

Private Equity in Technology: Q1 2024



Content.

- Key PE Predictions for 2024
- The latest M&A activity
- PE trends analysis
- Tech- focused insights
- M&A in Recruitment: Q&A with CEOs
- Movers & Shakers across tech
- Hiring trends

Join our next webinar.

We talk to senior Chief People Officers on how big data and AI are creating challenges and benefits for attraction, retention and career progression.

Coming soon...

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Hello

Let me introduce Concept, we are a technology talent specialist and partner to a range of leading tech businesses.

We have experience of working with fast-growing PE-backed organisations, helping them to grow through strategic resources.

In this edition, you will find marketing insights and analysis on the tech PE market, M&A activity and other relevant business sources to steer future investments.

Get in touch find out how we can connect you with experienced PE business leaders to propel your investments and business growth.



Robert Taylor

Business
Development Director

Disruptive tech meets a transforming PE industry

Nearly two-thirds of investment firms say tech companies are important to their investment strategy – 26% have launched or plan to launch a specific tech fund/strategy.

Tech is central to value creation efforts this year for 57% of investment firms, according to Private Equity Wire research.

-Private Equity Wire, 2024

Nearly a third of firms say AI solutions have not at all lived up to the hype.

another 48% say they only somewhat have.

-Private Equity Wire, 2024

**AI roles
make up a
quarter of
UK tech job
listings**

-UKTN, 2024



**BANK PREDICTS
'EXPLOSION' OF UK
PE ACTIVITY AS TAX
CHANGES LOOM**

**REGULATORS URGED
TO PROBE PRIVATE
MARKETS BEFORE
BOOM POPS**

**£140BN WASTED ON
CLOUD SERVICES
ACCORDING TO
NEW RESEARCH**

Key takeaways Q1 2024

1

Revaluating tech priorities

51% of PE firms are revaluating their in-house tech due to AI and other disruptive tech, with 46% focusing on back office, 34% on middle office, and 29% on front office.

2

AI not living up to the hype

About 30% of firms report that AI solutions haven't met expectations. Reasons include AI models requiring time to learn and adapt, and Unrealistic expectations fueled by the hype around generative AI.

3

Value creation & tech

This year, value creation takes centre stage, with technology playing a pivotal role. 57% of firms indicate that their primary value creation strategies are centered around technology.

4

AI influencing investment strategies

AI progress is reshaping firms' perspectives on the significance of tech companies in their investment strategies. One in four firms have either initiated a dedicated tech fund/strategy or intend to do so.

“Software – with one of the most interesting and scalable business models – is an attractive sub-sector for PE. It’s also mission critical, which is why it can typically thrive no matter the macroeconomic conditions.”

David Tse
Senior Vice President
Thomas Bravo

Private Equity

predictions for 2024.

Political change & uncertainty

1

The pending UK General Election may have ramifications for transactions, IPO planning, and exit timing. The London Stock Exchange and FCA are looking at various rule changes to make the London markets more attractive, however, it is unlikely these will be available until late in 2024.

2

Prioritising tech

Tech is predicted continue to be an attractive sector for PE with robust performance. After another year of headwinds, companies see the value in upgrading their digital processes and infrastructure. Those factors, coupled with evolving trends like AI and advanced Cloud solutions, make the tech industry especially resilient and increases potential value curation via add-ons.

3

Disruptive tech, AI & operational efficiency

PE firms will employ AI tools to help them identify and implement cost optimisation strategies and achieve operating efficiencies within their portfolio companies. Specifically, they may use generative AI tools to minimise operational overheads and improve overall back-office efficiency.

4

Talent management as a critical value creation lever

Given the significant expenses and time cost associated with recruiting and retaining talent, staffing obstacles for PEs and companies are unlikely to disappear quickly. Consequently, businesses and PE firms are considering outsourcing functions using talent partners, as well as bringing in interim C-suite executives.

Movers & shakers.

We're spotlighting the individuals driving the future of tech-focussed investments. These are the pioneers who are not just keeping up with the fast pace of change but setting the course for tomorrow's advancements.

Murphy back at TD SYNEX, as President EU

This April, Miriam Murphy is returning to TD SYNEX in the role of President, Europe after two years as CEO, Europe at managed services provider NTT Ltd.

Reporting to her predecessor in the role, TD SYNEX COO Patrick Zammit, Murphy will lead the distributor's European executive board and be part of the company's global executive team with responsibility for driving business strategy and operational execution in the region.

DISTOLOGY UPDATES SENIOR LEADERSHIP TEAM TO MEET GROWTH PLANS

The promotions of Sarah Geary to Chief Marketing Officer, from Director of Partner Marketing, and of Lance Williams to Chief Technology Officer, from Chief Product Officer, will support Distology's ambitious 2024 growth plans based on a significant expansion of its product portfolio.

NEW CHAIRMAN FOR NETWORK GROUP

Network Group has entered its 30th year in the MSP community with the appointments of Michael Morgan, Director of Morgan and Morgan, as Chairman and Austen Clark of Jera IT as Events Director. Michael Morgan is taking over the Chairman role from Perry Ashby of Urban Network UK, who has held the role since 2019.

New MD at VIP Computer Centre

IT hardware, solutions and services distributor VIP Computer Centre Ltd has promoted Supply Chain and IT Director Harpreet Sahni to the position of Managing Director, with Jatti Sahni, acting MD since September 2020, stepping back into the role of Chairman.

Source: Technology Reseller, 2024

HOW TO CONNECT WITH SENIOR LEADERS TO DRIVE GROWTH

Concept specialises in helping technology-focused businesses achieve rapid growth following investment.

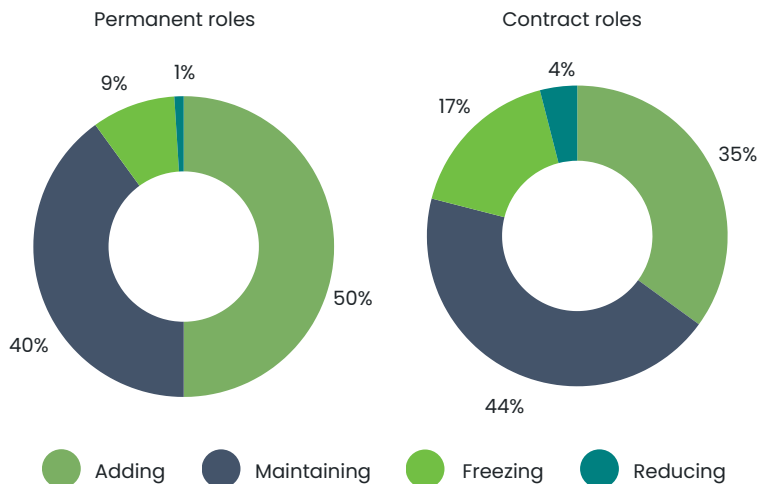
We partner with you to source senior leaders where gaps have been identified and provide an agile partnership to our clients, adapting to their bespoke demands.

Discover our services [here](#)

Hiring in tech.

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Hiring intentions for tech roles



72% of tech teams experiencing skills shortage.

Robert Half, 2024.

17% decline in tech job vacancies

Q1 2024

ONS, 2023

UK's tech sector now accounts for 6.3% of people in employment in the UK

CompTIA, 2024

Tech-adapted companies finding it harder to fill DevOps roles

HSBC, 2023

The estimated number of vacancies in the UK fell to 908,000

Number of vacancies in the UK, seasonally adjusted, December 2004 to February 2005 to December 2023 to February 2024.



Source: Vacancy Report, ONS

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M&A in the recruitment sector:

Q&A with CEOs

Despite 2023 being a challenging year for most UK recruitment businesses, transaction volumes continued at a robust level, whilst UK GDP data showed that the wider UK Recruitment market experienced modest growth during the year.

BDO's Annual M&A Recruitment Report looks at the key sectors receiving investment and hears from Concept CEO, Matt Gillen and Wendy Morgan, Founder and CEO of Jumar, following their M&A journey after acquisition by Aliter Capital LLP. In addition, BDO Head of Growth Advisory, Paul Morris shares his advice for management team's considering embarking on a PE journey.

Aliter Capital's strategy is to create a leading specialist technology solutions and resourcing group in the UK. It focuses on supporting sustained business growth through a combination of organic growth and acquiring and integrating smaller businesses to create sophisticated, professional medium-sized operators.

In Sept-23, impressed with Jumar's innovative tech solutions, Aliter completed their investment into the business to compliment the skills, resourcing and capabilities of Concept and to create a leading UK tech talent and digital solutions group.

"Aliter have already invested in maximising productivity and efficiency at levels we would have not been able to do on our own."



Certain strategic initiatives we had in the pipeline for 18-24 months down the line were suddenly being brought forward to the next six months, really emphasising the focus on growth."

This latest deal is consistent with Aliter's investment strategy of acquiring and integrating smaller businesses to create sophisticated, professional medium-sized operators within fragmented markets. Aliter's strategy focuses on using its deep industrial expertise and broad networks to drive both organic and acquisitive growth to gain scale and a national footprint.

Read more in the BDO report:

<https://www.bdo.co.uk/en-gb/insights/industries/professional-services/m-and-a-market-reviews-recruitment-sector>



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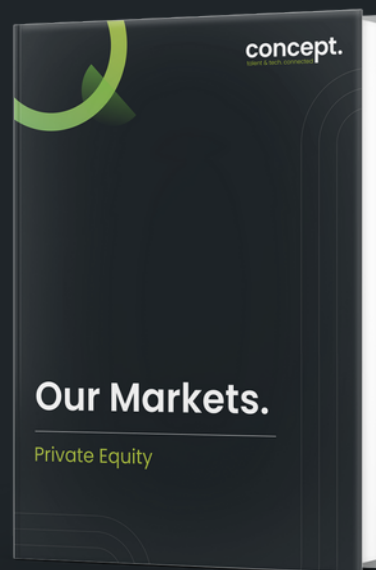
High Growth & Private Equity

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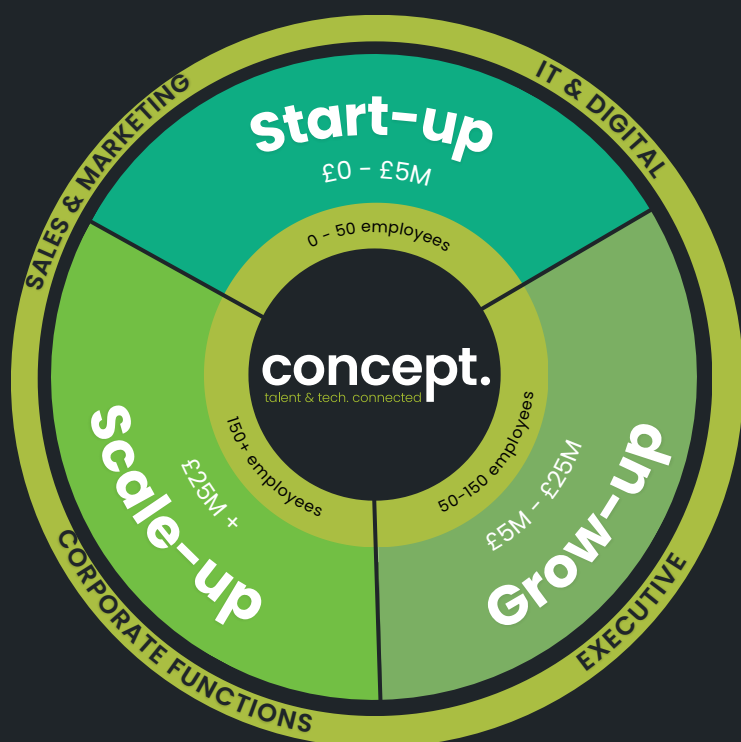
For tech businesses like IT MSPs, VARs, and re-sellers generating up to £150 million in revenue – we're here for you. Partnering with Aliter Capital LLP amplifies our market insight, ensuring you receive unparalleled support tailored to private equity-backed organisations.

With a deep understanding of your private corporation, we'll align our talent strategies to fit with your vision and business goals, resulting in faster and better-fit hires.

www.concept-it.com/sectors/markets/private/



Download your guide



Solutions for Scalability

As you move through different growth stages, you will need a fast-paced, flexible talent acquisition strategy that can adapt and change as you do.

Our comprehensive talent solutions offer a 360-degree talent management approach. Whether you're scaling up or in need of specialised skills, we'll flex and adapt to your ever-changing needs.

Get in touch


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