

Total Economic Impact

The Total Economic Impact™ Of Workday For Manufacturing

Cost Savings And Business Benefits For Manufacturing Organizations Enabled By Workday HCM And Workday Financial Management

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY WORKDAY, SEPTEMBER 2025

The Forrester logo is displayed in white, serif, all-caps font within a black rectangular box. The box is positioned on the left side of the page, overlapping a large, abstract graphic. This graphic consists of flowing, organic shapes in various shades of green and teal, set against a solid black background that occupies the right half of the page.

FORRESTER®

Executive Summary

For manufacturing organizations, Workday offers human capital management (HCM) and financial management solutions to unify fragmented systems, streamline operations, and support diverse, distributed workforces. By enabling automation, real-time insights, and scalable processes, they help manufacturers reduce costs, improve compliance, and enhance both employee and managerial experiences — ultimately driving productivity and resilience in a competitive industry. As an AI-powered solution built on a single data platform, Workday enables manufacturing organizations to stay ahead of the technological curve.

Using Workday HCM and Workday Financial Management provides manufacturing organizations with a unified, cloud-based platform to streamline HR and finance operations. Workday HCM centralizes employee data; automates talent and performance management; and enhances workforce scheduling and compliance. Financial Management supports real-time consolidation, expense tracking, and audit readiness.

Workday commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential benefits and financial impacts enterprises may realize by deploying Workday HCM and Workday Financial Management.¹

To better understand the benefits and risks associated with this investment, Forrester interviewed four decision-makers from manufacturing organizations with experience using Workday HCM and Workday Financial Management. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single composite organization, which is a global manufacturing organization with revenue of \$5 billion per year and 17,500 employees.

Before deploying Workday, interviewees' organizations typically operated with fragmented legacy systems and spreadsheets. These systems were often siloed; lacked integration; and required manual, paper-based processes for HR, payroll, and financial operations. Managers had limited access to real-time employee data, which made it difficult to make informed decisions, while HR teams were overwhelmed with routine inquiries due to the absence of self-service tools. Reporting was inconsistent and time-consuming, compliance was difficult to manage, and audit readiness was poor. Additionally, some of the organizations faced challenges with scaling operations. These inefficiencies led to increased administrative burden, reduced productivity, and limited visibility across their workforces and financial data, which prompted the need for a unified, cloud-based solution to streamline operations, improve transparency, and support growth.

After deploying Workday HCM and Workday Financial Management, interviewees' organizations streamlined HR and finance operations with a unified, cloud-based system. They gained real-time visibility into workforce data; automated key processes like payroll, performance reviews, and financial consolidation; and significantly reduced manual work and administrative overhead. Managers have direct access to compensation, scheduling, and performance data, which enables faster, more informed decision-making. And the organizations' financial teams benefit from automated reporting, audit readiness, and expense management. Overall, the Workday solutions improved efficiency, transparency, compliance, and scalability across global operations.

Key Findings

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Time savings of 15 hours per month for each manager in Year 1 and 30 hours per month in Years 2 and 3.**

Workday HCM automates the shift scheduling for the composite organization's frontline managers, provides detailed employee information for job transfer, and saves time during performance reviews, which allows managers to instead focus on strategic tasks. Over three years, the productivity improvement for managers equates to more than \$13 million for the organization.

- **A 75% reduction of work for payroll administrators.** Workday's global payroll system software eliminates the composite's manual processes, and it easily integrates with other systems, reducing administrative payroll work. Over three years, this reduction saves the organization \$4.5 million.
- **Time savings of between 20% and 40% for finance department team members working on financial planning.** Workday Adaptive Planning streamlines periodic planning, centralizes financial data, and automates processes. With this platform, the composite organization saves \$1.8 million over three years.
- **A 20% to 50% reduction in effort for finance department team members working on financial reporting and auditing.** Using Workday Financial Management, the composite organization eliminates manual and repetitive tasks, has access to real-time analytics reporting, and centralizes its financial data. Over three years, this saves the organization \$341,000.
- **Time savings of 60% for recruiters working on documentation preparation with Workday Recruiting.** Using Workday Recruiting, recruiters spend less time on paperwork due to a reduction of administrative tasks. Hiring managers also benefit from the automated process. Over three years, the composite organization saves \$1.1 million on recruitment process costs.
- **Saved effort for IT team members working on system integration and processing help desk tickets.** The composite's IT team spends much less time maintaining Workday HCM and Financial Management than the organization's legacy solutions. The IT team receives fewer helpdesk tickets and spends less time resolving them. Over three years, this increased IT efficiency amounts to \$4 million for the organization.
- **Annual savings related to payroll, HR, and finance costs by retiring legacy systems.** By replacing legacy systems, the composite organization saves not only license costs, but it also reduces IT overhead, integration, complexity, and administrative burden. Over three years, the composite organization saves \$4.1 million on legacy system retirement.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Employee access to information on their mobile devices and decreased costs of information access.** The composite organization's frontline manufacturing workers have the ability to access important information on their own mobile devices without asking HR or managers, which saves the cost of information access. This helps the organization create a more transparent company culture.
- **Easy project management and cost savings due to automation.** The composite organization builds automated workflows around its Workday solutions, which translates to cost savings.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of \$29 million over three years.

"With Workday [HCM and Financial Management], we have more efficient processes to reduce indirect labor costs. I think this is a really critical concept, especially for a premium solution like Workday."

Chief growth officer, manufacturing

Key Statistics

\$29M

Benefits PV

40%

Financial team member reallocation with Workday Adaptive Planning

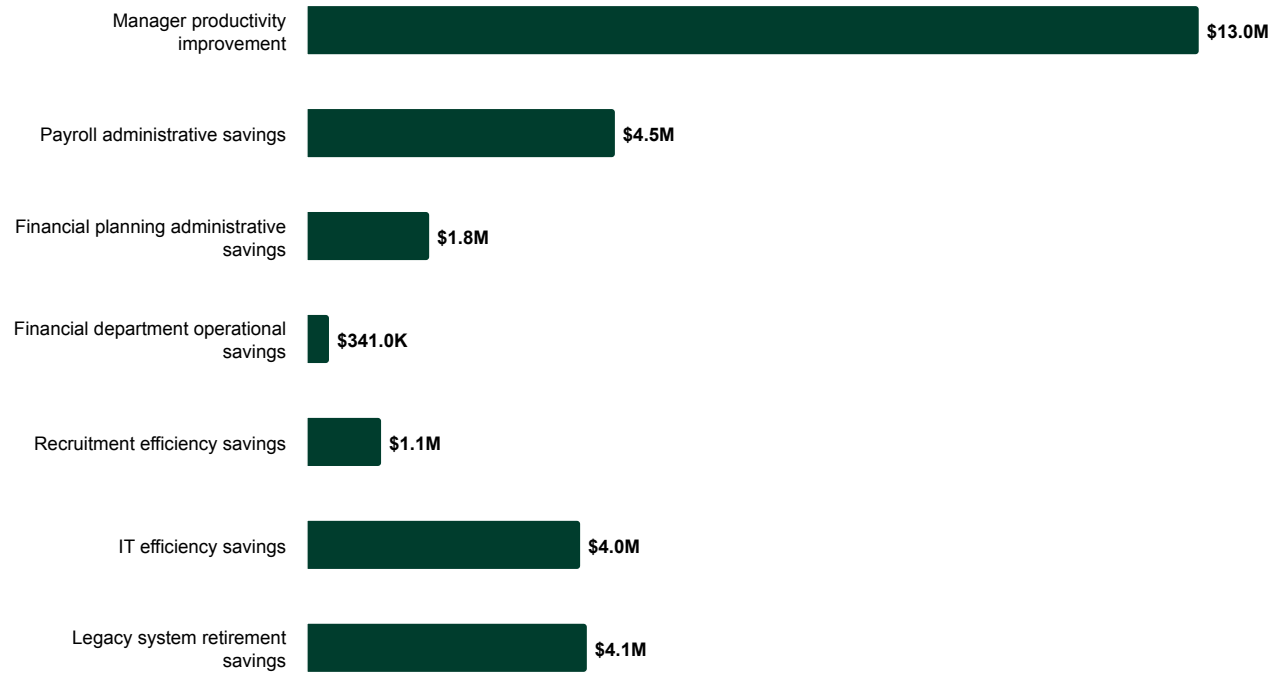
75%

Payroll administrator reallocation

40%

Saved effort for recruiters with Workday Recruitment in Workday HCM

Benefits (Three-Year)



The Workday For Manufacturing Customer Journey

Drivers leading to the investments in Workday HCM and Workday Financial Management

Interviews				
Role	Industry	Region	Annual revenue	Number of employees
Global head of HR transformation and people experience	Manufacturing	HQ: Europe Operations: Global	\$8B	34,000
Director	Manufacturing	HQ: US Operations: Global	\$400M	1,700
Chief growth officer	Manufacturing	HQ: US Operations: Global	\$6.5B	38,000
Director and operating unit general manager	Manufacturing	HQ: US Operations: US	\$41B	97,000
Director of corporate IT operation	Manufacturing	HQ: US Operations: Global	\$16B	40,000
CIO	Manufacturing	HQ: US Operations: US	\$1B	1,200

Key Challenges

Every manufacturer uses a wide range of applications to support its processes.² Savvy tech leaders need to work hard to leverage those applications and related systems to serve manufacturing business goals. Interviewees said human capital management and financial management were key systems their manufacturing organizations wanted to address to minimize costs and achieve economy of scale. Interviewees noted that before deploying Workday HCM and Financial Management, their organizations struggled with common challenges, including:

- **Fragmented and outdated systems.** The lack of integration across systems hindered global visibility and operational efficiency, making it difficult to standardize processes and support mobile workforces. And the use of multiple disconnected systems created administrative overhead and increased the risk of errors, limiting the organizations’ ability to respond quickly to employee needs. The global head of HR transformation and people experience shared: “[Before using Workday, my company’s] core HCM was on-premises and very localized. Our talent performance management [platform] was a very old version that nobody really kept evergreen. [There were] a lot of spreadsheets and local solutions for anything around compensation and payroll: [such as a] standalone recruiting solution and a standalone learning solution. [There was] no transparency, no access, no self-service, and no access for employees or managers or via HR. [It was a] very dispersed system landscape.”
- **Lack of data transparency and accessibility.** Interviewees said managers didn’t have access to critical employee data, which slowed decision-making and increased dependency on HR for routine information. The director shared that managers always went to HR to ask questions about their employees. There was no transparency on data internally. In the meantime, poor usability of the legacy tools reduced productivity and increased frustration among users, leading to inefficiencies. The director and operating unit general manager at a manufacturing organization said: “We were complaining about the tools. ... You can’t just edit a form. ... [There were] a lot of annoyances with its usability.”
- **Manual and inefficient processes.** Because processes were manual, they were time-consuming and error-prone, and reliance on spreadsheets for financial planning and HR processes introduced inconsistencies and delayed reporting. The director and operating unit general manager shared: “Before [using Workday], it was [all done with spreadsheets.] You’d send it out to the whole enterprise and then people would be looking at the thing and always

[make] discoveries in [spreadsheets] like, ‘Okay, this doesn’t calculate this kind of business correctly’ or ‘The taxes are all different because this business is international.’ There was no consistency at all.”

- **Limited self-service and mobile capabilities.** A lack of mobile and self-service capabilities reduced employee engagement and increased administrative workload. The global head of HR transformation and people experience shared, “We wanted mobile enablement because we have a lot of workforce not in the office.”
- **Scalability and flexibility constraints.** The organizations’ previous systems didn’t have the flexibility to adapt to organizational growth and evolving business needs, and the inability to standardize processes globally limited operational efficiency and increased complexity in managing manufacturing facilities across regions. The global head of HR transformation and people experience commented: “We have not taken full advantage of globalization and standardization. We still have a lot of localization.”

Investment Objectives

The interviewees’ organizations searched for a solution that could:

- Replace outdated, siloed systems with a single, integrated platform that could streamline operations and enhance visibility across the enterprise.
- Provide modern, unified HCM and financial systems to support scalability, improve user experience, and enable data-driven decision-making.
- Enable future growth, compliance readiness, and workforce planning.

“Workday helps us maintain consistency of process and employee experience across the business, and as we get bigger and bigger, there’s more value in simplicity and consistency.”

Chief growth officer, manufacturing

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a benefits analysis that illustrates the areas financially affected. The composite organization is representative of the interviewees’ organizations, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

- **Description of composite.** The US-based global manufacturing organization has 12 manufacturing facilities across different markets and annual revenue of \$5 billion. It has a large employee base of about 17,500 including 10,500 who are factory workers and 1,050 who are managers with direct reports. The composite organization decides to replace its siloed HR, payroll, and financial system with Workday HCM and Financial Management.
- **Deployment characteristics.** In Year 1, the composite organization starts to change management and roll out organizationwide training program to familiarize the use of the Workday solutions. The organization fully realizes the benefits of the solutions in Year 2.

KEY ASSUMPTIONS

- \$5 billion revenue
- 17,500 employees
- 10,500 factory workers
- 1,050 managers
- 12 manufacturing facilities across different markets

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Manager productivity improvement	\$3,293,325	\$6,367,095	\$6,367,095	\$16,027,515	\$13,039,687
Btr	Payroll administrative savings	\$1,160,064	\$2,175,120	\$2,175,120	\$5,510,304	\$4,486,423
Ctr	Financial planning administrative savings	\$436,599	\$873,198	\$873,198	\$2,182,995	\$1,774,606
Dtr	Financial department operational savings	\$137,052	\$137,052	\$137,052	\$411,156	\$340,828
Etr	Recruitment efficiency savings	\$281,860	\$555,647	\$555,647	\$1,393,153	\$1,132,914
Ftr	IT efficiency savings	\$1,624,782	\$1,624,782	\$1,624,782	\$4,874,345	\$4,040,592
Gtr	Legacy system retirement savings	\$1,664,000	\$1,664,000	\$1,664,000	\$4,992,000	\$4,138,122
	Total benefits (risk-adjusted)	\$8,597,682	\$13,396,893	\$13,396,893	\$35,391,468	\$28,953,172

Manager Productivity Improvement

Evidence and data. Interviewees said that before deploying Workday, managers faced significant productivity challenges due to fragmented systems, manual processes, and limited access to real-time data. Core HR functions such as compensation management, performance reviews, and workforce planning were often handled through spreadsheets, outdated on-premise systems, and disconnected tools for time tracking, recruiting, and learning. This lack of integration created inefficiencies, which required managers to rely heavily on HR teams for basic employee information, approvals, and reporting. The absence of self-service capabilities meant that even routine tasks like viewing compensation data or approving leave were time-consuming and error-prone. Additionally, performance management cycles were infrequent and administratively burdensome, often leading to delayed feedback and disengaged employees. These limitations not only slowed down operations but also increased the administrative burden on HR and IT teams, reducing the organizations' overall agility.

The interviewees explained that after deploying the Workday solutions, their organizations saw significant improvements in manager productivity, primarily through streamlined workflows, centralized data access, and automation of routine tasks. Managers gained real-time visibility into compensation, performance history, and organizational structures, which enabled faster, more informed decision-making. The time required for tasks that previously took days (e.g., job changes, merit approvals) reduced to less than an hour, and performance management cycles became more frequent without increasing administrative burden.

- Interviewees said frontline managers spent lots of time on shift management, but Workday Scheduling provided visibility and flexibility to managers scheduling shifts. The director shared: "I think that's boosted the ability for managers to be more creative with their scheduling and their schedules. It's helped the employee be more transparent about what their work schedule looks like. When you're a manufacturer and you have employees who work overnight or weekend shifts, you can then figure out the sentiment or maybe their well-being to see how it's going. Maybe those shifts aren't that great for them, and without us really knowing and being more transparent in these transactions, you wouldn't know that."
- Frontline managers also previously dealt with workers transfers, but interviewees said Workday provided transparency into employee information, which saved time for managers compiling required information of workers, especially with information related to job certifications or safety requirements. The director commented: "The transparency in Workday is tremendous because if I execute a business process for a job change, it goes through a

person who reviews it, and they approve it. It tells you who's up next, and it keeps showing that transparency. You can go in and say where it's stuck at and who has it right now. And then Workday alerts that person saying they've got a task in their inbox to review. They're able to communicate back and forth, send it back to the person, and update information. It really takes a form. It [previously] took three or four days or longer for that whole transaction to go through. And [with Workday,] we can get through those transactions within 30 minutes to an hour."

- The interviewed CIO commented that managers at their organization benefited significantly from Workday providing the ability to track and automate training and certification requirements for frontline workers. They said that when employees move between roles or areas, the system automatically triggers necessary retraining based on safety and compliance needs (e.g., forklift, crane, or personal protective equipment [PPE] certifications): "This centralized visibility ensures workers are qualified for their roles and reduces manual oversight, saving managers an estimated 8 hours per month."
- Interviewees described Workday becoming a hub for employees with information ranging from compensation to organizational charts. Managers no longer needed to shop around to gather information about certain reports, which was especially valuable for frontline managers. The director shared: "When we implemented this, [managers] didn't have too much insight into compensation [for their direct reports]. They either had a spreadsheet or a document that said the employee makes this. And today, they can go in and say, 'My employee's base compensation is this. They get these allowances, and they are eligible for these bonuses.'"
- Another area where managers improved productivity is performance reviews. The director and operating unit general manager said: "We went from annual reviews to quarterly reviews. We want more in-person meetings [and] also shorter write-ups for each touchpoint. So, having Workday is a tool to do more frequently — just check the box. Workday is managing those workflows, which is easy. If the manager has 20 employees and there's quarterly connections, that's 80 meeting conversations that need to be documented in a tool easily without creating more workload."

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Each manager saves an average of 8 hours per month on shift scheduling in Year 1 and 16 hours in Years 2 and 3 due to the learning curve.
- Each manager saves 4 hours per month on worker transfer in Year 1 and 8 hours in Years 2 and 3.
- Each manager saves another 1.5 hours per month due to better information transparency in Year 1 and 2.5 hours per month in Years 2 and 3.
- Each manager saves 1.5 hours per month on performance reviews in Year 1 and 2.5 hours per month in Years 2 and 3.
- The fully loaded hourly salary for a manager is \$41.
- The productivity recapture rate for a manager is 50%.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The number of direct reports managed by each manager.
- The daily responsibilities and tasks of managers.
- The compensation for managers.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$13 million.

29 hours

Monthly time reduction for managers performing administrative work

Manager Productivity Improvement					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Frontline managers	Composite	1,050	1,050	1,050
A2	Monthly time saved on shift scheduling (hours)	Interviews	8	16	16
A3	Monthly time saved on worker transfer (hours)	Interviews	4	8	8
A4	Monthly time saved due to improved information transparency (hours)	Interviews	1.5	2.5	2.5
A5	Monthly time saved on performance reviews (hours)	Interviews	1.5	2.5	2.5
A6	Subtotal: Time saved on shift scheduling (hours)	A1*(A2+A3+A4+A5)*12	189,000	365,400	365,400
A7	Fully loaded hourly salary for a manager	Composite	\$41	\$41	\$41
A8	Productivity recapture rate	TEI methodology	50%	50%	50%
At	Manager productivity improvement	A6*A7*A8	\$3,874,500	\$7,490,700	\$7,490,700
	Risk adjustment	↓15%			
Atr	Manager productivity improvement (risk-adjusted)		\$3,293,325	\$6,367,095	\$6,367,095
Three-year total: \$16,027,515			Three-year present value: \$13,039,687		

Payroll Administrative Savings

Evidence and data. Before implementing the Workday solutions, interviewees’ manufacturing organizations relied heavily on manual, decentralized payroll processes, which often required multiple administrators per site and extensive time for each payroll cycle. But interviewees said after deploying Workday, their companies experienced significant administrative savings driven by automation, centralized data, and streamlined workflows that enabled leaner operations and faster, more accurate payroll execution.

- The CIO reported their organization reduced its payroll staff from multiple site-based roles to just two centralized administrators for all of North America, which cut processing time per cycle from days to hours. They shared: “We basically used to have two people doing payroll administration at every one of our factories. And now we have two people for all of North America doing payroll. So, there were six people removed from the organization because we didn’t need them to do what they were doing anymore. The time for processing of payroll was significantly less as well. It used to take a couple of days to do that, and now they can do that in about 4 hours.”
- Interviewees said the Workday solutions helped their organizations navigate complex payroll situations (e.g., when facing union workforces) and decreased the cost of payroll administration. The director of corporate IT operations shared: “Most of the variability with respect to union workforce is with respect to pay. So, a lot of that complexity is built into the payroll system. But there are certain aspects of it that are embodied within Workday. For the most part, the individuals within the business units can manage that uniqueness themselves — which, of course, is a benefit for our corporate HR folks because they don’t have to do it.”
- The chief growth officer spoke highly about the configuration of Workday, which they said enabled the customization of their organization’s incentive compensation. By switching to Workday, the payroll administration improved efficiency without investing effort to change their work processes: “We had a manual process around incentive compensation where you would set goals. Then those would roll up into this giant spreadsheet, and then you had to assess the goals and fill out the spreadsheet. We were able to basically take the same process for the steps, the approvals, the approvers, and the basic process, and implement it in Workday very easily. It was configuration, not software development. It was able to mirror an existing corporate process very easily.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization previously had two payroll administrators in each factory and 16 payroll administrators at the headquarters.
- Using Workday Payroll, the composite reallocates 40% of its payroll administrators in Year 1, then 75% in Years 2 and 3.
- The fully loaded annual salary for a payroll administrator is \$80,560.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The original number of members on the payroll team.
- The complexity of the payroll tasks in the organization.
- The compensation of payroll administrators.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.5 million.

75%

Portion of payroll administrators reallocated

Payroll Administrative Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Payroll administrator before Workday	Composite	40	40	40
B2	Percentage of payroll administrators reallocated with Workday	Interviews	40%	75%	75%
B3	Payroll administrators reallocated with Workday	B1*B2	16	30	30
B4	Fully loaded salary for a payroll administrator	Composite	\$80,560	\$80,560	\$80,560
Bt	Payroll administrative savings	B3*B4	\$1,288,960	\$2,416,800	\$2,416,800
	Risk adjustment	↓10%			
Btr	Payroll administrative savings (risk-adjusted)		\$1,160,064	\$2,175,120	\$2,175,120
Three-year total: \$5,510,304			Three-year present value: \$4,486,423		

Financial Planning Administrative Savings

Evidence and data. Before deploying the Workday solutions, interviewees said financial planning across their manufacturing organizations was largely manual, fragmented, and reliant on spreadsheets. This led to inefficiencies, inconsistent assumptions, and high administrative overhead. But they said Workday enabled significant administrative savings through automation, centralized data, and streamlined workflows.

- The director and operating unit general manager reported their organization improved its planning efficiency by 17%. They said Workday was not only more efficient than legacy solutions, but that it also ensured more consistent experiences than working with spreadsheets. They shared: “What [Workday] offers is a more unified and consistent planning experience across the enterprise. As different programs and divisions contribute to the overall financial picture, everyone is working within the same system and using the same assumptions to ensure alignment and coherence throughout the organization.”
- The CIO reported that by deploying Workday Financial Management, their organization eliminated the need for a full-time resource previously dedicated to monthly consolidation, and expense management costs dropped by over 90% in some cases: “We’re actually going to be moving our planning process from a quarterly basis to a monthly forecast and a rolling 18-month forecast ... without adding more effort.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Before deploying the Workday solutions, the composite organization had two dedicated financial planning team members in each factory. With the deployment of Workday, 20% of these employees are reallocated in Year 1, and 40% are reallocated in Years 2 and 3.
- The fully annual loaded salary for a financial planning team member is \$97,022.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The previous financial planning processes.
- The workforce at each factory site.
- The deployment of Workday.
- Compensation of financial planning staff members.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.8 million.

40%

Portion of financial team members reallocated due to Workday Adaptive Planning

Financial Planning Administrative Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Financial planning staff members before Workday	Composite	24	24	24
C2	Percentage of financial planning staff members reallocated with Workday	Interviews	20%	40%	40%
C3	Financial planning staff members saved with Workday	C1*C2	5	10	10
C4	Fully loaded salary for a financial planning staff member	Composite	\$97,022	\$97,022	\$97,022
Ct	Financial planning administrative savings	C3*C4	\$485,110	\$970,220	\$970,220
	Risk adjustment	↓10%			
Ctr	Financial planning administrative savings (risk-adjusted)		\$436,599	\$873,198	\$873,198
Three-year total: \$2,182,995			Three-year present value: \$1,774,606		

Financial Department Operational Savings

Evidence and data. Interviewees said Workday enhanced financial department operations across their manufacturing organizations by streamlining reporting, auditing, and administrative processes. They explained that due to centralized workflows and real-time data access, audit support became more efficient, which reduced manual effort by an estimated 20%, and document and contract management features further simplified compliance, enabling faster access to signed NDAs and vendor agreements—critical during financial restructuring. Being able to automate document workflows; integrate with other tools; and provide secure, role-based access to financial data helped reduce administrative overhead and improved transparency. Overall, they said the Workday enabled finance teams to operate leaner, respond to audits more quickly, and maintain higher data integrity, which delivered measurable operational savings and strategic value.

- Interviewees from manufacturing organizations that operate in different countries described using a mix of legacy systems for financial reporting, leading to inconsistent data formats, duplicated effort, and manual consolidation

work. This delayed month-end and quarter-end closes while real-time visibility into global financial performance was limited, making it harder to respond to business changes. One interviewee shared: “There was one person for, like, a week to do that consolidation every month. Workday is fully integrated, so it just goes automatically. We only have one person for financial reporting, and they’re able to get everything now.”

- Interviewees explained that auditing across multiple jurisdictions is more difficult when data is scattered and workflows are undocumented while ensuring traceability and access control becomes a major concern. The CIO commented: “Before Workday, auditing was done in [spreadsheets]. ... Someone had to take the results, put them into the spreadsheet, and make sure the links worked. ... Moving it to Workday was really about making it more auditable and secure.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Before using Workday, the composite had one financial staff member per factory, and 50% of their effort was dedicated to financial reporting.
- With Workday Financial Management, the composite saves 50% of this effort.
- Each factory’s financial staff member previously spent 100 hours per year on auditing.
- Using the the Workday solutions, the composite saves 20% of this effort.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The solutions previously used for financial reporting.
- The internal guidelines on financial reporting and audit.
- The deployment of Workday.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$341,000.

50%

Time reduction for financial reporting with Workday Financial Management

“On the finance side, Workday has integrations that output our general ledger into third-party vendor solutions so we can see that breakout. And [the financial department really likes] the way we are able to build out the general ledger so they could see the line items and the details. They love the transparency.”

Director, manufacturing

Financial Department Operational Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Time spent on financial reporting before Workday	Composite	12,480	12,480	12,480
D2	Percentage of time saved for financial reporting with Workday	Interviews	50%	50%	50%
D3	Time spent on auditing before Workday (hours)	Composite	1,200	1,200	1,200
D4	Percentage of time saved for auditing with Workday	Interviews	20%	20%	20%
D5	Time reduced for financial operation with Workday	$D1 \cdot D2 + D3 \cdot D4$	6,480	6,480	6,480
D6	Fully loaded hourly rate for a financial department staff member	Composite	\$47	\$47	\$47
D7	Productivity recapture rate	TEI methodology	50%	50%	50%
Dt	Financial department operational savings	$D5 \cdot D6 \cdot D7$	\$152,280	\$152,280	\$152,280
	Risk adjustment	↓10%			
Dtr	Financial department operational savings (risk-adjusted)		\$137,052	\$137,052	\$137,052
Three-year total: \$411,156			Three-year present value: \$340,828		

Recruitment Efficiency Savings

Evidence and data. Interviewees reported that before deploying the Workday solutions, recruitment processes at their organizations were fragmented, manual, and time-intensive, and often involved spreadsheets, disconnected systems, and email-based approvals. Recruiters faced high administrative burdens, and hiring managers lacked visibility into candidate pipelines and compensation benchmarks. After implementing Workday, the organizations reported significant efficiency gains. Interviewees explained that the time needed to approve offers reduced from days to hours, streamlined workflows allowed recruiters to manage high volumes, and hiring managers saved time on administrative tasks. Centralized data and automation enabled faster decision-making, improved candidate experiences, and reduced the need for manual coordination, which ultimately transformed recruitment into a more agile and data-driven function.

- Recruiters benefited from the automated workflow enabled by the Workday Recruiting add-on, which replaced administrative work. The chief growth officer shared: “Workday can have a big impact on the efficiency of the recruiting talent acquisition team. As you get to bigger and bigger organizations, they probably have a higher percentage efficiency. If you try to run a 100,000-person company with spreadsheets, Workday can help you lift the efficiency by 30 or 40%. It’s very significant.”
- The director and operating unit general manager commented that the post-offer process became easier with Workday: “Workday is flexible enough for resumes, interviews, and scheduling — that sort of thing. It’s the post-offer to fulfillment of all the checklists before the employee’s first day on the job. The process like that is fine. As long as once we hit the button, the workflow triggers within a minute.”
- Interviewees also reported efficiency savings for onboarding processes. They said hiring managers and HR teams gained real-time visibility into onboarding status, while new hires experienced smoother, more professional introductions to their new companies. These enhancements not only reduced administrative overhead, but they also improved compliance, engagement, and retention from Day 1. The chief growth officer emphasized: “The onboarding experience has a real impact on how new employees perceive the company, which can influence retention. [Workday] provided a much better starting point than feeling like things are disorganized or confusing.”
- Interviewees also explained that Workday decreased the administrative burden on hiring managers — especially for frontline managers — since they actively recruit. The chief growth officer shared, “I think there’s a smaller percent of the impact on the hiring managers themselves who are not the HR or talent acquisition professionals, but it’s still probably 10% or 15%.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 60 recruiters.
- Prior to using Workday, these recruiters spent 60% of their effort on the administrative process of recruiting.
- With the deployment of the Workday Recruiting add-on, these recruiters save 20% of their administrative effort in Year 1, and 40% in Years 2 and 3.
- The annual fully loaded compensation for a recruiter is \$82,011.
- The composite organization has an average of 1,750 openings per year.
- Prior to using Workday, each hiring manager spent 5 hours on hiring administrative tasks per opening.
- With the deployment of Workday, these hiring managers save 10% of this effort in Year 1 and 20% Years 2 and 3.
- The fully loaded hourly rate for a manager is \$41.
- The composite organization's productivity recapture rate is 50%.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The organization's hiring process.
- The number of recruiters and annual openings.
- The deployment of Workday.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.1 million.

40%

Recruiter time savings on administrative process

Recruitment Efficiency Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Recruiters	Composite	60	60	60
E2	Percentage of effort spent on the recruitment administrative process	Interviews	60%	60%	60%
E3	Percentage of effort saved with Workday	Interviews	20%	40%	40%
E4	Compensation for a recruiter	Composite	\$82,011	\$82,011	\$82,011
E5	Productivity recapture rate	TEI methodology	50%	50%	50%
E6	Subtotal: Recruiter efficiency savings	E1*E2*E3*E4*E5	\$295,240	\$590,479	\$590,479
E7	New hires	Composite	1,750	1,750	1,750
E8	Time managers spent hiring administration before Workday (hours)	Composite	5	5	5
E9	Percentage of effort saved with Workday	Interviews	10%	15%	15%
E10	Fully loaded hourly rate for a manager	Composite	\$41	\$41	\$41
E11	Subtotal: Hiring manager efficiency savings	E7*E8*E9*E10*E5	\$17,938	\$26,906	\$26,906
Et	Recruitment efficiency savings	E6+E11	\$313,178	\$617,385	\$617,385
	Risk adjustment	↓10%			
Etr	Recruitment efficiency savings (risk-adjusted)		\$281,860	\$555,647	\$555,647
Three-year total: \$1,393,153			Three-year present value: \$1,132,914		

IT Efficiency Savings

Evidence and data. Before implementing Workday, IT teams at the interviewees' organizations were burdened with maintaining multiple disconnected systems, managing manual integrations, and supporting high volumes of help desk tickets. The organizations often relied on external consultants for implementation and ongoing support. But interviewees said after deploying Workday, their companies saw significant IT efficiency gains. Help desk ticket volumes dropped due to Workday's interface and stability. System integrations became automated, saving hours of manual effort weekly, and legacy systems were consolidated, reducing maintenance overhead. In some cases, IT headcount reduced by more than 60%, which interviewees said reflects the long-term operational efficiencies that Workday's cloud-native architecture and unified platform enable.

- The CIO at the manufacturing organization spoke highly about the way Workday's system is integrated, which they said reduced IT team workload. They commented: "We don't have a dedicated resource in the IT team for Workday. ... Most of the stuff just works pretty well. ... It's really only access requests ... not a lot of tickets."
They also said the automation of data flows between systems is much smoother compared to the prior environment: "We were manually taking a flat file and loading it into HR system before. ... Now it's fully integrated with Workday. We're probably saving a couple of hours per week."
- The director said Workday's systems are easier to maintain than their company's legacy solutions, which saved an average of \$100,000 per year on third-party professional services.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- With the deployment of Workday, the composite organization doesn't need an IT team member dedicated at each factory for HR, payroll, and financial management system maintenance.
- The fully loaded compensation for an IT team member is \$135,000.

- In the prior environment, the composite received 3,500 help desk tickets related to its HCM and financial management systems each year.
- With Workday, the number of help desk tickets is reduced by 50%, and the time needed to resolve one ticket is reduced from 1 hour to 30 minutes.
- The composite organization's productivity recapture rate is 50%.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The organization's previous IT stack.
- The expertise of the IT team members.
- The general IT system knowledge of employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4 million.

50%

Decrease in help desk tickets related to Workday HCM and Workday Financial Management

IT Efficiency Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Factories	Composite	12	12	12
F2	IT systems integrators saved per factory with Workday	Interviews	1	1	1
F3	Fully loaded compensation for an IT team member	Composite	\$135,000	\$135,000	\$135,000
F4	Subtotal: IT team members savings due to system integration	F1*F2*F3	\$1,620,000	\$1,620,000	\$1,620,000
F5	Help desk tickets related to HCM and financial management system before Workday	Composite	3,500	3,500	3,500
F6	Decrease in help desk tickets with Workday	Interviews	50%	50%	50%
F7	Time needed to work on one ticket before Workday (hours)	Interviews	1	1	1
F8	Time needed to work on one ticket with Workday (hours)	Interviews	0.5	0.5	0.5
F9	Fully loaded hourly salary for an IT team member	Composite	\$65	\$65	\$65
F10	Production recapture rate	TEI methodology	50%	50%	50%
F11	Subtotal: IT help desk efficiency savings	(F5*F7-F5*F6*F8)*F9*F10	\$85,313	\$85,313	\$85,313
F12	Savings on professional services fees for ongoing system integration	Interviews	\$100,000	\$100,000	\$100,000
Ft	IT efficiency savings	F4+F11+F12	\$1,805,313	\$1,805,313	\$1,805,313
	Risk adjustment	↓10%			
Ftr	IT efficiency savings (risk-adjusted)		\$1,624,782	\$1,624,782	\$1,624,782
Three-year total: \$4,874,345			Three-year present value: \$4,040,592		

Legacy System Retirement Savings

Evidence and data. Interviewees said that before adopting the Workday solutions, their organizations relied on a patchwork of legacy systems for HR, payroll, recruiting, expense management, and employee engagement. These systems were costly to maintain, difficult to integrate, and often lacked transparency. But some explained that after deploying Workday, their organization retired between six and seven legacy platforms, translating into substantial cost savings beyond licensing costs. The organizations also reduced IT overhead, integration complexity, and administrative burden, which led to leaner, more efficient digital HR ecosystems.

- The director shared: “We shut down six to seven systems. ... Some of those cost less [than Workday solutions], but Workday gave us more value and transparency.”
- The CIO said: “We were using another system for expense management ... [that cost] about \$120,000 per year. Now we pay about \$10,000 per year for Workday. The functionality was better.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization saves \$1,580,000 per year on the cost of retired core HR and payroll systems.
- It saves \$500,00 per year on the cost of retired financial management systems.

Risks. The expected financial impact is subject to risks and variation based on several factors that may reduce or slow recognition of this benefit, including:

- The tools the organization used before Workday.
- The Workday deployment.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.1 million.

Legacy System Retirement Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
G1	Cost of retired core HR and payroll systems	Composite	\$1,580,000	\$1,580,000	\$1,580,000
G2	Cost of retired financial system	Composite	\$500,000	\$500,000	\$500,000
Gt	Legacy system retirement savings	G1+G2	\$2,080,000	\$2,080,000	\$2,080,000
	Risk adjustment	↓20%			
Gtr	Legacy system retirement savings (risk-adjusted)		\$1,664,000	\$1,664,000	\$1,664,000
Three-year total: \$4,992,000			Three-year present value: \$4,138,122		

Unquantified Benefits

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Employee access to information on their mobile devices and decreased costs of information access.** Interviewees said Workday’s mobile application enhances the employee experience, especially for frontline and manufacturing workers who often lack access to traditional desktop systems. They explained that intuitive mobile access allows employees to use their smartphones to easily view payslips, submit time-off requests, update personal information, and complete onboarding tasks. They described this as a convenience that empowers workers with greater control over their employment data and reduces reliance on HR for routine inquiries. Another benefit, they said, is that the app’s accessibility fosters a sense of inclusion and modernity, helping employees feel more connected to the organization. Overall, they credited Workday’s mobile capabilities for driving efficiency, transparency, and more empowered workforces across all levels.

- **Easy project management and cost savings due to automation.** Interviewees said Workday's automation streamlines workflows, improves visibility, and reduces manual effort across and even beyond financial operations, which enhances project management. They also explained that their organizations benefit from centralized data and standardized processes, which enable faster decision-making and more accurate forecasting. Managers also gain real-time access to project-related workforce data (e.g., skills, availability, cost profiles), which supports better resource allocation and succession planning.

Interviewees from organizations that use Workday Adaptive Planning said that solution allows for dynamic modeling and scenario analysis, which helps leaders more accurately assess labor costs, project margins, and staffing needs. Ultimately, interviewees said Workday automation empowers cross-functional teams to collaborate more effectively, adapt quickly to changing business needs, and drive productivity through a unified, data-driven platform, which leads to a more agile, efficient, and strategically aligned approach to managing projects and people.

"[Workday] is more organized and there's an official workflow, and the governance process on it is much, much better [than other solutions]."

CIO, manufacturing

Flexibility

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Workday HCM and Workday Financial Management and later realize additional uses and business opportunities, including:

- **Further productivity savings with AI integration.** Interviewees said they believe future integration of AI into Workday holds promise for enhancing productivity, decision-making, and user experience across their manufacturing organizations. Several expressed optimism about AI's potential to streamline complex processes and reduce manual effort. The CIO noted: "We're interested in [Workday's] AI, especially if the AI for financial planning can be improved." Similarly, the director highlighted the value of AI in requisition writing "The genAI (generative AI) for requisition writing somehow needs to refer to training on old job descriptions. ... You actually get a better result that looks more natural."

Interviewees also said AI can play a role in improving talent acquisition through smarter, context-aware automation while enhancing user support and training. The director of corporate IT operations suggested: "Find a way to make the user interface more intuitive or provide some AI that would let a user ask a question and have a guided response." Overall, interviewees said they expect AI integration to reduce administrative burden, improve data-driven decision-making, and personalize user interactions.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Total Economic Impact Approach](#)).

TEI Framework And Methodology

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for manufacturing organizations considering an investment in Workday HCM and Workday Financial Management.

The objective of the framework is to identify the benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Workday HCM and Workday Financial Management can have on an organization.

Due Diligence

Interviewed Workday stakeholders and Forrester analysts to gather data relative to Workday HCM and Workday Financial Management.

Interviews

Interviewed four decision-makers at organizations using Workday HCM and Workday Financial Management to obtain data about benefits and risks.

Composite Organization

Designed a composite organization based on characteristics of the interviewees' organizations.

Financial Model Framework

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.

Case Study

Employed fundamental elements of TEI in modeling the investment impact: benefits, flexibility, and risks. Given the increasing sophistication of financial analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see [Appendix A](#) for additional information on the TEI methodology.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business.

Flexibility

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. The ability to capture that benefit has a PV that can be estimated.

Risks

Risks measure the uncertainty of benefit estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on “triangular distribution.”

Financial Terminology

Benefits present value (PV)

The present or current value of (discounted) benefit estimates given at an interest rate (the discount rate).

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Appendixes

APPENDIX A

Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

APPENDIX B

Endnotes

¹ Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

² Source: [Key Steps To Develop Your Manufacturing Operations Management Vision](#), Forrester Research, Inc., July 12, 2024.

Disclosures

Readers should be aware of the following:

This study is commissioned by Workday and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential benefits that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Workday HCM and Workday Financial Management. For any interactive functionality, the intent is for the questions to solicit inputs specific to a prospect's business. Forrester believes that this analysis is representative of what companies may achieve with Workday HCM and Workday Financial Management based on the inputs provided and any assumptions made. Forrester does not endorse Workday or its offerings. Although great care has been taken to ensure the accuracy and completeness of this model, Workday and Forrester Research are unable to accept any legal responsibility for any actions taken on the basis of the information contained herein.

Workday reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Workday provided the customer names for the interviews but did not participate in the interviews.

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