



## TenStep Supplemental Paper

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### Strategic Consolidation

Mergers and acquisitions have become the virtual corporate reality in the online recruiting world as major players in the job board / compensation industry combine businesses to reach a targeted audience and achieve financial stability. There has been enough consolidation to create vendor / financial health, which is good for the customer.

#### Keeping tabs

In May 2001, Monster privately acquired Flipdog, a site with more than 550,000 job listings. The very next month, Monster bought its main rival, HotJobs. This merger spawned a database of 14 million resumes. In July 2000, media conglomerates Knight Ridder and Tribune Co. acquired CareerPath Inc. and CareerBuilder Inc. Approximately one year later, in August 2001, CareerBuilder, Knight Ridder and Tribune Co. brought HeadHunter on board.

Despite all this consolidation, the goal of employers who post job openings through online recruiting sites remains the same. Employers are still working hard to find the best candidates out there.

A persistent problem for most employers is an excessive number of candidates. Organizations are looking to achieve a return on investment amid all the prospective employees listed online. Employers measure ROI through different factors such as the volume of resumes received, the quality of candidates and the kinds of audiences reached.

An interesting movement has also emerged in the way employers strategize in the recruiting war. They are getting more candidates from their own corporate Web sites. This has worked well for larger, Fortune 1000 companies, not for smaller companies.

This can be particularly effective because a candidate has expressed interest in a specific company. Rather than post a resume on a job board for countless companies to view, prospective employees are taking their resumes to the companies they want to work for. This can dramatically help companies target those candidates who will perform well for their company, not to mention providing savings in recruiting time and cost.

Experts foresee even more online recruiting mergers and acquisitions in the future. However, they do not anticipate any new players emerging in online recruiting. Prospective employees will still be looking for the same online recruiting products and services to make their visits successful. Online job board / compensation sites will continue to meet these needs by providing a searchable database to find that elusive dream job. Resume posting will remain a staple in the services that online recruiting sites provide.

Employers, meanwhile, will continue to seek out an optimal ROI through their partnerships with online recruiting sites. If organizations, particularly large employers, can achieve this through their own corporate Web sites, there could be a drop-off in the



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number of employers who continue to utilize the major online players to meet their recruitment needs.