

Why should investors pay more attention to the CEE region, by Franz Hoerhager

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Handshakes in the unicorn perspective

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Franz Hoerhager – CEO and co-founder of Mezzanine Management. Franz and his team have been a close friends – we have cooperated on a number of deals. A cooperation I value dearly.

Before I met Tomek Czechowicz, whom I sometimes call “Digital Tomek,” I already had had a definite opinion about opportunities, risks and people in Poland and CEE region. It was a good opinion. The country might have changed over the years but it has always been a place where investors could do plenty of great things. I have been studying Poland for a long time. Before I started my own business, I had worked for 20 years at the Bank Austria, now taken over by Uni-Credit. Then, back in the 1980s, Vienna played the key role of a hub or a bridge between the capitalist West and the communist East. And it was not far away from Poland, which interested me from both a business and scientific point of view as I was keen to analyse a phenomenon of centrally planned economy where life was delimited by subsequent 5-year plans. It was then that I got to know and understand Poland and other countries from the Eastern Bloc, their citizens and their attitudes to life. I noticed the latent potential of the area, which is still here today.

No wonder that during the turbulent transformation period I was a regular visitor to Warsaw, and although the economic situation was often unpredictable and dynamic, I learned to trust the market and the “made in Poland” economy. When, at the beginning of the 21st century, I decided to start my own business, it was clear to me that Poland would be one of its pivots. Mezzanine Management was a mix of banking know-how and

entrepreneurial investment, supported by knowledge of emerging markets.

Poles are very entrepreneurial, in the definitely British style, whereas their commitment and resourcefulness definitely beat what, for instance, the Balkan nations have to offer. Tomek Czechowicz is a living proof for that.

I remember well our first meeting, over 10 years ago at a conference in Berlin. I wanted to sell him one company. We only talked for 3 minutes when I heard: "The price is too high." Now, after so many deals that we have closed together, I already know that he is a great negotiator with nerves of steel and unparalleled energy. In our industry, it is said that MCI's success comes as no surprise given that it is managed by a man who lives 3 lives at the same time. To this day, I do not know how he manages to conquer the Matterhorn or complete an Ironman triathlon and simultaneously negotiate something like a multimillion IPO. Where does his energy come from? For sure he is driven by the fact that he can be and act at the epicentre of events, and so MCI is like that too. Tomek is a straight talker who refuses to accept the bullshit mode. It means that he can be trusted in any situation: his handshake means "deal done" and not "deal done but..."

That is why Mezzanine Management and MCI is a partnership & friendship relation. Together we handle multiple deals, such as PEM, ATM, ABC Data, Netrisk or Invia. Do things always look rosy? No, but in case of any problems, we are fair partners. We support and complement each other. Despite an anecdote from our first meeting, Tomek is a deal maker, and his financial status gives him considerable leeway during negotiations. Of course, he and his team approach the transactions in a resolute manner, but never without a high degree of rationality and flexibility. Therefore, MCI along with "Digital Tomek" have the potential to be a regional champion and a stable for region-born unicorns.