



Private Equity in 2016: A Q&A with Dave Stadler, Paean Private Equity and Chairman of SAVCA

What is your vision for SAVCA in 2016 and beyond?

The primary vision for SAVCA is to be the champion for private equity and venture capital in Southern Africa. This ranges from startup venture capital and early stage investments through to growth capital and late stage buy-outs, thus covering the full spectrum of venture capital and private equity.

SAVCA has raised its profile and offering significantly over the past two years, but there remains much to be done – we are driving to achieve “champion” status and to be recognized and acknowledged as such. We must provide a meaningful offering to all our members in 2016 and beyond.

What are the biggest challenges facing the Southern Africa private equity industry?

The most dominant challenges facing the Southern African private equity industry remain access to capital, quality deal flow and regulatory issues. To address these challenges, SAVCA has developed a number of strategies to benefit the industry. These include three major initiatives:

Increasing the number of investors (limited partners) into private equity and venture capital. Given the increasing regulatory hurdles of raising funding in Europe and the USA by Southern African fund managers, it is critical that new investors be brought into private equity and venture capital in Southern Africa. SAVCA's efforts are being focused on pension funds in South Africa and across Sub-Saharan Africa, family offices and high net worth individuals.

Increasing SAVCA's public profile to foster a greater awareness of the opportunities available to shareholders, directors and executive management teams of potential investee companies. It is sharing the message that venture capital and private equity provide a source of growth capital and partnership for expansion or a realistic means of exit.

Addressing the plethora of regulatory matters increasingly affecting the industry by participating in meaningful conversations with government about the opportunities that private equity and venture capital can bring to economic growth and sustainable development.

What have been the most positive developments in the industry over the past five years?

A major success is the vast quantity of quality work carried out by SAVCA in raising the profile of venture capital and private equity in Southern Africa and its productive engagement with regulatory authorities, where there have been some real 'wins' and progress for the industry.

There has also been a recovery of the private equity market over the past two years, with an increase in both the number of funds raised and the number and size of deals completed. Further, we see continued interest in Southern Africa by foreign investors, while SAVCA's activities and regulatory changes at home (such as the Regulation 28 change that allows more private equity investment by South African pension funds) are giving us the opportunity to welcome new investors to the table.