



Solution Provider Profile

Ultimate Software

April 2018

Company Background



Company At-a-Glance	
Name of Product/Modules Offered	UltiPro®. Solution features include HR, Payroll, Benefits Administration, Open Enrollment and Life Events, Time, Attendance, and Scheduling, Payroll Administration, and Tax Management. Other strategic tools include Global HCM, Reporting, Workforce Analytics, and Business Intelligence. There is also talent management functionality, which includes Recruiting, Onboarding, Career Development, Performance Management and Succession Management.
Headquarters	Weston, Florida
Year Founded	1990
Number of Employees	4200+
Revenue	2013: 410.4 Million; 2014: 505.9 Million; 2015:618.1 Million;2016: 781 Million; 2017: 940.7 Million



SUMMARY FINANCIALS																																																																
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<p>Market Focus (e.g., SMB, Enterprise)</p>	<p>Ultimate targets three different market segments: 1) Strategic market, for companies with 100 - 499 employees; 2) Mid-Market, for companies with 500 - 1,499 employees; and 3) Enterprise, companies with 1,500 and more employees. Today, the primary target is the over-300-employee market space (Mid-Market and Enterprise); however, over the next three years, Ultimate will be addressing the lower end of the mid-market (100 - 299 employees).</p> <table border="1"> <thead> <tr> <th>Segment</th> <th>Market Share</th> <th>Employee Range</th> <th>U.S. Companies</th> <th>Canadian Companies</th> <th>Total Companies</th> </tr> </thead> <tbody> <tr> <td>Enterprise & Global Enterprise</td> <td>~10%</td> <td>1,501 – 100,000+</td> <td>7,932</td> <td>764</td> <td>8,696</td> </tr> <tr> <td>Mid-Market</td> <td>~7%</td> <td>501 – 1,500</td> <td>14,308</td> <td>1,277</td> <td>15,585</td> </tr> <tr> <td>Strategic</td> <td>~3%</td> <td>300 – 500</td> <td>18,346</td> <td>1,629</td> <td>19,975</td> </tr> </tbody> </table>	Segment	Market Share	Employee Range	U.S. Companies	Canadian Companies	Total Companies	Enterprise & Global Enterprise	~10%	1,501 – 100,000+	7,932	764	8,696	Mid-Market	~7%	501 – 1,500	14,308	1,277	15,585	Strategic	~3%	300 – 500	18,346	1,629	19,975																																							
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<p>Key Industry Verticals</p>	<p>Approximately 70% of the customer base is represented within Technology & Professional Services, Finance & Insurance, Healthcare, Retail & Restaurants, and Manufacturing. We prioritize these industries' requirements when building new solutions or enhancements.</p>																																																															



Geographic Coverage	US, Canada, Australia, Austria, Belgium, Brazil, Chile, China, France, Germany, Hong Kong, Ireland, Italy, Japan, Republic of Korea, Malaysia, Netherlands, New Zealand, Norway, Philippines, Portugal, Singapore, South Africa, Spain, Sweden, Thailand, Taiwan, UAE, UK, Indonesia, Qatar, Viet Nam, Argentina, Colombia, Poland, Saudi Arabia, Switzerland.
Top Customers	Ultimate’s more than 4,100 customers manage employees in 160 countries and represent companies of all sizes, across all industries.
Total Users (Cloud)	37M employee records in the cloud
Website	www.ultimatesoftware.com

Product Overview

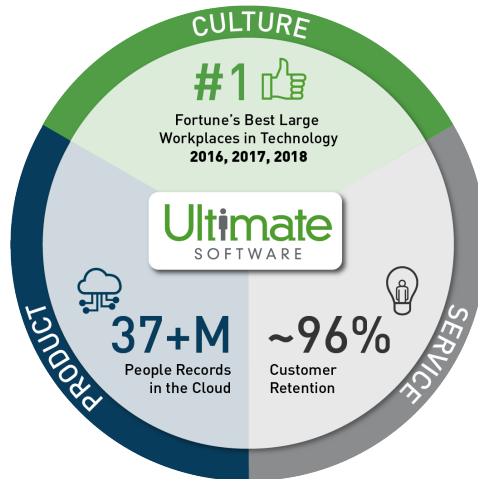
Ultimate Software is a leading cloud provider of human capital management (HCM) solutions. Operating with a commitment to always put people first, Ultimate’s award-winning UltiPro delivers HR, payroll, talent, compensation, and time and labor management solutions that seamlessly connect people with the information and resources they need to work more effectively. Founded in 1990 and based in Weston, FL, Ultimate supports thousands of customers, representing diverse industries and managing millions of employees across the world.

Business Overview

Ultimate Software is a U.S.-based company, and its flagship product (UltiPro) has global reach. Ultimate is purely an HCM solution provider with heavy investment in R&D (around 20% year-over-year) and is vertical-agnostic, serving customers anywhere from professional sports to manufacturing to non-profits.

The company has grown at a consistent rate; 29% (CAGR) over the past 13 years, with service now available in 160+ countries and physical offices in the U.S. and Canada, along with the UK, Singapore and Brazil.

Figure 1: Industry Awards



Source: Ultimate Software

Product Details

UltiPro is a unified platform that acts as everything from the main employee portal and HRIS, all the way to payroll, benefits administration, performance management and learning. Products are based on a people-first approach, innovating on ways to help



customers better serve their employees, develop stronger leaders and help HR to focus on culture.

Ultimate's people-first culture is imbued throughout their products and services, with free training for life and dedicated executive relationship managers who are incented on customer satisfaction and referenceability.

For product differentiation within the areas of HR, Ultimate not only has the usual features for employee information and data gathering, but also a flexible, highly-configurable experience for servicing employee and contingent worker information, embedded predictive analytics, out-of-the-box HR compliance (not just tax) and a native, actionable organization chart.

In terms of analytics, UltiPro goes beyond the usual predictive analytics offerings and offers predictive abilities to determine future employee high-performance and employee engagement. UltiPro also harnessed the power of Xander, the AI and natural language processing engine, providing sentiment analysis and machine-learning in both unstructured and structured data. It provides recommended actions (Prescriptive Leadership Actions) to managers in order to become better leaders and improve employee engagement. It is also what empowers UltiPro Perception, an employee engagement platform offering surveys and advanced analytics.

The talent management portion of UltiPro boasts features above and beyond the usual, with a goal-based system reminiscent of standalone task management applications. This focus allows an easy transition to a continuous-feedback model for performance management. The solution also offers mobile assessment along with employee and manager self-review at any time.

Within its payroll solution, there is a paycheck-modeling feature to help employees understand their compensation with a guided process to explain the sometimes-complex nature of taxes and withholdings. Compliance is a strong component of their product, with more frequent updates to compliance than its regular quarterly releases. In addition, to ensure compliance and payroll accuracy, their Smart Tax feature automatically suggests taxes based on an employee's location — very useful for employees based in states with complex tax jurisdictions.



Self-service also guides Ultimate's approach to time and attendance. The time-clock offerings include mobile and web-based time-clocks, which integrate in real-time with the core UltiPro product.

Roadmap

Along with general geographic expansion, Ultimate is also eyeing expansion into the strategic market (which for them less than 500 employees). Product roadmap and new product releases include a new, premium benefits offering, UltiPro Benefits Prime; a more modern and intuitive benefits experience; new mobile capabilities for time, payroll and compliance, benefits, learning, reporting and notifications; a new workforce management solution, which includes time and scheduling; a new import tool; improved reporting and analytics; AI-imbued HCM processes in talent acquisition and talent management and a better user experience.

The Analysts' Perspective

Ultimate Software sees its differentiator as user experience (defined as maximizing comfort for employee, not just maximizing productivity), and the company certainly has high-enough marks to prove it (96% customer retention in 2017, for instance). That sets Ultimate apart from many of its competitors.

UltiPro's interfaces are intuitive and the movement and speed of the product give a feeling of a very high-end software product, a feature that becomes important when you realize just how pervasive the use of work-from-home employees has become, many of whom will see this software as reflective of their employer.

We're also impressed by Ultimate's built-in analytics engine, which leverages Xander as its processing core, making excellent use of its ability to do high-volume, high-velocity calculations and natural-language processing, producing results in real-time. Analytics modules or add-ins in other products can feel just like that — as add-ins or afterthoughts. But UltiPro's analytics feels more foundational —as if the product was built on an analytics platform rather than merely having metrics and analytics as an expanded reporting function.



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One of the things that has always struck us about Ultimate Software is the dedication to its own employees. Ultimate often touts its high internal engagement ratings and its rank in Best Places to Work (#3 on the 2018 list). Most recently, Fortune and Great Places to Work named Ultimate #3 on this year's *Best Workplaces for Diversity* list. Its key product, UltiPro, has the look and feel of a high-end, high-quality product and its focus on people is just as well thought-out.

*Cliff Stevenson, Principal Analyst, Workforce Management
Michael Rochelle, Chief Strategy Officer and Principal HCM Analyst*



About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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