

PE Week Wire -- Wednesday, March 22

Random Ramblings

I've got a piece in the latest *Buyouts Magazine* about why Texas Pacific Group was selected as its 2005 Firm of the Year. In short, TPG had been about a decade ahead of its time by making contrarian bets in both Asia and high-tech, while its LBO brethren remained dismissively on the sidelines. By last year, however, TPG had been re-branded as a trailblazer, as even the stodgiest LBO shops at least explored the possibility of tech deals (SunGard, etc.) or Asian operations (Bain China, etc.). So basically it won for being right, plus for a bunch of successful exits and its ability to survive the Gate Gourmet mess at Heathrow.

What I wonder, however, is how long a first-mover advantage can last in private equity. No answers here, just thinking aloud. If TPG and a handful of other firms were in Asia first, does that mean that they still have the upper hand in sourcing deals and/or winning auctions? Or is capital so easily exportable that newcomers need just make their presence known and maybe pilfer a well-known investor or two? One possibility could be that there will be plenty of LBO deals to go around, particularly as the Chinese government continues its privatization plans.

A bit of a different situation in venture capital, however, where I'd hasten to say that too many U.S. firms are rushing in. It's almost as if they're scared of losing the first-mover (or really second-mover) advantage, so believe the best strategy is to open shop now and ask questions later. Sure there are billions of potential customers, but are there enough worthy entrepreneurs in countries without much history of institutionalized venture capital? Enough to justify almost every Silicon Valley firm opening Sand Hill Ventures Beijing? Again, just thinking aloud...

*** Still no additional info on the Acquicor/WoZ matter or on SBIC applicant demographics. Different matters entirely, linked only by the sounds of silence.

*** For the second-straight year, I'll be participating as a guest judge for the Venture Capital Investment Competition's international finals, which takes place April 6-8 at UNC Chapel Hill. Fellow judges come from firms like Kleiner Perkins, Mobius Venture Capital, Atlas Venture, SV Life Sciences and Grove Street Advisors, while I'll also be giving a keynote address (sure to be scintillating). Finalists include USC, Michigan, Washington, Colorado, NYU, Duke, MIT, Harvard and Cambridge (UK). Maybe I'll see you there...

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Top Three

Salick Cardiovascular Centers Inc., a Beverly Hills, Calif.-based developer of cardiovascular outpatient facilities, has raised \$75 million in Series A funding from **Warburg Pincus**. www.warburgpincus.com

GUS PLC reportedly has rejected a £7 billion buyout offer for its **Experian** credit rating business, from a private equity consortium that included **Thomas H. Lee Partners** and **Bain Capital**.

Insight Venture Partners and **Lightyear Capital** have acquired **Realm Business Solutions Inc.**, a Dallas, Texas-based provider of software solutions to the global commercial real estate industry. No financial terms were disclosed. Realm had raised over \$150 million in VC funding, including a \$141 million infusion in 2000 from CMGI @Ventures, TH Lee Putnam Ventures, Lehman Brothers, DLJ Merchant Banking, Bear Stearns Merchant Banking, Goldman Sachs and Hicks, Muse, Tate & Furst. www.realm.com

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