



FIGURING OUT FINANCING

Striving to be “partners of excellence” to all their clients, Ethene Steenkamp (40) and Micky Wostenholm (38) offer a unique service in the capital-raising advisory space through their company, Fairbridge Capital



As qualified Chartered Accountants, Steenkamp and Wostenholm have made huge strides in the financial advisory sector, both locally and in the UK. The pair began working together at Investec as part of the Growth &

Acquisition finance team and thereafter established Absa's Acquisition & Leveraged finance team, which funded mid-market transactions in excess of R2 billion in 2007. Before long, they realised that while business owners in the mid-market had the necessary acumen to run

successful companies, they lacked the resources and know-how to raise capital to successfully conclude mergers and acquisitions or BEE transactions, and the idea for their company was born.

“We noticed that transactions were often presented with insufficient information and weren't thoroughly thought through,” says Wostenholm. “When a deal needs to be done, banks often don't have the capacity to advise their clients, nor do clients know who to contact within the bank.” So in 2008, the pair launched Fairbridge Capital, a specialist capital-raising advisory and proprietary investment boutique.

Says Steenkamp: “The owners of private companies often aren't sophisticated

in dealing with banks, so – through our capital-raising advisory service – we advise our clients on the appropriate structure for a transaction and then approach the appropriate team within the bank that's most suitable. In this way, we assist them to access the most appropriate type of funding for transactions such as BBBEE deals, corporate acquisitions, replacement and expansion capital.”

Steenkamp's and Wostenholm's strategic goal in the proprietary investment business is to become long-term investors and increase

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their shareholding.

Fairbridge Capital has grown through client referrals, personal networks and a growing reputation. In 2008, the company entered into a strategic partnership with Vantage Capital, a provider of mezzanine capital with two funds, the first in excess of R1 billion, which has been fully invested.

However, growing the company hasn't come without its challenges. “It's been

a rollercoaster ride,” says Wostenholm. “As the owner of your own company, you go through phases when everything's plain sailing. Then there are times when it's a struggle. The lumpiness of income can be challenging.”

Steenkamp adds that launching a capital-raising advisory company during a global recession was tough. “I admit it wasn't the best timing, but things have turned out well. It's important always to focus on the long-term goal. I trust that we're playing in the right space and that we have the right skills and tenacity to see the rollercoaster ride through. We believe in our service offering, as we know that our services are sought after.”

Sticking to their vision is what's made this company tick. “As a small business, there's always the temptation to be opportunistic and consider other advisory roles, but it's important to focus on your core expertise. You can't be everything to everyone,” says Steenkamp.

Their tips for success? “Don't be discouraged by deals that fall by the wayside. Stay on course and believe in what you do. Running a successful business requires commitment and hard work.”

• **For further information, visit:** www.fairbridgecapital.co.za.

MEASURING YOUR SOCIAL MEDIA ROI



Time is money, so if you're investing in growing your company's online presence, you need to ensure it's paying off. Hugh McCabe (31), social media strategist and founder of HM Consulting, explains how

- **Do research.** Listen to online conversations happening about your brand. Establish your current position and decide why you want to engage with social media.
- **Choose between direct and correlating return of investment (ROI).** Direct ROI is when your social media efforts send customers directly to your business to purchase a product or service. Correlated ROI is measuring social media activities over a certain period.
- **Set the metrics.** Choose the key performance indicators that make sense for your company, such as sales, votes, reviews, comments, reduction in costs, lead generation, conversions and decrease in negative sentiment.
- **Sound a call to action.** Including a call to action on all your social media initiatives can stimulate activity from your audience, which can be measured using real-time data.
- **Use reporting tools.** Employ monitoring tools to listen, track and analyse your efforts and use this data to see where you need to adapt and improve.

Analysing success

The global Ernst & Young report, *Nature or Nurture? Decoding the DNA of the Entrepreneur*, reveals telling information about successful entrepreneurs

- **Entrepreneurial leaders are made, not born.** Education and experience have proven to be key to success. Most entrepreneurs refer to themselves as “transitioned”, in that they worked in the traditional corporate environment prior to starting their own ventures.
- **Challenges.** A lack of funding and finance is the most common obstacle, as well as finding the right people with the necessary expertise.
- **Sowing what they reap.** Most participants believe their actions directly affect the outcome of events. They also accept calculated risks and have a tolerance for failure. **DM**



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