

## There's NO Polycom-Mitel Deal; Siris Capital Steps In

Written by Bob Snyder  
08 July 2016

---

**There's NO Polycom-Mitel deal** and it's probably just as well.

**Siris Capital** steps in, killing a deal engineered by activist hedge fund **Elliott Management**, which bought stakes in both Polycom and Mitel. But there will be no tears as Mitel walks away with \$60 million in deal-cancellation fees (and Elliott Management has been busy with its recent victory, selling EMC Corp. to Dell Inc.)



The new deal (still subject to regulatory approval, shareholder approval and other customary closing conditions) sees Siris Capital pay \$12.50 per share for Polycom, **valuing the company at about \$2 billion**

Under the Mitel deal, Polycom stockholders were slated to receive \$3.12 in cash and 1.31 Mitel shares for each Polycom share. Polycom received this higher offer and Mitel declined to renegotiate.

That's the deal but it leaves us with the questions: **Who is Siris Capital? What are their intentions with Polycom? What changes, if any, can we expect?**

Siris Capital is a private equity firm primarily focused on making control-oriented investments in data, telecommunications, technology and technology-enabled business service companies in North America. Siris, coupled with its active limited partner co-investment program, targets complex, special situations from \$250 million to \$2 billion.

Siris' investment approach is characterized by its partnership with senior operating executives ("Executive Partners") from industry. They work exclusively with Siris Capital to find, verify and run the investment acquisitions. Their significant involvement allows Siris to focus on complex,

## There's NO Polycom-Mitel Deal; Siris Capital Steps In

Written by Bob Snyder  
08 July 2016

---

special situations; typically businesses caught in the midst of a technology transition creating operational, strategic, or financial challenges.

In this case the Executive Partner involved seems to be **Daniel Moloney**, former senior operating executive of

**Motorola**

, with nearly 30 years experience in the technology and telecom industry. His last position was President of

**Motorola Mobility, Inc.**

He currently serves as Executive Chairman of

**Digital River**

and

**Stratus Technologies**

, and is a board member of

**TiVo, Inc.**

The way Siris Capital operates, it implies Moloney will take an active executive role in the company (and may even have money of his own in the deal). Post-acquisition, the Executive Partners work closely with portfolio company management to implement the business plan--driving change, often assuming the Executive Chairman role or other board or senior advisory positions.

Some investment companies (look at this [recent article on Melrose PLC](#)) create value by financial acumen. Instead of engaging in this type of financial engineering, Siris Capital partners with its portfolio company management teams to devise comprehensive post-acquisition business strategies trying to create long term, sustainable revenue growth and operation improvements to earn a place as a market leader.

A financial engineering company will cut costs and administration, drive up gross margin, re-engineer supply chain, raise prices where possible etc.

Instead, the Siris Capital *modus operandi* is more likely to include adding senior management expertise (Executive Partner), driving consolidation and M&A strategy, developing an expansion strategy to target new markets, introducing new products, and implementing operational restructuring to save costs.

## There's NO Polycom-Mitel Deal; Siris Capital Steps In

Written by Bob Snyder  
08 July 2016

---

So it's safe to say that Siris Capital will add value operationally more than financially. And in this scenario, the Polycom brand will survive--and maybe even thrive. In our opinion, it's a better deal than [what could've happened in the Mitel deal](#) .

Siris Capital plays in the big leagues of tech investments firms. It's last big deal was December 2015 when it acquired **Premiere Global Services (PGi)** for \$1 billion. PGi calls itself the world's largest dedicated provider of collaboration software and service. They created **iMeet** , purpose-built web, video and audio conferencing applications for the daily collaboration and unified communications needs of businesses.



Siris was founded in 2011 by **Jeffrey Hendren, Frank Baker, and Peter Berger** *[shown in photo, in respective order as named]* who have worked together as a team since 1998 having previously been partners at Ripplewood Holdings LLC and founders of the private equity group at S.A.C. Capital Advisors L.P. ("Siris I").

Siris has more than \$2.4 billion of cumulative capital commitments and is currently investing Siris Partners III L.P. that closed on approximately \$1.8 billion of capital commitments in 2015.

## There's NO Polycom-Mitel Deal; Siris Capital Steps In

Written by Bob Snyder  
08 July 2016

---

The Siris investment team is complemented by its Executive Partners; several of whom have worked with Siris for over a decade. They include **former senior executives of AT&T, Alcatel Lucent, Bell Atlantic, Motorola and U.S. Robotics.**

The latest Executive Partner is **Mary McDowell**, most recently the executive VP and GM of **Nokia**

's global Mobile Phones (feature phones) division. Prior to joining Nokia in 2004, Ms. McDowell spent 17 years at

**HP-Compaq**

where she held several senior leadership positions, including senior VP and GM of the Industry-Standard Servers division.

Siris portfolio companies include **PGI, Digital River, Pulse Secure, Stratus Technologies, XURA,** and **TNS**. It also acquired the **Junos Pulse** business from Juniper Networks and bought **MobileSpaces**, a provider of mobile security for the app-centric enterprise.

Siris, based in New York City, was once the private-equity arm of billionaire Steven A. Cohen's investment firm, SAC Capital Advisors LP, which has since been renamed Point72. Siris was spun out in 2011. In 2013 SAC Capital agreed to plead guilty to criminal insider-trading charges after the U.S. government's decade long investigation.

Go [Siris Capital](#)

Go [Premiere Global Services](#)