



Mark of distinction

ISIS partner Mark Advani talks about learning from investments, challenges for the consumer sector and dream dinner guests.

On the challenge of growth

Over the past five years, the ISIS partnership has changed from a very small team to one with nearly 30 investment staff across four offices. The biggest challenge has been holding on to the entrepreneurial culture and maintaining a focus on growth. I have worked with some of the investment team for eight or nine years and maintaining that anchor of common culture over the years has been important.

Lessons learned

The nature of private equity means you never stop learning. I've learnt something from every single management team I've invested in and, actually, I've learnt from some of the teams I haven't invested in. You need to look at every investment opportunity on its own merit. You can't get stuck in a comfort zone looking at things in a similar way, which is tempting if you have been doing the job for a few years. You need to keep freshness in your judgement.

Outlook for the consumer sector in 2008

It's fairly challenging at a macro level. Consumer growth in the second half of 2008 and going into 2009 is likely to fall and it looks a tough backdrop against which to deliver positive

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like-for-likes. But there will be winners because consumers are fickle. Businesses that will make good investments will have an ability to compete for a relatively fixed spending pot. They are businesses

with strong differentiators that can roll out and replace poorer offerings. It's a tighter commercial environment but there are still great opportunities to be found.

Emerging opportunities

The web and home shopping present lots of opportunities. Food is also less cyclical and, with palates changing, clever and more exotic food products and branded foods have miles to go. Again, it's about capitalising on fickle consumers who like to try new things and branch out into more unusual offerings. Fair trade, organic and health food products are growth areas.

On the ideal portfolio investment

For me it is always the businesses coping with fast growth momentum. The investee I've probably had most fun with is Fat Face. We worked with them for five and a half years and the business grew at 50% every year. As an investor and board member, you can make a difference to the business because there are continuous live issues with tackling that growth. With a core brand like Fat Face, it is strong enough to bring excellent people to the management team. It's fabulous whenever you get great chemistry with a team and you can develop that relationship working through challenging times, like growing the business. I am very proud that I can still count Tim and Jules as friends nearly three years after exit. We talk regularly even after the deal and to work through that period and emerge great mates is particularly rewarding.

Key personal aim in 2008

I have just moved to a beautiful old house in Worcester and, absolutely, the key aim is to make that feel like home for Vicki and the kids.