

# PE Hub

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## PE DEALS

# Bridge Growth made way for 5G with Accedian before selling it to Cisco

'It's become more and more important that enterprises and service providers have visibility in what's going on in real time,' said Bridge Growth's Tom Manley.

**B**ridge Growth Partners recently announced an exit from Accedian in June, selling the network performance specialist to tech behemoth Cisco Systems. The transaction is expected to close during Cisco's fiscal year 2024, which begins July 30.

Alok Singh, the co-founder, CEO and CIO of Bridge Growth, and Tom Manley, a partner of Bridge Growth who serves as the lead director of Accedian, spoke with PE Hub about how the company experienced growth, fueled by the incoming 5G evolution. Strategic decisions, such as hiring key leadership and developing a SaaS platform, were also important factors.

Bridge Growth, based in New York, acquired Accedian, headquartered in Montréal, in 2017. "The company grew meaningfully under our ownership," a representative said, declining to provide specifics.

The thesis behind the investment was to take advantage of the capabilities that would be required as 5G was entering its early stages in 2017. "If you want to build high-quality businesses which have lasting value and are strategically relevant, you can't do it in a couple of years," Singh said. "It takes time."

During Bridge Growth Partners' investment in Accedian, the company transformed from a legacy hardware player in the telecom market to a full stack of software with software sensors. In its



Alok Singh, Bridge Growth Partners



Tom Manley, Bridge Growth Partners

network, it also monitored applications that operated within the network.

"In the world of data, it's become more and more important that enterprises and service providers have visibility in what's going on in real time," Manley said. "I'm talking milliseconds, and that's why Accedian became very important to a company like Cisco."

The relationship between Cisco and Accedian started in August of 2021, when Accedian became a member of Cisco's DevNet SolutionsPlus Program, a membership program for independent software and hardware vendors that want to grow their business by creating and delivering Cisco-based solutions.

The relationship enabled Accedian's product to reach Cisco's larger pool of customers. Manley said the relationship evolved into an acquisition discussion over the last 18 months.

Accedian closed one add-on acquisition during Bridge Growth's ownership. Back in 2018, it bought Performance Vision, a French provider of network and application performance management solutions. The add-on extended Accedian's assurance capabilities, directly expanding its market from service providers primarily into larger enterprises, such as financial institutions and retail organizations through its software stack capabilities.

## Exit strategies

The sale of Accedian is Bridge Growth's

evolution, Accedian didn't just monitor the

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third sale in the past two years. In December of 2021, Bridge Growth sold Finalsite, a Glastonbury, Connecticut-based provider of school website and digital communications software tools, to New York City-based private equity firm Veritas Capital.

In July of 2021, Bridge Growth and Chicago-based private equity firm Frontenac sold SalientCRGT, a Fairfax,

Virginia-headquartered provider of software for government agencies, to GovernmentCIO, a Welsh, Carson, Anderson & Stowe portfolio company.

Manley said the financial sponsor part of the market has slowed down because multiples are down and values are down. PE firms are less willing to sell and buy at high multiples. However, strategic investors continue to make deals.

“Strategics have to continue to invest to further their position in the market,” he said. “They have typically more financial resources to be able to do that. Cisco has a lot of cash on their balance sheet so they can continue to acquire, and they’ve done a few this year. We’re very well positioned from that point of view, because of the way we invest and how we create strategic value.” ■