Apax Partners (‘Apax’) is one of the world’s leading private equity firms. Our funds invest across five sectors: Financial & Business Services, Healthcare, Media, Retail & Consumer and Tech & Telecom. We use our deep sector expertise to help release the potential of the companies in which our funds invest.

Vital to our success in this is our Portfolio Support Group (‘PSG’), which advises on key strategic and operational initiatives within portfolio companies to help drive value.

The PSG complements our deal teams with different skills and expertise. It is a group of operating specialists with functional expertise in areas such as IT, recruitment, procurement and financing.

The KnowledgeNow conference is a forum for sharing experiences and discussing the common challenges and opportunities our portfolio businesses face.

Supporting our portfolio

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In attendance...

96 Executives and partners
19 Portfolio companies
$29bn+ Enterprise value invested
115,000+ Employees

Introduction

Why do we need KnowledgeNow?

Maximising expertise across Apax’s portfolio companies,
Apax Partner Seth Brody introduces the conference and outlines the
benefits of sharing knowledge and experience across our portfolio.

In the ten months since our last gathering...

+181% $220m+ $2.1bn+ 3
Avg growth in mobile Value of procurement Equity invested by Apax New Portfolio
traffic at top 10 portfolio contracts optimised Partners’ funds Support Group hires
company websites

“As the owner of approximately 40 large companies based around the world, Apax Partners
is well positioned to help you face these challenges by sharing knowledge gleaned at one company
with others facing similar issues.”

Seth Brody Partner, PSG, Apax Partners
Releasing the potential of the Apax portfolio

Business is changing with a daunting velocity, and those that fail to adapt will be left behind. Globalisation, the Internet, digitalisation, the explosion of data; these mega-trends are impacting businesses big and small and the pace is accelerating. Companies that spent a decade getting online are going mobile in a couple of years. In our own portfolio, we have witnessed a 363% growth in mobile traffic in the last year. The reliable touch-points that used to define your interaction with customers have now changed into a huge amorphous soup of petabytes of data. How do you store it? Mine it? Use it? Is it of any use? What do our customers want?

As the owner of approximately 40 large companies based around the world, Apax Partners is well positioned to help face these challenges by sharing knowledge gleaned at one company with others facing similar issues.

Supporting our portfolio

It has built a team dedicated to helping portfolio companies release their true potential by assisting them on specific projects. By devising a new mobile strategy, testing the sales effectiveness of a new website or cutting procurement costs, Apax has world class talent on offer so that management is not left facing these challenges alone.

The Portfolio Support Group (PSG) is on hand to help management drive value on specific projects and, importantly, it does so under their guidance. It is a team of operational experts not a bunch of retired CEOs. It works with management not operational experts not a bunch of retired SOEs under their guidance. It is a team of specific projects and, importantly, it does hand to help management drive value on challenges alone.

There is also great strength in numbers, and the Apax network is a powerful resource. The 19 portfolio companies that attended had a combined enterprise value of more than $29bn, annual sales in excess of $26bn and over 115,000 employees. That represents a lot of purchasing power.

Knowledge Now

The aim of our second Portfolio Support Group conference, on which this brochure is based, was to bring together this vast pool of operational expertise from across the portfolio to share best practice and network with professionals facing similar challenges. As the name suggests, KnowledgeNow is about sharing embedded knowledge and generating practical ideas that can be implemented quickly. More than 100 senior level operators joined the Apax Portfolio Support Group and a select group of ‘preferred suppliers’ to brainstorm the major challenges and opportunities in global business. It was our clear intention that this should not be a talking shop; we wanted to demystify the minefield of hype and jargon to deliver practical insights that help drive growth or cut costs.

As well as a chance to swap stories, war wounds and best practice, it also gave our team an opportunity to showcase many of the projects that have already borne fruit across the portfolio. Apax portfolio companies have a huge resource at their disposal. The portfolio support team works with sector experts in our deal teams and our extensive network of preferred suppliers to help drive lasting value.

This brochure provides a snapshot of the topics and conversations that were discussed but it can only ever be a snapshot. We would love the opportunity to share the full picture with you and help your business release its true potential.

The portfolio support team works with sector experts in our deal teams and our extensive network of preferred suppliers to help drive lasting value.

Seth Brody Partner, PSG, Apax Partners

The PSG supports Apax Partners' proven investment strategy

Identify

Apax has a well-established investment selection process based on identifying companies in the €1–5bn size range with the potential for significant future growth.

Support

The large sector teams work closely with management throughout the period of the investment to transform the company. This is supplemented by the specific functional expertise of the in-house Portfolio Support Group.

Realise

Once the growth objectives have been achieved, we begin discussions about the most appropriate next owner of the business. The average length of an investment is around five years.

The Apax recruitment centre provides the PSG team with access to specialist knowledge on debt capital markets, corporate finance, and mobile applications.

KnowledgeNow? continued

The team is on hand to advise on negotiations with suppliers and recommend the best firms to work with.

Read about purchasing power on p16

Purchasing

Enables managers to unlock potential from their investments in IT infrastructure and organisation.

This area of expertise will be explored at future events

Information technology

Optimisation, traffic acquisition and mobile applications.

This area of expertise will be explored at future events

Operational finance

Provide expertise in budgeting, cash management, and capital spending optimisation.

This area of expertise will be explored at future events

Capital markets

The team is able to provide management and the deal teams with access to specialist knowledge on debt structures and financing.

This area of expertise will be explored at future events

Read about big data on p10

Read about talent on p26

Read more about how the PSG supports our strategy in our latest Annual Report.
Leading executives discuss the practical implications of building organisational focus. Tying in many of the themes that were touched on throughout the conference, we gathered three senior CEOs with plenty of scars on their backs for a wide-ranging discussion. Two themes stood out and chimed with many of the other conversations that were had over the two days, namely the importance of focus and talent. Jeff Boyd at priceline.com, Tom Evans at Bankrate and Trader’s John King discuss how to laser in on the things that really matter in such a fast-moving business environment.
Building the Focus Factory

The key role of the CEO is to rise above the noise and identify what is really important. Never has this been more so than in the dynamic market in which modern digital businesses operate. CEOs are facing a daily bombardment of competing and conflicting options. Their job is to identify which of these options is critically important and build a team that is capable of focusing and executing. Focus and talent therefore felt like the crucial questions for our CEO panel to wrestle to the ground.

As we discussed in the introduction, the job of building this internal ‘Focus Factory’ was a key theme of the conference discussion and a natural first question for a group of CEOs who are all too aware of the critical importance of laser-like focus. How many major initiatives is it realistic for the company to undertake?

When priceline.com wanted to adapt its successful consumer-driven airline ticket price model to the hotel market, CEO Jeff Boyd had to think about how to first change the internal mindset of the company. Just as the dot.com bubble was starting to burst, he was still part of building a brand that was going to be known for selling hotel rooms when you come to work in the morning, you are in the wrong place.

“If you aren’t thinking about selling hotel rooms when you come to work in the morning, you are in the wrong place.”

In the wrong hands, this statement could have a very unsettling impact on staff who primarily thought they were in the business of airline ticket sales. While selling airline tickets would clearly remain hugely important for some in the company, he wanted them to think differently about the business, to change focus and mindset and envisage a different future. Boyd continues: “I wanted everybody to understand what the fundamental thrust of the business was going to be going forward so that even if you were selling airline tickets today, you were still part of building a brand that was going to be known for selling hotel rooms in the future.”

While the Priceline example is very good in terms of how CEOs can begin to change the focus and perception of a business, former Trader Media CEO John King talked about the challenge of setting targets and ensuring that the business is aligned behind them. For King, his experience has boiled down to one insight in this regard, namely businesses can only focus on delivering five major projects at any one time: “I was told very early in my career to remember what the K stands for in KP, and that was very good advice.

“I am an operator and I love to keep things simple. I focus on five things that really make a difference in the business so that I can create an integrated focus to really get behind these projects.”

For King, the rule of five has borne fruit, and projects only started creeping in when the team got too comfortable and started to push the envelope. “We have been very successful executing against our list of five priorities until last year when we got a bit cocky and thought, ‘this is easy – there is so much to do and we should push ourselves to do a bit more than five things.’ So we came up with a big five priorities and a little five, and guess what? When we reviewed our performance we had achieved five of the ten.”

Bankrate’s CEO Tom Evans agreed on the rule of five, stressing the vital importance of communicating this to the firm after the Board has brought the tablets down from the mount. “Yeah, we also laser in on the five big priorities for us as a management team and then we do a big launch for all of the top leaders in the organisation. And then those messages are taken out on the road and everyone gets a deep brief of the big five.”

“I’ve never seen a project that goes perfectly all the time or the way you’ve planned it so you need people who are going to be committed and take ownership.” The second thing to look for in Evans’ mind is work ethic and work effort, “are they prepared to really deal with all of the added ‘bikewheels’ that goes with managing a big project.”

The last and most important trait that Evans cites is judgement. He continues: “Over time you learn to evaluate people and give them more or less responsibility based on their judgement. I don’t care how smart they are, you have to find people with good judgement about problems, good judgement about people, good judgement about behaviour and an ability to order priorities correctly.

“Getting the decision right on the person you want to execute the project is even more critical in the modern, digital business arena because if the pressure to get things right first time or be left behind is technology, and your customers, move on. The Trader Canada case study later in the report (see p.25) illustrates all too well the perils of execution failure in the digital world. Boyd explains how this change is impacting his thinking. “As we moved into a more data enabled and digital world, the bar has got higher. What I thought was good to go in the past may not be good to go now.”

The pace of technological change also means that project managers have to fulfil a higher standard in a shorter timeframe, as Boyd explains: “We are all in such velocity driven businesses, speed is really everything. If you’ve got somebody who thinks they are moving fast and you think they are not, that’s a problem.”

“A leading force for change in the publishing industry, John has helped to transform traditional print media businesses into digital media performance. John currently serves as the CEO of Trader Media Group in the UK.

Executing the Big Five:
The People Factor

The key to building the ‘Focus Factory’ that will deliver these mission-critical projects is first in identifying the right team to execute the job. For Evans, three factors are critical: “Commitment, effort and judgement.”

“Commitment, effort and judgement.”

Large projects in the kinds of businesses being run by our panel are by their nature complex and likely to encounter pretty major bumps in the road and this is where, according to Evans, a real level of commitment and ownership comes in: “I’ve never seen a project that goes perfectly all the time or the way you’ve planned it so you need people who are going to be committed and take ownership.” The second thing to look for in Evans’ mind is work ethic and work effort, “are they prepared to really deal with all of the added ‘bikewheels’ that goes with managing a big project.”

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Big Data

Over the last decade, technological advances have effectively digitised the modern world. As more of our time is spent online, we are leaving an increasingly complex and potentially valuable digital ‘vapour trail’. Clearly the business world can’t ignore the Big Data phenomenon – it’s just too big and the data trails left are too valuable. But is all the buzz surrounding ‘Big Data’ just hype, or is it, put simply, a new reality?

By 2016...
- The number of devices connected to the internet is forecast to rise to 3 times the global population.
- Mobile data traffic is expected to increase 18-fold.
- Video footage is predicted to cross the internet at 20,000 hours per second.
- Mobile data traffic volumes: Exabytes per month.

Source: IDC, Digital Universe Study, June 2011
Source: Hilbert and Lopez, Science, 2011
Big Data continued

There is evidence to suggest that ‘Big Data’ is having major economic implications in many areas from retail and consumer industries (see WGSN case study on p14/15) to healthcare, and from manufacturing to supply chain logistics.

What is Big Data?

Big Data as a concept is emerging due to a dramatic shift away from traditional corporate technology infrastructures (Oracle, IBM, Microsoft, etc) towards the use of multiple devices and data sources which are generating an ever-growing amount of potentially valuable information. The technology to store, sort and analyse this vast data is also changing. New platforms rely on virtual, cloud-based architecture unlike their physical, scale-hungry predecessors. What’s more, these platforms are able to trawl through structured and unstructured data at an incredible pace; analysis platforms and this should be at the centre of everything that happens in a business. Yet extracting and analysing this data to good effect is far from straightforward.

Bringing Big Data into play

At a simplistic level, making the most of Big Data is about three things: integrating internally-generated data and making it transparent across a company’s departments or divisions; integrating externally generated data; and, finally, applying analytical and modelling tools to that data to tackle business problems or unlock revenue-generating opportunities.

But these are still young technologies and given the pace of technological change, putting Big Data strategies into play in a company context is not like following a cookbook recipe – it has to be a fluid, creative process based on understanding what questions you are seeking answers to. Clarity is key. Therefore, when looking at Big Data projects, it is vital to fully understand the priorities of the business and how they can be tackled using data before you begin the job of analysing and segmenting it. Only then can it be used effectively to help focus on key decisions and create new business opportunities.

Tom Evans at Bankrate commented on the inherent difficulty CEOs face when trying to address this giant subject. “There is a fear around this idea of big data because you could spend unlimited amounts of money trying to get more information, more analytics, more data, always look at it in terms of ‘Is it a need to know or is it a nice to know?’ If it’s a need to know you spend money, and if it’s a nice to know don’t waste your time. Secondly, you have to think, ‘If we get hold of this information, what are we going to do with it? You really have to differentiate between what is possible and what is useful.”

As an example of how to focus on what really matters for your business, Brad Brown at McKinsey cites a recent Big Data summit at JP Morgan Chase where CEO Jamie Dimon asked external data providers to think about 17 specific business critical areas for the company and how they could be improved by more efficient use of data. He highlighted these areas precisely because they are in business functions that will really move the needle. This exercise enabled suppliers to understand the most important issues for the firm and to align their efforts with those of management.

Big Data continues

Mobile Social

Transactions Internet

Scientific/engineering

Audio/video

Every digital interaction leaves a data vapour trail...

So global data storage is growing fast...

Global compressed storage Exabytes

Source: Hilbert and Lopez, Science, 2011

Integrated internal data

Integration of disparate data across the organisation

External data sources

Different data types from outside the organisation – structured, semi-structured and unstructured data

Analytic tools and models

Complex array of analytic tools and models to derive new business insights

Creating significant potential value

US retail

60%+ increase in net margin

Manufacturing

Up to 50% decrease in product development assembly costs

Up to 7% reduction in working capital

US healthcare

$300bn value per year

Global personal location data

$100bn+ revenue for service providers

Up to $700bn value to end users
The people part

It is crucial to recognise that these are not projects that can be delegated to an in-house technical team with no management input; they are inherently cross-functional animals that absolutely require the buy-in and leadership of company executives at the highest levels. It is also worth bearing in mind that for a company to make the shift to effectively mining and using the data available they will need to invest in the right people. The technical skills required are still relatively hard to find and attract a premium. There is also a frequent gap in understanding between the technical specialists that understand how to warehouse and mine the data and the management and salesforce of the company that need the practical tools to make it a competitive advantage.

Simply collecting terabytes of data is of no use if no one can see through to the other end of the company and build the dashboards that will be of practical help. From a talent point of view this is the key, if scarce, skill set to target.

There are also generational issues at play. But on the positive side, the latest generation of ‘socially-networked’ graduates typically think about data in a more up-to-the-minute way. This means they are naturally more attuned to thinking along Big Data lines, meaning less training is required at that level. At the end of the day, though, the essential ingredient for capitalising on the Big Data concept is to get on board as early as possible and see the scale of the opportunity rather than the scale of the task. And right along the process, from the technology element to the people side, Apax’s portfolio support group and its network of preferred partners is ideally placed to assist in the jump into this new reality.

Putting big data into practice at WGSN

WGSN is the world’s leading fashion forecasting company. It sits within 4C, the information division of Top Right Group (formerly Emap), which has 12,500 customers and over 100,000 users worldwide. And it has access to a huge pool of data - 600,000 pages of information, 4 million images, over 1,000 catwalk shows, 300 global experts and customers in 87 countries, as well as many thousands of people engaging on social networking sites.

Making data valuable

Despite the proliferation of data in the business, WGSN realised some time ago that it actually had very little actionable and useful information about the behaviour of its customers. So, CEO Julie Harris (pictured above) set about evolving WGSN from being a market-leading fashion business run on ‘gut feel’ into a data-led company that would redefine the industry standard in its space. A team from Apax’s PSG, led by Jason Glaun, helped to turn Julie’s vision into reality. In an intense 12-week project, the PSG helped produce data tools and dashboards that empowered both the salesforce and the design team.

Consolidation and clarity

The main task for the team was to bring together the many different silos of information that had evolved on different IT platforms in different departments. Unifying these and creating clear accountability required a massive motivational effort from the executive level down to change the pattern of thinking. Training all the teams globally was critical, as was a focus on generating transparency of information across five key areas of the business – customer use, website usage, financials, business profiles and campaign effectiveness.

Although not without its challenges, the project has shown real wins. Just a few months after the conclusion of the initial 12-week project, the changes in the business are clear to see: a culture of accountability has evolved rapidly and the business is better informed and more agile. As for results: the average global renewal rate has risen from 79% last year to 86% in July, well on its way to the goal of 90%; and customer numbers have grown by 6% year on year.

Ultimately, what started as a short, sharp project has enabled WGSN to build a robust three-year plan to solidify its position as the standard bearer in its field.
Leveraging Apax's scale to drive value in procurement across the portfolio. The 40 strong Apax portfolio generates annual revenues of $40bn around the world, generating huge procurement advantages and a wealth of knowledge and insight.
Generating value from procurement

You could say, using boxing parlance, that most of Apax’s portfolio firms are heavyweights in their respective industries. And, due to our focus on secular growth trends in key sectors and geographies, many continue to grow rapidly despite the economic downturn. Nevertheless, while company growth might remain the number one priority, it is impossible in the current economic landscape to ignore the importance of those cost savings that can be generated by tighter, more sophisticated procurement strategies.

Leveraging collective scale

Of course, on their own the purchasing power of each portfolio company remains limited in the grand scheme of things. But if you take them as a whole, the stats are quite different: together, the 40-strong Apax portfolio generates annual revenues of some $40 billion – easily the equivalent of a business well up in the Fortune 500 listings. In procurement terms, this can give our investees a long reach and a knockout punch.

In order to help harness this power, our portfolio support group launched a dedicated procurement and preferred partner programme in 2011. The aim of this opt-in service is to give procurement executives at Apax’s portfolio of companies access to the sort of cost savings that they simply would not be able to generate alone, and it is driven both by internal and external elements.

Maximising mutual benefits

The PSG team can introduce a network of preferred suppliers with whom it has worked on numerous projects and can provide a quality guarantee. Intra-portfolio offers can provide world-leading products and services for best-in-class prices.

In addition, as the adviser to funds that control major shareholdings in the 40 businesses, Apax itself can help with contract negotiation, securing discounted pricing in areas like IT storage, business intelligence, and e-procurement technologies.

Finally, it can also play a pivotal role in nurturing and sharing the combined knowledge via mechanisms like monthly procurement committee conference calls – in which portfolio firms can track cost savings progress, discuss priorities and share best practices - special events and an online procurement forum on LinkedIn.

Working as one, with third party purchasing specialists

Perhaps more importantly, Apax has begun to form relationships with highly specialised group purchasing organisations (GPOs) – companies which are able to drive major cost savings for their clients by aggregating procurement spend in a range of different sectors. These partners range from groups like Core Trust, a GPO offering procurement savings in almost 50 different general categories (offices supplies, car rental, parcel mail, etc), to companies in more specialist verticals: Advantage Communications offers typical savings of 20-30% on global telecoms services; Sharebridge and Macquarie offer US and global insurance savings respectively; Fulton Francis guarantees 15-20% savings on print and copier services, handling account management tasks as well as procurement; and Net(net) uses its scale in IT purchasing to drive strong negotiating power with giants like Microsoft, SAP and Salesforce.com.

Preferred partner at work

<table>
<thead>
<tr>
<th></th>
<th>39 companies</th>
<th>$40bn revenue</th>
<th>$8.5bn costs</th>
<th>$1.3bn addressable costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leveraging Apax’s scale</td>
<td></td>
<td></td>
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<tr>
<td>Total portfolio revenues</td>
<td>$8.5bn costs</td>
<td>$1.3bn addressable costs</td>
<td>$1.3bn addressable costs</td>
<td></td>
</tr>
</tbody>
</table>
Generating indirect savings at KCI

One of Apax’s investees has already made substantial progress in procurement savings. In March 2012, Kinetic Concepts (KCI) began the Indirect Savings Project, tasked with making $43 million of indirect spend savings.

Wound care solutions business KCI kicked off this major programme in March of 2012, with the direct support of its senior executives and the assistance of Apax and some of its preferred procurement partners. Already, the group is on track to deliver some $49m of savings in indirect spending. Though these initiatives take different forms, the crucial thing for our portfolio businesses is that all external partners involved in the preferred partner programme have been assessed and vetted by Apax. Only this way can we be confident that our partners are able to provide material cost savings through smart, heavy-hitting procurement strategies. You could call it boxing clever.

Preferred partners engaged

Key project facts

Programme started March 2012
Formed Indirect Savings project team
Assigned dedicated project manager
Senior leadership support
Implemented staged gating approach
Partnered with Finance to quantify, track & validate savings
Utilised Tracker to capture every potential project
Collaborated with Apax and other portfolio companies to leverage scale opportunities

Achieving visible results

Indirect spend, year-on-year $MMs

<table>
<thead>
<tr>
<th>Year</th>
<th>Indirect spend (MM$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$302</td>
</tr>
<tr>
<td>2012</td>
<td>$253</td>
</tr>
</tbody>
</table>

Geographic distribution of savings

- USA 79%
- Europe 20%
- Other 1%

Support

Generating indirect savings at KCI

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Below: KCI is an undisputed leader in the use of negative wound pressure therapies, typically employed in the treatment of the most severe surgical and trauma wounds.

"This time last year, KCI had a $43 million spending bogey to resolve and the last time I heard they were on track to deliver $49 million in indirect spend savings."

Brendan Tobin, Operating Specialist, Apax Partners
Mobile internet: surf the wave

Evaluating changing consumer behaviour across mobile platforms.
As crazy as it sounds, you could say that the digital revolution has been pedestrian so far. As an example, many media companies have taken a decade to make the leap from print to online. But the meteoric rise of the mobile device is forcing the pace of change, and the power-shift from desktop to mobile will not be so forgiving. Edwin Ulak of Trader Canada and Jon Simmons of Apax Partners, explore some of the implications:
Mobile internet continued

The stats very clearly show the consumer shift to mobile. In July 2012, 11% of all web visits came via mobile devices, more than double the number the previous year. And across the Apax portfolio, the top ten websites in traffic terms have seen mobile use grow by 363% year-on-year.

But, this is just the gentle swelling of what is becoming a huge wave. There are estimated to be 6 billion mobile users globally, only 1 billion of whom are using smartphones technologies. As these become the norm and 3G/4G penetration builds, web traffic will surge.

Embrace the user

So clearly, being ahead of the game in mobile really matters: it affects how companies gain new customers and how they interact with them; it also has a big impact on how they drive online revenues. This is absolutely key: unlike a loss of precious IP while also tying you into a platform has a strong mobile element, but increasingly this will be harder to achieve.

The Apple factor

It is also very important to consider the ‘Apple factor’. iTunes is a powerful market maker and many businesses build their mobile application launch programmes specifically to drive rankings in the iTunes Store. Consequently, marketing to Apple and iTunes store managers should be a key consideration: ‘App of the Week’ can provide a major boost.

Challenges

Of course, there are also challenges. To begin with not all business models work well on mobile platforms and generally mobile sites are not perceived to be strong in advertising terms. At this stage in the curve it may be possible to squeeze additional spend out of advertisers because a platform has a strong mobile element, but increasing this will be harder to achieve.

But mostly it’s about coping with the pace of change. The market is not so far away from a key shift in emphasis, whereby companies will develop their online products for mobile first, not as a bolt-on to a desktop site. And this has obvious implications in recruitment: getting access to talent with mobile experience will become a priority.

Once the basics have been achieved, the introduction of new, ‘killer’ features can further drive take-up and keep applications high up in the rankings. And by the way, tech savvy mobile consumers won’t be conned if your new App launch turns out to be nothing more than a bug-fixing update.

As a result, it is critical to use any available tools to help in the testing of new mobile platforms, both internally and externally, before launch because the price of getting it wrong can be very painful indeed, as Trader Canada found out the hard way when it first launched its mobile platform.

Get your house in order

For this to happen it is vital that companies invest in creating a vertical function, as much as is possible, across their organisations with dedicated expertise and resources. Outsourcing the development side to a third party can be cumbersome and result in a loss of precious IP while also tying you into that provider for ongoing development work.

The initial process was rushed and outsourcing the development side to a third party can be cumbersome and result in a loss of precious IP while also tying you into that provider for ongoing development work.

AutoTrader.ca is Canada’s leading online automotive classifieds website. It has undergone a significant transformation over the past few years from being a print-based offering to one that is now predominantly online. As part of this, the business developed mobile apps to tap into the growing number of customers using mobile devices to access the internet.

The initial process was rushed and outsourcing the development side to a third party can be cumbersome and result in a loss of precious IP while also tying you into that provider for ongoing development work.

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But mostly it’s about coping with the pace of change. The market is not so far away from a key shift in emphasis, whereby companies will develop their online products for mobile first, not as a bolt-on to a desktop site. And this has obvious implications in recruitment: getting access to talent with mobile experience will become a priority.

Once the basics have been achieved, the introduction of new, ‘killer’ features can further drive take-up and keep applications high up in the rankings. And by the way, tech savvy mobile consumers won’t be conned if your new App launch turns out to be nothing more than a bug-fixing update.

As a result, it is critical to use any available tools to help in the testing of new mobile platforms, both internally and externally, before launch because the price of getting it wrong can be very painful indeed, as Trader Canada found out the hard way when it first launched its mobile platform.

Get your house in order

For this to happen it is vital that companies invest in creating a vertical function, as much as is possible, across their organisations with dedicated expertise and resources. Outsourcing the development side to a third party can be cumbersome and result in a loss of precious IP while also tying you into that provider for ongoing development work.

The Apple factor

It is also very important to consider the ‘Apple factor’. iTunes is a powerful market maker and many businesses build their mobile application launch programmes specifically to drive rankings in the iTunes Store. Consequently, marketing to Apple and iTunes store managers should be a key consideration: ‘App of the Week’ can provide a major boost.

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Meeting the global challenge to recruit the right people, for the right roles at the right time. In recent years, the already tough task of hiring the right calibre of staff into senior and business-critical positions has become even harder. On the one hand you have global economic imbalances, which are see-sawing Western economies stagnate while the likes of China, India and Brazil boom. On the other, you have the relentless pace of change in the IT environment, which is radically altering how business is conducted in a huge range of industries.
The search for talent

This global environment is putting more pressure than ever on businesses to fill their top positions wisely and recruitment consultants are working flat out to satisfy this need. In certain industries executive search activity is especially high, with areas like healthcare and consumer standing out as particular hotspots in most regions. Only sectors like financial services are comparatively quiet.

By region, the new economies are of course the most active, even though growth in recent times has slowed, while the US is generally gaining pace. The Eurozone countries are clearly the worst hit by economic issues, but even here recruitment specialists report having launched three times the number of CEO searches compared with last year.

Technology matters

Evidently, in challenging trading conditions it is more important than ever that companies have the right leaders, both in the shape of CEOs, who define the strategy, vision and culture of a firm, and CFOs, who take care of the checks and balances.

But in today’s landscape, there is the added complexity of an increasingly digitised world. And, while it’s clear that the top-level executives need to have a firm hand in steering the push into Big Data territories (see Big Data on p10), this area is also creating the need for the recruitment of additional more specialised talents. These recruits can take a number of different forms. On one side you have the theorists, who are at the heart of the thought leadership in ‘Big Data World’. Very often with strong academic backgrounds, these are the people who can analyse giant datasets and mould them into a business resource. Meanwhile, on the other side you need to have the technical staff that can integrate that data into your workflows.

But the search does not stop at finding the talent to fill these roles. It is also important to have people in the middle who have a deep understanding of your business’ mechanics and are able to maximise the actual impact of Big Data strategies. These are the employees who will provide the link between the data and your sales staff or operational heads. And, arguably, of the three categories, these are unfortunately also often the most difficult experts to locate.

Finding the right carrot

So what does it take to land the best talent in today’s market? Interestingly, it appears to be less about the remuneration on offer than in previous times; though clearly that remains a key ingredient in the overall recipe. For many, especially at the senior end of the recruitment spectrum, one of the big attractions today is the ability to make a difference, to steer the culture of the company and to break new ground.

Certainly location is also another ingredient and it can inevitably be much more difficult filling positions in companies based in less desirable geographies. Despite this, as positions become more mobile and working practices become more virtual, this is less of an issue.

In addition, according to executive search specialists, the chance of working within businesses associated with top private equity houses can be a real draw, especially in some of the emerging markets. And this can be where we, the PSG team, come in...

Recruitment support from Apax’s PSG

Digital strategists are certainly becoming harder and harder to find as more traditional businesses gain an awareness of the digital world in which they now operate and try to hire in the talent to help them to capitalise on the opportunities that this new world presents.

For our investees, Apax’s Portfolio Support Group can play a pivotal role in helping with the recruitment of senior and specialist staff. Drawing on our own expertise, the support of preferred partners and the experiences of Apax’s portfolio companies worldwide we can tackle recruitment issues at a pace that will allow our businesses to ensure that they too can keep up with the developments in the digital world.
### Conference attendees

**Who’s who?**

**Conference speakers**

- Connie Adair, CEO, Taylor Winfeld
- Jeff Boyd, CEO, priceline.com
- Brad Brown, Director, McKinsey & Company
- Seth Brody, Partner, PSG, Apax Partners
- Bill Cook, President, Greenplan (a division of EMC)
- Dave Cowling, Managing Director, TandemSeven
- Tom Evans, CEO, Barkrate, Inc.
- Jason Glau, Operating Specialist, Apax Partners
- Arnab Gupta, CEO, Opera Solutions
- Steve Hare, Global Head of PSG, Apax Partners
- Julie Harris, CEO, WISN
- Nick Hartman, Operating Specialist, Apax Partners
- John King, Chair of Trader Canada, Former CEO Trader UK
- Simon McCall, Director, BoxWood
- Ras Seddi, Managing Director, Russell Reynolds Associates
- Jon Simmons, Operating Specialist, Apax Partners
- Andrew Svinand, CEO, Cardinal Path
- Brendan Tobin, Operating Specialist, Apax Partners
- Frank Torbev, CEO, TandemSeven
- Edwin Ulak, VP, Marketplace, Trader CA
- Chris Waterley, Managing Director, Boxwood
- Steven Zolman, CEO, Netneter

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- Connie Adair, CEO, Taylor Winfeld
- Bill Andrulevich, CEO North America, 4C Group
- Dave Ball, SVP, Operations, KCI
- Jonathan Ball, Client Director, EMC
- Brett Batchelder, Senior Director, Private Equity, EMC
- Zvi Bichler, VP/IT & Asset Management, Paradigm
- Joy Black, Director, CoreTrust
- Jeff Boyd, CEO, priceline.com
- Brad Brown, Director, McKinsey & Company
- Paul Bizark, SVP, CIO, Bob’s Discount Furniture
- Zilah Byng-Maddick, CFO, Trader Media Group
- Bill Carter, President, ALM Media
- David Cowling, Managing Director, TandemSeven
- John King, Chair of Trader Canada, Former CEO Trader UK
- Peter Harnon, CTO, Trader Media Group
- Sean Harley, IT, 4C Group
- Julie Harris, CEO, WISN
- Peter Holton, SVP, Business Intelligence, Advantage Sales & Marketing
- Pete Hoagland, CTO, Boxwood
- HUB International
- Barry Cordeiro, President, 4C-Group
- Steven Zolman, CEO, Netneter
- Scott Miller, VP, Sales, CoreTrust
- David Mulligan, CEO, KCI
- Bob Murray, Senior Vice President, Advantage Sales & Marketing
- Harish Mysore, SVP, Corporate Development, The TriDot Group
- Duncan Painter, CEO, TopRight Group
- Neil Patel, IT Director, Apax Partners
- Alex Pellegrini, Partner, Retail & Consumer, Apax Partners
- Dan Hoogterp, Marketing, Advantage Sales & Marketing
- Bob Murray, Senior Vice President, Advantage Sales & Marketing
- Kevin Michalsen, Senior Vice President & Chief Strategy Officer, ALM Media
- Don Ross, SVP, Chief Revenue Officer, Barkrate
- Ank Sheer, CEO, TNILYA
- Frank Torbev, CEO, TandemSeven
- Edwin Ulak, VP, Marketplace, Trader CA
- Chris Waterley, Managing Director, Boxwood
- Michael Wright, Partner, PricewaterhouseCoopers
- Steven Zolman, CEO, Netneter

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**NB:** PSG attendees are not listed. The Portfolio Support Group team is on pages 34 & 35.
The Portfolio Support Group is a resource for all Apax portfolio companies.

By sharing our collective knowledge, scale and experience across all the other companies (and dozens of preferred partners) the portfolio can grow their businesses, save time and save money.

"Being an Apax portfolio company makes you part of something bigger."

Seth Brody, Partner, PSG, Apax Partners
About Portfolio Support Group

The PSG team

Steve Hare
Global Head of PSG

Steve Hare is Head of the Portfolio Support Group and a member of the Portfolio Review Committee. Steve joined Apax in 2003 and is based in London. He is on the Operating Board of D-S Nettex.

Prior to joining Apax, Steve served as a public company CFO with Investeasy, Spectranet and Marconi.

Irene Liebler
Head of Portfolio Recruiting

Irene Liebler is Head of Portfolio Recruiting and a member of the Portfolio Support Group. Based in Munich she serves Apax’s portfolio companies on recruiting and human resources topics. As an integral part of the investment team she also works closely with the deal team during the due diligence phase.

Jodi Krakower
PSG Analyst

Jodi Krakower is an Analyst in the Portfolio Support Group and joined Apax Partners in 2012.

Prior to joining Apax, Jodi worked at x+1, a premier digital marketing agency, where she led digital strategy for a diverse portfolio of clients ranging from early stage ventures to global companies.

Mark Zubko
Principal of the Financing team

Mark Zubko joined Apax Partners in 2010 and is a Principal leading the Financing Team. His Apax deal experience includes GATE, Ecolab, Galvion, Marconi, Culligan and Spectranet.

Prior to joining Apax, Mark was at Terra Firma Capital Partners and before that he worked at Goldman Sachs and Co. and MGI Ocean Capital Partners.

Gary Hughes
Operating Executive

Gary Hughes joined Apax Partners in October 2012. He is an experienced public company CFO who has extensive operating experience, particularly in the media and retail sectors with companies such as Gala Coral, United Business Media and Scottish Media.

Seth Brody
Partner, Portfolio Support Group

Seth Brody has been with Apax Partners since 2008 as an Operating Partner based in the New York office.

His prior executive operating experience includes roles as Executive Vice President and General Manager at Interactive Digital Group, as Group EVP and General Manager at Orbis Worldwide, and as Director of Marketing at priceline.com.

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About Apax Partners

Releasing potential

Apax Partners is an independent, global firm focused on advising 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 our investors: the millions of individuals, corporates and sovereigns whose pension funds and investment plans commit to funds advised by Apax Partners (‘Apax Funds’).

Our funds typically invest in companies with a value between €1bn and €5bn, across five sectors: Financial & Business Services, Healthcare, Media, Retail & Consumer, Tech & Telecom.

Our funds have 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 ten offices, in three continents, and employ over 300 people.

Apax Partners funds’ portfolio includes:

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For more information and a complete directory of Apax’s portfolio, please visit [www.apax.com](http://www.apax.com)