

## Lawson Expands Talent Management Capabilities in Healthcare

James Holincheck, Vi Shaffer

Lawson reinforces its commitment to the healthcare market by extending its human capital management offering with the acquisition of talent management functionality from CAS.

## NEWS ANALYSIS

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### Event

On 27 July 2006, Lawson announced it acquired privately held software firm Competency Assessment Solutions (CAS), a provider of employee performance management software for the healthcare provider industry. Terms of the all-cash deal were not disclosed.

### Analysis

For Lawson's healthcare customers, this acquisition positions Lawson to be a strong alternative for employee performance management solutions. In addition, for prospective healthcare human resource management system (HRMS) customers, the combination of product, content and services helps differentiate Lawson from traditional enterprise resource planning (ERP)/HRMS competitors. This is also a positive acquisition for CAS customers. Although CAS has strong domain expertise, it has struggled to gain significant traction, with only 15 customers. Both healthcare and human capital management are key investment areas for Lawson. CAS customers should benefit from increased investment and broader usage of the applications.

Lawson has been a leader in providing ERP applications to the U.S. healthcare provider market and is increasing its HRMS market penetration. The vendor has been looking for ways to grow revenue by leveraging its healthcare base through organic development or niche acquisitions.

In June 2006, Lawson introduced a performance management solution that includes goal management, plus a partnership with Personnel Decisions International (PDI), which provides the assessment technology (called TalentView), competency content and consulting services. The CAS acquisition gives Lawson healthcare-industry-specific content (including a healthcare-specific library of more than 5,000 competencies and 500 job descriptions) as well as domain expertise. In addition, CAS has solutions for performance management and learning management. The new solution, called Lawson Performance Management for Healthcare, will be important for automating performance management processes to comply with Joint Commission on Accreditation of Healthcare Organizations (JCAHO) requirements. This will be particularly appreciated as care delivery organizations anticipate unannounced JCAHO visits.

This acquisition is another example of consolidation in the talent management application software market. Larger established vendors are also differentiating offerings and leveraging their installed bases in key vertical markets through acquisitions (see "Kronos to Reach Beyond Workforce Management With Unicru Buy").

### Recommendations

- **Lawson customers:** Consider Lawson's new offering for performance management, as it provides a strong alternative to Halogen Software and SuccessFactors.
- **CAS customers:** No specific action is immediately required. CAS customers seeking new HRMS capabilities should strongly consider Lawson.

**Analytical Sources:** James Holincheck and Vi Shaffer, Gartner

### RECOMMENDED READING

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- "The U.S. Healthcare ERP Market Looks for Innovation" — Vendors that can extend basic capabilities in support of healthcare industry metrics stand to gain the most in

rolling out this functionality as part of their overall solutions. . **By John-David Lovelock, Chad Eschinger and Vi Shaffer**

- "Talent Management Application Suites Emerge to Support Strategic HR Capabilities" — IT organizations should encourage HR organizations to focus on applications that support end-to-end business talent management processes. **By James Holincheck**

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