



NUCLEUS
RESEARCH

Workday

Expectation relative to market segment

Track

Technology Segment
Human Capital Management

Ticker Exchange
WDAY NASD
Bloomberg
NH NUC <GO>

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Workday's largest competitive advantage remains its strong financials and HR integrations, offering everything from talent to accounting solutions. This is all buttressed by leading analytics offerings to take advantage of multiple streams of data available. The vendor, however, is expected to face continued pressure as Ceridian, UKG, and other HCM vendors further expand into the enterprise space and slower spending patterns in the mid-market sector continue.

Price 11/02/2020 \$235.80
52 week range \$157.89 - \$282.77

COMPANY

Workday's continued investments in R&D, cloud infrastructure, and marketing have allowed for substantial long-term growth. Workday has continued to expand its overall offering, launching its new Workday Talent Marketplace in October. The vendor has also seen customer growth resulting from its dual HCM and ERP offerings. In addition, the vendor offers Workday Adaptive Planning, Workday Prism Analytics and Workday Strategic Sourcing as well as Spend Management offerings.

MARKET POSITION



MARKET

The per-employee-per-month pricing structure of HCM vendors paired with payroll declines led to market uncertainty over the course of 2020. However, many organizations found HCM solutions to be a critical aspect of their continued survival and adaptation to a changed work landscape. Ever-changing regulations have led leading providers to focus investment towards specific organizational needs such as reporting and compliance, employee engagement, and support. While the HR departments are typically one of the last in an organization to receive investment, Nucleus expects the market to grow strongly over the next 6 - 18 months.

RELATIVE SOLUTION COST

Workday	120%
Oracle	95%
SAP SuccessFactors	95%
UKG	91%
Ceridian	77%
Paycor	58%

Relative cost to a customer based on typical mid-sized deployments during the past 6 months.

COMPETITION

Workday's main competitors include other full-suite enterprise HCM vendors such as UKG, Oracle (ORCL), SAP (SAP), Ceridian (CDAY), and Infor. Workday's combination of HCM and ERP offerings make it a compelling choice for organizations looking to make strategic software

CUSTOMER PERCEPTION

85 - 95 Positive

Analyst estimate based on feedback from customers and prospects during the past 6 months

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investments in multiple business areas. Additionally, leveraging solutions from a single vendor can provide organizations with a more cohesive end-user experience and allow for improved collaboration and workflow efficiency across departments. Nucleus found that a combined HCM and ERP infrastructure delivers higher returns for organizations, as they can take advantage of the connected workflows to improve organizational visibility.

OUTLOOK

Nucleus believes that Workday's up-front investments in R&D, cloud infrastructure, and marketing have significantly contributed to its long-term growth. The vendor also benefits from its large portfolio of offerings, presenting a natural track for customers to expand their product spend. Increased demand for people analytics has also driven new growth for Workday, with the vendor providing some of the most advanced people analytics offerings on the market. Workday's largest competitive advantage remains its strong financials and HR integrations, offering everything from talent to accounting solutions. This is all buttressed by leading analytics offerings that take advantage of multiple streams of data available. The vendor, however, is expected to face continued pressure as UKG and Ceridian further expand into the enterprise space, and slower spending patterns in the mid-market sector.