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# The Market for Succession Management Systems

## About the Author



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## Introduction

For years, HR practitioners have relied on a combination of desktop application tools (such as Microsoft Excel spreadsheets and LotusNotes databases) to support succession planning activities. These tools were put in place to ensure process compliance, and to facilitate the labor-intensive administrative tasks associated with conducting talent review meetings and replacement planning.

As organizations seek to advance their succession management practices<sup>1</sup> beyond top leadership replacement planning, they require more advanced tools to:

- Identify and assess talent at all levels of the organization;
- Monitor organizational readiness, gaps and bench strength; and,
- Plan for development.

To support these objectives through a more integrated approach to talent management, software solution providers have extended their performance management applications. The new performance

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<sup>1</sup> For more information, *High-Impact Succession Management: Best Practices, Models and Case Studies*, Bersin & Associates / Kim Lamoureux, March 2009. Available to research members at [www.bersin.com/library](http://www.bersin.com/library) or for purchase at [www.bersin.com/hism](http://www.bersin.com/hism).



## KEY POINT

Succession management systems, along with support for career management, are part of the expanded performance management systems market.

management systems (often referred to as “talent management suites”<sup>2</sup>) include support for comprehensive career and succession management practices. As such, the performance management market has been redefined. This research bulletin addresses the capabilities of the succession management systems available in the market today.

*(The following sections include excerpts from the industry study, “The Essential Guide to Employee Performance Management Systems.”<sup>3</sup> This report includes comprehensive profiles of the top 25 integrated performance and succession management solution providers.)*

## Integrated Performance, Career and Succession Management Solutions

The market evolution has resulted in much more sophisticated integrated talent management solutions. Our research shows that an integrated solution provides value to organizations through:

- Improved delivery of HR solutions to end-users (e.g., employees, managers, business leaders and HR specialists) through a unified portal;
- Expanded visibility into the current capabilities (e.g., skills, competencies, experience and performance) of the workforce;
- Increased business alignment through integrated planning; and,
- Increased objective and actionable information to support planning decisions regarding performance, development and compensation.

<sup>2</sup> A comprehensive “talent management suite” includes support for the following core talent management applications – workforce planning, recruitment management, performance management, career and succession management, learning management, and compensation management.

<sup>3</sup> For more information, *The Essential Guide to Employee Performance Management Systems, Part 2*, Bersin & Associates / Leighanne Levensaler, October 2008. Available to research members at [www.bersin.com/library](http://www.bersin.com/library) or for purchase at [www.bersin.com/perfmgt](http://www.bersin.com/perfmgt).



## Bersin Analysis

More than 37 percent of organizations have integrated their performance management and succession management data today. Twenty-two percent of organizations have implemented an integrated solution from one solution provider. This number will continue to trend upward. More than 63 percent of organizations intend to implement succession management functionality from their performance management solution providers in the next 12 months. ↻

Figure 1 identifies the information that is used to influence talent planning and decision-making in an integrated solution.

**Figure 1: Integrated Solutions**

Integration	Information Shared	Value of Integrated Approach
Performance and Succession Management	<ul style="list-style-type: none"> <li>• Readiness / promotability</li> <li>• High potentials</li> <li>• Competency assessment data</li> <li>• Development planning actions / requirements</li> <li>• Performance history</li> <li>• Talent profile data (e.g., mobility, career goals, critical skills set, et al)</li> </ul>	<ul style="list-style-type: none"> <li>• Decisions for inclusion in talent pools or on succession slates are based on more objective and consistent data across the organization.</li> <li>• Organizations can more readily uncover hidden talent at all levels of the organizations.</li> <li>• Organizations can support more rigorous and aligned development planning for individuals included in talent pools or on succession slates.</li> <li>• Organizations can focus on building a diverse talent pool.</li> </ul>
Performance and Career Management	<ul style="list-style-type: none"> <li>• Career goals / interests</li> <li>• Development plans / actions</li> <li>• Performance history</li> <li>• Talent profile data (e.g., mobility, career goals, interests, critical skills set, et al)</li> </ul>	<ul style="list-style-type: none"> <li>• Employees understand what competencies and skills are needed to enable career advancement or changes.</li> <li>• Development plans and actions are directed to career plans.</li> <li>• Organizations can ensure individual employee capabilities are matched with organizational need.</li> <li>• Organizations can offer career advancement opportunities to support engagement and retention efforts.</li> </ul>

Source: Bersin & Associates, 2008.

## Career and Succession Management System Capabilities

Figure 2 identifies the advanced feature sets and functionality performance management solutions now offer to support integrated career and succession management.

**Figure 2: Advanced Employee Performance Management Feature Set Support – Career and Succession Management**

Feature Sets	Functionality
Performance calibration support	<ul style="list-style-type: none"> <li>• Provide managers with a graphical display of team performance ratings in a bell curve, stacked view or categories (e.g., A, B, C)</li> <li>• Provide business leaders and HR practitioners with a graphical display of multiple teams' performance ratings in a bell curve, stacked view or categories (e.g., A, B, C)</li> <li>• Enable managers to interact with the data in the graphical display to conduct scenarios</li> <li>• Enable managers to easily access talent profiles, including performance history to support decision-making</li> <li>• Enable managers to view the merit increase impact of modifying ratings</li> <li>• Enable managers to save multiple scenarios before finalizing performance ratings</li> <li>• Enable manager to print scenarios to take to calibration sessions</li> <li>• Enable managers to modify individual performance ratings from the graphical display</li> <li>• Enable managers to save final distribution</li> </ul>
High potential / readiness identification	<ul style="list-style-type: none"> <li>• Enable managers and HR practitioners to indicate an employee's readiness or level of potential at the end of a performance review</li> <li>• Enable managers and HR practitioners to indicate an employee's readiness or level of potential on the employee's talent profile</li> <li>• Support a nine-box (or flexible grid) to view employee performance versus potential relative to other team members</li> <li>• Support competency-based talent assessments to identify potential</li> <li>• Support 360-assessments to seek feedback on competencies and strengths for potential identification</li> </ul>

Source: Bersin & Associates, 2008.

**Figure 2: Advanced Employee Performance Management Feature Set Support – Career and Succession Management (cont'd)**

Feature Sets	Functionality
Job profile management	<ul style="list-style-type: none"> <li>• Support a comprehensive and standard job profile used across the application(s) that includes a description, the competencies, skills, experience required, the ideal candidate, development plans for the job, common career paths / steps of employees who have been in the job, et al</li> <li>• Enable managers and HR practitioners to view a comparison of employees against a specific job profile</li> <li>• Enable employees and managers to recommend competencies, skills and experience to the job profile, and manage through an approval process</li> <li>• Incorporate job statistics in the job profile for certain users to view, such as the cost of the job, the current talent pool for the job, the top performers in the job, the best sources to hire for the job, employees with the job, et al</li> <li>• Support condensed and contextualized views of the job profile anywhere the job appears in the application(s)</li> </ul>
Talent profile management	<ul style="list-style-type: none"> <li>• Enable managers and employees to view and print an employee's comprehensive talent profile (including résumé, performance and potential information)</li> <li>• Enable managers and HR practitioners to view a comparison of an employee's talent profile against a specific job / position profile</li> <li>• Enable managers and HR practitioners to view a comparison of employees based on their talent profiles</li> <li>• Enable employees to update specific data points on the talent profile competencies, skills and experience to the job profile, and manage through an approval process</li> <li>• Support condensed and contextualized views of the talent profile anywhere the employee's name appears in the application(s)</li> </ul>
Nomination / slate management	<ul style="list-style-type: none"> <li>• Enable managers to identify candidates on a succession plan for a specific job / position</li> <li>• Enable managers and HR practitioners to view detailed succession plans for a job / position</li> <li>• Support managers with the ability to conduct succession scenarios based on succession plans</li> <li>• Enable managers to produce a printout of succession scenarios for talent review meetings</li> <li>• Enable managers and HR practitioners to share succession scenarios with other managers for talent discussions and / or feedback</li> <li>• Support managers with the ability to view future state organization charts for scenario planning</li> <li>• Enable managers (based on level) to have a top-down view of the leadership pipeline</li> <li>• Provide a place for managers and HR practitioners to create and track talent discussion notes</li> <li>• Enable managers to create an emergency replacement (regardless of readiness) for a job / position</li> </ul>

Source: Bersin & Associates, 2008.

**Figure 2: Advanced Employee Performance Management Feature Set Support – Career and Succession Management (cont'd)**

Feature Sets	Functionality
Talent pool management	<ul style="list-style-type: none"> <li>• Enable the system to automatically create talent pools based on defined criteria (e.g., performance, skills / competencies, potential, experience, et al)</li> <li>• Provide a readiness rating for employees included in a talent pool and / or on a succession plan</li> <li>• Enable managers and HR practitioners to add employees to a talent pool</li> <li>• Enable managers (based on level) to view the leadership pipeline by competency – to assess strength or health in a specific competency area</li> <li>• Assign development plans and activities for candidates in a talent pool / succession plan</li> <li>• Support the ability to limit access (e.g., read, edit) to succession plans based on security role</li> </ul>
Career management	<ul style="list-style-type: none"> <li>• Enable employees to identify career interest on their talent profiles</li> <li>• Enable employees to search job profiles in their job families or all job families</li> <li>• Enable employees to conduct an analysis / comparison of their talent profiles and a specific job profile</li> <li>• Enable employees to express interest for a specific job</li> <li>• Enable employees to apply for a vacant job</li> <li>• Support HR practitioners in creating career paths</li> <li>• Provide managers and employees with graphical views of career paths (to view possible directions and required steps)</li> <li>• Enable employees to express interest in a specific career path</li> <li>• Enable employees to add development plans and activities for a specific job and / or career path</li> <li>• Enable employees to seek approval, and receive manager feedback on pursuing a specific job and / or career path</li> </ul>
Organizational surveys	<ul style="list-style-type: none"> <li>• Enable HR practitioners to create, publish and assign an online survey to a group or individual</li> <li>• Support multiple types of surveys and survey response types</li> <li>• Incorporate survey results in reports and the data warehouse for analysis</li> <li>• Enable surveys to be associated with system objects (such as goals, development plans, development experiences, organizational units, et al)</li> <li>• Publish survey results through reports and analytics tools</li> <li>• Enable viewing of survey history and trend information over time</li> <li>• Enable HR practitioners to email survey results to a group or individual</li> </ul>
Talent analytics	<ul style="list-style-type: none"> <li>• Support a data warehouse for all talent information</li> <li>• Support an ad-hoc reporting feature that allows administrators to create new analysis directly against a data warehouse cube</li> <li>• Enforce the organization's security model to limit access to talent data as appropriate</li> <li>• Enable publishing of analytic views (e.g., dashboards, scorecards, reports) to groups of users and individuals</li> <li>• Provide relevant and embedded analytic views within process steps to support decision-making and planning activities</li> <li>• Enable custom report design, creation and publishing</li> </ul>

Source: Bersin & Associates, 2008.

## **Solution Providers Offering Career and Succession Management System Functionality**

There are more than 40 solution providers offering integrated talent management solutions in the market today. In our research report, *The Essential Guide to Employee Performance Management Systems, Part 2*<sup>4</sup>, we evaluated the career and succession management capabilities of the top 25 solution providers (see Figure 3).

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<sup>4</sup> For more information, *The Essential Guide to Employee Performance Management Systems, Part 2*, Bersin & Associates / Leighanne Levensaler, October 2008.

**Figure 3: Career and Succession Management Solution Provider Capability Matrix**

Solution Provider	Performance calibration support	High potential / talent identification	Job profile management	Talent profile management	Career and succession management	Talent analytics
ACS	●	○	○	○	●	●
Authoria	●	●	●	●	●	●
Business Decisions	●	●	●	●	●	●
Cornerstone OnDemand	●	●	●	●	●	●
Cytiva	●	○	○	○	○	●
Halogen Software	●	●	●	●	●	●
HRsmart	●	●	●	●	●	●
iCIMS	○	○	●	●	○	●
Kenexa	●	●	●	●	●	●
Learn.com	●	●	●	●	●	●
Oracle / EBS	○	●	●	●	●	●
Oracle / PeopleSoft	●	●	●	●	●	●
Organization Metrics	●	●	●	●	●	●
Pilat HR Solutions	●	●	●	●	●	●
Plateau	○	●	●	●	●	●
Saba	●	●	●	●	●	●
Salary.com	●	●	●	●	●	●
SAP	●	●	●	●	●	●
SilkRoad	●	●	○	●	●	●
Softscape	●	●	●	●	●	●
StepStone	●	●	●	●	●	●
SuccessFactors	●	●	●	●	●	●
SumTotal Systems	●	●	●	●	●	●
Taleo	●	●	●	●	●	●
Technomedia	●	●	●	●	●	●

- = Not offered.
- ◐ = Offers basic features.
- = Offers comprehensive features.

Source: Bersin & Associates, 2008.

## Narrowing the Field of Solution Providers

Organizations considering a succession management solution will find solution providers have similar marketing pitches and appear to have very similar offerings (as evidenced by Figure 3). Also – *there are so many of them!* It is a very difficult task to determine which providers to spend the time evaluating.

When we began our research study, our own hypothesis was that the market for integrated performance, career and succession management solutions was very saturated and practically homogenized. What we learned is that, while there are many providers offering solutions, there are many factors (beyond functionality) that set them apart.

To narrow the list, we recommend focusing on the truly differentiating factors, including:

- User experience;
- Support for other HR and talent management applications;
- Domain and customer experience;
- Price;
- Delivery model support;
- Customer references;
- Global capability;
- Staying power; and,
- Additional content.

*The Essential Guide to Employee Performance Management Systems, Part 2* includes detailed discussion and evaluation of the solution providers in each of these areas. It is important to note that software design and delivery models enable the solution providers to release enhancement and product releases with greater frequency than the old model of an annual update. Many solution providers offering their software as a service (e.g., on-demand) deliver monthly or quarterly enhancements. If a solution provider has a gap in functionality today, it



### KEY POINT

Buying organizations need to look beyond functional capabilities to understand the true differentiators of the solution providers in this saturated market.



## ANALYSIS

Customer experience (including the number of customers supported, customers with sophisticated needs and the length of time the solution provider has offered the solution) is one of the most critical differentiating factors. There are five leading providers of sophisticated succession management systems.

is likely going to be filled within a couple of quarters. Functional depth is only one "fit" factor to consider.

### Leading Solution Providers Based on Customer Experience

One of the most critical factors to consider is the level of experience of the prospective solution provider. In our evaluation, we identified the solution providers with the deepest experience supporting customers with advanced succession management practices. Our list includes:

- Authoria;
- Kenexa;
- Pilat HR Solutions;
- Softscape; and,
- StepStone.

### Conclusion

The succession management systems available in the market today have matured substantially over the last two years. Now inextricably linked to performance and career management applications, succession management solutions provide organizations with the platform to identify, assess, monitor and plan for a ready pipeline of talent. This is one of the fastest-growing and most exciting areas of talent management technology today.