

BACK OF THE BOOK

Inside Private Equity

Bill Ferris
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BILL FERRIS has spent 42 years at the forefront of the venture capital and private equity industries at Australian Mezzanine Investments, then CHAMP in this book, he tells *Capital*, he is happy to "open the kimono" on the obscure sector, writing that despite its image problem, the "PE model will not just survive, it will thrive".

Case studies are examined through three prisms: numbers, core proposition and people. An ability to read the human dimensions of management is a crucial skill, and the book issues a call to arms to directors to consider PE as an attractive option for growth capital. CHAMP's guiding philosophy is to sell businesses in a much better shape than when they were bought, Ferris writes.

As the case studies illustrate, CHAMP's bets haven't always succeeded, but over the years there have been more successes than failures. Furthermore, every investment has created experiences from which Ferris and his team have learned and applied to the next deal. The book is, in essence, a history of that experience, and a roadmap for the future. James Eyers

For the love of art

Deutsche's contemporary art collection is not only a financial bonus, it is inspiring, writes **James Eyers**.

WHEN FRIEDHELM HÜTTE, the global head of art at Deutsche Bank, started in his role 26 years ago, the German financial behemoth owned about 3000 art works. Today, guided by Hütte's discerning eye for contemporary art, the collection is 60,000 works, held in 900 buildings in more than 40 countries, including Berlin's Deutsche Guggenheim, a museum which opened in 1997 and has had 2 million visitors. Deutsche Bank owns the largest corporate art collection in the world, worth hundreds of millions of dollars.

Its scope is astonishing. In the middle of the lobby of the bank's London office is Anish Kapoor's *Turning the World Upside Down III*, a distortion of reality through reflective steel. Adjacent is *Biotin-Maleimide*, a huge canvas of coloured dots by Damien Hirst. Photography by Dayanita Singh and poster art by Gavin Turk adorn walls of the bank's Twin Towers in Frankfurt; in Sydney, meeting rooms are decorated with works by Gerhard Richter.

Deutsche spends an average £20 million (\$25.6 million) each year sponsoring art exhibitions and education programs. Hütte won't disclose the budget for acquiring new works, but says he would be unable to afford many of the pieces in the present collection – testimony to the ability of the bank's art specialists to pick up-and-coming talent before they become famous and prices skyrocket. "When you look at what we have – Kapoor, Richter, John Baldessari, Neo Rauch – it can create a misunderstanding if you think we went for those big names," Hütte says. "When you look to the year of acquisition, you see we bought all these art works in the early years of the artists. We could never buy them today: even buying a print of some of them would be much too expensive."

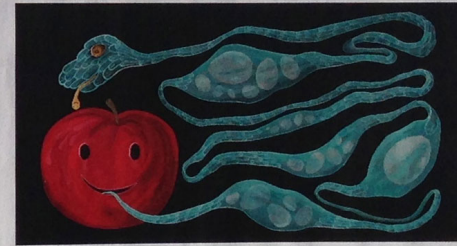
Even though the collection is performing in a financial sense, Hütte says he is under no pressure from the bank to consider art acquisitions as investments. Rather, selections are made after internal discussions about "which artists are the most interesting at the



RICH AND COLOURFUL
Clockwise from left:
Rosemary Laing,
bulletproofglass#2, 2001;
Michael Parekowiak,
Currency of Colour, 2005;
Nell, *Let me put my Love
into You*, 2007 (all at the
Deutsche Bank office in
Sydney); Anish Kapoor,
*Turning the World Upside
Down III*, 1996; and
Damien Hirst, *Biotin-
Maleimide*, 1995 (both in
the London office).



IMAGES COURTESY: TOLANO
GALLERIES AND ARTIST
ROSEMARY LAING; GALLERY
MICHAELLETT; GALLERY NZ AND
THE ARTIST; ROSLYN OXLEY'S
GALLERY AND THE ARTIST



moment, because they are producing something new, something relevant about society, or a new form of communication".

When the bank moved from Grosvenor Place in Sydney into the Sir Norman Foster-designed Deutsche Bank Place in 2005, it sold most of its largely traditional art collection through Deutscher and Hackett and, guided by art consultant Virginia Wilson, used the proceeds to acquire contemporary works by some of Australia's most promising artists.

One of the more confronting pieces is Rosemary Laing's *bulletproofglass#2*, a photograph of an airborne bride. It hangs next to the main reception desk and creates a bedazzling visual experience as her reflection floats inside the building's hollow atrium.

Another is a tapestry by Nell, *Let Me Put My Love into You* (named after an AC/DC song). Internal staircases include pieces by Nike Savvas (*Cascade* is a waterfall of blue and silver anodised aluminium disks that runs 20 metres down a five-floor staircase, while her concoction of hand-blown glass spheres, *transcendental*, hangs on the same staircase's external walls); and NZ artist Michael Parekowiak, whose montage of colourful cuisenaire rods speak to the banks' mathematical foundations.

Deutsche is a big supporter of Sydney's Museum of Contemporary Art (neither will discuss numbers). It has been the major partner of the blockbuster Anish Kapoor exhibition, which concludes next week, and is behind the MCA's Wangechi Mutu exhibition which starts in May. Deutsche also supported Primavera, the annual exhibition of artists under 35, and is the MCA's education partner, providing various resources for students and teachers. John "JT" Macfarlane, chairman of Deutsche Bank Australia & New Zealand, says the MCA involvement remains a source of pride for staff, and is encouraged by clients. It also allows the bank to commandeer the gallery for corporate functions.

But at a time when investment banks, including Deutsche, are being forced to slice overheads to respond to volatile markets, is there a risk that support of the arts is seen as an indulgence? Macfarlane says art "is not something Deutsche has decided to do in the past five years during the crisis and it wasn't a bull market trade either".

"It has been a long-term feature of the bank and, in that sense, it does transcend the cycle. The art collection has developed over a long time, to support emerging artists, and is broadly seen by the bank as something we can contribute to society to develop culture."