

Business

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EEmpACT grows in deal

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Bloomington-based eEmpACT, a small private software company for the staffing, recruitment and human resources industry, will announce today that it has bought Atlanta-based competitor DeltaForce Systems.

The acquisition will double its customer base, eEmpACT said.

EEmpACT paid \$1 million for DeltaForce, and the acquisition boosts eEmpACT's customer base from 500 to 940 companies, CEO Tim Giehll said. Annual revenue for eEmpACT is expected to jump to between \$4 million and \$4.5 million this year, compared to \$2 million in 2003, Giehll said.

The acquisition is eEmpACT's second in 12 months. In March 2003, the software maker bought Allegro Software of Denver for \$350,000, boosting its customer base by 30 percent at that time.

Giehll said his company is following a long-term growth strategy and expects to close negotiations for at least one more acquisition and possibly two by the end of this year. Giehll declined to name the targets.

The acquisition of DeltaForce, which was founded in 1984, makes eEmpACT the world's largest staffing and recruitment software company from a customer-base standpoint, Giehll said. The company has extended offers to all 10 of DeltaForce's current employees and plans to add them to eEmpACT's payroll of 17, Giehll said.

DeltaForce was one of the early staffing software companies and its demise as an independent comes at a time when the entire software industry is contracting, with stronger players absorbing weaker ones.

There are industry giants like Intuit, maker of the popular QuickBooks programs, that provide desktop human resources software like eEmpACT, and long-established firms like St. Paul-based Lawson Software that make back-office programs to take care of everything from payroll to supply chain management. But Giehll said he's positioning eEmpACT to be a leader in what he calls the emerging "human capital management" software market that serves temp and recruitment firms and large HR departments.

As the economy recovers and hiring ramps up, he said, demand will grow first for temporary hires, later followed by full-time employment.