



Buying and building great *little* companies.

BUYER TYPE

C H A R A C T E R I S T I C

	Funded Private Equity	Unfunded Private Equity	Family Office	Strategic Buyer	Independent Executive
Valuation & Terms	Capacity for strong valuation. Flexibility for either all cash or combination of cash and non-cash (notes, equity rollover, earnout).	Often lower than funded PE. Flexibility for either all cash or combination of cash and non-cash (notes, equity rollover, earnout).	Typically middle of the pack. Flexibility for either all cash or combination of cash and non-cash (notes, equity rollover, earnout).	Capacity for highest valuation with operational synergies. Typically all cash.	Generally lower valuation. Typically cash and non-cash (notes, equity rollover, earnout). May best address other seller considerations.
Decision Making & Deal Process	Streamlined. Can respond very quickly.	Streamlined. Can respond very quickly, though lack of committed funds may slow process.	Driven by family office decision makers.	Often unpredictable. Can be very fast or very slow.	Lack of significant funds and experience may slow process. May work with seller on extended process.
Certainty of Close	Committed equity capital pool increases certainty.	Lack of committed equity capital pool may decrease certainty.	Cash reserves increases certainty.	Cash reserves/access to capital increases certainty.	Lack of deep financial resources decreases certainty.
Economics for Management	Market rate salary/bonus; option participation; co-investment or equity rollover opportunities.	Market rate salary/bonus; option participation; co-investment or equity rollover opportunities.	Market rate salary/bonus; option participation; co-investment or equity rollover opportunities.	Market rate or above salary/ bonus and potentially options in parent (if management retained).	Market rate salary/bonus (if management retained).
Involvement Post-Close	Partner with existing management team or recruit externally in absence of continuing leadership.	Partner with existing management team or recruit externally in absence of continuing leadership.	Partner with existing management team or recruit externally in absence of continuing leadership.	May integrate into parent organization.	Very active in management and operations. May displace current leadership.
Hold Period	3 – 8 years, though varies widely.	3 – 8 years, though varies widely.	10+ years; lack of institutional LPs relieves pressure to return capital.	Generally hold to perpetuity.	May hold until retirement or until financial goals met.