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# Workday Coverage Clips

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Stand-Alone and “More  
than Mention” Coverage

June 1- October 26, 2010

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- *CIO Magazine, Work to Do, September 23, 2010*

# Full Text of Articles

<http://www.workforce.com/section/10/feature/27/24/03/>

A holy war is under way among HR product vendors over software as a service, or SaaS.

The phrase generally refers to providing software applications over the Internet rather than installing them on a company's internal computers. But as this approach to software delivery has grown more popular and branched into multiple methodologies over the past decade, vendors have staked out contrasting positions on the subject.

The battle over what's sometimes called on demand software comes with strong rhetoric among combatants. But it's not clear whether customers need to choose sides-they may benefit from all the competition.

On one side of the fight are the fervent believers. These are vendors, including Workday and SilkRoad, that say a pure form of software as a service-in which all customers run just one or two versions of the software and it is provided only over the Internet-is the way to go.

On the other side is a range of software providers offering some sort of hybrid approach. They may allow for their software to be installed on customers' machines or accessed via the Web. They may focus on delivering their software over the Internet, but put customers on a dedicated copy of the application.

Hybrid backers say their products offer benefits such as improved data security and more customer control over software settings and the timing of upgrades.

But SilkRoad co-founder Brian Platz says pure SaaS is used by the vendors of the best talent management software products. (Talent management software refers to tools for key HR tasks such as recruiting and performance management.) Platz also says the pure SaaS model has the lowest costs. Maintaining many versions of software is expensive, Platz says. And those costs increase further if the vendor also sells software to be run on customers' internal computers, because extensive testing may be needed in advance of new releases.

There's no doubt that pure SaaS is going to win out, Platz says.

Companies shouldn't worry too much about the sectarian software strife, says Jason Averbook, chief executive of consulting firm Knowledge Infusion. Instead, they should appreciate their options and choose what's best for them.

It truly is the Baskin Robbins 31 flavors of software as a service, he says. There really isn't one way that's better or worse.

## APPETITE FOR SAAS

Companies like the taste of SaaS. According to a 2009 survey of North American and European companies by Forrester Research, just 14 percent of respondents said they were not interested in adopting software as a service. And in late 2008, Forrester found that 29 percent of companies had tapped HR software through SaaS, making human resources one of the business functions that is using SaaS most heavily.

SaaS adoption will become the direction of choice for many large and small companies, Forrester said in a January report on HR software. Application flexibility, cost predictability and ease-of-use make SaaS very attractive.

Software as a service is largely a reaction to the way companies bought and ran business software for most of the 1980s and 1990s. Under the perpetual license, on-premises model, organizations purchased copies of applications and installed them on their own computers. In this scheme, customers typically pay vendors annual maintenance fees that can be 20 percent of the original license fee and entitle clients to tax updates and more substantial upgrades with new features

The on-premises approach lets companies tailor applications extensively. But software delivered in this way is costly and time-consuming to implement and upgrade.

About a decade ago, vendors pitched the idea of hosting applications remotely and letting companies access the software over the Internet. This approach reduced hardware and maintenance headaches for organizations. But having to manage many customized applications for customers was not cheap.

So the idea of multi-tenancy gained ground. Just as the many tenants of an apartment complex share the same roof and infrastructure, applications with a multi-tenant design are run for multiple clients simultaneously-and at a lower cost for vendors. The principle is similar to the way consumer-oriented websites such as Google and Yahoo serve many visitors at once.

As the term software as a service emerged over the past several years, it typically meant a multi-tenant application delivered over the Web. It also generally referred to subscription pricing, in which customers paid to use the application for a fixed period of time. SaaS, then, offered the benefits of quicker implementations, lower upfront costs and fewer technology aggravations.

Still, the approach raised fears that a company's sensitive employee data could be seen by unwanted eyes. Another concern has been that a single shared application would not be able to match companies' idiosyncratic business processes.

But SaaS products have proved themselves on the privacy front and have become quite flexible by giving customers the ability to configure a variety of settings, says Karen Beaman, chief executive of consulting firm Jeitosa Group International. At the same time, she says, customers have realized that extensive software customizations lead to major hassles when it comes to updating the software later.

Large companies are now understanding that SaaS has tremendous advantages, Beaman says.

#### HYBRID APPROACHES

Nonetheless, some organizations prefer to stick with on-premises software, says Lisa Rowan, an analyst with research firm IDC. She says security-sensitive government agencies and large, complex businesses in fields such as manufacturing are more likely to shy away from SaaS.

You're still going to have a certain segment of clients for whom that just doesn't work, Rowan says.

HR software provider Accero gets most of its revenue from clients with applications installed on premises. But the company has joined the SaaS world in its way. Accero, whose human resource management and payroll system used to be called Cyborg, offers to host its software for customers and let them access it over the Internet. For its Accero On-Demand product, Accero does not have a multi-tenant setup. Each on-demand customer has its own dedicated instance, or copy, of the application. But Accero uses virtualization software to allow multiple clients to be running on the same computer server.

Virtualization software allows a single computer to create multiple virtual computer systems. By slicing up computer resources in this way, Accero's operating costs are just a fraction more than a pure SaaS vendor, says Accero CEO Tom Malone. And Accero can continue to meet the needs of large customers who want more than a plain-vanilla version of HR software.

They need a degree of customization, he says.

Lawson Software has taken a similar approach. For customers that want software delivered over the Internet, Lawson provides dedicated copies of applications and uses virtualization technology to optimize its computer resources. Lawson customers can choose between a version of SaaS where no customizations are possible or pay a higher price for the ability to make modifications that Lawson will maintain over time, says Larry Dunivan, the vendor's senior vice president of global human capital management products. Lawson also offers its HR applications for on-premises installation.

As part of its overall SaaS strategy, Lawson is tapping the computing power of Amazon, which provides access to its computer servers via a product called the Amazon Elastic Compute Cloud. Dunivan argues that companies opting for a single-tenancy model of SaaS may prove to have the leanest model in the long run.

As virtualization technologies are leveraged in combination with cloud computing, it's possible that multi-tenancy won't offer the lowest long-term cost of ownership, he says.

Software vendors that insist on the purist approach to software as a service are multi-tenant SaaS bigots, Dunivan says.

Others in the hybrid SaaS camp include Softscape and Halogen Software. Softscape sells on-premises HR software, a multi-tenant application typically used by midsize businesses, and what it calls Secure-SaaS, in which each customer has a dedicated instance of the application and additional security features.

Steve Bonadio, vice president of product marketing at Softscape, says Secure-SaaS is appealing partly because it means customers aren't forced to take upgrades, an aspect of pure SaaS that can throw off users and create problems with the way the software integrates with a customer's other business applications.

Those upgrades, typically zapped out several times a year by SaaS vendors, come with new features but can break what customers have already launched across their organization, Bonadio says.

For its SaaS product, Halogen employs virtualization technology and gives each customer its own instance of the application. The company also sells its HR software for on-premises installation. The on-premises product entails testing new versions on a variety of computer operating systems to mimic customers' computer setups. But the company says testing for those customers is largely done through software tools. We work very efficiently, says Donna Ronayne, Halogen's vice president of marketing.

Vendors of hybrid SaaS products also make the point that the debate over SaaS purity is largely inside baseball: Customers don't care about it nearly as much as vendors.

But the particular flavor of SaaS did matter to Nebraska. The state signed a deal with Cornerstone OnDemand last year for a suite of talent management software tools to be delivered over the Internet. Cornerstone is among the more pure SaaS players, keeping all customers on the same code.

Carlos Castillo Jr., the state government's director of administrative services, says state officials appreciate the way pure SaaS prevents extensive customization by clients and thereby encourages consistency across our organization. Castillo says custom modifications in the state's on-premises system for core HR tasks are expensive to maintain when the application is upgraded. Customization always translates into higher costs for us, he says.

#### THE PURIST ARGUMENT

Even so, pure SaaS advocates say their products can accommodate even the largest, most complex companies. Workday points out that its single line of code is working at firms including Chiquita Brands International, Lenovo and Flextronics, which employs 165,000 workers worldwide.

Purists also downplay difficulties from the upgrades that SaaS vendors impose on customers. Roughly 10 percent of the changes sent out quarterly by Cornerstone OnDemand are mandatory, and typically involve the user interface.

The remaining 90 percent of updates are optional for clients, and they can decide whether they want to activate them for use in their organization, says Michelle Haworth, Cornerstone's director of corporate communications.

SaaS flavor matters in terms of software vendors' long-term viability, pure SaaS vendors say. If there are fewer lines of software code to develop and maintain, that translates to a leaner model, says Deepak Rammohan, director of product management for Taleo Enterprise, Taleo's software product for large organizations.

A pure SaaS model ... leads to a leaner sales model, a leaner consulting services model and a leaner support model, Rammohan says. A leaner model for the vendor then also means a better price point for the customer.

Taleo keeps its largest customers on one of two versions of its Taleo Enterprise application.

It has emerged to be one of the leading talent management firms, and a profitable one. Its revenue grew 18 percent last year to nearly \$200 million, and it recorded a profit of \$1.3 million.

Another major HR software firm pursuing the pure multi-tenancy SaaS model is SuccessFactors. We actually turn away companies that will only do on-premise, says Dominic Paschel, director of global public and investor relations. SuccessFactors, which spent \$80 million on sales and marketing last year, posted a net loss of \$12.6 million for 2009, but revenue grew 37 percent to \$153 million.

Platz of SilkRoad says a typical customer company of a couple thousand employees can expect to pay about \$80,000 per year for one of SilkRoad's six modules.

Hybrid SaaS vendors are fairly competitive with price. They have to be, or else they wouldn't sell any, Platz says. They tend to, however, have less innovation and functionality. They are tied to that boat anchor of their licensed software.

SilkRoad's pure SaaS is selling fast. New sales grew 30 percent last year, Platz says.

But hybrid SaaS vendors also are doing a brisk business. Halogen, for example, enjoyed a 41 percent increase in recurring revenue last year.

Averbook of Knowledge Infusion says it's generally a good time for SaaS in the HR arena. Companies with tight

budgets for information technology projects are willing to let HR proceed with the relatively small investments needed for software delivered over the Web, he says.

- *Workforce Management, In SaaS battle, customers win; Options abound for employers as vendors seek to carve out new pieces of the 'software as a service' market for HR technology, June 1, 2010*
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ONE OF the knocks on software as a service is that it scares off large, complex companies.

HR applications delivered over the Internet, the thinking goes, are not flexible or secure enough to serve the big boys.

But a growing number of corporate giants are upending that logic, including Singapore-based Flextronics. The 165,000-employee provider of electronics manufacturing services has embraced multiple HR applications delivered as a service over the Internet, including learning management software from Cornerstone OnDemand, compensation software from SuccessFactors and a core human resources management system from Workday.

We're not afraid of SaaS, says Debi Hirshlag, Flextronics' vice president of worldwide human resources.

The company likes that software as a service, paid for on a subscription basis, has lower upfront costs than the traditional method of buying a license to own an application and installing the software on in-house computers. In deciding to go with Workday's product in 2008, Flextronics also looked forward to fewer hassles related to software maintenance and upgrades—in the SaaS approach, those are largely handled by the vendor on its machines.

Like other large companies that have grown by acquisition, Flextronics already faced a host of HR information technology challenges. The company, which carries out manufacturing tasks for clients including Cisco Systems, Lenovo and LG, had 80 separate systems containing HR data as of a few years ago.

Workday has helped Flextronics reduce that number. Flextronics has gone live with Workday's software in the U.S. and Canada as well as Mexico. As a result, Flextronics has limited its use of an Oracle HR application to data archiving purposes, retired a PeopleSoft HR system altogether and stopped using an SAP human resources tool provided through outsourcer Convergys.

Flextronics expects to begin using Workday for sites in India and China this year, and is planning to get the entire global company on the application by 2011.

Hirshlag says Workday had to enhance its security features to meet Flextronics' needs, and the vendor's upgrades several times a year can cause challenges. Customers have a window of just a few weeks to start using the latest version of Workday's software.

Still, Workday has won over Flextronics. Dan Croteau, president of the company's medical division, is among the software's fans. He likes the frequent releases of new features, such as an update making it easier for supervisors to give spot bonuses.

Croteau uses Workday at least a couple of times a week. It's like a cockpit for all your people, he says. It's so intuitive.

It's also flexible enough for Flextronics.

Workday is highly configurable, where we could have totally different business processes at every site and even building levels, Hirshlag says. The application no doubt has its limits, but we've not yet run into them for configurability.

- *Workforce Management, Serving the Big Boys Too, June 1, 2010*
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In just five short years (since its founding in 2005), Workday Inc. has grown to almost 500 employees and 150 customers and has established itself as the leader in enterprise-class Human Resources, Financial, and Payroll solutions delivered via Software-as-a-Service (SaaS) and operating in the Cloud. Recently, Workday was named the best business application by the San Francisco Business Times and has also earned a spot as one of the Best Places to Work in the Bay Area for the past three consecutive years.

As Vice President of Development at Workday Inc., Petros Dermetzis manages the company's Tools and Technology team. His responsibilities encompass the design and development of the technology and tools infrastructure upon which Workday builds and deploys business application services. This includes the core technology platforms that support the core transactional systems, security, product updates, integration, devices and mobility, performance, and user experience behavior of Workday's solutions.

Workday's modern standards-based SaaS technology offers a quantum leap in ease-of-use, extensibility, and integration capability compared with legacy systems and has, in no small measure, contributed to the rapid and incredible success of the company.

I spoke with Petros about the drivers behind the evolution of the SaaS model and about how Workday is addressing the customer pain points with SaaS and the Cloud. Petros describes the characteristics of a "true" SaaS product and shares valuable insights he has gained from real-world experience in architecting and building a successful on-demand software service.

Here are some excerpts from the conversation:

SandHill.com: What were the driving factors behind the evolution of the SaaS industry for enterprise business applications?

Petros Dermetzis: Well, first off, I think that "evolution" isn't the right word. SaaS and Cloud computing are transformative shifts in the technology landscape. They change the topology at three critical levels: the infrastructure of enterprise technology, the application layer, and — just as importantly — the user experience.

At the infrastructure level, I have personally experienced three Enterprise IT shifts over the past three decades, starting with mainframes, through to client-server, and finally to the Web. These architectures each got bigger and more complex and I have seen firsthand how companies struggled with their maintenance costs. With each cycle, IT organizations came to the point of saying: "It's working, leave it alone." They wouldn't take fixes or patches because the maintenance and upgrade path was expensive and riddled with unexpected side effects. That in turn impacts the vendors because they can't easily sell new functionality.

Early business systems were transaction-oriented and were designed from the inside out; meaning they were very good for record keeping but not much else. Workflow was added to these systems as an afterthought, again from the inside out, to help make it easier to capture data, not necessarily to facilitate actual work. But coordinating business workflows turned out to be a complicated task because the various systems in a typical IT shop were built on different technology stacks.

We then watched this craze around Service-Oriented-Architecture (SOA) circa 2003 along with the emergence of Web Services and a whole slew of middleware technologies and tools: Websphere, Weblogic, Netweaver, and so on. What they were all trying to do was manage business workflows across disparate systems. This time around they were trying to add workflow from the "outside-in" perspective — applying workflow on top of existing applications.

Next, we saw yet another set of technologies called Enterprise portals that were designed to help with management of all this complexity from an end user perspective followed by the last big initiative in the apps layer: the growth of analytics. Traditional relational models that underpin transactional systems were not designed to provide real-time information to business people, much less allow the types of drill-down and drill-around exploration of data that organizations wanted. That problem created a whole new industry called Business Intelligence which included Business Objects, Cognos, Hyperion, and so on.

Ultimately, all this technology and application evolution looks very much like an onion: layers and layers and layers of complexity that costs customers a fortune. The more they peeled back the onion, the more they cried! Customers were spending more and more money, time, and effort not on their own R&D and innovation, but in running and maintaining these inefficient IT systems — systems that were designed for an entirely different set of problems from what they were ultimately being used to solve.

SH.com: How is Workday addressing these customer pain points and where does the on-demand model fit in?

PD: In 2005, Salesforce.com was already blazing a trail with a successful SaaS business in Customer Relationship Management (CRM).

We took on the task of developing a solution which included helping many mission-critical business applications from the ground-up — rethinking what was traditionally referred to as Enterprise resource planning (ERP) instead of buying companies that had parts of the solution and trying to weave it all together. We weren't building it for the sake of building it again; we saw the customer pain points that had grown as those layers of technologies piled up in the prior generation of software, along with indications at that time that there was a market for "On-Demand" or "Software-as-a-Service" offerings, and thought, "we can do this better."

Our main premise was that we'd make the biggest impact if we could bring together transactions and analytics in the same place. These are what managers and employees need from the system in order to get work done. Understand that this is a very different starting point from legacy systems, which started out with the premise of more efficiently capturing, storing and processing data — better bookkeeping. We started with a clean slate to build a highly user-oriented, functional system with workflows, transactions, and analytics all tied together cohesively.

Then we asked ourselves how we could take on maintenance and upgrades of these systems ourselves and free our customers to focus on their businesses; this is the model of the consumer Internet, so why not the enterprise? We also wanted to provide seamless upgrades on a 90-day cycle. Why do customers have to wait from 12 months to 18 months to get new features and functions? These were some of the reasons why we started from the ground-up and chose to build using the SaaS model.

SH.com: What characteristics and architecture constitute a "true" SaaS offering? How can customers distinguish between a real and a fake SaaS product?

PD: I don't know how you can get the tag of "SaaS" or "Cloud" if you don't have some core concepts and approaches built into your offering. The following are some of the key factors that differentiate true cloud offerings from look-alikes, and why they're important:

#### Multi-Tenancy

Multi-tenancy defines a true SaaS product, and it is arguably the most important technology advancement of this current wave. To put it simply, it means that the software vendor has multiple customers running on a single instance of software. This is how Amazon, Google, Salesforce.com, and NetSuite, as well as the other leaders in the Cloud, run their systems. It provides phenomenal economies of scale in terms of the raw infrastructure, but more importantly it focuses the innovation engine within the software company. At Workday, our development team is focused 100 percent on new capabilities. We're not supporting patches or connections to obscure "dot-versions" or old code; we're focused on the future. That means customers get more innovative capabilities faster, it means all our customers are on the best solution we have to offer, and it means that we don't divert resources to shoring up legacy systems.

One of the biggest areas the old software vendors throw FUD about is data security and data privacy in a multi-tenant environment. Obviously this is something that we thought about from the start, and built carefully as we architected our system. We use a database for persistence (long-term data storage) and the data we persist in the DB is fully encrypted and each customer has their own DB instance, which is isolated from other customer DB instances. Not only did we think about privacy and security, we think about computing resources too. We designed the processes of each tenant such that they do not hog resources from other tenants, which could cause performance or resource-starving problems. Customers should ask any enterprise software vendor about multi-tenancy. They have a right to know if they are getting a modern, state-of-the-art, scalable, extensible multi-tenanted architecture that will serve them well over the next 15-20 years.

#### Personalization, Configuration, and Extensibility

Companies almost always have unique organization structures or business processes developed over years of doing business. While it would be nice to have a one-size-fits-all software product, some flexibility is always required. That level of "fitting" a solution to a company used to require custom software code — one of the most costly and burdensome components of legacy software projects.

Instead, we provide a set of pre-configured business processes for customers. More importantly, we've taken those business processes and broken them into their component steps and actions. Customers can configure them and change these a million different ways to match their requirements.

There are several levels of this: there is personalization, configuration, and then extensibility. Traditional systems were

not easily configurable; they had tools built-in to make such changes but needed expensive system integrators to come and do the "customization". A true SaaS service should be designed from the ground up to be highly and easily configurable.

Then there is a related concept called extensibility — the ability to add new attributes and fields to the system that is specific to our customers' industry or business. Some of these we take on, and some customers should add. We have an active community of customers who give us feedback and requests for new features/functions that are common across all customers in which we prioritize, build, and then roll out in the next update.

#### Standard-Based Integration

Traditional systems are built around the transactions, the database, the business logic, and around making the UI look sexier, more interactive, more intuitive, and so on. And for all the integration and migration work, customers often had to buy third party integration tools or use ETL tooling to help them with those integration interactions and loads. The business logic and the architecture have always been built with integration as an afterthought. Integration is one of the core concepts of Workday — we are designed from the outset to be a hub system for other enterprise applications and to operate, natively, in the Cloud. Core to Workday is an Enterprise Service Bus (ESB) that allows us to do all our integrations, transformations, and format conversions. This means we can maintain modern standards within and around Workday while still easily connecting to virtually any legacy application. Workday's open Web Services stay consistent, so our connectivity to other applications is maintained over time — update after update. This is so obviously fundamental that no one else actually does it!

#### Disaster Recovery and Backup

Every SaaS offering must have a complete disaster recovery (DR) solution in place. DR comes in different flavors. One is for dealing with what I call the "asteroid hit". You need to have a mirror — a complete copy of systems and data — in an entirely different geographic location. When the asteroid hits one location and takes your data center out, you can immediately bring your systems back online using your mirrored replica from a different location. We have that capability with our offering and we invest heavily for it. The second flavor is to also have redundancy and resilience built-within each datacenter, so when parts fail (and they do) the system can seamlessly bring stand-by systems online.

SH.com: How does the Total Cost of Ownership (TCO) of SaaS applications compare with the on-premise solutions?

PD: One of the most fascinating things to consider after 30+ years of enterprise software is how little IT leaders and pundits actually know about the true cost of these systems. We went around to all the analyst firms a couple of years ago and asked them for an analysis of the true cost of on-premise deployments. We got back statements like, "the rule of thumb is 4-times license fees, but never use a rule of thumb because it will always cost more."

So there are three important factors in the total cost of ownership of SaaS vs. on-premise systems:

The first one is that it is just simply cheaper — by as much as 50 percent in some cases — to use a shared infrastructure with the cost advantages of multi-tenancy. The list of things customers don't have to buy is long: servers, operating systems, databases, etc., as well as all the associated IT operations cost.

The second one is that it is accountable and predictable. Customers can easily assess the true cost of ownership for a SaaS solution in the form of a monthly or annual bill.

Lastly — and this is something that I think the industry is just awakening to — SaaS delivers continually improving functionality and capability while eliminating the cost of upgrades. So customers get more capability and value out of their solution — in the case of Workday, three times a year — and we've eliminated one of the biggest downstream costs of on-premise ownership: that upgrade five years down the road that costs as much as the original implementation.

SH.com: Any final thoughts or advice for other vendors on how to successful with the SaaS model?

PD: My advice to on-premise vendors: Figure out a way to open a company across the street that is independently managed. Challenge them to do all the things we talked about today about starting from scratch. If they don't start from scratch, there are not going to make it. Don't try to convert the existing systems and fool yourselves into thinking this is an evolutionary process because you will not be able to match the pace of innovation, much less the cost efficiencies of your competition in the Cloud.

Apple's iPhone has more than 200,000 applications in its library, and the list is growing. But with so many options, how do you decide which apps are relevant to your work? Obviously, no one has the time or money to download and review them all.

Nor does anyone plan to start working full-time on a cell phone, but these apps can provide adequate functionality, when necessary, and save the day in a pinch by helping you take work on an iPhone.

#### 1. ProOnGo Expense -- Free (Optional ProOnGo Receipt Reader - Subscription fees based on number of scanned receipts)

Even if your company already has an online expense program, this free application could make your employees' lives much easier, not to mention fewer errors for accountants to deal with. You and your employees can organize and track personal or business expenses, mileage, and time.

Users can manage their expenses on the iPhone using the app's options and features, or export the data to QuickBooks, an Excel spreadsheet, a CSV file, or in XML format. Since CSV data is also ASCII text data--with the fields separated by commas--you can export an expense report to any text-based application on any platform. You can use predefined expenses or add your own; choose from expense, mileage, or time; then just add the data requested by the other fields, such as vendor, category, date, description, and then watch the running total. Touchscreen buttons provide options to sort, export, save, and restore backups.

The Receipt Reader service, which takes a scanned or photographed receipt, deciphers the text on that document, and sends it back to your iPhone. This optional feature is provided for a subscription fee. Check out the ProOnGo Web site for more information.

#### 2. Quickoffice Connect Mobile Suite -- \$9.99

The primary advantage of this app is the capability to view, create, open, and edit Microsoft Office files on your iPhone. Three weeks ago, my friends and I went camping in the mountains for a week. One friend who manages a small business received an e-mail from her boss about a project that she had completed before we left. He was in a panic over changes that had to be made. She opened the files on her iPhone, made the changes, and e-mailed the new documents back to him--all in less than 10 minutes. Need I say more? Check out their Web site for information about additional options, features, and updates such as remote access, compatible file formats, and available language versions.

#### 3. Bump for iPhone -- Free

This app is so unusual, it's almost funny; however, it is an excellent time saver for company execs and employees who deal with lots of people, in person, on a daily basis. All you have to do is ask potential clients if they have Bump on their iPhone. If yes, then simply "bump" hands, and the two phones exchange contact data. Ten years ago, that would have seemed like magic.

Setup is easy; just follow the application's prompts. When you meet another "Bumper", both users must open the app on both devices; bump hands while holding the phones, and then confirm the exchange. The application checks for duplicates, and it compares contact lists for shared entries. So, next time you're at an office function and see everyone bumping hands, you'll know why. See the vendor's Web site for more information.

#### 4. Workday (iTunes account required to download, and organization must also have a subscription account with Workday)

With companies receiving 300 résumés for every job opening, this app could help streamline the hiring process--through the management tasks, at least. But, more importantly, it's loaded with features that generally address human resource tasks. All companies have some form of an HR department, but in smaller and mid-size organizations, such staff may be limited to one or two individuals.

Workday allows management to review, approve, and sign off on employees' expense reports, time sheets, and vacation requests. It also provides a quick method for HR and purchasing departments to secure approval for new hires, terminations, requisitions, purchase orders, and other such documents. Plus, it's a breeze for remote workers to secure approval on any document. Be aware, however, that although Workday for iPhone is free, the core application, Workday Solutions, is not. This program requires a subscription to Workday. Review the vendor's Web site for more information about this application and its benefits and limitations.

## 5. SurePayroll Mobile Payroll (Cost based on payroll frequency and number of employees)

If your company has an in-house accountant, then payroll may not be an issue. But if you use a firm, or contract out your payroll to another payroll management service, this application may save money and provide the convenience of working through your iPhone.

SurePayroll provides a long list of features, including calculating wages and deductions, managing payroll taxes, issuing checks or direct deposit funds to your employees, providing 24/7 online access to files, sending alerts, and providing labor law information. The service also includes tight security protocols, employee self-service options, HR tools and support, time clock options, and accounting software integration with programs such as QuickBooks, Peachtree, and MYOB. Check out the SurePayroll Web site for more options and features.

### Cautionary Advice

Many of the business applications I researched for this story were advertised as free, but were not really free. Maybe the app was free, but it was a useless, non-functioning waste of space unless you owned the sister application through direct purchase or a subscription-based service. In other words, the car was free, but the gas cost extra and, with gas-like subscription services—you have to keep buying it over and over again. So, be sure to read between the lines when you're downloading.

— *PC World, Five Helpful iPhone Apps for the Office, July 1, 2010*

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[http://www.destinationcrm.com/Articles/Editorial/Magazine-Features/Rising-Stars-The-People\(Soft\)-People-69296.aspx](http://www.destinationcrm.com/Articles/Editorial/Magazine-Features/Rising-Stars-The-People(Soft)-People-69296.aspx)

### Rising Stars: The People(Soft) People

With one of CRM's elder statesmen at the helm, Workday's performance management may become the next wave of CRM technology

Ever wonder what became of Dave Duffield? The PeopleSoft founder has always been a bit ahead of the curve in his passion to tackle the back-office functions of the enterprise, but he's rarely been wrong. After PeopleSoft lost its long and bloody 18-month-long battle to forestall an acquisition by Oracle, Duffield took some time off to contemplate his next move. The result? Another back-office software provider, this time hitched to the midmarket and the software-as-a-service (SaaS) delivery model.

Noting a fondness for Workday's "strong executives and great team," Michael Fauscette, group vice president for software business solutions at IDC, reserves his highest praise for the offering itself. "The product is innovative and they are strong in the midmarket." Fauscette's not alone in his praise for the technology. "Workday's innovative user experience, approach to cloud computing, and understated approach make it unique in a very flashy SaaS market," says Ray Wang, a partner at Altimeter Group (another of this year's Rising Stars).

And in this marketplace, Workday may as well have the field to itself—aside from other human capital management players such as fellow 2010 Rising Star SuccessFactors. "There's not much competition from a SaaS perspective," Fauscette says, though he notes rumblings from SAP and NetSuite. "SAP would claim that [its new Business ByDesign offering] is competitive but I'm not convinced," he says.

"What's really good about Workday other than the SaaS appeal," says Predrag Jakovljevic, principal analyst at Technology Evaluation Centers, "is [its] in-memory stuff, which might have been validated by SAP's obsession with the technology and thus [SAP's] Sybase buy, in part."

That said, Workday's expansive view of the future for enterprise resource planning (ERP) software may be relegated to just that—the future. "Steady growth, name customers, and continued expansion of its HCM boundaries have become the plat du jour at Workday," says China Martens, senior analyst for enterprise software at The 451 Group. "However, 'mañana' best describes plans for soup-to-nuts financial management software and a full ERP suite."

Workday may not mind the opportunity to burnish its image and raise its profile. In the meantime, we'll sit back and watch the market come around to Dave Duffield's way of thinking.

Again.

— *CRM Magazine, Rising Stars: The People(Soft) People, August 1, 2010*

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<http://www.todayshottrends.net/181374/computers-electronics/top-10-iphone-apps-for-business.html>

## Top 10 iPhone Apps for Business

There is always an iPhone app almost for any business. Some iPhone apps are really good to track your business activities. Here we listed the Top 10 iPhone Apps for Business.

The Apple iPhone App Store is full to the brim with useful productivity apps. We help you narrow the field by suggesting the 10 best iPhone Apps for Business Intelligence. By using these featured iPhone apps, you can do a lot of things: Monitor current sales figures, generate reports, analyze business data, and make approvals to keep your business moving forward.  
Business

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### 1. Oracle Business Indicators

This business intelligence application enables you to access to business performance information real-time and securely. It gives you instant access to all of your personally secured reports, metrics and alerts.

Cost: free | Get it!

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### 2. Roambi

Roambi allows you easily view and interact with up-to-the-minute company information. Analyze and share the latest information of your company on any iPad or iPod.

Cost: free | Get it!

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### 3. Workday

Do you need to an application which can help you keep important human resource and business management processes moving? That's the Workday. By using Workday, you can review and approve HR and business management processes.

Cost: free | Get it!

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### 4. Analytics App

Analytics App is based on Google Analytics data. It allows you to access to your Google Analytics data from anywhere. This Analytics app puts your Google Analytics at your fingertips.

Cost: \$6.99 | Get it!

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### 5. SiteCatalyst

It provides real-time intelligence about online strategies and marketing initiatives. Marketers can quickly identify the most profitable paths through their Web site.

Cost: free | Get it!

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### 6. Oracle Business Approvals for Managers

Review key targeted tasks, access relevant business intelligence reports, make informed decisions and take immediate actions easily and securely while on-the-go.

Cost: free | Get it!

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### 7. ActiveStrategy Mobile

This app lets you access to your ActiveStrategy Enterprise Scorecards and other strategic performance information and indicators you need to manage your organization effectively.

Cost: free | Get it!

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#### 8. QlikView

QlikView, which is the first truly interactive mobile BI application built from the ground up for the iPhone and iPod touch, lets you to quickly and easily explore and analyze your business data.

Cost: free | Get it!

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#### 9. Oracle Business Approvals for Sales Managers

By using this app, sales executives can easily review key targeted tasks and access relevant business intelligence reports. It may help you to make decisions to help your sales team succeed.

Cost: free | Get it!

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#### 10. InerTrak

InerTrak for iPhone is a time-tracking tool for anyone who works on multiple projects on an hourly basis. The app "InerTrak" automatically keeps track of the time you spend on different projects throughout the day.

Cost: \$4.99 | Get it!

— *Today'sHotTrends.net, Top 10 iPhone Apps for Business, August 4, 2010*

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<http://hrsystech.blogspot.com/2010/08/workday-demo.html>

#### Workday Demo

So far I like the Workday salesperson better than the last guy. And I see snacks although I'm not sure if he brought them. I like that all customers automatically receive updates with new releases. Workday is 5 years old and has 160 clients so they should have experience setting up clients with different needs. They partner with Taleo for their ATS because they don't have their own, which I was surprised to hear. It seems that it would be beneficial for them to have their own, so they don't have to send clients to their competitor for this service. I like the home page employees view when they login. The icons are in a circle and it's very user friendly. The PTO projected balances feature is great, so employees can see how much PTO they would have by a certain future date. I like that employees can submit expenses through this system. The dashboard for managers is useful to drill down into the data in the system. I like that managers can give one time spot bonuses and if it's over a certain amount it can be automatically routed for approval through the system. The performance management tool allows managers to see a list of their employees who have not started entering their goals. It is not as easy to see in one place in PeopleSoft, which my company currently uses. It's very useful that you can see who a terminating employee referred to the company and who may leave with her. You can then see which of those employees she referred are top performers and may need an added bonus to entice them to stay. Awesome! Jun is never going to get his question fully answered on tracking which employees work on what projects :)

— *HR Systems & Tech, Workday Demo, August 11, 2010*

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## Workday, Inc. company overview

My main post on Workday's technology got really long, so I decided to split out a company backgrounder separately. Here goes.

Workday, Inc. was founded by Dave Duffield and Aneel Bhusri, who'd previously worked together at PeopleSoft. It is generally the case that the companies Dave starts:

- Develop application software for large or fairly large enterprise customers.
- Build those applications in/on their own platform technology, which is meant to be cutting-edge in its day. (For example, PeopleSoft was early in building an RDBMS-based client/server application suite, and did so with the help of a clever technology called PeopleTools I nonetheless helped talk PeopleSoft out of further commercializing.)
- Focus first on human resources software (Dave had another HR company before PeopleSoft).
- Move fairly early into non-profit/higher-education accounting (Dave had a company in that area before PeopleSoft, and PeopleSoft was fairly active in the area too).
- Emphasize a pleasant corporate culture.

All these things seem true of Workday Inc., although the non-profit/higher-ed move is just underway now. Specifically:

- Workday was founded in 2005, starting with an asset buy of some platform software a key PeopleTools developer had been working on for years.
- Workday has had multitenant SaaS offerings from the getgo. (And that's all Workday does.)

- Workday has around 150 customers.
- Workday sells mainly to multinational corporations, generally based in North America. Efforts in the UK are beginning to ramp up.
- Workday has six core application modules, among which are:
  - Workday Human Capital Management (almost all the customers).
  - Workday Payroll (a little under 50 customers). Workday is partnered with local providers for payroll in 20 countries, and is building its second inhouse version (Canadian) now.
  - Workday Financial Management (a little under 20 customers, for what is far from a complete system).
  - Workday Benefits Network, providing connectivity to benefits providers (that's the only Workday module that isn't straight software).
- Workday, Inc. has around 500 employees, mainly in Pleasanton, CA. About 20 are in Dublin, Ireland, courtesy of the acquisition of CapeClear. About 1/3 are in development.

Workday prices its services based on metrics for the overall client business, not per-Workday-user. (Actually, the metric is basically headcount, which makes sense given Workday's application focus.)

Some of these points are covered in more detail in a Workday Inc. slide deck.

The Workday architecture — a new kind of OLTP software stack

One of my coolest company visits in some time was to SaaS (Software as a Service) vendor Workday, Inc., earlier this month. Reasons included:

- Workday has forward-thinking ideas about SaaS enterprise applications and the integration of business intelligence into same.
- Workday has highly innovative ideas in how it manages data.
- Companies founded by Dave Duffield tend to feature smart, likeable people who talk to one pleasantly and forthrightly. Workday is no exception; CTO Stan Swete and the other Workday folks present were a delight to talk with.
- I'd invited Merv Adrian to come along with me. He asked great questions, and I could gather myself a bit despite how sleep-deprived I was for the first part of that trip.

Workday kindly allowed me to post this Workday slide deck. Otherwise, I've split out a quick Workday, Inc. company overview into a separate post.

The biggie for me was the data and object management part. Specifically:

- Workday's applications run entirely in-memory, in a highly object-oriented structure. Persistence is mainly for the sake of data safety ...
  - ... but not entirely. In earlier releases, Workday kept absolutely everything in RAM. However, certain things are kept only on disk, such as:
    - Audit files.
    - Certain documents (notably resumes).
  - Workday's whole database – data and metadata alike – is persisted to disk in <10 MySQL/InnoDB tables. MySQL is basically just being used as a key-value store, albeit one with ACID transactional support.
  - There are 3 main tables: attributes, relationships, instances.
  - When I suggested this might be like an entity-attribute-value model, Workday said it would be even better to think in terms of instanceID-attribute-value.
  - As you might expect for a database that simple, its schema doesn't change much.
  - By way of comparison, Workday estimates that if its software were written relationally, there would be 1000s of tables, which would take up 10-100X as much disk space.
  - All write transactions are banged immediately into the MySQL database. I.e., RAM and disk are never allowed to get out of sync.
  - Workday's database is append-only. This is exploited for effective dating (pretty heavily, it seems, perhaps because that's a useful concept in human resources) and snapshotting reporting.
  - Workday's built-in BI doesn't have a lot of choice but to do scans, traversing the object model. This turns out to be fast enough.
- Other notes on Workday's data and object management strategy include:

- Workday is object-oriented through and through – no object-relational mapping – turtles all the way down. On average, a class has about 2 attributes.
  - 94% of requests are reads, traversing the object hierarchy.
  - Workday databases are pretty small.
  - The biggest database Workday supports uses 17 gigabytes of RAM.
  - Workday databases are much smaller on disk than in RAM.
  - Workday's "dream" is to move from disk to solid-state memory.
  - Workday uses GPLed MySQL/InnoDB. So there's no software license reason to ever move away (e.g., to a pure key-value store).
  - Disaster recovery is based on local and remote MySQL slaves.
- Obviously, serious apps have been built before in object-oriented and/or key-value ways, with the resulting objects then being banged to disk (or in some cases kept in memory). Examples include:

- Numerous applications are built on object-oriented DBMS. Generally they go against disk, although memory-centric implementations can save a lot of pointer-chasing. Often they're queried via SQL.
  - Basho's website says that its key-value store Riak was originally conceived in connection with a planned salesforce automation product, but I don't think that the application part of that plan ever got built.
  - SAP has longstanding doubts about relational dogma, although not nearly to Workday's extreme.
  - Obviously, some major internet applications just bang data into key-value stores.
- Still, perhaps because it wholly object-oriented yet doesn't even bother with anything like a real object-oriented DBMS, Workday's approach seems particularly cool.

Other highlights of Workday, Inc.'s technical story include:

- Workday has settled into a schedule of three releases per year, and has pretty much lived up to that for >2 years.
- Every user is always on the latest Workday release.
- You can delay turning on significant new Workday software functionality if you want to.
- Pure UI changes to the Workday software are handled much as they are on various websites today. Sometimes you have no choice but to live with them; sometimes the prior version of the UI remains available to you for a while.
- Workday's navigational approaches look pretty cool.
- The core concept is a list of actions you can perform now, rather than more standard menus.
- Roles/permissions are of course central to this.
- Reports have lots of actionable links in them. (More than just drilldown, although specific examples have slipped my memory.)
- Alternatively, you can navigate via a search box, searching both on names of objects (e.g. users, divisions) or on names of tasks. This is somewhat reminiscent of an approach SAP was considering a few years ago.
- Workday says it has four key design premises:
  - Web-Familiar Experience. I'd say that's true to the extent it makes sense. In many ways, the web needs to catch up to Workday.
  - Enterprise Reporting. The idea is that you get a report, then take actions based on it. Hence the report-centric options for navigation.
  - Integration On-Demand. That's a fancy way of saying "Plays nicely with others."
  - Configurable Business Processes. Duh. That's pretty essential if you want to do serious SaaS applications.
- Workday maintains a strong separation between application logic and UI development. Developer do no screen layouts. Instead, Uis are automatically generated for:
  - Flash/FLEX
  - iPhone
  - Mobile HTML
  - PDF export
  - Excel export
- Workday only talks to the outside world via web services.
- Workday is heavily into SOAP (Simple Object Access Protocol).
- The acquisition of OEM partner CapeClear gave Workday an Integration Service (i.e., enterprise service bus) that translates SOAP into whatever else might be needed for integration, and also does reliable delivery.
- All that said, Stan Swete sees integration among various SaaS offerings as an area needing significant future attention.
- Workday's business intelligence ideas are interesting, but I think there's a long way for that technology still to go.
- Workday's BI seems to be focused on report/drilldown kinds of functionality.
- You can slice by up to 2 dimensions at once.
- Then you can keep slicing, however, by more dimensions, as many times as you like.
- While you can take actions straight from reports, some of the specific BI/app integration ideas we discussed are still futures. (E.g., analyzing spend at the time of expense report data entry or approval.)
- Of course, Workday's web services interface lets you export Workday data into 3rd-party tools. Indeed, if you want to integrate data from Workday and some other source(s), that's your only choice.
- Workday offers a clever metaphor to illustrate that your data may be more secure offsite than on – the bank vault. (I have no idea whether that's a SaaS industry standard, but I hadn't heard it before.) Of course, that metaphor does beg some issues specific to the remote data case, such as:
  - When your data is on premises, you know whether the government has insisted on looking at it.
  - More than cash, data keeps traveling back and forth to the remote location, which creates at least a theoretical risk of interception.
  - Workday says the toughest part of globalization is the issue of which personal data is or is not maintained. For example, in the US you're not allowed to not ask a job applicant's religion, but in the UK you're not only permitted but indeed required to.

Workday comments on its database architecture

In my discussion of Workday's technology, I gave an estimate that Workday's database, if relationally designed, would require "1000s" of tables. That estimate came from Workday, Inc. CTO Stan Swete, in a thoughtful email that made several points about Workday's database strategy. Workday kindly gave me permission to quote it below.

I would say thousands. The object model for our applications consists of over 2000 classes. On average these classes have multiple relationships with other classes so that would have some kind of multiplicative effect when it came to using tables.

One example of where you'd be proliferating tables (and not getting as satisfactory of a solution relationally) is worktags. Currently we have a class for worktags. Instances of this class can point to various instances of detail lines (expense lines, po lines, invoice lines, etc...). A detail line can have many worktags pointing to it. To model this relationally you'd need either a separate table for each type of detail line in the system to store the tags associated with it or a single worktag for detailed line table that could be foreign keyed for all types of detail lines that would store their worktag. Either way involves more tables and more clunkiness.

Another example of where our oo designs wouldn't directly translate is our ability to describe to shared part of a detail line in one class and have all instances of detail lines inherit the fields that are shared. To do this relationally you'd probably replicate the shared fields in each table representing the various kinds of transactional details (again lines, po lines, invoice lines, etc...). You'd lose the ability to maintain and change the shared fields (and the processing logic for those fields) in one place.

Anyway, I'd go with "thousands" as our answer. I do think this is an interesting question and wish we had more time to figure out a more accurate answer.

## Summary

Workday is opening up to a tough crowd of industry analysts. Here are the morning's highlights from this briefing.

## Topics

Workday, Herewith, Software As A Service (SaaS), Cloud Computing, Managed Hosting, Enterprise Resource Planning (ERP), Manufacturing, Enterprise Software, Emerging Technologies, Software, Brian Sommer [more +](#)

## Blogger Info

Brian Sommer

BioContact.BiographyBrian SommerBrian is in a unique position to diagnosis the winners and the losers in technology and services. He was the longest running (10 years) and most senior director of Andersen Consulting's (now Accenture's) global Software Intelligence unit - a position that required him to pick the best possible software solutions for hundreds of clients globally. He advised the firm on ERP software market forecasts and helped establish manpower planning estimates by vendor for deployment globally. Brian continues to remain close to technology buyers and sellers. When he left Andersen Consulting, he co-created a dot-com with blogger and former arch-enemy at Price Waterhouse, Vinnie Mirchandani. That firm helped broker efficient services contracts between software buyers and systems integrators. Since then, he's created TechVentive, Inc. - a company that helps technology firms better understand their markets - and Vital Analysis - the research and publishing arm of TechVentive.

Brian still travels the world and publishes an impressive number of articles, research reports and blog posts annually to help software and services buyers make better business decisions. He can be reached at: [brian @ vitalanalysis.com](mailto:brian@vitalanalysis.com)

## Vendor HotSpot

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[Learn More »](#) 20 industry analysts/pundits were invited today to a special technology briefing by Workday. Herewith are my highlights from the morning half of this event:

- The Workday target customer is clearly the SAP and Oracle install base. Workday is targeting large enterprises with its SaaS, multi-tenant products. Aneel Bhusri, the Co-CEO of Workday, intimated that the gloves will be coming off as early as next month. Specifically, Workday sees the 'cloud' messages of many ERP vendors to be confusing to the marketplace. Frankly, I'd agree that there's a lot of confusion out there so much so that I coined a term months ago in a blog: SaaS-querade.
- Workday will not be delivering a PaaS (platform-as-a-Service) that customers or integrators will be able to use to develop complementary applications. Workday appears to be quite comfortable as an applications vendor and not a platform provider. Note that Workday has a close relationship with Salesforce.com (specifically with its CRM cloud app) and its founder Marc Benioff. It appears that Workday will not develop its own CRM solution.
- Workday will not be going into the manufacturing applications software space for the foreseeable future. Aneel indicated that this was a challenge when he was at PeopleSoft and wouldn't rush to repeat this at Workday.
- Workday is contractually obligated to bring an additional cloud center up by the first of the year. They currently have one center today and a recovery center.
- Workday will likely enter Australia later in 2010. The next expansion wave will likely occur in Japan, Korea, Germany, France, Scandinavia and India. The key to opening new markets will be the presence of large numbers of Multi-National Companies (MNCs) within a geography.
- The company has just closed its first higher-education client.
- Workday execs indicated the firm has seen a new level of interest from systems integrators. Three of the world's largest integrators have recently seen their proposals to implement on-premise ERP solutions fail to win with clients. Clients want new methods, new approaches, lower cost implementations, etc. SaaS solutions will require systems integrators to re-invent themselves in the age of the cloud and multi-tenancy. Two of the three referenced integrators have apparently seen the light and are discussing new relationships with Workday.
- Workday has come close to developing a couple of SaaS BPO deals with third parties.

More later.

<http://www.enterpriseirregulars.com/24218/workday-technology-summit/>

Enterprise Software as a Service provider Workday is holding an all-day Technology Summit (their first one) to the analyst community. I'm lucky enough that Workday is based in Pleasanton, so for the first time I don't have to get on a plane for such a meeting.

Also, this could very well be the highest concentration of Enterprise Irregulars in one room.

Follow the Tweet stream below:

## Summary

More on the Workday Technology Summit including information re: an iPad analytics application, Workday Labs interest areas and the role of social media in Workday applications.

## Topics

Workday, Pricing, Business Intelligence, Tools & Techniques, Social Networking, Databases, Enterprise Software, Marketing, Software, Data Management, Management, Online Communications, Advertising & Promotion, Brian Sommer more +

## Blogger Info

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## Vendor HotSpot

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Learn More » Monday afternoon, we were treated several briefings re:

- Workday's UI (User Interface)
- use of in-memory database technology
- how Workday integrates with customer and third party applications, and,
- the business intelligence functionality in the software.

Co-CEO Aneel Bhusri surprised the attendees with his discussion about a new development Workday is undertaking to create an iPad tablet based solution. This application would be in addition to the BI (Business Intelligence) Workday already possesses. The iPad analytics product would be targeted for CXOs and would be separately priced from other Workday solutions. The initial focus of the app would provide detailed KPIs (key performance indicators) about a business on a form factor that Workday believes will be of interest to CXOs. The company expects to team with major consultancies to populate the solution with appropriate business and vertical KPIs. Aneel also indicated that this solution will also be available on desktops.

There was also another conversation at the event that involved the desire of Fortune 500 firms wanting to use certain social network technologies (e.g., LinkedIn, Facebook and Twitter). Some of the analysts present volunteered that many large firms lock down users' devices and personal computers to prevent access to these sites. One Workday executive indicated that some of their customers have strongly indicated that they would not support this technology. Other analysts encouraged Workday to rollout the capability but make it optional. This exchange is a bit problematic for me as I've been briefed by many HR and Talent Acquisition technology firms that make extensive use of the social network technologies (e.g., JobVite, Selectminds, etc.). I've seen the customer lists of these firms, too, and I believe many firms are already incorporating social technologies into their Human Capital and ERP solutions. I guess this area warrants more research.

Later in the day, we received a briefing re: Workday Labs. That briefing showed a number of technologies and capabilities Workday is investigating for future products and product enhancements. There was lots of activity re: Microsoft Pivot and Office integration; Apple iPod and voice dictation integration with Workday performance evaluations; more cell phone integration; etc. Within these teasers, social media integration within Workday was quite evident. So, one must conclude that the interest and desire is there within Workday to tie their technology to social media but the timing (and risk concerns) may be an issue at the moment.

<http://www.enterpriseirregulars.com/24268/well-spent-workday-workdayheres-the-firehose/>

Yesterday I was privileged to sit in a group of 20 or so analysts (many of them fellow Enterprise Irregulars) invited to Workday's first ever Technology Summit. For short background, Workday's original call to fame came from it's Founder, Dave Duffield, an Enterprise Software Legend, who built PeopleSoft from nothing to a position of challenging SAP, the market leader in Enterprise Business Suites. Then came Craig Conway, Oracle, an extended hostile takeover, and the rest is history. So when by Dave Duffield and Aneel Bhusri started Workday, they got a lot of attention, since "they've done it before, they will pull it off again".

Then we heard nothing for a while – and nowadays the tone has changed. It's not about Dave and Aneel anymore, and that's a good thing. It's about an emerging SaaS offering that's decidedly Enterprise ready, boosting customers with over 100K users (I believe the highest number we heard was 200K). It's about the underlying technology layer, with a strong core system, in-memory data, Business Process framework, built-in native BI, integration framework...etc. In other words Workday is emerging as a technology innovator, and that's a good message. (At the risk of jumping ahead, one of the dilemmas is that while anyone with a few years Enterprise Software experience knows relying on IT / CIO only is dangerous, you need Business ownership, Workday's differentiators are decidedly in the underlying technology infrastructure, which is a message for IT....)

Back to yesterday's Summit – it was absolutely intense, very open, and, boy, they did take the "Technical" part in the name seriously.. There was no marketing fluff, just information, information, information. I am still trying to process all I absorbed – more detailed analysis to follow ... unless my esteemed colleagues beat me to it

But there's something else I want to talk about: how Twitter changed the nature of the entire event. All of us were tweeting, using the hashtag #workdaytech. At times there was as much discussion online as in the room itself – but it did not become disruptive, whatever questions emerged on Twitter, Aneel and his Workday team responded to. In fact we even had "tweet-in" questions. Not that the event was announced, but our followers found out soon on their own. The stats below show about half the #workdaytech tweet-stream consisted of retweets. Those were mostly outsiders – I personally recognized several followers who I would not have pegged as the "enterprisey" type, yet they stuck with us throughout the day.

Another notable item is the Top Users list: @InFullBloomUS was the most active – but she was not even there! Yet by following the tweetstream, commenting heavily and asking questions she became an active participant. Now, let's admit not everyone could have pulled it off, but we're talking about Naomi Bloom, Queen of HRM, long-time industry observer, consultant to Workday, PeopleSoft, Dave's previous company and the one before that, and the one before the one before if there was one

Using Twitter essentially changed the nature of the event, reaching a much larger audience than those sitting in the room. Of course this could not have happened without Workday's openness: they decided to embrace social media, rather than trying to control it. Press embargos are dead! In fact in the last minute Aneel jumped in with a little preview of a new product they only plan to announce at the upcoming user conference, Workday Rising. I don't want to spoil the show, let me just say it is a nice touch.

Finally, about that Firehose. I offered a scrolling live feed during the event, and obviously many followed using their favorite Twitter client – but it's not that easy to serve up a complete record after the fact. Several services attempt it:

TwapperkeeperArchivistWthashtagMost of them appear to focus on stats, and as such offer a download to Excel. I have not found an easy way to present the stream as it was, with the user avatars included. So here it is, unedited, hard-to-read, but all-inclusive:

#### Workday Technology Summit Tweet Stream

Transcript from August 23, 2010 to August 24, 2010

All times are Pacific Time

August 23, 2010

4:37 pm Ankit\_A: RT @rwan0: RT @dahowlett: @dealarchitect: picking on SAP is safer than picking on ORCL. SAP won't sue yer ass anytime soon #workdaytech

4:37 pm mkrigsmn: From @aneelb: Expecting SAP to make Business byDesign the new ERP. #workdaytech

4:38 pm rwan0: RT @ScottGuinn: #workdaytech Workday: We've had a full in-memory db from the beginning

4:38 pm mfauscette: #workdaytech salesforce is a great partner and is a workday customer

4:38 pm ggheorghiu: R they looking 4 the 84th? @mkrigsmen: Flextronics has 83 #HR systems — Workday sees great opportunity to help them a lot #workdaytech

4:38 pm rwang0: @mhweier What's holding back big legacy vendors fr getting it right? @aneelb "need a clean sheet of paper" #workdaytech #saas #cloud #hcm

4:39 pm SameerPatel: RT @dahowlett: @dealarchitect: picking on SAP is safer than picking on ORCL. SAP won't sue yer ass anytime soon #workdaytech

4:39 pm jimholincheck: RT @rwang0: @aneelb I'd suspect either ORCL or SAP will get it right. Not both or Google out of left field #workdaytech #saas #cloud #hcm

4:39 pm vendorprisey: RT @rwang0: RT @ScottGuinn: #workdaytech Workday: We've had a full in-memory db from the beginning

4:39 pm ggheorghiu: #SaaS Adoption trends highlight shift in focus. See report: <http://bit.ly/drJJeE> #workdaytech #saas #cloud #hcm RT @sandhillpr: RT @rwang0

4:40 pm aerosmith071: RT @merv: #workdaytech "Staying focused on the 1000-up market, direct. Today, every go-live event is known to the whole company." That intimacy a key.

4:40 pm dahowlett: @jimholincheck – Surely GOOG would be more than left field? #workdaytech

4:40 pm aerosmith071: RT @merv: RT @connectme: @merv With outsourced payroll and MBPaaS, companies won't know if a govt (US or otherwise) has been snooping. #workdaytech

4:40 pm cefaloworkday: RT @rwang0: @mhweier What's holding back big legacy vendors fr getting it right? @aneelb "need a clean sheet of paper" #workdaytech #saas #cloud #hcm

4:40 pm rwang0: Brian Sommer asks "Who do you admire in the SaaS space?" @aneelb "Salesforce. Marc has stayed true message" #workdaytech #saas #cloud #hcm

4:40 pm merv: #workdaytech respect here for salesforce, and Benioff, is high.

4:40 pm mkrigsmen: Flextronics clarification from @Leighanne: they HAD 83 systems; now 100,000 employee equivalents on Workday #workdaytech

4:40 pm mkrigsmen: "Salesforce could come into our market" but doesn't think it likely. #workdaytech

4:41 pm sctechman: RT @rwang0: RT @dahowlett: @dealarchitect: picking on SAP is safer than picking on ORCL. SAP won't sue yer ass anytime soon #workdaytech

4:41 pm vendorprisey: Workday has major respect for salesforce. #workdaytech

4:41 pm mfauscette: #workdaytech "who do you admire in apps/tech space?" salesforce, Google and Amazon

4:41 pm rwang0: @aneelb "google and amazon revolutionary. most companies don't understand. IBM & HP won't be able to compete" #workdaytech #saas #cloud #hcm

4:41 pm rhirsch: RT @mkrigsmen: From @aneelb: Expecting SAP to make Business byDesign the new ERP. #workdaytech

4:41 pm paulhamerman: #workdaytech Aneel holds Salesforce in high regard, innovative vendor. Google and Amazon as well.

4:41 pm rwang0: @aneelb Gmail is surfacing a lot as an Exchange replacement. Not sure if Google is focused on enterprise #workdaytech #saas #cloud #hcm

4:42 pm mfauscette: #workdaytech often find gmail already in new accounts as a Exchange replacement and one of the first enterprise SaaS deployments

4:43 pm rwang0: Legacy issues continue to hamper cloud adoption. See report. <http://bit.ly/cUokCO> #workdaytech #saas #cloud #hcm

4:43 pm toppundit: Depending on what you mean, though, #workdaytech SAP had a working in-memory database b4 Workday. T-Rex.

4:43 pm cefaloworkday: RT @vendorprisey: Workday has major respect for salesforce. #workdaytech

4:43 pm djbouli: RT @ggheorghiu: #SaaS Adoption trends highlight shift in focus. See report: <http://bit.ly/drJJeE> #workdaytech #saas #cloud #hcm RT @sandhillpr: RT @rwang0

4:43 pm ggheorghiu: RT @mkrigsmen: Workday core tenets: Real Saas, Strength from the Core, Enterprise Class, Innovation Weaved Throughout <<< AND blah blah blah #workdaytech

4:43 pm InFullBloomUS: RT @workday: RT @rwang0: Workday focused on Real Cloud Platform. We are an Apps Company. We are not a platform play. #workdaytech #saas #cloud #hcm

4:44 pm jimholincheck: Yes, but they could have an interesting biz model. RT @dahowlett: @jimholincheck – Surely GOOG would be more than left field? #workdaytech

4:44 pm techguerilla: RT @rwang0: Legacy issues continue to hamper cloud adoption. See report. <http://bit.ly/cUokCO> #workdaytech #saas #cloud #hcm

4:44 pm InFullBloomUS: RT @jimholincheck: #workdaytech @aneelb MT matters for custs, not just vends. For me, it is a means to an end. Not all SaaS vendors pass on bens to custs

4:44 pm jimholincheck: Also, Zoho already doing, not a total stretch RT @dahowlett: @jimholincheck – Surely GOOG would be more than left field? #workdaytech

4:44 pm rwang0: RT @toppundit: Depending on what you mean, though, #workdaytech SAP had a working in-memory database b4 Workday. T-Rex.

4:44 pm LeightonTJP: RT @rwang0: RT @dahowlett: @dealarchitect: picking on SAP is safer than picking on ORCL. SAP won't sue yer ass anytime soon #workdaytech

4:45 pm mfauscette: #workdaytech why not be platform? serving 2 masters, not place of app vendor (salesforce is the exception)

4:45 pm paulhamerman: #workdaytech Platform as a service is not the same as Infrastructure as a service. Response why Workday is not there seems to confuse the 2

4:45 pm rwang0: @aneelb We will not be in CRM. We partner with salesforce.com #workdaytech #saas #cloud #hcm

4:45 pm vendorprisey: SAP'S execs view of salesforce totally opposite from workday's. interesting #workdaytech

4:45 pm InFullBloomUS: RT @jasonaverbook: Not going to let legacy vendors get away with "warmed over hosting" as "cloud" – #workdaytech #ki

4:45 pm dahowlett: Not sure I get the GOOG/AMZN/CRM schtick: assume they know something fundamental we don't #workdaytech

4:45 pm mfauscette: #workdaytech good partnership with salesforce for CRM, no plans to be a CRM vendor

4:45 pm vendorprisey: RT @rwang0: @aneelb We will not be in CRM. We partner with salesforce.com #workdaytech #saas #cloud #hcm

4:45 pm rwang0: RT @mfauscette: #workdaytech why not be platform? serving 2 masters, not place of app vendor (salesforce is the exception)

4:45 pm mkrigsman: Workday as apps provider. Contrast with Salesforce as a platform vendor. Drawing clear non-competition lines with Salesforce #workdaytech

4:45 pm InFullBloomUS: RT @rwang0: Brian Sommers asks the questions "When are you taking the gloves off?" @aneelb Now. #workdaytech #saas #cloud #hcm

4:46 pm LeightonTJP: RT @rwang0: Legacy issues continue to hamper cloud adoption. See report. <http://bit.ly/cUokCO> #workdaytech #saas #cloud #hcm

4:46 pm vanheukelom: RT @jimholincheck: Also, Zoho already doing, not a total stretch RT @dahowlett: @jimholincheck – Surely GOOG would be more than left field? #workdaytech

4:46 pm ggheorghiu: RT @mfauscette: #workdaytech good partnership with salesforce for CRM, no plans to be a CRM vendor

4:47 pm jonll: Great backchannel on #workdaytech – some really interesting reading! Great analyst coverage. #cloud #saas #hcm

4:47 pm paulhamerman: #workdaytech a PaaS layer for extensibility would enhance any apps vendor's offering. It's critical for ERP to be successful as SaaS.

4:47 pm InFullBloomUS: RT @rwang0: @aneelb roadmap – 2008/9 Core HR, 2010 Payroll, 2010/11 Talent, 2011 Projects, Spend 2011/12 Core Financials #workdaytech #saas #cloud #hcm

4:47 pm rwang0: Integration is a key part of Workday strategy. Hence acquisition of Cape Clear. <http://bit.ly/d0u5GB> #workdaytech #saas #cloud #hcm

4:48 pm jimholincheck: #workdaytech Looks like they might develop a student information systems as they increase focus on higher ed – interesting vertical focus.

4:48 pm InFullBloomUS: RT @jimholincheck: #workdaytech Does not plan big push into Financials until 2011/12 (targeting US midmarket now). Slower than I thought it would be.

4:48 pm rwang0: Sat with a #workday customer on the way back from #ams. They were 30 days from go-live. Love UI #workdaytech #saas #cloud #hcm

4:48 pm InFullBloomUS: RT @dahowlett: Raised \$165 million to date #workdaytech

4:49 pm InFullBloomUS: RT @mkrigsman: Workday co-CEO @aneelb on small- and med- market: "That's not where we want to be" #workdaytech

4:49 pm InFullBloomUS: RT @rwang0: @aneelb up against 20 of the toughest analysts in the market with a crossfire of questions #workdaytech #saas #cloud #hcm

4:49 pm ggheorghiu: RT @jasonaverbook: The HR buyers have much to learn about benefit of "true SaaS" as part of justification for new tools; not just pretty UI #workdaytech #ki

4:49 pm mfauscette: #workdaytech the toughest barrier for new competitors is the SaaS knowledge

4:49 pm InFullBloomUS: RT @rwang0: @Workday has a good pricing model. Flat line pricing for a 5 year period #workdaytech #saas #cloud #hcm

4:49 pm InFullBloomUS: RT @merv: #workdaytech "Usability was our lever into the market" says Bhusri. Despite all their experience, "field" learnings early mattered greatly.

4:49 pm juliebhunt: RT @rwang0: MY POV: Culture at #workday extremely collaborative, lots of smart people, ego's checked in at the door #workdaytech #saas #cloud #hcm

4:50 pm jeffreybreen: looks like #workdaytech is the place to be today – in person or on Twitter!

4:50 pm cefaloworkday: RT @rwang0: Sat with a #workday customer on the way back from #ams. They were 30 days from go-live. Love UI #workdaytech #saas #cloud #hcm

4:50 pm vendorprisey: insightful comment. TM vendors are like I2 and manugistics. not owning system of record. #workdaytech

4:50 pm rwang0: @ZoliErdos has a live tweet feed of the #workdaytech summit. See here. please retweet <http://bit.ly/cn7riE> #workdaytech #saas #cloud #hcm

4:50 pm paulhamerman: #workdaytech ByDesign has a cloud-based extensibility layer in the app environment. Workday's extensibility configuration only, I believe.

4:50 pm InFullBloomUS: RT @mfauscette: #workdaytech Standard contract is 3 yrs, most customers negotiate to 4 yrs for greater predictability

4:51 pm juliebhunt: RT @rwang0: Integration is a key part of Workday strategy. Hence acquisition of Cape Clear. <http://bit.ly/d0u5GB> #workdaytech #saas #cloud #hcm

4:51 pm jimholincheck: #workdaytech @aneelb Accenture, Deloitte, and Towers Watson are ramping up consulting practices with Workday.

4:51 pm InFullBloomUS: RT @mfauscette: #workdaytech Indus and geo focus: us, Canada, UK now, next australia, 2011 and beyond japan, korea, Germany, France, scandinavia, india

4:51 pm InFullBloomUS: RT @jasonaverbook: Exciting to see Australia as a “short-term” target for Workday – very needy market for unified HCM #ki #workdaytech

4:51 pm billkutik: Not @ #workdaytech? Thanks RT <http://bit.ly/bPuzqe> Great Stuff at HR Technology @InFullBloomUS @stelzner @vanheukelom @AcquireInc #hrtechconf

4:51 pm mfauscette: #workdaytech average time to live is 4-5 months for SaaS ERP

4:51 pm InFullBloomUS: RT @mfauscette: #workdaytech Indus focus: pub sector now, next fin services and healthcare

4:52 pm InFullBloomUS: RT @mfauscette: #workdaytech core tenets: real SaaS, strength from core, enterprise class, innovation throughout

4:52 pm mfauscette: #workdaytech core implementations must be done quickly, part of the value

4:52 pm mkrisman: “Core implementation needs to be done quickly or it defeats our purpose” #workdaytech

4:52 pm vendorprisey: RT @jimholincheck: #workdaytech @aneelb Accenture, Deloitte, and Towers Watson are ramping up consulting practices with Workday.

4:52 pm InFullBloomUS: RT @jasonaverbook: The HR/HCM/Talent Management space is about to learn what “true SaaS” is; not just for IT anymore – #ki #workdaytech

4:52 pm SameerPatel: RT @rwang0: @ZoliErdos has a live tweet feed of #workdaytech summit. please retweet <http://bit.ly/cn7riE> #workdaytech #saas #cloud #hcm

4:52 pm merv: RT @jimholincheck: #workdaytech @aneelb Accenture, Deloitte, and Towers Watson are ramping up consulting practices with Workday.

4:52 pm rwang0: RT @vendorprisey: insightful comment. TM vendors are like I2 and manugistics. not owning system of record. #workdaytech

4:53 pm jonerp: RT @rwang0 @ZoliErdos has live tweet feed of #workdaytech summit. See here. <http://bit.ly/cn7riE> #workdaytech >>sharp group of analysts

4:53 pm TBilly: RT @jimholincheck: #workdaytech @aneelb Accenture, Deloitte, and Towers Watson are ramping up consulting practices with Workday.

4:53 pm rhirsch: RT @rwang0: @ZoliErdos has a live tweet feed of the #workdaytech summit. See here. please retweet <http://bit.ly/cn7riE> #workdaytech #saas #cloud #hcm

4:53 pm workdayscott: RT @rwang0: Sat with a #workday customer on the way back from #ams. They were 30 days from go-live. Love UI #workdaytech #saas #cloud #hcm

4:54 pm InFullBloomUS: RT @merv: #workdaytech “First redefinition of the core in 15 years. Org and security model, BPM and workflow, embedded BI” all needed change. – Bhusri

4:54 pm rwang0: RT @TBilly: RT @jimholincheck: #workdaytech @aneelb Accenture, Deloitte, and Towers Watson are ramping up consulting practices with Workday.

4:54 pm mfauscette: #workdaytech at least half of integrations are done with on prem legacy systems

4:54 pm paulfallon: RT @rwang0: @ZoliErdos has a live tweet feed of the #workdaytech summit. See here. please retweet <http://bit.ly/cvFtam> #saas #hcm

4:54 pm rwang0: Anyone know if #workdaytech is a trending topic yet? #saas #cloud #hcm

4:54 pm johnrrymer: #workdaytech Workday: More than half of implementations require integration with on-premise systems.

4:54 pm InFullBloomUS: RT @merv: #workdaytech “If you’re going to be a core ? you have to have integration; that’s why we bought Cape Clear.” – Bhusri

4:54 pm amiassayag: RT @mfauscette: #workdaytech average time to live is 4-5 months for SaaS ERP

4:55 pm rwang0: LMS partnership w/ Plateau #LearningManagement #workdaytech #saas #cloud #hcm

4:55 pm juliebhunt: RT @rwang0: @ZoliErdos has a live tweet feed of the #workdaytech summit. See here. please retweet <http://bit.ly/cn7riE> #workdaytech #saas #cloud #hcm

4:55 pm rwang0: #saba, #sumtotal can also integrate via #webservices #workdaytech #saas #cloud #hcm

4:55 pm jonll: RT @rwang0: Brian Sommers asks the questions “When are you taking the gloves off?” @aneelb Now. #workdaytech #saas #cloud #hcm

4:55 pm HelenJLashe: looks like #workdaytech is the place to be today — in person or on Twitter! :@

4:55 pm rwang0: RT @johnrrymer: #workdaytech Workday: More than half of implementations require integration with on-premise systems.

4:56 pm paulhamerman: #workdaytech Workday’s LMS partner is Plateau systems. Can orchestrate integration. Working with Taleo, Mr.Ted (Stepstone) for recruiting.

4:56 pm InFullBloomUS: RT @mfauscette: #workdaytech largest deployment 100,000 employees, average deal in current pipeline over 10,000 employees



4:56 pm InFullBloomUS: RT @rwan0: 3 types of adoption: Tier 1 legacy, Tier 2 upgrade to ent class, Net new: spin out or fast growing entity #workdaytech #saas #cloud #hcm

4:57 pm johnrmyer: #workdaytech No Workday equivalent to Force.com. Curious to see how customizations work, given that.

4:57 pm amiassayag: @mfauscette Interesting stat – can you post a link to where you found the stats? Thanks! #workdaytech

4:57 pm InFullBloomUS: RT @mkrigsmn: Sales pattern is very simple: Need to win over HR and then becomes question of #CIO embracing SaaS #workdaytech

4:57 pm InFullBloomUS: RT @johnrmyer: #workdaytech Classic: Customers consider Workday when they face upgrade of conventional app, with big costs, outdated “core” models.

4:58 pm InFullBloomUS: RT @toppundit: #workdaytech “Seeing a changing of the guard in CIOs. More business-oriented. More tolerant of managing vendors by SLAs.”

4:58 pm InFullBloomUS: RT @mfauscette: #workdaytech distribution strategy: direct in the large and upper mid and partner for small and mid.

4:58 pm InFullBloomUS: RT @rwan0: We see more #sap conversions than #peoplesoft conversions. Lots of legacy like #lawson. #workdaytech #saas #cloud #hcm

4:58 pm InFullBloomUS: RT @merv: #workdaytech “Staying focused on the 1000-up market, direct. Today, every go-live event is known to the whole company.” That intimacy a key.

4:59 pm InFullBloomUS: RT @merv: #workdaytech @jimholincheck asks who is the biggest competitive threat?

4:59 pm Jason\_J\_Davis: Happens a lot > RT @jasonaverbook: Not going to let legacy vendors get away with “warmed over hosting” as “cloud” #workdaytech

4:59 pm InFullBloomUS: RT @rwan0: @aneelb we had the full in memory database frst. Pure OO development Sep UI from Apps layer #workdaytech #saas #cloud #hcm

4:59 pm InFullBloomUS: RT @mkrigsmn: Workday uses “full in-memory DB and uses relational for persistence” only #workdaytech << pressing hard against #SAP

5:00 pm InFullBloomUS: RT @mkrigsmn: From @aneelb: Expecting SAP to make Business byDesign the new ERP. #workdaytech

5:00 pm InFullBloomUS: RT @rwan0: @mhweier What’s holding back big legacy vendors fr getting it right? @aneelb “need a clean sheet of paper” #workdaytech #saas #cloud #hcm

5:00 pm elliotross: Interesting RT @rwan0: LMS partnership w/ Plateau #LearningManagement #workdaytech #saas #cloud #hcm

5:00 pm vanheukelom: Where’s the real systems of record today – HR or TM? Workday going to own everything HCM? hope so #workdaytech

5:01 pm InFullBloomUS: RT @rwan0: Brian Sommer asks “Who do you admire in the SaaS space?” @aneelb “Salesforce. Marc has stayed true message” #workdaytech #saas #cloud #hcm

5:02 pm InFullBloomUS: RT @mkrigsmn: Flextronics clarification from @Leighanne: they HAD 83 systems; now 100,000 employee equivalents on Workday #workdaytech

5:02 pm Jason\_J\_Davis: RT @jasonaverbook: Like that Workday is talking about business benefits of “true SaaS” and not just an IT benefit – huge market shift #workdaytech #ki

5:03 pm InFullBloomUS: RT @mfauscette: #workdaytech why not be platform? serving 2 masters, not place of app vendor (salesforce is the exception)

5:03 pm InFullBloomUS: RT @mkrigsmn: Workday as apps provider. Contrast with Salesforce as a platform vendor. Drawing clear non-competition lines with Salesforce #workdaytech

5:03 pm rhirsch: @johnrmyer do you mean customizations work better or worse with a Workday equivalent to Force.com #workdaytech

5:03 pm deepakalur: @johnrmyer: #workdaytech Aneel Bhusri emphasizing “real” multitenancy. are there different types of multi-tenancy? would love to know more.

5:04 pm InFullBloomUS: RT @jimholincheck: #workdaytech Looks like they might develop a student information systems as they increase focus on higher ed – interesting vertical focus.

5:04 pm InFullBloomUS: RT @rwan0: Sat with a #workday customer on the way back from #ams. They were 30 days from go-live. Love UI #workdaytech #saas #cloud #hcm

5:04 pm vanheukelom: RT @rwan0: RT @vendorprisey: insightful comment. TM vendors are like I2 and manugistics. not owning system of record. #workdaytech

5:04 pm InFullBloomUS: RT @mfauscette: #workdaytech the toughest barrier for new competitors is the SaaS knowledge

5:04 pm InFullBloomUS: RT @vendorprisey: insightful comment. TM vendors are like I2 and manugistics. not owning system of record. #workdaytech

5:04 pm InFullBloomUS: RT @rwan0: @ZoliErdos has a live tweet feed of the #workdaytech summit. See here. please retweet <http://bit.ly/cn7riE> #workdaytech #saas #cloud #hcm

5:05 pm InFullBloomUS: RT @jimholincheck: #workdaytech @aneelb Accenture, Deloitte, and Towers Watson are ramping up consulting practices with Workday.

5:06 pm InFullBloomUS: RT @mfauscette: #workdaytech average time to live is 4-5 months for SaaS ERP

5:06 pm InFullBloomUS: RT @rwan0: LMS partnership w/ Plateau #LearningManagement #workdaytech #saas



#cloud #hcm

5:07 pm InFullBloomUS: RT @rwan0: #saba, #sumtotal can also integrate via #webservices #workdaytech #saas #cloud #hcm

5:07 pm InFullBloomUS: RT @paulhamerman: #workdaytech Workday's LMS partner is Plateau systems. Can orchestrate integration. Working with Taleo, Mr.Ted (Stepstone) for recruiting.

5:07 pm mkrigsman: RT @rwan0: @ZoliErdos has live tweet feed of the #workdaytech summit. <http://bit.ly/cn7riE> #workdaytech

5:07 pm rwan0: @LeighLevensaler and Nitler up on deck to talk about Apps in the context of the technology #workdaytech #saas #cloud #hcm

5:07 pm InFullBloomUS: RT @vanheukelom: Where's the real systems of record today – HR or TM? Workday going to own everything HCM? hope so #workdaytech

5:08 pm InFullBloomUS: SOR and TM are inextricably intertwined. #workdaytech

5:08 pm mkrigsman: "In the beginning, Hasso gave us ERP" #workdaytech

5:08 pm ggheorghiu: #LMS partnership w/ @PlateauSystems #LearningManagement #workdaytech #saas #cloud #hcm RT @InFullBloomUS: RT @rwan0

5:08 pm mfauscette: #workdaytech moving from things based biz to a people based biz, new systems needed #socbiz

5:09 pm zolierdos: Mark Nittler speaking now #Workdaytech. Moving from "things oriented" business to "people oriented" business

5:09 pm InFullBloomUS: Be sure to ask about definitional development at #workdaytech Get a demo of exactly how it's done.

5:09 pm zolierdos: RT @mkrigsman: "In the beginning, Hasso gave us ERP" #workdaytech

5:09 pm mfauscette: #workdaytech solutions happen when biz and tech come together

5:09 pm vanheukelom: @InFullBloomUS Agreed. Workday needs to own the stack. #workdaytech

5:10 pm InFullBloomUS: RT @rwan0: Nitler – We are making a shift from Thing- oriented business to People oriented biz – Not just Service biz #workdaytech #saas #cloud #hcm

5:10 pm toppundit: #workdaytech "Focus on companies w/a high ration of employee costs to capital costs. " Nittler. Back to the days of the skilled craftsman.

5:10 pm toppundit: RT @InFullBloomUS: SOR and TM are inextricably intertwined. #workdaytech << Agreed. Not clear Workday has this in the gut.

5:11 pm rhirsch: RT @zolierdos: RT @mkrigsman: "In the beginning, Hasso gave us ERP" #workdaytech >> sort of like 'Let there be light'

5:11 pm mfauscette: #workdaytech people oriented biz: follow the \$, 44% goes for people costs

5:11 pm jasonaverbook: One Workday's biggest challenges is getting HR to understand the biz benefit of multi-tenancy-some of IT gets it, few in HR #workdaytech

5:11 pm rwan0: People make up 57% of the costs at a company. – Source: Compilation of Workday Estimates #workdaytech #saas #cloud #hcm

5:12 pm merv: #workdaytech "Follow the money ? people management is a core operational process, not a support function."

5:12 pm vendorprisey: good people management isn't just HR . move it from back office to operational #workdaytech

5:12 pm rwan0: Managing a people Business – HR answers first part – "who works here" #workdaytech #saas #cloud #hcm

5:12 pm InFullBloomUS: Multi-tenancy reduced time/cost/errors to market, enabling more rapid/lower cost innovation. #workdaytech HR folks, please pay attention.

5:13 pm ddebow: RT @rwan0: Nitler – We are making a shift from Thing- oriented business to People oriented biz – Not just Service biz #workdaytech #saas #cloud #hcm

5:13 pm rwan0: RT @vendorprisey: good people management isn't just HR . move it from back office to operational #workdaytech

5:13 pm Scott\_Schmidt: Mark Nitler now presenting at #workdaytech #ki

5:13 pm rwan0: Nitler "The real question is not who works here but who here works?" #workdaytech #saas #cloud #hcm

5:13 pm ggheorghiu: Why R vendors picking on each other – what value does this bring to anyone? @AlainClapaud #workdaytech @dahowlett @dealarchitect @rwan0

5:14 pm mfauscette: #workdaytech not who works here but instead who here works?

5:14 pm zolierdos: #Question is not "who works here?" but "who here works?" #workdaytech

5:14 pm jasonaverbook: @aneelb is one of the few HR tech executives that actually gets the value of technology to drive HR innovation – #workdaytech #ki

5:14 pm vendorprisey: who here works is a more important question than who works here. #workdaytech (I may need to steal this one).

5:14 pm jcorsello: RT @InFullBloomUS: SOR and TM are inextricably intertwined. #workdaytech

5:14 pm BSSoltz: RT @rwan0: RT @vendorprisey: good people management isn't just HR . move it from back office to operational #workdaytech



5:14 pm zgur: RT @jasonaverbook: One Workday's biggest challenges is getting HR to understand the biz benefit of multi-tenancy-some of IT gets it, few in HR #workdaytech

5:14 pm Scott\_Schmidt: With huge investment being made in people it's important to understand what they're doing, are goals met, and performance #workdaytech #ki

5:14 pm mrinal: RT @InFullBloomUS: Multi-tenancy reduced time/cost/errors to market, enabling more rapid/lower cost innovation. #workdaytech

5:14 pm dahowlett: RT @mfauscette: #workdaytech not who works here but instead who here works? < asking the right question. But what about the slackers?

5:15 pm toppundit: #workdaytech Long talk at break on leveraging the in-memory database to do things like entering partial data and saving it. Good progress.

5:15 pm mfauscette: #workdaytech strength from the core: worker -work – performance

5:15 pm merv: Nourishment for #workdaytech is modular and portable. <http://twitpic.com/2hitp8>

5:15 pm jimholincheck: #workdaytech People-driven business harkens back to the pre-Oracle acq PeopleSoft messaging. Not a new message, but still valid for svc biz

5:15 pm InFullBloomUS: RT @jasonaverbook: @aneelb is one of the few HR tech executives that actually gets the value of technology to drive HR innovation – #workdaytech #ki

5:16 pm InFullBloomUS: RT @toppundit: #workdaytech Long talk at break on leveraging the in-memory database to do things like entering partial data and saving it. Good progress.

5:17 pm ask\_questions: RT @zolierdos2010#Question is not “who works here?” but “who here works?” #workdaytech

5:17 pm mkrigsman: Mark Nitler Chief Architect, discussing implications of people-orientation rather than financial-orientation. #workdaytech

5:17 pm ggheorghiu: People make up 57% of the costs at a company. – Source: Compilation of Workday Estimates #workdaytech #saas #cloud #hcm RT @rwan0

5:17 pm spencerchen: RT @mfauscette: #workdaytech at least half of integrations are done with on prem legacy systems

5:17 pm merv: RT @zolierdos2010#Question is not “who works here?” but “who here works?” #workdaytech

5:17 pm spencerchen: RT @mfauscette: #workdaytech average time to live is 4-5 months for SaaS ERP

5:18 pm rwan0: Nitler talking about next generation apps. Here are 10 elements of what's next. <http://bit.ly/130WiO> #workdaytech #saas #cloud #hcm

5:18 pm mfauscette: #workdaytech new s

What an exhilarating Workday!

We run into each other at various industry conferences - a group of industry analysts, consultants and bloggers focused on enterprise software. Rarely though 20 of us are we in a room for a whole day - many of us have competitive business models, others honestly cannot stand each other. So, it is even more unusual we would (mostly) agree about - and even admire what was on display.

Few vendors have the guts to be open to such a smart and opinionated bunch as Workday was during its Technology Day yesterday. Like a marathon tennis match with plenty of volleys and lobs and aces, the back and forth was something to watch. As you can see from the Twitterstream and blog posts from the day a wide set of angles were covered - object models, user interface design, change management processes, analytics and integration tools (in a SaaS market where both are still weak), stuff from the labs - tablet and voice interfaces, mobile applications - and more.

I would like to have heard more about how they plan to scale their compute/storage infrastructure, more about their application management people and process and on their implementation experiences. Sure others in the room have their own follow up lists.

Honestly, though the last time I can remember such an energetic session was during a visit to SAP in Walldorf in 1997. And that was restricted to Gartner analysts so we did not have the breadth of coverage that the Workday session had. Some recent SAP blogger sessions have come close in terms of openness, but not in quality of the products or the presenters.

So, I left wondering why more vendors don't have such sessions. It would accomplish two goals - brief market influencers in an intense session and get plenty of feedback for product improvement.

Part of the reason is they don't have Workday's co-founders - Aneel Bhusri and Dave Duffield. Aneel, with recent Greylock venture capital experience has access to impressive market intelligence and talent and it was on display throughout the day. Dave brings the humility and openness he has long been known for - and that was equally on display (though he only came in for a bit and sat at the back). While the expectation was some of the items during the day would be off the record, the tally of such items at the end of the day was zero.

Starting a little over five years ago, workday quietly went about the business of redefining ERP software. After spending a day with the team at its first ever analyst technology summit yesterday I have to say that they are not being quiet anymore and with good reason. The management team reads like a who's who of software innovators, many from the glory days of PeopleSoft and led by co-CEO's Dave Duffield and Aneel Bhusri. I know this team well, having spent a few years at PeopleSoft myself in the mid to late 1990's so I'm not particularly surprised to find a lot of goodness here. And you have to give them credit for inviting 20 of what are probably the toughest group of software analysts you could assemble in one room, to the inaugural event.

Workday's vision is to redefine ERP software not only from a business / delivery model perspective (SaaS / cloud) but also from the focus on usability and modern design. Business is becoming people-centric (people as the platform) and workday is approaching its software from that basic design premise, a very powerful concept. Software and technology, in particular ERP have gone through a few phases; the mainframe, then the shift to client server, the emergence of the Internet and the subsequent advance of the social web, the rise of mobile computing and global hyper-connectivity. Many of the enterprise systems in use today are still based on designs and technology from a previous phase, and the user experience is quite dated. Workday claims to be the only modern ERP system in the last decade, and while it's a little more marketing than actual fact, it does make one think.

So what did I learn about workday:

- Current Offerings: Core Human Capital Management (HCM) [benefits, compensation, absence, performance management, staffing, succession, worker spend management], Payroll, Financial Management, Higher Education, Spend Management and Services.

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- Delivery / License model: SaaS / subscription pricing (single price for all modules currently and no extra charge for storage, although they are planning on providing some tiered pricing for higher data volumes), multi-tenant - by their definition they are "real SaaS" (off premise in shared datacenters, pay as you go, all customers on the same code base, multi-tenant, virtualized for scalability and updates are included in the subscription)

- Average contract term: 3 years (but Aneel indicated that many larger clients are pushing for 4 years to lock in pricing)

- Current customers: ~160+

- Employees: ~630 2010, targeting 1100+ in 2011

- Growth: YTD ~130% (no revenue numbers released, they're still private). Targeting 100% per year growth.

- Product focus: "all roads lead through HCM" - focus was initially on building out a solid core HCM SaaS product. Targeting large multi-nationals. Core HCM is there today, payroll is moving up the size curve and currently is in the upper mid to lower enterprise, but hitting stride this year; talent management 2010/11; project and spend management 2011 and financials is in smaller mid-market currently with a target of hitting the enterprise in 2012. They plan to be a full ERP by 2012.

- Usability and user experience is their key differentiator in the apps market

- Largest Deployment: 100,000 employees, average deal in pipeline today is ~10,000 employees.

- Biggest driver for enterprise customers to move to workday / SaaS: painful and expensive upgrades, instance consolidation and aging user experience.

- Verticals: Targeting services but have customers in high tech, financial services, healthcare, higher educations (just closed their first deal) and some in manufacturing (but they are emphatic that they are not targeting manufacturing)

- Distribution Strategy: Direct for enterprise and upper mid-market, indirect for small and lower mid-market

- Biggest Competitors: Most often compete against legacy apps but they are focused on SAP (and they claim that they are winning in HR), they think that Oracle is more focused on competing with IBM.

- CRM solution: partnered with salesforce.com (salesforce.com is a workday customer as well)

- Questions for Aneel: "Who do you admire in the apps/tech space?" - salesforce.com, Google and Amazon

- Platform: They do have a solid platform that includes integration (more on that later) but that are not planning on offering it as PaaS. They are an apps company.

- Average Time to go live: 4-5 months on first phase

- Design Focus: People and work ("not who works here but instead here who works?") - strength from the core - worker - work - performance. Easy to use including search, tags, links, self-service, collaboration, contextual apps, mobile and personal productivity. HR designed for business users not just for HR professionals

- New Release process: 3 releases a year. The whole process takes no more than 6 weeks to completely migrate everyone. Every customer has a sandbox copy of their production data and gets to preview the coming release there. All major new features are delivered turned off. Workday is the first customer live on every new release.

- Development cycle: agile process, 8 weeks development, 5 weeks validation and 6 weeks deployment. The new development cycle starts simultaneously with the deployment phase.

- Technology: Open standards, open source stack, object oriented, in-memory processing, metadata based, multi-tenant and elastic processing. They use MySQL for the underlying persistence data store.

- User Interface: Design goal is enterprise class technology that feels like a consumer applications. Adobe Flex based "clean and simple with the wheel paradigm for non-power users". The definitional app development process enables consistency in the UI. The use of the UI server allows the apps to scale, facilitates rapid development and enables multiple end user device support. Key interactions are developed for each device but the content is populated by the UI server which can dynamically generate UI forms, hierarchies, and grids. The UI containers are developed for specific devices and the device framework enables multiple device support. From a mobile perspective they have a 3 tier approach, tier 1 - completely native app, tier 2 - native app / shell with HTML / browser for transactions and tier 3 - browser only. Currently the iPhone is the only tier 1.
- Next big innovation: C-level apps (executive mobile) that are focused on KPI's and predictive analytics. They will be designed and deployed on the iPad.
- Collaboration and social: They have embedded collaboration around processes (comments / sharing) but currently that is it. When pushed on why no social focus on the roadmap they stated that their customers are not asking for it (in fact the customers are scared of it from a privacy, security perspective). The executive mobile initiative was prioritized higher and got scarce resources rather than a more social collaboration initiative. That said we did later hear from the new workday Labs group and they have some very interesting social initiatives that are being studied for the future.
- Workday Labs: Organization that is tasked with driving innovation and future enhancements into the product. They are currently looking at things like natural workspaces, data filters, collaboration and mobile.
- Integration: Options are - 1. web services API (filtered data where you want it), 2. Prebuilt Integration Networks (HCM, Benefits, Spend, Payroll and Financial) and 3. Enterprise Integration Builder (forms-based integrations) and 4 Integration Studio for complex integrations.
- Analytics: Embedded and designed to work in context with the current user system activity

So in summary I like what I see so far. The user interface and the focus on user experience does deliver a more modern enterprise system. I think users will find the interface clean, simple and very familiar to other consumer experiences online. The architecture and development processes should deliver a very scalable enterprise class SaaS experience. I suppose I would have liked to see a lot more in the way of collaboration, particularly around social collaboration and ad hoc interaction, including activity streams, but I guess I'll just have to wait and see if the new workday labs helps drive some of that into the product. I think they're missing an opportunity to be a thought leader around social, even if many enterprise customers still deny that they will (or in most cases already are) use social tools in their businesses, but then I would think that.

I was sitting at Workday's 2010 Technology Summit earlier this week hearing the pitch about the supremacy of multi-tenancy. Despite their best efforts, Workday's rationales about this key piece of SaaS orthodoxy are coming down solidly on the vendor side of the equation, not the user side. While the benefits that multi-tenancy can provide are manifold for the vendor, these rationales don't hold water on the user side.

That is not to say that customers can't benefit from multi-tenancy. They can, but the effects of multi-tenancy for users are side-benefits, subordinate to the vendors' benefits. This means, IMO, that a customer that looks at multi-tenancy as a key criteria for acquiring a new piece of functionality is basing their decision on factors that are not directly relevant to their TCO, all other factors being equal.

The "other factors" issue needs explaining. The reason vendors think multi-tenancy is so important is that it is the best way to guarantee a low-cost platform for customers -- today. The problem is that perspective is based on an early adopter view of the SaaS market that has depended on the initial successes of relatively few companies in a very nascent market.

Multi-tenancy promises to age gracefully as this market matures -- there's a tremendous amount of innovation that is being thrown at the SaaS platform cost problem, from virtualization to in-memory databases to huge advances in hardware that guarantees that multi-tenancy will not stand the test of time as the sole guarantor of cost-effectiveness in SaaS platforms.

This is why I believe, from a customer standpoint, this multi-tenancy technological choice issue is secondary to the real question that customers should be thinking about: is the total package offered by SaaS vendor X -- functionality, cost, TCO, lots of happy customers, etc. -- competitive with the total package offered by SaaS vendor Y. Full stop.

While multi-tenancy might be one way in which vendor X competes, it's an "Intel-inside" factor that is irrelevant to the customer's ultimate decision. If vendor X can outcompete vendor Y without relying on multi-tenancy, then vendor X deserves to win. How the issue of tenancy works for the vendor should be of little nor no importance to the buyer -- to me it's like worrying about the quality of the rubber in my car's tires. If I were driving a high-performance car on a closed race circuit, I might want to worry about the rubber in tires. Otherwise, the chemical composition of the tire is irrelevant compared to its cost and functionality.

This is the basis of my argument with Workday about the competitive differentiation they offer on the technology side, and it mirrors my problems with NetSuite's positioning as well. Most of the main benefits of multi-tenancy -- every customer is on the same version and is updated simultaneously, in particular -- are vendor benefits that don't intrinsically benefit customers directly.

What benefits customers is the ability to have a low TCO and a painless upgrade process, none of which is the unique domain of multi-tenancy. It's definitely possible for a single tenancy vendor and an applications hosting company to both offer low TCO and painless upgrades while eschewing multi-tenancy, assuming their technology and business models are up to it.

That latter point isn't meant as a throw-away, and any company not offering multi-tenancy will have to prove that they are up to the competitive task. But nothing in multi-tenancy gives its proponents an unbeatable position, it's merely one of many technological directions that were important in the early stages of the market but less and less important as the market matures.

Customers want predictable pricing, elastic infrastructures, and, of course, an IT department-free implementation. Multi-tenancy is just one way to do that, but it's hardly the only way today. And tomorrow, if the history of innovation is any indication of where the SaaS market is headed, multi-tenancy will be an also-ran, and we'll be arguing about the new orthodoxy. Whatever that may turn out to be.

Workday put on a one day intensive analyst deep dive this week. There is no way I can discuss the depth or breadth of what they offered in a single story. This post discusses topics you would not necessarily expect from yours truly but which I believe are essential to the 21st century enterprise software industry.

For those that don't know, Workday was founded by Dave Duffield, the driving force/founder behind PeopleSoft and Aneel Bhusri one of the smartest guys I've ever met, an early LinkedIn investor and PeopleSoft alumnus.

PeopleSoft always had a 'feel good' feel that I expected to see replicated at Workday. By that I mean it was always hard to dislike the company or its people - they played hard but played nice and built a great business that Craig Conway and Oracle in succession managed to wreck while clinging on to legacy maintenance revenue.

My enduring memories of both Duffield and Bhusri is that despite tough questions, they were always demure, patient and willing to answer. Yesterday was no exception as Bhusri became the target for a quick fire and relentless stream of tough questions that stretched his 30 minutes pitch into close on two hours. He didn't miss a beat even though his session derailed the schedule.

Prior to attendance, we asked whether the event could be Tweeted and were told 'yes' subject to any NDA topics. During the nine plus hour marathon that saw us forgo a formal lunch break, Workday never called NDA time out. Instead they pounded us with facts, figures and a vision that were eminently sensible if at times misguided. I'll say right off the bat that their proposed technology PR schtick that's aimed at challenging SAP and its in-memory database pitch is a waste of time and resource. Workday has a much better user oriented story.

Workday achieved in one day what almost every other software vendor has missed. They managed to get a bunch of hard boiled, grey haired, well seasoned and otherwise grumpy analysts into a room for a full day's interaction and come out the other side feeling it was a day well worth spent. They elicited comments from Gartner colleagues: almost unknown in current public interactions. Heck- even my good pal Vinnie came away impressed. His point of view: "Man, they've got something that really can disrupt enterprise players."

Yes, group composition matters and whether by accident or design, they brought together at least a dozen of my independent colleagues out of a total 20-something group that was always guaranteed to set an interactive and valuable tone. SAP is the only other company that gets that close to 'open and real time analysis.' If you care about enterprise software then I'd venture to say this is where the future action lays and not necessarily in the canned reports that come out the other side.

In the years I have been part of that circus, I've never seen such high quality material coming out that both educated and entertained its participants via the Tweetstream. I credit Workday for its openness in that regard. Some see it as a social experiment. I see it as a pathway that SAP has trodden and from which Workday benefitted. If you want to see the replay, then check this. If you want to see a view from the cheap seats, then check Naomi Bloom's email client blast. She said:

Workday held a briefing yesterday for twenty of #EntSW's toughest and most knowledgeable analysts. They had much more to say about their technology and business strategy, about their underlying architecture and object model, and about what's cooking in the Lab than they've revealed thus far to this type of audience.

That pretty much captures it.

I expected to come away feeling good because Duffield and Bhusri recreated the PeopleSoft ethos. That didn't happen. I came away contented because they were open and honest while presenting the kinds of innovation that have been sorely lacking in the enterprise apps space. It ain't perfect but it is well formed.

Next post will talk to the meat and potatoes.

<http://www.cloudave.com/link/well-spent-workday-workday-here-s-the-firehose>

Yesterday I was privileged to sit in a group of 20 or so analysts (many of them fellow Enterprise Irregulars) invited to Workday's first ever Technology Summit. For short background, Workday's original call to fame came from its Founder, Dave Duffield, an Enterprise Software Legend, who built PeopleSoft from nothing to a position of challenging SAP, the market leader in Enterprise Business Suites. Then came Craig Conway, Oracle, an extended hostile takeover, and the rest is history. So when by Dave Duffield and Aneel Bhusri started Workday, they got a lot of attention, since "they've done it before, they will pull it off again".

Then we heard nothing for a while – and nowadays the tone has changed. It's not about Dave and Aneel anymore, and that's a good thing. It's about an emerging SaaS offering that's decidedly Enterprise ready, boosting customers with over 100K users (I believe the highest number we heard was 200K). It's about the underlying technology layer, with a strong core system, in-memory data, Business Process framework, built-in native BI, integration framework...etc. In other words Workday is emerging as a technology innovator, and that's a good message. (At the risk of jumping ahead, one of the dilemmas is that while anyone with a few years Enterprise Software experience knows relying on IT / CIO only is dangerous, you need Business ownership, Workday's differentiators are decidedly in the underlying technology infrastructure, which is a message for IT....)

Back to yesterday's Summit – it was absolutely intense, very open, and, boy, they did take the "Technical" part in the name seriously.. There was no marketing fluff, just information, information, information. I am still trying to process all I absorbed – more detailed analysis to follow ... unless my esteemed colleagues beat me to it

But there's something else I want to talk about: how Twitter changed the nature of the entire event. All of us were tweeting, using the hashtag #workdaytech. At times there was as much discussion online as in the room itself – but it did not become disruptive, whatever questions emerged on Twitter, Aneel and his Workday team responded to. In fact we even had "tweet-in" questions. Not that the event was announced, but our followers found out soon on their own. The stats below show about half the #workdaytech tweet-stream consisted of retweets. Those were mostly outsiders – I personally recognized several followers who I would not have pegged as the "enterprise" type, yet they stuck with us throughout the day.

Another notable item is the Top Users list: @InFullBloomUS was the most active – but she was not even there! Yet by following the tweetstream, commenting heavily and asking questions she became an active participant. Now, let's admit not everyone could have pulled it off, but we're talking about Naomi Bloom, Queen of HRM, long-time industry observer, consultant to Workday, PeopleSoft, Dave's previous company and the one before that, and the one before the one before if there was one

Using Twitter essentially changed the nature of the event, reaching a much larger audience than those sitting in the room. Of course this could not have happened without Workday's openness: they decided to embrace social media, rather than trying to control it. Press embargos are dead! In fact in the last minute Aneel jumped in with a little preview of a new product they only plan to announce at the upcoming user conference, Workday Rising. I don't want to spoil the show, let me just say it is a nice touch.

Finally, about that Firehose. I offered a scrolling live feed during the event, and obviously many followed using their favorite Twitter client – but it's not that easy to serve up a complete record after the fact. Several services attempt it:

TwapperkeeperArchivistWthashtagMost of them appear to focus on stats, and as such offer a download to Excel. I have not found an easy way to present the stream as it was, with the user avatars included. So here it is, unedited, hard-to-read, but all-inclusive:

Workday Technology Summit Tweet Stream

One of the fascinating features of the Workday Tech event came when Aneel Bhusri, co-founder, set out the lessons he learned from his time at PeopleSoft. (see video above)

As I've said before, Aneel is no intellectual slouch and to his credit does PR badly. He talked about the difficulties of transitioning a company to a different platform - in this case from on-premise to SaaS, describing the issue as one of "antibodies in development and sales." It's a common theme that I see in other companies. He correctly points out that SAP has faced (and continues to face) this challenge. It is something I see in my interactions with the SAP Business ByDesign team. I met with some of the BYD team yesterday and said that what's needed is an internal brain transplant. It's not a comfortable message and given the past mis-steps it doesn't surprise they are being ultra cautious. However, SAP doesn't want Workday doing a Salesforce end run around its customer base. The question is how they prevent that.

Workday on the other hand doesn't have the encumbrances of a legacy mindset. I'm starting to believe that's true despite the fact Workday's bench is stuffed with PeopleSoft alumni. The way the company is thinking around analytics and fast track driving of applications across multiple devices seems at a pace that makes SAP look glacial.

If you listen to Aneel, you'll hear him mention 'innovation' once. That's the opposite of incumbent competitors who seem to inject the 'i' word at every other sentence. It's almost as though they think that if they don't then people will regard them as laggardly. The flip side is that sooner or later, listeners become fatigued. Instead, Aneel concentrates on the problems the company is trying to solve which to my mind is far more useful. In contrast to the empty calories of some vendors, Workday is serving a full feast.

In my last post, I said the Workday Tech day was a high speed, high octane event with plenty of back and forth. In the next video, you hear Aneel fielding questions around reporting. Hopefully that gives you a flavor of the event. Too often reporting has been an afterthought. Workday has been baking in analytics from the get go. From what we saw, performance is super fast except for when they need to run a 10,000 period end journal entry. That consumes a 7 second screen refresh. I may be overly picky but that would 'feel' like an eternity.

Enjoy...

While I tend to concentrate on professional services firms a couple of questions were raised this week that got me thinking. The last two days I've been out in Silicon Valley in analyst briefings with Workday and SAP Labs.

Workday is noodling over and endeavouring to redefine the meaning of work. One of its trains of thought goes like this: in any organisation, it is not how many are working that matters but who is working. It's a neat buzzy expression but true nonetheless. Understanding what is happening is the first step to resource optimisation and it is a problem that Workday is trying to solve from the 'people first' perspective. That's an interesting idea that has implications for reporting and forms of measurement that are specific to HR organisations alongside which finance should be, but rarely is, working. It opens the door to all sorts of potential innovation.

Over at SAP its on-demand team has a portfolio of as yet unconnected SaaS applications that could significantly enhance the value of existing applications. For example, what might it mean for there to be connections between the sales force and finance as part of the collections process? What tools would be needed to enrich those interactions and how might they be used in collections and other use cases?

This raises some interesting challenges such as delivery methods, capturing experiential learning, audit and the turning of barely repeatable processes (i.e. exceptions) into actionable system wide processes. An example: whereas today's questions might go something like this: "Why does that dumbass sales guy in XYZ region always have poor collections?" Tomorrow it might turn out there are a slew of factors in play such as the person is both selling high value services but not taking care of payment scheduling. That in turn could surface many potential learnings. See where I am going?

The real value comes in the potential for dissolving inter departmental barriers that serve to keep us siloed and divorced from the mainstream while we beaver away at keeping the financial lights on.

What do you think? Have any burning ideas?

Bonus point: There is a replay of the Workday related TweetStream that includes a stack of links to different topics. It was a very high quality day evidenced by the 1763 recorded Tweet messages under #workdaytech.

I was sitting at Workday's 2010 Technology Summit earlier this week hearing the pitch about the supremacy of multi-tenancy. Despite their best efforts, Workday's rationales about this key piece of SaaS orthodoxy are coming down solidly on the vendor side of the equation, not the user side. While the benefits that multi-tenancy can provide are manifold for the vendor, these rationales don't hold water on the user side.

That is not to say that customers can't benefit from multi-tenancy. They can, but the effects of multi-tenancy for users are side-benefits, subordinate to the vendors' benefits. This means, IMO, that a customer that looks at multi-tenancy as a key criteria for acquiring a new piece of functionality is basing their decision on factors that are not directly relevant to their TCO, all other factors being equal.

The "other factors" issue needs explaining. The reason vendors think multi-tenancy is so important is that it is the best way to guarantee a low-cost platform for customers -- today. The problem is that perspective is based on an early adopter view of the SaaS market that has depended on the initial successes of relatively few companies in a very nascent market.

Multi-tenancy promises to age gracefully as this market matures -- there's a tremendous amount of innovation that is being thrown at the SaaS platform cost problem, from virtualization to in-memory databases to huge advances in hardware that guarantees that multi-tenancy will not stand the test of time as the sole guarantor of cost-effectiveness in SaaS platforms.

This is why I believe, from a customer standpoint, this multi-tenancy technological choice issue is secondary to the real question that customers should be thinking about: is the total package offered by SaaS vendor X -- functionality, cost, TCO, lots of happy customers, etc. -- competitive with the total package offered by SaaS vendor Y. Full stop.

While multi-tenancy might be one way in which vendor X competes, it's an "Intel-inside" factor that is irrelevant to the customer's ultimate decision. If vendor X can outcompete vendor Y without relying on multi-tenancy, then vendor X deserves to win. How the issue of tenancy works for the vendor should be of little nor no importance to the buyer -- to me it's like worrying about the quality of the rubber in my car's tires. If I were driving a high-performance car on a closed race circuit, I might want to worry about the rubber in tires. Otherwise, the chemical composition of the tire is irrelevant compared to its cost and functionality.

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That latter point isn't meant as a throw-away, and any company not offering multi-tenancy will have to prove that they are up to the competitive task. But nothing in multi-tenancy gives its proponents an unbeatable position, it's merely one of many technological directions that were important in the early stages of the market but less and less important as the market matures.

Customers want predictable pricing, elastic infrastructures, and, of course, an IT department-free implementation. Multi-tenancy is just one way to do that, but it's hardly the only way today. And tomorrow, if the history of innovation is any indication of where the SaaS market is headed, multi-tenancy will be an also-ran, and we'll be arguing about the new orthodoxy. Whatever that may turn out to be.

## Summary

Multi-tenancy, single tenancy...the technical debate rages. But are we concentrating too much on the TCO argument and not seeing clearly into the future?

## Topics

Boy, Colleague, Dennis Howlett

## Blogger Info

Dennis Howlett

BioContact.BiographyDennis HowlettDennis Howlett has been providing comment and analysis on enterprise software since 1991 in a variety of European trade and professional journals including CFO Magazine, The Economist and Information Week. Today, apart from being a full time blogger on innovation for professional services organisations, he is a founding member of Enterprise Irregulars and an investor in a European start-up. Prior to, Dennis was technology and tax partner in a British firm of Chartered Accountants for 10 years. Prior to that held various senior finance roles across a broad range of industries.

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[Learn More »](#) Some of my colleagues kicked off a furious discussion. Josh Greenbaum, Phil Wainewright and Bob Warfield are staking out the multi-tenant v single-tenant battlefield. I'll lob in my two penn'orth.

I was sitting next to Josh at the Workday event as he fretted over whether multi-tenant brings user versus vendor benefits:

While the benefits that multi-tenancy can provide are manifold for the vendor, these rationales don't hold water on the user side.

That is not to say that customers can't benefit from multi-tenancy. They can, but the effects of multi-tenancy for users are side-benefits, subordinate to the vendors' benefits. This means, IMO, that a customer that looks at multi-tenancy as a key criteria for acquiring a new piece of functionality is basing their decision on factors that are not directly relevant to their TCO, all other factors being equal.

Phil Wainewright pokes back:

To say that multi-tenancy is only of interest to vendors and has no relevance to customers is a bit like saying Wintel compatibility is only of interest to PC manufacturers, and so customers should not worry about it. Try telling that to the enterprises that invested and wasted millions of dollars in rolling out DEC Rainbows or IBM PS/2 Microchannel machines in the mid- and late 1980s. If a vendor is selling you a proprietary dead-end that will be obsolete before its time, I'd say that's a factor of huge importance to customers. Don't let anyone tell you any different.

Phil is talking about the technical dead ends Phil believes are represented in private cloud explanations. Not satisfied with that explanation, Josh comes back with:

...single tenant vendors can be compatible with the promises of multi-tenancy in terms of updates, pricing, support, etc. even if they stick with their single tenant model, much like any vendor could build to the Wintel spec, and run Windows, without having to duplicate the IBM PC.

Not one to miss a good technical punch up, Bob Warfield dives deeper into the TCO and cost issues arguing that:

Multitenancy is a little different. Instead of 10 copies of the OS, 10 copies of the DB, and 10 copies of the app, it has 1 OS, 1 DB, and 1 app on the server. But, through judicious modifications to the app, it allows those 10 customers to all peacefully coexist within the app just as though they had it entirely to themselves.

Can you see the pros and cons of each? Let's start with cost. Every SaaS vendor that has multitenancy crows about this, because it's true. Don't believe me? Plug in your VM software, go install Oracle 10 times across 10 different virtual machines. Now add up how much disk space that uses, how much RAM it uses when all 10 are running, and so on. This is before you've put a single byte of information into Oracle or even started up an app. Compare that to having installed 1 copy of Oracle on a machine, but not putting any data into it. Dang! That VM has used up a heck of a lot of resources before I even get started!

If you don't think that the overhead of 10 copies of the stack has an impact on TCO, you either have in mind a very interesting application + customer combination (some do exist, and I have written about them), or you just don't understand. 10x the hardware to handle the "before you put in data" requirements are not cheap. Whatever overhead is involved in making that more cumbersome to automate is not cheap. Heck, 10x more Oracle licenses is very not cheap. I know SaaS companies who complain their single biggest ops cost is their Oracle licenses.

Bob's post deserves more than I can reasonably give it. It makes a persuasive argument and is definitely worth the re-reading. However, there's a piece of this discussion that's missing in the context of enterprise applications.

The TCO default argument

Josh thinks that single tenant players can and will make a successful cost bid against multi-tenant players. I think he is wrong. Bob starts that discussion but let's look further. The real cost test for me comes in the history of SAP Business ByDesign. Much maligned for getting it wrong, SAP kicked off with the idea that no finance chief would ever want his data in a multi-tenant environment. So it invented 'mega-tenant' where customers sat on physically separate blades in the data center. To SAP it was entirely logical. To the rest of the world it was nutty. And so it proved.

SAP quickly discovered that the provisioning and maintenance costs of all these wee tenants meant its business model collapsed. Roll forward 18 months and SAP has re-engineered for multi-tenant. So in that sense you might argue that Josh is correct. Benefits to SAP. Well actually it's benefits to both SAP and customers. Faced with the mega-tenant problem BYD would have ended up costing customers a multiple than SAP had reckoned and publicly stated. Or BYD would have been killed stone dead as a cost sink. So yes, there is a clear cost advantage from which both customers and vendors benefit.

Multi-tenancy promises so much more and this is where the vendors have done a shocking job in getting it right, not helped by the muscular arguments that occur between strongly opinionated technically minded analysts. Let's go back to Workday.

During the briefing, Workday said inter alia that its current average current deal size is \$1 million. That is far from shabby when you consider that it is going up against SAP, Oracle and the like. But also remember that's a per annum figure. With 160 customers it doesn't take a genius to work out that Workday has more than crossed the threshold for being considered a serious player in what is still a nascent market. We can confidently conclude that Workday has successfully pushed the TCO argument.

I had the opportunity to spend the day (plus some additional time) this week with a group of about 20 influencers (analysts, bloggers, press) at the Workday Technology Summit. It is not the first time a group of influencers have been brought together by a vendor for in-depth discussions. However, this was a little unique because it was relatively small group that largely knew one another and were avid participants in social media (specifically Twitter). The insights, not to mention the volume, from this online conversation was impressive (see #Workdaytech on Twitter).

The focus of the day was on Workday technology. There was a spirited discussion of the end-user benefits of SaaS (for more information, see [here](#), [here](#), [here](#), and [here](#)). I actually have a little sympathy for Josh Greenbaum's point of view (see the first link above) as I had posted a thought experiment of how a single tenant provider could offer similar benefits to customers. My conclusion though is that it is very hard for an existing vendor to move to a single tenant version of SaaS without great upset to its business model. Only three vendors that I am aware of, Ariba, Concur, and Ultimate Software, have made the transition from an exclusively on-premise, perpetual license model to a primarily externally hosted/subscription license model successfully. The reality is that every new vendor I have seen for the past 3-4 years has utilized a multi-tenant SaaS model. So, the argument is really can, and should, the providers of on-premise, perpetual license solutions move to a SaaS model? At the end of the day, I think you will see most offer both and some will try to transition as best they can to the newer model once it is well-established.

Workday shared a lot about its development model (its development lifecycle to deliver 3 releases per year), its technology (in memory database – with a DBMS for persistence only, model-driven, object-based, with embedded analytics), its scalability (horizontal and vertical as well as performance tuning), and its vision (administrative ERP, device-agnostic, faceted employee search, social capabilities). We covered a number of these things off in Workday 10 for Human Capital Management Emerging as a Global Alternative (subscription required).

Workday is growing at a rapid pace (bookings growth up 200% and average deal size greater than \$1 million – for typically a three year or longer term). They are looking to double their headcount by the end of 2011. If our inquiries are any indication (and they often are), interest in Workday has dramatically increased thus far in 2010. It is hard for Workday not to be on the radar screen of various HCM competitors given its pedigree, but a totally different competitive posture is required when customer adoption starts to accelerate.

Have you had a chance to do a deep dive? What do you think? Is Workday ready to take on the ERP and Talent Management Suite providers?

With three major cloud platform implementations under our belt, we've heard more than once we're considered a cloud leader. It wasn't our goal, but with resources constrained and the call from business leaders to deliver several key transformations over the last few years, we turned to cloud computing for answers.

Brady Corporation is a public company with 90 locations in 29 countries, 7,800 employees and \$1.2 billion in annual sales. We manufacture solutions that identify and protect premises, products and people, and from what we've been told, we're on the leading edge of cloud adoption for a company our size.

Like IT organizations in many large enterprises, our team is tasked with evaluating and implementing systems and applications to fuel the company's growth and give employees the information they need, when they need it, so they can make the best decisions -- all while keeping operational costs as low as possible. Our internal requirements, existing IT environment and business processes may be unique to Brady, but I'm guessing our IT group's mission and motivations to leverage cloud-based technologies are probably similar to many other enterprises.

#### On-demand transformation

In the last two years, we have deployed three significant cloud computing solutions globally: salesforce.com, Workday.com and Google Apps for Enterprise.

These three platforms are at the core of our on-demand transformation strategy to reduce complexity, deliver new innovative capabilities to business users, and prepare for scalable growth at a predictable cost. We have implemented these three platforms simultaneously while maintaining "business as usual", which in our environment means seven SAP deployments, 15 Web site deployments, numerous projects and enhancements, and a flat budget over the last year.

Increasing sales and decreasing costs is a way of life in our IT group. We have created business value with on-demand computing by transforming our operating model and enabling innovative ways to prepare for scale and growth.

Preparing for growth starts with effectively managing human resources. Prior to our Workday implementation, we had over 30 human resources systems, making it difficult to manage resources and talent globally. Simple questions such as "How many employees do we have in Asia?" were hard to answer accurately and required significant manual effort to collect and validate. We now have one global system of record providing visibility, consistency and control of our HR processes to manage more than 7,000 human resources across our 90 sites. Workday was deployed on schedule and under budget, giving us a global view of our talent, which is critical in this tough economy.

Growth requires getting the most out of our sales resources and available opportunities. Prior to salesforce.com, sales force automation capabilities were limited, non-existent or non-standard around the world. Now our sales representatives have a common tool, integrated with SAP and accessible from anywhere -- including through their mobile devices. We have deployed 750 seats of salesforce.com globally. This capability has enabled our sales teams to share wins globally and accelerate lead conversion, which is positively impacting sales growth.

With over 90 sites and many multi-functional teams spread across the world, effective collaboration tools are essential. Our previous mail and collaboration platform (IBM Lotus) was costly with limited functionality for our global workforce, particularly for collaboration. To overcome these limitations, we deployed Google Mail, Calendar, Sites and Docs to our 6,000 users globally.

The project took seven months from approval to company-wide "big bang" deployment over a single weekend. External spend was less than \$100,000. Annual savings on our current user base is \$300,000 a year, and we can add new users to the system at less than 1/4 the cost of our old model. We consider Google to be a next-generation platform upon which we can build. Our users have adapted to the change well and many are excited about the new capabilities we have given them.

We intend to continue our on-demand journey as more IT services become available and mature in the cloud.

#### The hype and reality of cloud computing

There's been a lot of hype around cloud computing and it's tempting to grab at the next shiny object -- even if it's not the right thing for the company. We were conscious of this and made our decision to move these three core business processes to the cloud after much debate and a number of pilots with alternative technologies. It wasn't until our move to Google that our on-demand strategy really took form and became a focus inside Brady.

Of course, there are pros and cons with any new technology paradigm. With software-as-a-service (SaaS) applications, you have to understand the financial and budget impact of shifting significant IT spend from capital to operating

expense. SaaS applications become annual fixed operating expenses, which eliminates the option to starve a particular IT platform to focus investments elsewhere for business reasons -- a strategy employed by many IT organizations constrained by tight budgets.

If you build an application on some cloud platforms, you may also need to license all or a large portion of your organization to access the platform, which could add significant costs. Finally, some cloud technologies are more mature than others and careful evaluation and diligence is always required.

In Brady's case, we've hit the big three applications that are the most mature in the SaaS model -- HR, CRM and collaboration. Our focus now is to fully adopt and leverage these platforms across our organization. Even if the SaaS model was fully mature and viable in other major categories like e-commerce and ERP (which will take some time), we have to be careful not to rush forward with too much change at once.

We don't need to mimic the application sprawl that's plagued many an IT department, and we don't want SaaS silos. We can solve a lot of business problems with the three major platforms we've deployed. It would be a missed opportunity to rush forward to the next "shiny object" and not invest time and resources in these very powerful platforms.

One of our partners, Appirio, a cloud solution provider based in California, is helping us connect our Salesforce CRM and Google collaboration platforms so if employees are in one system they don't need to re-enter or change information in other systems. We think this is a way to make our employees more productive, encourage even greater adoption of the systems we have, and improve the quality of data we have in these systems at the same time.

We're also looking at ways to expand our usage of existing cloud platforms, not just connect them. We are experimenting with Google AppEngine, and are investigating the possibilities of salesforce.com's Force.com platform for custom development. Google Sites could be a great, low-cost option for our company intranet, and technology like Secure Data Connector and iGoogle could form a foundation for a lightweight next-generation portal hosted in the cloud.

The speed of innovation on these platforms is staggering. The key now is keeping pace with these changes and leveraging these technologies to improve the business.

So while we didn't set out to be a cloud enthusiast or leader, right now it's a good place to be.

#### Birth of a New Era

Social media is finally converging with enterprise HR applications and bringing exciting innovations, thanks to the efforts of companies such as SuccessFactors, Oracle, SAP and others.

Pssst, want to know a major trend in HR technology?

Nearly every HR vendor I spoke with this year -- especially in July, during my annual week of briefings in Silicon Valley -- had a mobile application under development or already deployed. Certainly a major trend, but perhaps less interesting to me because my own cell phone, rather than being smart, is developmentally disabled. But it does have a physical keyboard!

Instead, what was much more impressive to see -- after at least three years of people talking about it -- were major vendors finally integrating social-networking functionality into their applications. Not just delivering a separate module to create an internal corporate Facebook, LinkedIn or Twitter, but actually inserting networking capabilities into existing applications to make them smarter, better and faster.

I think this marks a new era in enterprise software, and the exciting part is that it's just beginning! Oracle, SuccessFactors, SAP and many others seem to be leading the charge.

#### The Wait is Over

At least the wait to see Fusion is over. Nothing much still is being said about when and how to buy it.

When I wrote my HREOnline TM column in July about Oracle, I hadn't yet registered for the annual Oracle OpenWorld user conference in San Francisco, nor had I seen the agenda. When I did, I found five distinct sessions on Fusion HCM, including two specifically on what it means for PeopleSoft HCM Enterprise or Oracle HCM EBS users.

So, clearly, a lot of the 5-year-old questions we've had are about to be answered.

I'm sure there will be plenty of questions left over for top Fusion HCM executive Gretchen Alarcon at her Q&A and demo session with me at the HR Technology ® Conference on Sept. 29. This will be the first public demonstration of Fusion outside an Oracle or Oracle user event.

#### The New Era

Fusion will clearly be part of the new era I'm describing. Unfortunately, I missed Gretchen's demonstration of Fusion at OHUG (Oracle HCM User Group, including PeopleSoft), always an enormously useful conference, but open only to those two groups.

But Jason Averbook, CEO of Knowledge Infusion, was there, witnessed it and says that Fusion straddles both sides of the fence: "Since Oracle develops tools, platforms, middleware and applications, [it] can and [has] created collaborative enterprise capabilities separate from the application layer. So depending on a company's preference, networking can be deployed as part of a process, like a performance or talent profile or separately as a social network at work."

I can't wait to see it.

The first example of the new era was Taleo's performance module, which allowed for a minimal social network to collect feedback throughout the year on an employee's performance and have it available for the manager at review time.

But nothing I've seen exemplifies the new era better than SuccessFactors' plans to integrate functionality from CubeTree -- a social-network vendor it recently acquired -- into its recruiting application, already in Version 2 and live at its largest customer, Siemens, in two countries.

Consider what you already know about recruiting as a multi-person, collaborative process. Any candidate being considered for a position of director or above has at least five interviews: with the boss or hiring manager, with colleagues, even with direct reports or the manager's boss. And many applicant-tracking systems today allow each interviewer to enter notes and impressions about the candidate.

But SuccessFactors plans to let them all discuss the candidate online, just like on a social network, within a strictly

defined group visible only to the interviewers. Discussions that formerly took place via e-mail, over the telephone or even in person could now all take place within, and be facilitated by, the recruiting application. All captured, archived and auditable.

Talk about reducing friction in an HR process! And making it quicker and smarter.

In addition, CubeTree allows for shared documents, so the candidate's resume can be posted to a small group and also be open to discussion. "Hey, I worked at that company she lists as a former job, and I never heard of that division."

"Well, it is a big place; they were a client at my last job; and I worked with that division, though not with her."

Imagine!?! True collective intelligence.

I've been following electronic recruiting since it was born in 1988/89, and I've never seen a new process feature so original and useful. It will also be used in onboarding, as Cornerstone OnDemand has already done.

SuccessFactors has similar plans for new collaboration and workflows for all its apps. Next up is goal-setting, then compensation and analytics. How would you like to type a question about a bar chart and have someone answer it? That's one goal in analytics.

Of course, SuccessFactors will also offer CubeTree stand-alone as the internal corporate social network. So employees can search their company's talent profiles to find experts with answers -- informal learning many vendors are already facilitating, including Saba, Plateau and Workday (shortly).

Search hits in CubeTree, however, will be based not just on profile information, but also on participation in the network: the answers to other employees' questions and the content of discussions started or commented on. A useful refinement of the expert concept.

Naturally, similar innovation will extend to SuccessFactors' growing HR module that I've written about, EmployeeCentral, which has 50 mostly smaller clients on it today. SuccessFactors has committed to development partner EMC -- a \$14-billion company with 46,000 employees in 16 countries -- that it can shut down its ancient PeopleSoft 7.5 system and be fully supported by EmployeeCentral by May 10, 2011.

SuccessFactors goes to market calling EmployeeCentral "the next-generation core system of record." Dave Duffield, CEO of Workday, and many other HRMS veterans will tell you a "system of record" has for 20 years included benefits and payroll, neither of which SuccessFactors intends to create, acquire or sell. Surprisingly, in this context, HR technology guru Naomi Lee Bloom doesn't agree that a SOR must do all three. She calls that traditional combination the HRMS.

Instead, Naomi defines a SOR by what it does. If it can process completely all of the relevant business events (effective dated for past, current and future), deliver the needed inquiries/data analyses/reporting, is built on a fully compliant and global underlying object model needed to manage every aspect of the organization's and worker's lifecycles, and can accommodate all of the incoming/outgoing data needed to drive and record the results -- not only of payroll and benefits administration but also the myriad other corporate processes that depend on the SOR's data -- then it meets her test for being a "system of record."

Yes, she wrote that in an e-mail to me. Does the phrase "steel-trap" come to mind? That's one reason I'm looking forward to her "Great Technology Debate" with Gartner Managing Vice President Jim Holincheck at the conference.

I don't know if Naomi's been chatting with SuccessFactors, but Vice President of Global Product Strategy and Management Dmitri Krakovsky claims EmployeeCentral will basically do all that, plus offer employee and manager self-service and rules-based bidirectional workflow.

But Naomi quickly adds in her note that offloading payroll and basic benefits administration to third parties is a huge challenge when a modern SOR comes up against those rather dated applications.

SuccessFactors has hired a former consulting partner at both PwC and IBM Global Business Services to build its own systems-integration organization that will focus largely on training integration partners for EmployeeCentral, which will obviously need a software ecosystem to meet the needs of large organizations.

Nomenclature aside, SuccessFactors is taking a fresh look at the HR system, and two principles set its view apart from others: Processes are collaborative, not linear. And mistakes should not be treated as exceptions but as a normal part of processes. EmployeeCentral is still a work in progress.

For the first principle, consider an everyday manager transaction: transferring an employee. The employee could be found through an actionable org chart, already part of SuccessFactors' talent-management applications. Then in his or her talent profile (combining traditional HR data), the boss is changed. Then the change is sent to yet another closed CubeTree group of people who need to approve it.

A social-network negotiation and conversation can ensue. People can approve the transfer in parallel or be organized in a multi-step, somewhat serial hierarchy for approval. If old-fashioned linearity is the objective, each approver can be on a separate level. All of this is graphical, of course, with people's pictures.

Workday has a similar business collaboration process available now.

As for the second principle, though the workflow is rules-based, exception handling is natively built into the application -- so a mistakenly included approver, for instance, can be simply dragged and dropped out of the group or a new one inserted the same way.

What happens when everyone approves the change? Does the system automatically accept and process the transfer or does HR continue to act as gatekeeper? Whichever way you like it.

While I have serious doubts that SuccessFactors can finish building all of this in eight months, I have no doubt that EmployeeCentral will work differently than any HR system we've ever seen. Whether it's an SOR or just an HR module, that's very exciting.

#### Older Player in a New Era

With all due respect to Dr. Martin Luther King, when I heard that David Ludlow, after 10 years of running SAP's HR product, was moving onto something new and innovative, I wanted to shout: "Free at last, free at last, thank God Almighty, [he] is free at last."

When every discussion of a new software initiative has to start by identifying the member of the Executive Board in Walldorf, Germany, who supports it, you know there's a soul-sapping bureaucracy to navigate.

Aside from some old pros at Workday, David has more experience with HRMS (and everything ever integrated with it, including talent management) than any other vendor executive I know. And he's not yet 50, having worked a previous 10 years at Tesseract, our HRMS mainframe gold standard.

Now David's creativity and enthusiasm have been renewed by his new assignment of creating innovative SaaS-edge applications that will tightly integrate with SAP's on-premise HR system. Dawn Crew, former head of global HCM marketing, will take over his job as head of product strategy, with the typically inscrutable SAP title of "VP, HR Solutions."

And no surprise, the ideas David is fleshing out -- under the general category of Next Generation HCM -- are all about the convergence of social and enterprise software. Think of them as HCM On Demand.

He's not as far along as SuccessFactors, but his first planned product is going to connect with performance and career development, and he describes it, without revealing details, as "Facebook and HR." He wants to create "Career On Demand," which will allow uploading traditional resumes to help build talent profiles for employees.

In doing so, he is aided by SAP's own acquisition of Business Objects, the analytics vendor. When independent, Business Objects acquired a text-analysis product that SAP has turned into a new resume parser. No one has ever been happy with software's ability to recognize what's what in a resume, and one SAP recruiting client is testing to see if it's a better parser.

It's one small part of an ambitious project called Talent Connect, which seeks to bring all recruiting stakeholders together in one environment -- and pulls all the pieces together: web crawlers, social networks and, eventually, employment agencies.

David has been talking to LinkedIn for years about using it both for sourcing and employee information. He continues to pursue the idea (heretical in many quarters) of bringing the social network inside the company's firewall, or at least the employees' information in it.

The acquisition of Business Objects has also spurred a major effort to create a strategic workforce planning system, with general availability scheduled for March 2011 (only six months away). Plus 10 new analytical dashboards.

## Electric Kool-Aid Acid Test

Vendors such as Taleo, SuccessFactors and Peopleclick Authoria are rushing to abandon the talent-management label in order to sell into the C-suite.

Problem is, I still think those folks don't much care about employees below their immediate reports. Instead, they focus on the operational metrics of the business. I can just imagine some CFO saying, "Oh, yeah, employees have something to do with that, I guess, but give me some numbers to show me exactly how!"

Many have drunk the Kool-Aid that has deluded HR technology vendors over the years into thinking they could sell HR software -- stuff for employees! -- directly to the top. Every one of them I know has failed -- so far, anyway.

Maybe, just maybe, things are changing, and I'm being too cynical. At its analyst day, Kenexa President Troy Kanter said that half a dozen new clients came directly from the C-suite. Plus, he claimed that, among current customers, decisions to buy more Kenexa products and services were coming 75 percent of the time from those environs.

Workday, on the other hand, continues trying to change the game by connecting people to the work they do -- a new concept for HR software and a value proposition Workday hopes will appeal to HR, operations and the C-suite. Its notion of Unified HCM -- once confined to the traditional HRMS and the talent-management applications -- now firmly includes work and most significantly, the true cost and value of it.

By connecting work, workers and performance, Workday wants to deliver business-user decision support that can help optimize the workforce and increase organizational capacity.

Companies are buying it, and also subscribing to the SaaS software. In July of last year, Workday had 59 customers live and 92 signed. This July, the numbers have climbed to 104 live (including 20 on payroll) and 160 signed. Gross revenue this year is projected at more than \$100 million

The company's goal of marrying HR to work continues to get more ambitious. The centerpiece is Workday's unique Worker Spend Management module, which Vice President of Financial Management Product Strategy Mark Nittler has been building out, now collaborating with Vice President HCM Product Strategy Leighanne Levensaler. The first year it handled only employee T&E and approvals.

Last year, WSM covered elements of business resources (employees' laptops, cell phones, expensive calling plans, company cars, etc.), procurement (purchase orders) and, most importantly, service procurement, which includes contingent workers and professional services.

Now, Nittler wants it to include the costs of all work -- "the money spent on, by and for people" -- which requires a task I don't believe anyone has ever taken on: modeling all of the complexities of work itself. Utterly appropriate, given the company's name, I guess, but a little daunting in its breadth.

Closer to the ground, Workday Labs has been established as a center of innovation. In addition to creating Workday add-ons for Outlook (e-mail and calendar), integration to Google Calendar and Microsoft's Pivot experiment for interacting with massive amounts of data, Workday Labs is working on a social-media project code-named "Red Rover."

This is planned to be a Twitter-like stream of any-time talent feedback, plus social analytics and an expert-finder.

Workday's market acceptance continues to grow. Towers Watson (the merged comp and benefits giant) sold its PeopleSoft and SAP HR implementation practices to focus exclusively on Workday. Perhaps it read its own 13th annual HR Service Delivery Survey, which found SAP and Workday tied at 15 percent each as the leading choice for respondents buying an HRMS. Workday was up from 0 percent in 2008 and 9 percent in 2009.

And someday soon, Workday will be regularly going face-to-face with SuccessFactors, just as it did at EMC.

<http://steveboese.squarespace.com/journal/2010/9/16/tomorrows-hr-today-tonight.html>

Wow, that is a confusing title for a post. Tomorrow. Today. Tonight.

What the heck am I talking about?

Since it is Thursday, it's time for a new episode of the often imitated, but never surpassed HR Happy Hour show. Let's get the particulars out of the way.

HR Happy Hour - Thursday September 16, 2010 - 8PM EDT. Listen live on the show [page here](#), using the player widget below, or calling in on the listener line at 646-378-1086.

Have you ever listened in to a webinar given by some high profile executives or attended a conference session presented by one of the top thought leaders in the HR, Management, or Technology space and thought - 'Boy that was an awesome session, but I really wish I could ask a few more questions'.

Well tonight on the show, you will get your chance.

Joining us on the show to talk about the future of HR, and what tomorrow's HR leader will need to succeed, will be Leighanne Levensaler, Vice President of HCM Strategy at Workday, and Jennifer Fitzpatrick, Director HR & Talent Management at Chiquita Brands International.

These are the kind of experts that normally you'd be lucky to dial in to a webcast and maybe ask a question via the chat box, or you would have to queue up with another 38 people to try and have a quick moment with them after a presentation at a Conference Board or HR Executive event.

But tonight, Leighanne and Jennifer will be live on the Happy Hour, talking with you about the future of HR and talent and technology and whatever else is on your mind.

I hope you can join us!

— *Steve Boese's HR Technology, Tomorrow's HR Today - Tonight, September 16, 2010*

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This is an awkward post to write. I am at Oracle Open World as a guest of the some very hospitable individuals at the vendor. Yet, something happened yesterday which I think is important for the social world to discuss and debate.

Dennis Howlett, Frank Scavo, a couple of journalists and I were initially allowed into a session then asked to leave because we are not “analysts”

Five years ago, I would not have even expected to score an invite to OOW. But in the last five years, we have reached a point where bloggers were given the front row seats at the salesforce.com conference, Dreamforce last year – ahead of analysts and journalists. We have a point where SAP executives carve out time to meet with groups of bloggers at every one of their conferences.

And probably, the best example of the “color blind” world I thought we are moving towards has come twice in the last month. At a Workday session, Gartner analysts sat next to ZDNet bloggers and independent bloggers and Forrester and IDC analysts. The day, helped of course by the openness Workday employees showed, was something to behold. Rapid fire input back and forth -your affiliation did not matter, your input did.

This weekend Ray Wang hosted panels at a pre-OOW event which had an Oracle user group executive, a ZDNet blogger, an IBM executive, a CIO magazine journalist and an independent consultant (who presented data from a survey of Oracle customers his firm had recently conducted) and independent blogger like me. Again, the affiliation did not matter, your input did.

So, yesterday was a bit of a wake up call. When I pointed out to my Oracle contact that the definition of “analyst” seemed arbitrary – there are folks who only sub-contract to an analyst firm but were allowed in the room, others who run one person shops, or someone like me who is an alum from an analyst firm Gartner, the response was:

“ There many factors to how some of these things get put together – some of them obvious, some not so obvious. “

I asked my Enterprise Irregular blogging colleagues for their reaction, and several of them felt “it’s just the Oracle way to show who’s in charge”. Couple pointed out it is also the Apple way.

One felt bloggers are snarky and just don’t agree to the sort of decorum analysts do. Surely journalists have higher standards – why exclude them from such sessions?

Others felt like product executives at Oracle would love to talk more, but the communications folks don’t allow them to.

In fairness to Oracle, they at least invite bloggers. Many vendors have not even discovered us.

Maybe I am naive. Maybe the Workday or Ray Wang “rainbow” is the aberration. I sure hope not.

Readers?

This is an awkward post to write. I am at Oracle Open World as a guest of the some very hospitable individuals at the vendor. Yet, something happened yesterday which I think is important for the social world to discuss and debate.

Dennis Howlett, Frank Scavo, a couple of journalists and I were initially allowed into a session then asked to leave because we are not “analysts”

Five years ago, I would not have even expected to score an invite to OOW. But in the last five years, we have reached a point where bloggers were given the front row seats at the salesforce.com conference, Dreamforce last year – ahead of analysts and journalists. We have a point where SAP executives carve out time to meet with groups of bloggers at every one of their conferences.

And probably, the best example of the “color blind” world I thought we are moving towards has come twice in the last month. At a Workday session, Gartner analysts sat next to ZDNet bloggers and independent bloggers and Forrester and IDC analysts. The day, helped of course by the openness Workday employees showed, was something to behold. Rapid fire input back and forth -your affiliation did not matter, your input did.

This weekend Ray Wang hosted panels at a pre-OOW event which had an Oracle user group executive, a ZDNet blogger, an IBM executive, a CIO magazine journalist and an independent consultant (who presented data from a survey of Oracle customers his firm had recently conducted) and independent blogger like me. Again, the affiliation did not matter, your input did.

So, yesterday was a bit of a wake up call. When I pointed out to my Oracle contact that the definition of “analyst” seemed arbitrary – there are folks who only sub-contract to an analyst firm but were allowed in the room, others who run one person shops, or someone like me who is an alum from an analyst firm Gartner, the response was:

“ There many factors to how some of these things get put together – some of them obvious, some not so obvious. “

I asked my Enterprise Irregular blogging colleagues for their reaction, and several of them felt “it’s just the Oracle way to show who’s in charge”. Couple pointed out it is also the Apple way.

One felt bloggers are snarky and just don’t agree to the sort of decorum analysts do. Surely journalists have higher standards – why exclude them from such sessions?

Others felt like product executives at Oracle would love to talk more, but the communications folks don’t allow them to.

In fairness to Oracle, they at least invite bloggers. Many vendors have not even discovered us.

May be I am naive. Maybe the Workday or Ray Wang “rainbow” is the aberration. I sure hope not.

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[http://ablebrains.typepad.com/ablebrains/2010/09/influencer-relations-in-tech-mom-are-we-there-yet.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+Ablebrains+%28AbleBrains%29](http://ablebrains.typepad.com/ablebrains/2010/09/influencer-relations-in-tech-mom-are-we-there-yet.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+Ablebrains+%28AbleBrains%29)

A fellow Enterprise Irregular posed this question to the EI's relative to the maturity of the industry and the acceptance of bloggers @ Oracle Open World:

Especially after the Workday session where 20 of us from small and large firms all sat in same room and had a hugely productive session I thought the industry had reached a certain level of maturity when it came to recognizing enterprise bloggers. Last year Benioff even gave bloggers first row seats at Dreamforce.

Till yesterday.

Dennis Howlett, Frank Scavo and I were initially allowed to enter a session at Oracle Openworld then asked to leave because our badges did not say "analyst". How Mike Krigsman and Josh Greenbaum qualify for that title and others don't was something I posed to Karen Tillman, the VP of corp communications – nicely. Her answer was even more bothersome – "several different factors go into that decision" Now I like Karen and we had a nice drink afterwards, but chickenshit like this continues to happen 5 years after Nolan et al tried to break those barriers at SAP.

Another EI said:

The larger issue in the industry, that every corp comm team struggles with, is what these lines are — analyst/consultant/blogger/journalist. I'm in all four camps, and depending on the company and the situation I'm in a meeting under the guise of one or more of these titles.

With a response from yet another being:

It's only a challenge for corp comm teams that have not acknowledged that the lines don't mean anything. Even if you carry all four titles, so what... the objective is the same, to influence you positively in order to draft your influence in the market. Exactly.

Workday got it right! They're looking for insight from multiple parties with multiple viewpoints. That's what its all about. Not just driving affiliations. It has been five years since SAP took down those walls. The fact that stuff like this still happens and it happens to influential bloggers caught me off guard. Oracle has evolved their BR function to create a credible and effective program for bloggers. But my belly button says that there is still a lot of old thinking out there regarding the boxes that companies think they should be placing influencers into and what access they should be accorded. The lines are quite artificial. Market influencers are market influencers and if one is important enough to a company to be invited to be there then a blogger should be accorded the access that any another influencer would be accorded.

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<http://blogs.forbes.com/kymmcnicholas/2010/09/22/peoplesoft-founder-five-years-after-oracles-buyout/?boxes=Homepagechannels>

David Duffield is best known for reluctantly selling PeopleSoft to tech Giant, Oracle, for \$10 billion dollars in 2005. PeopleSoft meant a lot to Duffield, who built the company from the ground, up. He went through a lot of tough times growing the firm to 12,000 employees.

"I was broke at one point," Duffield exclaims during my recent interview with him at Tony La Russa's Animal Rescue Foundation in Walnut Creek, California. "What really helped me through was my loving wife, Cheryl, and a miniature schnauzer named, Maddie."

Maddie has since passed away, but her name lives on through the Duffield's family foundation, Maddie's Fund. You won't believe just how many dogs and cats the Duffield's have saved through their Foundation. Watch the video below.

Aside from his Foundation, Duffield has two other top priorities. First and foremost is his family. He has ten children, ranging in age from one at eight months to three in their 40's. Seven of his kids were adopted. Some of his kids work with Maddie's Fund already, others he's grooming to help in the fight to eradicate the euthanization of healthy pets.

His job is another big priority. Despite Forbes estimating his net worth at \$1.2 billion (plenty to retire), Duffield has no plans to retire.

"I learned a while ago that I don't enjoy retirement," says Duffield.

So when PeopleSoft was acquired and a lot of his employees were out of work, he decided to start something new with a business associate called, Workday. The enterprise software firm employs 500 people, and is growing. Duffield hopes to take the company public in the next few years.

"I don't have to work, but I really love it. I especially love that I can continue to be a good role model for my kids. To see their dad going to work every day, spending weekends and evenings traveling, you know, that's the real world. It isn't one of, you know, swinging away on the back porch, just watching, you know, the ducks go by."

— *Kym's Faces Of Tech (Forbes.com blog), PeopleSoft Founder Five Years After Oracle's Buyout, September 23, 2010*

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Work to Do

The company Workday

Headquarters: Pleasanton, Calif.

Employees: 400

2008 Revenue: Privately held

CEO: Dave Duffield and Aneel Bhusri

**What They Do:** Workday is a software-as-a-service vendor headed by Duffield, the founder of PeopleSoft (which is now owned by Oracle), and PeopleSoft's former vice chairman, Bhusri. It sells applications for human resources, payroll and financial management.

**The Pitch** Dave Duffield and Aneel Bhusri, co-founders and co-CEOs of <A HREF="

[http://www.cio.com/article/485422/Workday\\_SaaS\\_Apps\\_to\\_Gain\\_IPhone\\_Client](http://www.cio.com/article/485422/Workday_SaaS_Apps_to_Gain_IPhone_Client)>Workday</A>, propose that their software-as-a-service application, with its enterprise resource planning capabilities, can, in Bhusri's words, serve as the administrative backbone for a non-manufacturing company.

Duffield founded PeopleSoft and has sought to recreate that company's reputation for solid customer service as a competitive differentiator. He and Bhusri, who was vice chairman at PeopleSoft from 1999 until 2004, aspire to broader <A HREF="

[http://www.cio.com/article/360863/Amid\\_Buzz\\_Workday\\_Revs\\_on\\_Demand\\_ERP](http://www.cio.com/article/360863/Amid_Buzz_Workday_Revs_on_Demand_ERP)>ERP</A> functionality. "We're trying to do in three years what we did in 10 years at PeopleSoft," Bhusri says "that is, develop a global financial platform for large companies.

Workday employees get incentives to maintain high levels of customer satisfaction, such as additional stock options or time off, Bhusri says. Flextronics CIO Dave Smoley says execs "listen to their customers and act on it personally," with attention to the smallest details.

**The catch** Workday isn't quite ready to replace your SAP or Oracle financials yet, as Bhusri will readily admit. "[Financials are] just such a massive undertaking, doing it for large companies," he says. "We think we're a year away from taking on a Fortune 500 company in financials," says Bhusri.

Right now, Flextronics, a \$24 billion electronics manufacturer, uses an ERP system from Baan. Smoley says he would "love for Workday to get to the point where they're competitive at the enterprise level" in financials.

To do so, however, Workday must be able to handle multiple currencies, tax codes and variations in reporting across industries. For example, SAP offers 45 country-specific versions of its financial application.

Flextronics is using Workday to replace about 80 legacy human resources systems, Smoley said. "We brought Workday in at a point where the company realized we need to focus on HR as a core competency," he says, and he wanted to use a SaaS application. Flextronics is halfway through the global rollout of Workday, which produced millions in cost savings the first year, Smoley says.

**The score** Workday has grown steadily since its founding in 2005, and it seems off to a good start technically. But its future isn't certain, says 451 Group analyst China Martens.

While other SaaS vendors, such as Salesforce.com, are pushing a platform strategy, allowing third parties to build extensions to its software, Workday doesn't yet have one. As a result, she says, Workday risks being perceived as less open in an era when standards, interoperability and extensibility of software are becoming more important.

Meanwhile, Martens says, it remains to be seen whether Workday can effectively deliver the broader functionality it promises, and whether it can, as it grows, maintain the type of service that has customers like Smoley smiling.

Smoley thinks, however, that the challenges SaaS companies face compared to on-premise vendors work in favor of customers.

"It's a different alignment of priorities. If I'm a packaged-software guy, my goal is to sell licenses, then get [customers] to upgrade and add more features." In contrast, SaaS vendors' success is driven by factors like usability and lack of service disruption, he says. "They have to be continuously on top of their game."

Chris Kanaracus is a U.S. correspondent with IDG News Service.

