

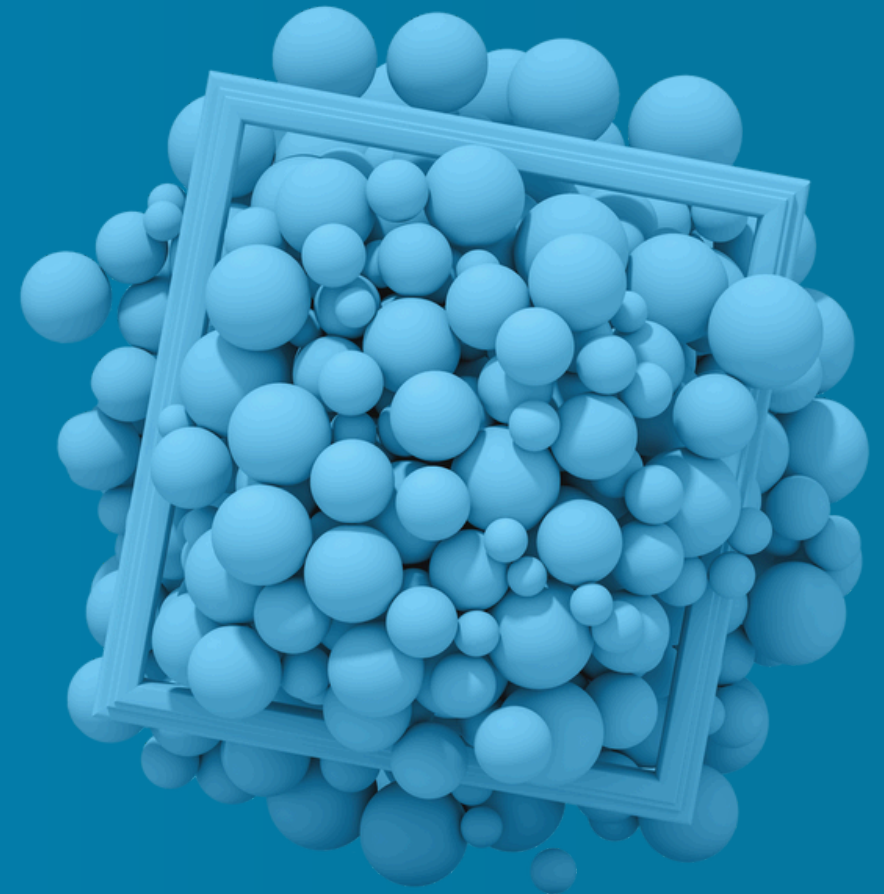
Dayforce Discover 2024

Conference & analyst day | November 2024

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Dayforce brought together customers, prospects, partners and analysts to explore the latest developments to the HCM platform, which celebrated its first year under the Dayforce brand unveiled at last year's Discover conference. Complete with a swag store boasting the new brand and an amped up ad campaign featuring a masked wrestler, it's clear Dayforce set out to bring high energy. In this event brief, we'll outline where it landed, and where it fell short.

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Tackling the hard things, from payroll to paperless

Dayforce's mission is to make work life better, and they seek to do that by working to simplify the complex.

It's easy to believe our payroll just works – that it simply shows up to us exactly as it should with little to no effort required. But anyone that's worked anywhere near payroll knows that couldn't be further from the truth. Behind every paystub and every payroll deposit, there are countless considerations and details that go into calculating our paychecks and withholdings to make sure we're paid correctly. It's not a sexy process but get it wrong and your employee experience goes bust.

This is where Dayforce originated – in payroll, tax and timekeeping, which are complex and inherently difficult, especially when done on a global scale. And this is where they continue to shine, with nine native payroll engines to date; the latest in Germany, which is a notoriously complex region to tackle for payroll. Dayforce also reaffirmed their intent to build a native payroll engine in Mexico, a shift from last year's intent to leverage technology acquired from AdamHCM.

Their unwillingness to shy away from a challenge has helped Dayforce grow their customer roster in the large enterprise space, while continuing to expand their digital footprint with their install base. That said, their sweet spot continues to be in the smaller enterprise to mid-market sector where resources can be spread thin and an all-in-one platform that boasts strong compliance is highly alluring. This comes through clearly when you hear customers like Dr. Anat Hassner of Uniting NSW .ACT, who shared [her story](#) of moving her team away from a world of mostly administrative work, to one where their world is digitized and they can focus on serving their employees, who in turn serve the community.



Spending too much time
on administrative tasks is
counterproductive to our
mission. We want our
employees to hold a hand,
not a pen.



— Dr. Anat Hassner, Uniting NSW .ACT



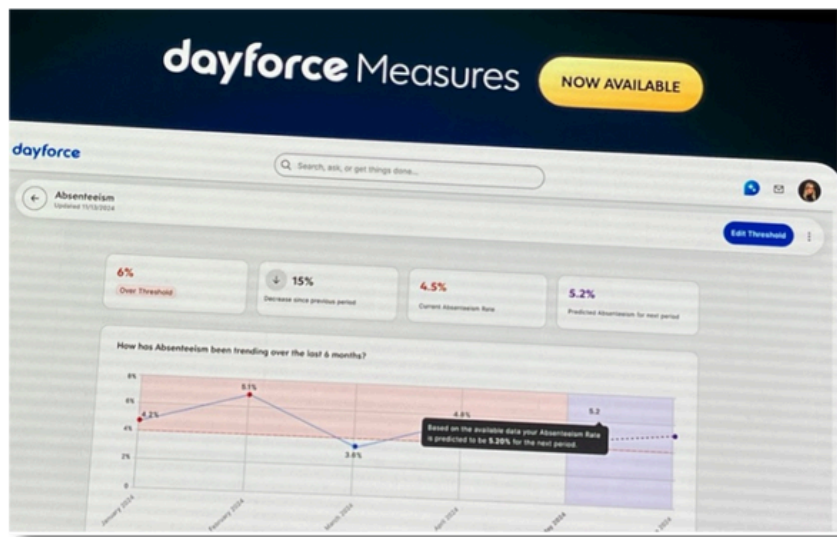
Key Announcements

With core modules for HR, Time, Pay, Talent and Analytics, Dayforce showcased an updated user interface (UI) and announced they're beefing up their foundational layer. Where they've previously focused on compliance and experience, they're now also going to focus on intelligence which is intended to overlay their entire offering.

This intelligence layer includes:

- An **interactive Co-Pilot**, which allows you to interact in a conversational way to ask questions and get easy, clear responses. This is available now (November 2024), with plans to release a mobile version and enhanced personalized Q&A in 2025.
- **Autonomous agents** that can perform tasks, which can be prompted by the interactive exchange with the Co-Pilot. Currently, they offer agents to help create job descriptions and to assist with time off requests. In 2025, they plan to launch agents for case creation, scheduling and pay questions.
- **Predictive insights** are designed to deliver trends and intelligence that help organizations get ahead of issues like absenteeism and attrition. Right now, they offer 28 out-of-the-box measures, which allow you to visualize your organization's performance metrics, values and KPI data. In 2025, they plan to release the ability to create custom measures, along with anomaly detection and a data lake.



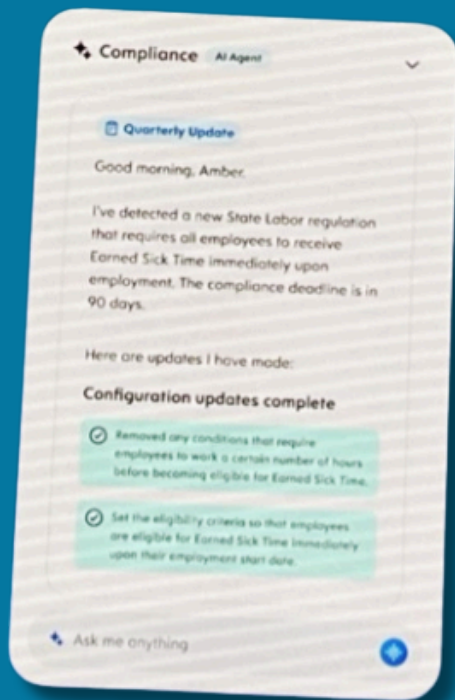


Key Announcements

Dayforce also announced the addition of **strategic workforce planning** to their 2025 roadmap, which will leverage compliance, pay, skills and talent data to enable organizations to reduce the complexities of workforce planning. Also showcased were Dayforce's new Power BI capabilities, which are embedded directly into the Dayforce platform, allowing for unprecedented analysis for Dayforce customers who want to dive deeper into their data.

Also coming to Dayforce in 2025 is **greater extensibility** through ERP connectors, configuration template libraries and configuration migration capabilities. And Dayforce intends to kick off plans for greater partner extensibility in 2025, allowing partners to build on top of the Dayforce platform directly.

Finally, Dayforce highlighted several offerings aimed at empowering managers in the hourly/frontline space. The first is **Shift Marketplace**, which allows employers to tap their own network of internal employees to pick up and trade shifts. The second is **Flex Work**, which is a Dayforce-curated marketplace of labor where Dayforce acts as the sourcer. Both are intended to meet the shifting needs of the hourly and frontline workforce with flexibility. Dayforce also unveiled their new offering, **Dayforce Communications**, which is a multi-channeled communications engine aimed at meeting workers where they're at – in the office, in the field, or at the shop.





Opportunities yet to be seized

Dayforce prides itself on offering one platform and one data model. This data piece is key to how they differentiate themselves from the market. Take their acquisition of the learning platform, eloomi, last year – instead of bolting that product onto their offering and checking the box, they retooled and rebuilt it to tie into their existing data model and experience. And while you can see their single data model put to use in areas like Dayforce Wallet (which leverages both workforce management and payroll data) and Dayforce FlexWork (which uses workforce management and shift marketplace data), it was surprising to find a number of missed opportunities to connect data in ways that can further reduce complexity and help Dayforce customers get ahead.

- Dayforce demonstrated their **employee listening** capabilities with engagement functionality that includes surveys, heat maps and comparison tools. While this is good, more organizations are pushing for less hands-on listening techniques, most notably passive listening signals. With Dayforce being the engine for things like scheduling, time off, pay, and learning, there is a ton of data that could easily be tapped to gain insight into employee sentiment and create tailored action plans to get ahead of potential issues. With all data on one model, this would seem like a natural offering out of Dayforce, but as of yet, the survey data is viewed in isolation from most other data sets, giving only a partial picture of what's happening.
- Information is still served up in **dashboard format**, which we would argue isn't true intelligence. It still requires a person to go in and proactively look for their trends and insights by analyzing what the dashboards are telling them, though this will get a bit more automation with the release of Measures, which allows you to set thresholds and get alerts when those thresholds are exceeded. While the addition of the Dayforce Co-Pilot gets them a step closer to offering true insights, there is a lot of opportunity to make these more proactive and timelier by serving up intelligence as its needed without anyone having to engage a Co-Pilot to ask about trends or insights, or rely on setting up their own alerts.
- Dayforce also highlighted in their keynote that **every customer gets their own large language model (LLM)** to ensure compliance, security and accuracy. This sounds amazing, but when you look under the hood, this appears to be underutilized so far. For example, Dayforce offers the ability to track things like flight risk through their employee engagement offering, so you can get ahead of potential attrition before it even happens. But the algorithm that powers this insight in this dashboard is universal to all customers – it doesn't learn or adapt based on your own data and it isn't tailored to your industry or other key factors yet. And while they've brought in some passive listening signals to their Work Energy dashboard that measures burnout, there are still ample unexplored opportunities to give clients better insights based on the personal LLM offering. But while it's hard to see where the personal LLM is offering big, tangible benefits to Dayforce customers just yet, this is in its infancy, so we're keeping a close eye on where this goes.



Our advice

To HR Leaders:

Dayforce has the biggest impact on organizations who are facing complexity, especially on a global scale, and need to catch up digitally. The self-described go-to-market motion for Dayforce is to target organizations who either haven't moved fully to the digital arena yet, meaning they're still working with paper and maybe some spreadsheets and a few disparate systems, or have adopted multiple digital systems over time that have added to their complexity instead of simplifying it. In both of these scenarios, Dayforce truly shines as an all-in-one platform that allows you to scale up, down and across the HR department by bringing together talent, HR, pay, and time. Organizations who are looking to decouple pay and time from their core HCM technology stack will struggle with Dayforce's all-in-one platform, although plans for a more open API and partner ecosystem may shift this approach in the future.

For those moving from paper to digital, Dayforce automates much of the administrative work that burdens HR teams today, freeing them up to be more strategic and scale up their support of employees and hiring efforts. For those that are interested in system consolidation, Dayforce can take the place of up to 15 different software systems, which can both simplify the experience and offer up better insights by consolidating and normalizing the data.

Dayforce allows you to start in one area with them – usually time and pay – then grow to other areas over time, though you can start out with their full platform as well. But as much as they offer some flexibility, like most HCMs, if you want a truly seamless experience, you have to buy Dayforce for every module. We're hopeful this gets better as they continue to invest in their partner ecosystem and extensibility.

However, if you're looking for that digital leapfrog moment, you'll probably want to keep looking. Dayforce offers steady, reliable advancement aimed at helping those that fall more on the mid-to-late adopters' side of the chasm, not on the innovators or early adopters' side. Their features are tried and true, focusing on automating what's taking too long now, but not risqué or pushing to change how work gets done.



Our advice

To Dayforce:

It's clear Dayforce wants to continue to push up-market toward larger, more complex clients -- and the platform is not built for the smallest organizations in the market. We can only wonder how much customization is required for some of the large enterprise customers like Henkel and UPS. However, it's not clear how Dayforce will continue to build for both the large enterprises, who demand custom configurations and capabilities, and smaller-to-mid-sized firms, who need out-of-the-box simplicity. Are there plans to build simplified versions of the more complex Dayforce offerings, or will those simply be out of reach for smaller clients? When it comes to investing in R&D, which personas take priority? This isn't entirely clear today, which raises concerns about what the future holds for Dayforce customers large and small. Case in point – the ad campaign featuring the wrestler outlines pain that feels most familiar to organizations that are just beginning to digitize (i.e., not most large or even mid-sized organizations). We would love to see Dayforce clarify their position and take confident ownership over the market(s) they intend to dominate.

We are also eager to see Dayforce push the envelope on innovation. The “one data model” offering is compelling in that it offers countless ways data can be harnessed to uncover new insights, generate better predictions, and drive smarter actions by HR and people leaders. But so far, it's only been leveraged in very predictable ways that mimic what other software providers offer. Insights in Dayforce aren't proactive (you have to come to them and manually determine when to get alerts, rather than being served up the intelligence you need when you need it) and they're no more actionable than any the insights you receive from most other HR solutions. The new user interface is a nice refresh, but it doesn't change how the work gets done unless you're moving from a paper system to this new digital one. And the AI shows up like it does in every other tool – as a CoPilot or task bot – it's fun and useful even, but not necessarily unique, or taking full advantage of the data foundation touted by Dayforce.

We know the Dayforce solution is solid and reliable, but what makes it special is hard to pinpoint. Offering pay and time together makes perfect sense, but it's not revolutionary or all that different. Each module is solid, checking the boxes for core functionality, but none reshape, or dare to reinvent how we work or approach HR. Now a single data model *is* different – many vendors look to just tack on acquired technologies like bolt-ons, creating disparate experiences and data siloes while Dayforce has remained true to providing a cohesive experience and singular data model with their acquisitions. But just having this isn't enough, it's what you do with that single model that matters. There's huge opportunity for this approach to offer customers unique insights they can't get from the systems where the tech is cobbled together, and the data is fragmented. But to date, Dayforce has drawn the dots, they've just not connected them fully yet. If and when they do, we'll see real value and differentiation.



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