



SUCCESSFACTORS & **BETTER**WORKS TOGETHER

betterworks



The way we work and manage performance has shifted significantly in the past few years and will continue to evolve even more rapidly with AI advances. New, more agile work patterns are emerging. Work is becoming more flexible, collaborative, and purpose-driven. With this new way of working, **companies cannot rely on one-size fits all HCM solutions alone.** They must leverage performance management technology that is focused on elevating the employee experience, reducing administrative burden, and providing intelligent recommendations. Such solutions move the workforce toward performance enablement — **empowering managers and employees to learn, grow, and achieve optimal effectiveness.**



THE FUTURE OF WORK IS **PEOPLE-CENTERED**

The way we work has fundamentally evolved, and performance management must evolve with it. Legacy command-and-control performance management focuses on compliance and has become a liability in a flexible, experience-driven work environment where employees expect consumer-like frictionless experiences.

Employees have new expectations and needs. In an era of hybrid work, they desire greater guidance and collaboration — and have a strong appetite for autonomy and meaning. Rather than an old-school model of performance, employees seek better connections, growth, and accomplishment. Managers want to grow high-performing teams, and HR wants to establish data-driven talent programs.

Modern enterprise performance management that empowers HR to build better managers - ones who are present, give regular and timely feedback, and focus on employee growth — is most likely to produce employees who feel accomplished, productive, and motivated.

To be successful, a modern performance enablement framework must support:

- » Clear expectations and clarity from managers
- » Goal flexibility, adjusting as needed to reflect rapidly changing needs or priorities
- » Real-time, in-context feedback from across the organization
- » On-the-fly coaching and problem-solving that improves effectiveness and strengthens trust and manager-employee relationships
- » Ability to continually upskill and tie new skills to business performance
- » Transparency for managers to monitor employee progress against goals
- » Tools and systems that enable managers to be the best leaders possible
- » Growth opportunities that help workers feel competent and valued
- » Opportunities to recognize and celebrate individual and group achievements that reinforce organizational values
- » Data and analytics that simplify HR's role, remove calibration process bias, and inform strategic action

The wrong performance management tools can actually do more harm than having no tools at all according to our 2023 State of Performance Enablement Report.

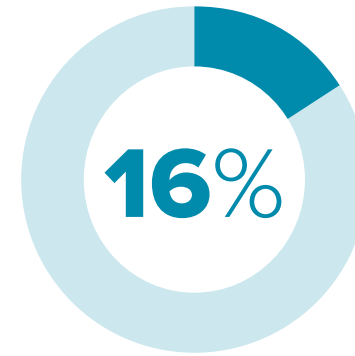
HCMs: SYSTEMS OF RECORD — NOT SYSTEMS OF ENGAGEMENT

SuccessFactors is notably one of the top choices for HCM software among enterprise companies. Its robust functionality provides a wide range of HR and workforce management functionality — offering companies one source of truth for employee data and a single application for administration, talent, recruiting, payroll, and benefits, among others.

As a top-tier HCM system, SuccessFactors is an excellent system of record. But these all-in-one systems fall short when it comes to inspiring, engaging, and cultivating employee performance. To truly drive adoption and effectiveness, performance enablement technology must have a consumer-grade interface. It should be user-friendly, require minimal employee effort, and integrate into the applications employees use regularly. HCMs simply cannot meet these standards.

They are ill-fitting tools that can have disastrous consequences, among them poor adoption and low usage, which result in incomplete and outdated data. **Betterworks' Annual State of Performance Enablement** report found that most employees are dissatisfied with the performance management capabilities embedded in these multifunction platforms. The study found that having software dedicated to goal setting and feedback correlated with feeling aligned, engaged, and productive — and in every case having the wrong technology tool was worse than having no tools at all. Why?

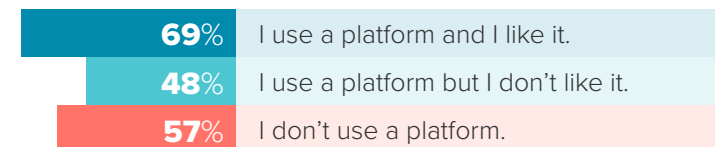
Simply put, it's the wrong tool and focuses on the wrong areas. Managers and teams need a way to engage easily — to carry out lightweight performance conversations that support growth and achievement. When it comes to meeting the needs of modern performance management and being prepared to achieve the workforce demands of the future, these solutions are neither intuitive nor effective.



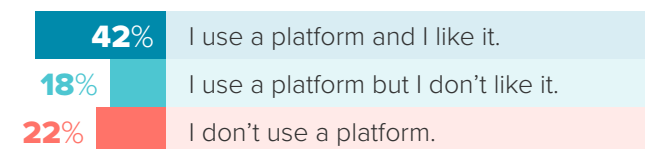
Only 16% of managers believe their HCM is always capable of supporting employee feedback and goal management.

Dedicated feedback, performance management, and goal-setting platforms get better results.

I always feel like I am efficient and productive.



I always feel like the work I do is in alignment with and contributes to the strategic goals of my department or organization.



I always go above and beyond, putting in extra effort to ensure a job is done well.



I always feel like I am being tasked to work on the right things.



Source: Betterworks 2023 Performance Enablement Survey



I wish it was possible to have one end-to-end HCM platform. It just is not possible. As the Okta identity management study points out, **the average large company has more than 80 employee-facing systems. And this will never change.** Your job is to think like an architect and consider your business needs and employee experiences first.

Josh Bersin | *HR industry analyst and author*

THE MYTH OF ONE-SIZE-FITS-ALL

Unfortunately, a one-size-fits-all solution for performance management typically ends up fitting no one at all. That's because huge HCM tools are burdensome to access on a daily basis — and not intuitive, specific, or engaging enough to become a habit in anyone's work life.

Lack of adoption has the spiraling effect of reducing the quality and consistency of data, making these systems relatively unusable. Performance reviews are based on neglected, outdated goals, and the insights into goals are stale. Everyone becomes frustrated — employees, managers, and HR — and the system loses credibility.

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For daily activities like updating goals and checking on progress, employees want low-friction, lightweight, and agile consumer-grade solutions that are intuitive, targeted, and effective. Unfortunately, HCMs do not meet this standard. **Gartner projects** that by 2023, enterprises will source 20 to 30 percent of their HCM requirements through other best-of-breed solutions.

This is why many top-performing companies — such as Colgate-Palmolive, University of Phoenix, ATB Financial, and Kroger — augment their SAP SuccessFactors back-end implementation by replacing the HCM performance management module with Betterworks. Our implementation takes 8-12 weeks and doesn't require a team of outside consultants — saving you both time and money.

By adopting Betterworks for performance management processes, companies can drive engagement and productivity, improving the effectiveness and retention of employees. And by moving critical performance management to a dedicated, customizable, and highly configurable platform, you free HCM systems like SuccessFactors to do what they do best: serve as an excellent administrative system of record.



EXPERIENCE PERFORMANCE ENABLEMENT AT ITS BEST — WITH BETTERWORKS

For SuccessFactors customers, complementing their HCM system with Betterworks is the first step to a truly successful HCM transformation journey that puts employee experience at the center and turns managers from good to great.

Betterworks' intuitive, consumer-grade experience and modern enterprise performance enablement approach reflects the way employees expect to work today, with **7 Keys to Success**:

1. Making performance management part of a daily workflow.

“Out of sight, out of mind” applies to performance management and its role in your employees' everyday work. Instead of burying goals and feedback in a separate application silo — one that requires logging in and out and that employees access once or twice a year — integrate performance seamlessly into the flow of work, in tools they use daily. This way, goals remain top of mind and guide great performance every day.

With cutting-edge integrations and AI technology, we bring conversations, feedback, and goal management into the applications that employees and managers are already using, such as Microsoft Outlook, Teams, Gmail, Slack. People can quickly view and update goals, schedule conversations, give or receive feedback, and offer recognition. Performance management is a lot easier when it's top of mind — which is more valuable and engaging for employees and their managers.

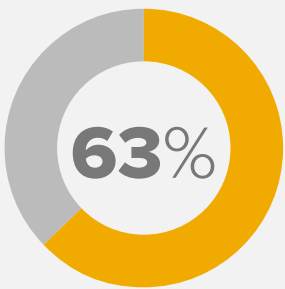
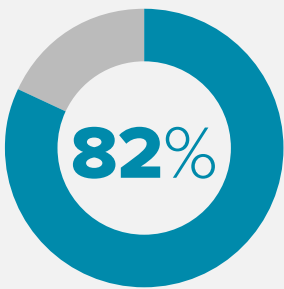
“What's different now is that it's not a lengthy performance review where you have competencies, core values, goals, and you have this whole big form and process to launch all that type of stuff. Betterworks is as easy to manage as it could possibly be.”

- Jeff Andes

Vice President of Talent Management University of Phoenix



Betterworks users are 74% more likely to feel that HR consistently **supports performance management** efforts than those with SuccessFactors.



In fact, **82% of Betterworks** users agree their **PM is a success** vs. only 63% of SuccessFactors users.



2. Make the right investment by focusing on performance.

Typically, when HRIS system providers try to cover all aspects of their platform, it slows down product development. Competing priorities can result in lengthy timelines and delays. For real innovation to reach established areas like performance management, it can take months or even years. And when improvements do come, they often address general issues without delving into specific features.

At Betterworks, performance management is our entire focus. We dedicate 100% of our time to thinking about how people work best, engaging in design thinking, and partnering with our customers to develop features that truly impact employee and manager engagement. We prioritize conversations, feedback, goals, and development. And our rapid development cycles mean we can innovate faster and provide deeper, more personalized levels of customer service — which is why our customers ultimately prefer us over larger, multi-use vendors.

Established HCMs like SuccessFactors often rely on software that has been patched and expanded over time to enhance its functionality. This “Frankenstein” approach is far from ideal: It keeps the system operational but results in a complex and suboptimal software structure for end users that can be expensive to maintain and a headache to update.

“One of the advantages to investing in a system like Betterworks on top of our existing HCM is that all they do is performance. All of their releases, all of their development practices, are all centered around performance versus the full-suite ones who have an entire product library to look after. So, new features and enhancements are rolling out pretty quickly.”

- Managing Director, Asset Management firm (\$60B AUM) Betterworks customer

Better Together with Integrations and APIs





3. Consider a system of engagement designed for the modern enterprise.

Markets are changing rapidly, and businesses have no option but to keep up, or drop out. The only companies that succeed are ones with the ability to quickly reorient themselves toward valuable opportunities. To be agile, companies need flexible processes and systems that accommodate a shift in priorities.

Thus, systems built for year-long goals often fail. They lose relevance before the annual performance review comes along. Similarly, when conversations between managers and employees are infrequent, it's difficult to shift gears: Everyone has to respond to new information or learn skills to address new needs. Building trust and internal commitment around revised strategies doesn't happen effectively. When these things are out of sync, not only does individual performance suffer, but overall company performance does, too.

Betterworks' approach ensures that all performance activities, including goal-setting and conversations, happen more cohesively and continuously to be efficient — and effective. Organizations are able to respond to change and course-correct if needed to support successful execution of your most important strategies. Betterworks solution:

Enables dynamic goal-setting

- » Flexibly set goals to accommodate shifting priorities — rather than relying on stale or outdated ones from an annual exercise. Track insights and measure goal progress in real time.

Fosters trust with transparency and alignment

- » Transparently link employee goals to business priorities and maintain maximum flexibility.

Strengthens employee-manager relationships

- » Ensure managers can effortlessly initiate conversations with their employees and set priorities or need-based development plans jointly in a changing environment.

Connects teams and boosts collaboration

- » Allow employees and managers to set cross-functional, team-based goals.

Supports effective manager coaching and feedback

- » Enable coaching conversations to be set up with just a single click so that managers and employees can course-correct frequently based on business needs and real-time outcomes.

Applying this level of flexibility and specialization to tools like SuccessFactors can be tedious and potentially fail to deliver — requiring non-trivial implementations and customizations.



When compared to SuccessFactors — Betterworks users are **84% more likely** to feel they are consistently being **tasked to work on the right things.**

Source: Betterworks 2023 Performance Enablement Survey



4. Tie upskilling and career development to performance management.

Upskilling and employee development are important focal points for organizations looking to drive performance. SuccessFactors has access to learning modules but lacks a deep integration with performance management or goal setting. On the other hand, Betterworks integrates with industry-leading professional learning providers such as LinkedIn Learning and Udemy to align learning content and progress to an employee's development goals.

This novel integration allows employees to search, discover, and launch courses from within Betterworks while also easily linking learning progress and outcomes to measurable development goals within Betterworks' software. Linking performance management and goals to skills development ensures employees get the training they want. Organizations demonstrate that they value employee growth while also ensuring that their people develop the needed skill sets.

5. Harness the power of interconnected modules.

The modules in Betterworks' performance enablement solution are highly interconnected. When an employee is having a conversation with their manager, their goals, training course progress, and the feedback and recognition they've received are all front-and-center. Discussion are focused, productive, and timely. These practices reinforce one another and, together, create the habits, relationships, and collaboration that drive outstanding performance.

Using data aggregated from our customers' Betterworks platform, we have learned that the comprehensive approach to performance management yields significant benefits.

Real Results: Betterworks Performance Multiplier Effect

- » Customers that have **conversations and check-ins** **increase in goal progress by 24%**
- » Customers who use **feedback** **increase in goal progress by 15%**
- » Customers who use **recognition** **see an increase in goal progress of 10%**
- » Programs that effectively utilize **goals, conversations, feedback, and recognition** (versus goal-setting alone), see an average **increase in goal progress by 30%**

This creates a stark contrast with the disconnected performance management tools found in other HCMS, which result in a challenging user experience.

More than **double** the return on investment for your learning management system

Customers actively syncing learning courses to Betterworks' goal-setting software reported **an average completion rate of 44%** (vs. industry averages of 15%).



6. Strategic insights that unleash people ROI

Many HR departments are not living up to their intentions of becoming data-driven. Their HCM systems only provide monthly reports of operational workforce metrics. These reports support process efficiency, but HR professionals still lack the strategic insights to make actionable decisions around how to best drive employee success.

In contrast, Betterworks' built-in strategic people and performance analytics give HR leaders superhero powers with analysis and data visualizations that uncover previously unseen and unknown patterns between performance, engagement, behaviors, skills development, and much more. These patterns support a much deeper comprehension of the factors that enable or inhibit employee performance and engagement. Armed with these, HR is able to deliver on the right talent initiatives, such as investing in the most valuable performance-building activities and knowing how to refocus employee training efforts.

Data-driven organizations who have SAP SuccessFactors as their main HCM system use Betterworks in tandem to support these sophisticated analytics needs:

- » **Get a complete picture of the employee:** Because employees' demographic, skill, learning, goal-setting, and employee performance data can live in different systems and often have different formats, data access can be a roadblock to performance analytics. Going beyond a single data source takes effort and skills to bring together. Betterworks brings together these data points to answer complex questions such as what employee and manager behaviors drive performance or what the connection is between learning and development initiatives and their impact on the business value.
- » **Robust data for real-time analytics:** Since Betterworks is used daily and in the flow of work, we have millions of data records around conversations, feedback received / given, goals set, goal progress etc. to use for analyzing correlations and unearthing trends in real-time.
- » **Enable self-service analytics for everyone:** The question-led experience of Betterworks' analytics dashboards makes it easy for any user to start with any question (built-in and on-the-fly) and follow the scent of data to the answers they need to make decisions they can act on.



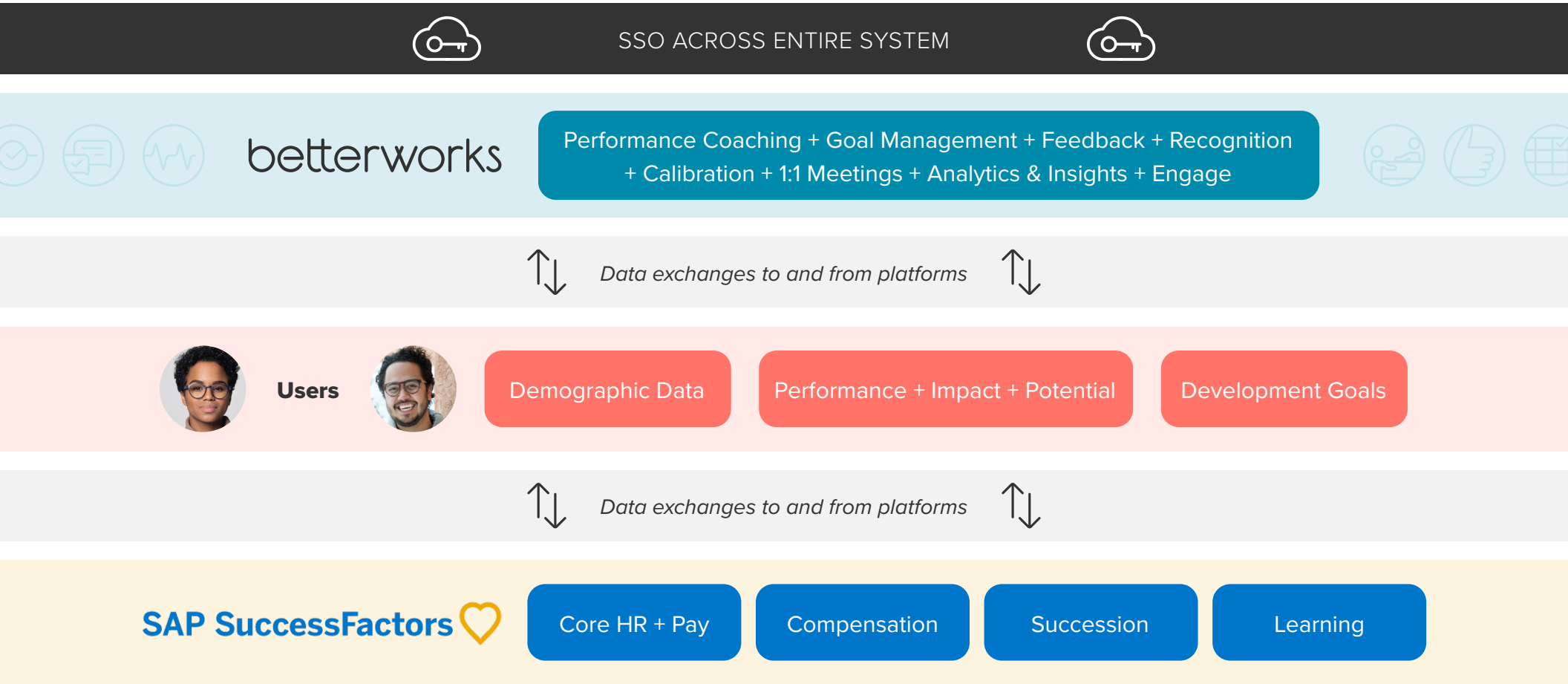


7. Give your organization the best of both worlds with robust integration.

We’ve engineered the Betterworks is engineered to integrate with SuccessFactors and other HCM tools in a way that improves the effectiveness of both platforms. You can easily bring SuccessFactors data into Betterworks to serve as a system of record. Then, automate employee provisioning — with both standard and highly flexible custom fields (such as gender, salary bandwidth, location) that can filter employee data and better calibrate performance evaluations.

Likewise, you can return continuous performance management data from Betterworks to SuccessFactors to inform and enhance the HR processes that live in SuccessFactors. Betterworks data,like goal progress, performance summaries, final calibrated ratings, and feedback, supplement HR business processes such as onboarding, compensation, workforce planning, and more.

DATA TRANSFER MODEL: TWO SYSTEMS, STREAMLINED EFFICIENCY





BETTERWORKS PERFORMANCE ENABLEMENT — YOUR PARTNER FOR SUCCESS

Companies that want to drive performance and create a work culture that helps employees thrive cannot afford to have difficult technology stand in their way.

Organizations must put employee experience first when designing effective performance enablement. Use your HCM where it is strongest — as a system of record — and move mission-critical performance management to a dedicated, consumer-grade, best-in-class solution like Betterworks — that can better drive adoption and meet employees and managers in their flow of work.

We encourage you to read further for a deeper exploration of how Betterworks enables a better way to do performance management:



eBook: What employees want from Performance Management Technology

Factors to consider when selecting the right performance management technology



Blog Post: What makes Betterworks different?

Looking under the hood to understand what sets Betterworks apart from the other providers in the performance management space.



Case Study: University of Phoenix

University of Phoenix makes its vision to deploy everyday performance development a reality with Betterworks

