

ACUANT CASE STUDY



Company Description:

Founder-owned
Identify Documentation
Authentication Software

Theme:

Software / Identity

HQ:

Los Angeles, CA

Status:

- June 2013 Investment
- **Sold to Audax Private Equity in Sep 2018**

Investment Thesis

- Acquire undermanaged licensed software business from engineering-oriented founders
- Leverage Lightview's software domain expertise and transition to recurring, cloud-based/SaaS business model
- Expand solution set / product offering via execute strategic M&A

Value Creation Playbook

Establish Operating Metrics

- Built ground up budget with KPIs focused on account retention and MRR
- Created new compensation/bonus plans focused on Recurring Revenue

Optimize Sales & Marketing

- Rebranded as Acuant from previous hardware centric brand
- Hired EVP of Sales, Director of Prod. Management, VP of Marketing
- Built multi-tiered sales model focused on recurring revenue growth

Develop Management Team

- Significant investment in team and infrastructure to support growth
- Added EVP Business Development and VP of Engineering via acquisition
- Migrated Engineering leadership from Israel to US

Corporate Development

- Closed 2 acquisitions: Assuretec Q3 2016, and Mt. Airey Ozone in 2017
- Broadened software offering to include Authentication

Results

- Transitioned Hardware-centric, perpetual revenue company to market leading, cloud-based provider of identify solutions
- Doubled Revenue and EBITDA
- Increased Annual Recurring Billings from zero to 35% of total revenue, growing 100% annually
- Strong 96%+ Annual Customer Revenue Retention