

Salesforce's Slack acquisition could lead to deeper feature integration for business users

Article

The news: Salesforce has completed its **\$27 billion** acquisition of business collaboration tool Slack, per ZDNet. Slack will continue to be run independently by its current management, but the service will be deeply integrated into Salesforce, resulting in a “Digital HQ” initiative where it could serve as a conduit for **150,000** Salesforce customers.

The “Digital HQ” initiative will ostensibly interweave Salesforce’s Customer 360 tools, namely CRM, digital sales, and digital marketing services, with Slack’s collaborative features as the connective tissue.

Why it’s worth watching: Business collaboration has become a hugely competitive market, not just for the tools themselves, but for the companies and platforms they are associated with. **Virtual collaboration software like Slack and Microsoft Teams saw unprecedented adoption during the pandemic.** They helped provide an ad-hoc foundation for the new remote work reality. **Competition is expected to intensify as businesses define their remote or hybrid new work realities.**

- Slack currently has **156,000** total paying customers, up **42% YoY**, and had up to **12 million** daily active users and **156,000** organizations in 2020.
- Microsoft Teams has **145 million** people using its collaboration app, up **26% YoY**. Microsoft Teams was used by over **500,000** organizations worldwide in 2020.
- Google’s rebranded Workspace has entered the collaboration software fray; it claims to have over **2.6 billion** active users from enterprise, nonprofit, and education sectors.

How this benefits Slack: Slack can inherit entire businesses and new users from Salesforce. At the very least, Slack can gain inroads in enterprise markets it may have not previously served.

How this benefits Salesforce: Salesforce has a staggering ecosystem of over **3,000** apps that help automate businesses or improve productivity. Slack’s own rich app integration capabilities can serve as the conduit to integrating these apps into Salesforce.

What’s the catch: Merging parts of disparate solutions like Salesforce and Slack is a **delicate and risky undertaking**. Not only do integrations need to work seamlessly without affecting core features, but the risk of alienating customers who are loyal to each product or service is high.

Coronavirus Impact: Technologies Their Company Acquired/Implemented According to IT Professionals Worldwide, Oct 2020

% of respondents

Virtual collaboration software (e.g., Microsoft Teams, Slack)

71.4%

Coronavirus testing technology

35.9%

Contact tracing software (e.g., app)

12.8%

Employee productivity monitoring software

9.9%

Other

2.2%

Don't know

4.0%

None of the above

14.3%

Source: Info-Tech Research Group, "2021 IT Talent Trend Report," Feb 2, 2021

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