



Adecco looks to buy out 2 mid-sized cos

The Economic Times
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September 10, 2009

ADECCO, the € 20 billion global staffing services major, is actively looking at inorganic options in India to expand its range of services in the country.

“We are open to acquisitions and in talks with two mid-sized companies,” said Sudhakar Balakrishnan, CEO, Adecco India. He did not divulge the names of the firms. Adecco has been quite active on the acquisition front having made its foray into India by acquiring a majority stake in Peopleone Consulting in 2004. Adecco later converted it into a wholly-owned subsidiary in 2007. The HR major acquired Pune-based industrial staffing firm Ajinkya in February 2008 for an undisclosed sum. This gave it an entry into the blue collar temporary workers space with around 4,500 people on the payrolls. Mr. Balakrishnan said that the company is looking at specialised mid-sized recruitment players in the area of industrial and technical staffing.

It is most likely that the acquisition may be done in the next three-four months. Mr. Sudhakar believes that there would be increasing consolidation in the HR industry with smaller players acquired by the larger ones. He felt scale will be the big driver in the business to ensure profitability and reach.

Adecco, which is one of the largest players in the Indian recruitment space, currently has around 61,000 people on its rolls. In the last six months itself, it has added around 12,000 people and most likely to end the year with a headcount of around 70,000. Besides Adecco, the other major players in the recruitment space are Manpower, Randstad and Teamlease.

Adecco India, which provide recruitment services in the segments of IT, BFSI, consumer services & retail and telecom, is now looking at entering into managed services segment. Though, this has began a small scale operation, the company expects achieve certain scale in the next three to four months.