CRITICALEYE VIEW FROM THE BOARDROOM

A MINDSET FOR HYPER GROWTH

In a deal-starved private equity landscape, **Patrick Pulvermueller**, Chair of WebPros, demonstrates a unique ability to unlock value and scale businesses through targeted acquisitions. In an interview with Criticaleye's **Emily Jones**, Patrick reveals key insights on driving innovation and expanding Board capabilities in challenging conditions

In today's private equity landscape, where M&A activity has slowed, companies are navigating growth in a more cautious, deal-starved environment. With fewer opportunities for large-scale expansion, Boards face new pressures to adapt their strategies and find sustainable ways to drive value.

However, with more than 30 M&A deals under his belt and extensive Board experience, **Patrick Pulvermueller**, former CEO of cyber security and data protection company, Acronis and now Chair at the B2B technology company, WebPros, has a unique ability to unlock value and scale businesses – even in the toughest of circumstances.

He is a proven M&A specialist with over 20 years of leadership in the tech industry. As Group CEO of technology company, Host Europe Group (HEG), he spearheaded its acquisition by US internet domain giant GoDaddy for $1.8 billion. **Patrick** went on to lead GoDaddy's European operations and later was President of its Partners Business.

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In recent times, **Patrick** has continued to defy a difficult M&A landscape by aggressively helping to scale PE-backed WebPros via targeted acquisitions. Backed by private equity firm Oakley Capital until 2017 and then sold on to CVC Capital Partners in 2019, WebPros has made a number of recent acquisitions, including SocialBee, an AI-powered social media management company, in August 2024.

M&A deals in focus:

Deal: GoDaddy acquisition of Host Europe Group (HEG)

Year: 2017

Value: $1.8 billion

Patrick's role: CEO, HEG

Deal: WebPros acquisition of SocialBee

Year: 2024

Value: Undisclosed

Patrick's role: Chair, WebPros

As Chair, **Patrick** has taken a key strategic approach to position WebPros at the forefront of the web infrastructure space. In this article, he shares insights with Criticaleye on expanding Board capabilities and driving innovation despite a challenging deal environment.

EJ: What recent experience do you have leading fast-growing businesses? And what are the wider implications for a business during a phase of rapid scaling?

PP: When I was … Chief Executive at Acronis from 2021 to 2023, we were in what I call the 'hyper-growth' space. We focused on a specific cybersecurity niche, and the holistic market grew by ten percent. Still, the segment we focused on grew at 25-30 percent, giving us almost two-and-a-half times more growth potential. When businesses go into hyper-growth, you can transform complete industries.

If you are in a fast-growing or hyper-growth business, you have to think about the compounding effect of growth and what it means to the rest of the organisation. Governance structures need to evolve alongside the business to ensure you're equipped to manage not just current operations but future growth effectively. You need to make sure that the processes you put in place are ones that help you keep on top of your growth rather than things falling apart.

EJ: What should Boards focus on in the current market? How would you evaluate today's PE landscape? >

PP: The Board needs to think about being a small fish in a big pond that can provide a lot of opportunities to grab market share from. However, they also need to ensure governance structures are robust, and there's continuous monitoring of KPIs because rapid growth can, just as easily, lead to collapse if profitability is neglected.

When I think about a private equity Board, I don't think it's particularly difficult right now, on the contrary. There's a lot of dry powder in the market. If you are part of the Board of a good asset, there's always a good buyer for you. For non-private equity, there are a lot of financing opportunities. Also, in the debt market, there are many alternatives through private debt nowadays where you can raise capital.

EJ: What's the role of the Chair in the governance of a growth business?

PP: As Chair of a Board, you cannot rely on luck because a lot of money and liabilities are involved. Governance, KPIs and strategy work together to ensure that everyone stays honest and that the Board—together with the management team—is steering the business in the right direction.

I was in one role where, suddenly, the management team came up with 16 different ways to define monthly recurring revenue because every definition they showed didn't reveal the 'right' trend, so they came up with a new definition. That's why governance is so important—we need to accept that if things don't go according to plan, you can change direction, but Boards need to reinforce the fact that changing the definition of your KPIs is not an option.

"The Board's key role during M&A is to keep the management team from falling into 'deal fever', where they ignore major warning signs in their drive to succeed"

EJ: WebPros dominates a critical niche in the digital infrastructure space and continues to grow. How often should Boards review strategy?

PP: In my opinion, a good Board practice is to review the strategy at least once per year. The world is not standing still, and Chairs have to reflect that in the strategy and ask, 'Are we still on the right path?' In my experience, I like to have a strategy refresh before we go into the budget phase to remind us of what we decided last year and what has changed.

Actually, it was by conducting a strategy review that WebPros acquired SocialBee. It was unknown to us, but we realised we had capability gaps and searched for the M&A opportunity.

The key thing is that everyone must align in this process. Then you put the governance and the KPIs in place, and – every year – you revisit it. If you have a clear strategy in mind and a clear set of KPIs to measure your success against that strategy, along with remediation measures in place, the Board can be bolder in what they sign off on.

EJ: Where have you seen mergers or acquisitions go wrong? What critical warning signs should Chairs be vigilant about?

PP: The Board's key role during M&A is to keep the management team from falling into 'deal fever', where they ignore major warning signs in their drive to succeed. A good Board provides essential oversight since a deal can make or break a business.

In both start-ups and large organisations, over 90 percent of the success depends on the people who run the business. When it comes to M&A, my first question is always, 'Have you truly been in the business?', and not just observing from the outside.

I've seen mergers fail due to culture clashes—one company was formal and hierarchical, the other casual. >

The CEOs liked each other and merged, but it all fell apart horribly underneath. While there's no right or wrong culture, alignment is crucial for success.

EJ: Leadership changes are common following a successful M&A transaction. How can a Chair effectively address business growth while integrating new management?

PP: After making new leadership appointments at WebPros, we came together as a Board and said, 'What do we think is the right strategy? What capabilities do we need to have the right governance in place and then get to the right outcome?' We sat together and decided this is what we believe the company should be like. After that, we looked for the right team members to support the CEO and gave him the opportunity to build his own team and strengthen his vision.

WebPros' strategy needed to be more detailed because not all Board members were that deep into the business and needed to gain an understanding of our 'North Star'. The CEO's [Christian Koch] key job was to define this precisely so the management team could deliver against it.

Which is exactly what happened. He came in and defined the strategy gaps, and then we were there to help him fill these gaps.

Every year, we look back at these, refine, adjust and move on. ■