

Client Example



- Founded in 1987, Loki Systems Management Inc. (Loki) is a leading developer of workforce management software solutions designed for global enterprises with complex staff scheduling and payroll requirements. They have more than 210 customers in 17 countries, the largest with 30,000 employees.
- Loki's Advanced Payroll AX and StaffRight AX are SaaS products built for Microsoft Dynamics 365. Advanced Payroll AX is the only Microsoft certified global payroll solution for Microsoft Dynamics 365 Operations.
- After running Loki for almost 30 years the founders, Richard and Jo Swann, were nearing retirement age. As a result, they were seeking to transition the company to a larger strategic purchaser that could fully capitalize on the world class technology they had developed.

"Renaissance listened to our goals and focused on locating the strategic buyer Loki was looking for. They found creative ways to highlight the value of the company and once the right buyer was identified did an outstanding job of closing the deal despite major challenges that were out of our control."

—Richard Swann, Founder, LOKI

Process & Challenges

- A roster of over 75 potential acquirers was developed comprised of strategic purchasers and technology industry focused private equity groups. Of these, 20 advanced to review the Confidential Information Memorandum (CIM).
- The successful bidder was ZeroChaos – a multi-billion-dollar provider of workforce management services based in Florida, USA.
- Some of the challenges overcome included:
 - During the transaction ZeroChaos was approached and subsequently acquired by The Carlyle Group (a huge US private equity firm). This considerably larger transaction drew attention and resources from the Loki deal so meaningful effort had to be made to maintain momentum towards a close.
 - Loki had only recently transitioned to a SaaS revenue model. As valuation metrics vary significantly between perpetual license and SaaS, achieving a valuation that fairly represented the future value of Loki required extensive negotiation.
 - A meaningful client of Loki's was also ZeroChaos' auditor which created an independence issue that necessitated the introduction of a third party and several complex contract negotiations.
 - The transition to a SaaS revenue model coupled with rapidly growing sales made determining an appropriate closing working capital level more difficult.

Outcome

- 100% of Loki was sold to ZeroChaos in an all cash transaction. The Swann's are very pleased to be staying on and are excited to see how quickly Loki can grow with the resources and global reach of ZeroChaos in their corner.

Deal Team

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Contact us to set up a confidential meeting to discuss your business.