

Law firm offers advice to technology entrepreneurs

Dommissie Attorneys has responded to a need from South Africa's technology entrepreneurs that need help with international financing, as well as from solutions companies wanting to expand commercial activities across our borders into the rest of Africa.

This small, focused team of attorneys has specific skills as investment bankers as well as in corporate finance, tech-industry contracting and international commercial law, allowing them to guide businesses through the demanding waters of domestic- and cross-border investment structuring.

"We help local companies secure funding, as well as to expand across our borders into the rest of Africa. At first blush these two business needs seem opposing - the entrepreneur looking for funding and the established company wanting to expand. But they share all-important requirements - they will need to establish financial relationships with parties across several legal jurisdictions, in a way that takes into account the nature of (for example) the tech industry," explains Adrian Dommissie, founder and senior partner of Dommissie Attorneys.

"A recent trend has also been for international tech companies to look to acquisitions in South Africa as their markets saturate. Without the having a relevant lawyer in your corner, the possibility of being overreached by investors is real."

Hungry for funding

Technology entrepreneurs in South Africa are hungry for funding - and often look to the US and Europe for investors. They are sometimes liquidity stressed, they may not have a finance background, and they certainly aren't familiar with the legal systems in which their potential investors are located.

Established South African companies looking to spread northward into new African markets may similarly have little experience in contract law, especially when cross-border contracting, and may lack understanding of typical emerging market risks such as currency and political instability.

"We are from a corporate finance and investment banking background, with expertise that can help guide clients when they need it most - when they think they don't have options. We also pair with like-minded firms in other countries, such as Mahons Attorneys in Mauritius, to provide relevant tax and legal advice where required," says Dommissie. "I have seen it over and over again where an entrepreneur ends up taking a terrible deal, simply because they didn't understand the implications of the agreement they signed in blood. We advise clients on how to ensure they get the best possible deal - but also guide them through the process, co-ordinating and managing it, right from the initial negotiations to receiving transfer of the funds."

Funding secured

He describes the situation with a recent client, Mobile Transactions International, a mobile payments business based in Zambia, South African and Mauritius that recently secured over R20-million in funding from a consortium of US-based venture capital companies. Mike Quinn, the CEO of MTI, was completely focused on wooing investors, but had to be sure he was getting the best deal.

"We relied on the efforts of Adrian Dommissie, our sole company lawyer who joined on a retainer basis in January 2011 in one of our best decisions of the year," said Quinn, in his fascinating recounting of the funding saga ([Mike's Mobile Transactions Story](#))

Explains Dommissie: "Entrepreneurs are always emotionally invested in their business - they have to survive the stress and long hours. This means they're often in a tough place to be making important legal decisions. We understand growing enterprises, and what they need from a lawyer. Cool headed advice is the one thing that could save their businesses later."

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