



NUCLEUS
RESEARCH

UKG ASPIRE 2023 UPDATES

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THE BOTTOM LINE

At UKG's annual Aspire conference, the vendor made several announcements and reflected on the performance of recent developments. Generative AI was a primary focus, with announcements centered around the use of the technology to improve day-to-day HR tasks and deliver actionable insights about workplace culture and workforce development. Other announcements include new and expanded partnerships, the launch of Great Place to Work Hub and Benefits Hub for its UKG Pro suite, enhancements to its UKG Ready suite, and the recent launch of its global payroll product, UKG One View. These investments coincide with the vendor's plans to expand its global customer footprint and successfully navigate the segmented Enterprise and SMB markets with its UKG Pro and UKG Ready suites.

OVERVIEW

At the 2023 UKG Aspire User Conference, the vendor reflected on recent product launches and enhancements while unveiling several announcements centered around partnerships and product releases. The respective launches of the Great Place to Work Hub and acquisition of Immedis to launch UKG One View for multicountry payroll over the past year have differentiated UKG from competitors across the enterprise and SMB markets. Meanwhile, improvements to the functionality and support of the UKG Ready suite and the recent launch of a unified mobile app experience for UKG Pro, UKG Pro WFM, and UKG Talk has highlighted the vendor's ability to balance investments in both usability and functionality.

UKG has deployed more than 2,500 AI models

Generative AI Investment has been a key focus for UKG this year, as evidenced by the announced release of UKG Bryte, a conversational AI assistant that runs on the UKG FleX platform with plans to help deliver insights, recommendations, and task automation in the flow of work. The launch of the UKG Pro Benefits Hub was also announced to provide users with a guided experience for open enrollment periods and other ad-hoc benefit plan changes. As UKG faces the difficulty of navigating two market segments with different products, new and planned investments poise the vendor for continued differentiation and performance.

UKG ONE VIEW HIGHLIGHTS

In October, UKG announced the public release of UKG One View, powered by the vendor's 2023 acquisition of Immedis. UKG One View will give organizations with dispersed, global workforces a centralized solution for payroll management, with built-in automation and deep integration with human capital management (HCM), workforce management (WFM), and freelance management (FMS) platforms to reduce manual data entry and associated errors. This also mitigates the high compliance risk typically coupled with complex, global payroll operations. The solution promises quick time-to-value, with average implementation time slated for less than eight weeks, providing schedule to fund in one place.

AI INVESTMENTS

UKG has deployed more than 2,500 AI models, underscoring the vendor's historical interest in developing features that are bolstered by AI capabilities. At Aspire, UKG Bryte was announced as a generative AI solution that will be present across UKG products. UKG Bryte

will ingest the vendor's people, culture, work, and customer/third-party data from the Flex People Fabric to deliver capabilities such as skills pathfinding, performance review authoring, conversational reporting, and conversational assistance. UKG's approach to AI is layered, leveraging the Google LLM platform, the vendor's own AI models, and customer models to allow maximum flexibility for customers.

Bryte's generative AI models will also leverage Great Place to Work Benchmarks that are based on feedback from 100 million global employees. With UKG Bryte, the Great Place to Work Hub will proactively deliver suggestions and data points through a conversational interface to help organizations better understand their company culture and draw actionable insights for continuous improvement.

UKG READY ACCELERATION

During the Aspire event, UKG revealed its plans to broaden the market presence of UKG Ready, increasing its coverage benchmark from 250 to 500 employees. Although UKG Ready is equipped to, and currently does, globally serve many organizations with over 500 employees, UKG's go-to-market strategy will prioritize those with up to 500 employees, redirecting larger organizations to the UKG Pro offering. Additionally, UKG Ready will receive increased investment in services and support, emphasizing user-friendliness and accelerated time-to-value for customers.

PARTNERSHIPS

UKG announced the launch of strategic partnerships with PayPal and Eightfold.ai, as well as an expansion of its existing relationship with Microsoft.

The PayPal partnership will enable employees paid through UKG to create their own PayPal balance account from within the HCM suite. Additionally, they can deposit all of, or a portion of, their paycheck into the account, with PayPal able to make funds available up to two days ahead of time in some cases. Following the launch of UKG's earned wage access solution, UKG Wallet, this partnership will serve as another option for end-users looking to take advantage of earned wages more quickly and improve financial wellness.

Eightfold.ai is a provider of talent acquisition software that uses deep-learning AI to drive skills-based approaches to recruiting through its Talent Intelligence Platform. UKG's new partnership with the vendor is powered by the UKG Flex framework, enabling UKG Pro customers to deeply integrate Talent Intelligence capabilities with the suite.

The announced expansion of UKG's strategic partnership with Microsoft will bring together the UKG Flex framework, UKG developer hub, and Microsoft Power Platform to provide mutual customers with no-code and low-code connectors and templates. This will enable

them to create and deliver customized applications, extensions, and workflows without the need for additional IT resources and support.

UKG PRO BENEFITS HUB

The release of UKG Pro Benefits Hub was announced at Aspire, providing UKG Pro customers and end-users with a modern benefits experience that guides them through open enrollment periods and other benefit changes with insights, recommendations, and side-by-side plan comparisons. This announcement tracks with recent usability enhancements and financial wellness innovations across UKG products, giving employees more control over their pay and benefits. Nucleus found that benefits administration tools that focus on guiding employees to more cost-effective plans can save organizations an average of \$1,060 per employee per year, resulting from reduced healthcare costs and increased productivity (Nucleus Research V2 - *Benefits Management Saves \$1060 Annually per Employee*, December 2023).

Benefits management solutions save \$1060 annually per employee

LOOKING AHEAD

UKG is strategically positioning itself for sustained success across both its enterprise and SMB suites, recognizing the pivotal role of investments in artificial intelligence to maintain a competitive edge. The incorporation of Great Place to Work, with its extensive data and accessibility for both UKG Pro and UKG Ready customers, distinguishes UKG from its counterparts, presenting not only a unique selling proposition but also an upsell opportunity. Beyond a sole emphasis on GenAI, UKG is committed to delivering comprehensive solutions that encompass areas such as benefits enrollment, adding incremental value for its customers. With recent announcements and a clear roadmap, Nucleus anticipates that UKG is well on its way to achieving continued success by effectively addressing a segmented market.