine, organizational chart creation capability and career development planning. However, it does not include cascading goals (although support is included for goal alignment), or multiple discrete targets and action items for each objective (although targets can be set up in compensation and used to drive eligibility). The solution supports self-assessments and 180-degree assessments, but not 360-degree or multi-rater assessments. Performance Advisor does not offer writing assistance however; the integration of Authoria's Manager Advisor enables customers to define writing suggestions.

Authoria's Performance Advisor has been competitive in compensation management and succession planning markets. Authoria's solutions are most appropriate for customers that want an integrated performance, compensation and succession-planning solution that has strong content to support employees and managers.

Authoria has had some internal issues over the last 12 months resulting in the departure of almost all of their senior management team with the exception of the Global Head of Client Services. The major outcome of this turbulence has been a dip in anticipated sales.

StepStone (previously ExecuTRACK Solutions)

In 2006 StepStone acquired ExecuTRACK which is headquartered in Switzerland (with regional headquarters in Germany and the U.S.) and offers an integrated set of applications, ETWeb Enterprise 10, which includes HR management, Performance Management, Compensation Management, Skill and Competency Management, Career and Succession Planning, Training and Development Management, and Organizational Charting. ETWeb Enterprise has solid functionality for goal management and competency management (a granular model, but it does not supply its own competency library). It has flexible appraisal and assessment form definition with good support for capturing ongoing feedback (for appraisals).

StepStone has 1,250 clients that need "Global Talent Communities" and EPM with strong recruiting features and integration.

The solution leverages Microsoft's .NET platform, Microsoft Internet Information Server (IIS) as the Web server and uses SQL Server as the RDBMS. In 2005 they moved to the SAP NetWeaver platform which gives them an ability to have complete integration with SAP's HCM solution. They will also be supported by SAP as they enhance their HCM and technical platforms.

ExecuTrack's products are most appropriate for large, multinational customers that want a performance management solution with the option of expanding into a broader set of talent management applications.

- Includes HR management, Performance Management, Compensation Management, Skill and Competency Management, Career and Succession Planning, Training and Development Management, and Organizational Charting.

- Offers goal management and competency management with flexible appraisal and assessment form definition with good support for capturing ongoing feedback (for appraisals).
- Strong multi-language and global recruiting integration with EPM.
- .NET platform Also SAP NetWeaver platform giving them ability to have complete integration with SAP's HCM solution.
- Weakness:
  o No competency library
  o Difficult to implement – requires a great deal of definition – customer needs to know what they want or have consultants assist them

ExecuTRACK is headquartered in Switzerland (with regional headquarters in Germany and the U.S. – strong US presence) and offers an integrated set of applications, ETWeb Enterprise 10, which includes HR management, Performance Management, Compensation Management, Skill and Competency Management, Career and Succession Planning, Training and development Management, and Organizational Charting.

ETWeb Enterprise has solid functionality for goal management and competency management. It has flexible appraisal and assessment form definition with good support for capturing ongoing feedback for appraisals.

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StepStone also offers clients a jobsite similar to Monster. For specific industry segments and geographies they are a leading recruitment vendor.

Halogen Software
- They offer performance management, appraisal, compensation, succession and 360 review.
- They offer leading industry specific versions for; healthcare, professional services and financial services.
- To a lesser degree they offer solutions specific to; Education & Government, Manufacturing, Retail and Technology.
- Supports cascading goals and objectives, as well as matrix objectives (through a copy function) including the specific, measurable, attainable, realistic, time-framed (SMART) methodology.
- Competencies can be weighted for scoring and multiple rating scales can be used.
- Performance appraisal and assessment (360-degree and multi-rater assessments are supported in a separate module) setup is flexible and easy for a nontechnical user. In addition, it's easy for managers to capture ongoing feedback during the evaluation.
- The workflow engine is flexible and easy to set up.

- The solution is strong in helping companies track the progress of their performance review cycles. i.e. progress against goals

The solution leverages .NET. in a Java 2 Platform, Enterprise Edition (J2EE)/Java Naming and Directory Interface architecture, and leverages Java Database Connectivity (JDBC) to access Oracle and SQL Server RDBMSs.

Weakness
- Do not offer generic competency library
-

One interesting thing is that even though they are a Canadian company and are required to be bilingual they do not offer a second language capability.

Canadian-based Halogen provides solutions for performance management, compensation management and surveying. They came to market in 2001 with a Lotus Notes based EPM. In 2005 they migrated the system to .NET.   They offer performance management, appraisal, compensation, succession and 360 review. They offer industry specific versions for; healthcare, professional services and financial services. To a lesser degree they offer solutions specific to; Education & Government, Manufacturing, Retail and Technology.

Their system supports cascading goals and objectives, as well as matrix objectives (through a copy function) including the specific, measurable, attainable, realistic, time-framed (SMART) methodology. Competency management has improved. Competencies can be weighted for scoring and multiple rating scales can be used. There is better support for gap analyses and better integration with developmental opportunities. Performance appraisal and assessment (360-degree and multi-rater assessments are supported in a separate module) setup is flexible and easy for a nontechnical user. In addition, it's easy for managers to capture ongoing feedback during the evaluation. The solution supports writing assistance that is driven at the behavioral level. Halogen has also started to focus on specific vertical markets. Its eAppraisal Healthcare solution, for example, provides the necessary documentation support for Joint commission on Accreditation of Healthcare Organization certifications. The workflow engine is flexible and easy to set up. The solution is strong in helping companies track the progress of their performance review cycles.

The solution leverages a Java 2 Platform, Enterprise Edition (J2EE)/Java Naming and Directory Interface architecture, and leverages Java Database Connectivity (JDBC) to access Oracle and SQL Server RDBMSs.

Halogen offers multiple approaches to pricing and support; customers can pay an annual subscription, a perpetual licensee or choose to have the system hosted or run on their site.

Halogen has focused on the small and midsize business (SMB) market (less than 5,000 employees) and pursues other markets opportunistically. Halogen is a small vendor in terms of revenue, but it is growing quickly and has built up a sound customer base supporting its value proposition. They do have a very strong market vertical focused on Healthcare. Halogen's solutions are most appropriate for midsize companies that are looking for good functionality at a reasonable price.

One interesting thing is that even though they are a Canadian company and are required to be bilingual they do not offer a second language capability.

SilkRoad Technologies

SilkRoad has been listed in Gartner's Quadrant for E-Recruitment for years and has over 700 global clients. In 2005, they acquired Human Asset Technologies EPM and rebranded it as Wingspan. In May of 2008 the company received $54M for SaaS, global expansion, and corporate acquisitions.

Softscape

Softscape provides a talent management application suite called Softscape Apex that includes

Overall workforce performance, performance management, workforce planning, hiring management, succession planning, learning management, compensation management and Goal management. In addition to supporting cascading goals as well as objective and matrix goals, the solution better supports the SMART methodology (including multiple discrete targets and action items). Softscape Apex has strong support for competency management, with gap analysis reporting and linkage to developmental activities and Softscape's LMS. In addition, competencies can be linked to goals.

Appraisal forms are flexible in their setup. Customers can set up their midyear and year-end reviews in a single form and with a single workflow/process. This approach makes it easy to track the status of the review (because it reports on which reviews are in which step of the process).

Softscape has a generalized assessment engine that has strong support for 360-degree and multi-rater assessments. The solution features writing assistance tools for managers that include language suggestion and checking. Developmental planning is a major strength of the solution. The developmental planning wizard walks the user through the creation of the developmental plan. Developmental activities can be generated from goals or competencies, and training activities can be scheduled directly through Softscape's LMS. The performance management solution is also tightly integrated with Softscape's succession planning and compensation management capabilities.

Softscape uses Web clients (Microsoft IE 5.5 or greater), Web servers (Microsoft IIS, Netscape Enterprise Server), a proprietary application server (LightYear, which runs on Windows NT, Windows 2000 or Unix) and a database server (SQL Server, Oracle and DB2). This proprietary application server has caused a number of lost sales. They offer both a subscription and license based model.

Softscape has greatly improved their functionality over the last two years (improved configurability, manager support tools and goal/objective management) increased market momentum (the number of performance management customers more than doubled in 2004, including many large, multinational customers) and strong references. Softscape is most appropriate for large, multinational organizations that want deep performance management functionality that is more tailored to their specific needs. Softscape has customer references from large enterprises (those with more than 50,000 employees).

Softscape has been in a very public legal battle with SuccessFactors and a number of former employees. This may hurt their market share if the public aspects of these matters continue.

Softscape provides a talent management application suite called Softscape Apex that includes performance management, workforce planning, hiring management, succession planning, learning management and compensation management. Goal management functionality is well thought out. In addition to supporting cascading goals as well as objective and matrix goals, the solution supports the SMART methodology (including multiple discrete targets and action items). Softscape has strong support for competency management, with gap analysis reporting and linkage to developmental activities and Softscape's learning management system. In addition, competencies can be linked to goals.

Appraisal forms are flexible in their setup. Customers can set up their midyear and year-end reviews in a single form and with a single workflow/process. Softscape has a generalized assessment engine that has strong support for 360-degree and multi-rater assessments. The solution features writing assistance tools for managers that include language suggestion and checking. Developmental planning is also a major strength of their solution.

Developmental activities can be generated from goals or competencies, and training activities can be scheduled directly through Softscape's LMS. The performance management solution is also tightly integrated with Softscape's succession planning and compensation management capabilities.

Softscape has strong functionality (configurability, manager support tools and goal/objective management) with a strong market presence and strong references. Softscape is most appropriate for large, multinational organizations that want deep performance management functionality that is more tailored to their specific needs.

- provides a talent management application suite that includes workforce performance, performance management, workforce planning, hiring management, succession planning, learning management, compensation management and Goal management. In addition to supporting cascading goals as well as objective and matrix goals, the solution supports the SMART methodology (including multiple discrete targets and action items).
- There is a module that has strong support for competency management, with gap analysis reporting and linkage to developmental activities and Softscape's LMS. In addition, competencies can be linked to goals.
- The Appraisal is forms based and is flexible in setup with midyear and year-end reviews in a single form and with a single workflow/process.
- generalized assessment engine with support for 360-degree and multi-rater assessments.
- writing assistance tools for managers that include language suggestion and checking.
- Developmental planning is wizard based with activities that can be generated from goals or competencies, and training activities can be scheduled directly through Softscape's LMS.
- Integrated with Succession Management

Softscape uses Web clients (Microsoft IE 5.5 or greater), Web servers (Microsoft IIS, Netscape Enterprise Server), a proprietary application server (LightYear, which runs on Windows NT, Windows 2000 or Unix) and a database server (SQL Server, Oracle and DB2). This proprietary application server has caused a number of lost sales. They offer both a subscription and license based model.

Weakness

Large complex yet functionally rich system difficult to implement most suited to large enterprises (those with more than 50,000 employees).

Softscape has been in a very public legal battle with SuccessFactors and a number of former employees. This may hurt their market share if the public aspects of these matters continue.

Performix Technologies

They have a strong vertical and are included because of their strength in this segment. **Performix Technologies**

Performix specializes in performance management for call center workers, and it has started branching out into other transaction-intensive workgroups, such as mortgage processing and claims processing centers. Recently added Workforce Planning module. Vertical solutions include: Financial Services, Service Bureaus, Government, Utilities, Telecommunications, Outsourcing, Hospitality/Travel, Insurance/Healthcare, Retail/Catalog Sales.

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- Performix specializes in performance management for call center workers and has recently started branching out into other transaction-intensive workgroups, such as mortgage processing and claims processing centers, although still the call center space. It also is starting to branch out into other areas of talent management with the introduction of new modules, including Development Manager (an LMS- Learning Management System) and Hiring Manager (an e-recruitment solution), in addition to its Performance Manager solution, which has strong key performance indicator (KPI) management and dashboard capabilities.

- Because of its domain knowledge in call center environments, Performix can provide a library of KPIs (Key performance Indicators over 3,200) that can be used as a starting point for setting goals and objectives. In addition, it integrates with different call center management solutions and other systems to gather performance data in real time. This provides both managers and employees a window into their work activities in real-time providing feedback on their progress against goals.
- Performix Evaluation Manager, which is integrated with their Performance Manager, can track employee competencies, but the functionality is relatively limited (that is, it does not track behavioral indicators or define proficiency levels in their competency model). Performix Evaluation Manager supports 360-degree and multi-rater assessments. Performix has added a flexible XML-based forms editor to Evaluation Manager. This provides HR with an ability to customize the delivered reports.
- There is Development Manager module, which integrates with the Evaluation Manager module to provide end-to-end developmental planning (including LMS and Learning planning) based on developmental opportunities.

Performix has added a Business Process Execution Language based workflow engine to the solutions to allow more-flexible workflow.

Performix Evaluation Manager is built on the Microsoft COM+ architecture and leverages Microsoft Transaction Server as the application server. It can support the JBoss application server running on Linux as well. It supports Windows (NT 4.0 and 2000) and Unix (including Linux) database servers, and Oracle and SQL Server RDBMSs.

Weakness
- This system would be difficult to use in an environment where EPM is completed in a traditional fashion.
- Performix does not have a compensation management solution, but it supports a points-based or dollar-based reward system and integrates with payroll systems to enable execution of bonus payments.
- **Performix Technologies**
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- Performix Evaluation Manager is not meant to be an enterprise wide solution. It provides many of the capabilities of a broader, enterprise wide solution; however, this is not where it excels. Performix Evaluation Manager and Performance

Manager are most appropriate for companies (or most frequently specific departments or business units) focused on managing the performance of workers engaged in measurable processes, where performance metrics can be captured often and fed back to managers and employees in real time. This system would be difficult to use in an environment where EPM is completed in a traditional fashion.

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SuccessFactors

SuccessFactors' Workforce Performance Management Suite includes performance management, succession management and compensation management.

- strong support for goal, objective and competency management.
- The solution supports cascading and matrix goals, and it has good support for the SMART methodology.
- Specific metrics and tasks can be assigned to goals.
- strong competency management functionality with behavioral indicators, directly tied to SuccessFactors' language suggestion functionality.
- It provides its own competency model content, as well as integrating content from partners ITG and Lominger.
- Appraisal setup is flexible with the concept of the document to define its review forms. Users define what sections they want in the document based on pre-defined section types. This approach is used to support performance reviews, as well as 360-degree and multi-rater assessments. Because of this approach, 360-degree feedback can be included in the performance review document.

- Language suggestion and checking functionalities are strong.

The solution supports developmental planning, but there is no specific linkage between development planning and competency gap analysis.

SuccessFactors uses a J2EE architecture with an HTML-based Web client, JBoss application server and JDBC access to Oracle for the RDBMS. SuccessFactors delivers its solution primarily through an ASP model. It scales from SMBs to large enterprises (it has production customers with more than 70,000 employees). They recently added Wal-Mart as a customer with a population of 175,000 employees being rated.

Weakness

Large highly functional yet difficult to implement.

SuccessFactors' Workforce Performance Management Suite includes performance management, succession management and compensation management. It has strong support for goal, objective and competency management. The solution supports cascading and matrix goals, and it has good support for the SMART methodology. Specific metrics and tasks can be assigned to goals. SuccessFactors has strong competency management functionality. Its competency model supports specific behavioral indicators, which are directly tied to SuccessFactors' language suggestion functionality. It provides its own competency model content, as well as integrating content from partners ITG and Lominger.

Performance reviews are supported as well as 360-degree and multi-rater assessments. This approach allows 360-degree feedback to be included in the performance review document. The language suggestion and checking functionalities are strong. The solution supports developmental planning, but there is no specific linkage between development planning and competency gap analysis.

It scales from SMBs to large enterprises (it has production customers with more than 70,000 employees). SuccessFactors has strong references and has seen strong growth since their introduction of this module. SuccessFactors is a product-focused company, and is most appropriate for customers that know how they want their performance management processes to work and are looking for a product with strong functionality to implement those processes.

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SuccessFactors has strong references and has attracted a great deal of interest in the market. In addition, it has seen strong growth (more than 100 percent year-to-year). SuccessFactors is a product-focused company, and is most appropriate for customers that know how they want their performance management processes to work and are looking for a product with strong functionality to implement those processes.

PRODUCT ROADMAP

Two core drivers influence an Moderor sales close:

1. Demonstrated opportunity to reduce HR transactions processing costs through process automation and employee/manager self-service;
2. Building awareness and showing the value of a new customer's ability to manage its enterprise to common goals and objectives through the enterprise management tools and reporting capabilities.

A meaningful reduction in costs are demonstrated through staff reallocations or outright reductions, and can be easily tracked by such metrics as number of average number of employees served per HR employee or fully-allocated costs per transaction. The value of the performance management and tracking tool will require both a transactional as well as intangible ROI-based explanation and presentation, which will be important to closing larger accounts.

Demonstrating Cost Reductions

In its benchmark HR Self-Service/Portal Survey, the Cedar Group – a worldwide management consultancy dedicated to the measurement and communication of best-practice IT processes -- calculated the benefits to organizations that had adopted some form of employee or managerial self-service options with respect to processing and completing HR internal transactions such as payroll and benefit sign-ups/changes, sick day/leave inquiries, etc. The results were stunning.

Those companies that utilized self-service options experienced a 52% reduction in average costs per HR transaction versus purely manual methods (i.e. requiring paperwork and dedicated HR staff to complete) and a 62% reduction in cycle time required to complete a standard HR transaction. For organizations of increasing size and complexity, the benefits of self-service capabilities were obvious. When placed in the context of estimating an entire organization's potential cost savings resulting from self-service options, the results were compelling – organizations of all sizes had the ability to reduce internal processing costs by a significant percentage of pre-tax income.

Managing to Strategic Goals

Aside from the significant and achievable cost reduction opportunities, Moderor's other significant impact on organizational effectiveness revolves around its performance management and executive dashboard/scorecard reporting capabilities. The tools allow the organization to detail and track (in real-time) progress toward individual, department, functional, regional and enterprise-wide goals and objectives, at whatever level of detail is required by the end-user.

These goals do not have to be purely financial in nature. An illustrative list of reportable metrics is shown below, but specific metrics can be created, calculated and tracked dynamically. Employees updating their individual contributor goals in the system effect the cascading goals of the organization directly as results are consolidated across divisions, departments, or profit centers for purposes of display and interpretation at the executive level.

Example metrics for the logistics division of a company are shown below:

- Executive (SBU)
- Inventory turns
- % on-time delivery
    - Director (Warehouse)
- Order cycle time
- Lines shipped per employee
    - Manager (Credit)
- Employee turnover
- Accurate/complete system updates

Frequently in the middle market space, prospective customers do not even have effective manual processes that allow for dynamic and continuous updating of an organization's progress toward its goals, let alone a productivity tool that allows for these goals to be monitored and updated on a continuous basis. Such a capability motivates all employees from senior executives to front-line individual contributors to focus on "what's most important".

The combination of best-in-class process automation, strong competitive price point and lowest overall cost of ownership/operation, and world class performance management capabilities make Moderor's service offering the obvious first choice in the middle market.

Strategic

Business Analytics – buy

Executive Compensation – partner (Hay Associates, Watson Wyatt)

Ability to access progress towards performance goals – build

Development of pay for performance strategies – build - tool to estimate financial impact, partner – strategy development on a customer by customer basis

Ability to design initiatives to achieve goals – partner – consulting firms

Capture compensation plans independent of employees – build

Ability to build compensation budgets independent of employees allowing multiple input into budgeting process (finance & HR) – build

Integration with learning management – limited capabilities based on specific industries – co-develop

Ability to adapt to ever changing performance and compensation models – build

Industry specific appraisals – based on verticals selected industries – co-build/build

Competency library management tool – build

Ability to drive multiple and discrete targets, action items for each objective, compensation targets driving eligibility.

Writing assistance

Writing assistance with legal editor – build/co-develop

Development and career builder tool – build

Linkage to specific aspects of succession planning process – partner/build

Learning management integration - partner

Tactical

Total compensation management – base, bonus, stock, non-cash, executive pay, leave accrual, commission – build (over 68% of companies see TCM as being critical as a performance improvement and retention mechanism) – build/partner

Integration with MS Access and Excel with cross application reporting – build

Accuracy of incentive calculation – proper feedback to management for review and workflow for approval – build

Security of all information – ability to build access rules based on HR/Organization structure – possibility of single sign-on – build

Workflow – provide email notification of events and send reminders – provide reports identifying late or unattended work – build

Workforce metrics including job descriptions – build authoring tool

360 degree appraisal - build

Multi-rater appraisal – build

Mid-year and multi-year rating capabilities - build

Performance review process to include goals, objectives and competencies – build

Library of key performance competencies with editor – build tool co-develop library

Competencies tracked against/with behavioral indicators – partner

Competencies linked to goals and a goal building program – partner

Behavioral interviewing interface – partner

Employee development planning/career planning - partner

Optional

Salary Survey data - partner

Salary survey information management tool – partner/build

Buy: Business analytics

SUMMARY ALTERNATIVES

Rich, can you add a description of the resources needed and options for making required product roadmap additions?

Potential Partners

- Payroll
- HRO Regional
- ASO
- T/A
- PEO
- Brokers
- Insurance
- Risk Management
- Recruiting
- HRIS

APPENDIX

A description of EPM companies/products focusing on the middle market and their capabilities follow:

ADP - Never considered a PEO, ADP is in fact the worldwide leader in Payroll Administration and processing in the BPO arena. A large part of their offering is HR driven. ADP provides HR and integrated Payroll support to all size companies ranging from the "corner store - Ma and Pop" operation of 5 employees or so to products more in line for multi-national conglomerates. Their alliances with SAP and utilization of underlying ERP HR applications (such as older versions of PeopleSoft) allow them to integrate their payroll offerings into large scale, comprehensive ERP driven utilization by global concerns. However, for the mid size to large companies (greater than 1000 employees) they offer "Enterprise HR", "PayForce", "Employease" and launched in summer of 2008 "HR B." Database integration problems still exist although the new interface is user friendly improvement. · Employease (acquired in summer 2006) markets web-based HR applications and also provided target outsourcing solutions currently to over 1,000 clients worldwide. The company's applications include full-featured HRIS, benefits administration, employee self-service, manager self-service, leave management, performance management, recruitment and connectivity to internal systems, benefit providers and other service providers. Employease outsourcing solutions include employee call center, carrier billing, invoice reconciliation, enrollment support, fulfillment services, COBRA, HIPAA and flexible spending account administration. Employease has over $50 million in venture backing from a host of the highest profile venture capital firms in the industry, including Hummer Winblad and Bowman Capital. Most recent results have shown rapid growth in both the core web services business and the outsourcing business. In the third quarter of 2004, the company added 10 BPO customers to its outsourcing division, grew its direct customer employee number size to an average of 1,277 managed employees per customer, and more than doubled sales from its partnership channels. The company does not specifically offer a middle market solution, and when contacted directly, referred potential middle market customers to smaller PEO channel partners.

Ceridian – Ceridian serves 15% of the U. S. workforce with their managed solutions for HR that include HRMS, payroll, tax filing, application outsourcing, benefits enrollment and administration, and employee effectiveness services. They utilize Softscape's web-based Human Capital Management platform to deploy Employee Self-Service / Manager Self-Service and other transaction processing capabilities to their clients. In the 350-5000 employee size marketplace, they focus on providing talent acquisition and management services, core back office administrative services, compliance management services, and other employee-related services via web or in-bound call center channels. Ceridian operates in 27 countries worldwide and has over 20 million managed employees across all channels.

Cezanne Software

Cezanne Suite includes performance management, compensation management, career development and succession planning. Cezanne has a strong installed base in Europe and has only recently entered the U.S. market. Cezanne is a relative unknown in the U.S. and needs to improve its marketing and visibility through product functional improvement.

Cornerstone OnDemand

Cornerstone OnDemand (formerly known as CyberU) has integrated a suite of solutions that encompasses learning, performance management and succession planning. Cornerstone OnDemand started in the learning market and has expanded into the performance management and succession planning markets. Today, the core differentiator is SaaS platform (multi-tenant, multi-user architecture) and 30,000 pre-integrated training titles. Focus is primarily on Global 2000 clients.

ExponentHR

InScope

InScope Competency Management is a broad talent management suite (including recruitment, performance management, career development, succession planning, rewards management and de-selection). InScope is a vendor for financial services, government, and non-profits with a strong focus on competency management consulting.

Jobpartners

U.K.-based Jobpartners offers an integrated suite of products that includes recruitment, performance management, career development and succession planning. Jobpartners is better known in the recruitment market than in the performance management market. They do not offer a broad based or functionally rich solution.

Kenexa

Kenexa's solutions support recruitment and performance management. Its CareerTracker has strong support for goal and objective management, as well as competency management. Kenexa has acquired significant client concentrations domestically and globally as well as capabilities. Integration of its technologies and focus are concerns.

Kronos – Kronos is one of the world's largest workforce management HRMS developers, with annual revenues of $450MM and over 20 million managed employees under their administration. Their primary focus is delivering workforce management tools via the Web – payroll, benefits, employee administrative tasks along with a strong set of management and analytic tools for both employees and managers to update performance against strategic goals and objectives. Kronos has very detailed capabilities at data collections for time and attendance applications, include support for many different kinds of data collection devices including thumbprint ID, retinal scan ID, and more traditional devices such as PDAs and other wireless devices. Kronos has developed a complete set of Federal Government departmental time and attendance collection and reporting capabilities that adhere to the government's strict guidelines. They also offer (in conjunction with IBM Global Services) a server-specific set of its workforce management applications that have built-in interfaces with all kinds of data collection devices, as well as the ability to report real-time analysis by direct database interconnection. All of these capabilities are delivered via the Web. They do not offer middle market products and services specifically, and seem to focus on very large, enterprise customers. Kronos is publicly traded on NASDAQ.

MyPaperLessOffice – Although little known in the HR technology industry, minimally marketed and visible at industry events, Mypaperlessoffice.com (MPO) delivers Web-based HRMS solutions to its diverse clientele. Headquartered in Las Vegas, MPO currently has over 300,000 managed employees in its client base, has resellers in 18 states, and over 50 PEOs as a marketing and referral base. They sell their product only through VARs, brokers, or payroll service bureaus. MPO's basic product sells for $5 PEPM with no contracts or administrative fees and offers basic transactional self-service and managerial reporting capabilities. MPO does not offer business intelligence capabilities, cascading performance objectives, or the ability to customize reporting other than through a customized solution that only MPO can offer (for an additional fee).

Oracle

Oracle's performance management capabilities are delivered as part of its Self-Service Human Resources solution (which includes employee and manager self-service functionality). This solution supports individual goals and objectives, but it does not include support for cascading goals or matrix goals. The Oracle Human Resource Management System (HRMS) has a strong competency framework that includes behavioral indicators, which is leveraged in the performance management solution. In addition, it has recently partnered with Cubiks, Exxceed, Human Asset Technologies, InScope and Interpersonal Technologies Group to provide competency model content. Appraisals can include goals, competencies and developmental plans. In addition, the solution supports different types of assessments (360-degree and multi-rater) through the use of templates.

PeopleSoft – Oracle

The Peoplesoft solution requires the implementation of the PeopleSoft HCM.

PeopleStrategy

PeopleStrategy has a complete suite of HCM applications which includes; Benefits, Compliance, Basic HR, Time & Attendance, Recruiting, HR Handbook, Training Administration, Learning, Performance Management, Co, Saratoga Benchmarks, Compensation Administration, Succession Planning, Organization Research and Executive Decision Support. These functions are all supported through an employee and manager self-service portal providing an executive dashboard view into all functions. Each business process is supported through workflow and all functions appear to be well connected.

Pilat HR Solutions

Pilat HR's products address performance management, succession planning and organizational restructuring. Pilat HR's products are most appropriate for companies that want assistance in defining their performance management approaches, as well as a more-tailored solution to meet those needs. They are very focused on consulting to complement their software. *Pilat is apublic company on the London AIM and Tev Aviv exchanges.*

Saba

Saba is a leading vendor in the e-learning suite space and has only recently expanded into performance management and succession management. Saba is focused on global and financial industry firms.

SAP

SAP's performance management solution requires their HCM solution.

SumTotal Systems

SumTotal is one of the leading vendors in the enterprise learning market and as such focus on this solution segment. New interface and features released in July 2008 version intended to bring integrated database and unified approach to aggregate and automate employee performance data, and then prescribes actionable learning and development solutions to improve talent development.

SumTotal (purchased Mindsolve Technologies – strong Life Sciences presence in the training space) offers a performance management solution that has some capabilities to aid in compensation planning and succession planning. MindSolve Visual Performance (MVP) has good goal management support, including the ability to track different metrics related to goals.

Corporate goals are automatically displayed along with individual goals. MVP has solid competency management functionality (including a starter set of competencies and more than 3,000 developmental opportunities). In addition, it offers flexible appraisal and assessment setup. It has extremely strong writing assistance tools for managers.

The most unique functionality is its Visual Profiler product. This enables a manager, for a given competency, to drag and drop where an individual or group of employees rate for that competency. Most solutions have the manager specify a discrete value for proficiency. It can be used for any sort of rating within an appraisal or assessment, and can help support activities such as forced rankings and calibration.

MindSolve has strong overall functionality. It is on the leading edge of the trend toward integration of EPM and corporate performance management (CPM) solutions through its partnership with Hyperion. It is a smaller vendor, but has been in the EPM space for a long time. MindSolve MVP is most appropriate for large companies that want deep performance management functionality and value strong manager support tools.

Ultimate Software – Ultimate is the premiere competitor in the smaller customer (less than 500 employees) BSP space. They are a publicly traded company (NASDAQ: ULTI) with a market capitalization of over $250 MM. Their flagship product, Utilipro Workforce Management, offers a comprehensive set of HR transactional and administrative tools, and is deployable to the customer internally or via a Web-hosted solution. It compares similarly to all PeopleStrategy functionality, but does not offer a specific performance management module designed to align individual goals with organizational goals. Ultimate has in the last year begun to transition for licensed-based annual contracts with its customers to a recurring PEPM price point strategy. This transition has stabilized revenues and cash flow over the year, and is more inline with the industry trends for pricing in the middle market marketplace. Ultimate will likely be a substantial competitor in this marketplace for the foreseeable future.

viDesktop

viDesktop is a Canadian-based vendor that offers performance management and surveying solutions. Their solution is very focused on the Legal Service industry (secondarily they are targeting professional services and healthcare). Of note: their Performance Management module / product is called ViEval. SaaS product not on the roadmap.

WisdomNet – Acquired by Watson Wyatt in June 2007

WisdomNet offers a talent management application suite called Revexion TMS, which includes performance management, career development, compensation management, recruitment and succession planning. This vendor's solution is best served where recruitment integration is needed.

Workbrain – Workbrain is one of the largest BSPs in the marketplace currently, serving over 75 of the Fortune 1000 companies through their enterprise workforce management platform. Their market focus is on companies with larger than 5,000 employees, primarily in the retail, manufacturing and healthcare sectors. Workbrain delivers services directly to end-customers or through channel partnerships with BPOs or PEOs, specifically with Accenture, Bearing Point Fujitsu, and other high-profile service providers. Workbrain is publicly traded (TS:WB), has a annual revenue run-rate of $50+ million, and continues to grow rapidly. For the middle market segment, they offer prepackaged, industry specific solutions that primarily offer employee management, payroll and leave management, but does not offer its core enterprise capabilities to this segment. Workbrain's development platform is J2EE, and they offer both their source code for internal deployment as well as web-hosted solutions to their customers. They will not compete directly with PeopleStrategy in its core segment.

Workscape

Workscape acquired Performaworks in 2004 to add performance management and succession management solutions to its established self-service and compensation management solutions. This solution has not been successfully integrated into their overall product line at this point in time. Strong healthcare and benefits integration plus outsourced benefits features. Web 2.0 and new interface added May 1008.

Workstream

Workstream is an emerging talent management suite provider that's building a suite via acquisitions they do not offer a functionally rich system. A recent press release dated June 13, 2008 is of interesting note: Workstream Inc., (Nasdaq: WSTM), a leading provider of on-demand compensation, performance and talent management solutions, today announced that it terminated its Agreement and Plan of Merger dated February 12, 2008 with Empagio Acquisition LLC and SMB Capital Corporation, a wholly-owned subsidiary of Empagio, pursuant to the terms of the merger agreement. The notice of termination that was delivered to Empagio also demands the payment to Workstream of a $5,000,000 termination fee from Empagio pursuant to the terms of the merger agreement