

## Case Studies

### **TimePartner: A clear strategic positioning achieved by focussing on highly qualified temporary employment**

There are markets, where your business can't help but grow - provided you pick the right time. And there are financial investors, who know about this. In the summer of 2004, at a time when the market for qualified temporary staff began to grow, Delta Time Control was acquired by funds advised by AUCTUS. The situation surrounding temporary employment had been precarious, but because of a new "Act on Temporary Employment Businesses" and simultaneous collective agreements with the German Trade Union Confederation, temporary employment had finally become acceptable as of January 1st, 2004. For AUCTUS, this was the right moment to take a closer look at the sector. The potential for growth became obvious, immediately: In a national economy slowly emerging from a period of stagnation, many enterprises would now make use of the flexibility offered by temporary staff. Whereas the use of temporary employment had remained limited to seasonal farm labour over previous years, its rate of growth now rocketed, particularly in the area of highly qualified temporary staff – such as in the realms of office workers or engineers, for example. A sector analysis exposed that the youngest sector of this market also exhibited the biggest growth and the highest profit margins. So, when AUCTUS defined its strategy, it was clear: This segment of highly qualified temporary employment has the potential for a good investment.

Delta Time Control had already teamed up with financial investors, but no headway had been made - there simply was a lack of willingness to expand. When Auctus bought out the existing investors in the summer of 2004, Delta Time Control turned into TimePartner GmbH. And 600 employees in four locations multiplied into more than 5,500 employees in over 50 locations, during the following two years. At times, five Auctus investment managers were working for the temporary employment agency. This degree of commitment earned the agency a yearly growth rate of 200 percent, primarily generated through strategic acquisitions, and earned Auctus a nomination for the European private equity awards.

Auctus managing director Dr. Ingo Krocke: "Germany is experiencing a shortage of skilled workers, particularly in the aviation and logistics sectors. This is where we became active." TimePartner is the market leader in these areas, today. The individual companies in the TimePartner Group have organically grown by more than 30 percent per year, between 2004 and 2006, and have created more than 1,500 new jobs. But not only the skilled workers were crucial: TimePartner also required new locations. Here, too, the associates opted for quality.

Within two years, TimePartner acquired nine temporary employment agencies, which satisfied these particular criteria: highly qualified temporary workers, regional strength and at least one new field of activity, which TimePartner would be able to add to its portfolio, from then on.

Auctus conducted talks with the owners of more than 60 temporary employment companies "These businessmen interested in selling did not only get to know us as investors, but also as industry insiders", Krocke says. "And the news spread fast, throughout the trade: Many a good business approached us." Some of them required a solution to the issue of succession. Others sold their business and at the same time became managing partners of TimePartner: They invested parts of their revenue into the company, in the shape of a capital increase.

#### **Moving on to pastures new**

In July, 2006, TimePartner was taken over by Investcorp, for a sum of 250 million euros. Auctus, as well as the other associates, continue to be engaged in the business and want to support the further growth



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of TimePartner.

In the year 2009, TimePartner Group has its headquarters in Kiel, Germany, and employs more than 7,600 external and 400 internal staff. TimePartner operates out of 100 locations and is one of the ten biggest temporary employment agencies in Germany.