

SUCCESS STORY | CareWorks



The Client

CareWorks is a provider of cloud-based case management software for health and social care organisations, based in Dublin. The company has been working with public and government organisations for over 20 years to deliver software solutions. Their aim has always been to help health clinicians and social workers increase their administrative and financial efficiency to enable better service delivery.

Since its founding in 1997, CareWorks has completed more than 100 projects across the UK, Ireland, and USA. The company now has over 50,000 professional users of its software, supporting more than 3mn people. CareWorks prides itself in putting people at the centre of its work, demonstrated by its long-lasting customer relationships and user-friendly management platform.

Over the years, the founders Michael Dolan and Pat Mulhern had received significant interest in the company, but these offers have never resulted in a satisfactory deal. "We had numerous unsolicited offers from potential buyers but, when pursued, the companies couldn't meet our terms during evaluation and negotiation stages," Michael, CEO of CareWorks, explains. "We decided to take back control of the process by recruiting representation that could help us strengthen our position."

Building a Relationship

CareWorks had specific criteria for its advisers which the founders used to narrow down their search. From a long list of inbound marketing approaches, Michael short-listed the companies who demonstrated a proactive and actionable approach to client service and strategy.

FirstCapital had initially connected with CareWorks at an event in California, and then followed up to express their interest in advising them during their sale. Throughout these conversations, FirstCapital stood out as the best company to guide the negotiations and deliver a win-win deal.

"FirstCapital prioritised us as the seller, rather than just focusing on the buyer's needs," Michael clarifies. "We were impressed by their attentiveness and the particular process to which they worked from the very beginning. In particular, Hazel Moore was a constant and reliable resource – it was clear she would do a great job representing our company."

Tailoring the Plan

FirstCapital worked with CareWorks to understand their specific objectives for a successful deal before creating a strategic plan for the process. The goals that were collaboratively set in place included a minimum shareholder value, a short-term conclusion to the deal, and most importantly, a buyer that would ensure the company continued to grow and flourish.

Firstly, FirstCapital evaluated CareWorks' strategy and the market environment, in order to focus on the most relevant buyers that not only would be strategically interested in CareWorks as an acquisition, but that would also complement and support the business in its continued expansion. After this initial stage the team worked to prepare the information about the company to support the marketing and due diligence. FirstCapital then began to contact prospective buyers to pitch the company and qualify their interest.

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“FirstCapital’s smart dealmaking process was extremely detailed,” Michael states. “Their rigorous strategies built us a solid foundation for negotiation and helped us through a very intensive due diligence process. By anticipating nearly everything that would happen during the deal process they ensured we were in the best position possible.”

FirstCapital’s rigorous preparation and their established smart dealmaking framework gave CareWorks a significantly more robust position compared to previous sales discussions. In particular, FirstCapital offered crucial advice about strategic legal representation and recommended a UK firm who would provide a solid counterparty to the buyer’s legal team. This helped to strengthen CareWorks’s position in negotiations with the buyer. The right legal team turned out to be a key decision which greatly contributed to a more successful outcome.

“FirstCapital consistently went the extra mile for us. We were inexperienced in this situation and often needed them to provide extra support in areas outside of their service,” Michael recalls. “It was a complicated process which they took in their stride and guided us through from start to finish.”

Delivering a Win-Win deal

With FirstCapital’s support, CareWorks was bought by Advanced, the third largest provider of business software and services in the UK, backed by Vista Equity Partners and BC Partners. Advanced has a very complementary set of products in health and care, and the combination of the two organisations creates a market leading position which delivers solutions that benefit millions of people.

From CareWorks’ perspective, the control of the process that FirstCapital brought, delivering a win-win deal against the initial goals of the shareholders, provided the greatest value-add. The expertise of the team, with different people providing diverse perspectives and skills, were important factors during the deal, helping CareWorks prepare effectively and deliver successfully.

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The combination of people and perspectives in FirstCapital’s team was crucial for our success. Their ability to work with us as an effective team was a big factor in the successful outcome.

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