

Case study

Best in class intelligent database technology



ClarityBlue

Design, build and management of marketing databases for large companies



Funded by



ECI completed the £10m management buyout of ClarityBlue from NASDAQ listed Sand Technology Inc, a Canadian software company, in July 2003.

ClarityBlue is a customer intelligence solutions business. It designs, builds and manages marketing databases for large companies. Its solutions enable its clients to significantly improve the speed and effectiveness of their customer targeting and retention programmes.

Strategy

ClarityBlue operated in a fast growing market, with a strong client base and significant recurring revenue streams. ECI backed the management team to grow the business organically both through greater penetration of its existing client base and winning new clients in the UK and internationally. Value was created through:

- Significant multi-year contract wins throughout the period of the investment including LloydsTSB and Sky
- Creation of a pool of equity at the outset which was available to attract senior hires into the business
- Use of best in class technology for its clients and development of its own intellectual property around its CRM solution
- Investment in a data centre to facilitate its hosted platform
- Planning and executing a tightly controlled expansion into the US.

Performance

ClarityBlue had sales growth of 40% p.a. and tripled its profits in the 3 year investment period. A number of senior partners were recruited into the business during the period and staff numbers increased from around 50 at the time of ECI's investment to over 150 at exit.

The business was sold to Experian in 2006 for £100m (including earn out) representing a return for ECI of 7.8x cost and a 129% IRR.

Investor:	ECI
Location:	South East England
Sector:	Business Services
Stage:	MBO – 2003
Exit:	2006 sold to Experian
Company Website:	www.clarityblue.com
Investor Website:	www.ecipartners.com

“I am delighted to have chosen ECI to work with over the last few years. They had a clear understanding of the business and shared our vision and ambition. Their knowledge of the sector and significant deal experience was invaluable. They were supportive throughout the time of their investment, insisted on high standards of governance and reporting and were involved in key strategic decisions as the business grew”

Duncan Painter, CEO ClarityBlue

