



**FADEL** LICENSING  
RIGHTS  
ROYALTIES

Company: FADEL  
Name: Tarek Fadel  
Web: [www.fadelpartners.com](http://www.fadelpartners.com)  
Address: 22 Elm Place, 4th Floor  
Rye, NY 10580 USA  
Phone: +1 646 736 6083

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## FADEL Secures Series A Financing

*In October this year, FADEL, the Enterprise IP rights and royalty management software company, announced that it completed a Series A round of financing, led by Middle East Venture Partners. Tarek Fadel, the company's Founder and CEO, tells us more about the deal and how it will help the company further cement its position as a market leader.*

FADEL, which is headquartered in New York and has offices around the world, is a leading provider of enterprise-class intellectual property rights and royalty management software for a diverse range of sectors, including media and entertainment, publishing, high tech, gaming, life sciences and pharmaceuticals.

*"We are focused on helping customers solve IP issues,"* says Tarek E. Fadel, Founder and CEO.

Fadel founded the company in 2003, having previously worked as a Director of Consulting at Oracle Corporation, the multinational computer technology corporation. He has over 20 years of experience building, selling and implementing enterprise software applications. He managed a consulting practice for Oracle responsible for the success of several large client implementations, and held the position of Director of Product Management releasing several Oracle CRM products.

Through its portfolio of software and expert services, FADEL enables businesses to verify, capture and manage rights and royalties for their valuable IP assets. It accomplishes this using FADEL Intellectual Property Management (IPM) Suite, which is built on a robust and adaptable architecture, offering end-to-end capabilities across the IP licensing lifecycle, from contract negotiation to royalty payment.

IPM Suite, which integrates seamlessly with technologies such as Oracle E- Business Suite and IBM Smarter Commerce, (FADEL enjoys strategic technology and go to market partnerships with Oracle and IBM) ensuring an end-to-end business process

flow, includes modules for a number of IP processes.

The Rights Management module manages agreements, rights hierarchies, payment terms and royalty rates. It can extend its agreement management functionality by integrating with 3rd party contract management systems to ensure contract compliance, and directly integrates with enterprise financial systems to automate invoicing, collections, payments and financial reporting.

The product's IP and Digital Asset Rights Management model empowers organisations to ensure that digital asset rights are adhered to and financial obligations are tracked and met.

The Financial Payment and Collections Management module calculates outbound royalty payments and inbound collections, integrates with third party Enterprise Resource Planning systems for processing, facilitates Automated Clearing House payments and wire transfers, and can deliver statements to payees via a web based portal.

The Analytics & Reporting module provides sophisticated data helping to insure compliance with licensing terms and asset clearance real-time and visibility into contract performance to help clients improve forecasting and identify licensing opportunities. IPM Suite's dashboards enable companies to track KPIs, measure performance and gain a holistic view of rights and associated royalties.

Additionally, in today's world customers are moving toward mixed deployment models in order to control costs, optimize resources and deploy flexible but

supportable systems with a lower total TCO and risk, and so FADEL offers multiple deployment models for its licensing, rights and royalty processes from on-premise to private cloud or public cloud implementations.

The firm was founded when Fadel noticed a growing space of managing royalty payments. But, he says, companies operating in the sector were lagging behind. *"Firms working in this area were using antiquated departmental technologies,"* he says. *"They weren't taking a global enterprise approach."*

It was in around 2006 that FADEL began to focus mainly on its product line. Since then, there has been a definite change in how the company's products are perceived by the business community, Fadel says.

*"In the last seven years, we've seen a shift from our products being seen as back office products, to being viewed as core, must-have applications,"* he says, adding that companies are now exposed to a lot more complex and global IP distribution rights deals – requiring them to uproot their IP management systems and deploy new systems that will empower them to scale and grow with new digital distribution models and technical needs.

Across its customer base the company facilitated processing over US\$1bn in royalty payments last year.

In October this year, FADEL announced that it completed a Series A round of financing, led by Middle East Venture Partners (MEVP), a Middle East-focused venture capital firm that invests in the early

and growth stages of innovative companies.

MEVP, which has offices in Beirut, Dubai and Silicon Valley, and has over US\$75m in assets under management, is the pioneer and largest VC firm in the MENA region, with a clear cross border investment appetite. MEVP has invested in over 20 high-tech companies since 2010.

Following the deal, Walid Mansour, MEVP Managing Partner, will join FADEL's Board of Directors.

*"Intellectual Property is at the core of a company's worth, yet many organisations are not realising the full potential of their IP's value,"* said Mansour in October. *"We see increasing demand for a solution like FADEL IPM Suite that is going to help organisations to monetise their IP and drive real business results. We are excited to act as advisor and investor for FADEL and see a tremendous growth opportunity for their powerful IP Management platform which has been live and running by the company's clients — some of the largest in their respective industries."*

In getting any deal done, says Fadel, two elements are vital: trust and goodwill. *"There has to be trust that the deal can be done, and is being done within the boundaries of the parties achieving their goals,"* he says, adding that goodwill sets the tone for negotiations.

Fadel says he was impressed by the *"aggressive"* way in which MEVP completed the transaction, quickly closing on the financing. MEVP are also very well-connected in Silicon Valley, offering opportunities in booming sectors such as high-tech and life sciences.

Although the financing was an exceptionally smooth process, any cross-border deal involves a high volume of paperwork – and this deal was no different, says Fadel. The effort is already showing its results and value.

Since MEVP's financing, FADEL has expanded geographically, opening an office in Los Angeles, and is set to open another in London soon. Following the deal the company has also won a number of contracts, including one with the largest media company in the world.

FADEL is experiencing aggressive growth since the financing process started and, looking to the next 12-24 months, Fadel says the company is aiming for continued aggressive growth. The company is also adding more vertical offerings of its software he says, and is in the process of expanding its workforce.

The company is releasing a cloud version that will provide a cost-effective and flexible model, and will appeal to the mid-market customers as well as its large enterprise clients. The financing has also allowed FADEL to invest in R&D for a new Cloud based product, Asset Rights Clearance, Fadel says, which is expected to be a big success for companies looking to clear the Rights for their digital IP usage and distribution. ■

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