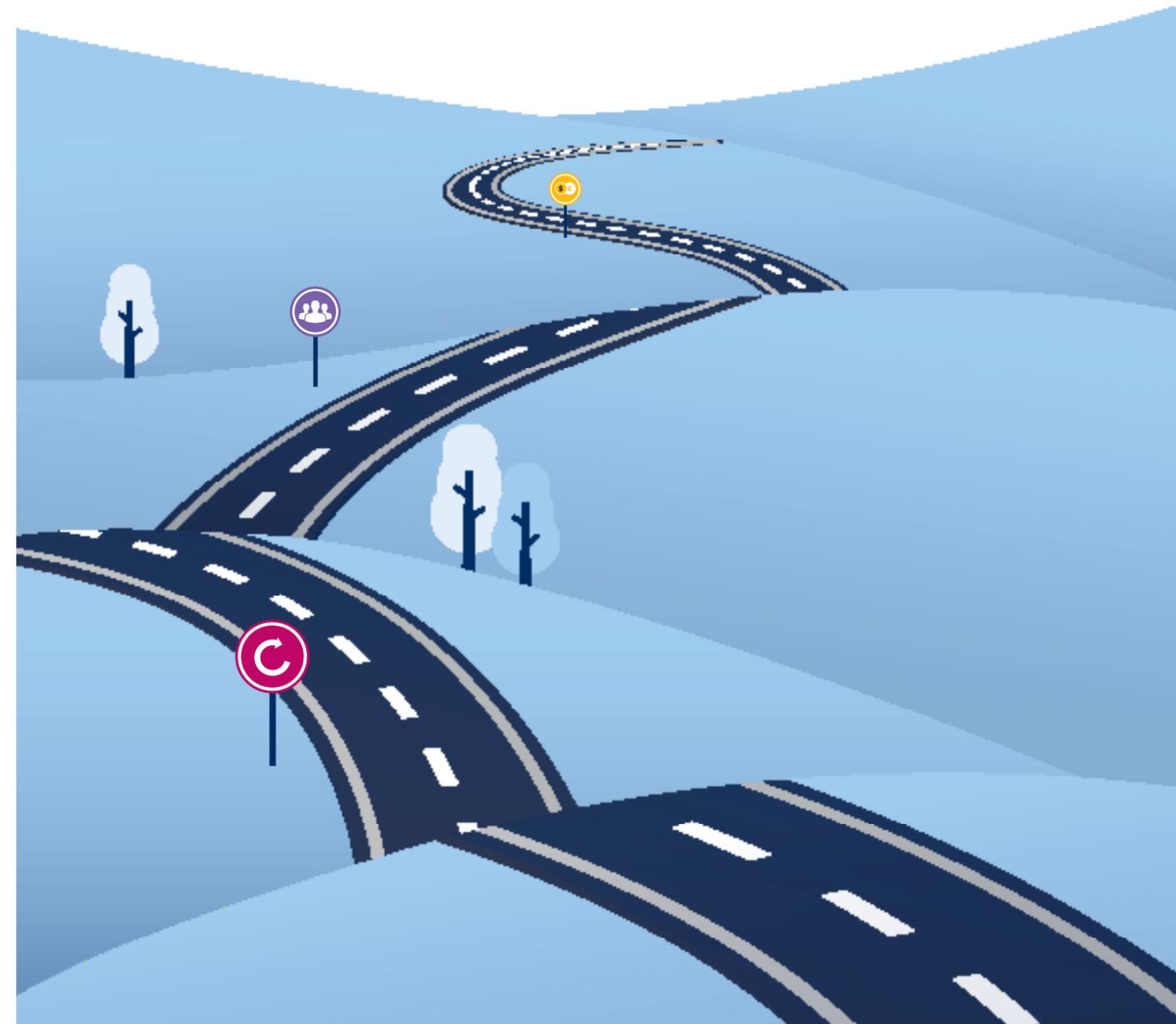


KnowledgeNow: Enterprise Tomorrow

Apax Partners KnowledgeNow Conference
October 2014



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Representing...

€28bn Enterprise value

€14bn Annual sales

138,000 Employees

Apax Partners is one of the world's leading private equity firms. An independent global partnership focused solely on long-term investment in growth companies, our Funds invest in four sectors: **Consumer**, **Healthcare**, **Services** and **Tech & Telco**.

Our success is rooted in an outward looking, pioneering culture that has always been committed to growing businesses. Our deep understanding of the four sectors in which funds advised by Apax Partners ("the Apax funds") invest has been at the core of Apax Partners' strategy, giving us early access to investment opportunities and an ability to quickly add value to portfolio companies.

Vital to our success are our **Digital**, **Operational Excellence** and **Capital Markets** practices. These advise on key strategic, operational and financing solutions within portfolio companies to help drive value.

Through our **KnowledgeNow** programmes, communities and conferences, we create forums for executives to share **experiences** and discuss the common **challenges** our portfolio businesses face. Our annual conference, recounted in this brochure, is the cornerstone of these efforts.

Connect@Apax

Activating our collective knowledge
39 portfolio companies,
18 countries,
170,000 employees:
1 Apax community.

Joining the Connect@Apax community gives you access to an exclusive group of like-minded executives and preferred partners who are facing the same dynamic challenges and opportunities in their drive for growth.

More details on page 6 of this report.
Visit connect.apax.com to register today.



The Operational Excellence team

Operational Excellence practice

Seth Brody Partner and Global Head of Operational Excellence



Seth Brody is a partner and Global Head of the Operational Excellence Practice. He has been with Apax since 2008 based in the New York office. His prior industry operating experience includes roles as Executive Vice President and General Manager at RazorGator Interactive Group, as Group Vice President and General Manager at Orbitz Worldwide, Director of Marketing at priceline.com, and Product Manager at Netmarket Group, Inc. Seth has served in numerous

interim management positions across the Apax portfolio including roles as the Chief Information Officer at Netrada Management GmbH and Chief Marketing Officer at Trader Canada Corporation. He serves on the Board of Directors for Bankrate, Inc. (NYSE:RATE) and Answers Corporation. He is also an investor, director and advisor to numerous growth companies in the digital space. He received his BA from Yale University and his MBA from Harvard Business School.

Nick Hartman Operating Executive



Nick Hartman is an Operating Executive in the Operational Excellence group and joined Apax Partners in 2009. Prior to joining Apax, Nick held senior management positions at Orbitz Worldwide and Accenture, which included profit/loss responsibilities, international expansion, and consulting for Fortune 500 retail and high technology clients. Nick has been involved in developing numerous investments in the Apax portfolio including SouFun, Trader Canada

Corporation, and ALM. He also leads the procurement vertical for the Operational Excellence Team. Nick serves on the Board of Directors for AutoTrader Group UK.

Nick holds a BSc from the Kelley School of Business at Indiana University and an MBA from the Kellogg School of Management at Northwestern University.

Jonathan Simmons Operating Specialist, Digital Media and e-Commerce



Jon Simmons is an Operating Specialist on the Operational Excellence team. He joined Apax Partners in 2012 and is based in New York. Prior to joining Apax, Jon was the Founder and Principal at Clearsearch Media, where he led digital strategy for a diverse portfolio of clients ranging from early stage ventures to global companies. Prior to founding Clearsearch in 2006, Jon was the Director of Marketing Operations at Walkaway Media, an online lead aggregator in the travel

industry, and also held various positions at priceline.com. Since joining Apax, Jon has been instrumental in driving performance in numerous investments including Cole Haan, rue21, and New Look.

Jon holds a BA in Economics and German from Middlebury College.

Will Harman Operating Specialist, Procurement, EMEA



Will Harman is an Operating Specialist in the Operational Excellence team. He joined Apax Partners in 2014 and is currently based in London. Prior to joining Apax Partners, Will worked for PA Consulting Group where he led procurement restructuring, cost reduction and supply chain risk management programmes for clients including BP, BAE Systems and Aston Martin.

Will was previously a supply chain consultant at PwC and has led major procurement programmes at Jaguar Land Rover.

Will holds a Master's degree by Research from Warwick Business School, an MA in International Relations from Bristol University, and a BSc in Economics and Politics from Bath University.

Jessica Kuess Digital Associate



Jessica Kuess is a Digital Associate in the Operational Excellence group. She joined Apax Partners in 2014 and is currently based in New York. Prior to joining Apax Partners, Jessica was a member of the Strategic Development team in Ralph Lauren's Global Digital and

E-commerce Group. She also worked as an Investment Banking Associate and Analyst at Citigroup in the Global Industrial Group in New York. Jessica holds a BBA from the Stephen M. Ross School of Business at the University of Michigan.

Daisy Loaiza Operational Excellence Coordinator



Daisy Loaiza is the Operational Excellence Coordinator, supporting the team on a global basis. She joined Apax Partners in 2011 and is based in the New York office. Prior to joining Apax Partners, Daisy worked as an Executive Assistant at the New York Women's

Foundation and at Wolfensohn Fund Management in New York. Daisy is responsible for the day to day management of the Connect@Apax Platform and the support of our KnowledgeNow events. Daisy holds a BA from Fordham University.

Operational Excellence practice continued

Gary Hughes Operating Advisor



Gary Hughes joined the Operational Excellence Team at Apax as an Advisor in October 2012 following an extensive career in both the public and private equity markets as a senior executive. He is an experienced international operator and at Apax works with our deal teams on operational pre-acquisition due diligence; with our portfolio companies on improving performance, change management and business process improvement; and provides interim management

support where needed. He is currently a director of J Sainsbury Plc, SECC Limited and is on the board of Smart Technologies Inc. in Canada (NASDAQ:SMT). His career has taken him from investment banking to various roles across the FMCG, international hotel, media and gaming sectors. At Apax he has supported King.com as interim CFO, General Healthcare Group, and OneCallCare Management, amongst other assignments.

Jason Glaun Operating Advisor, Information Technology



Jason Glaun is an Operating Advisor in the Operational Excellence team having previously held the role of Interim Global Technology Director at Apax Partners. Prior to joining Apax as an adviser in 2009, Jason founded a management consulting business in the Channel Islands. He has operated in the retail, digital, technology, alternative investment, finance, legal and consulting industries. Holding previous operating positions at the board and executive level, his specialty

areas revolve around supply chain, business operations and technology. At Apax, Jason has worked extensively with Top Right Group, General Healthcare Group, Cole Haan, OneCallCare Management and Sophos.

Jason holds a postgraduate Diploma in Commerce & Industry and an MBA in Technology Management from the Open University.

Shivani Tejuja Operating Advisor, Digital Retail



Shivani Tejuja joined Apax Partners in 2014 as an advisor in the Operational Excellence team. Prior to joining Apax, she was Multichannel Director of New Look, strategising this dynamic fast-fashion brand's customer experience and growing their digital business over 50% year-on-year. She has held senior management roles and directorships at a host of major brands in the US and Europe, including Microsoft, Starbucks, Amazon,

Expedia and Voyages-SNCF – Expedia's joint venture with the French national train operator. Since joining the Apax team, Shivani has supported digital growth initiatives at rue21, Takko, Karl Lagerfeld and Rhiag.

Shivani holds a BA in Economics from the University of Pennsylvania and an MBA from London Business School.

Nick Iozzo Operating Advisor, User Experience



Nick Iozzo has nearly 20 years' experience in user experience and product management of internet based software. His specialty is in managing the design and roll-out of disruptive technologies. During most of his career, he established and led the user experience practice for three different consulting companies, working for companies like Hallmark, Victoria's Secret, Travelocity, Fisher Scientific, GSK, Orbitz and about 40 other start-ups and established companies.

Currently, he works exclusively with Apax Partners and provides assistance to their portfolio companies looking for help in managing disruptive technologies, improving the usability of their products, or helping them bring design thinking to their product management process. Outside Apax, he is currently writing a book and building requirements software to complement his work with Apax.

Ellen de Kreij Operating Advisor, Environmental, Social and Governance Initiatives



Ellen de Kreij is an Operating Advisor based in London, with a particular focus on the implementation of the Apax sustainability programme. Ellen joined Apax Partners in 2002 as Director of Deal Generation and became a Director in the Investor Relations team in early 2010. She joined the Operational Excellence team in 2014.

Prior to joining Apax Partners, Ellen worked as an investment banker in the mergers and acquisitions

teams at Merrill Lynch and Broadview International, where she specialised in advising transactions in the technology sector. She also worked for Shell in the Netherlands for three years prior to completing an MBA.

Ellen holds an MA in Dutch Civil Law from the University of Leiden and an MBA from Harvard Business School.

“Leverage our knowledge. Leverage our scale, our portfolio and our preferred partners to grow your business...”

Seth Brody Partner and Global Head of Operational Excellence



KnowledgeNow: Enterprise Tomorrow

Building tomorrow's enterprise today

Since the early 1990s, Apax has pursued a proven strategy of sector-focused investing. We look for opportunities where capital, experience and insight can release the potential of businesses and lead to significant growth.

Our sector focus, combined with an established network of local offices and a global platform, underpins our strategy. Typically, we try and grow businesses by acting as a catalyst for change and have established clear processes to maximise the value of our portfolio.

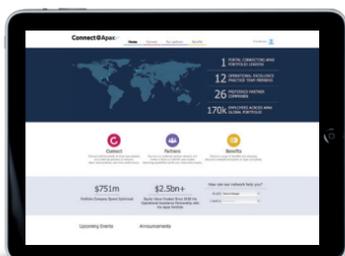
Bespoke Apax technologies...

...drive value for tomorrow's enterprise

Connect@Apax

“With almost 40 companies in the Apax funds’ portfolio, it’s clear there is a massive amount of expertise and knowledge in the Apax family.”

Jon Simmons Apax Partners



A catalyst for growth

Utilising the collective knowledge and experience resident in the Apax funds’ global portfolio is a critically important catalyst for growth. When Apax executives gather at the annual KnowledgeNow event, they unleash that potential energy – sharing best practice tips, building commercial relationships and networking. The Connect@Apax platform was created to keep that energy going 24 hours a day, seven days a week, 365 days a year.

Built exclusively for Apax fund portfolio company executives, Connect@Apax is a private online community designed to do just that – to make those valuable connections easily available, sharing the expertise and experience of executives from around the globe.

Members can use the tool to search a number of initiatives such as ‘Increase conversion rates’ for marketing executives or ‘Reduce IT costs’ for CIOs and relevant content is provided.

Make valuable connections, sharing knowledge to drive value

Whether it is a case study on a particular topic, a list of preferred suppliers who can provide related services, or importantly, the names of both Apax operating team members or portfolio company executives with associated know-how – the tool facilitates making connections, driving significant value.

Visit the link below to register:
connect.apax.com

Apax digital insights platform

Big data and complex analytics

The promise of big data and complex analytics has no more robust field in which to be realised than in the world of digital media and e-commerce. The Apax funds have invested heavily in these sectors over the past two decades, and the Operational Excellence team is constantly working with portfolio companies to realise their potential in these fast-growing and ever-changing segments of the global economy.

Simplifying for actionable insights

Innovations in the world of digital analytics have begot more and more complexity for management teams. Ubiquitous data sources, solutions, technologies, and approaches can make it difficult to extract actionable insights.

The Apax Digital Insights Platform brings all that disparate data together, augmenting it with a proprietary collection of information gleaned from the terabytes of data collected across Apax’s digital portfolio every day. From chaos, we create simplicity. From that simplicity, our management teams can take action.

The project is the culmination of a vision derived from decades of combined digital experience amongst the Apax team, brought to life by the technologists and product development specialists at GlobalLogic, an Apax portfolio company. For more details on this project and information on how the platform is driving results in the portfolio, please visit: connect.apax.com

Platform implementation

GlobalLogic®

The Apax Operational Excellence team selected another Apax portfolio company, GlobalLogic, to bring the digital insights platform to life. GlobalLogic continues to support the platform’s development and innovation. For more details on GlobalLogic’s product lifecycle and analytics capabilities, please visit connect.apax.com

Connect@Apax



Connect

Connect with hundreds of other Apax leaders and preferred partners to network, share best practices and drive performance.



Partners

Tap into our preferred partner network and review a library of real-life case studies that bring capabilities and measurable results to life.



Benefits

Explore a range of benefits and shopping discounts available exclusively to Apax companies.

Digital monitoring and insights platform



The Apax digital insights platform supplements existing analytics providing a dashboard interface, advanced segment analysis and competitive benchmarking.

“There are dramatic forces of change, internally and externally, facing every organisation. We have new markets, new technologies, new possibilities. How can we build tomorrow’s enterprise today?”

Seth Brody Partner and Global Head of Operational Excellence



KnowledgeNow: Enterprise Tomorrow

The power of 'we'

KnowledgeNow is about empowerment through community.

The scale of the Apax portfolio creates opportunities for collaboration that can only be explored through the connections we make between our executives and preferred partners.

Seth Brody opened the 2014 gathering with an exploration of the conference theme, Enterprise Tomorrow. Our topics and working sessions were designed to explore the forces that shape the global economy, our key sectors, and the individual companies that comprise the Apax portfolio.

Since our last gathering...

+55% YoY

Average growth
in mobile traffic in
portfolio companies

\$750m+

Company
spending
optimised

\$150m+

Value of contracts
between Apax
portfolio companies

€1.2bn+

Equity invested
by Apax Partners

The power of 'we' continued

The content in Las Vegas was organised around several key areas, each of which is explored in more detail in this brochure.

Forces of change

How can you keep your organisations focused on the long term when there is so much changing in the short term? How do you maintain focus, discipline, and consistent execution when there is tremendous uncertainty in your particular end market? How should an Apax fund portfolio company, destined to be sold, best prepare for future exit? How best to transform an organisation to capture the opportunities that the digital revolution provides? These topics were explored in depth through three panels of seasoned executives and partners and are detailed on pages 12-17.

Tomorrow's consumers

Tomorrow's consumers are here today, and they look nothing like yesterday's. The shifting centre of gravity in the global economy, from West to East, creates massive opportunities, and challenges for tomorrow's enterprise. And to further complicate matters, the demands of those consumers, living in an always on, always connected world, are evolving every day. How best to meet their needs or, better yet,

get ahead of the curve? These topics were explored through presentations and panels and are detailed on pages 18-21.

Impact of technology

Technologies are changing the way we work, or, perhaps more interestingly, work itself. Automation, artificial intelligence, driverless cars – these are just a few examples of the imagined possibilities of tomorrow that are taking shape today. Organisations, communities and countries will need to adapt to this changing landscape. The future of work requires a new kind of worker, capable and versed in the technologies that are underpinning global innovation and corporate growth. How best to fill the gap of technical resources that this rapid change has created? These topics were explored through presentations and panels and are detailed on pages 22-25.

Operational Excellence

Our mission is to develop the people, experience, skills, tools and partnerships necessary to enable deal teams to make great investment decisions and management teams to capture growth opportunities that drive sustainable equity value.

Supporting the Apax portfolio Accelerating growth



The Apax Operational Excellence Team:
Practical and functional expertise

KnowledgeNow:
Hundreds of Apax portfolio executives

Proprietary Tools:
Connect@Apax and Digital Insights Platform

A network of preferred partners and vendors:



“As a CEO you need to step back and think about how you instil confidence in your workforce and into your customer base. How do you make them feel that whatever comes, you can navigate your way through that?”

Vicky Gregg Retired CEO, BlueCross BlueShield of Tennessee.



KnowledgeNow: Enterprise Tomorrow

Forces of change

Today's businesses are facing dramatic forces of change, both internal and external. New markets and new technologies present new challenges. So how can we build resilient enterprises for tomorrow?

Forces of change continued

Managing against a backdrop of uncertainty

with **Buddy Gumina** Partner, Apax Partners, **Joe Delaney** CEO, OneCallCare, **Andrew Eckert** CEO, Trizetto and **Vicky Gregg** Retired CEO, BlueCross BlueShield of Tennessee.

Clarify your mission

The panellists all had links to healthcare – an industry with a reputation for uncertainty. But as Buddy pointed out, uncertainty is a certainty in business, regardless of sector. Vicky recalled the period of change and volatility that surrounded the passage of the Affordable Care Act in the US, saying that the uncertainty at that time had pervaded the entire company – from board directors to frontline employees. She highlighted the need for CEOs to go back to their mission, which leads back to the core of a business: “Understanding your core is paramount: firstly it gives you the cash to manage through a period of uncertainty. Secondly: ‘in difficulty lies opportunity’. In other words, look at your core and work out how you’re going to leverage the capabilities within it to navigate the future. And thirdly – a focus on process, and how we manage the business, day in, day out.” Clarity of mission – and being able to communicate it – are critical, not just from an organisational standpoint, but also from a recruitment perspective.

Get back to basics

Andrew stressed the importance of focusing on a few vital objectives and of bringing a company back to the basics. “I put in a whole new set of measures around client satisfaction. I’m a big believer that despite all the flux and dynamics in the world, the law of physics still holds: people want more value at lower cost. If we can deliver that confidently, we’re going to do fine.” He also sees opportunity in change and counselled sticking with proven company practices and behaviours, rather than changing because the external environment has altered.

Build trust through transparency

Ongoing communication was also seen as vital – with employees as well as customers. Honesty builds trust, and maintaining a level of transparency will serve a business well, in good and bad times. Joe said that consistent, open communication builds up credibility: “There may be repercussions from being honest and direct but if you plan on leading an organisation for a long time, it’s just the right thing to do, it works better in the end – but you’ve got to back that up with being really fair.”



Buddy Gumina Partner, Apax Partners



From left to right, **Charles Honnywill** Ernst & Young LLP, **Christopher Jamroz** President and COO, GardaWorld Cash Logistics, **Martyn Curragh** Principal, PwC, **Matt Deryn** CFO, Answers Corporation

Always be exiting: Managing the enterprise for future value

with **Nick Hartman** Operating Executive, Apax Partners, **Christopher Jamroz** President and COO, GardaWorld Cash Logistics, **Matt Deryn** CFO, Answers Corporation, **Martyn Curragh** Principal, PwC, **Charles Honnywill** Ernst & Young LLP.

Exit optimisation

Nick opened this session by suggesting that the best way to optimise an exit process is to really build sustained operating value throughout: “It’s not so much about the end, it’s about adding value.” Matt said Answers’ recent experience in exploring an IPO was a combination of tailoring the message, presenting a comparable business model and controlling the amount of information being provided – particularly pitching the message in terms of KPIs that can be delivered on consistently. Nick highlighted the way Matt’s team handled the creation of the equity story in the same way they handled the business: going out, iterating a little, and using feedback to refine the operation. He also stressed the importance of the equity story being told by the company’s management team – rather than using bankers to provide it. This adds both crispness and credibility, as opposed to an off-the-shelf presentation “tweaked from the last company that most resembled you.” The key lies in keeping the message tightly controlled and ensuring that everyone stays aligned to it.

Going public

The IPO trajectory has increased in recent years – something that Martyn attributed to a very creative investor marketplace. People want high returns and high yields – and the returns, growth and equity value of IPOs are actually outstripping the core market. He also observed that over half the IPO activity in the last couple of years had been driven by private equity exits.

Designed to encourage small companies to go public, the JOBS Act – with its confidential filing opportunity – now allows companies much more flexibility to react to changes in the opening and closing of IPO windows. It also permits two years of audited financials instead of three – although a lot of companies still go with three, where it supports an overall trend.

Pushing back third party attestation on Sarbanes-Oxley internal controls has also helped.

So does life change once a company is public? Martyn highlighted the need to manage the analysts effectively and highlighted the tendency to focus on the short term with more rigour than previously. He stressed the importance of good financial reporting and investor relations functions, as well as ensuring the technology is robust enough to provide the metrics and the performance indicators that analysts want.

The discussion touched on the costs of being a public company. Charles’ straw poll revealed that an average of 11 advisors are involved in an IPO. He acknowledged there are costs too of being private – but the consensus was that the cost of going public was steady but rising, with listing fees, demands on internal controls, audit costs and so on. There are also incremental costs associated with enhancing the board and improving technology – and these are often relatively high, in relation to the size of the company concerned.

Managing the process

Chris highlighted the need to be aware of the organisation life cycle; with expansive growth, cost containment, margin preservation and so on all needing to be aligned toward the exit. However he counselled that discussions around exits should be confined to CEOs and board members – to guard against the likely distraction of management teams. Nick also advised creating a team separate from a company’s day-to-day operations, keeping the process tight and task-focused.



Forces of change continued

Digital growth drivers: what's moving the needle across the portfolio?

with **Jonathan Simmons** Operational Excellence, Apax Partners, **Nathan Richter** Global Director of Client Solutions, Monetate, **Alex Langshur** Co-Founder, Cardinal Path, **Christopher Mason** Founder and CEO, BrandingBrand, **Jonathan Williams** Marketing Director, AutoTrader Group.

The user experience is key:

Customers' aims differ depending on the device they are using – use each channel effectively.

A good user experience is the foundation of every great digital business. As the capability for organisations to change and improve the user experience becomes more readily available, the barriers to entry have come down. Nathan explained that the amount of data available on consumers across multiple devices provides a tremendous ability to speak to them as individuals, and in a more meaningful way. Taking advantage of that data is key to optimising the user experience and driving conversion rates to transaction.

Nathan observed that mobile brings a different perspective of what a consumer is trying to do and how they engage with a brand. When it comes to testing mobile apps and sites versus desktop, a significant emphasis is now placed on the mobile experience. Chris pointed out that retailers are testing – but not enough – especially considering where the consumer is heading and the decline of desktop usage.

Focus on user needs:

What is the customer trying to do in each channel?

Jonathan suggested that conversion starts with building a culture around the needs of customers and making that central to everyone across the business. AutoTrader brings consumers in to test new products and new ideas – generating real-life, tangible qualitative feedback in addition to the ongoing quantitative multivariate testing.

Across the Apax portfolio, mobile traffic accounts for 30-60% of total usage. But the high percentages of traffic aren't being monetised to their full potential. How are companies addressing this? Chris highlighted the new behaviours, with people connecting to retail brands in places they couldn't previously – locations not necessarily suited to commerce – and that they start shopping on mobile but end up buying somewhere else.

He also flagged-up the poor quality of many mobile sites and observed that whilst individuals may love a brand, the mobile experience is often disappointing and frustrating. Groups that get it right are rewarded by increased conversion, not

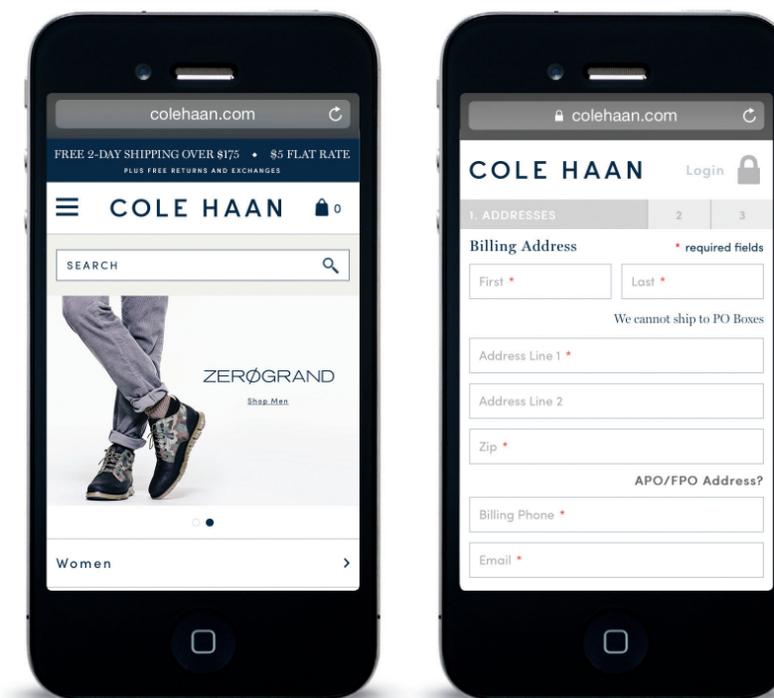
just in mobile but in other channels too. Changing behaviours mean that consumers are mainly browsing on their phones and tablets, whereas those who start their purchase process on a desktop tend to commit to purchasing on it too – because it's easier to make the transaction. Chris stressed the need to be adaptive and responsive to different device sizes – and that unlocking new functionality or shopping flows should be possible for smaller devices. "It's important to establish what the user is trying to do in that channel, rather than saying 'How can we dumb this site down and make it smaller?'"

The 'path to purchase':

Understanding consumer behaviours across devices depending on where they are on the route to purchase.

Jonathan said that, as early adopters of mobile media, his company had experienced greater engagement with the brand and an increase in market share. It also proved to be a cost-effective way of acquiring customers.

This fragmentation of use across devices however, can lead to difficulty in determining which channels actually deliver successful outcomes. Alex suggested that this necessitates a reshaping of the traditional 'conversion funnel' theory, into one of the client's 'path to purchase' which is mediated by the device and the audience. The challenge is to link behaviours across devices and obtain a single view of the client across devices, related to where they are on their path to purchase.

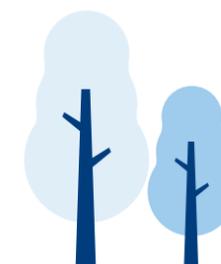


“They're doing their research on mobile and when they come to another type of device, which is just a larger screen... that's where the purchase happens. Aligning intent to different devices along the path to purchase is what we now have to do.”

Christopher Mason Founder and CEO, Branding Brand



Centre, **Christopher Mason** Founder and CEO, BrandingBrand



Apax PARTNERS

Josh Krepon
VP of Digital Commerce,
Cole Haan

Jack Smith
Group Digital Director,
New Look

Dirk Armstrong
SVP and Director
of Stores, rue21

Dave Eckley
President and COO,
TradeGlobal

“It won't be a matter of days, but a matter of hours from the time you place an order to the time you receive it.”

Dave Eckley President and COO, TradeGlobal



KnowledgeNow: Enterprise Tomorrow

Tomorrow's consumers

Where are the new markets and what's driving their growth? With multiple trends occurring across the retail sector, customers want tailored and relevant experiences. The baseline customer experience has changed dramatically in the last several years – where is it heading?



Tomorrow's consumers continued

The shifting economic centre of gravity

with **Jaana Remes** Partner, McKinsey Global Institute.

Mass urbanisation in emerging economies will fuel global growth in the decades to come

Even though the global economy has been improving for a number of years, there's still a profound sense of uncertainty; this has been not just a 'usual' downturn but a fundamental change in the way we deal with the uncertainties that lie ahead. Jaana suggested that it's time to look beyond the near-term uncertainties to the stronger undercurrents that are going to fuel change in the decades to come – and that the most powerful positive economic force in today's global economy is the mass urbanisation of the emerging economies.

It's clear that the recovery is advancing at very different speeds in different countries. Whilst the US has pretty much recovered the ground lost since 2007, indicators in the Euro zone still lag their 2007 peak. With the exception of Russia, most of the emerging markets are above or beyond their pre-2007 levels, whereas Brazil is slowing down significantly.

The emerging market opportunity

Historically, urbanisation and industrialisation have gone hand in hand with income growth. And whilst this still holds true, the speed and scale are very different. Emerging markets are growing – and most companies are trying to figure out what this means for them.

Jaana highlighted three different ways these regions have integrated into the global economy.

Firstly, offshoring: the movement of production to emerging markets and the integration of emerging regions into global value chains. Secondly, the rise of emerging market consumers. Billions of people are crossing the threshold from poverty to becoming part of the consuming class. Companies need to pinpoint specific markets so they're in the right place at the right time with the right product. The third wave is the rise of emerging market companies. Jaana estimates that by 2025, seven out of ten of the new companies with revenues over a billion dollars will come from emerging markets – changing the face of the global competitive landscape.

Preparing for the change

The question is how do we prepare for – and react to – these changes? Jaana offered three thoughts: "Firstly, trust data – not your intuition. Most people's intuition is founded on an environment that's different from the one that lies ahead. Get the facts, learn to read them and use them in your strategy and execution."

Secondly, she advises bringing diversity into the workforce – and throughout the organisation, not just in front-end sales. And thirdly, dexterity; the need to be resilient. "You need to be thinking on your feet and adjusting throughout."

Retail tomorrow

with **Seth Brody** Partner and Global Head, Operational Excellence, Apax Partners, **Josh Krepon** VP of Digital Commerce, Cole Haan, **Jack Smith** Group Digital Director, New Look, **Dave Eckley** President and COO, TradeGlobal, **Dirk Armstrong** SVP and Director of Stores, rue21.

Growth initiatives in the Apax portfolio

Seth opened the session by asking the panellists about the initiatives that have been most important in driving growth – and how they are going to sustain that momentum.

Jack stated that for New Look the most impressive area of investment has been around fulfilment and logistics. "A really shiny website and a really nice shop are important. But people also really care about getting their products." He also attributes much of the company's success to early adoption of a transactional website and substantial investment in multichannel and Click and Collect.

And what of bricks and mortar stores – can they continue to be an asset? Dirk cited the experience of the typical rue21 customer. "They believe in being social, being present and shopping. It's their sport; it's what they enjoy. They have no responsibilities and more time; that serves us very well. But they're very savvy and very price conscious. We need to create relationships between the leaders in the company to build a seamless experience. But we have to understand it through our customer's lens."

Dave highlighted what's working well in supply chain and logistics – and not so well. Many of TradeGlobal's larger clients are repositioning manufacturing to different parts of the world, with the consumer driving the rush to get inventory from wherever it is into their hands. He said that the race to 'same day' is changing, from the Amazon model of inventory in

a warehousing operation to efficient supply chains placing inventory in store, thus creating significant opportunity for delivery points.

Some companies however, have yet to embrace the fact that 'the customer wants to shop how the customer wants to shop – and wants it delivered their way too'. Even with a superior product, continuing to silo inventory and channels will result in lost market share.

In-store engagement

Dirk stressed the importance of empowering and engaging in-store associates. "I'm a firm believer that our stores and the folks working in them are an extension of who we are as a brand... so it's about finding creative ways to recognise them, give them a voice, connect them with our customer." The importance of 'boots on the ground' in the form of regional and district managers ensures that the headquarters' messages get to the front line.

Technological solutions must add value

Josh addressed the pitfalls of vendor creep and tech creep, saying that because of the sheer volume of emails in his inbox, he relies on word of mouth. And the pace at which the company is moving means he can't entertain tech solutions that won't work with his existing platform. Jack concurred, pointing out that a key difficulty lies in determining what, amongst the myriad solutions on offer, will actually drive value.

Emerging market integration into the global economy

Looking ahead to 2025

Off-shoring

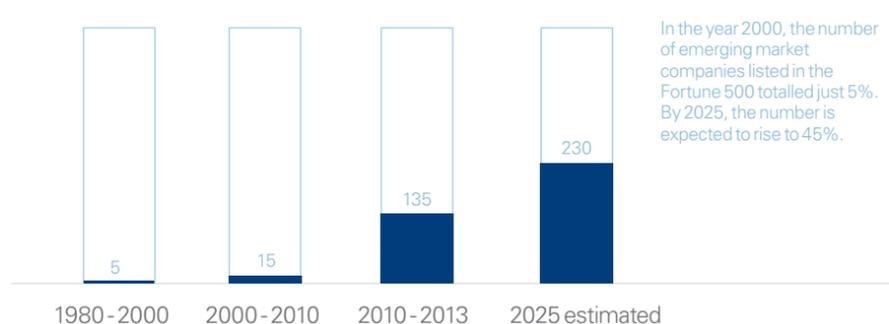
30%

Moving production of goods such as electronics into emerging regions caused a 30% decline in prices globally

Rise of emerging market consumers

3bn

Emerging market companies in the Fortune 500



Source: McKinsey Global Institute Research, San Francisco



Dirk Armstrong SVP and Director of Stores, rue21



Josh Krepon VP of Digital Commerce, Cole Haan

“We will all be required to have a holistic approach to all direct-to-consumer channels, because the customer is already there and organisations aren't.”

Josh Krepon VP of Digital Commerce, Cole Haan

“Old certainties, our old beliefs about technology and what it can and can’t do are being overtaken by events. We need to get back out there and understand the new state of the art.”

Andrew McAfee Author and Professor, MIT Sloan School of Management



KnowledgeNow: Enterprise Tomorrow

New Technologies

The dearth of technology talent has been described as a quiet crisis. At a macro level, lack of technical skills equals lack of innovation – which slows down economic growth. And on a micro level, it has a dramatic impact on individual businesses. What does the future hold – and how do we secure and retain the talent to succeed?

New technologies continued

The future of work

with **Andrew McAfee** Author and Professor, MIT Sloan School of Management.



Andrew McAfee Author and Professor, MIT Sloan School of Management

Andrew studies the ways that IT affects businesses, researching how it changes the ways companies perform, organise themselves and compete. In an era of astonishing technological progress, he looks at the kind of world we are creating and the implications for those of us trying to run a business.

Technology is getting better at 'innately human' tasks

Technological progress is chipping away at a lot of things people currently do for a living. These include many of the tasks we currently think of as innately 'human' and intrinsic such as pattern-matching and complex communication. The macro implications of technological progress manifest themselves in what Andrew defined as the 'great decoupling'; where statistics and trends that used to track each other are diverging; for example in wages trends and jobs data. What we are seeing in country after country as technology progresses, is the hollowing out of the middle class. "The stuff that technology's been good at is what the classic middle class has been doing – and I believe that process is only going to accelerate."

Andrew also cited a bias towards capital away from labour. As capital can do more and more, labour is required to do less and less. Since the turn of the century, the returns to capital, in other words, corporate profits as a % of GDP have shot up. The returns to labour, total wages paid out as a % of GDP have been in decline in a pattern never seen before. This isn't just a US phenomenon either – it's occurring in India, China and Mexico too for example. He also observed that the benefits of technological progress are distributed very unequally. The average worker is holding steady or falling behind, whereas the top earners are seeing their fortunes expand.

A data-driven approach

When it comes to micro-implications, Andrew flagged up three constituencies that he says companies have trouble dealing with: 'geeks', 'machines' and 'outsiders'. In a business world dominated by intuition, experience, expertise and judgement, he makes the case for a 'geekier', more evidence-based, data-driven approach. When it comes to 'machines', we're now seeing advanced technology and artificial intelligence showing up in unexpected industries and parts of the economy. And he suggested that the view that you have to have marinated in a company or an industry for decades before you can make a meaningful contribution is a dangerous one.

Andrew's conclusion was thought-provoking. Organisations will need to become much more data-driven and analytical. "The performance changes that are coming are going to be big, and to take advantage of them, the leadership of organisations is going to need to transform. I do not think that all today's successful organisations are going to be able to do it. We're going to see a lot of turbulence and a lot of disruption, not just in the tech sector but throughout the economy. This is different and big and this is the largest story in economic history... the next 20-40 years: this is going to be crazy, fascinating stuff."

Bridging the technology talent gap

with **Nick Hartman** Operating Executive, Apax Partners, **Shashank Samant** CEO, GlobalLogic, **Jason Richards** CIO, Sophos, **George Moore** CTO, Cengage Learning, **Vic Bhagat** CIO, EMC.

“At the end of the day, talent and HR are local. I think the mistake we make as American or European companies is to try to take our formulas out of the developed countries and to try to apply them to developing countries.”

Shashank Samant CEO, GlobalLogic

Retaining talent

Shashank opened the discussion by pointing out that when it comes to innovation, it's not about funding, it's about the right people. The technology gap has been in the making for the last 15-20 years – and it's now a systemic issue. Graduates don't want to move – they want to stay and innovate at home. Foreign students used to stay where they studied; not any more. The problem is acute.

“You can buy expertise, but you cannot buy experience. So you need to figure out both... how to attract the talent's attention and then the bigger problem is how to retain that particular talent. And that gives you experience.”

He highlighted seven trends that even large companies struggle with: analytics, social and content, cloud, embedded, mobility, security and design. He also invited the audience to consider three critical questions: should all my engineering be in-house? Are my current HR practices outdated? Do you market to employees the same way you market to clients?

Developing mindset behaviour and business skills in the IT team

Jason explained that – as Sophos recognised the wave of change beginning to occur a few years back – they looked at those IT resources that worked in close proximity with the business and focused on mindset behaviour and business skills, developing the people to become more fluent in the language of the business. The changes in behaviour elevated the respect for the IT function within the organisation. “We identified business leaders and aligned them to an IT counterpart. We said: ‘Your partnership; you basically have a defined IT team working for you’. With this new way of operating, there's a much greater level of understanding.”

George explained Cengage's approach to staffing for digital products for which they have a three-year plan with a skilled partner. The supplier's specialist skill ensures products are developed with a quick time-to-market and they are also tasked with building a team which will be taken on by Cengage around year three – providing the firm with the experienced talent they need for core offerings moving forward into the future. He also highlighted the fact that everyone in the organisation embraces LinkedIn and the company hosts meet-ups on the different technology components.

Vic shared his experiences of how technology is changing, saying that a key challenge is to create the environment that people want to belong to, where they want to learn and contribute. “You have to redefine, re-engineer, rejig your company. Change the DNA. Get connected.”



Attendees

Who's who?

Conference speakers



Dirk Armstrong Senior Vice President, Director of Stores rue21

Vic Bhagat EVP, CIO, EMC Corporation

Seth Brody Partner and Global Head of Operational Excellence, Apax Partners

Dave Cook CEO, TradeGlobal

Martyn Curragh Principal, PricewaterhouseCoopers

Joe Delaney President and CEO, OneCallCare Management

Matthew Deryn CFO, Answers Corporation

Andrew Eckert CEO, Trizetto

Vicky Gregg Retired CEO, BlueCross BlueShield of Tennessee

Buddy Gumina Partner, Apax Partners

Nick Hartman Operating Executive, Apax Partners

Charles Honnywill Partner, Ernst & Young LLP

Christopher Jamroz President and COO, GardaWorld Cash Logistics

Josh Krepon VP of Digital Commerce, Cole Haan

Alex Langshur Co founder, Senior Partner, Cardinal Path

Christopher Mason Founder and CEO, BrandingBrand

Andrew McAfee Author and Professor, MIT Sloan School of Management

George Moore CTO, Cengage Learning

Jaana Remes MGI Partner, McKinsey Global Institute

Jason Richards CIO, Sophos

Nathan Richter Global Director of Client Solutions, Monetate

Shashank Samant President and CEO, GlobalLogic

Jonathan Simmons Operating Specialist, Apax Partners

Jack Smith Group Digital Director, New Look

Jonathan Williams Marketing Director, AutoTrader



Conference attendees



Connie Adair CEO, Taylor Winfield

Dirk Armstrong Senior Vice President, Director of Stores rue21

Sebastian Baldwin CEO, AutoTRADER Canada

Brett Batchelder Senior Director Private Equity, EMC Corporation

Zvi Bichler VP IT & Asset Management, Paradigm

Jason Biffin Consumer Marketplace Director, AutoTrader

Adam Bradley Managing Director, Alvarez & Marsal

Nick Bray CFO, Sophos

Jon Caforio Principal, McGladrey

Joe Cowan President and CEO, Epicor

Kathy Crusco EVP, CFO, Epicor

Steven Davis Chief Legal Officer, OneCallCare Management

Abdul Din Head of Group Insurance, Travelex

Rich Dredge General Manager, Answers Corp

Andy Eckert CEO, Trizetto

Dave Eckley President and COO, TradeGlobal

Onur Erzan Partner, McKinsey & Company

Ken Esterow President and CEO, Bankrate

Ray Etzo VP, Direct to Consumer, Cole Haan

Jeff Feinberg Managing Director, Alvarez & Marsal

Douglas Fleischman Vice President, Macquarie

Paulo Freitas CFO and Director of Investor Relations, Tivit

Robert (Bob) Geib Executive Vice President, NET(net)

Noel Goggin GM, EVP, Epicor

Mark Habner Managing Director, SSA & Company

Tamas Hevizi Global Managing Director, Private Equity, SAP

William Hilliard Regional Vice President, Monetate

John Hiraoka CMO, Epicor

Mike Holland SVP and CIO, rue21

Jared Horowitz Chief Revenue Officer, BrandingBrand

John Hossack President, Cardinal Path

Ivan Hruska Head of Central Europe, GlobalLogic

Christopher Imm Global Private Equity ASE, ADP

Christopher Jamroz President and COO, GardaWorld Cash Services

David Karandish CEO, Answers Corp

Chet Kolley General Manager, Medical Technology & Healthcare, GlobalLogic

Kellsey Le President and CEO, WIN(win)

Michael Lenahan Director, SAP Private Equity

Jeffrey Litvack President, Legal Intelligence & Advisory, ALM

Craig Lovelace Group Chief Financial Officer, General Healthcare Group / BMI Healthcare

Arshad Matin CEO, Paradigm

Simon McCall Director, Boxwood

Keith McDonough SVP and CFO, rue21

Steve Newbold Executive Vice President, WGSN

Dave Noonan National Director, PE Consulting, McGladrey

Ajmal Noorani GM, GlobalLogic

Michelle Peterson VP, Global Procurement and Business Excellence, KCI

Edward Richards Partner, Ernst & Young

Regenia Sanders Senior Director, SSA & Company

Ray Schnell Global Coverage Officer, ADP

Bill Snider Sr. Analyst, eCommerce Analytics, rue21

Michael Strehler CEO, Takko Fashion

Nicholas Svensson VP, Global Operations, SMART Technologies

Mark Vorbach Managing Director, Macquarie

Chris Wakerley Managing Director, Boxwood

Michael Welsh EVP, Value Delivery Team, NET(net)

Michael Wright Partner, PricewaterhouseCoopers



About Apax Partners

Releasing potential

Apax Partners is an independent, global partnership focused on **long-term investment** in growth companies.

Our mission is to release the potential of companies, management teams and portfolio company employees to generate superior returns for Apax funds' investors: the millions of individuals, corporates and sovereigns whose pension funds and investment plans commit to funds advised by Apax Partners.

The Apax funds typically invest in companies with a value between €1bn and €5bn, across four sectors: **Consumer**, **Healthcare**, **Services** and **Tech & Telco**.

Apax has a proven strategy of finding opportunities where capital, experience and insight can release the potential of businesses and generate significant growth.

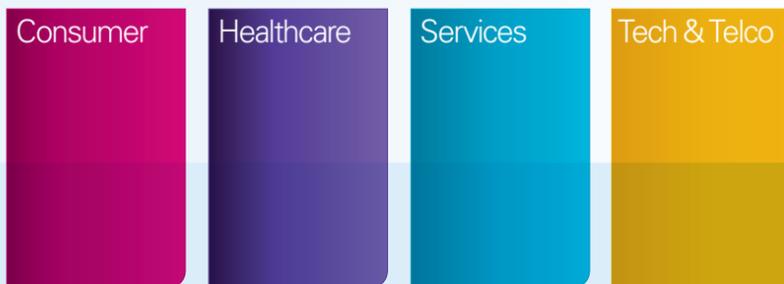
We currently operate a global network of eight offices, in four continents, and employ over 200 people.

Superior returns through sector expertise, geographic flexibility, and transformational ownership

Sector expertise

Apax has a deep understanding gained over decades of investing in four sectors. In addition, members of the investment and Operational Excellence teams collaborate on opportunities with a significant digital element to make the most of the operational and strategic insight we have in this area.

Digital



Geographical flexibility

Apax has a global reach with offices in eight locations around the world.

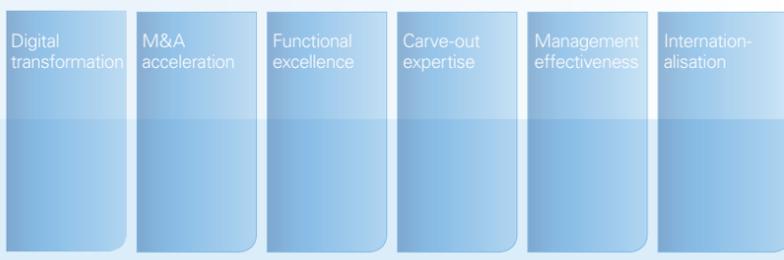


Europe	US	Asia
London	New York	Mumbai
Munich	South America	Hong Kong
Tel Aviv	São Paulo	Shanghai

Transformational ownership

Apax delivers superior returns to its investors by improving the performance of portfolio companies. The Operational Excellence team are deeply embedded in this process, with a broad skillset and focus on delivering improved operating performance.

Operational Excellence practice



Client-centricity: alignment, transparency

Culture of continuous improvement

Stewardship model

About Apax Partners

Operational Excellence

The Operational Excellence practice supports Apax Partners' proven investment strategy. The team focuses on developing the people, experience, skills, tools and partnerships necessary to enable the deal teams to make informed investment decisions and management teams to recognise and harness growth opportunities.

The team offers bespoke technological platforms to assist with making the most of data analytics and business intelligence tools, and provides a platform for sharing expertise and experience amongst portfolio companies to drive sustainable value creation. Some of the ways in which the team helps portfolio companies are detailed below:

