

"IN THEIR OWN WORDS"

Pemba
Capital Partners



WHEN PEMBA BACKS A BUSINESS

seeking to achieve ambitious growth, one of the first things we often do is introduce a Chairperson to the board. The right person, with the appropriate blend of experience and skills, complements the founder, enhances the development of the management team and materially improves decision-making and the investment outcome.

ReadyTech is a leading provider of mission-critical people management software for educators, employers, facilitators of career transitions, government and justice and listed on the Australian Stock Exchange in April 2019.

Pemba's Tom Matthews talks with ReadyTech's Chair Tony Faure and CEO Marc Washbourne on the benefits a Chair can bring to the business.

Why ReadyTech?

TONY: As a Chair I was attracted to ReadyTech because of the sector, the stickiness of the software solutions, the high-quality leadership team and the thesis and support of the Pemba team. I haven't been disappointed on any of these fronts. It is a great company in a great space with terrific prospects and has been well supported by Pemba.

MARC: We are operating in growing markets with scalable technology platforms and industry-leading functionality and it is such a strong endorsement of how far we have come to have been able to attract someone of Tony's experience. Aside from this extensive experience, Tony has successfully led some of Australia's leading technology and digital media companies. His knowledge in building businesses and successfully using technology to deliver better products and services is a perfect fit for ReadyTech.

What is the background to Tony joining ReadyTech as Chair?

TOM: About 12 months after our initial investment, we started to consider the optimal structure for the board of ReadyTech. We started with the Chair. We worked very closely with Marc to ensure we were all aligned on exactly what characteristics and experience we were looking for in a Chair and how this could benefit ReadyTech. Once we were aligned, we then mapped potential candidates into a database leveraging our networks and those of our advisers. It was important to us that there was good chemistry between Marc and the incoming Chair so once we had come up with a shortlist of suitable candidates, then we tasked Marc to meet them and make the final decision.

MARC: Everyone explained to me that the chemistry between CEO and Chair is essential. Through Pemba's network I met with a whole range of Chairs which is a bit weird because they're going to be your boss! I've never had a boss before. As well as being an essential part of the process Pemba really backed me with this key decision.

The role of a Chairperson

TOM: The chairperson of the board is the individual charged with providing the board with leadership, and to harness the talents and energy contributed by each of the individual directors. They are ultimately accountable to the institution itself and acting as the link between the board and management and particularly between the board and the CEO. Tony's qualities in these areas were proven. Tony's knowledge of and experience in the industry



“Often smaller technology companies are great at product but don’t have the time to think about preparing to scale. Pemba in my view understand this and have in many instances been able to bring both operational discipline and resources (human and financial) that enable the companies to achieve repeatable and scalable growth.”

TONY FAURE



allows him to provide guidance, support, and a constructive level of challenge to Marc.

TONY: ReadyTech was already a great business that had assembled terrific assets and a strong management team. I’ve been able to help ReadyTech and the Pemba team successfully list on the Australian Stock Exchange, deliver on their guidance and evolve the company into a fully-fledged vertical SaaS play. I believe my experience in the listed environment has helped ensure good governance, and my experience with high growth companies has helped maintain our growth orientation.

Assisting businesses on the next stage of their growth journey

MARC: Pemba has a clear focus on identified fast growth market niches with sustainable growth drivers underpinning them, and within these has a comprehensive and detailed view of the players and where opportunities and value lie. This has been helpful in forming a clear view of whether ReadyTech’s options for growth in key areas are best solved by building solutions organically or acquiring companies who have already solved these problems. Their detailed due diligence also means it is quick and easy to understand the financial profile of potential targets.

Post IPO

TONY: ReadyTech has transitioned from private to public company relatively seamlessly as our relentless focus on executional discipline and financial rigour has supported strong growth. We have increased shareholder value and been able to make strategic acquisitions at the same time as we have invested in the team and the brand.

TOM: One of the key highlights post IPO has been, in January 2020, Victorian Bendigo TAFE and Kangan Institute named ReadyTech’s Student Management System as their chosen technology platform to manage end-to-end student lifecycle and evolve student experience. This was a major new landmark tertiary enterprise client for ReadyTech, which was selected over some of the larger software vendors in the market.

TONY: The BKI TAFE win saw ReadyTech delivering on its promise to evolve its education offering into the enterprise space. BKI

selected ReadyTech from a list of world-class enterprise software companies because they felt we could deliver the best and most modern solution. This reflects our intense focus on customers and their evolving needs and is a vindication of our growth strategy.

What does the future hold next for ReadyTech?

MARC: Tony has demonstrated a long-term passion for developing ideas that use technology to push limits and create new experiences for customers. He's a true believer in the collaborative nature of success in business and this will be a significant benefit as we further chart our strategic direction to become a billion-dollar Australian technology business.

TONY: I am very impressed with the progress Marc and his team have already made in building technology that really matters to Australia's employment, education, government and justice sectors and am convinced that there are great opportunities for growth ahead. I am really looking forward to working with them to build a world class business.

Tony Faure

Tony is regarded as being one of the founders of the Australian digital media industry, having been the first MD of Yahoo! Australia & NZ in 1997, and later Regional Vice President, South Asia. He was also CEO/Founder of Homescreen Entertainment (sold to Quickflix) from 2003-2005 and CEO of PBL Media and Microsoft's highly successful joint venture ninemsn between 2006 and 2008.

Tony has served on the boards of both Seek and iSelect, as well as Business Spectator (acquired by News Ltd), Torque Data (acquired by Velocity), Junkee Media (acquired by oOh!Media) and Australia's original start up accelerator Pollenizer, amongst others.

Tony holds several non-executive positions including Chairman of ASX listed company oOH!Media and data intelligence platform PredictHQ, as well as Non-Executive Director of digital mortgage company Uno Home Loans, content platform Stackla and specialised media company Medical Media. He has for many years been actively involved in the Starlight Children's Foundation.

In March 2019 Tony became the Chairman of ReadyTech.

“One of the biggest benefits a Chair can bring is helping the founder correctly prioritise the key initiatives to deliver the growth plan and turn the strategic vision into a reality.”

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TOM MATTHEWS
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“In Their Own Words is a series of interviews between Pemba and the people we partner. In these conversations we explore our working relationships and how, with Pemba’s support, the businesses we invest in are achieving their growth strategies.”

Tom Matthews is a Managing Director of Pemba Capital Partners, a leading investor in small and mid-sized private businesses in Australia and New Zealand.



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