

Needham & Company, LLC

HCM Market Update

January 25th, 2019

FUELWORK

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Recent HCM Marketplace Activity

December: Nexthink raises \$85mm

- Employee experience management software
- Big XM theme
 - Qualtrics, Medallia
 - Several HCM vendors

nextthink

Recent HCM Marketplace Activity

January: Talentsoft raises \$50mm

- **France Based**
- **Talent Mgmt and LMS**

TALENTSOFT

Recent HCM Marketplace Activity

January: CareerArc raises \$30mm

- **Platform combines social recruiting and outplacement services**



....let's make this HCM 2024

Why 2024?

- Every good corporate plan is either 1, 3, or 5 years in duration!
- 2020 looks like today



**Talent Relationship
Marketing Platform**

- CRM
- Candidate Marketing
- Recruiting Analytics



Is the average HCM buyer/user happy with their existing platform(s)?

Quick Poll



My guess..... < 50%

Why are customers not completely happy with HCM systems today?

	Vendor 1	Vendor 2	Vendor 3	Vendor 4	Vendor 5	Vendor 6
Talent Acq						
Perf Mgmt						
Comp Mgmt						
Succession mgmt						
Learning Mgmt						
Payroll						
Core HRMS						
OnBoarding						
Ben. Admin.						

The HCM space is on the Product Pendulum



What does HCM 2024 look like?

- **More BoB/Vertical Applications**
 - Integrations have simplified
 - Mini-Suites
 - Major HCM platforms encompass mainly “table-stakes” functionality
 - Innovation continues to come from the edge
- Predictive Analytics that drive real employee engagement
- Better learning platforms
 - Content curation platforms will be everywhere
 - Deeper content for career development

Disclosures

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