

Case Study: Adobe

Secrets behind the Digital Transformation of the Employee Experience

The Inside Story of How Adobe Used Workday's Core HR to Drive Executive-Level Transparency and Engagement



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constellation
RESEARCH



at a GLANCE

Silicon Valley-based Adobe faced an extremely competitive market in attracting, developing, and retaining the right people. Adobe’s shift to new business models in the cloud, new workforce expectations with millennials entering the work world, and global expansion coupled with mergers and acquisitions strained the legacy human resources system implemented before 2000. Consequently, Adobe set forth with a modern, cloud-based, mobile-ready, and analytics-enabled solution in order to improve transparency and transform the employee experience.

Problem	<ul style="list-style-type: none"> ▪ Enable globalization of the business ▪ Reduce dependency on IT ▪ Improve overall employee experience ▪ Address millennial workforce requirements
Solution	<ul style="list-style-type: none"> ▪ Empower employees and managers with self-service capabilities ▪ Craft new employee experiences from a mobile-first design point ▪ Democratize decision making with right-time information
Benefits	<ul style="list-style-type: none"> ▪ Drove adoption with 88 percent of all employees and 99 percent of all managers logging in to experience Workday ▪ Succeeded in having 25 percent of all employees complete their profiles ▪ Increased access to reporting functions for leaders

the COMPANY

With more than 12,500 employees and over \$4 billion a year in revenue, Adobe is one of the pillars of Silicon Valley. Adobe’s main products include the Creative Cloud, Marketing Cloud, and Document Cloud. Customers of the technology company’s products and services include creative professionals, digital marketers, knowledge workers, application developers, enterprises and consumers who create, manage, deliver, measure, optimize, and engage with compelling content and experiences across multiple operating systems, devices, and media.

The executive sponsor for the Workday implementation project was the Senior Vice President, People and Places, Donna Morris. Additional support came from Shantanu Narayen, Chief Executive Officer; Mark Garrett, Chief Financial Officer; and Matt Thompson, Executive Vice President, Worldwide Field Operations.

Company: Adobe

Headquarters: San Jose, California, with offices in 40 countries

No. Employees: 12,500+ (FY 2014)

Revenues: \$4.15 billion (FY 2014)

Industry: Computer software provider

Founded: 1982



the CHALLENGES

In business for over three decades, Adobe's people footprint expanded beyond its pre-2000 implementation of its core HR systems. To put this in perspective, in the late 1990's, the company had revenues of \$1.21 billion a year and 2,000 employees. Fast forward 14 years: The company had quadrupled in revenue to \$4.15 billion a year and had grown sixfold in employees to 12,500 employees.

"The goal of People and Places is to build a diverse community of engaged employees to scale and accelerate company growth."

- Donna Morris,
SVP People and Places,
Adobe

During this growth, Adobe kept its broader strategy of doing the right thing to attract, engage, and develop the right people. As Donna Morris describes it, "The goal of our department, People and Places, is to think of the people, the experiences they have, and the overall environment to attract fantastic people. When we dig deep into our soul, our mission is about intellectual property (IP) and the creation and the inspiration behind it. This IP resides across every function. We want the smartest people to be attracted across all segments and functions. We want to provide the environment for people to do great work. Where you put buildings, how you enter markets, or exit markets with employees makes a big difference in attracting, developing, and enabling the right people to make company impact."

Adobe's main challenges in supporting its people mission included:

- **Enabling globalization of the business.** Serving over 40 different countries, the legacy SAP HR infrastructure could no longer handle Adobe's business requirements and digital transformation efforts. The new HR system would have to serve as a catalyst, not a hindrance, to achieving global scale.
- **Reducing dependency on IT.** The existing HR system was complex, cumbersome, and rigid. The People Resources team needed the ability to make changes, build reports, and configure business processes without having to depend on the IT department. They expected a system that was lightweight, adaptable, and able to grow over time without expensive and gut-wrenching upgrades and customizations.
- **Improving overall employee experience.** Employees expected consumer-grade experiences with enterprise-class infrastructure. Adoption hinged on mobile-first design points and social user experiences.



the SOLUTION

Adobe went through an extensive vendor selection process with both the incumbent legacy vendor and other core HCM solutions. The team had a mandate for a cloud-based system for core People Resources. With the incumbent vendor offering its solution at little to no cost for the software and the potential disruption of a long-term technology partnership with a new vendor, the decision to go with Workday was not taken lightly. The decision was not easy.

the TECHNOLOGIES

- ➔ Workday Core HCM, including Benefits
- ➔ Big Data Analytics

Donna reiterated the mission, "This was not a cost savings exercise. People are our greatest asset, and this was an exercise to transform the employee experience."

Adobe's implementation partner, Deloitte Consulting, worked with the Adobe team to complete the Workday implementation in less than nine months and Adobe achieved a go-live on January 12, 2015.

the IMPACT

When compared to other HR Core implementations, Adobe achieved major gains such as:

- **Fostered significant employee engagement.** Drove adoption with 88 percent of all employees and 99 percent of all managers logging in to experience Workday, and 25 percent of all employees completing their profiles. With the previous system, it was rare that managers logged into the system directly.
- **Increased access to reporting functions for leaders.** Prior to the new core HR system, Adobe had one person on the team whose whole job was reporting attrition and hiring data. With Workday, leaders have self-service access to reports about their organizations. This self-sufficiency drives responsiveness and accountability.
- **Enabled democratization of data and insights.** All leaders, from executives to front-line managers, can look at the same organization charts on any device to identify and address issues around staffing, talent, and diversity. On the day of go-live, Donna had the Board of Directors' compensation team up and running the mobile application. The executives were engaging and interacting with real-time data — and

"As the industry and our business evolve, so will our workforce. This is an investment in the growth and scale of Adobe."

- Donna Morris,
SVP People and Places,
Adobe



discussing their findings with each other. “They were pulling it up, interacting with it, looking at it. They were able to see their organization, in a very visual way, very quickly,” said Donna.

- **Propelled digital transformation initiatives across the employee life-cycle.** Workday facilitates Adobe’s career development by making it easy for employees to create a rich profile which can be imported from LinkedIn and by improving the cross-organizational visibility of talent. Now, 25 percent of Adobe’s open positions are filled with internal talent. According to Donna Morris, “We now have a much richer talent pipeline with clear visibility into valuable internal talent. There is no doubt in my mind that this will help people develop in their careers.” This transformed employee life-cycle is key to embracing the modern employee contract.

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the **TAKEAWAYS**

The implementation of any major core system requires significant planning, resources, and budget. Adobe began the journey in 2011. The company started implementation in spring 2014 and went live in January 2015. Changing core HR is a strategic decision. Whether starting anew, at a startup, or addressing distributed systems, organizations should take care in considering the selection. In fact, Adobe’s ability to go live in nine months for a company of its size is in the upper quartile of efficiency for implementations. Three key takeaways include:

- 1. Start with a competitive and open RFP process.** Despite massive pressure from incumbent vendors, leadership teams should use the RFP process to gain an objective and outside point of view on what capabilities are available in the market. The RFP process should also help shape requirements that not only address current requirements, but plan for strategic growth and scale in the years ahead. Why? Core HR systems in the cloud world must adapt with the times. Hence, the overall track record of a vendor in delivering on promised roadmap items emerges as a critical criteria in selection.
- 2. Choose great internal and external implementation partners.** Adobe and Deloitte worked hand in hand to create a focused, symbiotic relationship. More importantly, the Chief Human Resources Officer and other leaders stepped up to the plate. Donna earned internal support from CEO Shantanu Narayen and CFO Mark Garrett. The crafting of internal alliances with Matt Thompson, Executive Vice President, Worldwide Field Operations, also helped with implementation success. Workday showed how it took customer requests seriously. When Adobe pointed out that its CEO could not pull up an employee’s contact information and directly dial him



on his mobile device, Workday included the functionality request in the next update and not only updated for Adobe, but also for all Workday customers in true multi-tenant fashion.

- 3. Invest early and substantially in change management and transformation.** Adobe thought through what a transformed employee life-cycle should look like. For go-live, Adobe launched an employee photo day program, which created a fun and enjoyable reason for employees to update their profiles with new headshots. This creative approach encouraged employees to take a LinkedIn import to update profiles. The goals were to improve adoption and gain user engagement. While just the beginning of the journey, the next step is to prove to employees what cross-organizational visibility of talent can do to improve career opportunities.

the RECOMMENDATIONS

Successful cloud deployments serve as a significant catalyst for digital transformation projects. These projects require organizations to align their business strategies with their apps strategy. While cloud lessens the risk in successful deployment and adoption, Constellation suggests the following three recommendations to optimize successful deployment:

- 1. Find a trusted vendor you can grow with.** The cloud journey spans a long-term life cycle. The average cloud customer stays with its vendor more than three years, and that number is growing.
- 2. Invest in upfront planning and design.** Given that organizations replace HCM and financial systems every 15 to 25 years, leaders should take advantage of this opportunity to focus on proper design and change management. The good news - cost savings from avoiding upgrades, re-implementation of legacy on-premises solutions, and future cost avoidance of regulatory updates provide the needed funding in cost justification models.
- 3. Use the Enterprise Cloud Buyer's Bill of Rights to bring the business, procurement and IT teams together.** Walk through the best practices to establish future cloud procurement policies. CIOs can use the Bill of Rights to establish frameworks for business units to speed up the vendor selection process. Procurement staff can standardize templates to ensure speedy yet compliant purchases.
- 4. Consider the requirements for real analytics.** Most cloud systems provide rich reporting. However, the integration of multiple data streams and data sets will lead to richer analytics. As organizations leverage systems across the cloud, consider what questions to ask of the data and what decisions need to be made in the data-to-decisions life cycle.



- 5. Start your digital transformation with the cloud.** Cloud provides the ability to jump start growth by ensuring that applications are future-proofed with timeless functionality updates as well as the ability to scale out regulatory compliance. With the cloud as a foundation, organizations can focus on building the brand, differentiating in new business models, and growing revenue.

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Organizational Highlights

- Founded and headquartered in the San Francisco Bay Area in 2010.
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- Serving over 350 buy-side and sell-side clients around the globe.
- Experienced research team with an average of 25 years of practitioner, management and industry experience.
- Creators of the Constellation Supernova Awards – the industry’s first and largest recognition of innovators, pioneers and teams who apply emerging and disruptive technology to drive business value.
- Organizers of the Constellation Connected Enterprise – an innovation summit and best practices knowledge-sharing retreat for business leaders.
- Founders of Constellation Executive Network, a membership organization for digital leaders seeking to learn from market leaders and fast followers.

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