

Siemens to Provide Important SaaS Talent Management Test Case

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Siemens' selection of SuccessFactors will provide an important test case for implementation of a large, complex, global software-as-a-service talent management suite.

News Analysis

Event

On 8 June 2009, SuccessFactors announced that Siemens has signed a software-as-a-service (SaaS) contract for an integrated talent management suite encompassing SuccessFactors' goal management, performance management, career development planning, compensation management, variable pay, succession planning and recruiting management offerings for 420,000 employee users in 80 countries (and 20 languages).

Analysis

On completion, Gartner believes this will be the largest and broadest global SaaS talent management suite deployment attempted to date. We have found that only a small percentage (less than 5%) of our clients have adopted an integrated solution for recruiting, performance appraisal/assessment, career development, succession management, compensation management and learning. Our inquiries have shown that larger organizations (those with more than 200,000 employees) desire integrated talent management suites, but have not felt the available solutions were deep enough (or mature enough on a global basis) in all areas of talent management to standardize on a single vendor. The Siemens deployment will serve as a test case to see if solution depth has finally reached a "good enough" level across the broad suite for the largest, most complex organizations. If successful, it will be further evidence that SaaS is suitable for large, broad and complex talent management suite deployments.

This is a complex project. Significant process re-engineering, data conversion, interface development, and change management will be required for success. Full deployment of the entire talent management suite globally will likely take several years. Gartner expects the more mature parts of the solution, such as performance/goal management, to be implemented first, with modules that are newer (recruiting) or still maturing (compensation management/variable pay) to come later.

Thus, while this is an important test case, it will be at least two years before the implementation will have progressed enough for definitive conclusions to be drawn.

Recommendations

- **Very large global organizations:** Use this implementation to mark the progress of single-vendor solutions for SaaS-delivered talent management suites. Check progress with Gartner on an as-needed basis.
- **SuccessFactors customers:** Monitor this implementation as a potential proof point for the integrated suite, especially for the feasibility of using compensation management (variable pay) and recruitment on a global basis.
- **SuccessFactors customers and prospects in Europe:** Vet the specific implementation resources assigned to current projects, because the Siemens engagement is likely to soak up much of the top consulting talent.

Recommended Reading

- “Inaugural 'SuccessConnect EMEA' Shows SuccessFactors' Expansion in Europe” — A challenging macroeconomy will make sales execution tougher and cost containment crucial for the company in 2009. **By Chris Pang and Thomas Otter**
- “Magic Quadrant for Employee Performance Management Software” — Leaders have emerged in this market, but additional consolidation is likely. **By James Holincheck and Thomas Otter**

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