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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Partners Group AG
Zugerstrasse 57
6341 Baar-Zug
Switzerland

Subject: **Case M.10709 – PARTNERS GROUP / FORTERRO**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

(1) On 17 May 2022, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which Partners Group AG ("Partners Group") acquires sole control of the whole of Jeeves Information Systems AB ("Forterro"), within the meaning of Article 3(1)(b) of the Merger Regulation (the "Transaction"). Partners Group is designated hereinafter as the "Notifying Party", while Partners Group and Forterro are jointly referred to as the "Parties".

[1] OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

[2] OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

Commission européenne, DG COMP MERGER REGISTRY, 1049 Bruxelles, BELGIQUE
Europese Commissie, DG COMP MERGER REGISTRY, 1049 Brussel, BELGIË

Tel: +32 229-91111. Fax: +32 229-64301. E-mail: COMP-MERGER-REGISTRY@ec.europa.eu.

1. THE PARTIES

(2) **Partners Group** is a global private markets investment management company registered and headquartered in Switzerland. It provides international institutional investors seeking direct access to private market assets with a wide range of investment funds and portfolios tailored to the investors' needs. Its portfolio companies include, among others, Unit4 and Civica, which are both active in the provision of enterprise resource planning ("ERP") software.

(3) **Forterro**, headquartered in Sweden, is a provider of business software and IT solutions, focusing on the provision of ERP software solutions to midmarket manufacturing and production companies. These products include a number of different functionalities, such as manufacturing & operations ("M&O"), supply chain management ("SCM"), customer relationship management ("CRM"), financial management systems ("FMS"), and human capital management ("HCM").

2. THE OPERATION

(4) The concentration is accomplished by way of purchase of shares through Goldcup 30099 AB (under name change to Gotham AB, "Gotham"), a special purpose company owned by funds advised and/or managed by Partners Group and ultimately controlled by Partners Group. Forterro is currently controlled by IX Parents S.a.r.l., Forbes Family Group Limited, Richard Smith, Dean Forbes, Paul Smolinski and Fred Stark. Pursuant to a share sale and purchase agreement signed on 25 February 2022, Gotham will acquire the entire issued share capital of Forterro.[3]

(5) The Transaction will therefore lead to the acquisition of sole control by Partners Group over Forterro within the meaning of Article 3(1)(b) of the Merger Regulation.

3. UNION DIMENSION

(6) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 2 500 million (Partners Group: EUR […] million; Forterro: EUR […] million) and a combined aggregate turnover in excess of EUR 100 million in three Member States (Germany, France and Sweden).[4] Each of them has a turnover in excess of EUR 25 million in these three Member States: Germany (Partners Group: EUR […] million; Forterro: EUR […] million), France (Partners Group: EUR […] million; Forterro: EUR […] million) and Sweden (Partners Group: EUR […] million; Forterro: EUR […] million), but none of them achieved more than two-thirds of their aggregate Union-wide turnover within one and the same Member State.

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[3] The management of Forterro will acquire approximately […]% of the share capital of Forterro and Battery Ventures may reinvest in Forterro although neither will gain any control rights. The precise shareholdings will be decided closer to completion of the Transaction. Form CO, footnote 5.

[4] Turnover calculated in accordance with Article 5 of the Merger Regulation and the Commission Consolidated Jurisdictional Notice (OJ C 95, 16.4.2008, p. 1).

(7) Therefore, the Transaction has a Union dimension pursuant to Article 1(3) of the Merger Regulation.

4. RELEVANT MARKETS

(8) The Transaction concerns the provision of business software, and in particular, the market for the provision of enterprise application software ("EAS") and its segment ERP software, as well as potential ERP sub-segments (HCM software and FMS).

4.1. Enterprise Resource Planning

4.1.1. The Parties' activities

(9) Forterro supplies an integrated full-suite ERP solution, targeted at the needs of manufacturing clients. Forterro's ERP solution includes a number of different functionalities (including HCM and FMS) and overlaps on a limited basis with business analytics ("BA") and content services.

(10) Partners Group is active in these markets because of its portfolio companies Civica and Unit4.[5]

(11) Civica is a UK-based provider of business critical software and technology-based outsourcing services to both public sector organisations and to commercial organisations in highly regulated sectors. Civica also offers standalone HCM and FMS software solutions, BA and content services software targeting the public sector.

(12) Unit4 is a provider of business software and IT services, focusing on the provision of ERP software solutions to people-centric organisations in industries including professional services, public sector, non-profit, and education. Unit4's ERP products cover predominantly three functionalities (HCM, FMS and financial planning & analysis).

(13) Considering all plausible product markets and the assessment of the geographic scope of the market for the supply of ERP software and any segmentation thereof as set out in Sections 4.1.2 and 4.1.3 below, the Transaction only gives rise to horizontally affected markets in Poland. Therefore, the market investigation focused on the ERP software market participants active in Poland.

4.1.2. Product market definition

4.1.2.1. Past Commission decisions

(14) In previous decisions, the Commission categorised business software into "infrastructure software" and "application software". Within a market for

[5] For completeness, Partners Group controls one other business that is active in a different area of the software sector in the EEA: Idera, a provider of infrastructure software solutions to businesses for testing, application development, and database architecture and management. Form CO, paragraph 64.

application software, the Commission further made a distinction between (i) personal productivity applications and (ii) EAS.[6]

(15) The Commission considered that the market for EAS solutions can be divided between ERP, CRM, SCM, supplier relationship management ("SRM"), product lifecycle management ("PLM") and BA software.[7] In addition to previous decisions, the Commission further notes that the Parties' activities overlap in one other EAS segment recognized by Gartner, a technological research and consulting firm : content services.[8]

(16) Within a market for the supply of ERP software, the Commission has previously considered, but ultimately left open, segments based on functionality: HCM software, FMS software and enterprise project management ("EPM") software.[9] The Commission finally considered whether each of these three ERP sub-segments can be divided between high-function solutions and mid-market solutions.[10]

4.1.2.2. The Notifying Party's views

(17) The Notifying Party submits that the product market is broader than the supply of sub-segments of ERP software (HCM software, FMS software and EPM software) but ultimately considers that the precise product market definition can be left open in this case.[11]

4.1.2.3. The Commission's assessment

(18) The results of the market investigation generally support the approach that the Commission has taken in previous cases with regard to the market for the supply of EAS and segments thereof. There are therefore no reasons for the Commission to depart from the approach it has taken previously.

(19) All respondents expressing an opinion indicate that a distinction between infrastructure software and application software is accurate in Poland.[12] The vast majority of respondents moreover confirm that the distinction the Commission has previously made between the supply of ERP, CRM, SRM, SCM, PLM and BA software is accurate in Poland today.[13]

(20) In relation to the market for the supply of ERP software, the majority of the respondents also confirm that a segmentation based on functionality (*i.e.* in relation to HCM software, FMS software and EPM software) as well as a distinction

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6 Commission decision of 26 October 2004 in Case M.3216 – *Oracle/Peoplesoft*, paragraph 15.

7 Commission decision of 11 February 2021 in Case M.10060 – *Francisco Partners/Marlin Equity Partners/Conan Holdco*, paragraph 12.

8 Form CO, paragraph 66.

9 Commission decision of 22 August 2018 in Case M.8984 – *HG/Vista/Allocate*, paragraph 21; Commission decision of 28 May 2020 in Case M.9447 – *Hitachi/ABB (Power Grid Division)*, paragraph 65.

10 Commission decision of 28 May 2020 in Case M.9447 – *Hitachi/ABB (Power Grid Division)*, paragraph 65.

11 Form CO, paragraph 71.

12 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 5.

13 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 6.

between high-function solutions and mid-market solutions with respect to ERP sub-segments is accurate in Poland today.[14]

(21) In light of the above, the Commission considers that the question of whether the market for the supply of ERP software should be further segmented based on functionality to HCM, FMS and EPM software, and whether each of these ERP sub-segments can be divided between high-function and mid-market solutions, can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible product market definition. For the purpose of this Decision, the Commission has thus examined: (i) the overall ERP software market; and (ii) each ERP sub-segment per functionality (HCM, FMS and EPM) separately, each potentially divided between high-function and mid-market solutions.

4.1.3. Geographic market definition

4.1.3.1. Past Commission decisions

(22) The Commission has previously considered that markets for EAS and its segments were at least EEA-wide and possibly worldwide.[15] With respect to ERP software and its sub-segments, when the Commission also assessed national markets for ERP software and HCM software, the results of the market investigation did not provide any new elements that would justify a departure from the Commission's previous conclusions that the scope of the market would be at least EEA-wide and possibly worldwide.[16]

4.1.3.2. The Notifying Party's views

(23) The Notifying Party submits that the relevant geographic market for EAS, ERP software and its sub-segments (HCM, FMS and EPM software) is at least EEA-wide if not worldwide since these types of software markets are characterised by a large number of global suppliers that are present in all regions and that offer their products on a global basis. These include large suppliers such as SAP, Oracle, Workday, Kronos and others. Similarly, [Forterro's commercial strategy].[17]

4.1.3.3. The Commission's assessment

(24) The vast majority of the respondents expressing an opinion indicate that competition on the market for the supply of EAS and its segments takes place either on an EEA-level or worldwide level.[18] One respondent indicated that the relevant geographic scope of the market would be national and noted that this would be in particular the case on a segment for the supply of HCM software.[19] Overall, a majority of the respondents considered that there are significant

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14 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 7 and 8.

15 Commission decision of 28 May 2020 in Case M.9447 – *Hitachi/ABB (Power Grid Division)*, paragraph 81; Commission decision of 29 August 2014 in Case M. 7334 – *Oracle/Micros*, paragraph 17; and Commission decision of 20 July 2010 in Case M.5904 – *SAP/Sybase*, paragraphs 29-30.

16 Commission decision of 22 August 2018 in Case M.8984 – *HG/Vista/Allocate*, paragraphs 22-25.

17 Form CO, paragraph 76.

18 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 9.1.

19 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 9.2.

differences in terms of the pricing, purchase pattern and product features depending on where they sell their product.[20] One respondent clarified that an "*ERP-class solution must contain a product localisation that is different for each country, not only in terms of the language version, but above all compliance with local regulations, e.g. in the area of finance and HR*".[21] Another global supplier of ERP software indicated that they might see differences in terms of purchasing patterns and pricing among vendors in, for example, supply chain management but that they maintain the same pricing model across all countries where they are active.[22]

(25) In light of the above, the Commission considers that the results of the market investigation do not justify a departure from its previous conclusions regarding the geographic scope of the relevant market. In any event, it can be left open whether the geographic scope of the market should be defined as EEA or worldwide for EAS and its segments, or national, EEA or worldwide for ERP software and its sub-segments, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible geographic market definition. For the purpose of this Decision, the Commission has thus examined: (i) the EEA and worldwide level for the EAS and its segments; and (ii) the national, EEA and worldwide level for the ERP software and its sub-segments.

5. COMPETITIVE ASSESSMENT

(26) The Transaction results in horizontal overlaps between the activities of the Parties in the supply of business software, where Forterro and Partners Group's portfolio companies Civica and Unit4 are active worldwide, in the EEA and national markets. In the market for the supply of business software, the horizontal overlaps exist within the market for EAS and its potential segments BA software, content services, and ERP software. Within ERP software, Forterro's, Civica's and Unit4's offerings overlap in the potential markets for the supply of HCM and FMS software. HCM and FMS software are provided either as a functionality in a full-suite ERP software product or as a standalone product.

(27) Within the market for the supply of HCM and FMS software, the Parties overlap to a limited extent in HCM software and FMS mid-market solutions, as Forterro provides ERP software and services to small and medium sized manufacturing business and Unit4 primarily supplies mid-market solutions.[23]

(28) There are no actual or potential vertical relationships between Forterro and the portfolio companies controlled by Partners Group. The Commission also considers that there are no (newly created) conglomerate relationships resulting from the Transaction.

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20 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 10.
21 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 10.1.
22 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 10.1.
23 Form CO, paragraph 74.

5.1. Market shares

(29) The Notifying Party has provided market shares on a worldwide and EEA-wide level for the supply of EAS.[24]

(30) On a worldwide and EEA-wide market for the supply of EAS, the Parties' combined share amounts to only [0-5]% and [0-5]% in 2021, respectively.[25] Moreover, the combined shares on worldwide and EEA-wide markets for the supply of EAS segments BA software, content services and ERP software remain below [5-10]% in 2021.

(31) The Notifying Party also provided market shares on a worldwide, EEA-wide and national level for the supply of ERP software and its potential sub-segments.

(32) On the potential worldwide and EEA-wide markets for the supply of ERP software sub-segments HCM and FMS software, the Parties' combined market shares do not exceed [0-5]% in 2021.

(33) The Parties' combined market shares exceed 20% only on the potential national market for the supply of HCM software and its sub-category HCM software mid-market solutions in Poland in 2021.[26] In any event, the market shares for the supply of HCM software on a national level are highly conservative estimates. The Parties' combined shares in HCM software in Poland are produced using the Parties' total ERP software revenue, and therefore overstate the Parties' actual position in the ERP software sub-segment HCM software.[27]

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24 The Notifying Party provided market shares based on the IDC 2021 and Gartner 2020 data on a worldwide, EEA-wide level for EAS and its segments BA software and content services, as well as on a national level for the ERP software and its sub-segments HCM and FMS software.

25 The market shares for EAS and its segments BA software, content services, and ERP software and its sub-segment FMS are based on 2020 Gartner data for market sizes and competitor revenues, and Parties' own 2021 revenues.

26 The Parties estimate their share in mid-market solutions under each ERP software sub-segment to be similar to the shares provided for each respective ERP software sub-segment. Form CO, paragraph 88.

27 Form CO, paragraph 87. Forterro's total revenue was allocated to each ERP software sub-segment as Forterro does not have data on revenue per different ERP software sub-segments such as HCM software. Forterro only offers an integrated ERP product with multiple functionalities (including HCM), [Forterro's commercial and pricing strategy].

Table 1: Estimated shares for HCM software sub-segment in Poland[28]

Party	2021		2020		2019	
	Revenue (EURmm)	**Share**	**Revenue (EURmm)**	**Share**	**Revenue (EURmm)**	**Share**
Forterro[29]	[…]	[10-20] %	[…]	[5-10] %	[…]	[10-20] %
Partners Group (Unit4)[30]	[…]	[10-20] %	[…]	[10-20] %	[…]	[10-20] %
Combined	[…]	[20-30] %	[…]	[20-30] %	[…]	[20-30] %
SAP	[…]	[20-30] %	[…]	[20-30] %	[…]	[20-30] %
Sage	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Microsoft	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
SmartRecruiters	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
IBM	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Oracle	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Others[31]	[…]	>[30-40] %	[…]	>[30-40] %	[…]	>[30-40] %
Total	[…]	100%	[…]	100%	[…]	100%

Source: The Notifying Party's response to RFI 5

28 The share estimates for the HCM software market have been calculated using the segment size figures from IDC data, while the revenues of competitors are based on Gartner data (as the Parties have no equivalent IDC data). Revenues of competitors in 2020 are used for both the 2020 and 2021 market share estimates, as there is no data for competitors' revenues in 2021 available to the Parties. The Parties consider IDC a more complete dataset for estimating the Parties' position in HCM software. The Notifying Party explained that Unit4's revenues from TetaHR product in Poland were (due to its payroll functionality) inaccurately classified as FMS software by Gartner and included in the Gartner segment size for FMS software. As the Gartner's segment size figures for HCM software do not include the correct Unit4 revenues, the Notifying Party does not consider Gartner's HCM software data to be appropriate for estimating the Parties' position in HCM software. Form CO, footnote 20.

29 Forterro's revenue figures include all ERP revenues for licence and maintenance and support in Poland.

30 Unit4's revenue figures contain revenues from both TetaHR and TetaERP products in Poland.

31 Includes (but is not limited to) the following vendors included in the Gartner data, each with a share of less than [0-5]%: Aptean, Cegid, Ceridian, Cornerstone OnDemand, Epicor, Exact, Greenhouse, IFS, Infor, Kronos, LinkedIn, MobileXpense, Peakon, Rydoo, Saba Software, Service Now, Talentsoft, UKG, Ultimate Software. The Notifying Party notes that Gartner data includes a breakdown of turnover of certain competitors, but not all. For example, Asseco, Comarch, Simple, Symfonia, Streamsoft and Soneta are not included in the Gartner data, and therefore the Parties are unable to provide their turnover or market share. The Notifying Party's response to RFI 6.

(34) Therefore, the Commission's assessment in Section 5.3 below concerns only the market for the supply of HCM software and its potential sub-category HCM software mid-market solutions[32] in Poland where Forterro's and Partners Group's (active through its portfolio company Unit4)[33] activities overlap.

5.2. Analytical framework

(35) The Guidelines on the assessment of horizontal mergers ("Horizontal Merger Guidelines")[34] describe two main ways in which horizontal mergers may significantly impede effective competition. In particular, the proposed concentration might be creating or strengthening a dominant position: (i) by eliminating important competitive constraints on one or more firms, which consequently would have increased market power, without resorting to coordinated behaviour (non-coordinated effects); and (ii) by changing the nature of competition in such a way that firms that previously were not coordinating their behaviour, are significantly more likely to coordinate and raise prices or otherwise harm effective competition (coordinated effects).

(36) A merger giving rise to horizontal non-coordinated effects might significantly impede effective competition by creating or strengthening the dominant position of a single firm, one which, typically, would have an appreciably larger market share than the next competitor post-merger. Moreover, also mergers that do not lead to the creation of or the strengthening of a single firm's dominant position may create competition concerns under the substantive test set out in Article 2(2) and Article 2(3) of the Merger Regulation. Regarding mergers in oligopolistic markets, the Merger Regulation clarifies that "*under certain circumstances, concentrations involving the elimination of important competitive constraints that the merging parties exerted upon each other, as well as a reduction of competitive pressure on the remaining competitors, may, even in the absence of a likelihood of coordination between the members of the oligopoly, result in a significant impediment to effective competition*".[35]

(37) The Horizontal Merger Guidelines list a number of factors which may influence whether or not significant horizontal non-coordinated effects are likely to result from a merger, such as the large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, or the fact that the merger would eliminate an important competitive force. Not all those factors need to be present to make significant non-coordinated effects likely and it is not an exhaustive list.[36]

(38) Furthermore, in some markets, a merger may give rise to coordinated effects where the structure is such that firms would consider it possible, economically rational,

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32 Unless stated otherwise, the arguments and conclusions concerning the competitive assessment of the market for supply of HCM software in Poland also apply to the potential sub-category HCM software mid-market solutions.

33 Civica does not currently provide HCM or FMS software in Poland. Form CO, paragraph 84.

34 Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ("Horizontal Merger Guidelines"), OJ C 31, 05.02.2004, paragraph 22.

35 Merger Regulation, recital 25. Similar wording is also found in paragraph 25 of the Horizontal Merger Guidelines.

36 Horizontal Merger Guidelines, paragraph 26.

and hence preferable, to adopt on a sustainable basis a course of action on the market aimed at selling at increased prices.[37] According to the Horizontal Merger Guidelines, coordination is more likely where it is relatively simple to reach a common understanding on the terms of coordination. Moreover, three conditions need to be met for coordination to be sustainable: (i) the coordinating firms must be able to monitor to a sufficient degree whether the terms of the coordination are being adhered to; (ii) there must be some form of credible deterrent mechanism that can be activated if deviation is detected; and (iii) the reactions of outsiders as well as customers should not be able to jeopardise the results expected from the coordination.[38]

5.3. Horizontal non-coordinated effects on the market for the supply of HCM software

5.3.1. The Notifying Party's view

(39) The Notifying Party submits that the Transaction would not give rise to any competitive concerns in relation to the market for the supply of HCM software in Poland for the following reasons.

(40) First, the Notifying Party submits that Forterro and Partners Group (active through Unit4) do not compete closely in HCM software in Poland.[39] Forterro only offers a full-suite ERP product with multiple functionalities, [Forterro's commercial and pricing strategy], and it is up to the customer to determine which functionalities it selects for implementation. In contrast, Unit4's main dedicated HCM offering TetaHR is a standalone HCM product focussing on payroll. Unit4's full-suite ERP product with limited HCM, FMS and other functionalities (Teta ERP) comprises a smaller part of its HCM business.[40] Although there may be a limited horizontal overlap, according to the Notifying Party, customers do not consider a full-suite ERP product interchangeable with a standalone HCM product.[41]

(41) Second, the Notifying Party considers that the Parties cater different customer groups. While Forterro's ERP software is tailor-made to serve mid-market manufacturing customers, Unit4's HCM offerings TetaHR and Teta ERP are not designed to meet specific requirements from manufacturing customers. Unit4 specifically targets "people-centric" and "service-centric" enterprises (e.g., professional services firms, government departments, hospitality, education and the non-profit sector).[42]

5.3.2. The Commission's assessment

(42) The Commission considers that the Transaction does not raise horizontal competition concerns in the market for the supply of HCM software in Poland for the reasons explained below.

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37 Horizontal Merger Guidelines, paragraph 39.
38 Horizontal Merger Guidelines, paragraph 41.
39 Form CO, paragraphs 97-98.
40 Teta ERP generated only EUR […] and […] in 2021 and 2020, respectively. Teta ERP comprised only approx. […]% of Unit4's total HCM revenue. The Notifying Party's response to RFI 4.
41 Form CO, paragraph 99.
42 Form CO, paragraph 100.

(43) First, the Parties' combined market share of [20-30]% in 2021 (Forterro having [10-20]% and Unit4 having [10-20]% market share in 2021) remains modest. In addition, a number of large global suppliers will continue to compete with the merged entity, namely SAP ([20-30]%), Oracle ([5-10]%) and IBM ([0-5]%) as well as a number of smaller competitors such as Sage ([5-10]%) and SmartRecruiters ([0-5]%). The market investigation confirms the existence of alternative suppliers on the market for the supply of HCM software in Poland. One respondent explains that there is "*a number of very large players in the HCM space competing globally and who are likely present in Poland as well. […] There are many other smaller players as well, including Microsoft's HCM solution and Sage, and a very long tail of small and niche HCM solution providers.*"[43] Moreover, all respondents expressing an opinion consider that a sufficient number of alternative suppliers will remain active on the market for the supply of HCM software in Poland post-Transaction.[44]

(44) In any event, as noted in Section 5.1, the Parties' combined market share on a national level is a highly conservative estimate that overstates the Parties' actual position in the supply of HCM software in Poland.

(45) Second, the Commission considers that the Parties do not compete closely. Forterro supplies an integrated ERP product with a full range of functionalities [Forterro's commercial strategy].[45] Partners Group's portfolio company Unit4's HCM software offering primarily consists of a standalone HCM software solution TetaHR.[46] In addition, Forterro's and Unit4's products target different customers. Forterro's full-suite ERP product is customisable for manufacturing focused small and medium-sized companies, while Unit4's HCM offering targets "people-centric" or "service-centric" enterprises.[47] The results of the market investigation also indicate the lack of close competition between the Parties. None of the market participants list Forterro and Unit4 among each of the respective Party's main competitors.[48] For example, one respondent notes that "*Forterro's ERP solutions are product focused, meaning that they help manufacturers and companies that build physical products, whereas Unit 4's offering is service focused, meaning they help those companies that don't necessarily build products but sell knowledge through people and services. In that sense, they would appear to be complements*."[49]

(46) Finally, the Commission notes that it has not received any complaints from the respondents to the market investigation regarding the market for the supply of HCM software in Poland. Indeed, a majority of the respondents expressing an opinion indicate that the Transaction would either have a positive or neutral impact on their company[50], while all respondents expressing an opinion state that the

43 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 11.1.
44 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 14.
45 Form CO, paragraphs 98 and 99.
46 Notifying Party's response to RFI 4. See footnote 40 above.
47 Form CO, paragraph 100.
48 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 11.
49 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 12.1.
50 Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 15.

impact of the Transaction on the market for the supply of HCM software in Poland would either be positive or neutral.[51]

(47) In light of the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market resulting from horizontal, non-coordinated effects in the market for the supply of HCM software in Poland.

6. CONCLUSION

(48) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Margrethe VESTAGER
Executive Vice-President

[51] Questionnaire 1 to suppliers and consumers of ERP software and HCM software, question 16.