Apax sells Aptos to Goldman Sachs

By *Nicholas Neveling*

Apax Partners has sold Aptos, a retail technology and software company, to Goldman Sachs's Merchant Banking Division.

Apax formed Aptos in 2015 when it carved the business out of portfolio company Epicor and backed chief executive Noel Goggin.

Since the spin-out Aptos has more than doubled its customer base and become one of the largest retail-focused enterprise software companies in the country. It provides cloud and omnichannel services to more than 1,000 retail brands in 65 countries.

During the Apax hold, Aptos undertook a number of bolt-on acquisitions, strengthened its position in Europe and broadened its product capabilities. ●

YFM Equity Partners banks 2.25x return on EIKON exit

By *Sam Birchall*

YFM Equity Partners has made a 2.25x return on the sale of EIKON Group, two years after its initial investment.

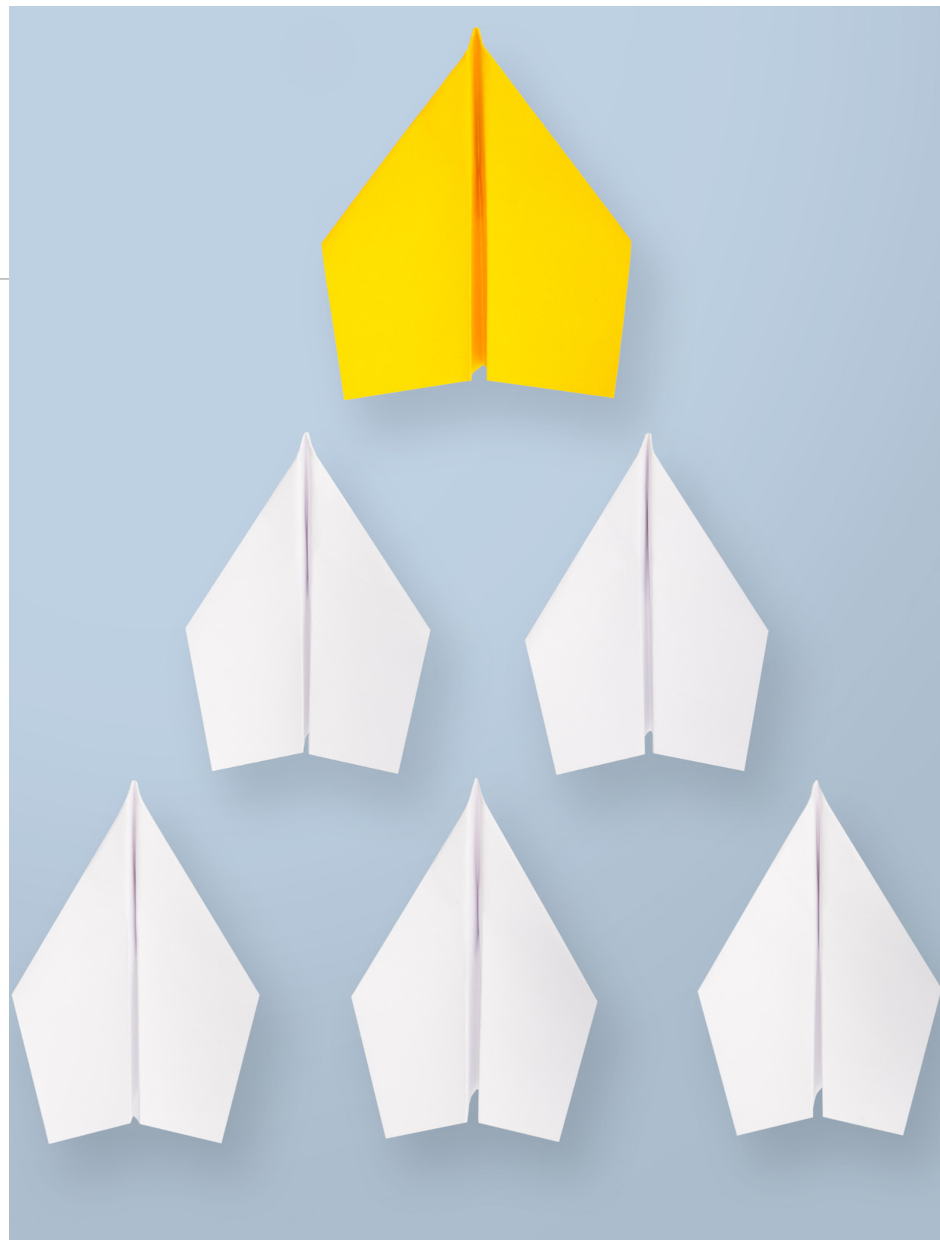
YFM agreed to exit part of the group and has retained a minority stake.

The private equity firm initially invested £6m into EIKON in March 2018 and was able to secure a healthy return within 21 months.

Based in London, EIKON provides digital mastering and localisation services to the international entertainment industry and has achieved rapid sales growth, averaging a growth rate of 55 per cent each year over the last three years.

YFM's funding, made from its British Smaller Companies VCT funds and Growth LP funds, was used to expand the company's execution capabilities through development of a new facility in Los Angeles.

YFM has also announced the appointment of Aaron Lowery as investment manager. ●



Rothschild closes €1bn secondary Five Arrows fund

Rothschild & Co has closed its Five Arrows Secondary Opportunities V on €1bn, above its initial €700m target.

By *Olly Jackson*

Rothschild & Co has closed its Five Arrows Secondary Opportunities V (FASO V) on €1bn, above its initial €700m target.

Investors in the fund represent a globally diversified group of institutions, corporations, international family offices and entrepreneurs. Rothschild & Co and the fund's investment executives have also made a substantial commitment to the fund.

FASO V has already signed four proprietary secondary direct transactions, resulting in the fund being 30 per cent committed at the time of the final close.

"We are delighted with the success of the FASO V fundraising and are grateful for the support of both our existing investor base as well as our new investors," Marc-Olivier Laurent, executive chairman of Rothschild & Co's Merchant Banking business, said.

"I am confident that under the leadership of Mireille Klitting, we will continue to develop our secondaries business and work hard to generate the returns our investors expect from us."

The focus of the fund's strategy will remain on secondary directs (or GP-led deals) predominantly in the European small and mid-market. FASO V targets tickets of €10m to €100m per deal, with larger deals possible with the help of the fund's limited partners.

The fund's predecessor - Five Arrows Secondary Opportunities Fund IV - completed its investment period at the end of last year, having made 15 investments and committing 127 per cent of the fund.

The fund also had a number of liquidity events with FASO IV distributing over 40 per cent of the capital funded to date. ●

HUMATICA CORNER

Using values to shift culture and grow value

The collective ability of an organisation to anticipate change, opportunities and risks, and move faster than the competition drives sustained value creation – the winning tech giants give ample confirmation of this. And it is the quality of seamless interactions between knowledgeable managers and employees at all levels that allows a firm to detect early market signals and translate these into concrete actions that grow value. It's no wonder that "agility" and culture have therefore found their way to the top of corporate leader's agendas. The only problem is, it's an incredibly difficult thing to change. A good culture takes a long time to cultivate, but can be destroyed quickly. Over the years, Humatica has helped countless companies accelerate cultural (behavioural) change and has thereby learned some key lessons for entrepreneurial leaders.

Firstly, there is no silver bullet. Knowledgeable employees change their behaviour voluntarily, you can't mandate it. They need to connect-the-dots for themselves that behaving in a different way will bring them more benefits than the cost of not changing behaviour.

A clearly defined set of values that describe the desired behaviours is a starting spot. Values should be defined to highlight required changes in culture, that are needed based on the legacy behaviours and future market demands. They should be aspirational, but at the same time resonate with the current organisation. It is also helpful to define specific real-life dilemma's, "moments-of-truth" that employees may be confronted with, where the values can be applied to make a good decision – and define what the right decision in those cases is.

One of our observations about successful culture change is that it requires consistent signals and observations through independent channels to give employees confidence that the change is for real. It's not so much what the management may say, but more what leadership does that signals the desired and undesired behaviours.

For this reason, values need to be anchored in the recruiting selection and performance feedback processes and integrated in established reward and sanction processes. In fact, every manager's behaviour is put under the microscope to assess whether it is consistent with the stated values. Another common use of values is to help in taking action when dysfunctional or risky behaviours occur. When these problem situations arise, they are blessings in disguise as excellent opportunities to graphically signal the undesired boundaries of behaviour dictated by the values. Not taking action in such cases, however, quickly works in the opposite direction. Inconsistent management behaviour with the stated values is a highly corrosive signal for the organisation.

Humatica has helped countless firms with the identification of required behavioural changes to achieve value creation goals, and the definition and anchoring of pragmatic values to accelerate culture change. ●