

Concentra's OrgVue adds clarity to workforce planning, analytics and modeling

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Summary

With the war for talent raging, and the concepts of work and productivity shifting, workforce and organizational planning is coming into its own as a strategic investment. No longer can enterprises think of organizational planning as the headcount line item in their yearly budget. No, executives and managers must think more strategically about their workforce as a framework for driving innovation and improving the bottom line.

Concentra is addressing this sea change with OrgVue, its organizational planning and analysis (OP&A) tool for workforce visualization, scenario modeling, talent planning and more. Along with its other products, the company aims to help customer with workforce alignment, and making sure that the right employees are assigned the right work to drive efficiency and productivity. The purpose of this report will be to explain Concentra's product portfolio, and the opportunity it has to bridge the gap between HR and finance in future-focused organizations.

The 451 Take

Concentra sits at a unique intersection of HR and CPM REF, occupying a greenfield space that is ripe for innovation. If the firm can navigate the challenge of effectively convincing HR and finance professionals to embrace a forward-looking approach to workforce planning, it has a unique opportunity to ramp up adoption, and position itself as a competitive support tool in organizational development.

Context

Concentra was founded as a SharePoint and custom software development house back in 2005, with the seed concept for OrgVue coming around 2006. Two years later, seven AT Kearney employees merged with Concentra to implement a combined business model in 2008. The first true iteration of

OrgVue began in 2011. The company is headquartered in London, but it also has teams based in Philadelphia, the Netherlands and Hong Kong. At the time of this writing, there are more than 200 Concentra employees.

Through direct sales and partner integrations, the company has completed some 500 projects, typically targeting the organizational development function within upper enterprises for its offerings. Concentra sees particular success in verticals such as financial services and insurance, fast-moving consumer goods (FMCG), logistics, media, public sector, retail, telecoms and utilities. Concentra customers include Aldi, Lululemon, Sega, Tesco and Allergan.

OrgVue is the cornerstone Concentra product. The firm has had success with upper-level enterprises, but is focusing some future sales efforts downstream as it attempts to begin working with smaller companies that have 3,000 or fewer employees.

Products

Concentra offers three distinct products: DataPlus, SupplyVue and OrgVue. DataPlus is a SaaS data warehouse platform that makes it easier to build and maintain a data warehouse in Microsoft Azure – think of it as a low-code, automated platform that speeds data warehouse creation and is more accessible without a technical expert.

SupplyVue is a supply chain analytics platform. Customers use it to diagnose issues in the supply chain, track changes, improve accuracy of forecasts and more. The platform can be used to collaborate internally and externally, and offers integrated business planning and analytics-based sales and operations planning (S&OP).

OrgVue is the flagship product of Concentra, providing workforce analysis and modeling for HR and finance professionals. OrgVue consolidates data from multiple sources including HRIS systems, finance and payroll to help customers establish a baseline and better understand where their organization is now. By looking at people, role, skills and processes, the tool looks for new areas where efficiencies can be realized. For this aspect of the product, a deep connection to LMS and LXP systems could provide a unique approach to planning that centers around upskills and the knowledge economy.

Modeling is a big part of the value-add for OrgVue, because customers can use it to determine how given organizational shifts may impact headcount, costs or available skills. The product features out-of-the-box reports and charts to measure things like gender pay gap, organizational structure and grade compression.

As FP&A is to finance, Concentra believe OP&A should be to HR – a forward-looking approach that helps drive strategic, long-term value and keeps the organization productive and efficient. The goal is to help customer determine risks and inefficiencies, while also improving workforce alignment and making sure the right employees are pursuing the right tasks.

Strategy

As noted, Concentra typically sells into the organizational development function. The company sells directly and through consultancy partners Accenture, Bain, KPMG and Deloitte. Concentra also has its own consultancy offerings.

Key use cases for OrgVue in particular include global expansion and operating cost reduction, as well as its biggest use case: M&A integration. While M&A is a use case that is across the board, US customer are often focused on data-driven cost reduction and understanding their operating costs. UK and EMEA customers tend to focus on risk and compliance – especially related to changes brought on by Brexit and GDPR – and the gender pay gap.

We believe there is a unique opportunity for potential partnerships or integrations with the major CPM vendors (Anaplan, Adaptive Insights, CCH Tagetik, BOARD) since there is a distinct opportunity for innovation in connecting HR and workforce data to greater company performance. Adaptive Insights, for example, is targeting workforce planning initiatives driven by its recent acquisition by Workday and its new proximity to execution in the HR function.

For Concentra, the biggest challenge will be convincing these vendors, and customers in the FP&A space, that OP&A is something that goes beyond simple headcount forecasting. Concentra must focus its sales pitch on the opportunities for productivity and revenue growth and operational efficiencies that can be powered by an investment in OP&A.

Financial

The company's products are priced per employee for the customer, and are tiered based on the size of the customer. But consultancy services and add-on modules cost extra.

Concentra's funding history is as follows:

- 2008: Seven consultants from AT Kearney merge with Concentra and implement a combined business model.
- 2009: Funding round of £1m (\$1.3m) at a valuation of £8.3m.
- 2012: Management buyout of Concentra Consulting Limited led by Rupert Morrison with no primary investment in the company.
- 2016: Funding round of £3m at a pre-money valuation of £17.5m for US expansion.
- 2018: £41m growth equity investment led by One Peak Partners, which was announced on May 1, 2018.

The company is privately held and doesn't disclose its revenue, but we estimate its ARR to be in the range of \$25-30m.

Competition

Direct competition in the workforce planning and analytics space includes firms such as Visier, OrgBuilder and OrgLab. For customers that aren't looking for scenario modeling, Nakisa, Ingentis, DynaPlan and Insperty's OrgPlus would also be competitive. However, Concentra faces competition in adjacent markets as well – both from HR- and finance-targeted vendors.

Firms like Oracle, SAP and Workday, which offer aspects of human capital management and business planning and consulting software, are indirect competitors to Concentra, depending on the needs of the customer. Additionally, many companies still handle organizational planning through desktop apps like Excel and PowerPoint (often combined with statistical analysis tools like SAS or SPSS), so Concentra has to keep those products in mind as competition as well.

SWOT Analysis

| Strengths | Weaknesses |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Concentra's clear vision for organizational planning and analysis as a parallel to FP&A for HR pros, and its consultancy offerings both in-house and through partners, position the firm well as a strong value addition to clients. | The OrgVue narrative lacks an explicit connection to employee engagement and retention, which is necessary when selling into HR thanks to the talent wars in the current knowledge worker economy. Concentra is also battling a lack of customer awareness for the OP&A concept it is targeting with OrgVue. |
| Opportunities | Threats |
| Machine-learning and AI investments would service | The biggest threat facing Concentra would be if its consultancy |

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the analytics portion of OrgVue well, and the firm should look for opportunities to partner with FP&A powerhouses (Adaptive Insights, Anaplan, etc.) to build out a complex packaged offering.

partners decided to build out a similar product to compete in organizational planning, or if an HCM suite giant like ADP purchased a competitive offering like Visier in an effort to create similar product it could sell into its existing customer base.

Source: 451 Research, LLC