

Funding & acquisitions in the HR Tech and work space: Apr-June 2019

People Matters Pte. Ltd.

#FundingAndInvestment

In this quarter, leading online learning platform Coursera raised a \$103 Mn investment, becoming the newest member of Silicon Valley's unicorn club. In India, Info Edge acquiring iimjobs for Rs 80.82 Cr was one of the major acquisitions for the quarter.



The year started with more investment and funding activity in the global space compared to the Indian HR Tech space. However, in the first quarter of 2019, investment activity picked up pace in the Indian HR tech space as well.

As per Deloitte Consulting LLP, the HR technology marketplace is a \$400 Bn market globally. Investor interest in this sector is steadily growing globally and in India as well. It is estimated that Indian firms can save at least \$600 Mn annually with HR tech. As organizations turn more towards digitization, investments in the sector are expected to grow.

Here's a quick look at the significant fundraisings and acquisitions in the HR tech space and workspace in the first quarter of this year.

Fundraisings/ Investments from Apr-June 2019

Innovapptive: Innovapptive, a connected workforce platform for asset-intensive industries, raised a Series A investment of \$16.3 Mn led by New York investment firm Tiger Global Management, LLC in April.

AccioJob: In May, AccioJob, a startup that acts as a platform for campus hiring, raised Rs.

1.25 Cr, led by Mehta Ventures.

Pesto: Pesto, a career accelerator startup raised seed funding of about \$ 2 Mn led by Matrix Partners India in May. Swiggy Founders Sriharsha Majety, Rahul Jaimani and Nandan Reddy; Innov8 Founder Ritesh Malik; Posist Founder Ashish Tulsian and Jack Yeung of OIC Capital were among others who participated in this investment round.

Skillenza: Bengaluru based HR tech startup, Skillenza raised \$1 Mn pre-Series-A funding in May. This round of funding was led by CBA Capital's Education Catalyst Fund (ECF), along with Blume Ventures and Tracxn Labs, Let'sVenture, CIO Angel Network, Keiretsu Forum, and Hyderabad Angels.

Hyperhire: B2B HR solutions platform, Hyperhire raised \$200,000 (about Rs 1.39 Cr) investment from Seoul based early-stage venture capital firm Springcamp in May. The seed funding will be utilized by the HR tech platform to launch 'JOBKET' - a platform for referrals in the HR process - in India.

Dockabl: Employee experience platform Dockabl raised \$1.26 Mn in its Pre-Series A funding round led by a pool of marquee investors including Aditya Berlia (Apeejay Group of Companies), Ritesh Malik (Guerrilla Ventures), Sanjay Kapoor, Angad Singh Malhotra, and Arun Kapur in June.

Kredily: Founded in 2017, Kredily offers workflow automation for critical Payroll and HR processes soaring on its freemium model drawing considerable attention from small and medium enterprises. The two-year-old HR tech startup raised \$750,000 in a seed funding round led by Fosun RZ Capital, an affiliate of Chinese conglomerate Fosun Group in June.

TapChief: TapChief, a platform for professionals to earn incomes without a full-time job, raised a funding round of \$650k from 50+ investors including SEA-based VC Firm 500 Startups, AngelList India, Stanford Angels, and SucSeed Venture Partners in June. Existing investors Paytm, NuVentures, Aprameya Radhakrishna (Founder, Vokal & TFS) also participated in the round alongside a number of marquee angel investors like Kunal Shah (Founder, Freecharge & CRED), Mekin Maheshwari (ex-CPO, Flipkart) and Amit Ranjan (Founder, Slideshare).

Globally, leading online learning platform **Coursera** made news by raising a \$103 Mn investment in a Series E equity round. SEEK Group, which invests in online employment and education businesses, led the round while existing investors Future Fund and NEA also participated in the funding. The funding round makes Coursera the newest member of Silicon Valley's unicorn club.

In April, California based **Eightfold.ai**, creator of a Talent Intelligence Platform, announced it has added IVP to its growing list of investors in raising \$28 Mn in a Series C financing. The round, joined by Foundation Capital and Lightspeed Ventures who led previous funding rounds, brings Eightfold.ai's total funding to \$55 Mn.

Another big investment globally was San Francisco based **SmartRecruiters** raising \$50 Mn in a Series D round of funding led by Insight Partners, with participation from Rembrandt Venture Partners and Mayfield Fund in May. The startup aims to help companies find, select, and hire new talent, with a software-as-a-service (SaaS) platform spanning the entire

recruitment process.

In the same month, contractor engagement platform **Sense** raised \$13.5 Mn in Series B funding led by GV with participation from Accel. The money raised from will be used to accelerate investment in R&D and sales, providing support for Sense's rapidly growing customer base.

In June, Singapore based skills verification startup, **Indorse** also raised \$6.5 Mn in the latest round of funding from Brand Capital, the ad-for-equity investment arm of The Times Group. The startup which uses blockchain-powered platform to assess and verify skills, expertise, and achievements of candidates searching for new job roles, will utilize the raised money to expand and build its business in India.

In the same month, Malaysia's HR tech startup **Jibble Group** raised another \$2.5 Mn in funding, from investors including a UK-based family office, David Goldstein (previously iFlix's Head of Asia) and Jibble Group CEO Asim Qureshi.

In the same month, HCM Deck, an employee development platform also raised a funding of \$3.2 Mn in a funding round led by mAccelerator, a VC fund of Poland's mBank.

Acquisitions from Apr-June 2019

In the Indian HR tech space, three acquisitions were completed in these three months.

Kwench: One major acquisition in April was global leader in employee recognition and workplace culture, O.C. Tanner, acquiring the recognition and rewards technology and business of Kwench, an India-based company that delivers cutting-edge, easy-to-use corporate recognition solutions.

iimjobs: The second major acquisition was Info Edge (India) Limited acquiring 100% ownership of Highorbit Careers Pvt. Ltd (herein after "iimjobs") for a cash consideration of Rs. 80.82 Cr. Highorbit Careers Pvt. Ltd. is the owner of online job portals iimjobs.com and hirist.com.

AirCTO: The third acquisition was on-demand service provider of transport and multiple services Go-Jek, acquiring AirCTO, a Bengaluru- based AI recruitment platform. The acquisition aligns with Go-Jek's focus on hiring premium talent to support the development of its Super App.

Globally, Germany based business-based networking platform, **Xing** acquired recruitment platform Honeypot for up to \$64 Mn in April. The acquisition will give Xing, which is LinkedIn's rival, more traction specifically in the tech vertical since Honeypot first started in 2015 targeting developers although it later expanded to other tech jobs.

In May, Netherlands based **Academy to Innovate HR (AIHR)**, which develops premium online training courses to help HR professionals expand their skill set, acquired Digital HR Tech, the leading blog on Digital Human Resources and HR Technology.

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