

Harnessing Intelligence to Identify Viable Investments

Berkshire Partners has a strong history of partnering with management teams to grow the companies in which it invests—with a goal of consistently achieving superior investment returns. The firm is currently investing from Berkshire Fund VIII, a \$4.5 billion fund raised in 2011.

Results

- Facilitates internal collaboration
- Streamlines analysis of investment lifecycle progress
- Facilitates regulatory compliance
- Offers quick access to documents in other applications
- Centralizes contact management

Industry

Financial Services

Country or Region

United States

Customer Size

125 employees

Number of Users

125

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"Microsoft Dynamics CRM centralizes and provides quick access to all investment information, which enables our entire staff to evaluate the investments while armed with the latest intelligence."

Eric Souza,
Director of Information Technology,
Berkshire Partners

Since 1986, Berkshire Partners, a Boston-based investment firm, has invested in more than 100 middle-market companies, through eight private equity funds with aggregate capital commitments of more than U.S.\$11 billion. Berkshire has developed specific industry experience in several areas, including consumer products and retail, business services, industrials, communications, and transportation. The firm seeks to invest \$50 million to \$500 million of equity capital in each portfolio company.

Tracking Investment Viability

The people at Berkshire compile and access a significant amount of data as they track and evaluate potential investments. Over the course of a year, the firm considers as many as 400 investments, which investment managers monitor closely for up to six months as they determine which investments to add to the Berkshire portfolio. In a typical year, only four investments reach the stage where the firm will fund them.

"We need to track many information components related to each of the potential investments," explains Eric Souza, Director of Information Technology for Berkshire Partners. "This includes the investment lifecycle stage, financing updates, how the metrics compare to the pertinent industry, and financial news that might impact the investment."

Previously, tracking all this information presented a major challenge. Berkshire had to expend extra resources to generate real-time, accurate reports. "We relied on a custom-developed application to track the investments, but also had to rely on spreadsheets," Souza recalls. "One person would own a particular spreadsheet and share it with others through e-mail, but people could never be certain that they were working with the most current version of the information." This methodology limited collaboration, and spreadsheets with vital investment information could not be linked to other investment applications.



Eric Souza, Director of Information Technology.

Souza joined Berkshire Partners in 2006 and became Director of Information Technology in 2010. During the prior seven years, he was Director of Information Technology for Interpublic Group, a global provider of advertising and marketing services, where he oversaw technology initiatives in their New England region. Souza earned a B.S. from Siena College.

"Microsoft Dynamics CRM gives us a one-stop learning experience. Our staff can access everything we have on a company from within the program rather than having to search through multiple applications."

Collaboration Requirements Increase Level of Urgency

Realizing that the existing application for tracking investments did not provide sufficient flexibility and required the firm's staff to rely on other tools, Berkshire's senior management team decided it was time to deploy an enterprise CRM system that would give the entire firm access to current, real-time information about investment activities. "We wanted to facilitate collaboration so teams of people could easily work together to manage data and make the most informed investment decisions possible," Souza says.

In addition to information relating to investments, Berkshire had collected approximately 15,000 contacts over the years—also stored in numerous spreadsheets as well as in public and private folders. The firm wanted to consolidate these contacts into a single database, where anyone could access the information and trust that it was up-to-date.

"We knew that a CRM solution would take the contact management burden off our individual employees and allow us to make sure we always had a single instance of up-to-date contact information everyone could access," Souza explains. "As a 125-person company, we essentially had 125 separate CRM systems, with everyone using their own process and tools. Creating a centralized CRM would eliminate a lot of duplicated effort in tracking investment and contact information."

The Answer: Microsoft Dynamics CRM

To address these challenges, Berkshire considered niche CRM solutions geared towards private equity and investment firms. After careful consideration, Souza did not feel comfortable taking this route because niche-solution software code and application architecture tend to be proprietary. He preferred to work with a mainstream solution so it would be easy to access expertise to support and tune the technology.

The choice then came down to Microsoft Dynamics CRM and Salesforce.com. "Almost all of our information technology is built on a Microsoft platform, so we felt more comfortable with Microsoft Dynamics CRM," Souza says. "The look and feel is familiar to our staff, and it easily integrates with our e-mail (Microsoft Outlook) and document-sharing (Microsoft SharePoint) applications. Microsoft Dynamics CRM is also much easier to integrate with existing business processes. We don't have to train employees to launch a different application or visit a website."

Another key reason Berkshire selected Microsoft Dynamics CRM over Salesforce.com is the option to deploy the solution on-premises or access it via the cloud. Berkshire currently prefers the on-premises version, but appreciates the flexibility of being able to move to the cloud when business conditions warrant.

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Eric Souza,
Director of Information
Technology, Berkshire
Partners

Enhanced Investment Intelligence

Berkshire built custom workflows and integrated Microsoft Dynamics CRM with Outlook, Microsoft Excel, and SharePoint. After the deployment, the firm easily built a report that indicates which internal staff members are affiliated with each investment and the communications that have occurred with potential investment sources.

"This capability should give each person in the company additional intelligence when evaluating investments, and we have streamlined the process for accessing the information," Souza says. "We can now more easily access investment information, which engenders confidence in the way the investment community views us."

Gaining quick access to all investment information is critical for the team members that handle the interactions with potential investment sources. "They do not experience all the day-to-day investment management activities, so it's helpful to give them quick access to profile reports," Souza says. "Microsoft Dynamics CRM generates high-level overviews so the investment managers don't have to sort through unnecessary information. Checking on investment history in advance helps prepare them for meetings and conversations."

Improving Collaboration Across the Entire Company

To assist with all internal staff interactions and to facilitate greater collaboration, the Microsoft Dynamics CRM system is available to the entire Berkshire staff. The IT team provides training so each employee knows how to access their required reports. In addition to investment tracking, Microsoft Dynamics CRM also helps Berkshire track field-flow activities, such as research on companies the firm intends to buy.

"Previously, we managed this function by bouncing back and forth between Excel and SharePoint," Souza says. "But in Microsoft Dynamics CRM, the process works much more efficiently. When researching a company, we can automatically access a SharePoint link that shows every document relating to that company."

When an employee opens a company record in Microsoft Dynamics CRM, they can see all investment records and discussions relating to the investments. A window within each record shows the hierarchy of documents relating to investment banks involved in the investment. When a new record is created, a custom workflow links the record to SharePoint, where a standardized set of folders is generated, so every team starts with the same folder structure.

"We can do a lot of customization within the Microsoft Dynamics CRM platform," Souza says. "We like having the flexibility to build our own modules, and the development process is not all that complex. We don't have to work with .NET developer resources, since most of the customization involves leveraging out-of-the-box programming functionality."

Berkshire Partners Technology Environment

CRM system	Microsoft Dynamics CRM 2011 (on-premises)
Business productivity	Microsoft Office 2011
Messaging and collaboration	Microsoft Exchange and Microsoft Outlook
Document management	Microsoft SharePoint

Facilitating Compliance, Contact Management, and Reporting

As an additional benefit, Microsoft Dynamics CRM helps Berkshire ensure compliance, particularly in relation to the Dodd-Frank Wall Street Reform and Consumer Protection Act. One of the act's requirements is that private equity firms such as Berkshire Partners must register with the SEC.

"Dodd-Frank requires us to track a lot of new information," Souza says. "It's now a lot easier to demonstrate compliance thanks to Microsoft Dynamics CRM. For example, we record logs every time we speak to an expert for insight on investment-related activity. Because Microsoft Dynamics CRM tracks all the communication, our compliance department can run weekly and monthly reports to check for any inaccuracies."

Souza adds that centralized contact management and management-level reporting are two additional primary benefits Berkshire receives from Microsoft Dynamics CRM. "With the ability for the entire staff to pull data, our executives can request specific reports—the system allows us to efficiently consume and deliver data. All of our employees have remarked just how easy the system is to use and how intuitive the interface is."

Next Steps

- [Connect with Microsoft Dynamics](#)
- [Become a Dynamic Business](#)
- [Read about how providing your employees with up-to-date customer information can help your organization close more business](#)

For more information about Microsoft Dynamics, go to:
www.microsoft.com/dynamics

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