

# Charged Up

News from the Battery Ventures private equity team

**JANUARY 2016 ISSUE**

Welcome to the latest edition of Charged Up, a quarterly newsletter from the private equity group at Battery Ventures. The group is an active, global investor in the software and industrial-technology sectors, helping companies grow organically and through acquisitions. In Charged Up, we regularly share news about our portfolio companies, exits, team and other activities.

## COMPANY EXITS

In November, Sabre Corp., a technology provider for the travel industry, agreed to acquire The Trust Group of Companies, a wholly owned subsidiary of Battery-owned IHS GmbH, for approximately \$154 million.

The Trust Group-which has significant operations in Europe and Asia-Pacific-is comprised of Trust International, a central-reservation system provider for hospitality companies; InnLink, which makes reservation technology and services for individual hotels; and Nexus World Services, which provides hotel sales-management solutions. You can read more about the transaction [here](#).

**IHS**  
GmbH

NXP Semiconductors, a Dutch semiconductor manufacturer, completed its merger with Battery portfolio company, Freescale Semiconductor in December.

Freescale designs and manufactures embedded semiconductors for wireless, networking, automotive, consumer and industrial markets. The new entity, which will operate under the NXP Semiconductor brand, will have combined revenue of \$10 billion. Read more about the deal [here](#).

 **freescale™**  
semiconductor

For a full list of all Battery investments and exits, please click [here](#).

## BATTERY PRIVATE EQUITY SUMMIT IN AUSTIN

Eighteen executives from companies in Battery's U.S. and European private equity portfolio gathered in Austin, Texas for two days in October to discuss broad market trends and more-specific issues affecting their global businesses.

Topics included building a high-performance sales environment; M&A and integration strategies; recruiting talent; and fostering a winning company culture. The group-which included Dave Tabors, Chelsea Stoner, Jesse Feldman, Russell Fleischer, Brian Lieber, and Morad Elhafed from the Battery team-also sampled local barbecue and ended the offsite with a kayaking trip on Lady Bird Lake.



Richard Smith, who most recently served as CEO of Battery-owned Vero Software, is back at Battery as a second-time “executive in residence”. Smith will work with the private equity team to discover and assess potential software investments in the U.S. and Europe. He has more than 20 years’ experience as a business leader in software and technology.

At Battery’s private equity summit in October, Smith delivered a talk about the process of selling Vero, which makes and distributes CAD and CAM software, in 2014 to Sweden’s Hexagon AB. He also outlined some lessons from the sale for other business owners. Some of his key takeaways:



- Vero’s sale process took a full 12 months from initial board discussions to final closing and regulatory approval. Be prepared for the process to take longer than you might think, plan appropriately and start preparations early.
- But before its process even started, Vero took several steps to make sure it put its best foot forward to potential acquirers. “I think a lot of people under-prepare,” Smith said. Steps other companies should consider include raising the company’s profile through PR, tech events and applying for awards; settling any litigation; cleaning up employee and contractor agreements; initiating customer surveys to glean an NPS score; and watching capex spending, among others, Smith said.
- If you decide to use a banker, “which is generally a good idea,” according to Smith, then make sure to test this person’s knowledge of your specific market; research his or her track record and reputation; and try to pick someone with whom you are comfortable working. Ideally, the banker should be in your own geographic region. You are likely to spend a lot of time with this person so choose carefully. A good banker will make the effort to really understand your business in detail before engaging with potential buyers.
- Managing multiple suitors bombarding you with questions and requests for data can be exhausting even for the most organized of businesses. Realize that some members of your team, such as those in finance and HR, will put in many long hours to close a deal, so consider special exit bonuses for some valued employees to keep them motivated and rewarded. Remember: It is often these people whose jobs are most at risk if you are acquired by a trade buyer.
- Focus on communicating with your senior managers not only the progress of the proposed sale, but also what the future will hold if the sale doesn’t happen. Not all deals work out so always have a Plan B.