

CASE STUDY

 Galvanize × NORWEST

2017

INVESTMENT YEAR

3X+

SHAREHOLDER VALUE CREATION

2021

RECAP YEAR

GRC Software

INDUSTRY



Norwest shares our focus on driving success through a balanced focus on employees, customers, and financials, all enabled by a strong corporate culture. This, in combination with Norwest's industry experience and strategic resources makes for an ideal collaboration."

Laurie Schultz

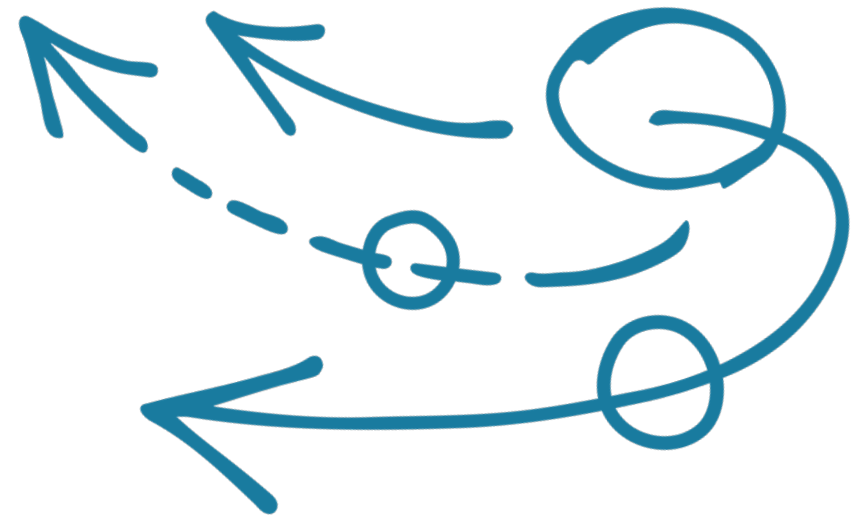
President and CEO
ACL (nka Galvanize)

Background

Galvanize (founded in 1987 as ACL) is a leader in providing **governance, risk management, and compliance (GRC) software** to thousands of organizations worldwide.

Over several years, Norwest monitored the company's evolution to industry leader and maintained contact with its CEO. When the time came to consider financing to ensure continued growth, ACL chose to work with Norwest because of its "**invited guest**" approach, **deep industry knowledge**, and its ability to **enhance the fundamental value of the business** while maintaining the existing company culture.

Norwest purchased a minority stake in the company in 2017 and added meaningful value within the first 6-12 months, becoming a trusted advisor to management. After successfully exiting alongside Norwest in 2021, management asked the firm to participate in their 2021 recapitalization process given Norwest's **cultural alignment and knowledge of the business**.



Select Value-Add During Partnership



PRODUCT STRATEGY

- Helped craft product execution plan to modernize product and migrate it to the cloud
- Migrated 2000+ customers from on-prem to cloud product
- Helped launch 2 cloud-native products
- Aided in cloud product pricing & packaging, resulting in 20%+ lift in license revenue



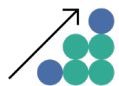
BOARD RECRUITMENT

- Recruited Shanti Atkins, former CEO of NAVEX (\$100M+ risk-management software business), to join the board



COST OPTIMIZATION

- Collected and presented detailed benchmarks around OpEx spend for scaled software businesses
- Assisted in driving efficiency, leading to cash EBITDA increases of ~\$40M and > 40 percentage points



ACCRETIVE M&A

- Sourced, negotiated, and executed the strategic acquisition of RSAM
- Norwest invested additional equity to fund deal
- Combined company established Galvanize as the market leader in GRC



MARKETING

- Assisted in rebranding ACL to Galvanize by sharing prior case studies and aiding in agency selection
- Expanded product story to drive coverage in Gartner and Forrester magic quadrants (and eventual progression to “top-right corner”)



REVENUE OPTIMIZATION

- Conducted detailed pricing benchmarking, convincing management to right-size pricing relative to value
- Aided in onboarding new CRO Pascal Van Dooren, who subsequently helped drive significant cross-sell of products across customer base

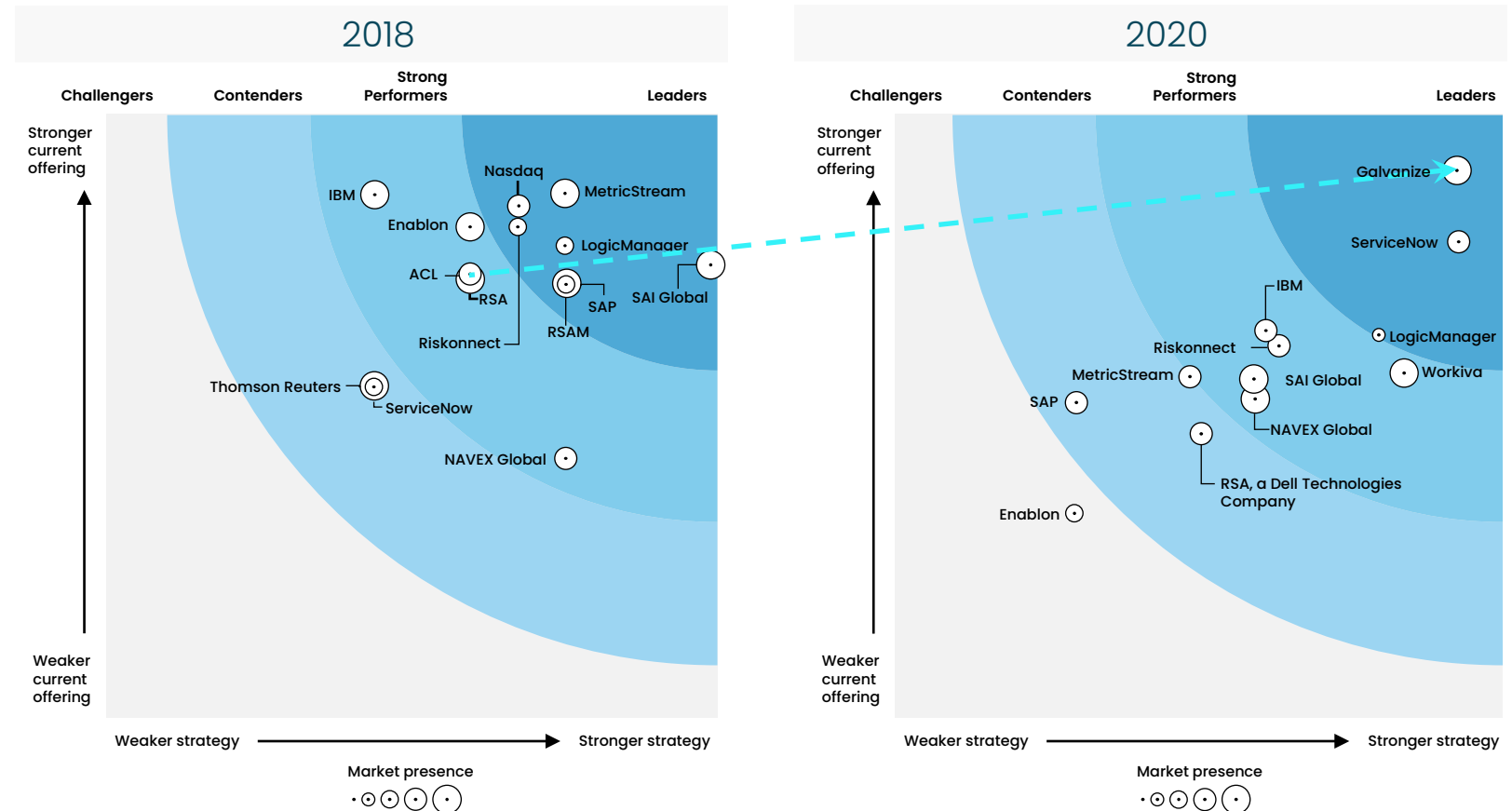
Category Leadership Through Acquisitions

INITIATIVES

- Sourced, negotiated, and closed strategic acquisition of RSAM (Norwest invested additional equity to fund deal)
- Launched several cloud-native products
- Assisted in rebranding from ACL to Galvanize and marketing broader product story

RESULTS

Galvanize moved to top-right corner of *The Forrester Wave*: GRC Software quadrant in highly competitive GRC space





Outcomes

Laurie Schultz and team led strong internal execution, helping to drive profitable organic growth as well as accretive inorganic growth.

Galvanize's acquisition of RSAM helped establish the company as a GRC market leader, earning placement in the "Leaders" quadrant of *The Forrester Wave*.

In 2021, Galvanize agreed to sell to Diligent for \$1B, one of several unsolicited bids the growing company attracted.

As part of the transaction, Norwest rolled partial ownership into the newly combined entity and remains a shareholder today.

Investors

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