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Key Capital Partners

Key Capital Partners invests £4m in graduate IT training and services provider Sparta Global



Private equity house Key Capital Partners (KCP) has continued its recent string of new investments backing an innovative provider of specialist IT Services with a £4m equity investment, to support continued growth and expansion.

£16m turnover London based Sparta Global operates the Sparta Training Academy, a growing IT trainer and provider of IT services. The firm's clients include private sector firms and government clients, including Channel 4, Three Mobile, and the Ministry of Justice. The Sparta Academy model upskills new IT graduates with intensive in-house training, which enables Sparta Global to provide blue-chip clients with homegrown, high-calibre IT Consultants, who have mastered the technical and analytical skills required to be productive software engineers. There are currently 120 IT consultants deployed on various client assignments.

The investment into Sparta Global is highly pertinent in the wake of Brexit, as the demand for homegrown talent increases. Some UK industries are likely to suffer from a technology talent deficit, particularly Fintech and insurance, where a high proportion of technology talent currently comes from Europe. Also, the UK public sector will see an uplift in demand for new technology talent to rebuild systems currently held in Brussels. Following the investment deal, Sparta Global will continue to power these industries with a supply of relevant homegrown IT consultants throughout the UK.

The deal sees KCP acquire a significant minority stake in the business, which currently employs 160 staff, backing the management team and co-founders, David Rai, (CEO) and Tim Staton (CTO). The investment will fund further expansion, including the opening of new training centres in Leeds and Birmingham that will create a further 100 jobs in 2018, making Sparta Global one of the largest graduate employers within the UK.

Announcing the investment, David Rai, CEO of Sparta Global said: “We have a highly successful model for providing clients with cost-effective and relevantly skilled IT consultants in both the public and private sectors, and we were actively seeking a partner to help us realise the potential of the Sparta Global brand.

“Our unique model brings improvements to the vocational training of software engineers, bridging the skills gap between education and the workplace for IT graduates, but also provides a flexible low-risk talent proposition to our clients. Our model significantly reduces the cost of recruitment and training for our clients; we invest in a rigorous recruitment process, and upskill high-calibre graduates ready to be deployed onto client projects for when they are needed.

“In KCP we have brought on board a partner who brings not only the capital we need to execute our ambitious growth plans, but inside knowledge of the business services and IT services sectors, as well as a wealth of experience in scaling businesses and value creation alongside founders and management.”

KCP’s London team completed the investment and Philip Duquenoy, partner at KCP, will join the board of Sparta Global following the investment, the fourth from KCP’s current fund since the start of 2017.

“Sparta Global approached KCP in 2016 on the basis that we have demonstrated a track record of supporting the growth of innovative firms in the sector,” said Mr Duquenoy.

“We have spent over a year working with the business to ensure our expertise and strategic goals were aligned and together we have developed a strategy for the business that we are confident will generate sustained growth over the coming five years,” he added.

KCP is a leading investor in the smaller buy-out market making investments of £3m-£15m in profitable growing companies, and in 2015 launched its latest fund focused on making investments into high-growth businesses across the UK. In 2017, KCP has invested a total of £28m in a total of four deals.