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White Paper Index

The State of The Dental Products Industry
Date Published: April 9, 2012
Publisher: BROCAIR PARTNERS

The investment banking firm Brocair Partners, which serves the healthcare industry, pulled together a report where it compares a number of dental companies and the types of products they provide. The report also gives a market and valuation analysis, as well as an overview of recent M&A transactions in the space.

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What's In A Name
Date Published: April 2, 2012
Publisher: TOM HAYES and GREG AVGERINOS

Not surprisingly, the names of successful PE firms have become bonafide brands, but not because they were chosen to be such. Though quite different than the iterative process that marketing savvy brand managers go through to choose a name for a product or service, PE firms seem to draw "naming" inspiration from the same set of four or five muses.

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PRIVATE EQUITY

WHAT'S IN A NAME?

By Tom Hayes and Greg Avgerinos

What's in a name? Everything, if you ask dedicated marketers who believe in the power of brand equity. But can the same be said about private equity firms?

Not surprisingly, the names of successful PE firms have become bonafide brands, but not because they were chosen to be such. Though quite different than the iterative process that marketing savvy brand managers go through to choose a name for a product or service, PE firms seem to draw "naming" inspiration from the same set of four or five muses.

To ascertain the importance these firms place on naming and brand equity, the New England Consulting Group conducted a formal review and research survey of several thousand private equity

firms and their names. In some cases we found that naming had been studied and purposeful, while others admitted the process to be quite casual.

For instance, some have decided to merely use their geographic heritage as their name. TPG Capital is a prime example of this, borrowing its name from their region, "Texas Pacific Group." Likewise, Chicago Growth Partners did not have to look very far to come up with their name. Neither did Wayzata Capital, Golden Gate Capital or Housatonic Partners.

Alternatively, many PE firms derive their names from those of their members, or a combination thereof. The Blackstone Group harnessed this formula using "Schwarz," which is German for "Black," and "Petra," which is Latin for "Stone." The list goes on and on, take Crosby, Stills, Nash & Young, for instance. Did Hicks, Muse, Tate & Furst borrow this naming technique? What about Kohlberg, Kravis, Roberts & Co.? Clayton, Dubilier & Rice?

Then there are some private equity firms that came upon their name in an entirely happenstance fashion. These names often come from a poem, song, book or even just the favorite phrase of a founding partner. Was that the process with Starfish Ventures, SunBridge Partners, or my favorite, Robin Hood Ventures?

The power of a name, and in most cases, the brand, is its ability to convey certain positive meanings or associations. Interestingly, the types of names employed by private equity are almost as varied as the strategies these organizations pursue. Still, our research of private equity names boiled them down to four main themes: Wealth, Power, Longevity and Themed Purpose.

Wealth

A plethora of names attempt to create a sense or association to "wealth". Palladium Equity Partners is a great example. As a metal, palladium is strong, rare and profoundly valuable. The PE firm of the same name has borrowed this image. Greenwich Private Equity Advisors borrows the prestige and wealth associated with its geographic location to convey its objectives. In both instances, specific yet differentiated names were chosen by the founders to establish a vision of wealth associated with the funds. Rockefeller Financial similarly draws upon the family's rich history to convey a sense of prestige and "old money".

Power

Names connoting power, strength and aggressiveness are somewhat more representative of the 1990s and early 2000s than the current financial environment, but nevertheless have considerable currency. As an investor or even a company advancing itself for acquisition, a “power” brand name is quite attractive.

Whether Vulcan Capital comes from Greek or Roman mythology, or represents the humanoid race found in Star Trek, it has implications of a powerful figure. As the god of fire, Vulcan (Vulcanus) is often depicted as a thunderbolt. In the hugely popular Star Trek films, they are known as wise and powerful beings that helped save the human race. By either standard, they are clearly in a position of authority relative to mere humans. In a more obvious fashion, both Tiger Capital Partners and Lion Capital utilize their respective icons as the top predators of the wild to directly advertise the power of their firm.

One tends to expect more from a private equity firm self-proclaiming itself as a “power” player.

Longevity

Given the recent series of climatic events, government bankruptcy and the continuing credit crisis throughout the economy, an implication of longevity and durability would be fortuitous.

Mineral associations and geographic protrusions are common for this sort of message, as Prudential and Blackrock, to name a few, utilize their past successes to solidify this imagery. Combine the previous theme of wealth with that of longevity and you get Diamond Castle – what better way to portray both affluence and security. Given these turbulent times, a safe haven for investors is exactly what is needed if the firm is to maintain its current market position. Safety sells!

Themed Purpose

Often, names are utilized to convey the unique specialty of a firm or distinguish it from its peers through other means, such as sheer memorability. Pirate Capital prefers to differentiate itself on the

memorability of its name alone. On the surface, the name seems like an odd selection. The imagery of swashbuckling seamen is catchy to say the least, but in fact, accurately represents the firm.

Pirate Capital describes itself as a “value event” driven hedge fund . . .not unlike its outlaw counterparts. Additionally, with the motto of “Surrender the Booty”, its strategy of buying underperforming companies and pushing for management changes makes the name quite fitting. “Hidden treasure” and other maritime wording in letters to investors are a reflection of management’s view of the landscape. It is certainly clear that the name is a fitting one for the firm.

There are numerous examples of these four core name themes to which we are sure you can add.

<u>Wealth</u>	<u>Power</u>	<u>Longevity</u>	<u>Themed Purpose</u>
• El Dorado	• Tiger	• Milestone	• Harvest
• Silverfleet	• Vulcan	• Odyssey	• New Leaf
• Palladium	• Arsenal	• Alloy	• Robin Hood
• Greenwich	• Vanguard	• Sequoia	• 20/20
• Silver Point	• Vantage Point	• Cypress	• Triathlon Medical
• Rockefeller	• Spark	• Infinity	• Alchemy
• Sterling	• Kingdom	• Oaktree	• Encore
• Diamond	• Lion	• Ben Franklin	• Lightspeed
• Platinum	• Altitude	• Redwood	• Insight
• Sterling	• Peak	• Fortress	• Parallel

Numerous names based on Greek mythology such as Apollo, Atlas, Olympus, Parthenon, Pegasus, Orion, and Eos cut across the entire spectrum and is a common approach seen in private equity. Cerberus, the infamous private equity group, is perhaps the best example. The multi-headed guard dog of the underworld may seem like an odd choice for an organization made up of the Ivy League masters of the universe.

And then, there are some names which could potentially have a negative communication or connotation. Our research and input from other private equity firms uncovered some that could qualify . . . Carousel, Octopus, Snowbird, Pandora, Bang and others. What do these names tell us regarding the investment strategies?

We can see that while the logic behind the firms' investment decisions may be readily transparent, the logic behind firms' branding decisions is not. While name might not matter to some, the right name could be music to the ears for others. So in the event you find yourself branding a private equity firm in the future, considering a suitable investor for your company, or just contemplating the wild world of private equity branding, remember what David Ogilvy, the "Father of Advertising," passionately warned "Any damn fool can put on a deal, but it takes genius, faith and perseverance to create a brand."

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