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Industry Bulletin From The Starr Conspiracy Intelligence Unit

## **CEB Acquires KnowledgeAdvisors, Beefs Up Analytics Offering**

Is CEB's Data-Driven Acquisition Push a Sign of Things To Come in HCM?

By Lance Haun, Editor, TSCIU

*Note: This bulletin is part of The Starr Conspiracy Intelligence Unit's industry coverage. The views expressed here are based on publicly available information, as well as our own industry background.*

**FORT WORTH, Texas (March 13, 2014)** — Don't tell anyone else, but CEB — the member advisory firm formerly known as the Corporate Executive Board — has become an HCM data and analytics powerhouse. It announced last week that it had [acquired KnowledgeAdvisors](#), a company well-known in the industry for its learning analytics offerings, for a reported \$52 million. This follows a string of other acquisitions that increase CEB's data and analytics capabilities. We'll get to the big picture in a second, but let's talk about this deal first.

The press release announcing the acquisition made it clear that this one was all about learning. It cited a report from the American Society for Training & Development stating that while organizations spend an estimated \$145 billion annually on training initiatives, more than half of those dollars fail to result in tangible gains — with actualized performance gains from learning estimated in single percentage points.

We don't know whether this was a great deal for KnowledgeAdvisors, given the limited amount of public data on financing, but its capabilities in measuring learning outcomes certainly hit on a concern of CEB's members. And it falls in line with CEB's other acquisitions in talent management.

### **Rolling Big on HR Data and Analytics**

This is just the latest in a string of CEB acquisitions of talent management data- and analytics-focused providers. Two years ago, [CEB acquired Valtera](#), a firm that specialized in workforce surveys and analytics. Earlier this year, it acquired Indian talent planning and analytics firm [Talent Neuron](#). Of course, those both pale in comparison with CEB's [purchase of talent measurement firm SHL](#) in 2012 for \$660 million.

With the addition of KnowledgeAdvisors, CEB is positioning itself as the leader in understanding all of an organization's talent management practices through deep analytics, from talent acquisition through learning and development to workforce planning and analytics. Pairing that with CEB's leading best practices and executive guidance across a variety of practice areas (from finance to IT and sales) inches it ever so closely toward those large, traditional consulting firms.

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### **A View Into the Future**

CEB's membership includes over 80 percent of the Fortune 500. While it isn't necessarily an exact proxy for the whims and desires of the world's largest companies, we should at least take notice when four major acquisitions over two years focus on a specific business-level functionality. Clearly, CEB's members are taking notice of the lack of information they have about their workforces.

For the big HCM companies, that should be concerning because CEB's members are overwhelming users of big HCM software. Why can't they get this from their human capital systems? Why do they have to rely on a member organization to make an acquisition that any of the big HCM software vendors could have made? Given CEB's reach into the C-suite, they'll have the ears of those who write checks and sign contracts, as well. Workday may have [taken a big step this month](#) with the purchase of Identified, and other players will have to make their move at some point as well.

That should give companies such as Vestrics, OrcaEyes, and Visier room to choose the right path for their organizations. Whether the end goal is a healthy exit via acquisition or a chance to secure increased financing, it will be an exciting couple of years for HR analytics providers that have chosen a niche in the market the way KnowledgeAdvisors did.

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The Starr Conspiracy Intelligence Unit (TSCIU) delivers growth-oriented strategy, research, and advisory services, providing the guidance and key insights you need to grow market share and increase profitability. Let's face it: The protectors of the status quo in marketing fall back on outdated formulas that won't deliver growth and aren't sustainable. We've seen it before, and that approach to marketing is dead.

TSCIU takes your business as personally as you do, and we will challenge you to shift your perspective. Most important, though, we deliver marketing clarity so you can make decisions with confidence.