



NUCLEUS
RESEARCH

UKG SPRING ANALYST SUMMIT 2022

ANALYST

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THE BOTTOM LINE

At UKG's 2022 spring analyst summit, the company reviewed recent announcements, including leadership changes, and revealed portions of its product strategy and roadmap for the remainder of its fiscal year. As hybrid work becomes the norm, the vendor is well suited to meet the needs of a dispersed workforce through its plans to expand employee experience capabilities while capitalizing on the strength of its time and pay capabilities. UKG remains unique among leading vendors by offering a full range of SMB to enterprise solutions for both core HR and payroll, and workforce management. Nucleus expects UKG to remain competitive as it complements its life-work approach with new functionality.

OVERVIEW

At UKG's spring analyst summit, the vendor covered recent announced changes in executive leadership and detailed product strategy into the remainder of 2022 and beyond.

EXECUTIVE SHIFT

On June 1st, UKG announced that longtime president, Chris Todd, has been appointed CEO of the company, effective July 1. Upon the completion of the move, current CEO, Aron Ain, will shift to executive chair. The move is a natural progression for UKG, and Chris Todd's longstanding experience both with the company and working closely alongside Ain poise him for a successful transition into FY 2023.

PRODUCT STRATEGY AND ROADMAP

In Q2, 90 percent of net new bookings for UKG were full suite, with increasingly high attach rates for recruiting and onboarding. UKG is one of a few vendors that are able to offer full HCM and WFM functionality on a single platform. In addition, the vendor goes beyond this to address other pressing HR needs, such as talent acquisition and talent development. The increased attach rate for additional features such as recruiting can be attributed to the increased need for such solutions amid a global talent shortage. Investments in product strategy are heavily pointed towards employee experience throughout the entire lifecycle, with in-context guidance that lends itself to the vendor's plan to continually expand the use of AI across its product suites.

Available features within the suite experience include a pay equity dashboard that gives employers visibility into their pay metrics and makes them aware of any pay gap inconsistencies across demographics. This will soon include actionable insights, using historical data to enable goals to be set and tracked. Other features that track with the overarching vision include vacation time bidding, the UKG Talk communications platform, Smartpay, and Coaching and Development. The vendor's Career Designer feature is currently in alpha testing, and upon release this year, will enable employees to set career goals based on skills and interests, with embedded guidance for specific career paths.

90 percent of net new bookings in Q2 were full-suite deals.

LOOKING AHEAD

UKG's greatest strength and main selling point have remained to be deep expertise in time and payroll functionality, especially as running and scaling a business with a dispersed workforce becomes increasingly complex. The vendor's large offering of additional functional modules ensures that the solution is scalable for existing customers. With this foundation, Nucleus expects that the introduction of AI-powered employee experience solutions across its suites will help UKG reach new customers across its target markets while retaining existing customers.