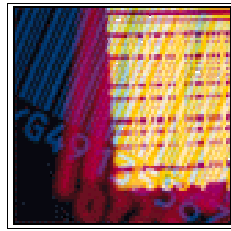


Enhancing Customer Value from Human Capital Management Applications and Services



2005 Brand Tracking Study

The enterprise market today faces unprecedented challenges in attracting and retaining top talent, including: a rapidly aging workforce; a steep decline in the number of students graduating with science or engineering degrees; and more mobile, less loyal employees. At the same time, HR departments are being asked to increase service while reducing costs and keeping track of employee information that impacts the company's long-term success. To achieve these objectives, enterprise HR departments have turned to technology.

This study investigates the buyer landscape for human capital management (HCM) software applications and services, highlighting which providers are successfully meeting buyer requirements, preferences, and priorities. It is a powerful jumping off place for improving provider positioning, focus, and marketing.

REPORT HIGHLIGHTS

OVERVIEW

ITSMA's *Enhancing Customer Value from Human Capital Management Software Applications and Services* benchmarks the brand equity of full-suite application providers, integrators, and niche application developers. It also explores the customer decision process for buying enterprise HCM software applications and services.

In particular, the report addresses issues such as:

- What priorities drive the decision-making process when large and midsize firms and institutions buy business software applications and services?

- What marketing investments will be most effective in building brand and improving competitive position?

Key topics highlighted in the report include:

- **How Customers Choose**
 - Do buyers evaluate solutions based primarily on the features and functionality of the software or on the quality of the services provided?
 - Do buyers prefer full-suite providers or application specialists?
 - Do buyers want to work directly with software vendors or with third-party integrators?

(Continued)

- **Brand Equity**
 - Which HCM application solutions have the highest brand equity?
 - How familiar are buyers with specific HCM software firms?
 - Do niche vendors, full-suite providers, or third-party integrators score higher in terms of favorability?
- **Effective Marketing**
 - What are the most important vendor attributes?
 - Which companies are meeting customer expectations?
- **Purchasing Preferences**
 - How popular is outsourcing, application hosting, and offshoring?
 - How do buyers prefer to manage their enterprise software applications?
 - Are customers seeking rapid-method implementations?

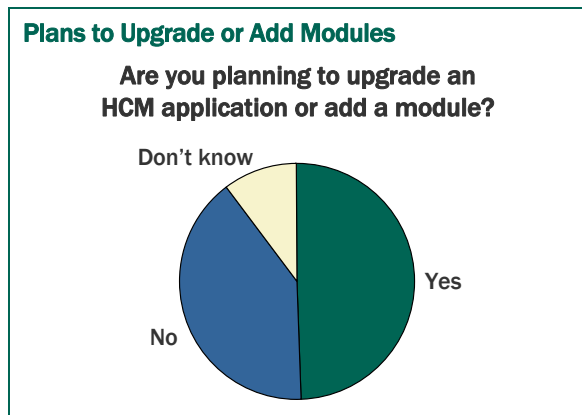
RESPONDENT DEMOGRAPHICS

Job Title

Director	66.7%
Vice President	26.3%
General Manager/CXO	7.0%

Industries Represented

Manufacturing	29.9%
Government	20.0%
Financial services	20.0%
Retail/distribution	6.8%
Communications	5.0%
Other	18.3%



MORE INFORMATION

To learn more about the report, contact Rob Leavitt, Vice President, Marketing and Member Advocacy at +1-781-862-8500, ext. 45, or rleavitt@itsma.com.

STUDY SCOPE

ITSMA's *Enhancing Customer Value from Human Capital Management Software Applications and Services* focuses on exploring the impact of:

- **Job category/perspective.** IT, business.
- **Industry.** Government, financial services, manufacturing, retail/distribution, communications, other.
- **Size of company (number of employees).** Ranges are 100–999; 1,000–4,999; 5,000 or more.
- **Stage of implementation.** Pre-implementation, currently implementing, post-implementation.
- **Preferred degree of vendor specialization.** Full-suite or specialist.

When asked to evaluate brand equity, attributes, and positioning, interviewers directed respondents to focus on nine full-suite providers plus two specialist HCM firms. (Note: Data was collected prior to Oracle's acquisition of PeopleSoft.)

- **Full-suite providers or integrators.** Accenture, BearingPoint, Capgemini, Deloitte, IBM, Microsoft, Oracle, PeopleSoft, SAP
- **HCM specialists.** Kronos, Workscope

STUDY METHODOLOGY

ITSMA conducted telephone-based interviews in the United States with 501 IT and business executives involved in the purchase of software applications and solutions as part of a larger study on the enterprise applications market as a whole, *Enhancing Customer Value from Enterprise Software Applications and Services: 2005 Brand Tracking Study*. ITSMA designed the interviews, which took place from late 2004 through early 2005, to assess the brand awareness and market positioning of the major software application services providers and explore key market drivers. The survey instrument resides in the study's appendix.

For this study, ITSMA separately examined the answers of 100 respondents who were asked their opinions and experiences as they related specifically to their perceptions of HCM application suite and services providers.

Study respondents all held director, vice president, or C-level positions and represented organizations in multiple major industries with revenue or operating budgets ranging from \$300 million to over \$20 billion.

The study was sponsored by IBM, SAP, and Capgemini.

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ILLUSTRATIVE DATA FROM ITSMA'S ENHANCING CUSTOMER VALUE FROM HUMAN CAPITAL MANAGEMENT APPLICATIONS AND SERVICES [BSS001H]

Figure 21. Mean Likelihood to Consider HCM Application Hosting or Management Services

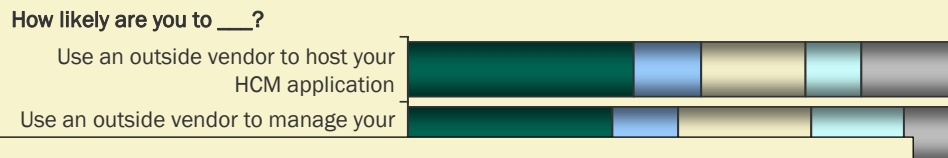


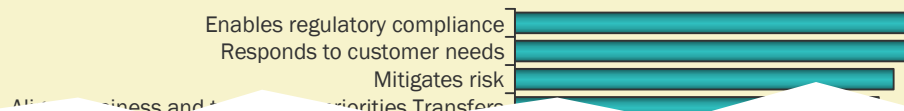
Figure 23. Unaided Awareness of HCM Solutions Firms

What one firm would you most likely call if you needed an HCM solution, including the software application and implementation/upgrade services? Which other firms are you aware of that provide HCM solutions?



Figure 28. Mean Importance Ratings of Application Solutions Firms' Attributes

When you and your company are selecting an application solutions provider, how important is it that this vendor ___?





RESEARCH ORDER FORM

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