



Three Trends HR Marketers Can't Ignore in 2014



the starr conspiracy

INTELLIGENCE UNIT



Technology has helped HR practitioners make incremental improvements by automating processes or adding capabilities to the tech platform.

**But the way that work gets done,
and how HR supports work,
is going through major changes.**

This will affect the products HR relies on to support the changing workforce landscape, and it will change who is buying the technology, who is using the technology, and how you market your HR tech products.

**Three trends
are converging
to create new
opportunities
for HR tech:**

Trend 1:
Consumerization of HR Tech

Trend 2:
Melding of SMB and Enterprise Solutions

Trend 3:
The Increasing Contingent Workforce

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CONSUMERIZATION OF HR TECH

The consumerization of HR software isn't just driven by user adoption or process trends — it's ultimately driven by IT.

| 62% of companies will allow you to bring your own device (BYOD) by the end of 2014.¹

| 75% of enterprises supporting BYOD have more than 2,000 employees (46% have more than 10,000 employees).²

¹ Tech Republic/ZDNet Survey.

² Good Technology Survey.

Consumers initially drove this shift with the emergence of smartphones, tablets, and “convertible” laptops in the workplace.

HR tech providers are going mobile first: Systems are designed for mobile then brought to the Web or other delivery models.

Many are even exploring mobile-only options.

This may become check box No. 1 for enterprise-level software evaluations in the future.

Additional drivers of consumerization:

*Virtual teams and the way we
work together*

*New approaches in engaging employees
in HR processes (career development,
benefits selection, case management,
performance management, etc.)*



***MELDING OF ENTERPRISE
AND SMB SOLUTIONS***

SMB has an enormous market opportunity:

| **95%** of U.S. employers with less than 100 employees

| **98%** of U.S. employers with less than 2,000 employees

| **60%** of U.S. employment at firms with less than 2,000 employees³

The segment of firms with 100 to 1,999 employees is 18 times larger than those with more than 1,999 employees.

The increasing transient workforce:

| Less than five years — The average worker works less than five years per position.⁴

| Less than three years — Millennial workers are expected to spend fewer than three years per position.⁵

Workers move through several market segments and industries throughout their careers.

Five years ago: SMBs were underserved.

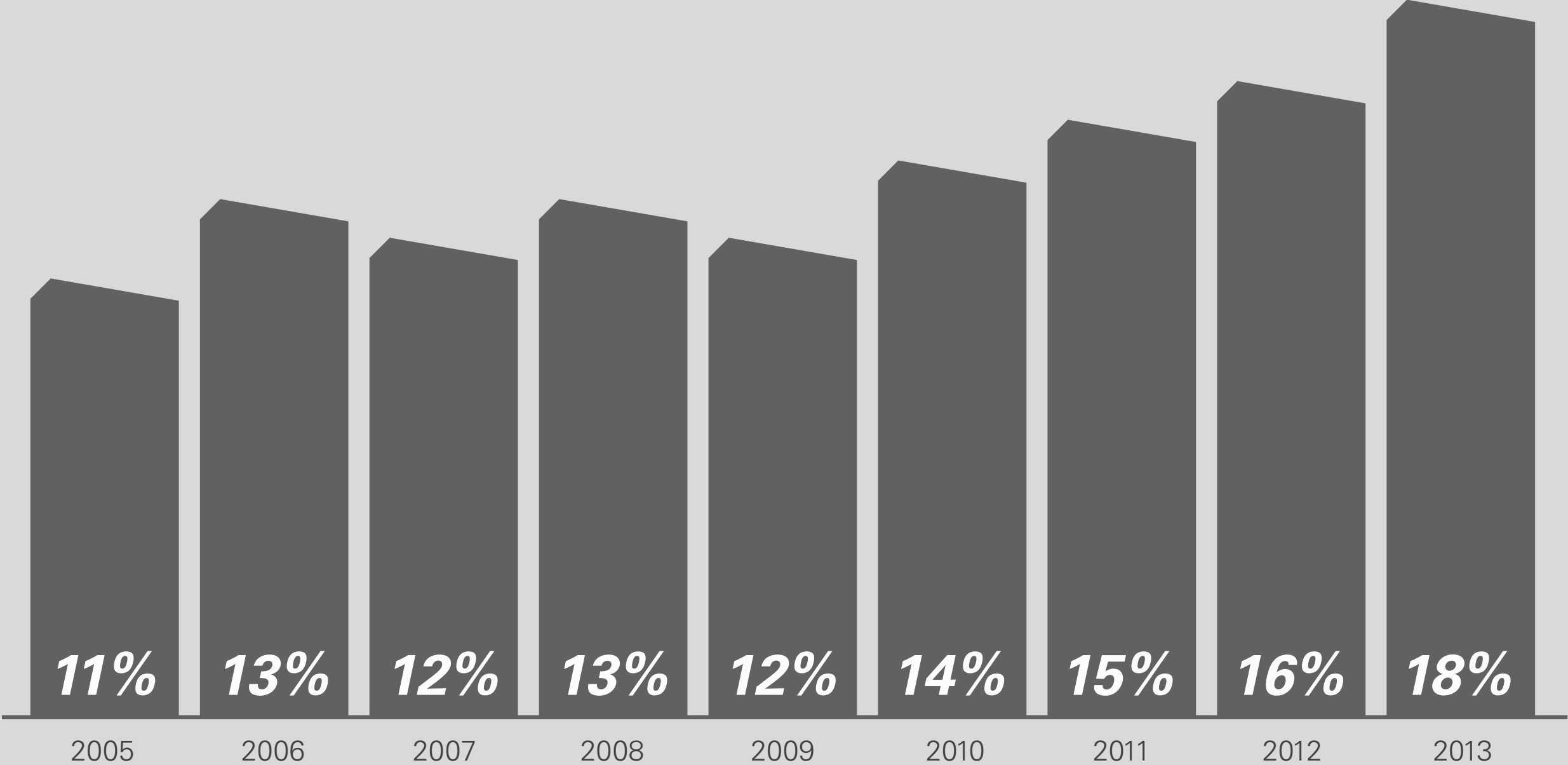
Today: An incredible amount of innovation reaches down to the SMB level.

Many of the vendors targeting the SMB market with HR technology-related solutions are not in the traditional HCM segment.

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***THE INCREASING
CONTINGENT WORKFORCE***

Percentage of Workforce That Is Contingent



Staffing Industry Analysts. 2013.

**Up to 30% of the Fortune 100 workforce is contingent.
That number is expected to increase to 50% by 2020.**

| 76% *of buyers will increase their contingent workforce by 5% over the next two years.*

***Some industries
are already heavily
contingent:***

| 60% *of commercial staffing*

| 40% *of IT*

| 40% *of professional staffing*

**Globally, contingent workforce spending reached
\$416 billion in 2013 (\$124 billion in the U.S.).**

Drivers of contingent employment:

Follow the money

- | *Taxes*
- | *New regulations in the U.S. (like the ACA)*
- | *Public relations (no layoffs announced)*
- | *Overall cost of employment*
- | *Business agility*

| The market opportunity is huge.

The market could possibly double in size to more than \$800 billion globally (more than \$245 billion in the U.S.).

Contingent and full-time regular employees will be operating shoulder to shoulder throughout the business.

Why are these arrangements attractive for employees?

- | *Flexible work options*
- | *Millennials are ready for it⁶*
- | *More mobile*
- | *Increased focus on personal challenge and meaningful work*
- | *Decreased focus on structure or pay*

| **80%** of U.S. workers prefer to work off-site at least part of the time.⁷

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***THE
CONVERGENCE***

These trends are a reminder of the change upon us:

The future is a transient, contingent workforce that will bring their devices and apps to work, plug into IT environments that are mobile first, and will become acquired as much as they are hired.

HR technology in the near future will need to:

- | *Support a mixed contingent/full-time employee workplace*
- | *Be able to move from enterprise to SMB*
- | *Align at the employee level (e.g., payroll)*
- | *Be embedded in recruitment, selection, performance, etc.*
- | *Consider the contingent workforce*
- | *Break down the silos separating HR processes*



Identifying the HR buyer will become more complicated and IT — and even purchasing — will have a greater stakeholder seat than they currently do in our “cloud-based” world.

***Almost zero marketing initiatives
and product road maps currently
address this pending reality.***



InfluenceHR is the one place where these trends are being discussed, and where marketing, sales, and product meet to tackle these changes head-on.

**Join us at the next InfluenceHR
and be a part of the future
of HCM.**

*For more information on InfluenceHR and to register,
visit us online or email George LaRocque.*

About the Author

George LaRocque is director of go-to-market services at The Starr Conspiracy Intelligence Unit. He is the leading strategist and go-to-market consultant for B2B HR-related technology and the human capital management (HCM) marketplace. George has personally launched market-leading B2B HR technology brands to profitability, funding, or both. He is founder and conference chair of the InfluenceHR symposium, where vendors that market and sell to the HR buyer learn to transform their marketing strategy, as well as the founder of the #hrwins reports on innovation in HR technology. With more than 20 years of general management, marketing, sales, and sales management experience, Mr. LaRocque draws on his considerable industry knowledge to provide consulting for HCM companies and startups. George has more than 10 years of experience building companies that provide cloud-based software via Software-as-a-Service model and is a true SaaS expert.

About The Starr Conspiracy Intelligence Unit

There's a new era of enterprise technology that can finally unleash the full promise of human potential. If you're on board, we're ready to get you there.

The Starr Conspiracy Intelligence Unit (TSCIU) delivers growth-oriented strategy, research, and advisory services, providing the guidance and key insights you need to grow market share and increase profitability. Let's face it: The protectors of the status quo in marketing fall back on outdated formulas that won't deliver growth and aren't sustainable. We've seen it before, and that approach to marketing is dead.

TSCIU takes your business as personally as you do, and we will challenge you to shift your perspective. Most important, though, we deliver marketing clarity so you can make decisions with confidence.