

FROST & SULLIVAN

# BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD



**2020 NORTH AMERICAN WORKFORCE AND HUMAN  
CAPITAL MANAGEMENT FOR HEALTHCARE  
COMPANY OF THE YEAR AWARD**

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## Background and Company Performance

### *Industry Challenges*

In the United States (US), healthcare providers are under increasing pressure from complex compliance requirements, rising costs, and fierce competition for talent.

Furthermore, managing the loss of key workers due to retirement and retaining talent are particularly important human capital challenges due to the current healthcare labor shortage. A highly engaged workforce is also vital to delivering the best possible patient outcomes. However, maintaining high levels of employee engagement remains a pressing challenge for human resources (HR) professionals and leadership. Stakeholders have difficulty executing workforce management processes smoothly and efficiently under constrained resources such as time, staff, technology, and finances.<sup>1</sup>

Leveraging technology is vital in creating an organizational culture emphasizing trust, open communication, and equity and providing employees with opportunities for career advancement and professional development. State-of-the-art artificial intelligence (AI) and machine learning techniques are key to facilitating future automation and seamless workforce and human capital management (HCM) for healthcare processes. Specifically, employers must harness technology-enabled platforms that empower cost-effective workforce and HCM for healthcare and streamline access to real-time workforce information, insights and their own personal information such as accruals and schedules. For example, interactive succession planning tools enabling organizations to quickly create career paths that promote higher engagement and retention while ensuring business continuity. Workforce management and HCM systems can also improve workforce productivity by streamlining administrative tasks such as talent acquisition, benefits administration, and scheduling—allowing personnel to focus on more value-added activities. Frost & Sullivan notes that integrated service offerings cost significantly less than purchasing multiple stand-alone services and combining them at a later date. For example, the cost of purchasing and managing an HCM offering, including time and attendance, benefits enrollment, and learning tools from separate vendors can become prohibitive.

Frost & Sullivan research reveals that Kronos Incorporated has a unique unified platform capable of integrating all aspects of WFM (Workforce Management) and HCM (Human Capital Management) with other enterprise applications. This platform creates a more seamless and effective experience for all stakeholders. Kronos' platform demonstrates the critical factors for a successful workforce and HCM healthcare solution which must include comprehensive, technology driven features, such as time and attendance, benefits administration, compensation management, learning and professional development, payroll administration absence and leave management, scheduling employee self service and mobile access. Modern consumer-grade workforce and HCM for healthcare technologies that enhance processes and workflows subsequently provide a more positive employee experience will enjoy rapid adoption.

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<sup>1</sup><https://www.shrm.org/about-shrm/press-room/press-releases/Documents/SHRM%202015%20Business%20Human%20Capital%20Challenges.pdf>

Moreover, Frost & Sullivan believes that an integrated platform will lead to improved decision-making, efficient processing, and enhanced employee satisfaction. Successful platform vendors will also harness Big Data analytics (BDA) to eliminate inefficiencies further while enabling insightful decision-making. Advanced forecasting also allows for improved scheduling, cost reduction, revenue, and productivity enhancement.

### *Visionary Innovation & Performance and Customer Impact of Kronos*

Founded in 1977 and headquartered in Lowell, Massachusetts, Kronos Incorporated (Kronos) is a leading provider of award-winning workforce and HCM for healthcare cloud solutions. Currently, the company has sold more than two million employee licenses globally with its flagship Workforce Dimensions™ technology platform alone. Through providing integrated, end-to-end solutions to help organizations better attract, engage, and retain talent, Workforce Dimensions is experiencing unprecedented adoption. The platform also supports an exceptional user experience, functionality, integration, data access, delivery, and support as well as quick integration and upgrades.

In 2018, Kronos introduced Workforce Dimensions HCM to extend the previous offering's capabilities in complex industries such as healthcare. Since 2015, Kronos has invested over \$900 million on research and development to deliver HCM's next-generation enhancements, features, and functionality. Specifically, Workforce Dimensions HCM unifies capabilities such as talent acquisition and performance management, onboarding, time and attendance, scheduling, and payroll in a single solution. Responsive design, machine learning algorithms, embedded analytics, and artificial intelligence (AI) provide an enhanced user experience across devices.

Kronos developed Workforce Dimensions HCM in the Google public cloud to ensure exceptional mobile responsiveness and cutting-edge development and security. Workforce Dimensions HCM is also device-agnostic, allowing unlimited access to data across the employee lifecycle. A unified architecture coupled with high-speed cloud computing facilitates schedule changes, robust analytics, and key performance indicator (KPI) monitoring in real-time, helping clients avoid compliance issues and overtime. The company's Universal Device Manager, a device management system, enables real-time monitoring, and remote capabilities such as configuration and troubleshooting.

Overall, Kronos HCM automates administrative-heavy work and streamlines workflow processes to empower its employees and front-line managers. As a result, Kronos optimizes cost savings and increases user satisfaction and engagement by improving efficiencies. For example, benefits administration is typically complicated and costly for employers. With Workforce Dimensions, employees can remotely complete benefits enrollment, sign up for professional development courses, or quickly update payroll and tax information. Furthermore, over 150 pre-configured KPIs allow for strategic managerial insights and workforce optimization.

Frost & Sullivan firmly believes that Kronos' unified HCM approach is a unique value proposition, offering the best value for the price by leveraging the benefit of integration. As a result, Kronos' platform enjoys higher engagement than other point solutions.

Workforce Dimensions is also significantly enhancing workforce management—e.g., scheduling, payroll, volume forecasting, hiring--through superior AI combined with decades of industry expertise. Specifically the company's advanced Artificial Intelligence for Managers and Employees (AIMEE™) offering proves real-time data analysis to determine patterns and trends that inform critical decision-making through predictions about factors such as flight risk, business volume, and potential compliance issues.

Frost & Sullivan appreciates that Kronos' AI approach is uniquely practical and effective; unlike monolithic solutions that promote a "one-size-fits-all" algorithm, Kronos leverages its decades of workforce management expertise to adapt its AI to specific business problems. Coupled with successfully testing its BDA models on real data, the company can confidently assert its accuracy in mining enterprise-wide information streams for actionable insights.

### **Industry-leading Features Driving Superior Workforce and HCM for Healthcare**

Kronos' end-to-end platform allows employers to select customized capabilities such as personalization and key functionalities, e.g., leave request submissions and work-shift changes. Included in the platform is Workforce Advisor, an AI-enabled digital assistant, to automate daily tasks. Frost & Sullivan appreciates that Workforce Dimensions HCM's predictive analytics reveal real-time insights into workforce operations—thus offering proactive compliance, e.g., alerts indicating approaching employee overtime. Kronos' powerful AI engine, AIMEE, also supports predictive analytics and helps managers understand the impact of absences, open shifts, and unplanned schedule changes on KPIs. Additional capabilities include time off and shift swap recommendations, volume forecasting, and analysis of request approvals.

Other features include:

- **Delivering Consistent and Engaging Onboarding:** An onboarding checklist, e.g., I-9, W-4, Direct Deposit, and Benefits Enrollment, assigned appropriately, allows new hires to submit paperwork at their convenience. Employees can complete benefits enrollment, sign up for learning courses, and update payroll and tax information anytime on their preferred devices. For example, job candidates can apply for open positions from a mobile device in minutes.
- **Employee Perspectives** is an analytics tool helping stakeholders predict and act on workforce trends and behaviors. Due to Kronos' unified HCM approach, Employee Perspectives accesses data points from across the employee lifecycle to develop metrics meeting specific business needs such as proactively preventing attrition.
- **Time and Attendance** drives workforce productivity through automated time and attendance management. Reduce payroll errors and timecard issues on the fly and streamline administrative task so your staff can focus on more value-add activities.
- **Employee Self-Service** and mobile scheduling provides employee control and flexibility—e.g., employees can view schedules, can easily access detailed daily

shift information and make time-off, shift swap capabilities and other scheduling requests—while reducing the administrative burden for managers.

- **Embedded Analytics** brings real-time KPIs to operational users, making the manager's job easier by delivering relevant metrics in context, as part of the core workflow of the application.
- **Kronos Benefits Center** leverages over 15,000 live data connections to provide employees with comprehensive benefits education and personalized recommendations. Users access detailed information on benefit plans, enroll, and fill in questionnaires via their mobile devices.
- **Kronos Payroll Management** automates payroll processes—reducing processing time, ensuring compliance, and managing time, tax, and pay in a single solution. Kronos Payroll Management integrates with Kronos Payroll Services to provide services such as tax filing, garnishment processing, and check distribution. Payroll on Mobile includes capabilities such as tracking payment, setting up direct deposit, and viewing tax forms.
- **Offering Tools to Train New Hires and Develop Existing Talent.** Kronos Workforce Dimensions HCM allows managers to manage required certifications and training, track course registration and enrollment, and monitor progress.
- **Sourcing, Tracking, and Evaluating Talent.** Kronos allows applicant data to flow seamlessly into the employee record upon hire—streamlining the administrative effort. Real-time feedback tools increase employee engagement and performance, empowering management to track and nurture progress, identify high performers, determine development opportunities, and manage specific outcomes.

### Leveraging Best Practices to Increase Market Share

Kronos' advanced D5 platform underlies Workforce Dimensions. Through supporting robust APIs and integration framework, the platform allows developing the comprehensive Kronos Marketplace. The marketplace helps partner network members expand on the already-robust capabilities of Workforce Dimensions—e.g., travel and expense report management, background checks, and employment eligibility verification.

The Workforce Dimensions Technology Partner Network also fosters close integration between Kronos and leading software providers, developers, and customers. The result is innovative applications and product extensions with industry giants such as Google and Microsoft. Workforce Dimensions HCM is also ready for integrating with Epic, Nursys, and other healthcare-focused software providers. Frost & Sullivan notes these capabilities allow Kronos to extend the value of a healthcare organization's Workforce Dimensions investment.

Other industry best practices further spur market adoption. The company has healthcare professionals on staff to work in the field in sales, marketing, and implementation as they intimately understand healthcare challenges. Robust marketing strategies include radio ads, golf sponsorships, direct mail, and attending industry conferences that allow for



hands-on experience with the company's offerings. Kronos' healthcare group also hosts forums that demonstrate thought leadership while providing industry benefits. For example, the company's annual Healthcare Summits and HR payroll symposium, the latter of which enables clients to receive re-certification credits.

In part due to these efforts, market adoption of Workforce Dimensions is exceeding the company's most optimistic expectations. In 2019, Kronos' revenue reached \$1.43 billion—the company's best performance to date. Since its launch, the Workforce Dimensions offerings have catapulted overall subscription revenue growth to 30% across its workforce management and HCM product suites. Workforce Dimensions is currently serving over 600 customers, with approximately 25% of clients based in the healthcare sector. Workforce Dimensions HCM clients include internationally renowned cancer treatment and research centers and one of the largest healthcare systems in New England.

### *Conclusion*

A versatile, efficient, and employee-centric workforce and human capital management infrastructure is necessary to attract and retain healthcare talent. Kronos' Workforce Dimensions offering provides exceptional business efficiencies that facilitate superior employee engagement and satisfaction while reducing compliance risk and the cost of managing labor for providers. Kronos' end-to-end platform unifies core human resources capabilities in a single solution, providing superior client value through unprecedented workforce and human capital management access across the employee lifecycle. With its commitment to technology innovation, unparalleled thought leadership, and rapid market adoption, Kronos earns Frost & Sullivan's 2020 North America Company of the Year Award in the workforce and human capital management for healthcare industry.

## Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among non-industry peers) requires a company to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company’s future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact).



## Understanding Company of the Year

Driving demand, brand strength, and competitive differentiation all play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation and Performance to enhance Customer Impact.



## *Key Benchmarking Criteria*

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

### **Visionary Innovation & Performance**

- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Implementation Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

### **Customer Impact**

- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

## Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 <b>Monitor, target, and screen</b>	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> <li>• Conduct in-depth industry research</li> <li>• Identify emerging sectors</li> <li>• Scan multiple geographies</li> </ul>	Pipeline of candidates who potentially meet all best-practice criteria
2 <b>Perform 360-degree research</b>	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> <li>• Interview thought leaders and industry practitioners</li> <li>• Assess candidates' fit with best-practice criteria</li> <li>• Rank all candidates</li> </ul>	Matrix positioning of all candidates' performance relative to one another
3 <b>Invite thought leadership in best practices</b>	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> <li>• Confirm best-practice criteria</li> <li>• Examine eligibility of all candidates</li> <li>• Identify any information gaps</li> </ul>	Detailed profiles of all ranked candidates
4 <b>Initiate research director review</b>	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> <li>• Brainstorm ranking options</li> <li>• Invite multiple perspectives on candidates' performance</li> <li>• Update candidate profiles</li> </ul>	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 <b>Assemble panel of industry experts</b>	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> <li>• Share findings</li> <li>• Strengthen cases for candidate eligibility</li> <li>• Prioritize candidates</li> </ul>	Refined list of prioritized Award candidates
6 <b>Conduct global industry review</b>	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> <li>• Hold global team meeting to review all candidates</li> <li>• Pressure-test fit with criteria</li> <li>• Confirm inclusion of all eligible candidates</li> </ul>	Final list of eligible Award candidates, representing success stories worldwide
7 <b>Perform quality check</b>	Develop official Award consideration materials	<ul style="list-style-type: none"> <li>• Perform final performance benchmarking activities</li> <li>• Write nominations</li> <li>• Perform quality review</li> </ul>	High-quality, accurate, and creative presentation of nominees' successes
8 <b>Reconnect with panel of industry experts</b>	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> <li>• Review analysis with panel</li> <li>• Build consensus</li> <li>• Select winner</li> </ul>	Decision on which company performs best against all best-practice criteria
9 <b>Communicate recognition</b>	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> <li>• Present Award to the CEO</li> <li>• Inspire the organization for continued success</li> <li>• Celebrate the recipient's performance</li> </ul>	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 <b>Take strategic action</b>	Upon licensing, company able to share Award news with stakeholders and customers	<ul style="list-style-type: none"> <li>• Coordinate media outreach</li> <li>• Design a marketing plan</li> <li>• Assess Award's role in future strategic planning</li> </ul>	Widespread awareness of recipient's Award status among investors, media personnel, and employees

## The Intersection between 360-Degree Research and Best Practices Awards

### Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

### 360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



## About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.