



Aberdeen *Group*

Onboarding Benchmark Report

Technology Drivers Help Improve the New Hire Experience

August 2006



HRWorXLLC



Executive Summary

Key Business Value Findings

First impressions last. Future-looking companies recognize that the first impression a new hire makes of their work environment is critical to improving retention rates and improving the company brand. A new employee that feels engaged in the company on their first day of work will have a greater incentive to stay at that company. In today's environment, support for new hires is not only executed in the recruitment efforts but more importantly, in a well defined, formalized on-boarding process.

Onboarding encompasses the variety of tasks and requirements involved with acclimating and engaging a new employee in the company. Onboarding is no longer the new hire "orientation" of the past. The checklists associated with onboarding have evolved into an integrated experience. ***This report defines onboarding as a process involving: forms management, tasks management, and socialization in the company culture.*** Companies that incorporate these three components are those companies that will achieve optimal ROI from their onboarding process. The data included in this report is derived from a survey conducted in partnership with the Human Capital Institute and interviews with senior executives in the human capital management community.

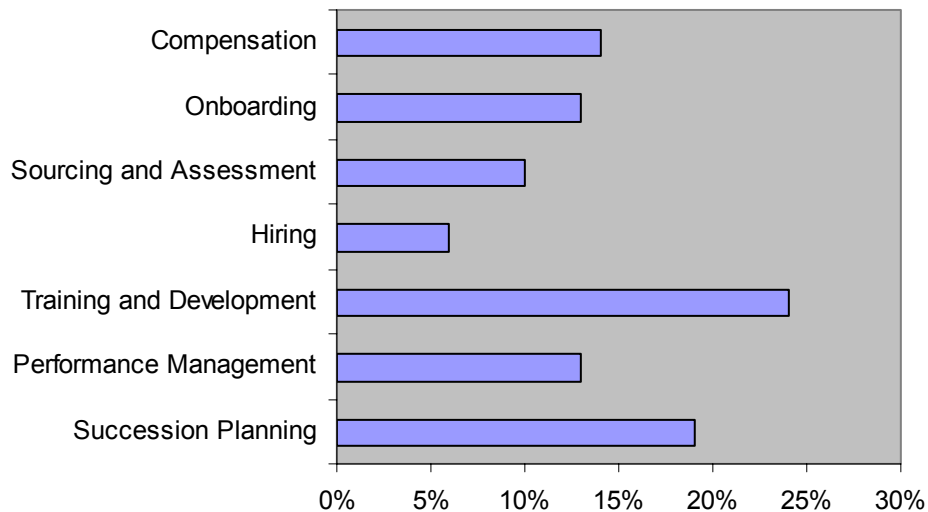
Implications & Analysis

Onboarding has gained momentum over the past year. Seventy-six percent of companies are implementing or plan to implement a formalized process compared to only 40% in 2005. Despite this increase, many companies still do not grasp the fundamentals of onboarding. These companies face challenges defining the onboarding process and creating an onboarding roadmap.

Although ***90% of companies believe that their employees make their decision to stay at the company within the first six months,*** many of these companies do not recognize or acknowledge how onboarding impacts retention rates and time to productivity (Figure 1). Instead, they rely on paper-based solutions that create added costs and often leave a bad first impression that negatively affects the company brand. Thirty-six percent of companies still do not use any technology for their onboarding solution.



Figure 1: Companies Believe the Following Strategies Influence Retention Rates



Source: [AberdeenGroup](#), August 2006

Best performing, future-looking companies distinguish themselves by extending onboarding to the first six months and leveraging technology to assist with forms management, tasks management, socialization, building a network, measuring performance and compliance. Technology, however, is not the panacea for onboarding. Companies need to look to the future by defining the onboarding process, creating an onboarding roadmap, and investing in strategic long-term workforce planning that integrates their onboarding with the pre-hire stages and the post-hire stages.

Recommendations for Action

In addition to the Best in Class actions, companies should also evaluate their processes to ensure they effectively accomplish the following:

- Define the onboarding process and create an onboarding roadmap
- Integrate onboarding with the overall hiring management process
- Extend onboarding to the first six months, the amount of time that an employee makes his or her decision to stay at a company
- Replace paper and spreadsheet based processes and use an automated system that includes forms management, tasks management, and socialization in the company culture
- Create an onboarding roadmap in order to establish a long-term strategic plan for the onboarding process
- Measure short-term retention rates and time to productivity



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Chapter One: Issue at Hand

Key Takeaways	<ul style="list-style-type: none"> Ninety percent of employees make their decision to stay at a company within the first six months. Onboarding is gaining steam: in 2005, 60% of companies did <i>NOT</i> have a formalized onboarding process compared to 24% today The top pressures to implement an automated onboarding process include: improving time to productivity, improving retention rates and improving customer satisfaction
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The buzzword for human capital management today is **onboarding**. Onboarding is a support process for new employees designed to manage a variety of tasks and requirements initiated when a new applicant is hired and has accepted the position. New employees often feel that the attention they receive during the pre-hire stages is abandoned once they are onboard. As a result, these individuals are left with a negative impression of their new work environment. In order to improve retention rates and time to productivity, companies need to focus on developing a comprehensive onboarding process.

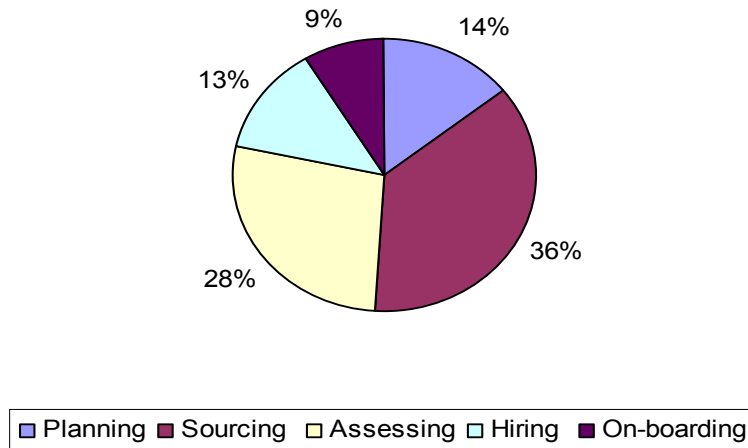
Companies that develop strategies for identifying, attracting and engaging top talent recognize that their greatest asset is their workforce. Aberdeen’s latest report, *Talent Acquisition Strategies: Sourcing and Assessing the Best of the Best*, states that companies are investing in sourcing and assessment over any other process of talent acquisition. (See Figure 2)

Although sourcing and assessment strategies enable companies to identify and attract the right people for the right jobs, the key to employee engagement is found in a formalized, well-defined onboarding process. By investing in onboarding, these companies are investing in the future workforce of their company. **Ninety percent of employees make their decision to stay at a company within the first six months** (Figure 3).

Competitive Framework Key
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the three following levels of practices and performance:</p> <p><i>Laggards (30%)</i> —practices that are significantly behind the average of the industry</p> <p><i>Industry average (50%)</i> — practices that represent the average or norm</p> <p><i>Best in class (20%)</i> — practices that are the best currently being employed and significantly superior to the industry norm</p>

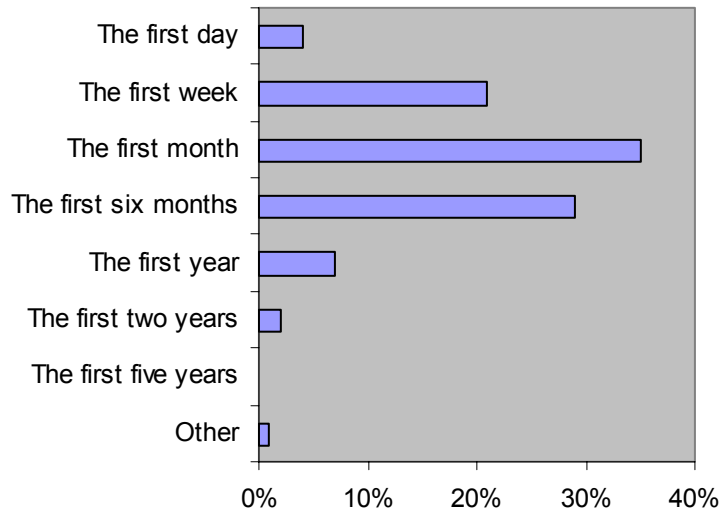


Figure 2: Talent Acquisition Processes



Source: [AberdeenGroup](#), August 2006

Figure 3: Timeframe an Employee Makes a Decision to Stay at a Company



Source: [AberdeenGroup](#), August 2006

How effective a company is at its onboarding process determines how successful that company is at retaining its employees, yet, many companies do not recognize this connection. Although the majority of companies believe their employees make their decision to stay at the company within the first six months, only 15% of companies extend their onboarding solution for the first six months. Twenty-three percent extend onboarding in the first day, 28% in the first week, and 22% in the first month.

PACE Key — For more detailed description see Appendix A

Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:

Pressures — external forces that impact an organization’s market position, competitiveness, or business operations

→ **Actions** — the strategic approaches that an organization takes in response to industry pressures

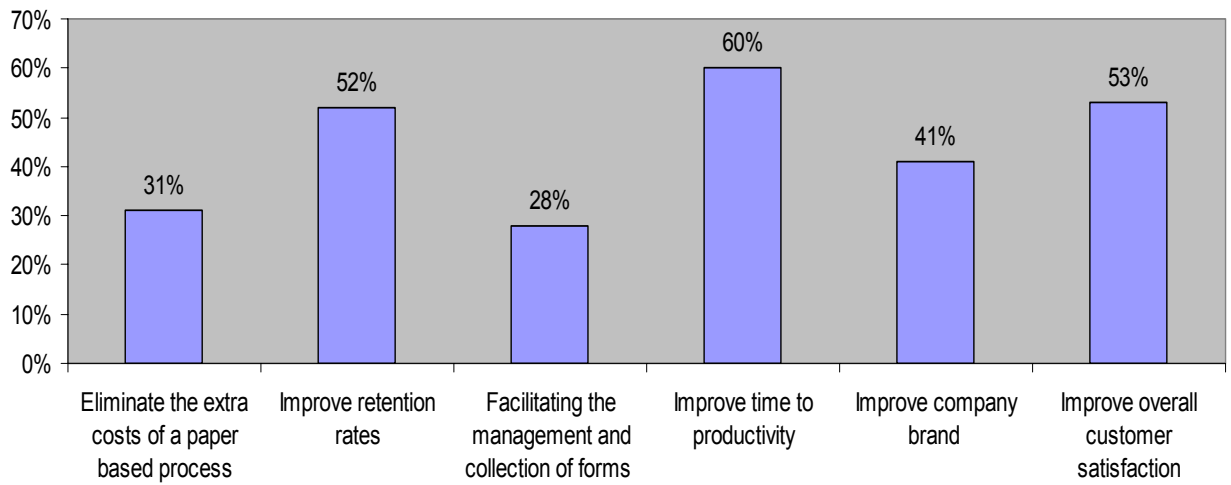
→ **Capabilities** — the business process competencies required to execute corporate strategy

→ **Enablers** — the key functionality of technology solutions required to support the organization’s enabling business practices

In order for employees to feel engaged and acclimated in the company, onboarding needs to be proactive and clearly defined. As companies look to improve their new hire experience, they are researching and investing in technology to enable their new hires to have a smoother transition from the recruitment stages. Automated solutions can help companies address pressures to improve retention rates, improve time to productivity and improve the company brand (Figure 4). Additional pressures include eliminating extra costs, facilitating the forms process and improving customer satisfaction. These pressures reveal future-looking, long-term strategies that affect the needs of both the organization and the employee.



Figure 4: Top Pressures for Onboarding



Source: [AberdeenGroup](#), August 2006

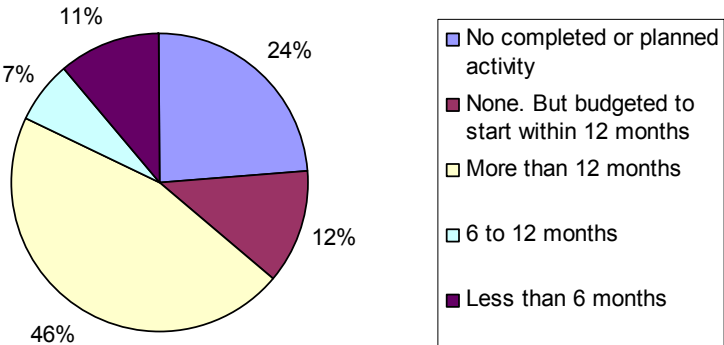
Chapter Two: Key Business Value Findings

Key Takeaways

- A robust onboarding program includes three key areas: forms management, tasks management, and socialization in the company culture
- The major challenges for implementing an onboarding strategy include: defining the onboarding process, integrating onboarding into the hiring management system and viewing onboarding as a checklist instead of an integrated experience
- The top three responses include: creating a roadmap, ensuring that the new hire has a positive experience and integrating with the hiring management system

An effective onboarding process can transform a new hire into a dedicated employee, eliminating the cost of turnover. Visibility around onboarding has increased over the past few years and is now a crucial step for any talent acquisition strategy. In 2005, nearly 60% of companies did not implement or did not plan to implement an onboarding initiative. Today, this number has decreased dramatically and only 24% of companies do not implement or do not plan to implement a formalized onboarding process (Figure 5).

Figure 5: Companies that have Implemented a Formalized Process

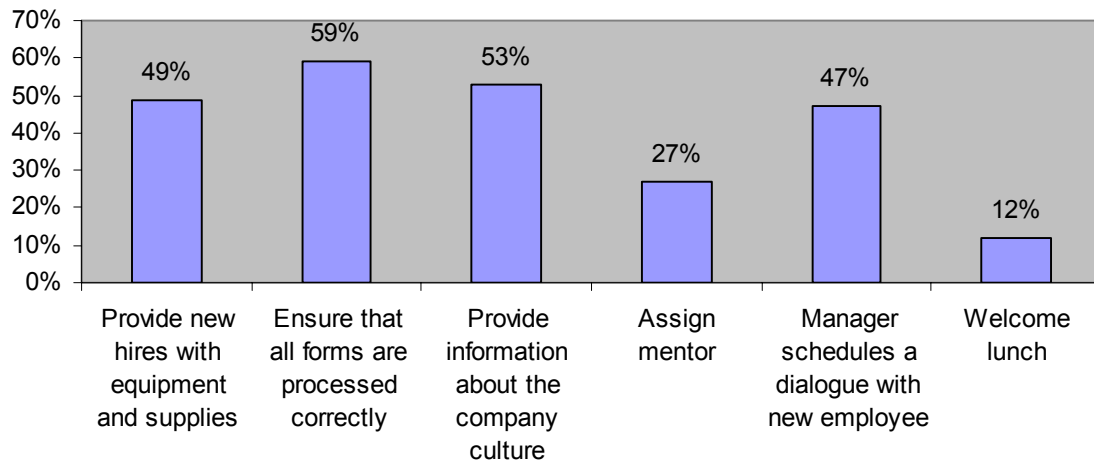


Source: [AberdeenGroup](#), August 2006

Despite the hype around onboarding, few companies are acting strategically and planning ahead. Seventy-one percent of companies still have a reactive; emergency-driven process with no or little planning. Onboarding becomes effective when companies create an onboarding roadmap with several tasks, including providing a new hire with equipment to assigning a mentor. Companies have identified the following tasks as necessary for an effective onboarding process. (Figure 6)



Figure 6: Top Challenges for Onboarding



Components of Onboarding

These requirements for a new hire fall under three categories: forms management, tasks management and socialization in the company culture. While a large percentage of companies are using forms management, tasks management and socialization are still new and not every company has incorporated these components into their process. Eighty-four percent of companies use forms management, 66% use tasks management and 74% use socialization in the company culture.

Forms Management: Includes all of the new hire data and electronic completion and tracking of forms in order to eliminate the inefficiency, cost and lack of timeliness with paper-based form completion. Technology that enables forms management can include tools to automate the completion of candidate forms both before they start and on the first day.

Tasks Management: Involves the workflow tasks including the notification and tracking of activities required to prepare for a new hire. An example of technology that enables task management includes automated requests and reminders that notify the individual of the needs of the employee.

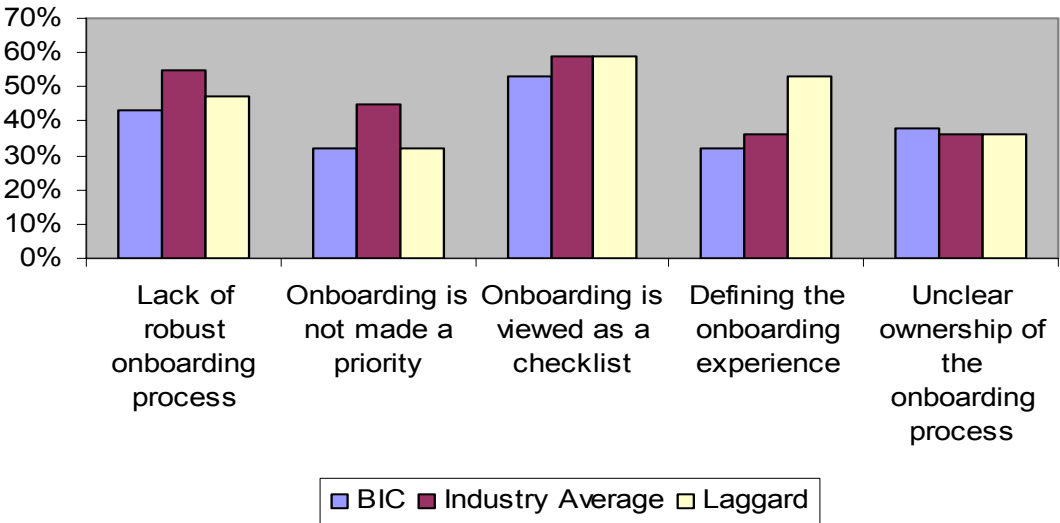
Socialization: Involves the delivery of information about the culture and history of the company. Although not every solution offers this component, it is critical to making employees feel more engaged and connected to the organization. An example of the technology that enables socialization includes new hire portals.

Challenges and Responses

The concept seems simple: develop a support system for your new employees that includes forms management, tasks management and socialization in the company culture. Onboarding affects every employee and is at the forefront of most human capital agendas. So, why are companies still struggling to implement a way to improve the new hire experience?

Companies face several challenges in onboarding including complete integration and rapid start-up to full-productivity of new hires, defining the onboarding process, and viewing onboarding as a checklist. Companies also face challenges in handing off the new employee from the recruiting manager to the hiring manager. One company stated that their challenge was finding a solution that would cater to both their exempt and non-exempt employees, since 70% of their employees are non-exempt employees. These challenges reveal that onboarding is in the early stages and requires companies to make onboarding a commitment.

Figure 7: Top Challenges for Onboarding



Source: AberdeenGroup, August 2006

Best-performing companies are responding to these challenges by creating an onboarding roadmap, emphasizing strategic long-term workforce planning and ensuring that their employees have a positive experience after joining the organization. Best in Class companies have been successful at defining the onboarding process but still need improvements for taking these basic steps to the next level by establishing clear ownership and integrating onboarding with the hiring management process.



Table 1: Onboarding Challenges and Responses

Challenges	% Selected	Responses to Challenges	% Selected
1. Onboarding is viewed as a check-list instead of an integrated experience	60%	1. Ensure and check to verify that employees have a positive experience after joining the organization	57%
2. Lack of robust onboarding process for complete integration and rapid start-up to full productivity of new hires	53%	2. Create an onboarding road map	52%
3. Onboarding is not made a priority	41%	3. Integrate onboarding with hiring management process	44%
4. Defining the onboarding process	37%	4. Emphasize strategic long-term workforce planning	28%
5. Unclear ownership of onboarding tasks between human resources staff and hiring managers	37%	5. Automate the tasks of the onboarding process	27%
6. Inadequate prediction or planning of future workforce	24%	6. Use tools and technology to help with building a network for the new hire	23%

Source: [AberdeenGroup](#), August 2006

Chapter Three: Implications & Analysis

Key Takeaways

- Nearly 30% of Best in Class companies extend onboarding to the first six months compared to less than 10% of Laggard companies
- Fifty-five percent of Best in Class companies have a manager responsible for the onboarding process compared to 39% of Laggard companies
- Ninety percent of Best in Class companies incorporate socialization compared to 75% of Laggard companies
- Fifty-six percent of Best in Class companies have a reactive, emergency-driven process compared to 91% of Laggard companies

Aberdeen's competitive framework, used in its corporate comparison benchmarking, distinguishes between Laggards, the Industry Average, and Best in Class on the basis of increased retention rates and improved time to productivity (*Table 2*). Best in Class companies were defined as those companies that experienced an increase in retention rates over 20% and increase in time to productivity over 20%. Best in Class companies are those companies that are looking to the future. They are responding to top challenges by defining the onboarding process and creating a roadmap for onboarding. These companies are taking action to automate their onboarding process to enable forms management, tasks management and socialization.

Retention rates and time to productivity for Industry Average companies remained the same or increased below 20%. Laggard companies are those companies that experienced a decrease in retention rates and time to productivity. These companies do not transform their perspective on onboarding or recognize the ROI of a formalized process.

One Best in Class company stated that when selecting their technology solution, they were looking for a rigorous process that included a personalized portal for socialization, forms management and tasks management. In the onboarding process, there are several distinguishing factors between Best in Class companies and Laggards that are enabled by technology:

- 49% of Best in Class companies feel pressure to improve the company brand compared to 21% of Laggards
- 60% of Best in Class companies had an increase in retention rates compared to 30% of Laggard companies
- 65% of Best in Class cited that time to productivity has the biggest impact on onboarding compared to 18% of Laggards
- 56% are interested in improving overall customer satisfaction compared to 32% of Laggards



Table 2: Onboarding Competitive Framework

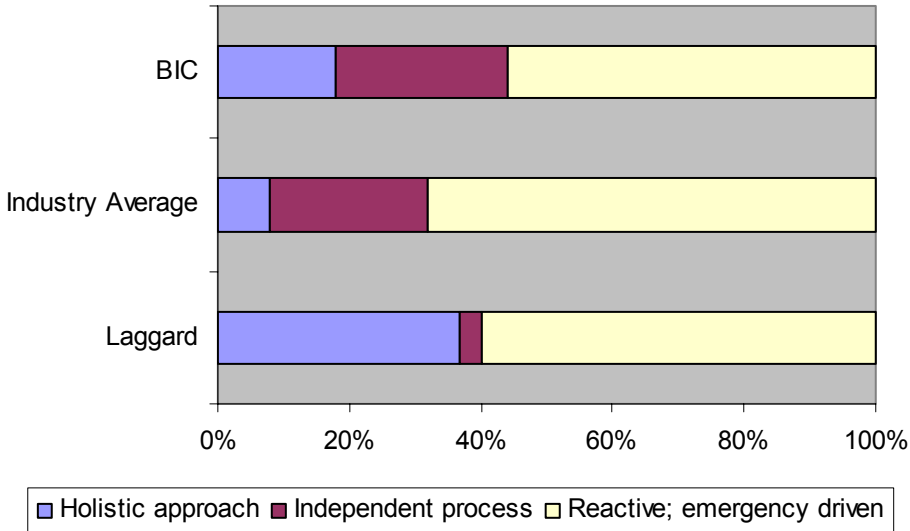
	Laggards	Industry Average	Best in Class
Process	<ul style="list-style-type: none"> Reactive; emergency driven; no or little planning 	<ul style="list-style-type: none"> An independent process, not aligned with the overall hiring management process 	<ul style="list-style-type: none"> A holistic approach to onboarding, a strategic plan that looks at onboarding as an experience for both the organization and the employee
Organization	<ul style="list-style-type: none"> Have not adopted a talent mindset and still do not view employees as assets 	<ul style="list-style-type: none"> Working on investing in strategies to view employees as assets 	<ul style="list-style-type: none"> View their employees as assets and adopted a talent mindset
Knowledge	<ul style="list-style-type: none"> Adopted only forms management 	<ul style="list-style-type: none"> Adopted a combination of forms management and tasks management 	<ul style="list-style-type: none"> Adopted a greater combination of forms management, tasks management and socialization
Technology	<ul style="list-style-type: none"> Paper-based process for forms management 	<ul style="list-style-type: none"> Paper-based process with some automation for forms management and tasks management 	<ul style="list-style-type: none"> Technology used for forms management, tasks management and socialization

Source: [AberdeenGroup](#), August 2006

Process and Organization

Onboarding is a relatively new phenomenon in the world of human capital management and as a result, companies are not up to speed in their onboarding process. Companies still need to transition their onboarding process from a checklist to an experience in order to acclimate and engage their employees. Seventy-one percent of companies still have a reactive; emergency-driven onboarding process with little or no planning. Eighteen percent of Best in Class companies are taking active steps to make onboarding more of a holistic experience compared to only 4% of Laggard companies.

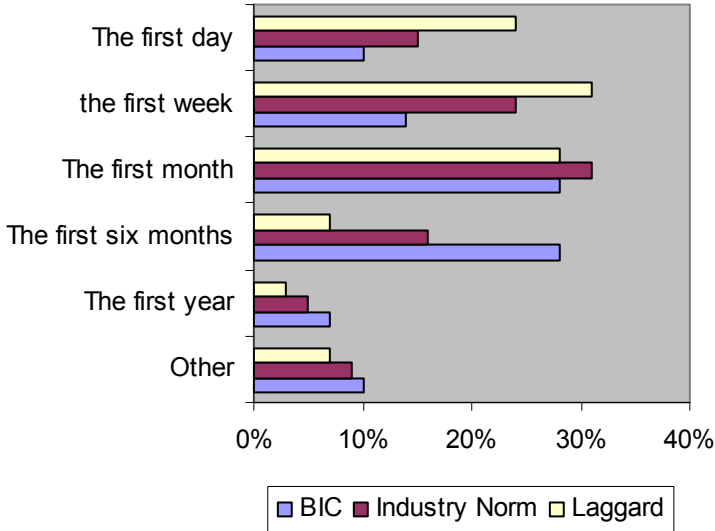
Figure 8: Process for Onboarding



Source: AberdeenGroup, August 2006

A positive step towards creating a holistic experience is by extending the onboarding process to the first six months, the time period that an employee makes the decision to stay at the company, as opposed to the first day, the first week or the first month. (Figure 9)

Figure 9: Timeframe that Best in Class companies extend Onboarding





Technology Usage

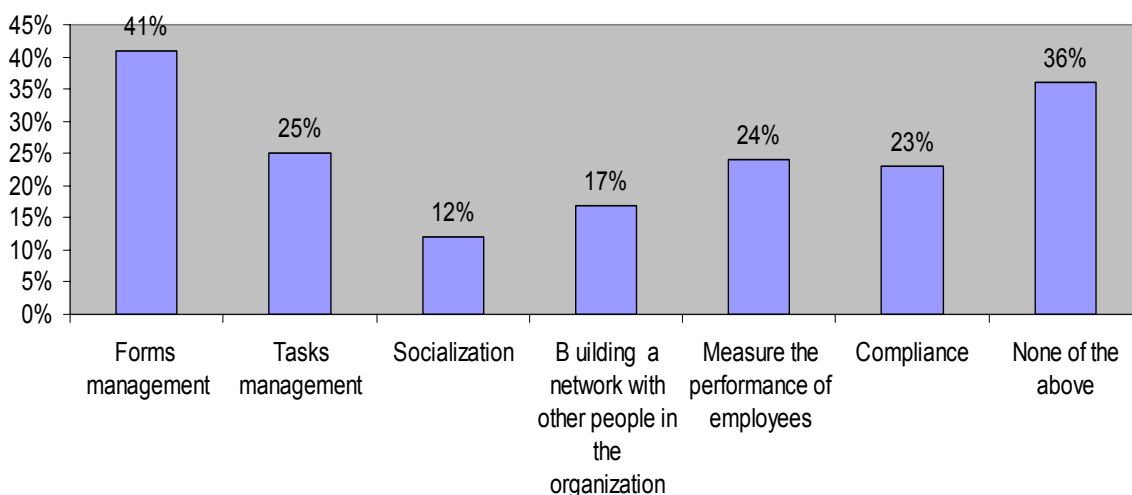
Although technology creates efficiency, cuts costs and reduces turnover, it is not the magic wand for onboarding. As one customer stated in their search for the right technology solution, they were looking for technology that would “help prompt managers to do things and also has some sort of checks and balances in place but overall the basics for onboarding and a commitment to the experience need to be in place first.” The technology will offer a variety of benefits but the software is so new that not every company is making this investment. Companies identified the top three pressures for using technology:

- Improving time to productivity
- Improving overall customer satisfaction
- Desire to improve retention rates

Despite these pressures, 36% of companies do not use any technology. They might use technology for certain aspects of the new hire experience but they do not establish a process or they often develop in-house tools that are impersonal.

When investing in technology, end-users can choose a solution that is integrated with an existing ATS vendor or a stand-alone solution. During interviews with end-users looking to invest in onboarding, the majority stated that they are not always looking at their current ATS vendor for onboarding but would like onboarding to “interface with their current ATS.” Both options have advantages, but finding the right solution depends on several factors based on the specific needs of the organization (Figure 10).

Figure 10: Technology Used for Onboarding



Source: AberdeenGroup, August 2006

The above tools fall under the three categories of onboarding: forms management, tasks management and socialization. While the majority of companies are investing in forms management, they have not yet recognized the importance of socialization in the company culture, found in such tools as new hire portals. Compliance tools are a necessity for many companies looking to invest in an automated onboarding process to ensure that government forms are filled out accurately and on-time.

Table 3: Onboarding Technology Investments in Next 12-24 Months

Technology Solution Area	% Selected
Tools to automate the candidate communication	29%
Technology that notifies the individual of the needs of new employees	22%
Tools that automate the forms process of onboarding	32%
Technology that relies on data used during the recruiting stages	27%
Reporting tools to track the progress in getting the new hire up to speed	25%
Personalized portal for employees	36%

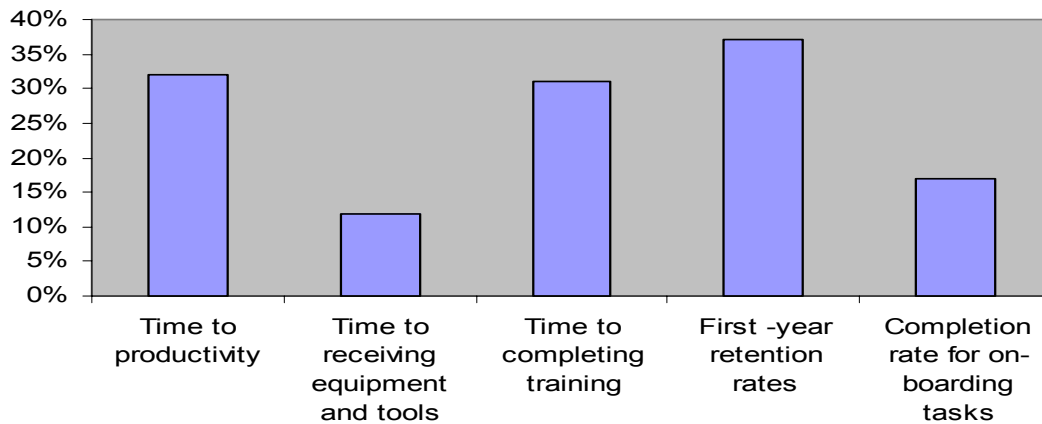
Source: AberdeenGroup, Month 2006

Metrics

Companies have not only identified time to productivity and retention rates as top pressures for an automated onboarding process but also as the key performance indicators that would have the greatest impact on their organization. Companies identified retention rates and time to productivity over completion rates for onboarding and time for receiving equipment and supplies. These metrics are critical to determining if a new hire is the right hire and whether the energy and cost spent in the pre-hire stages achieve positive results. Although companies understand the value of these KPIs, they do not always measure them (Figure 11).



Figure 11: Key Performance Indicators Measured



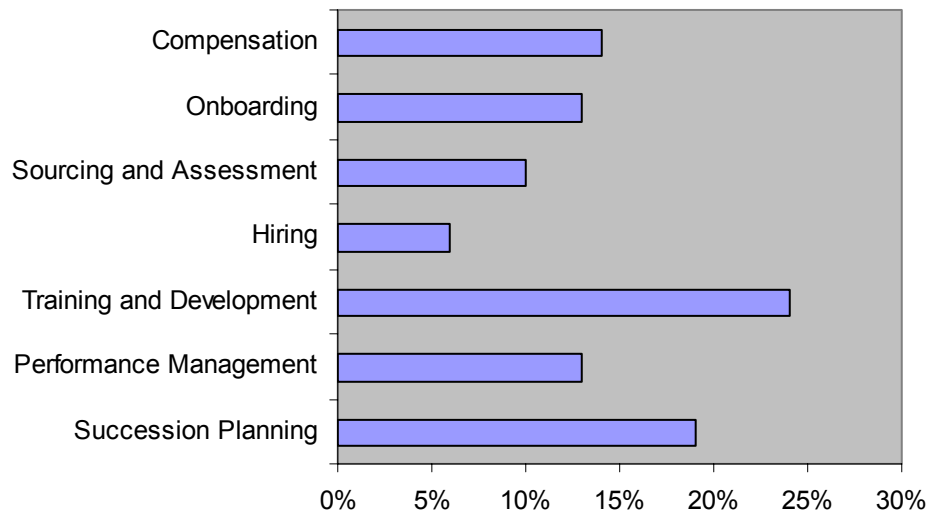
Source: [AberdeenGroup](#), August 2006

Without these metrics, companies will have no way to measure if their onboarding process positively affects their organization.

- Thirty-four percent of Best in Class companies measure retention rates compared to 22% of Laggard companies.
- At the same time, 65% recognize that time to productivity would have the greatest impact on implementing onboarding but only 34% track it.
- Fifty-five percent of Laggard companies recognize that retention rates would have the biggest impact on onboarding but only 40% measure it.

Companies are not always recognizing the correlation between the treatment of a new hire and improved ROI. Companies still cite succession planning and training as having a greater impact on retention rates than onboarding (Figure 12).

Figure 12: Strategies the Have the Greatest Impact on Retention Rates



Source: [AberdeenGroup](#), August 2006

Pressures, Actions, Capabilities, Enablers (PACE)

This report outlines the clear relationship between the pressures companies identify and the actions they take, and their subsequent competitive performance. All participants should examine their prioritized PACE selections and determine whether there are valuable perspectives to be gleaned by comparison with the PACE priorities of Best in Class companies.

Why is onboarding receiving so much attention today? As companies develop a talent perspective, they recognize onboarding as the link for companies looking to identify and retain top talent. In order to compete in the “war for talent”, companies can strengthen their company brand by making a good first impression to their talent. Efforts can no longer stop at the recruiting stages; it needs to extend to the first day of work and beyond.

In response to these external forces, future-looking companies are looking to improve time to productivity, retention rates and improving employee engagement. Once companies have defined onboarding and created a roadmap, automation allows them to offer a way to integrate their process with the hiring management process and incorporate forms management, tasks management and socialization.



Table 4: PACE (Pressures, Actions, Capabilities, Enablers)

Priorities	Prioritized Pressures	Prioritized Actions	Prioritized Capabilities	Prioritized Enablers
1	Improve retention rates	Invest in a robust, formalized onboarding process that is integrated with the hiring management process	Measure retention rates	Automated onboarding process that includes forms management, tasks management and socialization
2	View onboarding as an integrated experience and not a checklist	Drive an onboarding mindset starting at the top of the organization	Incorporate forms management, tasks management, and socialization	New hire portal that replaces impersonal inefficient paper system
3	Improving the company brand	Invest in engaging employees beyond the pre-hire stages	Robust onboarding process	Automated onboarding process that leaves employees with a positive first impression of the company
4	Improve time to productivity	Enable the new hires with the equipment and tools in the pre-hire stages	Focus on forms management completion before the employee starts	Technology to assist with completing forms to meet compliance and efficiency

Source: [AberdeenGroup](#), Month 2006

Chapter Four: Recommendations for Action.

Key Takeaways

- Companies should not look to technology to save their onboarding process, they need to first define the process and create an onboarding roadmap
- Companies looking to develop a formalized onboarding solution need to integrate this solution with the hiring management process
- To improve retention rates and time to productivity, companies will benefit from automating their onboarding process.
-

Companies that invest in a formalized onboarding process will have improved company brand, reduce the cost of turnover and increase time to productivity. In order to make a good first impression, companies need to invest in their employees beyond the pre-hire stages. They need to develop an onboarding process that will acclimate their employees and strengthen their company brand.

Whether a company is trying to gradually move its onboarding process from “Laggard” to “Industry Average” to “Best in Class,” the following actions will help spur the necessary performance improvements:

Laggard Steps to Success

1. *Integrate onboarding with the hiring management process*

Laggard companies fail to integrate onboarding with the hiring management process and as a result, these companies will have no way to hand off the onboarding process from the recruiting stages to the hiring stages.

2. *Adopt a long-term approach to onboarding*

Many companies fall short of Best in Class companies because they view onboarding as a checklist instead of an integrated experience. In addition, these companies do not recognize the connection with onboarding and improving the company brand.

3. *Define the onboarding process*

Companies need to establish the basics by defining what their onboarding process will include and also create a roadmap that will enable their process to have greater consistency and efficiency.

Industry Average Steps to Success

1. *Develop a formalized onboarding process*



In order to leave a positive first impression on their employees, companies need a well-defined, formalized onboarding process. These companies need to move away from a reactive, emergency-driven approach of the past

2. *Measure first year retention rates and time to performance*

Companies recognize that retention rates and time to productivity are their top pressures but few companies actually measure these key performance indicators. By measuring these KPIs, companies will recognize the ROI in their onboarding process.

3. *Eliminate paper- and spreadsheet-based processes, and consider Web-based technology solutions.*

An automated solution can help pull information from an existing ATS system, notify the necessary departments and provide the new hire with information about forms management, tasks management and socialization. One end-user stated that the solution made life easier and was very “responsive and reliable.”

Best in Class Next Steps

1. *Measure first-year retention rates and time to performance*

These are not only the key performance indicators measured but they are also the top pressures that companies feel for investing in an automated onboarding process.

2. *Automate every component of onboarding including forms management, tasks management and socialization in the company culture*

An automated process can help ensure that all three of these components are accounted for, in addition to building a network, compliance and measuring performance. Technology will also reduce costs, reduce turnover and create a faster start time.



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- ✓ Engage employees with a personalized onboarding experience.
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As a research analyst for the Human Capital Management division of Aberdeen, Madeline Tarquinio will focus her research on the employee life cycle, including candidate recruiting, performance management, assessment, career development and retention.

Prior to joining Aberdeen, Tarquinio worked as the head of research at Linkage, Inc. She created best practice publications around areas such as succession planning, global workforce management, and action learning. She helped create an on-line toolkit for developing leaders and is the co-editor of two books published by Jossey-Bass, Leading the Global Workforce and Secrets of Succession Planning (to be published in 2006). Her experience editing, writing and publishing work in this field has given her a wide range of knowledge on issues related to human resources and organizational development.

Tarquinio holds a bachelor's degree and a master's degree in international relations from Boston University.

Appendix A: Research Methodology

Between July and August 2006, *AberdeenGroup* and *Human Capital Institute* examined the onboarding procedures, experiences, and intentions of more than 600 enterprises in aerospace and defense (A&D), automotive, high-tech, industrial products, and other industries.

Responding senior executives, HR Generalists and VP's of staffing and recruiting completed an online survey that included questions designed to determine the following:

- The pressures, actions and capabilities companies face in improving their new hire experience
- The structure and effectiveness of existing onboarding procedures
- Current and planned use of automation to aid these activities
- The benefits, if any, that have been derived from aftermarket and onboarding initiatives

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on onboarding strategies, experiences, and results.

The study aimed to identify emerging best practices for onboarding and provide a framework by which readers could assess their own onboarding capabilities.

Responding enterprises included the following:

- **Job title/function:** The research sample included respondents with the following job titles: senior management (44%); Manager (13%); CIO/IT manager (10%); HR Director (3%), and Organizational Development Manager(2%).
- **Industry:** The research sample included respondents from a variety of industries. Automotive manufacturers represented 14% of the sample and aerospace, which accounted for 17% of respondents. Chemicals totaled 9 % of respondents. Construction and Consumer durable goods accounted for 6% of the sample. Other sectors responding included medical equipment, education, and retail and distribution.
- **Geography:** Nearly all study respondents (55%) were from North America. Remaining respondents were from the United Kingdom and the Asia-Pacific region.
- **Company size:** About 37% of respondents were from large enterprises (annual revenues above US\$1 billion); 29% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 34% of respondents were from small businesses (annual revenues of \$50 million or less).

Solution providers recognized as sponsors of this report were solicited after the fact and had no substantive influence on the direction of the *Onboarding Benchmark Report*.



Their sponsorship has made it possible for **AberdeenGroup** and *Human Capital Institute* to make these findings available to readers at no charge.

Table 5: PACE Framework

PACE Key
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p><i>Pressures</i> — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>→ <i>Actions</i> — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product/service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>→ <i>Capabilities</i> — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products/services, ecosystem partners, financing)</p> <p>→ <i>Enablers</i> — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: **AberdeenGroup**, Month 2006

Table 6: Relationship between PACE and Competitive Framework

PACE and Competitive Framework How They Interact
<p>Aberdeen research indicates that companies that identify the most impactful pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute.</p>

Source: [AberdeenGroup](#), Month 2006

Table 6: Competitive Framework

Competitive Framework Key
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the three following levels of Onboarding practices and performance:</p>
<p><i>Laggards (30%)</i> — Onboarding practices that are significantly behind the average of the industry, and result in below average performance</p>
<p><i>Industry norm (50%)</i> — Onboarding practices that represent the average or norm, and result in average industry performance.</p>
<p><i>Best in class (20%)</i> — Onboarding practices that are the best currently being employed and significantly superior to the industry norm, and result in the top industry performance.</p>

Source: [AberdeenGroup](#), Month 2006



Appendix B: **Related Aberdeen Research & Tools**

Related Aberdeen research that forms a companion or reference to this report includes:

- Enterprise Talent Management (March 2005)
- Talent Acquisition Strategies: Sourcing and Assessing the Best of the Best (June 2006)

Information on these and any other Aberdeen publications can be found at www.Aberdeen.com.

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To be the trusted advisor and business value research destination of choice for the Global Business Executive.

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Month 2006

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