

Diversity



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Nicole Connolly, Director, Investor Relations, Allegro Funds

AVCAL Diversity role model series 2017

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1. What attracted you to private equity?

I actually fell into private equity by chance and very good fortune. I commenced my career at Telstra Super as an investment analyst in 1999 when private equity was in its embryonic stages in Australia. Telstra Super was an early investor in private equity and venture capital and the firm recognised the benefits of this attractive asset class. My knowledge of the industry was very much gained 'on the job' - it certainly wasn't part of the curriculum when I was studying at university. It was great to learn as the industry was growing, and to be part of its evolution.

The question I find myself asking now is - what keeps me in private equity? I have spent close to twenty years as either an investor or business owner, and I'm now with a private equity fund manager - so essentially I have covered all sides of private equity. Initially, the satisfaction came from selecting managers who could be influential in businesses to drive a return outcome for superannuation fund members.

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Now, I get immense satisfaction working with a team of highly skilled and motivated individuals who can take businesses that

have lots of potential but are in need of capital and transformational expertise, through to thriving, profitable companies that will continue to help drive our economy and support job growth. The great thing is that you can do that, and at the same time generate exceptionally strong returns for investors along the journey.

2. What is unique about private equity as a career path?

Private equity is different to roles in management consulting and investment banking. You're typically working with a company through its full 'life-cycle', that is, from initial acquisition where your capital is used as a catalyst for change or growth; through to exit, where your 'know-how' and operational expertise drives performance and positions the company for the next phase of its journey. Additionally, private equity is unique in that, as business owners, we can take on a lot of responsibility for ensuring the organisation is in a strong position to capitalise on opportunities in the market.

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This requires a degree of self-confidence, clarity of thinking and decisive decision making on the part of the private equity manager.



Who we are

AVCAL is a national association which represents the private equity and venture capital industries covering early stage, expansion and management buyouts. Our members include fund managers, investors and advisors who support the industry.

AVCAL members build better businesses

The investment model used by the private equity and venture capital industries supports the building of stronger businesses that can deliver sustainable increases in enterprise value over the long-term.

AVCAL's core objective

To ensure that the business community and other key stakeholders understand the benefits of the private capital model of business ownership, and the role that it can play in contributing to investment and employment growth across the Australian economy.

3. How do you find your work/life balance?

Work/life balance is a challenge we all face; men and women, those with or without children, and it is also a challenge across many industries. I have been fortunate enough to have supportive employers throughout my career, as well as a very supportive family. To me, the best employers are those who are considerate of the need for flexibility for both men and women to accommodate family and personal priorities when they arise.

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There seems to be greater acceptance of senior women working more flexibly or reducing to part-time work at certain stages during their career, however there is less acceptance of senior men doing the same. In my view, for further progress, men should also feel that they can work flexibly or reduce to part-time for certain periods without the perception that they may be putting their career at risk. This subtle shift would make an enormous difference to working women, who today still typically take more responsibility on the home front. My husband and I have flexed up and down our professional responsibilities at various times to accommodate work/life balance. It is lovely to see many of my male colleagues now blocking out time in their diaries to attend school or sporting events, pick their kids up from school or simply take some time out of the office to work from home. I didn't see much of this 20 years ago.

4. Why do you think there aren't currently many women in the industry?

Thankfully there has been some improvement in female representation over the last 20 years, but there is still a long way to go. I attended a small-cap equities conference in Perth in the year 2000 which was attended by brokers, fund managers and analysts. I was the only female in attendance. Up until very recently I simply accepted that very few women entered the finance sector, and in particular private equity. I do not accept this position anymore and I feel very strongly that action is needed to create the necessary changes. We are seeing green shoots in our industry and this is largely the result of better awareness and recognition of the challenge. I can see across the industry a lot of support for the work that our industry body, AVCAL, is doing to help bring about change. At the heart of it, I believe young women coming into this industry are simply not aware of what private equity as a career path has to offer. Unlike investment banking, management consulting and accounting, private equity in the past hasn't really recruited at the graduate level which

has probably been a disadvantage in terms of building greater awareness and understanding of our industry - thankfully, that's starting to change now.

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There are many positive changes underway to address the issue of the gender imbalance in our industry. AVCAL is playing a leading role in building out greater awareness, and ensuring that private equity fund managers are armed with the right tools to help them bring about change - the recently launched Diversity Handbook is a prime example of how we can help at a very practical level. Another simple and effective change is the increasing open dialogue about this topic occurring at various industry events like conferences and networking functions. Also, an informal, Male Champions of Change group is emerging within our industry, which I think is important and necessary to ensuring that diversity is elevated to a first-order priority. Men occupy most of the senior positions in our industry, so it makes absolute sense that we make them accountable for change.

5. If you were thinking of starting in the industry now, what would you need to know or do?

The obvious point to make is that you need to get the right professional qualifications under your belt, which could be law, accounting, finance, economics, or even science and engineering. Equally important however, is your capacity to communicate clearly and effectively and be persuasive with your thinking. Private equity is a very 'people driven' industry. In addition, PE firms are often small boutique firms so you need to be well-rounded to succeed and adjust to that sort of environment. Furthermore, given the responsibilities taken on by private equity fund managers, the ability to put yourself in the shoes of business managers and understand the challenges they face is vital to you being able to effectively offer value-add advice and support to their day-to-day decision-making. In my experience, the best private equity managers are those that have genuine and authentic empathy with management.

Have a story to tell? Express your interest via communications@avcal.com.au.