

BUYOUTS

HGGC buys CPQ software maker FPX

April 26, 2016 By [Luisa Beltran](#)

- HGGC to acquire control of FPX
- Company once had \$3 bln market cap
- Purchase represents seventh platform deal from HGGC Fund II



HGGC is buying **FPX LLC**, which makes configure-price-quote (CPQ) software that helps Fortune 100 companies sell complex products. Financial terms were not disclosed.

Acclaim Financial Group is the seller. FPX management is reinvesting all proceeds from the sale and will have a minority stake, [a statement said](#).

“It’s always great when you can find a company that has good technology, the market is still to be had, and the industry is consolidating,” said HGGC Co-founder and CEO **Rich Lawson**.

FPX was a dot-com darling in February 2000 when shares of its IPO surged 356 percent in its first day of trading, [according to press reports](#). The company that year [attained \\$3 billion market cap](#) and employed 750 people. That was before the dot-com bust of 2000 and two financial corrections, Lawson said.

Hard times hit the company. To erase its debt, it sold its assets to Acclaim Financial in 2009, [the Minneapolis/St. Paul Business Journal said](#). Four years later, in 2013, Firepond [changed its name](#) to FPX. The company, based in Dallas, now employs over 100 people.

No job cuts or management changes are expected at FPX, which is led by CEO **Dave Batt**, Lawson said. (Batt is a former **Microsoft** and **Oracle Corp** executive [who joined](#) FPX in 2013.)

The CPQ sector is consolidating and FPX is the largest independent provider of that software, Lawson said. He noted that **Oracle** [acquired Big Machines](#) for \$400 million in 2013 and **Salesforce.com Inc** bought **Steelbrick Inc** for \$360 million in 2015. “Now is the time to own this particular area of the world, CPQ software, given this area has now transitioned to the cloud from on-premise software,” Lawson said.

FPX plans to do add-ons and hire more people, including sales and engineers, Lawson said. “We’re honored to have the opportunity to back Dave Batt in this next stage of global growth,” Lawson said.

FPX is HGGC’s seventh platform deal from its second fund, the firm said. Fund II [raised \\$1.33 billion](#) in March 2015. It is reportedly more than half invested.

HGGC is expected to return to market this year for its third fund, which will have a \$1.5 billion target, [Dow Jones LBO Wire reported](#).

Lawson declined to comment on the Palo Alto, California-based firm’s fundraising plans. HGGC, which focuses on the middle market, invests in sectors including business services, consumer and information services. It typically invests from \$100 million to \$200 million equity per deal, Lawson said.

FPX could not immediately be reached for comment.

Action Item: HGGC can be reached at ir@hggc.com

Photo: Rich Lawson, Managing Partner, co-founder and CEO of HGGC, speaks at PartnerConnect West at the Ritz-Carlton, Half Moon Bay, on October 14, 2015. Photo by Buyouts Insider

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