



## CONSIDERING PRIVATE EQUITY: WHAT YOU NEED TO KNOW

Fundraising is often a difficult, yet necessary, task for business owners. Raising capital helps position your business to grow and expand, but choosing the right partner for growth can be a lengthy and arduous process. A suitable financial partner can offer opportunities for success and longevity beyond capital. On the flipside, an ill-fitting partnership can pose inherent risks to your company.

Many businesses are afraid of financial titans in the private equity sector -- and with good reason. The process is often transactional, number-oriented, and offers limited value to the employees and company leaders who built these businesses from the ground up. It also fails to meet the needs of the customers who have invested in the business product or service.

However, if you find the right partner, private equity has the opportunity to lend both financial capital and operational expertise to propel your business to the next level. By looking for a partner who has experience in your industry and has demonstrated success, you can bring lasting value and sustainable growth to your business. Arming yourself with enough information to make a knowledgeable decision is the first step in choosing the right financial partner when you need one.

### PRIVATE EQUITY FACTS:

\$116BN

invested by private equity  
firms globally in Q1 2018

~8,000

U.S. companies backed by private  
equity at the close of 2018

\$713BN

in U.S. private investment  
at the close of 2018

# BENEFITS OF PRIVATE EQUITY



**Strengthens organizations:** 68% of private equity firms expect to drive company revenue growth by 10% or more during the first year after purchase.



**Job creation:** As of 2018, over 20 million people in the world are employed by private equity-backed companies.



**Operational excellence:** Nearly 60% of firms cite operational improvement as one of the main drivers of returns for companies, compared to ~30% of firms in the 2000s.



**Encourages digitalization:** 57% of private equity firms agree that using technology and digital strategies helps to create value in a company.



**Enhances value:** 59% of firms that have a methodology to create value for companies say they use it 75% of the time, a 25% increase from 2015.

## Sources:

American Investment Council, 2019

EY, "Creating Value Throughout the Private Equity Investment Life Cycle in the Digital Era," 2018

EY, "Understanding PE's Impact on the Economy," 2018

Financial News, "Mega-Deals Push Private Equity Investing to Record Highs," April 5, 2018

La Fosse Associates, "Private Equity: Driving Value with Digital," 2018

McKinsey & Company, "Private Equity Operating Groups and the Pursuit of 'Portfolio Alpha,'" November 2018

Pitchbook, "PE-Backed Company Inventory Swells to New Heights in the U.S.," November 9, 2018

Pitchbook, "U.S. PE Breakdown," 2018

*Vista Equity Partners Management, LLC ("Vista") is an SEC registered adviser. This document is intended to provide general information regarding Vista. Under no circumstances should the information provided be considered an offer to sell, or a solicitation to buy, any security. Such offer or solicitation may only be made pursuant to the current offering documents of the relevant Vista Fund. The information provided is strictly confidential and may not be reproduced or disseminated without the written consent of Vista. The past performance of previous Vista Funds and portfolio companies is not necessarily indicative of future results. ©2019 Vista*



PRIVATE EQUITY INVESTS IN BUSINESSES ACROSS THE COUNTRY, IMPROVING THE LIVES OF MILLIONS EACH DAY. IF YOU JUST LOOK AT YOUR OWN COMMUNITY, YOU'LL SEE PRIVATE EQUITY FIRMS INVESTING IN COMPANIES AND SMALL BUSINESSES THAT NEED CAPITAL TO KEEP THEIR DOORS OPEN, CREATE NEW JOBS, AND GROW THEIR FOOTPRINT.



- American Investment Council

## SCENARIOS WHERE PRIVATE EQUITY CAN HELP:

- Expansion into international markets
- New growth strategies
- Expand existing offerings
- Revive or improve existing operations/processes
- Hire and retain qualified talent

## READ MORE INSIGHTS FROM TOP VISTA LEADERS

401 Congress Avenue, Suite 3100, Austin, TX 78701  
512.730.2400  
Vista@VistaEquityPartners.com  
VistaEquityPartners.com