

## UKG

At UKG Connections, UKG presented its new vision statement: to inspire every employee, support every business, and elevate every workplace. UKG continues to make progress on integrating the two companies, and on modernizing the Kronos customer base while delivering innovations on the UKG Pro, Dimensions, and Ready product fronts. The company also continues to invest in thought and market leadership in diversity, equity, and inclusion (DEI).

The investments UKG has made - both organically and through acquisition - in payroll innovation, core HR, artificial intelligence (AI)-enabled coaching and employee well-being, and financial wellness (with UKG Wallet), were somewhat overshadowed by the ransomware attack that hit Kronos Private Cloud in mid-December, which it continues to address. Approximately 2000 customers - mostly legacy Kronos Workforce Central - were impacted. Although unfortunate, it is a catalyst for customers to upgrade to more modern cloud solutions. Valoir expects the attack will have some impact on sales but also slow - somewhat - UKG's acquisition and high-level product investment strategies over the next quarter as executive attention has been understandably focused on resolution. That said, this is also an opportunity for UKG to drive customers toward more modern and competitive workforce management systems.



### FROM THE SUMMIT

UKG's vision translates into internal and organizational investments as well as customer and product-facing ones focused on diversity, equity, and inclusion (DEI) while continuing improvements to payroll, core human capital management (HCM) and talent and coaching.



### DEEP DIVE

UKG's focus on belonging stretches from the hourly to the salaried worker, with investments in areas such as coaching notes, proactive guidance, and the ability to donate time to others (on the hourly side) to AI and analytics to categorize feedback, more self-help coaching and career guidance, and career designer capabilities (in development) for salaried employees.



### LONG VIEW

UKG CEO Aron Ain says the company is 40 percent through the Kronos-Ultimate integration process. As it moves from making organizational changes to operationalizing them, expect a more clear roadmap, an investing strategy that reflects its size, and increased focused on promoting the UKG "one experience" story.



**MONEY:** UKG is putting its money where its mouth is with its "Close the Gap" initiative for pay equity. As companies focus on environmental, social, and governance (ESG) strategies, UKG can play an important role on the social leg.



**MARKET:** UKG acquired Ascentis in December, a traditional HCM market deal to build market share and extend the opportunity to deliver UKG's people-centric vision and solutions to existing Ascentis customers.



**PEOPLE:** A new Chief Belonging, Diversity, and Equity Officer, acquisition and integration of Great Place to Work, and UKG's new Close the Gap initiative reflect both internal and market-focused investments to lead in DEI.



**TECH:** UKG is telegraphing a shift in direction to avoid supporting older legacy solutions with no migration time frame. This needed to happen, and is in the best interest of both UKG and its customers for security purposes.