Orisha's three-pillar buy-and-build strategy

Daniel Kofie is director of M&A at Orisha, a leading European software publisher serving the healthcare, real estate, retail, construction, and agrifood sectors with approximately EUR 300 million in revenues.

Can you share a bit about your background and how you ended up at Orisha?

I joined one of the big four firms in auditing after university. I did the standard three years, qualified as an accountant, and then decided I wanted to try something different. I moved into transaction services and spent several years in London advising corporates and private equity clients on transactions.

In 2010, I decided to take the plunge into corporate, to be the one being advised rather than giving the advice. That led me to a role at ADP, the US payroll processing company. I was based in Paris for a few years, then returned to the UK. Since 2010, I've been focused on corporate development and M&A.

Last year, Orisha (then DL Software) was looking for someone to join their corporate development team. After a few conversations, I joined the M&A team in Paris and have been with Orisha for over a year now.

Orisha was founded in 2003 as DL Software. Can you tell us more about the journey of the company?

For much of its history, it was a very French company. That started to change in 2017, when 21 Invest came on board as a financial investor to help grow the business. The real transformation began in 2021, when T.A. Associates, one of the world's premier private equity houses, invested in the company. Growth has been phenomenal since then.

In late 2023 we reached an important inflection point. At that time, we were about 25 disparate businesses operating in different sectors: real estate, healthcare, retail, and so on. We decided to become more integrated and reorganised along verticals, grouping those businesses by sector with a CEO and executive committee at the head of each business unit. For example, all our real estate entities now operate under Orisha Real Estate.

Now instead of going to market as individual businesses doing different things, we go to market offering a broad set of solutions to customers. We're able to be a better partner for the customer, with comprehensive solutions rather than fragmented ones.

Francisco Partners has also joined as an investor. So that's a broad history of the company.

As for the future, we don't want to be a great French software player; our ambition is to become a leading European software player. That shift began in 2022 with our acquisition of Open Bravo in Spain, which launched our internationalisation efforts. Fast forward to today, and we're now about 80% French and 20% international in terms of revenue distribution.

How does having private equity backers like T.A. Associates and Francisco Partners influence your work? Are you able to pursue acquisitions knowing you've got access to funding?

Yes, it's helpful to have big financial investors behind us, but the discipline doesn't change. It's not about just having a blank cheque. It's about having a good story behind every acquisition — why we want to do it — and then, once we acquire that business, actually delivering on the story we sold.

There are some differences though. In a large, publicly traded corporate, you're living quarter to quarter because you have to release your earnings every quarter. This means some decisions might be taken at certain times simply because of quarterly results being published.

In a private environment, you don't have that challenge. If something makes sense strategically at the time, you just get on and do it without losing sight of the strategic rationale or the importance of delivering on the business plan.

Orisha won the Best Buy-and-Build Strategy category at the Private Equity Exchange Awards this year. Can you tell us a bit more about your strategy and what's behind it?

Our strategy rests on three pillars. The first is reinforcing leadership in our existing verticals. That means acquiring businesses that fill gaps in our portfolio or add new functionalities that our customers are requesting. For example, we identified a demand for order management solutions in retail, so we went out and acquired a company that could provide that.

The second pillar is international expansion. This year most of our acquisitions have had an international angle. It's something we've been very focused on because we want to shift the balance of our business from being 80% French and 20% international to a more even split.

The third pillar is expanding into new verticals. Agrifood is a great example. Through our acquisition of Gaiana, we've entered the sector with a strong position from day one, and

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that position has been further enhanced with follow-on acquisitions with the support of Clairfield.

With 25 acquisitions since 2021, there must be some standout successes. Can you share a specific story?

Open Bravo is a great example. It was our first major international acquisition, and it's allowed us to operate in over 50 countries. I often use the example of Decathlon. If you've ever shopped there, the seamless checkout experience where you drop your items in and the system instantly calculates everything, that's powered by Open Bravo, now part of Orisha. It's something I'm very proud of.

How do you decide when an acquisition is going to work? And what red flags might signal it's not the right fit?

We play in sectors we understand. We like to think of ourselves as experts in those sectors and have a clear strategy for each of our verticals.

For Orisha it's about having a clear story regarding the specific needs our clients are asking for, which allows us to be very targeted with acquisitions. At the same time, there's always an element of conviction in M&A: you assess the risks, determine whether you can manage them through integration or structuring the transaction, and then execute.

The rules of the road are simple: if we have a strong rationale and we're confident we can deliver on the goals of the transaction, we proceed. That's why all our acquisitions, with one exception, have performed and delivered the results as we hoped. Sometimes market dynamics go against you, but generally our approach has been successful.

When you're integrating these acquisitions, how do you handle cultural alignment?

When we meet the management team, we need to see that their values align with ours. We also look closely at their track record and ambitions. If there's a mismatch in mindset or performance, it's usually a sign the fit isn't right.

Orisha has a very client-centric culture. Everything we do is focused on delivering the best possible outcomes for our clients. We also value innovation and adaptability, being able to respond to client needs as they evolve. We look for those same traits when we meet a potential target. Are they focused on their clients? Are they adaptable and willing to innovate? If those qualities are there, it's usually a good sign.

Orisha partners with OpenAI. How does AI factor into Orisha's strategy?

Our CTO could answer that question a lot better than I can. But we all see that AI is part of the world we live in and becoming more and more important across all the sectors we serve. For example, in healthcare, AI can assist in creating care plans or help doctors identify potential issues more quickly. In retail, AI-powered tools like chatbots help improve customer service. They make it possible to resolve queries much faster, which benefits both the client and the end-user. It's not about replacing professionals but supporting them in making better decisions.

We're actively exploring how we can integrate AI into more of our offerings. It's not just a buzzword for us – it's about finding meaningful ways to drive tangible value.

Last year marked the 20th anniversary of Orisha, and you underwent a full rebranding of all your companies to Orisha. Can you tell me about that process?

The rebranding ties into how historically, we were a disparate set of legal entities operating independently, each with its own identity. By grouping these businesses into verticals

Working with Clairfield

The partnership with Clairfield has been extremely successful. Gaiana had already been working with Clairfield before it became part of Orisha, with Clairfield having supported Gaiana on three of its acquisitions. There were several reasons for our partnership with Clairfield. One reason was that we needed a partner with an international spirit and a physical presence in the areas we wanted to explore, including Spain, the Netherlands, and Germany. Clairfield offered that.

M&A is very international, but local nuances are critical. Clairfield's local footprint helps us navigate those challenges. And it's not just about having that local knowledge and understanding but also having people that execute as well. Clairfield brings not just local knowledge, but also execution capabilities.

Clairfield helped us understand the cultural challenges in Spain, identify potential targets, and screen them effectively. That local presence has been invaluable. With Clairfield's support, within a year our Agrifood business has gone from zero to EUR 15 million in revenue in Spain. That's remarkable.

— Orisha Real Estate, Orisha Healthcare, and so on — we could present a unified offering to the market. This is more than just branding; it's about being a better partner for our clients. We're no longer a patchwork of individual companies but a unified group delivering comprehensive solutions. And that has more power and resonance in the market.

The rebranding also reflects our ambition to grow internationally. Orisha is a name that resonates across borders, whereas the old identity felt more limited to the French market.

How has that been received internally?

Internally, it's brought a sense of belonging. Employees who used to be part of small, siloed entities now feel part of something bigger. We now have nearly 2,000 colleagues and the rebranding has created a real sense of community.

It has also helped us generate synergies more quickly. Teams across the verticals can share knowledge, resources, and best practices, which speeds up the process of realising value from the acquisition.

Do you find that this unified structure makes Orisha more appealing to clients and potential acquisition targets? It must make integrating acquisitions easier as well.

From a client perspective, it's made us easier to work with. Clients know they can come to us for a full suite of solutions rather than having to navigate between different brands. When you have a clear structure and defined verticals, it's much easier to plug in new businesses. For example, if we acquire a company that fits into our healthcare vertical, there's already a leadership team and infrastructure in place to support that integration.

Many of the companies we acquire are excited about the opportunities that come with being part of Orisha, whether that's expanding into new markets, developing new products, or simply having the support to grow faster.

From a personal perspective, a lot of people see opportunity for growth and personal development. You may be running a business and find you've got to a point where you can't really go any further. You join Orisha and it opens doors for you in terms of developing your career and finding other options in terms of other roles and so on. We've got several examples where people have come into Orisha and quite quickly they've grown taking on bigger roles professionally.

What do you think is in store for the software sector in the upcoming year?

Software, particularly where we play, is mission-critical. Yes, some sectors, like retail or hospitality, are more prone to economic cycles. You might see some pressure there. But generally speaking, software's essential nature puts Orisha in a strong position.

Heading into 2025, we're all affected by geopolitical and macroeconomic factors. However, the kind of software Orisha provides remains essential. For example, we offer solutions to medical practices that allow doctors to track patients and deliver critical care. Regardless of economic cycles, that need doesn't go away. So, within our space, we're well-positioned.

From where I sit, I see substantial opportunities ahead. There may be challenges on the broader macroeconomic side, but I expect us to continue seeing substantial opportunities in software. We have incredible operators with exceptional tools at their disposal, doing outstanding work and delivering excellent service to our clients. As a business, we're growing organically at double-digit rates year-on-year. When you combine that with our M&A capabilities, it creates a powerful formula for continuing to build. ■

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