

FIRST ROUND

EVERYONE LIKES PENGUINS

Branding is an increasingly important issue for private equity firms these days. Placement agents will even argue it is a critical factor in determining the likely success or otherwise of a fundraising.

Therefore, it was not surprising that when co-founder Andrew Sells departed UK mid-market private equity firm Nash, Sells & Partners in July 2000 (not unreasonably taking his name with him), the firm should think carefully about a new identity as it prepared to launch its third fund.

The new moniker it came up with – Sovereign Capital – may have had some in the industry scratching their heads. But Sovereign marketing director Julie Sieger recently explained to PEI that it was all perfectly logical. Sovereign, you see, refers to the UK being a sovereign state and Sovereign (the firm) only invests in UK companies. In addition, ‘sovereign’ also has positive connotations of gold and value-creation.

Warming to the theme, Sieger proceeded to tell PEI how Sovereign, having arrived at a name, then went in search of a logo. And with a little more lateral thought, the right logo for this budding brand became clear.

Think ‘sovereign’ and you’ll most likely as not think about kings. And if you’re thinking kings then it’s a small leap to... er...king penguins. So what better logo for a private equity firm than a penguin? “We’ve yet to meet anyone that doesn’t like penguins,” Sieger explained. “We even have a ‘RELAX’ area on the website where the busy exec can escape for a few minutes to play ‘King Penguin Goes Fishing’.”

So for all penguin fans, go visit Sovereign’s website and try to beat our top score of 68: <http://www.sovereigncapital.co.uk/fun.html> ■

LIQUIDITY EVENT

Paul Coughlin, a managing director at Stamford, Connecticut’s Longroad Asset Management, has a bit of experience with distressed situations, but nothing prepared him for swimming in the waters off Manhattan for eight hours. “The freaky thing is you can’t see your hands,” he says.

Coughlin is referring to the Manhattan Island Marathon Swim, an annual relay swim around the entire island of Manhattan, a sloshing 28-mile journey. He and his team of six completed this event in 2002 and Coughlin is now preparing for a second splash on July 3.

Two years ago, it took Coughlin and team eight hours and 39 minutes to swim

from Battery Park City, past the Staten Island Ferry, up the East River, past Yankee Stadium in the Bronx and back down the Hudson River to Battery Park.

When not hunkered down at Longroad, which invests in middle-market distressed companies, Coughlin likes physically pushing himself to the limit. He has already completed three Ironman triathalons. The name of his firm is an ode to these competitions.

Other than bragging rights and perhaps a sense of accomplishment, what reward does one receive upon swimming around an island trafficked mostly by boats and flotsam? “You get a pat on the back and a tetanus shot,” says Coughlin. ■



Penguin power

QUOTABLE

We need to reduce the amount of money, the number of firms, and the number of companies competing in a market segment. I hate to put it this way, but the VC industry needs an enema.

Todd Dages, former Battery Ventures partner, to the *Boston Globe*

As for us regulating private equity funds – relax. We have enough trouble getting this hedge fund thing going.”

SEC chairman William Donaldson, the chairman of the US Securities and Exchange Commission, speaking at a dinner sponsored by the International Finance Corporation, on whether his commission will require private equity firms to register. The SEC has indicated it may require all hedge funds to become ‘Registered Investment Advisors.’

Julie and I are ruthlessly focused on backing those with the visions and execution ability to change the world.

Bundeep Singh Rangar of European venture capital firm Ariadne Capital, which to date has invested \$3 million in six start-up companies, on what’s driving him and co-founder Julie Meyer.