



AVCA Member Interview: Charles Russell Speechlys



Charles Russell Speechlys is an international law firm headquartered in the city of London, formed by the 2014 merger of Charles Russell and Speechly Bircham. The firm has, through the predecessor firm Charles Russell, been active in Africa since the late 1990s.

The firm's Africa operations are run by the Africa focus group, based in London, which works with private equity institutions, management teams and finance providers on all aspects of domestic and international transactions.

AVCA talks with Adrian Mayer, Partner at Charles Russell Speechlys, about how the firm is supporting the growth of the private investment industry in Africa.

Q: How have you seen the private equity landscape develop in Africa?

A: Looking back at my first deals in Africa in the 1990s, the landscape has become significantly more sophisticated and complicated, and a lot more interesting as a result. Some of our client conversations at the time would centre around clients and contacts setting up private equity funds for Africa. When we would ask what part of Africa, the response would often be "everywhere". Private equity firms are now more precise and thoughtful about what they want to invest in, whether it is a specific sector, country or region. Increasing urbanisation in Africa, a growing middle class and more disposable income, mean certain hotspots are developing.

Q: What distinguishes Charles Russell Speechlys from other legal advisors in Africa?

A: Our strategy is to combine our excellence in business services and legal advice in our key sectors, with our focus on international private wealth. A lot of businesses are privately held and family-run, and sometimes the division between business and family is blurred.

We have significant experience in this area through advising family offices and putting in place family business structures in Africa (often with private equity or private investment) and it is something we do very well. Broadly, we have a focus on four key sectors: real estate (including agriculture) and

Charles Russell Speechlys

"Our strategy is to combine our excellence in business services and legal advice in our key sectors, with our focus on international private wealth. A lot of businesses are privately held and family-run, and sometimes the division between business and family is blurred."

Adrian Mayer
Partner
adrian.mayer@crsblaw.com

construction, energy and natural resources, media and technology, and financial services.

Geographically, we have a depth of experience in West Africa, focusing primarily on Nigeria, Ghana and Côte d'Ivoire; and in East and Southern Africa, on Kenya, Rwanda, Uganda, Zambia, Tanzania and Mozambique. However, we have recently been involved in many other countries, including Cameroon and some North African states, specifically Algeria, Egypt and Morocco.

Q: What are some of the challenges the firm has come across when doing private equity deals in Africa, and what was done to overcome them?

A: Emotion is very important in transactions where the local sponsor or partner has thought about or been involved in the business for years prior to an approach by a private equity house or an international investor. Not being afraid to travel and conduct negotiations face to face is also essential. The challenge is then to understand and respect that the business is often very personal to the new partners, and thus one must be delicate in navigating the negotiations process, so as to arrive at a mutually beneficial outcome. For example, a local sponsor might want certain bespoke outcomes catered for – which might run counter to what an international investor would typically accept. Understanding and being sensitive to these emotions, and overcoming the related obstacles, is part of the challenge and reward of doing deals in Africa.

Q: What are the prospects for private equity in Africa?

A: I certainly don't think that the level of investment has peaked. I hope there will be further increase in the number of deals, and a greater focus on specific cities rather than just general regional coverage. We can see this trend with some of the funds being raised now.

Q: How would you like to see your African private equity operations develop?

A: We currently represent banks, private equity funds and businesses investing in Africa. In addition to that, we're looking to act for local funds and for local companies that are taking on investments from banks and international private equity houses. We aim to expand our business to advise local funds in need of advice on English law or other areas of expertise. We have a strong network of offices and international clients, and an increasing number of these clients want to talk about Africa.

London will continue to be the focal point in terms of managing the Africa focus group, but we increasingly work with our offices in Zurich, Geneva, Paris and Luxembourg. Moreover, with the arrival of significant capital from the Middle East, we are well placed to service those investors from our offices in Qatar, Bahrain and our associate offices in Saudi Arabia.

Contact AVCA

The Banking Hall, Crophorne Court,
26 Maida Vale, London W9 1RS

+44 (0)20 3632 0408

www.avca-africa.org

avca@avca-africa.org

@AVCA_Africa

#AVCAAfrica



African Private Equity and
Venture Capital Association