

Catalyst WOMEN 2023



Women of SA's Private Equity
and Venture Capital Markets



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Michael Avery

Editor

EDITOR'S NOTE


A Visionary Vanguard: Women Propelling the Evolution of Private Equity

A quiet yet momentous revolution is underway in South Africa's private equity profession, defying long-held conventions and reshaping the contours of the financial landscape. In this high-stakes domain, a new vanguard of women is emerging as the torchbearers of transformation.

In this, our second ever feature on women in private equity, we venture into the compelling narratives of these extraordinary trailblazers, whose tenacity and brilliance have propelled them to the forefront of an industry historically dominated by their male counterparts. From seasoned veterans wielding decades of experience to audacious rising stars, this formidable cohort is rewriting the playbook of private equity, ushering in an era defined by inclusivity and diversity.

Amidst the intricate dance of dealmaking and value creation, these enterprising visionaries divulge the strategies that have led to their triumphs, unveiling the hurdles surmounted and opportunities seized, and sharing their personal stories too. Nurturing businesses to flourish, creating employment avenues, and igniting socioeconomic growth remain the cornerstones of their transformative endeavours. That they are women is secondary to their professional personas, but we cannot divorce this from the reality that the industry has been slow to embrace gender diversity. The private equity landscape, despite its soaring potential, witnesses a striking dearth of female representation, and thus they embark on an odyssey of change and disruption.

I'm not a fan of sweeping gender generalisations, nor the feminist Barbie bashing of men, so let us tread with caution when attributing gender-specific traits, and instead seek to embrace the immense value derived from the interplay of diverse talents.

It is in the spirit of genuine collaboration and the pursuit of excellence, irrespective of gender, that we find the true essence of optimal leadership, so join us on this in-depth exploration into the journeys of these remarkable leaders, as they share invaluable insights and unrivalled experiences in this second Catalyst Women in Private Equity feature. Their audacious vision for the future of private equity can only foster an ecosystem where diversity sparks innovation and redefines traditional paradigms. 

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ROCKWOOD



Leslie van Niekerk

Deal Executive

Q&A

Q What led you to pursue a career in Private Equity?

A My interest in mergers and acquisitions first peaked during a university class where students were broken up into small groups and assigned a company, with the objective of completing a transaction with another group by the end of the semester. I thoroughly enjoyed the excitement of strategising and negotiating with my peers. Given this interest, I was excited to start my career in PwC's mergers and acquisitions team. I was afforded the opportunity to work on multiple transactions, local and cross-border, in multiple industries, which was a great learning experience for the rest of my career. After completing my MBA, I decided that I no longer wanted to be involved just in the acquisition or sale of a business, but to be involved post-acquisition. This ultimately led me to the decision to pursue a career in private equity. This move has not only provided me with the opportunity to still be involved in transaction processes, but also to expand my expertise as a portfolio manager, where I am involved in all business aspects of the portfolio company, and get to work with business leaders with a wealth of knowledge.

Q What is your favourite sector to do a deal in and why?

A Manufacturing – As a child, I remember going to a steel mill with my Dad, where my sister and I were given hard hats to wear and shown around the plant. I found the manufacturing process fascinating, and I still do. I am always excited to learn how things are made, and take every opportunity I can to walk around our factories. Manufacturing is such a broad industry, where cutting-edge technology is key, and it attracts people from all walks of life. The variety and adaptability of this industry are what make it my favourite sector to do a deal in.

Q What piece of advice would you give a female entrepreneur looking for funding?

A In terms of equity funding, start thinking about your ideal equity partner, your company's growth potential, and your exit options long before making the final decision to go to market. Finding the right partner for your business is one of the most important decisions that you will make in your journey as a business owner, which is why it is important to have a clear understanding of the attributes that you would want in a long-term partner, as well as the exact assistance that you would want from that partner – whether it be assistance with increasing market share or a partner that is well connected in the financial world, that can assist with bank relationships and funding. Knowing your exit options is also important before looking for a partner, as it is not unusual for transaction agreements to address matters such as tag-along and/or come-along rights. This brings up the question of whether you would want to exit when the equity partner's investment horizon has come to an end, or whether you would want the option of first right of refusal to acquire their shares. Knowing the answer to these questions will ensure that you don't waste your time with the wrong equity partner, and that you have options should you wish to exit. Finally, surround yourself with good advisors who can assist you with finding the right partner and concluding the best possible transaction for you and your business.

Q What, in your opinion, is the hardest part of a PE deal?

A The first 100 days after closing the transaction. Change is tough at the best of times, let alone when there is a change in ownership of a company. Gaining the trust of employees takes time and there is often

resistance to changes such as implementing new governance structures. When Rockwood acquires a company, we create a 100-day plan that assists with managing expectations and helps to create some structure and reassurance, which is a strategy that has proven to be a success.

Q What was the toughest deal you ever worked on and why?

A The toughest deal I was involved in was the sale of an agricultural commodity company that was in financial trouble and on the verge of being liquidated. This situation was made more difficult by the passing of one of the shareholders before the transaction process started. It was tough to manage the emotions of all parties involved, while also trying to drive the deal forward. This deal taught me a lot about dealing with different personalities in a stressful environment.

Q What do you do to unwind and get away from the stress of work?

A I play horse polo. Not only is it a great stress reliever, but an incredible community to be part of, where I have met amazing people and made lifelong friends.

FUN FACTS

My favourite Colour: Blue.

Dog or cat person: A dog person.

Unusual hobbies: Horse polo. I find it to be unique in the way that, during a game, I can't think of anything else other than what is happening at that exact moment.

Item ticked off your bucket list: Live in New York.

Item not yet completed on your bucket list: See the Northern Lights. 🐾



ROCKWOOD



Susan Rose

Portfolio Manager and ESG Officer (Principal)

Q&A

Q What led you to pursue a career in Private Equity | Venture Capital?

A When I was growing up, I always imagined myself owning my own business. I spent 10 years in London, working for Hedge Funds and Asset Managers, but I never felt that I was fully engaged with the underlying investee businesses or their management. Driven by my strong entrepreneurial spirit, I made the decision to return to South Africa. I met the Rockwood Partners in 2013 and was presented with an opportunity to join the team. You could call it good luck or good timing, both are important in Private Equity. What I love about my job is how it intertwines with my strong commitment to ESG (Environmental, Social and Governance) principles. The prospect of contributing to the betterment of South Africa's economy by creating jobs and nurturing businesses fills me with a profound sense of purpose.

Q What was the toughest deal you ever worked on and why?

A On the buy side – it's the deals you work the hardest on, and sometimes the ones you don't get; that are the toughest deals. In Private Equity more deals fail than succeed. I have had to learn how to manage the disappointments without becoming despondent.

The toughest deal I have worked on recently involved a large consortium of investors. Working with a consortium on a deal can be challenging. Consortia consist of multiple organisations or individuals, each with their unique goals, priorities and perspectives. It is difficult to keep these diverse interests and opinions aligned.

Q What, in your opinion, is the hardest part of a PE deal?

A One of the most difficult parts of PE deals is that every day is different, and every deal is different. The challenges that come up are usually unanticipated and unplanned. It is important to start with the end in mind, and

know that there are many pathways to the end. I think it is easy to be disappointed if you become fixated on how a deal should look very early on in the process. I have learnt that closing a deal requires a creative mindset and willingness to problem-solve.

The next hardest part of any deal is people, and dealing with people. I believe that deals happen when everyone is confident. Winning over people's confidence is tricky, whether you are establishing people's confidence about projections or forecasts or working on your own confidence. The great deal negotiators that I have met in my 10 years in Private Equity are individuals who are patient and calm. I regard patience and calmness as Superpowers – something that I try to work on every day.

I have seen a lot of deals fail at the last hurdle, when all of the valuation work and legal work is done (in the last 100m of the marathon). It is at these times that confidence and risk appetite come to the fore. I think that the most successful dealmakers are the ones who are prepared to take that final leap of faith. Even the most comprehensive due diligence and legal documents cannot cover all the risks.

Q What piece of advice would you give a female entrepreneur looking for funding?

A I don't think my advice would be any different from the advice I would give a male entrepreneur.

Don't walk into a room with an ego, and be extremely well prepared. Know your audience, and research those that you are presenting to.

Make sure you are approaching the right partners for funding. It is important to match your funding needs to the institution's funding appetite and strategy. The temptation to try adapting your story to the person across the table can often backfire, so be careful not to be too eager to please.

Q If you could change one thing on your career path to date, what would it be and why?

A In the first five to six years of my working career, when working in London, my focus was on short-term money rather than a long-term career, and although this allowed me the freedom to travel, I wasn't passionate about what I was doing. In hindsight, and perhaps with some guidance from a mentor, I may have achieved a better balance between building my career and funding my travels.

Q What do you do to unwind | and get away from the stress of work?

A I have always had an interest in enlightenment and self-discovery. Exercising has always been important to me. I have always meditated in various forms, whether that be swimming or running or, more recently, meditating in my lounge when the house is silent, before the kids get out of bed. Another big part of unwinding is spending time with people. I love getting to know people, and love having interesting conversations. Probably most importantly though, is the time I spend with my two beautiful children and my very supportive husband.

FUN FACTS

My favourite Colour: Burnt orange.

The current book on your nightstand: *The Monk who Sold his Ferrari* by Robin Sharma.

Favourite restaurant: Truffles in Sandton.

Dog or cat person: Dog.

Unusual hobbies: Walking slowly anywhere in nature with my kids and really listening to what they have to say.

Item ticked off your bucket list: Jumping out of an airplane in Bolivia.

Item not yet completed on your bucket list: Paint a picture and sell it for charity.

Preferred holiday destination: Majorca.

Three words that your colleagues would use to describe you: Energetic, positive and intelligent.