

A black and white photograph of a herd of elephants walking across a savanna landscape. The elephants are in the foreground and middle ground, moving from left to right. The background shows a flat horizon under a cloudy sky.

Nucleus: Case Study

Overview

- > DRAX has had a long-standing relationship with Nucleus, which began when the business was James Hay Partnership. We were involved in the pre-deal process as the business was taken private by Epiris in 2019 and subsequently worked to build the senior management team, including the appointments of the Chief Commercial Officer (“CCO”), Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Chair, Chair of Audit and Non-Executive Director (“NED”).
- > The commercial side of the business needed strengthening, and as a result, post-acquisition we kicked off a search for the CCO. We needed to identify a candidate who would upskill the function with extensive experience and knowledge of the platform space and business model. The successful CCO placed was Alex Kovach who had come from a D2C platform background with expertise in upgrading the platform experience.



Background

- The Nucleus Financial Platforms Group help make retirement more rewarding. By harnessing James Hay's pensions expertise and Nucleus' digital capability, they're building the best retirement-focused adviser platform for larger adviser firms in the UK. Together they're one of the leading independent adviser platform groups in the country.
- The Nucleus Financial Platforms Group now owns both Nucleus Wrap and James Hay Online. This means customers benefit from the combined scale, expertise and technological know-how of two of the leading retirement-focused platforms in the UK. A platform isn't a very exciting thing – it's basically software that allows financial advisers to manage their clients' investments online. It pulls all customers' investments and savings into one place, making it easier to manage, track and ultimately use. Like other platforms, Nucleus provide access to products like ISAs and pensions, and a wide range of investments including funds, equities and bonds. But that's where their similarity to other platforms ends. Their model puts the adviser and their clients right at the heart of what they do. They pride themselves on having the agility of a fintech, combined with the gravitas, substance and scale of a major regulated financial services business

The Process

- Following discussions with Epiris for their plans to significantly increase the size of the business, and ultimately sell to another investor, DRAX introduced Richard Rowney who was successful placed as the new CEO. In 2021, Richard Rowney acquired Nucleus Financial and created a combined group with James Hay but maintaining the Nucleus name.
- We worked closely with Richard as part of the conversations around the next phase of growth for the business, which would start with the introduction of a new investor. We had conversations around both long- and short-term goals, including what the Board would look like for the next phase of the journey. The business was keen to be in a position to IPO the business four to five years post transaction with the new investor (who has since proven to be HPS in August 2022). We needed to ensure the Board had both the ability to impact the short term, value creation plans, but also would look good on the listed market, further down the line in preparation to IPO. There were a number of incumbent board members who were naturally coming to the end of terms, so creating the right board was incredibly important to Richard and the business. The successful placement of the CCO and CEO was paramount to the success of the transaction of the business from Epiris to HPS.
- Richard Rowney, CEO said “Mat and the Financial and Professional Services team at DRAX have just finished a major assignment helping to build a new Board with the capability and experience to help our business deliver its strategic ambitions. This included recruiting a new chairman, CFO alongside the chair of audit and Remco.”
- We supported Richard with a board building exercise, ready for the new ownership with HPS. We needed to ensure the new Board was ready to be initiated immediately post-transaction and the composition of the board needed to be a proven Chair in the Financial Services sector, a Chair of Audit with IPO (situational) experience and an NED with platform (domain) knowledge to complement the skills of the remaining management team. Having conducted a thorough and extensive search, it culminated in the appointments of Gordon Wilson as Chair, Richard Hoskins as Chair of Audit and Judith Davidson as NED.

What the CEO said


- “I was delighted with process and the outcome. The team at Drax helped to consider the various interplays between the various roles and how this would drive Board effectiveness. They then mapped both the industry but also wider afield to bring in top quality candidates across all roles allowing selection from a very diverse candidate pool. I couldn’t be happier with the results. The team at Drax really are the best in their field.”
- Richard Rowney, Chief Executive Officer at Nucleus Financial Platforms



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