INNOVATOR MATRIX

Deep Dive

Workforce Management

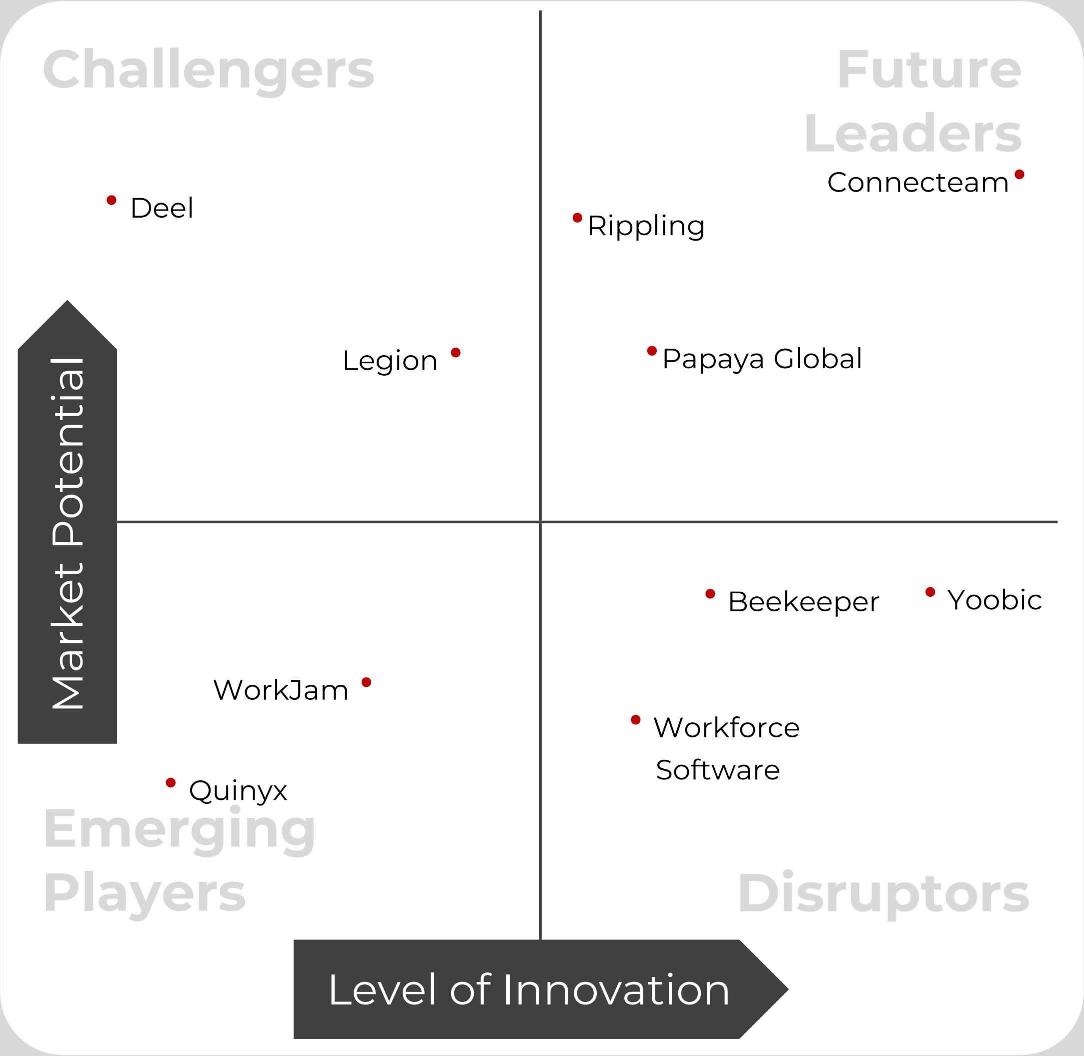
CORESIGHT RESEARCH

Executive Summary

We explore the current US workforce management landscape, evaluate obstacles that retailers are facing in the space and identify the top private workforce management technology providers, based on level of innovation and market potential.

- Increasing staff demand for flexibility, labor shortages in the retail industry and competition for workers from other industries are contributing to the importance of workforce management, which brands and retailers must not neglect.
- Advanced technologies such as artificial intelligence (AI) and machine learning (ML) can facilitate workforce planning and streamline work processes and operations. The ability to run applications on mobile devices is also important to workers.
- The global workforce management market totaled $47.1 billion in 2022 and will grow to $77.2 billion by 2027, Coresight Research estimates.
- Coresight Research analysts screened 150+ pre-IPO (initial public offering) companies using our proprietary methodology to identify and score the top 10 private workforce management players in the US.
- We categorize the companies into three areas of innovation: communications and deskless workforce management; payroll and task management; and scheduling, time and attendance tracking.

Executive Summary Figure 1. Coresight Research Innovator Matrix Preview: US Workforce Management



Source: Coresight Research

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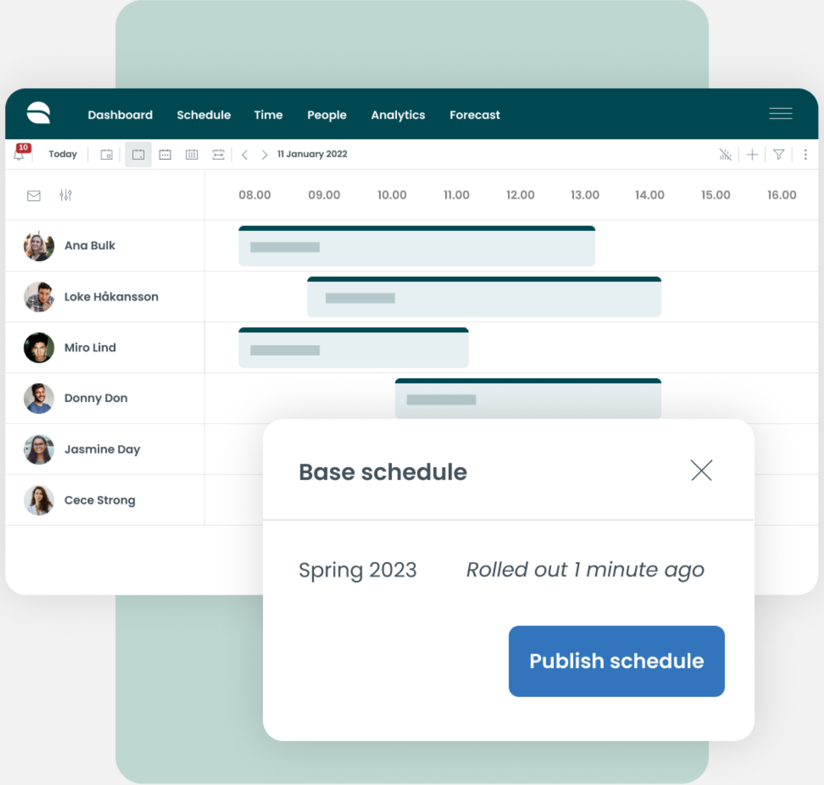

Source: Quinyx

Introduction

What Is the *Innovator Matrix* Series?

The Coresight Research *Innovator Matrix* series is designed to:

- Help retailers and brands identify the top retail-technology companies to integrate into their technology stack to drive growth.
- Help investors identify the top pre-IPO retail-technology companies that are poised for high growth and have the potential to lead the market in their respective technology areas in the future.

For each report, we conduct a quantitative and qualitative analysis of companies' level of innovation and market potential. Our selection of the top 10 technology providers in each space is based on our analysts' expertise at the intersection of retail and technology, supported by key data sources.

We analyze, evaluate and score the top 10 companies based on their relative performance on a two-factor evaluation scale: level of innovation and market potential.

- **Level of Innovation:** We rank each company on parameters that imply its vision in the broader retail market and how it positions itself to be a problem solver for both retailers and consumers using advanced and innovative technologies and retail strategies.
- **Market Potential:** We assess the extent of each company's prowess in terms of growth, funding, momentum to scale and whether its offerings are distinct and provide a competitive edge in the market.

This Report: Workforce Management

Workforce management refers to the process of organizing and7 optimizing the composition and activity of the labor force of a company to better meet companies' business goals. It involves tasks such as scheduling employees, tracking attendance, managing payroll, and providing training and development opportunities. Retailers have been facing challenges such as a high degree of staff turnover due to long hours and fast-moving nature of jobs, competition for hourly workers and a high risk of employees missing shifts.

Poor workforce management, such as understaffing or excess overtime expenses, can have serious implications for the customer experience and business profitability. Labor costs, which are a major cost component among companies, can pressure retailers at the expense of profitability. By working with advanced workforce management solutions empowered with artificial intelligence (AI) and machine learning (ML), brands and retailers will be able to better handle staff schedules, automate tasks, assign suitable workers to a task and make more accurate workload forecasts.

In this report, we evaluate the top 10 private and emerging startups operating in the **US workforce management sector**, which we identified after evaluation of more than 150 companies through a nine-criteria assessment.

The covered companies are Beekeeper, Connecteam, Deel, Legion, Papaya Global, Quinyx, Rippling, WorkForce Software, WorkJam and Yoobic.

US Workforce Management: Landscape and Opportunity

The Problem

Inefficient or ineffective workforce management can lead to decreased productivity, low employee morale and increased turnover rates, all of which can negatively impact a company's bottom line. For nearly three in 10 (28%) global employers, poor labor forecasting and scheduling creates a meaningful revenue loss of at least 10%, according to a [Coresight Research survey] of 216 mid-sized to large global employers in the retail, hotel, restaurant and other hospitality industries, conducted in September 2021 .

Accurately forecasting the number of employees needed on any given day can be difficult for the retail industry, owing to the fact that customer traffic can vary significantly from day to day and even month to month. Childcare or other ad hoc events can also add to the challenge of accurate labor forecasting. Furthermore, retail is a high-turnover industry, making it hard to maintain a consistent workforce. Not having enough employees on hand in the store can lead to long lines at checkout, for example, which can result in customer frustration and lost sales. On the other hand, having too many staff incurs unnecessary costs for the company.

The management of payroll and HR (human resources) processes is a prominent problem in workforce management for a number of reasons: such processes can be time-consuming and complex; they can be difficult to manage, especially when a company has a large number of employees; and they can be costly if companies do not choose a suitable third-party payroll provider.

Employee communications can also pose challenges in workforce management if companies do not have tools to streamline and support effective communication. Lacking visibility into employee tasks also makes it difficult for team managers to perform staffing and scheduling tasks.

In today's competitive business environment, effective workforce management is essential for companies to thrive. Furthermore, providing a positive employee experience is crucial for attracting and retaining top talent, which can boost productivity and drive business success.

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The Solution

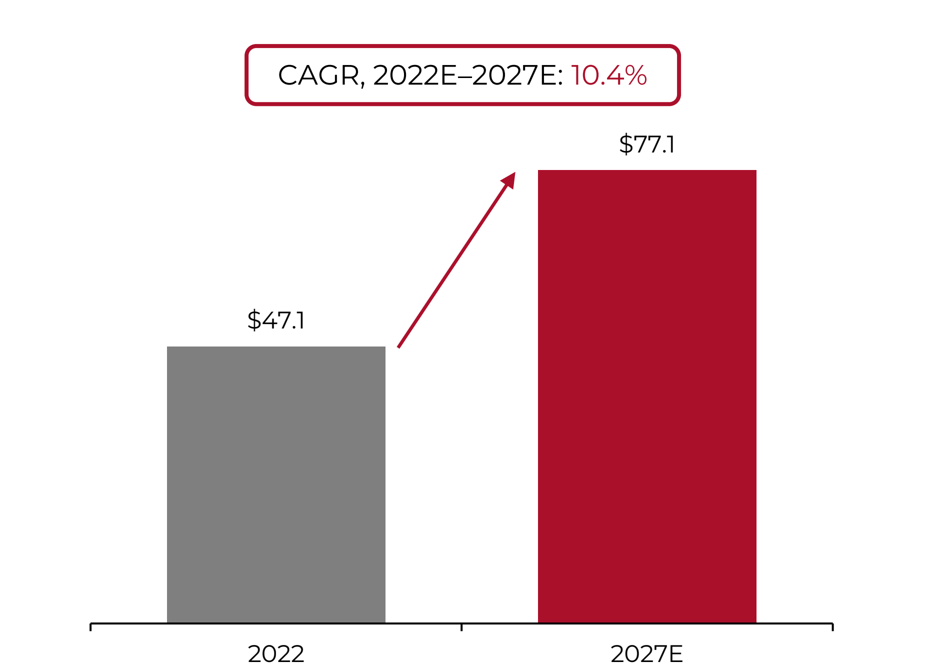
The SolutionWorkforce management technology providers that offer software for scheduling, time tracking, payroll and employee engagement, as well as analytics tools for data-driven decisions, can help brands and retailers create better workplaces. In the September 2021 Coresight Research survey, the three most desired features in a scheduling platform were optimization, automation and flexibility. By working with workforce management solutions empowered with AI/ML, brands and retailers can enjoy automated staff forecasting, analytics and actionable insights for better workforce planning.

The Opportunity

Better workforce management drives sales conversion: 82% of organizations that have adopted digital workplace applications, such as workforce management solutions, indicated improvement in sales conversion since the introduction of the new technology, and 79% have reduced operational costs, according to a Coresight Research survey of retail industry decision-makers in the US, the UK and Canada, conducted in September 2021. We expect workforce management to experience steady growth as more businesses realize the business benefits that workforce management solutions offer.

The global workforce management market totaled an estimated $47.1 billion in 2022 and will grow to $77.1 billion by 2027, Coresight Research estimates.

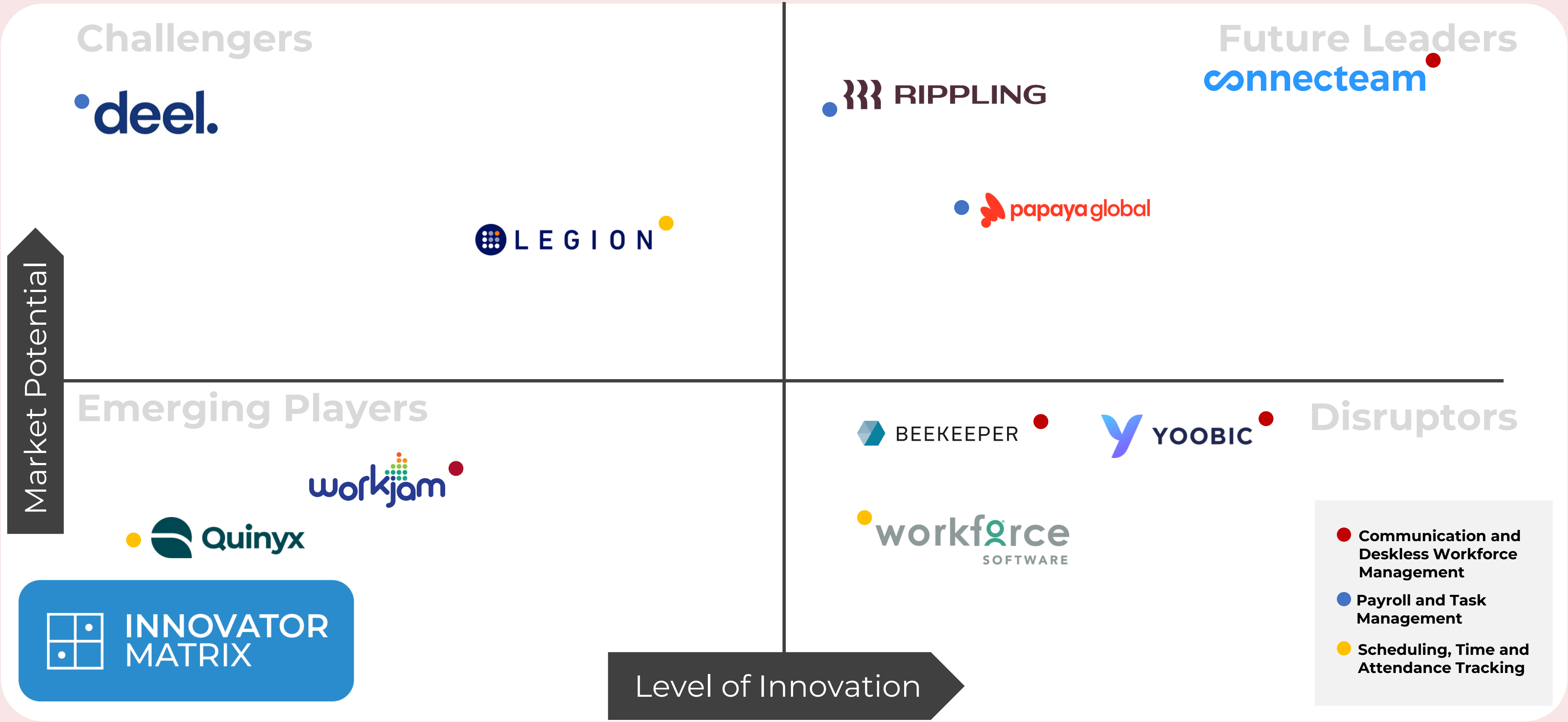
Figure 1. Global Workforce Management Market (USD Bil.)



The estimated market size comprises the revenues of companies that help clients manage staff schedules, forecast workloads, optimize workplace productivity and allocate staff resources.
Source: Coresight Research

Innovator Matrix: US Workforce Management

Figure 2. Coresight Research Innovator Matrix: US Workforce Management



Source: Coresight Research

Quadrant Descriptions

Market Potential

Challengers

Companies that hold a strong market position while also making efforts in innovation. Generally, these companies have a competitive product, greater market share and a relatively mature operation that places them in a good position to further penetrate the market and become a challenger for a future leader, especially should they increase their use of innovative technologies and strategies.

Future Leaders

Companies that are highly innovative in technologies and retail strategies used and have a competitive edge through high market prowess. Generally, these companies take a highly innovative and disruptive approach to a retail issue and possess a strong industry background, a competitive product/offering, growing momentum in the market and ample funding to help the company continue to penetrate the market and become a future leader (if not already) in the space.

Emerging Players

Companies that are innovative in their approach to their market and are gaining traction within their technological niche. Generally, these companies are emerging players in the market and have high growth potential as they continue to build credibility in the market, gain more resources and continue to innovate their product/offering.

Disruptors

Companies that are highly innovative in technologies used, with many being highly specialized in the field and possessing a clear understanding of market needs. Generally, these companies are some of the most innovative in the matrix and have the potential to become future leaders in the sector as they build more foundational market positions, gain resources to sustain growth and attract more funding from VC (venture capital) firms.

Level of Innovation

Company Profiles

We present details of each innovator and its offerings in the workforce management space, categorizing the companies into three areas of innovation: communication and deskless workforce management; payroll and task management; and scheduling, time and attendance tracking.

1. Communication and Deskless Workforce Management

BEEKEEPER

Beekeeper

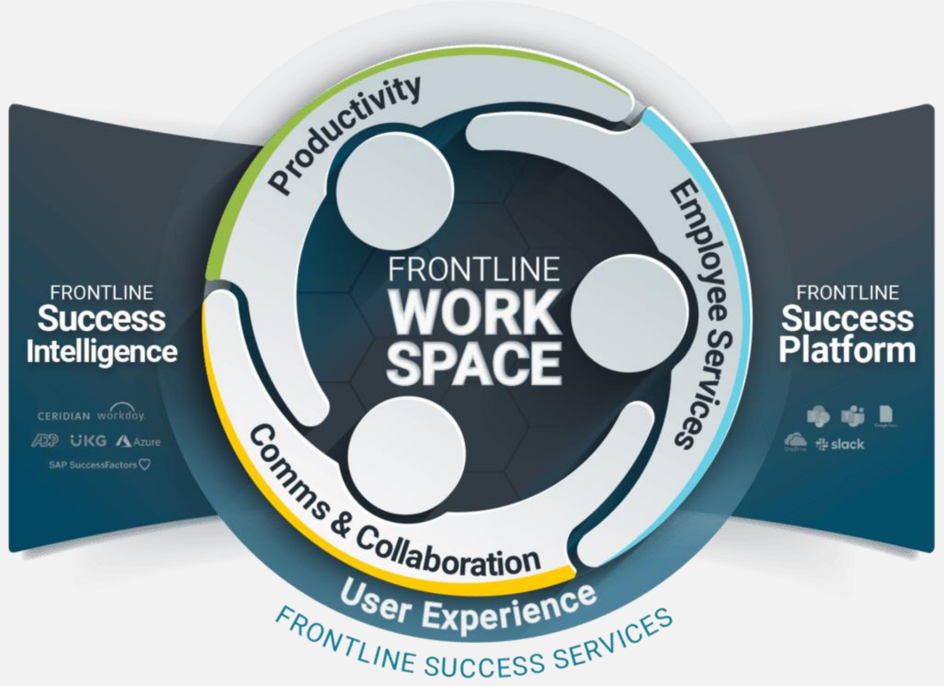
Year founded: 2012

Headquarters: Zurich, Switzerland

Funding raised to date: $154.2 million—Late-stage VC

Overview: Beekeeper is a mobile-first workforce management platform that helps companies improve communication, task management and training for their frontline employees. Beekeeper also helps companies to automate manual processes, facilitate global employee communications and improve the engagement, productivity and safety of frontline teams.

Key offering: Beekeeper offers a mobile communication platform, task management system and training solution for frontline employees, with real-time analytics and integrations with other HR tools.



Beekeeper's Frontline Success System
Source: Beekeeper

Source: Company reports,/Crunchbase

Connecteam

Year founded: 2013

Headquarters: New York, New York, US

Funding raised to date: $168.6 million—Late-stage VC

Overview: Connecteam is an all-in-one workforce management platform that offers a range of tools, including time tracking, scheduling, task management, communication and training. With a mobile-first approach, Connecteam enables employees to stay connected and engaged from anywhere. The company also offers integrations with other HR and payroll tools to provide a seamless experience for its customers.

Key offering: Connecteam's key offerings include a mobile app that can enable smooth communications among a company's deskless workforce. Through an admin dashboard, app users can also modify ap features, modify employee access and supervise employees easily in one place.

WorkJam

Year founded: 2014

Headquarters: Montreal, Canada

Funding raised to date: $147.0 million—Late-stage VC

Overview: WorkJam is a digital workplace platform for hourly workers, providing tools for scheduling, communication, training and task management.

Key offering: WorkJam's key offerings include real-time analytics and reporting, mobile-first design and integrations with popular HR and payroll systems. WorkJam also provides tools that facilitate peer-to-peer communication and a user-friendly view of earned wages for frontline workers.

Source: Company reports,/Crunchbase

YOOBIC

Yoobic

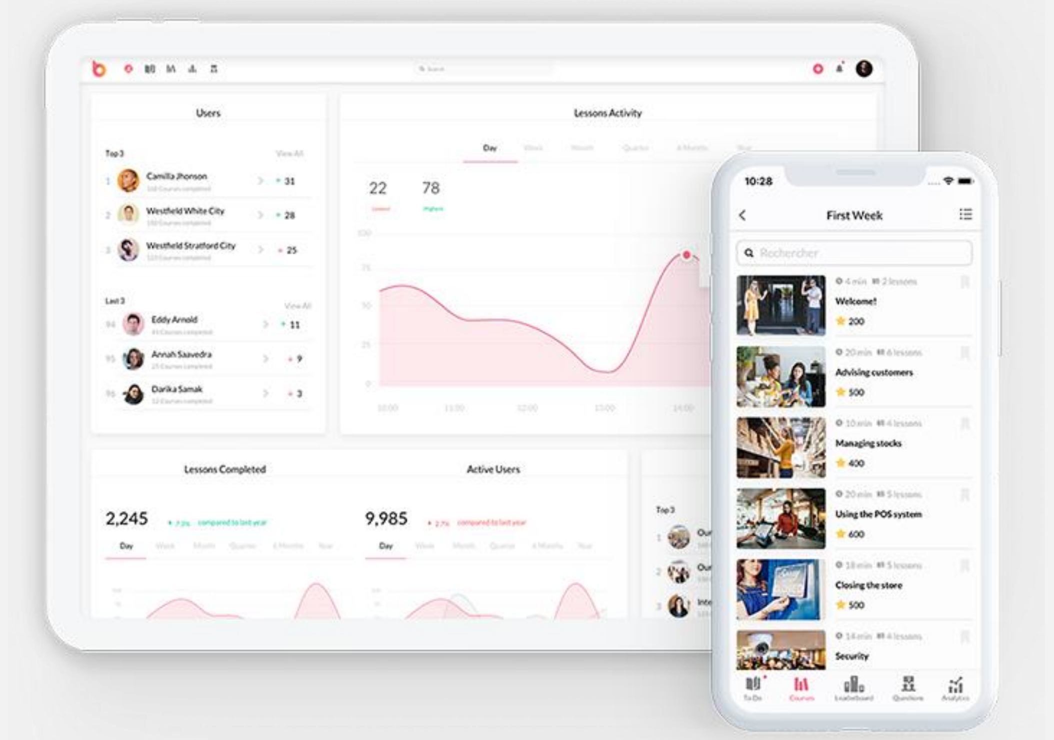
Year founded: 2014

Headquarters: London, UK

Funding raised to date: $80.2 million—Late-stage VC

Overview: Yoobic is a mobile-first workforce management platform that helps businesses improve frontline performance with tools for task management, communication, training and compliance. The platform features real-time reporting, AI-powered insights and mobile access. Yoobic also enables Integrations with HR and enterprise systems, as well as third-party apps and services.

Key offering: Yoobic's key offerings include a frontline employee-experience platform that hosts employee communication, mobile learning and task management all in one place. In addition, Yoobic is able to connect with various corporate systems to integrate and automate workplace tasks.



Yoobic's frontline-employee-monitoring platform
Source: Yoobic

Source: Company reports,/Crunchbase

2. Payroll and Task Management

Deel

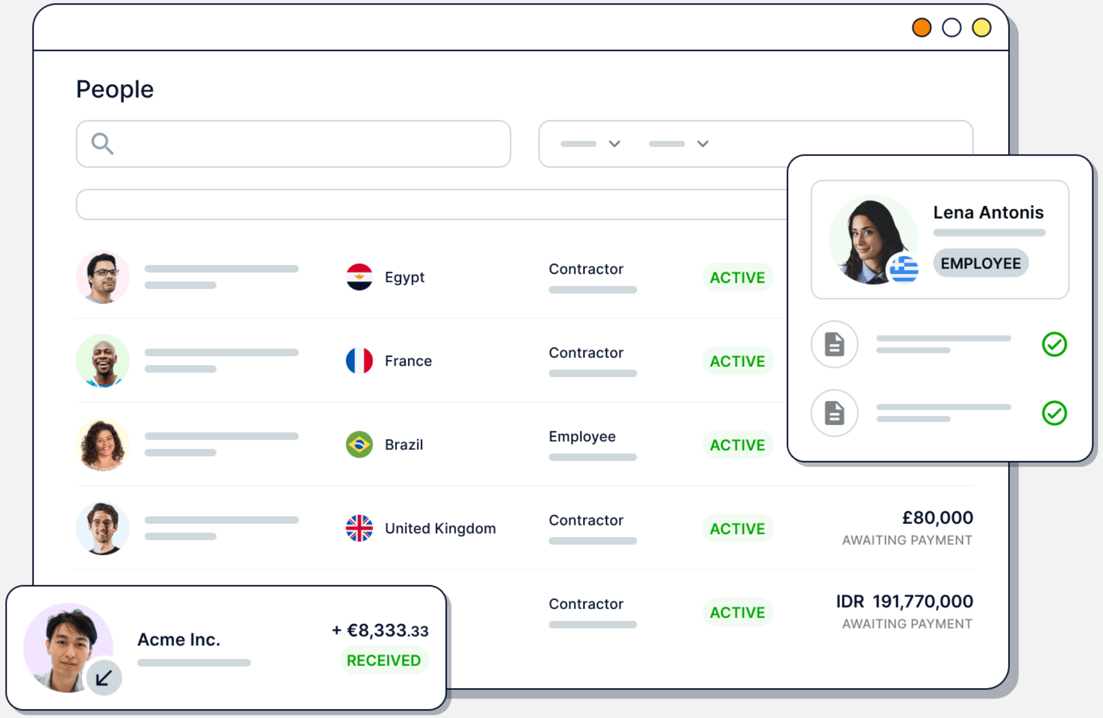
Year founded: 2019

Headquarters: San Francisco, California, US

Funding raised to date: $679.5 million—Series D

Overview: Deel is a remote-work platform that simplifies global payments, compliance and workforce management for businesses.

Key offering: Deel's key offerings include real-time analytics and reporting, document management, and integrations with HR and payroll systems. Deel's platform provides tools for onboarding, managing and paying remote workers, while ensuring compliance with local laws and regulations.



Deel's employee analytics dashboard
Source: Deel

Source: Company reports,/Crunchbase

Papaya Global

Year founded: 2016

Headquarters: New York, New York, US

Funding raised to date: $440.5 million—Late-stage VC

Overview: Papaya Global is a cloud-based platform for global payroll, workforce management and employee benefits, providing tools for managing global operations and reducing administrative overheads, with features such as real-time analytics and reporting as well as integrations with HR and payroll systems.

Key offering: Papaya Global's key offerings include global payroll processing, compliance management and employee benefits administration, simplifying global operations, reducing administrative overhead costs and enabling better risk management.

Rippling

Year founded: 2012

Headquarters: San Francisco, California, US

Funding raised to date: $1,197.1 million—Late-stage VC

Overview: Rippling is a platform for payroll, benefits and IT management, helping businesses automate administrative tasks with tools such as automatic onboarding, employee self-service and real-time reporting. The platform streamlines administrative processes, reduces errors and integrates with popular HR and payroll systems and third-party apps and services.

Key offering: Rippling's key offerings include HR Cloud, IT Cloud and Finance Cloud, which improves the processes of HR management, payroll processing automation and IT management for brands and retailers.

Source: Company reports,/Crunchbase

3. Scheduling, Time and Attendance Tracking

Legion

Year founded: 2016

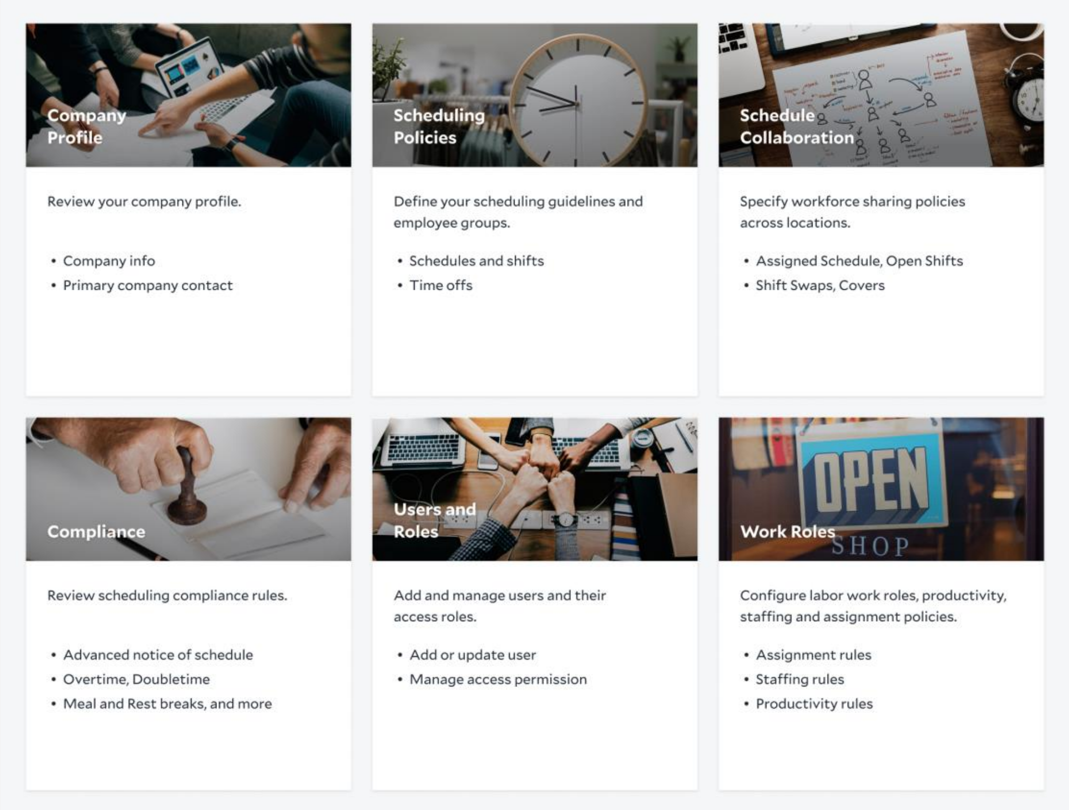
Headquarters: Palo Alto, California, US

Funding raised to date: $85.5 million—Series C

Overview: Legion's platform uses AI and machine learning to create optimized schedules, manage time and attendance, and provide real-time insights into workforce performance.

Key offering: Legion's key offerings include workforce management, forecasting, employee engagement tools and compliance management tools. In addition, Legion hosts features such as labor budgeting and an Instantpay feature that provides employees with instant access to earned wages.

Source: Company reports,/Crunchbase



Legion's self-service workforce management configuration and controls
Source: Legion

Quinyx

Year founded: 2005

Headquarters: Stockholm, Sweden

Funding raised to date: $84.4 million—Series D

Overview: Quinyx is focused on providing a scalable, flexible and user-friendly solution that empowers businesses to improve productivity, reduce costs and enhance the employee experience. Quinyx does this through optimizing businesses' workforce, managing schedules, tracking time and attendance, and streamlining communications with employees.

Key offering: Quinyx's platform includes tools such as automated scheduling, shift management, absence management, forecasting and optimization, performance tracking and employee self-service tools.

Workforce Software

Year Founded: 1999

Headquarters: Livonia, Michigan, US

Funding raised to date: $120.9 million—Private equity

Overview: Workforce Software helps organizations optimize their workforce, reduce labor costs and improve productivity. Workforce Software's solutions are used by thousands of organizations across a wide range of industries, from healthcare and manufacturing to retail and hospitality.

Key offering: Workforce Software's key offerings include a workforce management suite, absence compliance tracker, employee and manager self-service, advanced scheduler and analytics and reporting tools. Workforce Software also provides access to analytics and insights from division level to individual level.

Source: Company reports,/Crunchbase

What We Think

The retail industry is facing more challenges than ever before, including a tight labor market with competition for retail employees from other sectors such as restaurants. Recent retail crime incidents in different parts of the world, the US included, also compromises staff morale and making staff turnover a more prominent issue for retail industry.

Brands and retailers will need to put more focus on workforce management to meet employee demand for flexible work schedules, for example, and implement measures that can reduce labor costs (such as overtime expenses) in a time where many companies are needing to raise retail wages to attract and retain talent. Labor forecasting is a key element of workforce management to meet these goals.

By partnering with advanced workforce management solutions that use innovative technologies, such as AI and machine learning, businesses can streamline their workforce management processes and create a more agile and productive workforce.

Methodology

Innovator Matrix Analysis

Coresight Research analyzes companies based on a quantitative and qualitative analysis of their level of innovation and market potential. Our selection of the top technology providers in each space is based on our analysts' expertise at the intersection of retail and technology, supported by key data sources. We evaluate the companies based on two criteria:

- ***Level of Innovation (x axis):*** Coresight Research assesses companies' innovation in the retail and technology space by evaluating core components of the company's product development, their use of innovative technologies, retail application, market and product vision, and ESG contributions.
- ***Market Potential (y axis):*** Coresight Research assesses companies' market power by evaluating the edge that the company has in penetrating the market, based on product strengths, their ability to scale, brand awareness, funding and overall momentum.

We normalize the scores across both scales based on each company's total number of years in operation to assure fair scoring.

US Workforce Management Companies

Parameters for Selection

- Company's product/offering must be primarily focused on workforce management solutions that cater to the retail industry.
- Company must be private (companies in ongoing IPO discussions included).
- Company must be headquartered and/or have significant operations in the US.

Selection Criteria

- Companies were evaluated based on their level of innovation and market power.
- Analysts selected the top 10 companies from an evaluation of 150+ private, retail workforce management companies.

Scoring

- Level of Innovation:
  - Innovation and Disruption—how companies use innovative technologies and strategies to advance and disrupt a specific area of retail
  - Benefits to Retailers and Consumers—how much the company's product/solution provides benefits to both retailers and consumers
  - Market and Product Vision—how well a company displays its understanding and vision of the retail market, both in terms of the broader market and how its solution will evolve to meet market shifts
  - ESG Contribution—the contribution the company is making toward a positive environmental, social and corporate governance (ESG) impact
- Market Potential:
  - Competitive Edge—how well a company measures up against the competition in terms of product quality, pricing power, market penetration, brand equity, website user interface and patents
  - Ability to Scale—how well a company is positioned to scale compared to its competition, growth factors and market potential
  - Brand Awareness—the company's brand awareness in terms of social and online presence
  - Relative Funding —how much funding a company has raised relative to the number of employees it has and its time in operation
  - Momentum—short term growth in company size (employees), social presence (twitter followers), online presence (unique visitors to its website) and VC funding

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