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CSA supports Santander's growth capital investment in ProofHQ

Carlton Strategy Advisors has successfully supported Santander Corporate & Commercial's Breakthrough programme by providing commercial due diligence in connection the bank's growth capital investment in ProofHQ, a leading provider of online proofing software for marketing teams.

TRANSACTION SITUATION: Investment finance to ignite growth for ProofHQ

ProofHQ provides brands and agencies with an online proofing solution that is used to review and approve time sensitive design work. Founded in 2007 by CEO Matthew Atkinson, the business was seeking fresh investment to accelerate commercial traction. Blue-chip clients include Tesco, AT&T, SC Johnson and Innocent Drinks. With customers in more than 30 per cent of the Fortune 100, ProofHQ is on track to be used in 50 countries by the end of 2013. ProofHQ is the trading name of Approvr Ltd.

The Santander Breakthrough programme offers mezzanine-based finance which helps bridge the gap between angel and equity investment helping to fill the recognised funding gap for UK companies seeking investment to unlock their potential.

PROJECT SCOPE: To provide commercial insight on identified business and market issues

CSA's commercial due diligence examined the ProofHQ business plan, prepared by company management. A key feature of the plan was the business's ability to further develop its position in an emerging but still fragmented media market, driven by the technological move to software-as-a-service or 'Cloud' business applications.

The focus of the diligence was therefore on such matters as the perceived willingness of media industry market participants to adopt a SaaS/cloud solution as an aspect of their internal media content approvals process and within their supply chain more widely.

THE RESULT: A report and opinion given about levels of market attractiveness and key risks/opportunities

CSA due diligence assessed ProofHQ as a company which, according to CSA's interpretation, could develop its business model and successfully grow sales over the coming years.

Darren Hart, Head of Growth Capital at Santander UK, said: "Growth opportunities and risk are often close bedfellows within the SME market space, which is why we commissioned CSA's commercial due diligence services. I was pleased with the parameters set by CSA which were very appropriate for the size of the investment, and I viewed the results of their reporting very positively".

Matthew Atkinson, CEO of ProofHQ, said: "I saw that CSA quickly understood our business and marketplace, and I thought their reporting reflected accurately the opportunities and challenges we face."

David McClelland is Director of Carlton Strategy Advisors Ltd. CSA is a commercial due diligence and business strategy consultancy, with clients across the Private Equity, Bank and Corporate sectors.