

Dynamic Technology Holdings acquires 51% stake in Blue Pencil

Dynamic Technology Holdings (DTH), one of the largest privately-owned software groups in Africa, has acquired a 51% stake in Blue Pencil, an SAP services specialist headquartered in Johannesburg. The deal provides DTH with high-level SAP skills, while exposing Blue Pencil to the sizeable number of resources and clients of the DTH group.

Blue Pencil was founded in 2004 and specialises in SAP Solution Manager, Staff Augmentation and Education Services. Over the years Blue Pencil has become a leader in offering innovative education services using the latest digital technologies and training methodologies. The company has also been recognised twice internationally for its expertise in delivering SAP Solution Manager's Technical Operations, Business Operations, Testing and SAP Activate services to the SAP client base.

"We are extremely excited by this deal as it opens up new opportunities outside of the SAP eco-system," says Graham Henderson, MD of Blue Pencil. "It is a significant step forward in Blue Pencil South Africa's growth plans to increase our client base and build on the principle that the whole is greater than the sum of the parts."

Chris Wilkins, CEO of DTH, says the acquisition was a natural choice as the two companies share many clients, and DTH is seeking to broaden and deepen its SAP competencies.

"DTH has grown consistently at a rate of 20% every year as a result of both acquisitions and solid organic expansion," he says. "We have made it our business to invest in solid software services and software product companies over time, and will continue to do so over the next five to ten years. We view Blue Pencil as a keystone to fast-tracking our SAP expertise so that our clients can reap the benefits of a one-stop shop."

Henderson says Blue Pencil plans to take advantage of the deal to gain access to DTH's channels into the UK market for its SAP Education and Solution Manager services. At the same time, DTH will have the opportunity to leverage Blue Pencil's relationships with its partners in the US and Europe for their DevOps and Global Testing Centre services.

“DTH operates mainly outside of the SAP eco-system and Blue Pencil is predominately an SAP Services focused business,” Henderson adds. “By bringing the businesses together, each entity has the potential to offer a much broader service offering to their respective client base.”

Wilkins notes that Blue Pencil has a young and ambitious management team, and is one of the few companies around the world that has its particular skill set.

“Given our growing presence in the UK market, we are looking forward to introducing overseas customers to Blue Pencil’s unique offering, particularly now that Brexit has made South African prices attractive in the UK.”