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RESEARCH

# ULTIMATE SOFTWARE AND KRONOS REBRAND AS UKG

## ANALYST

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## THE BOTTOM LINE

Ultimate Software, a human capital management (HCM) software leader, recently completed its merger with Kronos Incorporated, a longstanding provider of workforce management (WFM) and HCM solutions. Over the past five months, the combined companies have created a new branding strategy, including a new name. UKG, also known as Ultimate Kronos Group, has a combined enterprise value of \$22 billion and will provide customers with a line of products that reflect the strengths of the formerly individual companies in HCM and WFM.

## OVERVIEW

In May 2019, Ultimate Software announced the completion of an acquisition by Hellman & Friedman in partnership with Blackstone investment group, which had previously acquired Kronos in 2007. On February 20<sup>th</sup>, Ultimate announced that it would be merging with Kronos to combine the best features of both vendors' existing products while streamlining research and development. The merger was closed on April 1<sup>st</sup>, commencing a 6-month process to rebrand the combined company. After surveying over 3,000 employees and bringing in outside consultants, the merged organizations selected UKG, also known as Ultimate Kronos Group, as the new name.

UKG has announced an enterprise value of \$22 billion and a combined workforce of more than 12,000 employees that is expected to grow in the next several years. The UKG brand will officially go into effect on October 1<sup>st</sup>.

## UKG

### PRODUCTS

Using a parent brand-led approach, UKG will rename products from Ultimate Software and Kronos using the UKG brand while maintaining a sense of familiarity with existing customers.

### CUSTOMERS

Nucleus expects that UKG customers will combine products from the product suite based on the differing needs of enterprises and SMBs. The current solutions offer strong compatibility with Workforce Dimensions and UltiPro combining to extend some of the most complete functionality for HCM and WFM currently on the market. While Workforce Ready will offer HCM to SMB sized organizations, it should see expanded functionality as it starts to add and integrate more "enterprise-level" functionality from UltiPro to Workforce Ready. This should make Workforce Ready in particular an excellent value for SMBs, who will now have access to functionality not available from other SMB providers. Nucleus expects that customers will have the choice to transition to any new functionality that becomes available through the newly branded company.