

# KEYNOTE INTERVIEW

## Helping GPs do more – and better



*As the GP stakes market becomes more competitive, PE firms are looking for more than just a cheque, say RidgeLake Partners' **Doug Amacher** and **Nick Assini***

**Q** What are the most common organisational bottlenecks you see among GPs? What can be done to help them adapt their structures to avoid being built around a founder?

**Nick Assini:** Many mid-market PE firms are, by nature, founder centric. In most cases, founders quite rightly see themselves first and foremost as investors, so the bulk of their time and energy goes into deploying capital and generating returns, not building the infrastructure of a long term institution.

Strong investment performance will always come first. But as firms grow and operations become more complex, founders often benefit from a partner

SPONSOR

**RIDGELAKE PARTNERS**

who can help them step back and think more strategically about efficiency, governance and long term organisational design. No founder can, or should, do everything.

That's where a GP stakes investor can add value, acting as a strategic sounding board and sharing industry best practices around succession planning, governance frameworks and scalable systems and processes that help managers move confidently into their next phase of growth.

Every firm is at a different stage in its evolution, but the themes we see

time and time again are consistent: planning for leadership transition, supporting capital formation and strengthening the operating model. These are the building blocks that allow a firm to evolve from a founder led organisation into a durable, institutional platform.

**Doug Amacher:** By the time firms come to us, most are already thinking about succession, but usually at a very early stage. In reality, a full succession process can take up to 10 years from initial conversations to full transition, which is why early and transparent communication with internal stakeholders and LPs is so important.

For many mid-market managers, this is the first time they've navigated

succession. Having a partner who has seen the process play out across multiple firms can be extremely helpful. Getting it right the first time creates a strong foundation for smoother leadership transitions well into the future.

While succession decisions always rest with the firm itself, we help leadership teams think through their options, anticipate challenges and put a thoughtful, well structured plan in place.

**Q What about compensation? What are the most common mistakes GPs make when designing carry structures and long-term incentive plans?**

**NA:** One of the most persistent pain points for mid-market managers is how to allocate economics, both management fees and carried interest, across the partnership. When a founder or a small group of senior partners retains a disproportionate share of compensation, it can create real organisational strain, including staff turnover, spinouts and broader instability.

Compensation planning is deeply intertwined with succession and talent retention. Firms must determine how they will transition founding partners over time and elevate the next generation into meaningful ownership of

the management company and a larger share of carried interest. These are complex, sensitive decisions and getting them right is critical to long term continuity.

Another challenge many GPs face, and one where a stakes investor can be especially valuable, is supporting the next generation in funding their GP commitments. Commitments have grown in line with, and in some cases faster than, overall fund sizes. Emerging leaders often have not yet had the time to accumulate the personal wealth required to meet these obligations.

The proceeds from a GP stake investment can help alleviate that capital constraint, enabling rising partners to participate fully and creating stronger alignment across the entire organisation.

**Q How else can a stake sale help firms with capital formation?**

**DA:** There's no question the fundraising environment is tough. LPs are consolidating their relationships and backing fewer managers, which means the bar for raising capital is higher than it has been in years.

That said, there is a clear divide between the firms that can raise capital and those that struggle. Managers

with consistent performance and disciplined deployment continue to attract interest.

One way a GP stakes investor can help is by supporting founders as they transition responsibility for LP engagement to a dedicated investor relations function. In our case, we've worked closely with our managers to help them hire the right IR professionals and reinforce the importance of building LP relationships continuously – not just every three to five years during a fundraise.

When firms invest in a true IR capability, they can maintain year round engagement with investors, strengthen trust, and ultimately improve fundraising outcomes.

**NA:** Our affiliates are large, sophisticated institutions with substantial primary fund investment businesses. We believe this gives our GPs a meaningful advantage. We can share insights into how LPs underwrite funds and help managers understand what to expect, how to position themselves, and how to sharpen their marketing materials and pitch decks.

**DA:** We also help managers evaluate opportunities in non-institutional and private wealth channels. This route isn't right for every mid-market firm, but we can help GPs understand what's

**Q How can GPs move their organisations up the analytics curve?**

**NA:** The starting point is clean data. Before any firm can benefit from advanced analytics or AI, it needs to organise, standardise and validate the data it already has.

That work takes time and effort, but without it, AI simply won't deliver meaningful results. Clean data is foundational and too often overlooked, so the sooner firms address it, the better positioned they'll be to take advantage of new technology.



required operationally and regulatorily, the costs involved, and whether it makes strategic sense at a given point in their development.

### **Q What about GPs launching new strategies? What value can a stakes investor add there?**

**DA:** It's important to be realistic about how challenging it is to raise capital today. Launching a new strategy without engaging LPs early or testing market interest makes an already difficult process even harder.

**NA:** Our affiliates have been investing in the lower and middle market for more than 35 years, and we've seen many firms successfully expand into new strategies – as well as some that haven't. That experience lends itself to pattern recognition around what tends to work.

Before launching a new strategy, there are a few fundamental questions that every GP needs to answer. How attractive is the opportunity set? Who will lead the strategy, and how will the team be built? How will compensation and carry be structured? And how will the strategy be funded: on the balance sheet, through SMAs, or via a dedicated fundraise?

Because we've seen how other managers have navigated these decisions, we can act as a thoughtful partner in helping GPs assess viability and structure new initiatives effectively.

### **Q Where do most mid-market GPs sit on a spectrum, if basic performance reporting is at one end and advanced decision-making analytics is at the other?**

**NA:** Most GPs today are using more sophisticated data and analytics than they were even a few years ago, but there's still meaningful room to mature technologically.

AI is the most transformative development firms are grappling with. Many managers recognise that failing

*“Founders often benefit from a partner who can help them think more strategically about long term organisational design”*

**NICK ASSINI**

*“The non-institutional and private wealth channels [aren't] right for every mid-market firm”*

**DOUG AMACHER**

to invest in AI capabilities now risks leaving them behind. Within our own portfolio, we made a deliberate push in 2024, ahead of the broader acceleration in 2025, by hosting a summit focused on the implications of AI for private markets and the practical steps GPs should take to start their journey.

For our GPs, this was an eye opener. Since then, several have re-assigned internal resources into dedicated AI roles or hired specialised AI professionals.

The real value of AI lies in scale. These tools can now analyse thousands of documents in minutes or synthesise large datasets to support underwriting and diligence, freeing up junior team members from hours of manual work. Process automation offers similar gains, with data rooms that once took hours to organise now being structured almost instantly.

There's enormous opportunity here. What GPs want most is practical guidance on where to start and how to implement AI in a way that actually moves the needle.

### **Q Is there any one item, apart from capital investment, that GPs are looking for when partnering with a GP stakes investor?**

**DA:** LP introductions consistently rank near the top of the list. Firms pursuing GP stakes investment are typically ambitious and focused on growth, and they want to expand and diversify their LP bases.

An established GP stakes partner should have the networks and processes to support that ambition. In our case, we focus on making targeted, high impact introductions across different LP types and geographies. Over time, we've built strong relationships in regions such as Asia, the Middle East and South America. It's a form of connectivity that GPs value highly. ■

Doug Amacher is managing director for strategic partnerships at RidgeLake Partners, and Nick Assini is vice-president