



Feltl and Company
SECURITIES BROKERAGE AND INVESTMENT BANKING

**HCM Market Update
June 2011**

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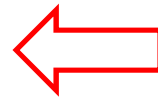


Recent HCM Financial Activity

Infor nets Lawson

- \$2B all cash, close in 3Q11

INFOR™



Future of TM Applications?

- Product hole at Infor, should allow the product to grow



Recent HCM Financial Activity

SuccessFactors ropes Plateau

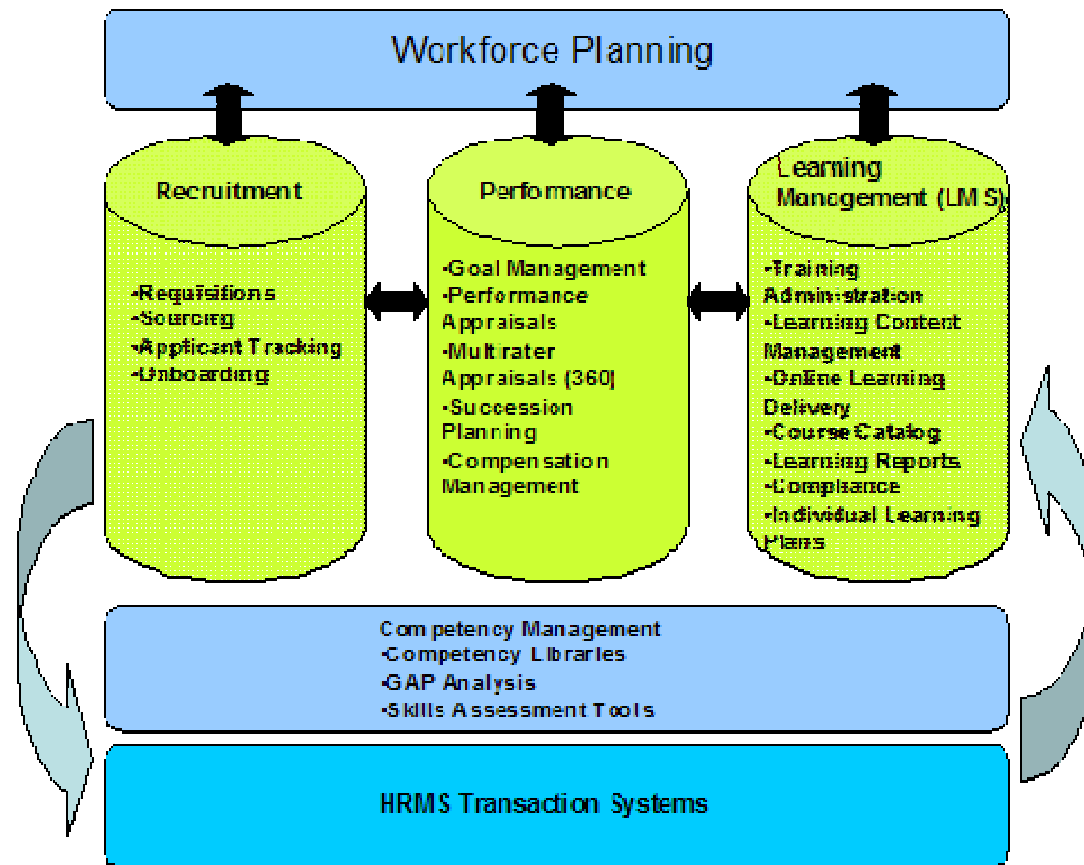
- \$290M; half cash, half stock
- Future of Plateau applications unclear
 - Integration of SaaS platform
 - Commitment to existing perpetual license customer base





Drive for the Suite

What does your current vendor(s) not have?



Source: Forrester Research and Feltl & Company



2011 Feltl HCM Survey

Evolution of HCM Suites

- 85% of respondents said a single vendor platform will impact future purchasing decisions.

HCM spending will remain at elevated levels

- 85% of respondents indicated they would purchase or renew a HCM contract in 2011.

Performance Management gains value, required or important.

December 2008	January 2010	January 2011
Yes - 10%	Yes - 22%	Yes - 57%
No - 90%	No - 78%	No - 43%



2011 Feltl HCM Survey

LMS demand returns

2011 trends I am watching:

- Demand for analytics, the last frontier
- PM products start to blend with LMS systems
- Mobile apps seek mass adoption
- Expect further industry consolidation



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