

Microsoft and HR – It’s not what you think!

Microsoft is back. After more than a decade of seemingly being lost at sea, including a disastrous foray into the cell phone business, the Redmond, WA-based giant is firing on all cylinders, and even has a market cap that recently topped Google.

But the real news isn’t the stock price. The real news is Microsoft’s cloud business – which has come to dominate the enterprise market like no other – and its relevance to HR technology. We’re talking about Office 365 and SharePoint Online, which has become nearly as ubiquitous in the corporate world as Windows.

You might be asking, “What does this have to do with HR?”

Over the past decade, innovation in HR technology has been focused on performance management, workforce planning, talent management, recruiting, training, big data, and analytics. Virtually all the new players are cloud-based, and certainly all the major “legacy” vendors have moved into the cloud. But two names rarely associated with all this HR technology innovation, or the cloud, are Microsoft and SharePoint.

The reason Microsoft has not been a major player in HR is primarily because they have not focused on creating software specifically for functional areas like HR (or Finance, Marketing, Facilities, Manufacturing, for that matter). And, for its entire corporate life, Microsoft has sold software that is deployed on-premise, not in the cloud.

So the sheer speed and scale of Microsoft’s pivot – from a focus on Windows and on-premise-based Office and SharePoint, to cloud-based Office 365 is nothing short of remarkable.

Today, one out of every three corporate employees use an Office 365 cloud service, up from less than seven percent just three years ago. And last summer, Microsoft announced that Office 365 Online brought in more revenue than

the traditional on-premise version of Office – a truly remarkable statistic. Put another way, in the last two years, Office 365 has eclipsed all other cloud providers to emerge as the most widely used enterprise cloud service on the planet.

Yet it still comes as a surprise to many that there’s a massive sea change beginning in many functional areas of organizations that have rapidly embraced Microsoft’s cloud offerings, and particularly the SharePoint Online aspect of Office 365. And that’s where Microsoft’s cloud solutions are having a direct impact for functions such as HR.

A different way of thinking about SharePoint

Let’s start by thinking about Office 365 and SharePoint Online a bit differently than many likely view it today –including its applicability to HR.

While Office 365 and SharePoint Online are most certainly productivity and collaboration apps – with Outlook, Word, Excel and PowerPoint having a massive subscriber base (or, in the older parlance, installed-base) of over 1.1 billion users – SharePoint, in particular, and a number of the other Office 365 apps, are increasingly being viewed as a platform, not just individual applications or an application suite. Couple this line of thinking with survey data that suggests the largest aspect of transforming HR into being truly digital is the ability to both deliver services and interact with employees in a much more user-friendly, online manner – far more than simply digitizing and automating high-volume employee and manager transactions (which was accomplished years ago), as well as transforming the manner in which the HR function operates.

The transformation of Microsoft

It's worth noting the irony that there is a lot of discussion about Microsoft's "come-back." There's no question that ever since Satya Nadella replaced Steve Balmer as CEO, Microsoft has been not only on a technology tear – with innovative hardware like the SurfacePro tablet, to the world's largest cloud service – but Microsoft has even become a cool place to work again. And, while there's no question Microsoft blew it in the mobile phone business (vs. Apple and Android), search (vs. Google) and social space (vs. Facebook, Twitter, Instagram), they've turned what was a whopping US\$8.5B purchase in 2013 of Skype, into the de facto voice/IM platform for business, and are moving in the right direction to leverage their even larger US\$26B purchase of LinkedIn in 2016. One could rightfully say that Microsoft isn't much of a consumer software or consumer product company anymore (Xbox notwithstanding), but they certainly know how to power business software. And the threat from Google Docs and Gmail has not materialized, despite the dominance of Google's suite at home, and in the education market.

Change in the HR technology space

A 2017 Leapgen & HR Tech World survey found that 79 percent of HR leaders recognize that digital workforce experience is “not as good/very poor” compared to customer experience. And Forrester's Paul Hamerman says there's an opportunity for software that supports this aspect of HR to blossom. “It's ripe for innovation,” he said. “The user experience has to be engaging.”

The remaining challenges driving the poor numbers of the Leapgen survey are HR's inability to provide employees with easy and accurate access to unstructured content (beyond Employee and Manager self-service associated digital transaction processing), and the ability of HR professionals to effectively collaborate and interact in faster and more accurate ways.

Take these data points and combine them with the latest from Deloitte's Josh Bersin, “Employees are overwhelmed, engagement still remains a challenge, the rise of the social enterprise, and organizations are struggling to adapt. Core HR systems are rapidly shifting their focus from applications that automate to applications that ‘make work life better.’”

For HR departments, overcoming these challenges requires a thoughtful approach for managing vast amounts of unstructured content, and delivering that content in a way that meets users' consumer-grade expectations. This also means the content that employees seek on their intranet must align with the knowledge base that the HR service center uses to handle Tier 1 and Tier 2 inquiries. This is the only way to ensure that there is a “single source of truth” that employees, managers and HR professionals can trust (and is also the only way to reduce service center call volumes).

“Employees have many needs and questions. All they really want is a single, trusted online source for answers, and to be confident in the validity of the content they find,” says Susan Sanders, chief product officer at Velaku, which created the first HR application on Office 365 and SharePoint Online, called HROffice365. She is a former executive in Willis Towers Watson's HR Portal business. “Employees want that online experience to be seamless; accessible from any device at any time; and searchable from their main intranet, Sanders added.” From HR's standpoint, managing all of that content to ensure its accuracy, to ensure the HR service center and Tier 1 help

desk are reading from “the same book,” makes content management one of the most critical, and most challenging aspects of digital HR.

How SharePoint comes into play for HR

By now you're probably thinking, “What does SharePoint really have to do with human resources? Why now? What's changed? And what is the relevance to Office 365?”

The answer has a number of key aspects:

- Many organizations that purchased Office 365 did so initially to deploy Outlook email (e.g., in the cloud). The other main Office 365 apps – Word, Excel and PowerPoint – often followed. However, it was common for SharePoint and other lesser known Office 365 apps (Delve, Sway, Yammer, Teams, OneDrive, etc.) to be initially left “on the virtual shelf.”
- When it came time for organizations to redesign their aging intranets, or upgrade the old intranets from SharePoint 2010, most realized it was time to move to SharePoint Online in the cloud, rather than upgrade their on-premise intranets to SharePoint 2016 on-premise.
- Because Microsoft's cloud is set up as a global platform, not only is SharePoint Online infinitely scalable, but most importantly, the underlying architecture is standardized for all customers, making it far easier for vendors to build applications that work in SharePoint Online or sit on top of SharePoint Online, which was not practical when SharePoint was only an on-premise application.
- Because SharePoint Online is in the Microsoft cloud, it's accessible from virtually anywhere, on any device, making it a truly enterprise-wide tool for delivering content and access to applications.
- And lastly, SharePoint is not only a powerful content management tool, and has a baked-in search engine and ability to deliver consumer-grade usability on any device – which has been long-proven effective – but the deployment of Office 365 across the corporate world has been unprecedented.

While the large, mainstream human resources information technology (HRIT) vendors have not turned to SharePoint as a

development platform, increasing numbers of smaller players are starting to build applications that not only run on top of, or are integrated with, SharePoint, but that are built using SharePoint as a development platform. These applications are then deployed literally in the customers' SharePoint Online tenant or in Microsoft's Azure cloud that is seamless with SharePoint Online and Office 365.

The benefit to the user is a seamless, highly integrated user experience in which the user never leaves SharePoint Online or Office 365. The benefit to HRIT is the ability to deploy SharePoint applications and to deliver business value much faster, and with far less cost, and far less risk than the alternative of custom developing a similar solution in SharePoint, as well as to further leverage existing Office 365 and SharePoint licenses.

Let's take a closer look into this phenomenon and explore some of the applications that are available today using this model.

Office 365 and SharePoint Online as an ecosystem

One of the clearest indications that Office 365 and SharePoint Online is actually a platform that's powering its own ecosystem is the sheer number of vendors that have built applications that run in, or on top of, SharePoint Online.

There is a large and rapidly growing ecosystem of solutions that can be categorized as either SharePoint applications (apps built in SharePoint and deployed into a customers' Office 365 or SharePoint Online tenant, such as Velaku's HROffice365 or a project management tool called Dalikoo), or SharePoint accelerators, e.g., products built to run on Azure that enable dramatically faster set up, deployment, and management of SharePoint Online and other Office 365 applications without the need for custom development, such as Powell 365 or LiveTiles.

All these products solve one major shortcoming of out-of-the-box (OOTB) Office 365 and SharePoint Online, which is that the customer is often relegated to using Microsoft's standard templates, which are notorious for providing sub-standard user experiences; not providing department-specific features/functionality (such as an HR knowledge base or case management); and can be challenging to use for content management. Even SharePoint's new "Modern" pages, which have a vastly improved

user experience, still have significant limitations and, some would say, are not fully baked for large-scale enterprise use (despite Microsoft's aggressive push to migrate customers from "classic" SharePoint to "Modern" SharePoint).

A quick history of Office 365 and SharePoint

SharePoint has been around for almost two decades. During this time, it has been a frequently used, yet equally despised, application that "everyone loves to hate." It was confusing to many who couldn't categorize it (a content management system? a document management system? a shared file system in the sky? a portal?). And most people thought it was, as Dan Ackroyd famously said on Saturday Night Live "a floor wax and a fruit topping" – everything to everyone, and nothing to nobody. It did a lot of things, but most of them not very well.

Fast forward to 2013, when Microsoft embraced the cloud full on, started moving SharePoint into the cloud, and more importantly, started to favor feature functionality cloud releases over the on-premise versions. Microsoft also incentivized their sales force to push hard with aggressive pricing for SharePoint Online over on-premise SharePoint 2016 when that upgrade took place.

Looking back, it feels like ancient history – SharePoint Online gets continually upgraded, while SharePoint 2016 (and recently announced SharePoint 2019) as an on-premise application has languished somewhat. And, enterprises of all sizes have become remarkably comfortable purchasing seats for each user, rather than licenses for each server. The effect of this transition to the cloud is actually more profound than many realize, and the fundamental basis for viewing SharePoint Online as an ecosystem and a platform.

When SharePoint 2010, 2013, or 2016 were deployed on-premise, each deployment was slightly (or sometimes drastically) different, which made it very difficult, and economically unfeasible, to deploy on-premise what were then called "pre-configured" SharePoint apps. By the time the pre-configured app was tweaked and tested, the time and cost was nearly equal to building the same app from scratch.

The simple fact that each customer of Share-

Office 365 – more apps than most people realize.

It's important to understand some basics about the underlying Office 365 and SharePoint Online platform itself – and remember that Office 365 is made up of far more than the major productivity apps most people are familiar with, such as Outlook, Word, Excel and PowerPoint. Office 365 also includes apps like Delve, Teams, OneNote, OneDrive, Yammer, Skype for Business, Planner, and Sway.

Point Online gets their solution deployed as a tenant in Microsoft's cloud means that everyone's backend of SharePoint Online is essentially the same. This makes it infinitely viable to create applications that can be quickly and easily deployed to SharePoint Online simply because Microsoft's SharePoint Online servers are literally the same across their cloud.

In the past few years, following the rise of SharePoint Online, the number of customers that have purchased Office 365 has skyrocketed – both for small and midsize business (SMB) firms, but also the largest of the Fortune 500 as well. Customers usually start by purchasing Office 365 and migrating their Outlook/exchange. Then they slowly start moving their old intranet into SharePoint Online, and eventually moving their on-premise shared folders into OneDrive. Meanwhile, when company executives realize they're paying for all of Office 365 and SharePoint Online, they start to think about all the other ways to leverage that investment, which does not require any added licensing fees to Microsoft.

SharePoint-based applications in the marketplace today

There are literally dozens of vendors who have built software to run on top of, or be installed directly onto, the Office 365 and/or SharePoint Online tenants (see list). Some are literally built in Microsoft's platform, such as Dalikoo for CRM and project management, or HROffice 365 for HR. Others are third-party accelerators built on top of Office 365, such as Powell 365, which resides in Azure.

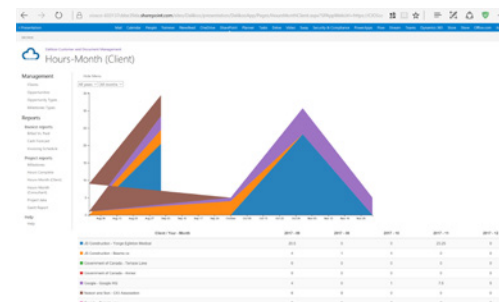
Let's take a look into three of these vendors that illustrate not only the "platform" ecosystem of Office 365 and SharePoint Online, but different approaches to their software. All three are relatively new and provide a different solution and different value proposition. But all were created specifically to leverage Office 365 and SharePoint Online as their foundational platform.

And with all of these solutions, all authentication, personalization, permissions, and user data are maintained in Office, SharePoint and/or Active Directory (and under the security purview of Microsoft), not in the third-party vendor's application.

Powell 365, created by Powell Software, Redmond, WA and Paris, France (www.powell-365.com/en/), might be best considered an

accelerator. Powell resides in Microsoft's Azure Cloud, and is deployed to run on top of Office 365. Some of Powell's main benefits are:

- The ability to aggregate multiple Office 365 apps on a single screen. For example, displaying news published in SharePoint alongside a Yammer feed, and displaying content from Teams, all on a "single pane of glass," without having to toggle between different Office 365 apps.
- The ability to quickly deploy using drag-and-drop Powell 365 templates that make OOTB SharePoint look vastly better and improve the user experience, and far faster than customizing SharePoint.
- Reduce the time and cost of deploying SharePoint by half or more, by cutting down on the need for custom design and configuration.
- All content remains in native SharePoint or Office 365 apps. Powell is the user interface layer, but never maintains control of a customer's content, data, or authentication.
- All authentication is managed by Office 365 – Powell has no impact on, or gets involved in possessing any, PII data.



Dalikoo, created by Toronto-based Dalikoo Software (<http://dalikoo.com>), is a pure-bred SharePoint Online application for CRM, integrated project management, reporting analytics and document management. Dalikoo is built in native SharePoint (classic and modern) and is deployed directly into a customer's Office 365 tenant. The purpose of Dalikoo is to take advantage of SharePoint's feature/functionality without having to spend time building this type of solution from scratch. And, because Dalikoo is deployed in the actual SharePoint Online tenant, it takes full advantage of search and enterprise navigation – providing a completely seamless user experience.

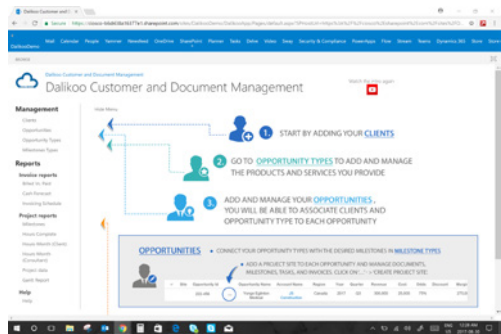
An app like Dalikoo can be bought and downloaded directly from Microsoft's Ap-

Partial list of SharePoint App vendors:

1. Akumina Digital Workplace from Akumina
2. Bonzai from Bonzai Intranet
3. Dalikoo from Dalikoo
4. EasyShare from EasyShare-Point
5. ElevatePoint Intranet from ElevatePoint
6. Emgage Intranet from Emgage
7. HROffice365 from Velaku
8. IntraActive from ProActive
9. LiveTiles SharePoint from LiveTiles
10. LS Intranet from Lizard Soft
11. Powell 365 from Powell Software
12. Rise from Perficient
13. Unily from BrightStarr

pSource online store, in similar fashion to downloading an iOS app from the Apple App Store.

HROffice365, created by New York/



San Francisco-based Velaku Software (www.velaku.com), is a suite of pure-bred Office 365 and SharePoint Online applications designed specifically for Human Resources. HROffice365 has four modules for employees, for managers, for HR professionals and for HR service centers. Like Dalikoo, HROffice365 is built directly in SharePoint Online, and deployed directly in a customer's existing Office 365 Tenant.

In addition to functioning as the main go-to destination for all things HR, e.g., an “HR Portal,” HROffice 365 takes full advantage of content and search integration with an organization's existing intranet. This results in users being able to search for HR content using the regular search box on their company intranet,

rather than going to a separate “HR Portal” search engine. All the content in HROffice365 is automatically indexed and can be displayed (based on personalization rights and permissions), thereby assuring a user that their intranet search is the single source of truth search. Likewise, HROffice365 is fully embedded in the customer's enterprise navigation – providing a completely seamless user experience.

Conclusion

A variety of factors in the Microsoft ecosystems set the stage for HR to embrace Microsoft products like never before:

- The rapid rise of Office 365 and SharePoint Online;
- The vast prevalence of under-deployed SharePoint Online (companies would benefit from getting much more value for the licenses they're already paying to Microsoft);
- The perspective of SharePoint as an ecosystem; and
- The business issue of the gap between HR being satisfied with the services they deliver, but the perception among employees that HR is delivering a poor digital experience (compared to the customer experience).

About the Author

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