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Industry Bulletin From The Starr Conspiracy Intelligence Unit

Eleven Acquisitions of HR Tech Firms Reveal What's on the Horizon for Enterprise HR Technology Users

An Early Flurry of HR Tech Deals Points to Big Data, Analytics, the Growing Contingent Workforce, and Recruiting Trends

By George LaRocque, Director of Go-to-market Services, TSCIU

NEW PROVIDENCE, N.J. (April 10, 2014) — 2014 got off to a fast start when it comes to mergers and acquisitions of HR technology firms. Most of the companies involved in the transactions aren't disclosing financials; however, from a sheer number-of-deals perspective, this puts the HR technology market well ahead of its pace in 2013, which saw about 12 visible acquisitions in total. This year's current pace is on par with what was experienced in 2012, which saw more than 25 acquisitions in total and a similar number in 2012 calendar Q1.

Since Jan. 1, and at the time of this writing, the 11 visible acquisitions to date are:

- Infor acquiring PeopleAnswers (January)
- HireVue acquiring Reschede (January)
- Monster acquiring TalentBin (February)
- Monster acquiring Gozaik (February)
- LinkedIn acquiring Bright (February)
- Workday acquiring Identified (March)
- CEB acquiring KnowledgeAdvisors (March)
- Charterhouse Capital Partners acquiring Skillsoft (March)
- CareerBuilder acquiring Broadbean (March)
- SAP acquiring Fieldglass (March)
- Gild acquiring Distill (March)

The acquisitions mirror a few of the industry's more vibrant trends of late. While definitely telling of the acquiring vendors' strategies, they are even more of a sign of things to come for the enterprise HR tech user.

Most of the deals fall into one or both of the big data/analytics or recruiting trends segments.

Acquisitions driven by the big data trend

2014 is a year where vendors are working feverishly to introduce big data and analytics capabilities that will make sense to HR tech users. The incredible amount of buzz in the market about big data and

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analytics is only matched by the questions surrounding how it will be leveraged in a way that is useful to HR and its mission.

Workday acquiring Identified is one of the most notable of such acquisitions. Identified before the Workday acquisition was a tool harnessing big data found on social networks, most notably Facebook, and making sense of it for recruitment. The acquisition of Identified by Workday is as much about the possibility of what their data scientists can do for Workday's core HCM and talent management offerings as it is about Workday possibly moving more squarely into recruitment. [Read more on the Workday acquisition from TSCIU editor and analyst Lance Haun.](#)

[CEB acquiring KnowledgeAdvisors](#), [LinkedIn acquiring Bright](#), Monster acquiring Gozaik and TalentBin, and Infor acquiring PeopleAnswers all have implications throughout the employee life cycle for big data. Whether HR sees the value, and whether they see enough value to pay increased subscription fees, will be told in the field over time.

Acquisitions driven by recruiting trends

In recruiting, CareerBuilder's acquisition of Broadbean, known for its job board posting capabilities, is an interesting move by a big-brand job board to maintain its relevance and get closer to media/job distribution by acquiring Broadbean's social, job posting, and referral capabilities.

CareerBuilder wasn't the only big-brand job board making moves to increase its relevance. [Monster added big data sourcing capabilities to its mix by acquiring TalentBin and Gozaik](#). Video interviewing remains a recruiting trend with force as Gild, an existing big data recruiting player, acquired Distill. While perhaps the biggest brand in digital/video interviewing, [HireVue, adds scheduling to its platform via the acquisition of Reschedge](#).

Big data and recruiting weren't the only trends driving acquisitions. Another trend is starting to make HR tech vendors take notice: the growing contingent workforce. Current estimates put the Fortune 100 workforce at 50 percent contingent by 2020. It's currently at about 20 percent. I believe this has [future implications beyond temporary staffing or per diem employees](#). We're already seeing contingent staff present in professional and even executive ranks. This poses challenges for HR processes and existing HR and HCM solutions that have been built with a more traditional workforce model in mind.

SAP responded to this challenge with the recent acquisition of Fieldglass, a cloud-based contingent workforce management system. By folding Fieldglass capabilities into the SAP core HCM and talent offerings, they are the first to begin to adapt to what the new workforce may look like in the not-too-distant future. SAP now looks like the largest vendor in contingent workforce management, ahead of the [December 2013 merger of Elance and oDesk](#).



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Last but certainly not least, was Skillsoft's acquisition by Charterhouse Capital Partners, a London-based private equity firm. Skillsoft is one of the larger vendors of learning management systems. They have experience with private equity, having been a Berkshire Partners, Advent International, and Bain Capital portfolio firm for the four years prior to this move.

The early merger and acquisition activity this year seems to reveal that the HR technology buyer will continue to see the large "platform solutions" invest in innovation via acquisition of emerging firms, while new startups and emerging vendors continue to take advantage of lower-than-ever barriers of entry and offer alternatives at a fast pace. Absent from this crop of transactions were any with a primary focus on employee engagement, but I suspect that will change as the year goes on.

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