

NUCLEUS
RESEARCH

NUCLEUS TOP TEN PREDICTIONS FOR 2021

ANALYST

Ian Campbell, Barbara Z. Peck, Trevor White, Dan Elman, Isaac Gould, Evelyn McMullen, Nick Grizzell, Karen Cintas

THE BOTTOM LINE

Nucleus's top 10 predictions for 2021 look at rising and falling trends and expand on one of our topics from last year. The big bet for next year? Planning. And good luck with that. FP&A, HCM, and Supply Chain Management vendors are investing vast sums of R&D into planning capabilities, all to help manage an uncertain market. So you better have a strong plan A, followed by a strong plan B, C, and D. CRM will complete its metamorphosis into full CX, while organizations should be taking a serious look at managed services for their HR needs. iPaaS solutions and low-code development platforms will see organizations begin to realize that less skilled workers can achieve the same business and application development success as developers. Finally, the office goes virtual, which means the death of the traditional tech hubs.

THE BEST LAID PLANS

The transition to work from home, delayed deals, frozen budgets, business closures, stock shortages, overstocks, increased trade regulations, and restrictive safety measures have fractured the budgets, plans, and forecasts of supply chain, finance, and HR teams. Nucleus has noted that organizations worldwide are turning to cloud solutions to maintain their day-to-day operations. We believe FP&A, HCM, and SCM solution providers that recognize the importance of greater scenario planning functionality will benefit from the uptick in demand. Companies can expect an influx of messaging surrounding technology that can manage the uncertainty and instill greater resilience into business processes. To cut through dubious marketing claims, companies need to assess a vendor's integration capabilities to ensure the solution will "play nice" with the existing IT ecosystem to enable the data availability for machine learning capabilities that underpin any prediction functions. Those interested in FP&A products should seek out solutions that will streamline the reporting process and provide multiple scenario planning functions for verified Plan Bs and Cs. For HCM, companies should consider solutions that offer in-depth payroll customizations and budgetary planning tools in the event a company must make quick adjustments to its entire workforce. For SCM, users need solutions that onboard all supply chain partners to the Nth tier to achieve end-to-end visibility. Collaboration tools are an additional benefit, where users can communicate their plans and forecasts with both downstream and upstream partners to avoid potential disruptions.

BUSINESS-LEVEL USERS CAN DO IT ALL

Both iPaaS solutions and low-code development platforms will see increased growth rates as organizations begin to realize that less skilled workers can achieve the same business and application development success as developers, given the correct tools. For 2021, software solutions that support non-technical business-level users will see significant growth as more companies require software-based solutions to support virtual work-from-home environments. In 2020, the iPaaS solutions that focused on deploying extensive functionalities while maintaining simplified processes for non-technical users excelled. Furthermore, the support for non-technical users in iPaaS solutions extended to low-code development platforms, which Nucleus predicts, will see significant growth in 2021. With companies already struggling with financial instability, why pay more for a developer when an analyst can complete the same tasks? In 2021, Nucleus predicts that managers will look towards iPaaS and low-code solutions to enable business-level analysts to complete many of the projects previously distributed to more advanced users such as developers.

THE RISE OF THE VIRTUAL OFFICE

What is an office?

It's not a question anyone would have asked 12 months ago, but 2020 has forced businesses to rethink the concept of an office. The rise of remote work and better ways to measure employee productivity means the office is no longer a container for employees but rather a gathering place for innovation and inspiration. Look for walls to come down and new space to open to encourage collaboration and teamwork. We expect to see fewer areas dedicated to specific employees with more shared team spaces used only a few days a week to augment remote work. Offices will likely become more luxurious and interesting but expect a dramatic reduction in square footage to less than half of current requirements.


THE FALL OF THE "OLD" TECH HUBS

Goodbye, San Francisco.

Taxes, politics, crime, and astronomical rent are not good product attributes. When an employee can work remotely, why would anyone subject themselves to Boston's terrible commutes or the congestion of New York City? Granted, these remain nice places to visit, but look for more employees to scatter to friendly environments (Aspen in the winter, London in the summer?). Initially, this will be easier for the younger, single employees, but look for families to see the benefits of working nomadically and broadening their children's horizons. Workforce management and talent management are two technology areas poised to rally benefit from this change.

CRM WILL MORPH INTO CX INDUSTRY-WIDE

Traditionally, customer-facing business applications have been broken out into three main categories relating to sales, marketing, and service. In recent years, some vendors have looked to integrate these areas more tightly to capture and track the full spectrum of engagements with a customer or prospect. Oracle and Salesforce have led the way with Oracle CRM being rebranded to Oracle CX, and Salesforce putting increasing weight behind its Customer 360 solution that encompasses all of the areas mentioned above. As vendors realize the necessity of differentiating the experiences offered to customers, creating more seamless and tightly integrated solutions that capture all relevant touchpoints is critical. Vendors lacking in any of the three core areas will face an uphill climb selling to customers that will increasingly look for a more unified solution that offers more granular



insights to the full customer journey at all phases of the life cycle – from lead to prospect to customer and back again.

MANAGE WITH MANAGED SERVICES


When managing a large workforce, HR administrators must tend to a broad range of tasks, including invoicing, risk management, onboarding, and maintaining compliance. For smaller organizations, this is enormously time-consuming and costly. Outsourcing these tasks reduces strain on administrative staff and allows organizations to cut labor costs by avoiding hires. Managed services for recruiting are particularly cost-effective, as recruitment marketing and interviewing are handled outside of the organization. Partnering with an outsourced managed services partner frees organizations of all sizes up to focus on other value-added activities across the business at a time when operations are disjointed, and resources are limited.

PAYROLL GOES GLOBAL

Organizations with international locations achieve continuous value through the use of global pay solutions, as they offer a single source of truth into payroll operations and help administrators make better decisions across the enterprise. Global pay solutions also allow small and midsize organizations to scale growth and expand more efficiently. Nucleus expects HCM vendors to begin touting the "frictionless" integrations of their ever-expanding global payroll solutions. As the global economic outlook remains uncertain, international organizations of all sizes will face an increased need for greater payroll visibility across global locations and lead more organizations to adopt global pay solutions.

ROBOT RECRUITING

Nucleus expects that the majority of sourcing and recruiting processes will soon be automated. The increased prevalence of automated sourcing tools, chatbots, and asynchronous interviews have significantly reduced recruiter time spent completing menial tasks, allowing them to rededicate effort to bottom of the funnel activities and find best-fit candidates for given positions. This is especially critical as candidate engagement becomes a top concern, and organizations face broad talent pools that are impossible to fully reach without some form of recruitment automation. Automated interview provider HireVue's



recent acquisition of recruiting and engagement chatbot vendor AllyO marks what Nucleus predicts will be several mergers in the recruitment automation space to help organizations further streamline hiring processes and refocus on quality.

I WANT IT, AND I WANT IT NOW

All around the world, shoppers were forced indoors as brick and mortar locations closed due to pandemic regulations. For months, consumers had to turn to their computers to scratch their shopping itch. Retail businesses that could adapt to the transition to online sales flourished, or at least generated enough revenue to weather the storm, while those that could not went the way of Lord & Taylor and Brooks Brothers. Even as stores begin to open, online shopping is here to stay. We expect a push across B2B and B2C segments to modernize their e-commerce sales channels and seek out CPQ solutions to manage their product mixes and pricing. Vendors are expected to differentiate their offerings by making the lead-to-cash process as painless as possible, with automation to reduce touchpoints, Mixed Reality to eliminate uncertainty, and integrations for revenue-maximizing analytics and predictions.

ADVENTURE BY NUMBERS

COVID-19 lends credence to Robert Burn's famous line, "the best laid plans of mice and men often go awry." So, with the uncertainty continuing into 2021, we've decided to leave this one blank – Because sometimes reality is too crazy for words.