



ISIS joins the Crew.

In order to fund his annual skiing trips, Alastair Parker-Swift sold rugby shirts in the French Alps. That was 1993. What soon became a small clothing franchise called Crew 93 quickly turned into a high-performance multi-channel business. ISIS partnered with Crew Clothing Co. in 2006.



“ We spent a lot of time understanding the business, Alastair and the team before we presented detailed proposals. ”

Andrew Garside

Alastair Parker-Swift

Alastair founded Crew Clothing Co. as a single retail site in Salcombe, Devon in 1993. Currently, the brand has approaching 50 UK retail outlets plus growing wholesale and direct sales activities, and is the official clothing sponsor of the England polo team.

Andrew Garside

Andrew is one of the Directors of new investment activity at ISIS having lead new investments in Crew, ILS, Kafevend and Nexus Vehicle Management. Previously, he was at 3i where successful investments included Castlebeck, HPI, Zenith, Extec and Smart & Cook.

A Brief History

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AP-S/ In 1993, I was 23 and spending winters in the French Alps trying to make my way as a semi-professional skier. To fund the trips, I'd take a car-full of rugby shirts with me to sell. Back home in the summer, I started a windsurfing school, and was offered a restaurant storeroom from which to run it. But thought I might as well sell something from it rather than just have a diary and take bookings – which is how Crew Clothing Co. was born.

When ISIS called in November 2005, I was very conscious of the deal they had done with Fat Face. I was also conscious that I owned 100% of the business and, at some point, releasing equity was probably the route I wanted to go down.

One of the key criteria for me was to find corporate advisers who would really hold my hand because, one, I needed to carry on running the business and, two, I was entering territory I'd never been into before. The only other option we considered was to go down a pure bank debt route but I was only selling a minority stake in the business; I was obviously staying on and I wanted a partner, not just a bank and an overdraft. So it wasn't just about the payday, but a relationship that needed to last.

With ISIS, I felt very comfortable with the meetings we had, what was proposed as due diligence seemed appropriate and not too invasive, and I just felt ISIS wanted to get the deal done. With the other private equity firm we considered, I just felt we'd never get there, and I'm not sure I would have developed the relationship ISIS and I now have. I thought it would be 'them and us', whereas I've never felt that with ISIS. That for me was key because I wasn't walking away.

The timing was exactly right. The bank had the deeds to my house – I'd given them everything to grow the business and we were limited by what we could do and what I was prepared to risk. And for a small or a growing business, you can't afford to make a mistake – it's as simple as that.

We did the deal in November, went straight into Christmas trade and just ploughed on with our business plan. We didn't have a 100 day-plan – we had our business plan, our roll-out programme, and we just got on and did it. It all just seemed to slot into place.

A lot of people ask me, 'You're a private equity-backed firm – what's it like?' I think they have images of sitting round a big boardroom table surrounded by men in suits. It's not like that at all. With ISIS, we're all on the same team. Their input has really helped the business from a completely different angle. That's what I felt right from the start, and what is really different about ISIS.

Company Name	Crew Clothing Co.
Founded	1993
Current Store Portfolio	Approaching 50 UK retail stores, Dubai outlets + wholesale and direct sales activities
Key recent achievements	Appointed official clothing sponsor of the England polo team.

I can honestly say that when we agreed the deal, it was everything I hoped it would be. When you're an owner and founder of a business for 14 years, and living and breathing it is all you've done, releasing any equity is a very difficult decision – but I've never looked back. A good deal is when both parties go away thinking they got a good deal. I think that was the outcome. We realised the potential for what we could do with Crew, and I think that's what's exciting. So if you fast forward a few years, hopefully you'll be saying we did the deal of the century.

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AG/ Our initiation was partly triggered by our investment in Fat Face, which ISIS made in 2000 and sold in 2005. The first time we came to Crew, we spent quite a lot of time understanding the business, Alastair and the team before we presented financial proposals. It felt important to invest a good period of time to develop that relationship.

We had a couple of providers of financial and commercial due diligence services and they presented to Crew and us as joint recipients. Quite often, a private equity house will say 'these are our preferred partners', but it was appropriate that we had a couple of people pitching and we worked it out between us. It just felt completely natural, as the due diligence was for the business not just ISIS.

What we recognised first of all was that Crew was a multi-channel retailer with strong retail, wholesale and direct mail order channels. Each business area was already growing nicely. There wasn't a weak performer – every one was positive and still is today but equally, there was opportunity and potential in each part. We also saw that, as the range and confidence in the business grew, we could go for prime retail sites that would be more profitable.

We've got great ambitions, and can see Crew being a lot, lot bigger.

It was a great brand opportunity because, in terms of price point, Crew was differentiated and, in terms of product range, it was aspirational. It had a relatively different market position, which is quite rare in retail, partly because it was more menswear-focused. That was a great place to start.

I think what went really well is that we worked with Alastair for a while before we completed the deal. We also talked about recruitment in advance so, when it came to execute, it already had momentum. The roll-out plan for stores was relatively straightforward. We knew how the stores should look and feel, and which towns to target. We just needed to do more of them and get the right sites at the right terms.

The mail order side of the business also has great potential – growing up to 50% per annum without significant investment in new prospecting. And the challenge now is, what can we do by investing more and being more proactive at ramping that up as a proportion of our business?

We will try to have a business that can develop strongly in multi-channels and have that degree of balance. One thing that really impressed me is the way Alastair talked about the scale of data capture. When someone buys in store, they rarely get out without giving their name and email address. I've tried it, and it works. Moving forward, that's an area of opportunity, as is growing the brand internationally. We started with Dubai but to crack other areas in Europe would be the big one.



We've talked about where to direct future investments. If we have an extra pound available, do we skew that towards the direct channel or the stores? We've got some flexibility, which is another great strength in multi-channel retailing. And we've got great ambitions – we can see Crew being much bigger.

When we look back, there isn't a lot we'd have done differently. We've got a very open relationship and if something wasn't working, we'd talk about it. One of the key tests about agreeing a financial deal is "does it feel fair at the time?" because if it doesn't, it'll never feel fair a few years down the line – and I think it genuinely did feel fair.



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In 2006, ISIS supported the appointment of Justin Hampshire, Financial Director of Crew Clothing Co., as part of a new senior team to improve daily management of the business. He and Gareth Young, a member of the ISIS portfolio team reflect on progress they've made since then.

“ The fact Crew had a very developed management team was important to me. ”

Justin Hampshire



Justin Hampshire

Justin qualified at Price Waterhouse, with Pepe Jeans one of his first audit clients. Following his position as Financial Director of Marchpole Holdings, wholesalers of a number of fashion brands, Justin was keen to work with Crew.

Gareth Young

Gareth joined ISIS in 2004. He manages a number of ISIS investments including Crew Clothing and has completed exits with RLA Group and Hawksmere.

“ Even before I joined Crew, the partnership with ISIS made complete sense. ”

Justin Hampshire



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JH/ I was the perfect target customer for Crew. I live near a store, so I knew the brand, and I knew the type of deals ISIS had been involved with. So even before I joined Crew, the partnership made complete sense.

The ownership of Crew, and the fact they had a very developed management team, was important to me. Also, they had never had an FD, so it was an opportunity for me to come in and make things work better.

I brought in daily reporting and coherent KPI reporting, which ISIS were also very keen on. Internally, it was certainly an eye opener for everybody. A consistent report format means we can measure ourselves against budget and the prior year, and start to really manage our business on a daily basis. We can identify problems and resolve them on a weekly basis whereas, before, we didn't have the background data and support.

ISIS bring a different perspective and knowledge to our corporate financiers and auditors.

With ISIS, it's been great to be able to pick up the phone and get information that I wouldn't otherwise have been able to get my hands on. The fact that I can call and ask 'Have you done this before?'

What's the wider portfolio doing? What's the technical issue?' is very useful because there isn't anyone within the organisation that I can talk to like that. ISIS bring a different perspective and knowledge to our corporate financiers and auditors.

On a personal basis, using Gareth as a sounding board is valuable. As that side of the relationship has developed, there has been more interaction between us. Plus, there's been sensitive handling of sensitive issues. Rather than be left behind, they've been gently probed to ensure they get the attention that they need.

Building up trust is very important from my perspective. I need to know that ISIS trust the things I give them that they're correct and on time.

Our immediate priorities are to continue to roll out the store programme, develop and direct the business and keep the investment flowing through – and potentially do that through the bank financing we've got. The returns we are getting are still very attractive and that investment is working well.

I think the success we've made – with the new retail stores, John Lewis, Dubai and the improvements in the product – mean there's a real risk with an annualised business such as ours if the product doesn't move on as quickly as it should. Sticking with what we know but with new designs has been a big success in the past, and will be again moving forward.

And other things like our House of Fraser opportunity, overseas and children's wear offer us real potential to pursue over the next few years, without endangering our core business.



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GY/ From our perspective, Crew certainly ticked a lot of boxes. It was the ambition of the Crew business plan and the management team that sparked that approach – we like to be collaborative and hands on.

The first priority was to consider the senior team. Justin, Peter Higgins (Non-Exec Director), Design, Marketing and Merchandising resource have all been brought in since our investment. The team and the skill sets are now in place and people complement each other – the ability to execute the plan is there.

Management information is absolutely critical, especially at the start when we were learning a lot about the business. Every business is unique to us, not just the next Fat Face, so we have to understand KPIs and trends.

Now, we spend significantly less time pouring over the financial and operational detail, dealing with it more on an exceptional basis. This leaves us with more time to look at the bigger, strategic issues. We have to be constantly forward looking. When a business is growing so quickly, you have to be investing ahead of the curve to overcome the growing pains.



We are currently 18 months in and slightly ahead of an ambitious plan, which is fantastic, especially in light of the external environment. So at present we're bucking the trend.

At ISIS, we partner a lot of businesses that are founder-led and are acutely aware of the sensitivity surrounding it. Alastair has built the company from scratch – we're completely attuned to that and I don't think we've stepped on his toes too much.

It's been a collaborative approach. I think we've always challenged each other on a lot of things, and that makes for a very vibrant atmosphere. There is definitely mutual respect and we don't want to be on top of Crew all the time – we trust them to execute the plan, and the relationship is inevitably going to become more open.

Aside from meetings, we talk regularly on the phone. Retail is a real-time business and by the time you get to a board meeting, the information is historic and, perhaps, partly irrelevant. So Justin is constantly updating me week-by-week, and I follow that up on the phone so I can get my hands on pertinent information, which I can pass onto our guys at the appropriate time.

If an issue arises that I haven't seen before, our portfolio of 30 plus companies invariably means that one of my colleagues sitting yards away from me usually has, so we should be able to bring some relevant experience to bear.

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Achievements? We managed to get some great new stores open in affluent towns amid intense competition. We have to be proud of that. Looking forward, we plan to make womenswear more prominent and have great ambitions to open larger stores in more prime locations. We're backing ourselves with a better product range to get our sales where we want them to be. We're also looking to internationalise the business beyond Dubai, and Europe is an obvious area.

We've always been transparent that we have a longer-term investment horizon with Crew, because we believe in the team and the proposition so strongly. We've discussed how large the store portfolio could become before we consider the next transaction – 70 stores is the number that has come up a few times – which implies there is still a lot of growth to be achieved.

At this stage there isn't a formal exit plan to manage. I think an asset such as Crew, and the team that it has, will be attractive to private equity and trade audiences. I'm confident that we're going to have a very broad potential purchaser group.