

Wolters Kluwer's Axentis Acquisition Fills Gaps, Raises Issues

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Wolters Kluwer's CCH division's acquisition of Axentis offers the potential for a strongly competitive enterprise governance, risk and compliance platform. CCH must develop a common platform for its GRC offerings first.

NEWS ANALYSIS

Event

On 17 July 2009, Wolters Kluwer announced that it was acquiring enterprise governance, risk and compliance (EGRC) platform vendor Axentis. Axentis will be part of the Wolters Kluwer Tax, Accounting & Legal division, which goes to market as CCH.

Analysis

This acquisition joins two others announced earlier in July — the acquisition of Cura Software Solutions by SoftPro Systems, and the proposed acquisition of IDS Scheer by Software AG — pointing to a trend in 2009 of acquisitions in the governance, risk and compliance (GRC) space. With Sarbanes-Oxley-driven spending largely over, risk management spending just beginning, and the financial crisis causing an overall drop in IT spending, the resulting lull in the market has put pressure on GRC vendors to accept acquisition offers they would have ignored a year ago. The lull also encourages large vendors to snap up bargains that complete their GRC portfolios.

With Axentis, CCH adds to a portfolio of GRC solutions including TeamMate for audit management, Sword for operational risk management, and MediRegs ComplyTrack Suite for compliance and incident management for hospitals. Wolters Kluwer also offers other GRC-related solutions, such as e-discovery and fraud management technologies.

It's unclear how CCH will combine a software-as-a-service (SaaS) solution with traditionally licensed on-premises products. Adding TeamMate to Axentis would fill a gap in audit management, and adding the risk management capabilities of Sword to Axentis would add more of an edge, giving CCH a broad and comprehensive EGRC platform.

As Thomson Reuters has done with Paisley, CCH will look to its EGRC platform to promote consumption of Wolters Kluwer's regulatory and legal content. Axentis' strength in policy management, including e-learning, complements this content-oriented strategy.

RECOMMENDATIONS

Current Axentis, TeamMate, ComplyTrack and Sword customers:

- Clarify with CCH what the terms will be for future upgrades once a common platform is released.

Prospective Axentis and other CCH product customers:

- Ensure that you understand the CCH road map for a common platform, how it will integrate its various GRC offerings, how terms will be affected by development of the new platform, how Wolters Kluwer content will be integrated, and whether a future solution will be offered as SaaS, an on-premises licensed application, both, or a hybrid.

TeamMate customers:

- If you are seeking an EGRC platform, compare Axentis to its competitors.

All prospective EGRC platform customers:

- When evaluating any EGRC platform vendor, consider its current financial viability, which may have changed considerably as a result of the financial crisis. Ask for details of sales it has closed during 2009.

RECOMMENDED READING

- "Paisley Buy Could Make Thomson Reuters a Dominant GRC Player" — Thomson Reuters' December 2008 acquisition of the EGRC platform vendor Paisley added to its portfolio of tools for audit professionals. **By French Caldwell**
- "The Enterprise Governance, Risk and Compliance Platform Defined" — Use an EGRC platform to help reduce the complexity of managing compliance and risk management in a multiregulatory environment. **By French Caldwell**

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