

Private Equity Software Experiences Significant Changes

Submitted by: Kinlan Communications

Thursday, 10 June 2010

Operational Infrastructure in Private Equity Experiences Significant Changes

- Number of software and operations companies dedicated to the private equity sector grows strongly in last five years
- Supply chain of software and operational infrastructure providers dedicated to private equity has been transformed in last ten years
- Underlying technology employed has seen dramatic changes
- Maximising relationship intelligence and investor transparency, managing returns through liquidity and risk profiling and outsourcing of fund administration among topics
- Private Equity Software and Service Provider Showcase (PESS 2010) to address sector changes on 29 June 2010, London

London, 9 June 2010 –

The mature and sophisticated supply chain dedicated to the private equity sector has undergone significant changes in recent times and has been transformed from its more humble beginnings, little more than 10 years ago.

Tony Piper, Director of 4vco (<http://www.4vco.com>), the UK consultancy specializing exclusively in private equity operations, commented: “The need to boost operational infrastructure has been pushed up private equity’s radar screen as a result of the financial downturn. This has led firms to seek better ways to capitalise more effectively on their intelligence, information and relationships and, ultimately, improve service to their investors”.

The most visible change is in the growth of private equity software and service companies now competing to supply the private equity marketplace. 4vco’s PESS Directory currently lists 35 such companies; a number that has doubled in the last 5 years. Part of this increase is driven by the emergence of functional specialists within the private equity sector, many of whom are focused on front and middle office disciplines. Three companies at PESS 2010, Baxon, ClearMomentum and iLevel, all focus upon portfolio monitoring, whilst others, including LexisNexis, Touchstone and Outsourcery, have successfully targeted private equity houses with sophisticated tools for contact and activity management and deal flow.

The importance of the role of private equity systems and services is further acknowledged by the BVCA, which will be attending PESS 2010. Simon Walker, Chief Executive of the BVCA, commented: “The BVCA is committed to best practice in the Private Equity industry and PESS 2010 is an ideal forum in which to gain direct insight into the wide range of software and services specially developed for our sector”.

The underlying technology employed has also seen dramatic changes. Paul Thompson, Senior Consultant with 4vco, explained: “The long-established providers of integrated solutions have typically migrated to a .Net platform that provides significant benefits in flexibility, interface design, roll-out and integration. Today’s systems are role-based with context-specific dashboards to appeal to a broader user base. Other companies have used existing core products such as MS Dynamics CRM and Salesforce and

adapted these to the private equity model. In many cases the technical implications have also been reduced due to the emergence of fully hosted solutions.”

Other changes have been driven by the increased diversification of the private equity business model itself. Private equity systems have evolved to cope with more complex investor and investment structures including multi-layered feeder funds, Luxco (Luxembourg company) structures and project-based investments including infrastructure and property.

As a sign of the strong growth potential of software and service companies working in the private equity sector, three such companies have been the target of acquisitions by large, global players: Investran by SunGard, Framework by 3i-Infotech and TheNextRound by SS&C. In addition, eFront has been partially listed. These changes have provided additional financial stability and investment and have been instrumental in the globalization of private equity software and services supply.

Developments in private equity systems have also impacted the service sector, with third party administrators taking advantage of new technology to enhance their own infrastructure. Third party administrators at PESS 2010 include Alter Domus, Ipes and SS&C, who will all be explaining their latest service offerings.

Finally, the software and service companies' growth strategy has seen some important shifts recently. Tony Piper, Director of 4vco, noted: “The early years were dominated by the race for market share, where new sales were the driving force and the main targets were the larger private equity houses. More recently, companies have adjusted their approach and pricing models to cater for a wider target audience, including smaller houses with lower budgets and fewer resources. We have also seen additional focus placed upon providing continuous improvement services for existing clients; something that 4vco believes is essential for the long-term success of this market”.

4vco fully recognises the task that many private equity houses may face when it comes to selecting private equity software and service providers. It is therefore bringing together up to 150 private equity professionals and 19 private equity software and service companies for what is an innovative and rarely available day of presentations on topical issues, networking and exchanging of ideas for PESS 2010 on 29th June, at the Renaissance Chancery Court Hotel in Holborn, London.

PESS 2010 is attracting more attention than ever by responding to increased demand from the private equity industry on how to boost internal efficiency as well as increase transparency to investors. Full details are available on www.4vco.com/pess2010

All of the above developments will be fully demonstrated at PESS 2010 during the wide-ranging debates in the planned seminars, which will include interactive live voting on a number of topical private equity issues. PESS 2010 attracts key decision makers from LPs and GPs, including Senior Executives, Investor Relations, COO/CFOs, FDs, Portfolio Analysts and IT Directors.

For further information, please contact:

Kinlan Communications 4vco
David Hothersall/Tanya Sukhoparova
Tel. +44 207 638 3435
davidh @ kinlan.net

Tony Piper
Tel. + 44 20 7785 6999
tony.piper @ 4vco.com

Notes to the Editor

PESS 2010 Showcase, Renaissance Chancery Court Hotel, 29 June 2010

www.4vco.com/pess2010

PESS 2010 is a unique opportunity, bringing together leading private equity software and service suppliers with senior decision makers. This event will attract front and back office decision makers within private equity firms, including Senior Execs, Investor Relations, COO/CFOs, FDs, IT Directors and their appointed representatives. PESS 2010 brings together 19 major suppliers to the private equity marketplace for a day of presentations, information sharing and networking, providing an outstanding opportunity to share experiences and discuss topical issues with peers. Companies attending include 3i-Infotech Framework, 4vco, AnalytX, eFront, iLevel Solutions, Intralinks, IPES, LexisNexis, Outsourcery, Sungard Investran, Relevant Equity Systems, Vitech, Alter Domus, Baxon, Capital Support, ClearMomentum, SS&C / TheNextRound, The Burgiss Group and Touchstone Group.

Private Equity Software Services Directory (PESS)

4vco has long recognized the issues that a large choice of software and service providers can generate in terms of selection and implementation. 4vco therefore publishes the yearly PESS directory, which is the ultimate guide to private equity software and service companies. The directory provides an introduction to 35 suppliers with a proven dedication to the PE sector, and is free to request from www.4vco.com

4vco

Established in 2001, 4vco helps private equity clients select and implement software and systems to improve their operations through best practice and technology. 4vco is the UK's leading consultancy specializing exclusively in private equity operations, with over 120 assignments completed for more than 80 private equity organisations and extensive experience of most core operational functions within Front office, Mid-office, Back office, Investor relations, HR, IT and risk management. 4vco has worked with all shapes and sizes of private equity firms including Buy-outs, Venture Capital, Funds of funds, Infrastructure, Administrators and LPs.

For nine years, 4vco has played an integral role in assisting many private equity houses through the maze of systems and software issues. 4vco has also observed the significant maturing of private equity

software and services companies who, between them, have now deployed their products at over 1,000 private equity institutions.

Speakers attending:

Framework, 4vco, AnalytX, efront, iLevel, Intralinks, ipes, LexisNexis, Outsourcery, SungardInvestran, Relevant, EquiTrak, Alter Domus, Baxon, Capital Support, Clear Momentum, SS&C, The Burgiss Group, TouchstoneGroup

