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The big news as this issue goes to press is the sacking of DaimlerChrysler CEO Juergen Schrempp. Okay, not much to do with private equity, but lots to do with leadership, growth, and managing a company in a different way than ever before. Schrempp tried all these things, and for various reasons, didn't reach his goals. But his approach, that of an "entrepreneurial leadership style," is of interest to us. And that is why our issue this quarter starts with three articles on leadership, each from a different perspective. We then tour the world with pieces describing investing in venture deals in India, PIPEs in Canada, and general private equity in the Czech Republic. We end with two pieces on technique, the first on leveraged buyout valuation and the second on cross-border purchase price adjustments.

There is a well-justified fascination with successful entrepreneurs. In some ways, they are the modern version of royalty. But, other than direct personal contact, how do we learn about these important people? How do you know what you know? Robert Smith takes us through the mechanisms whereby we study famous entrepreneurs. We all take lessons away from these stories, yet should we wonder how accurate they are? This somewhat discomforting piece may cause you to reconsider what you know, and what you don't know.

What kind of leader are you? What kind of leaders do you have in your companies? Do you have "entrepreneurial leaders"? Tarabishy, Solomon, Fernald, and Sashkin establish the difference between transactional and transformational leaders, and posit for us the idea of an entrepreneurial leader. They question if the idea of being an entrepreneurial leader is a new style, or merely recasting what has been seen previously.

As a counterpoint to the two "thought" pieces above, we offer a very applied leadership piece about a successful roll-up. Anderson and Posey deal with the delicate and difficult transition from aggressive acquirer to efficient operator. So many firms can get the acquisitions done, but running the newly expanded businesses can be a different matter. Ever wonder how different your orientation should be when your focus changes from acquirer to operator? This piece lays it out.

It's hard for anyone thinking about the world at large to ignore India. With high growth rates, large amounts of foreign exchange reserves, and a reasonable amount of political stability, India is a

country with enormous potential for venture investing. But what does it look like up close? Singh, Singh, and Jadeja take us inside India and measure the amount of capital now being put to work, estimate how big the market appears to be, and how U.S. hurdle rates compare to those at work in India. Who is the ideal Indian VC? Take a look at this piece to think about these important issues.

We move now to Canada, to review an article by Carpentier, Suret, and L'Her on private investment in public equities in Canada. As our nearby neighbor, we expect Canadian markets to be a close mirror of our own. But PIPEs are a big part of the reported post-IPO placements in Canada. This, along with the promotion of various "back-door" listings has made Canada a rather fascinating place to understand. Will these ideas spread southward? Or are they destined to stay unique to Canada?

The Czech Republic is home to one of the fastest-growing private equity sectors in Europe. Does \$3 billion euros seem a pretty good investment fund to you? How about 68% growth in fundraising activity in 2003? Filip Reich presents a review of private equity, with an eye toward the limitations and differences to be aware of in comparison to the U.K. and the U.S.

In our technique section, we begin with a study by Francesco Baldi on the use of "real options" analysis when valuing a leveraged buyout. The idea here is to better estimate the value of a firm by recognizing the two implicit option values purchased: The value of the option of financial default and the value of the option of operating default. Why bother to value these two defaults? Baldi posits that in some situations, value can be added by triggering a bankruptcy (a financial default) or cutting a planned new facility (an operating default). It's a fascinating thesis that may help you think about the value of any ongoing business.

Speaking of buyouts, Kreindler, Zuber, Kautz, and Inglis help us through the basics of purchase price adjustments allowable for cross-border deals. Their tutorial compares the U.S., U.K., and Germany on major provisions such as how to resolve disagreements, use of the Federal Arbitration Act, subpoena powers, and other stuff you'd rather not know about. Knowledge is power, so ignore these issues at your peril.

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