

# Hudson Acquires Propensity

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Propensity Ltd., a Dallas professional-services shop specializing in human resources, accounting and finance, has been acquired by New York-based Hudson Highland Group Inc.

Terms of the deal between privately held Propensity and Hudson Highland (NASDAQ: HHGP) weren't disclosed.

Rich Lavinski, who was managing partner at Propensity and is now a managing director at Hudson Highland, says the combined firm will do business under the name Propensity Hudson for awhile, and that eventually the "Propensity" piece of that name will go away. Hudson has its own existing offices in Dallas and Houston.

Marc Bouchard, executive vice president of Hudson Highland's financial solutions division, says the company's "primary objective" in the deal was getting hold of Propensity's talent.

"Obviously, Rich and his people were the primary driver behind this decision," Bouchard says. "The way they go about doing their business, their long-term relationships in the Dallas marketplace, and the sense of loyalty that not only his staff but also the consultants who work with him in the field have. To me, that spoke volumes about Rich and his character."

Propensity does consulting on how to bring efficiency into



**PROPENSITY FOR DEALS:** Rich Lavinski spearheaded the sale of propensity, a Dallas professional-services shop. This is the third such transaction Lavinski has pulled off.

accounting, finance and HR departments, such as by devising ways to cut down the number of steps involved in a given task. On the technology side, it handles system implementations and conversions for payroll and human resource systems, among other things. Propensity mainly handles Fortune 1000 and venture-backed startups. Lavinski says.

Propensity also does high-end executive searches in HR, finance and accounting, as well as interim staffing and staff augmentation in those areas

Hudson Highland declines to reveal how much revenue Propensity brought in, although Lavinski and other officials say the newly acquired business will grow in the wake of the purchase.

Lavinski says that with Hudson Highland's backing, the Propensity business will expand its financial and accounting consulting practice, as well as the system implementation and conversion work it does.

Lavinski also will use Hudson Highland's "robust offering" in "strategic initiatives" – things like mergers and acquisitions, divestitures and internal audit policies- to grow, he says.