



Winner...

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CEO INSIGHT:

Q What are your most important professional achievements at your current company?

I am tempted to say 'launching the firm' and leave it at that. Starting one's own firm is a uniquely challenging and rewarding experience, and I think most entrepreneurs would agree with that statement. My co-founder Adrian Polak and I started with a very clear view of our target market and a belief in a different kind of engagement model. The hard work comes in putting that into practice. In that regard, I would point to our success in not only articulating our strategy, but also proving it out within a very short time after launching the firm. A big part of that has been the incredible team we've put in place, directly here at Strattam, via our investor and advisor affiliations, and in the partnerships we've built with the management teams at our portfolio companies. I am particularly proud of the accelerating growth at our portfolio companies as a result of our applied engagement model.

Clearly articulating a sector focus, transaction profile, and management strategy has helped us be effective as an investment team. We've shown that we can source, transact, and – though we are just at the beginning – improve the performance of our target companies.

Q How did you do that?

We talk about three things quite a bit that are central to our success: focus, conviction and commitment. We develop a consistent focus by taking a broad look across the enterprise information technology and services sector, and identify sub-sectors with the most attractive long-term potential: enterprise software, digital infrastructure, and tech-enabled services. Then we try to know as many companies as possible in each of those subsectors, which is how we develop conviction around our ideas. And finally, we look for growing companies led by exceptional CEOs and management teams, where our close engagement model will improve the profile and growth rate of the business. When we find the right company and team, we look to take majority stakes, making investments in the \$15 - \$50 million range. Commitment is the differentiator in tough markets: we've been invested and stayed invested across peak and trough markets, and that really makes a difference to managers who have choices. The best teams have a lot of options.

Q You mentioned a different kind of engagement model. Can you share an example of that?

Sure. One example is how we initiate that management engagement prior to even signing a deal, through what we call the Strattam Five Point Plan or "5PP". After completing diligence but before signing the transaction, we identify the five most important action items for the Company. By the way, we find it is much easier to write the initial 50-item list; to prioritize five takes much more time. For each item, we list the problem or opportunity area, resources required, timeline, and how we will measure success.

When we share the draft 5PP with management, we listen – and gain valuable feedback from the team. Often, the CEO will say, "Oh, we tried X and it didn't work because of Y," or "Sure, we could do that, but not without an extra \$Z million." Having the sometimes hard

conversations and agreeing on goals before signing the deal makes a huge, and positive, difference. And yet, through collaboration, we arrive at a version of the 5PP that will deliver the results we are underwriting: we have management buy-in before signing, not only to the priorities in the 5PP, but also to committing the resources to execute the plan. This helps us get out of the gate quickly. For instance, M&A was part of the 5PP for our first portfolio company, and because our engagement model had us in such intense advance discussions and planning, Doxim was able to put its first strategic acquisition under exclusivity just ten days after we closed our investment.

Q What role did your past experiences play in you deciding to start your own company?

Adrian and I both had experiences at large firms that gave us the opportunity to learn a tremendous amount from people with a huge wealth of experience. We took those disciplines of rigorous, defined processes with us and put them in place from day one at our own firm, because we know that they're the backbone of sustainable growth in our business. I also had the opportunity to work with companies that were really inspiring; they were changing the way that business was done at an unheard-of pace, they were led by founder-entrepreneurs, they wanted to build a new model for doing business. I began to realize that the tools that the private equity industry itself uses could benefit from a similar mindset. So, at Strattam, we are working to develop a set of tools that are as modern as the companies we invest in. We believe that innovation drives truly remarkable outcomes.

Q What lessons did you learn on your way to becoming a CEO?

Sometimes certain lines become clichés because they're true: two ears, one mouth. While we're looking to make an investment, we spend twice as much time listening as we do talking about what we can offer. That gives us the opportunity to determine whether what we have to offer will be a successful fit with the management team's style and expectations, and also gives the management team the opportunity to reveal a lot about the company's history: what it has tried, what it hasn't, what has worked, what has failed. We also reach out and listen to our advisors and our extensive network of technology executives to assist in this process. That information has incredible value to us, and ultimately to the partnerships we form with the companies we invest in.

Q How do you see the future of your industry?

The private equity industry has evolved greatly since I worked on my first buyout in 1993, and I believe it will continue to change. The success and growing scale of the largest firms has attracted new investors, and private equity is now an established, core holding in most institutional portfolios. With that has come increased visibility, scrutiny, and regulation, all of which raise the bar for private equity managers. And yet this is a young industry, one that is still innovating and improving. New firms, bringing new ideas and approaches, are critical to the health and vitality of the industry overall. I hope Strattam will be able to make its own contribution alongside the other rising firms bringing modern approaches to private equity.