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PEOPLEMATTER SECURES \$14 MILLION SERIES C FUNDING LED BY MORGENTHALER VENTURES

Focus on hourly workers in \$2.5B market sets software company apart

Charleston, S.C. — Feb. 27, 2012 — [PeopleMatter](#), provider of the fastest-growing talent management solution (TMS) specifically designed for hourly workforces in the [service industry](#), announced today a \$14-million Series C round of venture funding led by [Morgenthaler Ventures](#). This financing will continue to accelerate PeopleMatter's product-innovation and customer-acquisition strategies. Existing investors [Noro-Moseley Partners](#), [C&B Capital](#), [Intersouth Partners](#) and [Harbert Ventures](#) also participated in the round.

"While other talent management companies like SuccessFactors, Taleo and Workday focus on the white-collar, career professional, PeopleMatter is the only company that caters to hourly workers in the service industry," said Gary Little, Partner at Morgenthaler Ventures and new PeopleMatter board member. "This is a \$2.5-billion market that's underserved and rapidly growing. There is a huge opportunity here.

The [PeopleMatter Platform](#) isn't just an HR software system; it's a way to connect and communicate with today's mobile-social employees," Little continued. "These solutions offer a whole new level of engagement and will fundamentally change how employers and employees interact in the workplace.

Now, businesses like restaurants and hotels — which typically face high turnover and disengagement — can capitalize on technology to improve process efficiency and retain their top performers," Little added. "PeopleMatter's vision to create an entire talent network in the service industry is both innovative and light-years ahead of where any other company is in this space."

The funding follows a record year of sales and exponential growth for the Charleston, S.C.-based software company. PeopleMatter also added two new modules, [PeopleMatter LEARN™](#) and [PeopleMatter SCHEDULE™](#), to its Software-as-a-Service (SaaS) platform. The Platform also includes [PeopleMatter HIRE™](#), which has processed more than 238,000 applicants since its September 2009 launch.

With these integrated solutions, organizations can quickly and easily manage all of their applicant tracking, hiring, onboarding, training and scheduling processes in one place. Powerful, easy-to-use online tools help companies increase efficiency, retention and ROI, and ultimately improve their customer service. A new smartphone app deployed at the Feb. 28 SCHEDULE launch allows PeopleMatter to start directly interacting with frontline employees.

"This is an incredible time for PeopleMatter. We have high goals and are right on track for doing exactly what we've promised: filling a void in a niche market that no one else had comprehensively addressed," said [Nate DaPore](#), President and CEO of PeopleMatter. "We are incredibly proud of what we've been able to achieve in such a short amount of time and driven by our momentum."

"At the end of the day, we want to be the Platform of choice for the service industry. We want PeopleMatter to be the only name employees think of to manage their schedules, build their career and connect with the industry," added DaPore. "There's still a way to go, but working with Morgenthaler is a big step in that direction."

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The service industry — previously overlooked for targeted talent management platforms — includes foodservice, convenience store, hospitality and retail verticals.

- According to the National Association of Convenience Stores, “The U.S. convenience store industry has more than 144,000 stores that account for more than \$624 billion in sales.”
- The National Restaurant Association reported that, “The restaurant industry employs 12.8 million people in 960,000 U.S. locations with 2012 sales projections reaching \$604 billion.”
- According to the American Hotel and Lodging Association, “The travel and tourism industry pays \$188 billion in travel-related wages and salaries and employs 1.76 million hotel property workers.”
- The National Retail Federation states “Retailers operate more than 3.5 million U.S. establishments that support one in four U.S. jobs — 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation’s economy.”
- Service industries experience higher-than-average turnover rates. The National Restaurant Association cites 75 percent employee churn, and according to the National Retail Federation, retail stores typically turn over 110 percent of their workforce each year.

“Our research shows that there is a market need for dedicated hiring and talent management systems focused on the service industry,” said Dr. Katherine Jones, Director and Principal Analyst, HCM Technology, Bersin & Associates. “Securing this kind of financing is a major move toward addressing that market need and achieving the ambitious growth the company has put forward.”

About Morgenthaler Ventures:

Morgenthaler Ventures is a premier venture capital firm, dedicated to helping entrepreneurs build valuable companies for more than 40 years. Today, the firm has nearly \$3 billion under management. Morgenthaler Ventures has invested in approximately 300 companies in the information technology and life science sectors. Representative portfolio companies in the IT space include: Adara Media, Evernote, Lending Club, Practice Fusion, Pageonce, Fundly, SohoOS, Socrata, Rhythm NewMedia, NexTag, Nominum, Voltage Security, JasperSoft and MuleSoft. Morgenthaler Ventures is headquartered in Menlo Park, CA. www.morgenthaler.com/ventures

About PeopleMatter

PeopleMatter provides the only integrated talent management solution specifically built to serve hourly workforces in the service industry. Our easy-to-use online platform helps hire, develop, schedule and engage dependable talent. At PeopleMatter, we strive to change the way the hourly workforce works by delivering tools that catalyze the innate human drive to make a difference — because happy, engaged managers and employees lead to exemplary customer service. PeopleMatter is headquartered in Charleston, S.C., and on the Web at www.peplematter.com.

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