



Mowlem to lead new Sandaire private equity firm

Sandaire, the family-owned investment house, has launched a new private equity business that will be led by former LGV Capital head Michael Mowlem.

Sandaire has managed investments for more than 100 years, and is opening a private equity practice in response to client demand for private markets exposure. The division will offer investors access to growth and buyout deals through funds, co-investments and direct transactions.

Mowlem has more than 30 years of experience in investment banking and private equity. He spent 19 years with LGV Capital before its parent company withdrew from the buyout space following the financial crisis.

Before his stint at LGV, Mowlem was part of the private equity investment team at PPM Capital (now Silverfleet Capital).

“Private Equity is a key component of the wealth market and we are seeing an increasing demand from existing clients for investment into unquoted companies,” James Fleming, chief executive of Sandaire, said.

The news of the private equity business follows the launch of Sandaire Corporate Finance in March. This team will provide independent M&A and strategic financial advice to entrepreneurs, high-net worth individuals and family-owned businesses. ●

Eurazeo unveils new European-China fund



Eurazeo has partnered with CIC and BNP Paribas to create a fund dedicated to accelerating the growth of European companies in China.

Eurazeo has been selected by CIC and BNP Paribas to manage a fund of €1bn to €1.5bn. The three institutions will all commit to the vehicle alongside other investment partners.

Eurazeo has had a footing in China

since 2013 and currently has a team of eight investment professionals on the ground.

Eurazeo holds a diversified portfolio of €17bn in assets under management (AUM), including nearly €11bn from third parties, invested in over 300 companies. The firm has offices in Paris, New York, Sao Paulo, Buenos Aires, Shanghai, London, Luxembourg, Frankfurt.

Eurazeo's AUM has more than doubled since the end of 2017, when it had assets of €7bn. The firm has expanded its AUM significantly since then, as it increased the amount of capital raised from third parties, acquired Idivest Partners and took a stake in US firm Rhône Group. ●

ASTORG'S SGG GROUP REBRANDS AS IQ-EQ

SGG Group, the fund administrator backed by private equity firm Astorg, has rebranded to become IQ-EQ.

After a busy period of acquisition, which saw SGG make six acquisitions in 2018, including the purchases of First Names Group and Augentius, the new brand will bring the SGG, First Names Group, Augentius, Iyer Practice and Viacert business together under a single umbrella. Specialist compliance business Lawson Conner, acquired at the end of 2018, will rebrand at a later date.

The fund services industry has been undergoing a period of rapid consolidation in order to serve an increasingly demanding and international client base. ●



Future Shock: Sales

Alvin Toffler, an American futurist, wrote his global best seller “Future Shock” in 1970, describing the effect of new technologies on business and society. His work is particularly applicable for sales organisations today.

The combined effect of the internet, smart phones, 5G, robotics and SaaS is having a disruptive impact on the way products and services are sold, as well as sales organisations themselves.

First, a bit of a historical perspective. The industrial revolution was characterised by patentable breakthroughs that had obvious benefits and could be scaled-up through broadcast communications to a mass market. Target customers only needed to be made aware of a new product's benefits in order to trigger a buy-signal. Before the IT revolution, field sales reps and mass-market advertising for consumer products were the main channels for communication and education.

Times have changed. Modern technology has eliminated the need for broadcast communication through a field sales force. More and better-quality information is available to customers on the internet where price/performance comparison platforms have short-circuited the biased information from a company sales rep. At the same time, the internet has been an equaliser to accelerate price/performance convergence between products and services that makes differentiation by the rep on these dimensions more difficult. The historical role of sales as a channel for communicating relative benefits has been eliminated.

For the industrial-age sales person, this is “game-over”. Much of what they used to do has been automated away.

At the same time, technology is shifting customer needs and preferences faster than ever before. Demand for more individualised “solutions” made up of a number of different components has increased. In order to deliver this new value proposition, the fundamental purpose of field sales has to shift 180 degrees. Instead of talking benefits, reps must listen for needs and connect the dots to assemble a solution that best fulfils the customer's requirements. This is a future shock for most sales organisations and front-line sales people. A new set of skills and competencies is needed.

Its leading to some counter-intuitive changes in sales organisations – like downsizing the sales force to grow sales! That is, shifting the rudimentary broadcast communication to automated channels, and investing more in fewer, more qualified sales people who are able to consult key accounts with their specific needs. This is happening across industries and geographies. However, it is most prevalent with firms that are serving consolidating markets and a growing number of key account customers.

What does this mean for portfolio companies? First, they need to check the time signature of their sales organisation and eliminate old sales activities that technology has made redundant and clients are no longer willing to pay for. Second, the qualifications of the sales force in the context of new customer requirements needs to be assessed. A competency framework and rigorous methodology inform individual development plans for each rep. With proper coaching and retraining, many can make the jump to the future.

Humatica has helped hundreds of firms to avoid Future Shock by anticipating shifting organisational requirements on sales, and enabling transformation before its too late.