



How to Make Your Fundraising Pitch Stand Out

From the Privcap video series "The Importance of GP Branding"



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How to Make Your Fundraising Pitch Stand Out

Differentiating your firm from the pack is essential in a crowded fundraising market. Experts from MVision Private Equity Advisers and Pine Brook discuss best practices that help win over investors.



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■ **Matt Malone, Privcap: Given the competition for institutional capital, effectively communicating a firm's strengths and approach is essential. What's the best approach for GP to devise an overall brand strategy?**

Jim Rutherford, Pine Brook: What you need to start with is, what does your firm do that's different from others? And it's always best to start with the bedrock of the basics. Is it geography? Is it size of deal? Is it sector? Is it the style in which you invest? Is it your operational performance capability, or other aspects of what you do? That's the starting point—but it's very important when communicating to the wider audience to be conscious of what resonates because what you, the manager or the GP, think differentiates may or may not be important to the market.

Once you define the broader strategy for a fund, how do you ensure that that message is articulated organization-wide, so that everyone in the firm is speaking the same language and presenting the same firm to the outside world and to investors?

Hussein Khalifa, MVision: You need to make sure that you're not trying to sell a philosophy or a campaign that hasn't been absorbed by your own firm. The first step is making sure that everybody at your firm actually believes that philosophy—from the founding partners down to the youngest analyst. Because we've seen some firms that ... if you start digging and spending time with the rest of the firm, you realize that there's a far cry between what's being sold to the LP community and the way that GP actually thinks of itself.

Rutherford: And it's important to understand that LPs nowadays will go talk to your junior-most people. So if the story is different as they talk to different people in the organization, red flags go up. I'll give you an example. We just recently redesigned our website. We made sure that before the design firm even started the project, they talked to everybody in the firm so that the message that came through resonated not just from the senior-most partners, but from the entire firm. We also make sure that as we in the marketing group, or our senior-most partners, are think-

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ing about new ways of communicating, that we're spreading that out to the rest of the organization. It's important to have this interactive dialogue with the whole firm, not just have those of us in the IR and marketing function sort of in a dark room off by ourselves creating these things.

Khalifa: And I think that's natural institution-alization. If you go back a few years, many firms were really cast in the founder's shadow, and it was their personalities and their success that was being marketed [which is also fine]. Now it's important that the firm have an independent culture that is free from any single individual.

At times, there's a tendency to rely on pedigree in the industry differentiate yourself. How do you get beyond the simple points of differentiation and express to an LP your individual value proposition?

Rutherford: It will not sell to an LP that you just have three, four, five smart guys who come from a particular firm or from a particular business school. They need to be doing something that is definable and differentiated. It is also important to communicate in a common business language. As a firm that does a lot of work in the energy sector, there's a lot of industry speak that really doesn't resonate very well with the average LP. So you have

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Pine Brook's Jim Rutherford, MVision's Hussein Khalifa

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to find a way of translating the important elements of that in ways that the average, highly-educated LP—who may not be sector educated—can understand.

Khalifa: The pedigree aspect is taken for granted in today’s world. And, in fact, there are some LPs that say, “Listen, that’s a great business school, that’s a great investment bank you worked for, but that’s the same as everybody else I have in my portfolio. I’m looking for something a little bit different.”

When you get beyond the generalist PE fund and into more specialist or niche strategies, is there a challenge in differentiating yourself?

Rutherford: We are a dual-sector, control-oriented growth equity fund. It’s usually not the shortest of conversations, but what’s important is to get a few messages out quickly—sector fund, dual-sector approach, specialization, business building. And if that resonates, then we can go deeper.

The other important thing is, in a world where there are a lot of LPs, we all have to realize we can’t be everything to everybody. And part of our job is to find the investors who resonate with the strategy, because as tempting as it is to try to be bucket agnostic, that can be a bigger trap than being stuck in a bucket. ■