



Workday and ServiceSource

A Unified Suite of Applications Drives Growth

ServiceSource is an expert on growth. It helps technology companies such as Adobe, IBM, and VMware to increase their recurring revenue. The success of these customers has fueled the growth of ServiceSource, which renews a customer contract every 47 seconds. It manages more than \$9 billion in recurring revenues in 150 countries and 40 languages.

When ServiceSource began looking for a better approach to managing its HR and finance organizations, the solution had to include being able to deal with rapid growth. The company turned to Workday and its unified suite of applications.

“We needed a unified suite for payroll, HR, and financials that could help us in our growth, but could also support our customers needs,” says Mike Smerklo, chairman and CEO of ServiceSource.

“As CEO, you have to think about both your current needs and where your business is going,” says Smerklo. “You have to make sure you choose a technology platform that can support near-term initiatives and critical compliance, but can also be a partner for growth and your strategic direction. For us, that was Workday.”

Global System-of-Record

ServiceSource operates around the world. Before deploying Workday, the company had multiple financial and HR systems and no single system-of-record. “We were looking for a system that would not only work for our business here in North America, but also for our operations in Asia and Europe,” says Amrith Nambiar, vice president of IT.

“Before Workday, we were having a debate on what the numbers were,” says Nambiar. “How many people did we have? How many people did we have in a particular location? Now we all agree on what the numbers are, which advances that conversation to analyzing what the numbers mean. That’s really where you want to spend your time.”

Ashley Johnson, the company’s CFO, agrees with Nambiar about the previous business challenges. “ServiceSource had more than 10 systems, each one for a different purpose,” says Johnson. “And my team spent a lot of time trying to reconcile the systems to figure out which was the right number to use for our financial forecasts. Now, with Workday, we have a single system-of-record that aligns our headcount data with our financial data.”



Business Case at a Glance

2,600 employees globally

\$250 million in revenue (2012)

Headquartered in San Francisco, CA

Traded on NASDAQ under the symbol SREV

Workday Applications

Workday Human Capital Management

Workday Financial Management

Workday Payroll

Workday Procurement

Summary of Business Benefits

Unified suite of applications to support rapid company growth

Greater visibility into company performance through the integration of HCM and financial management

Rapid path to Sarbanes Oxley and other compliance goals

Sharper focus on analytics versus data gathering

All Together Now

The need to bring together critical business data into a single suite of applications was a major factor in the team's decision to deploy Workday.

"The key benefit for us was the ability to unify all our business processes across HR, financials, and payroll in one place," says Nambiar. "It really gives us the visibility and transparency we didn't have previously, when we were managing multiple systems. Before, we spent 80 percent of our time creating the numbers versus where we really want to be, which is spending 80 percent of our time analyzing the numbers."

With unification comes the ability to see the elements of the business in one place, connected by a single process flow. "For a technology and services company, when you're looking at costs, you're looking at payroll as the No. 1 component," he continues. "The ability to get metrics across HR, financials, and payroll in a single pane of glass is really key to getting visibility and insight into our business."

Johnson agrees, making the same point from a financial perspective. "I wanted to move the finance team from one that delivers numbers to a team that also thinks about what these financials mean for the business," she says. "What are the core metrics we need to understand, and how do we use those metrics to drive the business in an even better, faster direction?"

She wanted to move the finance organization tactically, from one that was functioning well to one that was strategic. "I wanted to move us off Excel and into a system that gives us a unified view of the business and enables us to spend time on analytics rather than spending time on data," she says.

Deployment in Record Time

When ServiceSource chose Workday, it had just gone public and had four and a half months to deploy the new system and replace the legacy systems that had been in place for years. Its goal was to be Sarbanes Oxley-compliant by the end of its first year as a public company.

How did they manage to do it so quickly?

"The key was implementing all three—HR, financials, and payroll—together and putting the integrations in place from a technical and business-process standpoint," says Nambiar.

"We leveraged some of the best practices and business-process frameworks embedded in Workday as our baseline," he continues. "That created a very different dynamic, from what we had in the past. We could develop a real foundation as a global company."

Workday is easy to use and employees adopted it quickly, which was a key factor in the fast-paced deployment.

"Within the first 30 days of our implementation, 99 percent of our employees had logged in," says Nambiar.

"Workday challenged our IT organization to think differently," he says. "Workday lets us change how we engage with the business, with a focus on business processes and core business requirements instead of focusing on servers and hardware and code. That's a key differentiator for us—now we can have real conversations with the CFO or CEO or other leaders.

"The conversation used to be about transactions. Is that transaction entered in the system? Is that transaction complete in the system? Now, we can focus on reporting and analytics. Workday has enabled us to take a more strategic look at why things are happening and the underlying reasons."

Benefits of Employee Engagement

CFO Johnson is impressed not only with how quickly employees at ServiceSource adopted Workday, but also how it has changed their relationship with the company.

“This is a system that’s not just designed for finance or HR to use,” says Johnson. “It is really to engage the entire organization and empower everybody. What’s exciting for us is thinking about being able to deliver analytics to the field, enabling those employees to get more information and understand what they need to be doing to drive the business.”

Employees can do things for themselves, she says. “They don’t have to pick up the phone and send an email to understand where the headcount requisition is in the approval cycle. They can log in, they can see, and they can take action themselves. So, for employees, it’s very empowering.”

The company also found that when employees had access to an easy-to-use system, they quickly updated their own data. “Suddenly we had updated address and personal information. Just putting it at the employees’ fingertips enables everything to be more current and more accurate.”

After a Year on Workday

CEO Smerklo reflects on the changes that Workday has brought to ServiceSource a year after deployment.

“In short order,” he says, “we’ve gone from using offline, antiquated technology and manual labor to a significantly different environment where we have real-time information. We have great synergy between our financial and HR systems. We now have a single view of our employee base and our financial performance.

“And in that period of time, we’ve seen a significant reduction in our total cost of ownership,” says Smerklo. “We’ve seen a dramatic improvement in the real-time analytics that we get to run our business, and we now have a unified platform for the first time in company history.”

How would Johnson sum it up?

“We love Workday.”



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