Aragon Research

Topics: Knowledge
Issues: How will enterprises acquire and distribute knowledge?

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Talent and HCM Part II: Saba Partners with Workday

Summary: On October 25th, Saba announced that it was entering into a partnership with HCM and Talent Suite provider Workday, which focuses on a cloud integration between their two product suites.

Event: Saba announced that it was partnering with Workday to deliver a joint solution that leverages Workday Studio, a development tool that builds integrations to and from Workday.

Analysis: While this is more of a marketing announcement, it is significant that Saba is the second Talent Management provider to partner with Workday this week (see First Cut: Talent and HCM Part I: Cornerstone OnDemand Partners with Workday).

Part of the genesis of the partnership was longstanding relationships between Workday and Saba executives that go back to the PeopleSoft days.

This partnership allows joint Saba and Workday customers to look at integrations that allow the people processes to be tied together and will mean that both vendors have better outcomes in competitive deals.

Saba indicated that it was working to create a reusable and configurable integration based on Workday's Studio tool.

Workday now has multiple partners to round out its offerings, particularly in Learning. This will allow both providers to compete more effectively with those that already offer both HCM and Talent applications such as ADP, Oracle, SAP, Success Factors, and others.

We also wonder if this announcement and other recent ones benefit Workday more than Saba. Both SAP and Oracle offer Learning modules as part of their suite, Workday does not. Saba was a pioneer in Learning Management Systems (LMS) and today has a large global customer base.

While not part of the announcement, Workday customers will also be able to benefit from Saba's full Social and real time collaboration platform. Aragon's opinion is that for real knowledge transfer to occur, a social platform is needed to enable people to connect in real time and also share content with each other.

This trend toward a new Über Suite (combination of HCM and Talent Management) will most likely gain traction with customers by 2014, but right now given the focus on talent pipeline and talent development (aka learning), ripping out Core HCM is not seen as a high priority in many large enterprises.

Whether this shift to a new Über Suite triggers another round of vendor consolidation remains to be seen. However, given scarce budget dollars in the HR department and legacy providers such as Oracle getting more aggressive, we would not be surprised if it does.

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Finally, as more Talent and HCM providers discover the stickiness of Learning applications in the enterprise, it will put pressure on the remaining HCM providers that currently do not have Learning as part of their Suite.

Aragon Advisory: Workday and Saba customers should ask for specifics on the product capabilities and how much work in professional services fees is required to produce a working integration.

Enterprises should also evaluate Saba's Social Platform Saba Social that incorporates learning and real time collaboration.

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