

SUCCESS STORY | Eduspot



The Client

Eduspot is a market leading SaaS platform that provides parent communications, payments and management information applications for schools in the UK.

Founded by two software developers (one an ex-teacher) in 2006 and based in Leicester, the company began by offering schools a text service followed by a behaviour management solution the following year. Building on this the company developed a school payments product and later a full school management information system. Today, Eduspot is used by 9,000 schools.

Initial Contact

Co-founder Uresh Naik already had two buyers interested when he approached FirstCapital.

“FirstCapital understood the position we were in and demonstrated from the outset that they were prepared to put in the work required to get us the best deal possible. They also demonstrated a depth of understanding of our sector and a strong sense of what it was about our business that would be exciting for buyers.”

Naik signed up FirstCapital in August 2016 and work began.

In contrast to other potential partners, the FirstCapital team were: “Responsive and proactive. Their communication was clear and we had the sense right from the word go that they would prioritise us.”

Getting Deal-Ready

The company was not ready to go into a sale process, and there were a number of issues to be addressed which were complex and time consuming.

The Eduspot group was made up of several different companies which had not been consolidated. FirstCapital supported the consolidation across all group companies, enabling a coherent view of the financial performance of the whole group, and helped to articulate the strategic positioning of the group in a clear and compelling way.

The existing financial modeling and reporting needed to be upgraded. These issues were flagged up early on and addressed. Naik says “FirstCapital were instrumental in helping us understand and action the financial reporting and due diligence required to achieve a successful deal.”

COO/CFO Lydia Hook, who joined the business just after FirstCapital has been appointed, says:

“

First Capital applied the right pressure and expectation to deliver, and were always on-hand with an expert in every aspect of the deal process. Their expertise and network were excellent, always available and understanding at each stage of this successful process.

”

SUCCESS STORY | Eduspot



Eduspot acquired
by Community Brands

Uresh Naik commented:

“Our two initial interested buyers were US based, although the eventual buyer, Community Brands, a US-based family of education-focused software companies backed by global private equity firm Insight Venture Partners, hadn’t been on the radar. FirstCapital had access to a range of buyers in the US and UK that they brought to the table.”

A Great Result

FirstCapital contacted key potential buyers for Eduspot and attracted high levels of interest from a number of parties.

Through our SMART dealmaking process we were able to identify new opportunities for Eduspot, and follow through with great access to buyers, a rigorous negotiation phase and a timely close.

Community Brands offered a great fit for Eduspot, as the deal unites the two leading providers of back office software for schools and offers a proven suite of best of breed solutions to schools in the US, UK and Europe.

Additionally the deal was structured so that the founders were able to step away from the business on exit, which was one of their clear objectives.

FirstCapital’s CEO Jason Purcell says: “Timing is key in a deal like this, and we did everything we could to ensure the DD was ready before the sale, so that the sale process could keep moving. In managing a deal, it’s our job to make sure there are no surprises for buyers later on in the process, and to keep momentum going and buyers interested.”

Naik adds: “More than anything, they were incredibly patient. It was the first time I had been through the process, and there were surprises and challenges on the way, as well as points where a less patient partner might have been tempted to pull out.”

