



Ones to Watch

Here, we continue our monthly search for the standout firms from around the globe who are changing the way their industry works, providing peerless service and achieving stunning results, both for themselves and their clients.



MPG EQUITY PARTNERS LLC
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We are attracted to companies that offer a differentiated value proposition to a larger overall market.



Michael is the Managing Partner and founder of MPG Equity Partners LLC, where he is responsible for identifying target companies, conducting due diligence, negotiating deal terms, and managing acquired companies

MPG Equity is a Chicago-based privately funded family office that invests in healthcare, business, and consumer service companies, with a focus on niche manufacturing and value-added distribution.

The firm partners with management teams to increase value by accelerating revenue growth, both organically and through complimentary acquisitions. "We are cash buyers looking for businesses with EBITDA of US\$1-5m," says Michael P. Goy, Managing Partner.

"We are attracted to companies that offer a differentiated value proposition to a larger overall market and love scalable platform businesses with recurring revenue models. One of our key differentiators is our ability to be flexible with investment strategy. MPG Equity is privately funded and can maintain a sole focus on making solid investments without the pressure of predefined fund parameters."

Since beginning operations in July of 2013, MPG Equity has made three investments:

1. Acquisition of BrainBits (www.brainbitllc.com / www.brainbits.co.uk): A leading tissue provider to the medical and scientific research community in the field of neuroscience with specialties in harvesting neuronal tissue using proprietary processes and media and providing chemical preparations and reagents. With offices in Springfield, Illinois and Loughborough, United Kingdom, BrainBits is a global provider of mission critical research materials to

leading pharmaceutical, laboratory, and neuroscience researchers.

2. Venture investment in ClearNDA (www.clearnda.com): An early stage business services company focused on reinventing the way contracts are negotiated.
3. Venture investment in MouseHouseApp ("MouseHouse") (www.mousehouseapp.com): An iPad + web application that allows researchers in the life-sciences community to track experimental data, health, and complex breeding schemes of laboratory animals.

MPG Equity Partners is very interested in acquiring businesses where the owner is seeking liquidity for retirement or other purposes, a transition out of daily management, and the long term "Right Buyer" for business, says Goy. "MPG Equity seeks to acquire businesses with a strong employee foundation and to help generate internal inertia. We are focused on helping employees do more to help build their company. We do not have any mandated lock-up periods for company owners.

"In the right situation, we are 100% cash buyers."

The current US business environment is competitive, says Goy. "Finding deals through popular channels continues to become more and more competitive. Firms like MPG Equity are forced to either enter highly competitive processes or be more creative with deal sourcing initiatives."

Good investors are able to deliver more than just capital, and often the best opportunities need more than capital as well, Goy says. "One of the most important analysis we do at MPG Equity is to understand what a business needs from us in terms of capital and advice. While different opportunities demand a different mixture, this is something we always review before investing." ■



REDCLAYS CAPITAL

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Srini Chakwal is Founder & Managing Director of Redclays Capital Private Equity Fund, a private equity and venture capital group that invests in early stage to expansion companies. Here he tells us more about the firm and the venture capital landscape in India

Currently, following the results of the Indian general elections, investor confidence has increased significantly in private equity, and venture capital investments have increased about 35% this year from a year earlier.

Venture and early-stage investment activity compensated for the stagnant growth capital and buyout deal activity. The segment saw 124 deals in the first half of the year, double the number of deals in the growth stage. When compared with the first half of 2013, activity in the venture capital space increased by 42%.

In the technology space, there has been a sustained increase in investments with at least 60 deals in the first quarter 2014. Around 80% of these were in the venture and early-stage category. The real estate sector also saw significant rebound. While e-commerce businesses continued to attract investor interest with more than US\$760m.

The outlook is improving in India that mostly reflects the fact that the new government has pledged to prioritise economic reforms.

India: An enticing investment prospect

India today is among the most attractive investment destinations globally, driven by a combination of strong economic growth, an improving regulatory environment and favourable demographics. As India continues on

its rapid-growth path, several large investment sectors such as financial services, infrastructure and domestic consumption, especially this year significant increase in investment in E-Commerce and IT/ITES.

With the government's thrust on infrastructure and manufacturing, these sectors are expected to see greater Venture Capital & private equity deals, along with conventional investment sectors such as financial services, healthcare and Clean Energy.

Completing the deal and mitigating risk

To bring success for our portfolio companies, we identify areas where the company requires support, in terms of management and in terms of providing adequate capital in case of any shortfall in working capital. During the exit phase, the investment manager consults with all the shareholders and initiates and manages the closing stage of the participation. It could be managed either through a strategic transaction like an IPO or a buy-out by another interested investor.

Venture capital faces the risks that the company managers won't be able to pull off the planned exit strategy. They may not produce enough revenue to offer the company to the public and sell shares. Smaller companies looking for a big buyer may not be successful enough to make the grade, leaving Venture capital stuck. When exit strategies fail, venture capitalists either cut their losses or stick around and try to turn the company around by taking a more active role in its management, assisting in areas of increasing competition. Companies are required to be super-efficient with respect to cost, productivity, labour efficiency, and technical back up, flexibility to consumer demand, adaptability and foresightedness. ■



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Arnoud Willems is one of the founders of the Brussels office of Sidley Austin and chairs the EU trade practice.

Arnoud Willems focuses his practice in two areas. First, he helps companies become more competitive by using the rules laid down in Trade and Investment Agreements. Second, he litigates trade matters before the EU courts and institutions. Arguably, Arnoud is the EU trade lawyer with the highest success rate in court. As a result, he currently has 17 cases pending.

Chambers, The Legal 500, Who's Who Legal, and Best Lawyers all recognise Arnoud as one of the leading individuals in the area of trade and customs law. He publishes and speaks all over the world on trade issues such as customs and the WTO accession of Russia and China, as well as on anti-dumping. One client called him *"the perfect anti-dumping payer's bulldog."*

Helping companies sell goods

Arnoud mentions that, for more than five decades, the world has witnessed uninterrupted efforts to liberalise trade in goods – and with much success. Since 1948, the average tariff for manufactured goods has decreased by more than 25% to below 3.8%. However, the costs of classification, valuation, and clearance of goods remain high.

Many companies develop their products in the EU or in the US, manufacture them in Asia, and sell them to more than 30 different markets (countries). Wouldn't it be great if a company only had to prepare

one set of documents for import into these 30 different countries? What if all 30 countries used the same methods to classify and value the goods?

Arnoud helps companies crystallise this uniform practice by using international trade rules, such as those laid down in the WTO.

Helping companies sell services

Because of the historical decrease in the average tariff on goods, today's most attractive market access opportunities lie in the liberalisation of the (growing) services sector.

Unfortunately, international trade in services is often hampered by trade barriers and domestic regulations. But at least the OECD Services Trade Restrictiveness Index ("STRI") makes these barriers and regulations transparent. This helps service companies identify which measures restrict trade, place their claims, and improve market access. Companies can also use STRI data to point regulators to best practices, so that the regulators can start working on closing the gap – to drive innovation, cut costs, and attract more investment.

Arnoud helps companies crystallise benefits by using the data and the rules. ■



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Mishcon de Reya prides itself in providing a best-in-class service to its clients in all its practice areas

Mishcon de Reya is a law firm with offices in London and New York. Founded by Victor Mishcon in a one-room office in Brixton in 1937 we now employ more than 500 people, with over 300 lawyers offering a wide range of legal services to companies and individuals.

In every area of the law that we operate, Mishcon de Reya prides itself in providing a best in class service to its clients. Specifically we offer the following legal services: corporate; dispute resolution; employment; family; private client; and real estate. An entrepreneurial spirit - where candour and involvement are key - characterises our ability to develop and execute the strategies required to achieve our clients' goals in all these areas.

We are an independent firm with an international footprint that extends far beyond our offices in London and New York. A large part of our business is advising on multi-jurisdictional transactions and disputes; established links with overseas practices help serve the needs of our increasingly international client base.

Our clients are dynamic and sophisticated and we reflect that in our belief in challenging the conventional or accepted ways of working. We like to solve problems quickly. We fiercely guard our clients' interests, recognising the significant nexus between

business affairs and personal affairs and the ways in which this affects our clients.

We appreciate the privilege of sitting alongside our clients as a trusted advisor. Building strong personal connections to our clients and their businesses is important to us. It is for these reasons we say, *"It's business. But it's personal"*. ■

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