

Taleo and Talent Management

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By David Sims

It was seven days ago today, Sgt. Pepper taught the band to play – no, that Taleo Corp. released their Taleo Business Edition 6 at the 2005 Society for Human Resource Management Conference and Expo. Designed for small and mid-sized organizations, TBE 6 is an on-demand “talent management” product.

This isn't an area First CoffeeSM normally covers, but it's interesting. The idea behind “talent management” is that it cuts costs and increases the quality of selection for the hiring process – in press release boilerplate, “Taleo Business Edition allows customers to manage requisitions, candidates, careers web site, and the full hiring process.” It basically seeks to be a single product for both contact management and sourcing and recruiting.

Along with dozens of other serious start-ups Taleo – formerly known as Recruitsoft – copies salesforce.com's by-subscription model, it's run by former PeopleSoft exec Michael Gregoire and it saw about \$60 million in revenue last year, one-third of salesforce.com's \$176 million and roughly equal to fellow on-demand vendor RightNow Technology's. Taleo's competitors include Webhire, Brass Ring, PeopleClick, Softscape and Hire.com.

According to a good intro to the topic on ZDNet India, talent management is “a small but growing niche of the \$14 billion human resources software market.” Programs such as Taleo's do things like store, rank and sort resumes for an instant searchable database of job candidates. Reports are that the software “has helped companies fill positions more quickly and reduced paperwork,” according to IT researcher AMR Research. The fledgling market generated about \$156 million in license revenue last year, by AMR's estimate.

Prices for Taleo Enterprise Edition are between \$75,000 and \$125,000 a year for a company of over 10,000 employees, the SMB version starts at \$99 a month per licensed user