

# POWER HOUSES

## IN PRIVATE EQUITY:

### Tom Lister

*Insights from the world's leading investors and dealmakers*

## Mentored by a Legend

Permira Co-Managing Partner Tom Lister got his start working at seminal private equity firm Forstmann Little, led by Ted Forstmann. Lister recalls two points of investing philosophy that served Forstmann well:

"Ted had a philosophy of monetizing or selling things when there was still an amount of money to be made by the next owner. That wasn't to say we wanted to sell too early, but we had this point of view that it was good for people to do well with what we had owned after we sold it. And that really is a philosophy that we've carried on since I've been here at Permira—making sure that you monetize the investments once you've made a good, and in some cases, an excellent return, but making sure that those businesses have room to grow, room to continue.

"The other one was not being obsessed by or swayed by quarterly performance or challenges in the beginning. If in the end your theory about why you made the investment was correct, you'd ultimately be paid well for it. So in some cases if you go back and look at the first year of an investment, it was tough. I remember saying to Ted, you know, we missed our forecast on this, or we're behind plan. And his answer always was, "It doesn't necessarily come out of a computer. You don't have to focus only on quarterly results. If we're right about the theory, four or five years from now we'll make an outsized return on the investment." I think that's always an important thing to remember about both investing and, in particular, private equity. ■



**Tom Lister**  
Co-Managing Partner,  
Permira