

How to Prepare for a Search Fund During Your MBA

Actions to consider for successfully launching a search fund after graduation

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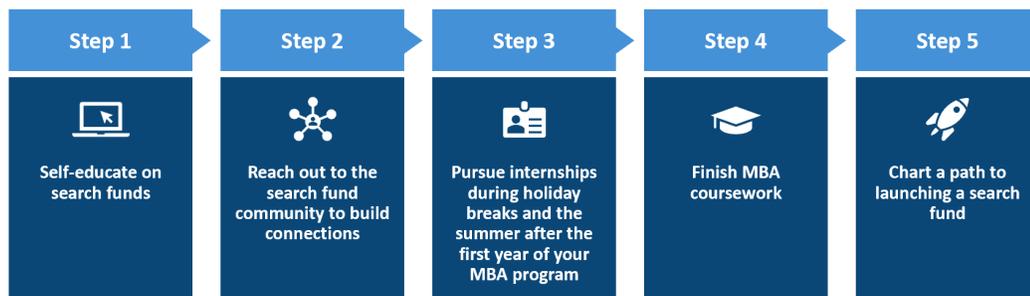
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Launching a search fund* as a post-MBA career is growing in popularity, but does not have the same structured, well-worn path as some post-MBA careers. That is, recruiting for more traditional MBA careers, such as consulting or investment banking, tends to follow a defined course of clubs, internships, on-campus recruiting, and offers. Many students are unsure how best to prepare to embark on a search fund journey after graduation, despite a genuine desire to pursue the path. However, students can take clear steps during an MBA to launch a search fund. Accordingly, this note serves as a playbook for potential search fund entrepreneurs to launch a search fund after graduation successfully. We display how MBA students should map a path to start a search fund post-graduation in **Figure 1**.

Figure 1: Actions for successfully launching a search fund after graduation



The specific action steps an MBA student should consider for successfully launching a search fund after graduation are:

* An entrepreneur or team of entrepreneurs raises approximately \$300,000 to \$400,000 in search capital to find a business to acquire within two to three years. If the entrepreneur finds a business to acquire, investors have the right, but not the obligation, to invest equity to acquire the target business. Search capital is typically stepped up into the acquisition by 50% (if the entrepreneur raised \$300,000 in search capital, it is rolled into the acquisition at 1.5x or \$450,000). The entrepreneur runs the acquired business as CEO for five to 10 years, and investors will serve as board members. At some point, the business is likely sold to a strategic or financial buyer. The entrepreneur can receive up to 25% to 30% of equity based on closing the acquisition, vesting, and IRR performance. The entrepreneur typically earns a salary during the search and while CEO.

- Step 1 is to self-educate on search funds
- Step 2 is to reach out to the search fund community to build connections
- Step 3 is to pursue internships during holiday breaks and the summer after the first year of your MBA program
- Step 4 is to finish MBA coursework
- Step 5 is to chart a path to launching a search fund

These steps will result in a robust positive confirmation (“I tested the search fund path and am more excited than ever to jump in”) or a strong negative confirmation (“After much research, I’ve decided this is definitely not for me”), either of which is valuable. See **Exhibit 1** for excellent questions provided by [Halstatt Legacy Partners](#) to ponder while contemplating the search fund path.

An MBA program is the perfect opportunity to set yourself up for success and start a search fund, giving you the time needed to learn, explore, and grow in a low-risk environment. However, two years pass incredibly fast—make the most of it and start early in your first semester. While business school students have the unique opportunity to access abundant resources and connect with a wide variety of searchers, operators, and investors, many potential searchers do not think about launching a search fund until their second year and fail to use resources to the fullest potential. Be sure to use your time wisely, sharpen your technical skills, and form relationships to build a search fund. To increase the probability of a successful search fund launch post-graduation, start planting seeds for your search fund journey in the first year of your MBA program. This note will define what seeds can be planted and how.

We hope students considering launching a search fund find this note helpful for graduating ready to commence their search fund journey, as starting a search fund is a huge decision and commitment. Take time and use your resources wisely to determine if initiating a search fund is right for you in a low-risk manner. Although many aspiring search fund entrepreneurs come from MBA programs, an MBA is certainly not a prerequisite to launching a search fund. Many of the action steps outlined in this note are relevant for non-MBAs who are contemplating launching a search, too.

Step 1: Self-educate on search funds

Your first step in preparing to launch a search fund should be self-education. Before you do anything else, take time to build your knowledge base. Use this phase to understand what a search fund is and how the entrepreneurship through acquisition (ETA) model works. Subsequently, you should learn how it compares to different forms of entrepreneurship, discover what search fund options are available to you (traditional search, self-funded search, incubators, and other permutations), and, most importantly, understand what it means to acquire and run a small business. As a search funder, your goal is to acquire and successfully operate a small business.

With abundant publicly available resources on search funds, there is no excuse for being uninformed. Current searchers and potential investors do not have time or patience to teach you the basics of search funds. It is best to have a good understanding of search funds before conversing with search funders, investors, or operators to show you are informed and prepared. Remember, these people could be enormously helpful during your search fund journey.

To build a knowledge base, we first recommend reading as much as possible. In **Exhibits 2 and 3**, we have suggested several books, websites, podcasts, and cases that might help you learn the basics about search funds. Take notes on what you learn and write down any potential questions you may have.

If your university has a faculty member connected to search funds, get to know them early, even if you are not currently enrolled in their courses. Doing so may allow you to ask them basic questions and begin to learn about the search fund world.

After you have spent time educating yourself, go to at least one search fund conference. The University of Chicago's Booth School of Business and the Kellogg School of Management at Northwestern University (jointly), Harvard Business School, and the IESE Business School host popular conferences that are worth attending. Besides learning from these sessions, conferences are a great place to begin building your search fund community through coffee chats and networking events.



Akara Ambak (Stanford Graduate School of Business 2018) is partnering with classmate Jake Fellner to conduct an industry-specific search in the cold storage space. Through their investment vehicle, [The Brevoort Co.](#), they plan to purchase several cold storage operators that service the food industry. Ambak is taking a long-term view of his project and believes he can create the most value for customers, team members, and shareholders by operating the business for decades.

Unfortunately, I didn't launch my search immediately after completing my MBA. I went the Manhattan finance route a few years. So, I was a bit on my own since I wasn't in school. It was incumbent on myself to self-educate and read as much as I could.

When I first discovered the search fund world, I was captivated and mesmerized. I have a background in finance but always wanted to lead and build a business. I discovered so much reading material on buying and building a company, I got up the learning curve quickly. I read everything I could get and wanted as much as I could find. There are many fantastic cases and white papers on searching—it was a considerable boost. Stanford, Chicago, Harvard, and Yale all have great libraries on search-related topics. I also attended a few fun and inspirational conferences. They allowed me to meet people in the community. Searchers, operators, and investors were all very open and approachable. And because I had done so much self-education, I felt I was in an excellent place to have meaningful conversations. The more I read and learned, the more committed and excited I became.

Step 2: Reach out to the search fund community to build connections

After you have built a foundational knowledge of search funds, the next step is to reach out and talk with a wide variety of current and former searchers. As a student, you have the unique opportunity to contact almost anyone for a conversation. Take advantage of this time. These conversations are great opportunities to plant seeds for future internships, learn from real-life experiences, and build your network.

To ensure you benefit from a full set of experiences, we recommend talking to a range of searchers, including solo and partner searchers, self-funded and traditionally investor-funded searchers, and searchers who target geographic areas and those who do not. You will also want to talk to searchers at different stages along the journey and those with varied outcomes. **Figure 2** shows the proposed framework for contacting search funders.

Figure 2: Proposed framework for contacting search funders

	Current Searcher	Former Searcher		
		No Deal	Unsuccessful Business	Successful Business
Solo	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Partner	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Incubator	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Self-funded	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Traditionally Funded	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Geographic Target	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

When considering whom to contact, a great place to start is your university. Talk to your career or entrepreneurship center to see if they can connect you with current and former searchers. Review alumni databases, talk to professors, and use affinity groups (such as an ETA or entrepreneurship club) to find more potential contacts. Searchers who are part of your university are likely to be the friendliest and most receptive. Additionally, Searchfunder.com is an increasingly common way for potential searchers to find and connect with current searchers, former searchers, and investors.

Before talking to these individuals, make sure to prepare thoughtful questions in advance to maximize your conversations. You should know clearly what you want from each conversation and not think of any discussion as unstructured. Sample questions to consider include the following:

- Why did you launch a search fund compared to pursuing another entrepreneurial path or a more traditional post-MBA career?
- Why did you structure your search as you did (i.e., solo/partner, self-funded/traditional)?
- What was your investment thesis and criteria? Did you stick to them?
- What aspect of your search fund was most challenging?
- Are you glad you launched a search fund?
- What do you wish you did during your MBA that might have better prepared you for launching a search fund?
- How did launching a search fund impact your relationship with your significant other?
- How did you think about investor selection and composition?
- How did you transition from searching for to leading a business?
- What are the hardest and easiest parts of being a CEO?
- What do you wish you knew when you started the search fund journey that you know now?

- Whom else do you recommend I speak with?

Keep meticulous records of conversations (this is a good time to establish a customer relationship management (CRM) system for the scores of conversations you will likely have). After a while, they might start to blend together, and it will be helpful to remember which searcher said what.



Carla Larin (Stanford Graduate School of Business in 2020) launched her traditional investor-funded search fund, [Northern Pine Partners](#), the summer after graduating. Before her MBA program, Larin was a consultant focusing on risk management and operations programs at top U.S. banks.

I leveraged my Stanford network to make connections in the search community. I started this process in the fall of my second year. My goal for my first set of conversations was to decide (1) whether I wanted to search, (2) if so, with a traditional or non-traditional search fund, and (3) with a partner or solo. First, I had coffee chats with ETA class professors and requested their advice. I also met with classmates considering search and asked for names of current searchers. I had never heard of search funds before coming to Stanford, but plenty of classmates had already networked a fair amount. My professors and classmates introduced me to a few searchers and search investors, who introduced me to even more community members. As conversations snowballed, I developed a tracker and detailed notes to synthesize information. After a few months, I decided I a hundred percent wanted to search and answered questions 1–3. Then the nature of my conversations changed. I started to ask searchers more tactical questions about my potential investor group and got a search off the ground. I had over 60 conversations within the search community before I started fundraising.

Step 3: Pursue internships during holiday breaks and the summer after the first year of your MBA program

The next step in preparing to launch a search fund is experiential learning through internships. Internships are a crucial way to test the search fund waters and build a skill set. They provide a low-risk opportunity to try different hats and find the right fit for you. Moreover, internships are an excellent way to build valuable connections with search fund operators and investors.

We recommend spending time with searchers, operators, and investors during the summer break between your first and second years. Do not be afraid to use shorter breaks to engage in part-time internships, as doing so will allow you to spend more time with these key parties. In addition, prioritize obtaining experience you are missing. For example, if you previously worked in finance, it would be more beneficial to intern with an operator than an investor. However, if you have an operational background, you might want to prioritize another experience, like investing.

During internships, we recommend keeping a diary and frequently reflecting on your experience. At the end of each internship, spend time reflecting on your experience to confirm whether launching a search fund is the right path. Some key questions to think about include the following:

- Do I enjoy day-to-day work?

- Do I enjoy managing people?
- Am I prepared to move to a place that is not my first choice?
- Am I prepared to operate a business?
- What do the next several years look like financially?
- How do I respond to rejection during the search phase?



Dan Kurber (Yale School of Management 2021) did an internship with Judd Lorson (Yale School of Management 2017) at Lorson's company, [Alliance CAS](#). Lorson acquired Alliance through a search fund vehicle in partnership with the Boston-based [Search Fund Accelerator](#) (SFA). Alliance provides revenue management services specializing in collecting unpaid assessments from delinquent homeowners for condominium associations.

Doing an internship between my first and second year was fantastic. It was a great experience to get to know Judd and do a deep dive into running a search fund business. I got a front-row seat to all the challenges and opportunities of being a CEO in a small business. It requires a lot of hard work, common sense, and people management. I also saw how I could apply my academic training at Yale to a field and practitioner role. Doing an internship confirmed I definitely want to be an entrepreneur post-MBA and run and build a business. Judd is just a few years ahead of me. Seeing him in action gave me the confidence to know I can do this. Judd (Navy) and I (Army) both come from military backgrounds and it was cool to see him use some of the organizational tools from that space to help improve his company. Importantly, I saw the awesome impact that Judd was able to have on his employees and community as a CEO. The internship increased my excitement and commitment and helped guide my studies in my second year.

Step 4: Finish MBA coursework

Since you are enrolled in an academic graduate program, the next step may seem obvious. After completing an internship, think strategically about which elective classes will best prepare you to launch a search fund. Now is the time to build the skill set you need to succeed during the search fund journey.

Of course, a class on search funds or ETA is a must. Ensure you take courses relevant to ETA, including the following:

- Small and medium enterprises
- Startups
- Finance (particularly financial management)
- Sales
- Leadership
- Operations

If your school lacks any of these courses, and you see relevant courses at other universities, do not be shy to contact professors who teach those courses to get their syllabi and continue your self-education.

You might also consider conducting an independent project with a professor to immerse yourself in a topic related to search funds. You could focus on a particular industry of interest or examine why searches do not work out. During your independent study is not the right time to start a search fund; instead, use the time to increase your knowledge in areas helpful for you in launching a search fund. Examples include:

- Writing a case on a search funder or search fund investor
- Analysis of characteristics that make search funds successful
- Research on search fund investor preferences
- Analysis of trends in a sector
- Research on small and medium enterprise (SME) success factors
- Writing a case on an SME leadership transition

Use your second year to ramp up your search fund investigation outside the classroom. Get involved in (or better yet, lead) a search fund club if your school has one. You could also attend more conferences to increase your network and plant seeds with investors. Think of conversations with investors as an opportunity to introduce yourself and develop a sense of whom you want on your team. You can also use your second year to develop your investment thesis and discern what industries you might want to target and why.



Jake Levine (The University of Chicago Booth School of Business 2019) partnered with Chicago-based [NextGen Growth Partners](#) for his search fund project. Before business school, Levine worked at an investment firm that sought to generate profits and positive social outcomes for shareholders. Levine is carrying that social impact objective to his search fund project and plans to acquire and run a business that measures impact as well as more traditional financial metrics. Do not mistake Levine's easy-going demeanor for lack of intensity and grit. He is literally a pugilist, having boxed in amateur Golden Gloves tournaments in college.

I got hooked on search funds pretty early at Booth. My dad had his own business, and I wanted to own and run a business. A search fund allowed me to accelerate that process and objective. I used my time at Booth to hone in on all things search and prepare my fund's launch. I loaded up on academic courses to provide me with practical and tactical skills to be a CEO in a small business. I concentrated on entrepreneurship, finance, and accounting—all functional areas I believe will help when running a business. Perhaps managerial accounting and service operations management were most valuable, given their practical nature. I also had exposure to courses in operations and soft skills to help my people management. It was great because it allowed me to drill into the search world in some depth. The best course I took was Entrepreneurship through Acquisition taught by Professors O'Connor and Agnew – that was a great crash course in all things search. The academic program in an MBA can give searchers the tools necessary to run a business—I took full advantage.

Step 5: Chart a path to launching a search fund

By the last semester in your MBA program, you should be fully committed to launching a search fund if previous steps have confirmed it is the right path for you. This semester will be all about putting everything you have learned into practice, so you are ready to kick off your search fund in full force after developing the infrastructure you need.

You should be well on your way to determining which form of search is best for you and why. Ensure you have answers to the following questions:

- Will you fly solo or find a partner?
- If you will find a partner, do you have a clear vision of what skills and attributes the potential partner will have?
- Do you want to go through a search fund incubator or try traditional or even self-funding?
- Do you want to focus on a specific industry?
- Is there a location where you want to focus your search?
- Is your significant other on the same page about the financial and personal implications of your search?

Spend your last semester firmly establishing your investment thesis and criteria to prepare for writing your private placement memorandum. We recommend sharing it to obtain feedback and refine it before pitching to investors.

In addition, focus on finding investors interested in the search type you plan. We have included a non-exhaustive list of search fund investors in **Exhibit 4**. Reach out to investors identified to ensure your pitch is polished and ready. Ideally, you will want to lock down an investor group before graduation.

Finally, get ready to hit the ground running as soon as you graduate. This will involve building infrastructure for the search itself, including designing a CRM, building a website, securing an office space, and building a database of companies. A decent number of searchers start sourcing efforts even before they graduate and officially launch. These efforts typically take the form of reviewing broker deals. Starting early can be beneficial to getting reps and moving up the learning curve.



Natalia Ortega (Harvard Business School 2020) launched her search fund, [One Legacy Capital](#), immediately after graduation. Ortega is self-funding her search and doing a geographically concentrated search in South Florida. Additionally, Ortega, a first-generation Cuban American also fluent in Spanish, runs a bilingual search process. Before business school, Ortega worked at General Mills and Univision Communications, helping these companies adapt to digitalization in their industry.

By the final semester of my MBA program, after speaking with 30-plus members of the search community and spending part of winter break shadowing an SFA-backed operator, I was confident in my decision to search. Because I chose the solo, self-funded path, the most crucial step I took was sitting down with my wife to determine how we'd make this decision work for us. We set expectations around travel and spending and attended the HBS ETA course "Family Night" to learn what worked for other families. I created a household balance sheet and used that context to set a budget for my search.

Next, I conducted preliminary research on where I would be searching to get a sense of target volume, key industries, and relevant trends. I continued calls with investors and added those interested in my approach or connected to my target geography to a list of advisors who would receive future quarterly updates.

Last, I decided my search fund name (informed by the value proposition with which I wanted to go to market), incorporated the company online, purchased a web domain from GoDaddy, set up a Google MyBusiness account, hired a designer to build a brand kit, and drafted my website on Squarespace. By summer, it was off to the races!

Conclusion

While it may seem daunting to launch a search fund after your MBA, we hope this note has given you a more exact path to move from MBA student to search fund entrepreneur. Maximize your MBA to determine whether a search fund is right for you, decide how you want to structure yours and build the connections and infrastructure needed to hit the ground running on your search after graduation. By educating yourself, reaching out to searchers, securing internships, making the most of your academic experience, and ultimately charting your search fund path, you should be in great shape to burst out of the gate when you graduate.

Good luck on your journey!

Exhibit 1: Excellent questions to consider when thinking about your potential search fund journey
(source: [Halstatt Legacy Partners](#))

STAGE 1: HAVE YOU MADE AN INFORMED DECISION ABOUT SEARCH?

- Have you spoken to numerous searchers and discerned insights about your process?
- Are you well-researched and well-read on the topic?
- Have you spoken to investors in all search models (search funds, incubators, self-funded, single sponsors, etc.)?
- Have you considered the implications of your career stakeholders and confirmed their support?
- Have you confronted the realities of operating a small business?
- Have you lived a search through an internship or called on brokers or business owners?
- Do you have reasonable expectations for how your search and post-search experience may transpire?
- Have you been thoughtful about your objectives and the trade-offs inherent in search models?

STAGE 2: WHAT DO YOU BELIEVE BECAUSE OF YOUR WORK?

- Why not continue down your current path or another, more traditional career pattern?
- Why entrepreneurship?
- Why search entrepreneurship?
- Why now (or whenever you propose to launch your search)?
- What is your ideal target? Why?
- What is your ideal capital sponsorship situation? Why?

STAGE 3: HOW WELL DO YOU KNOW YOURSELF?

- I love to...; I hate to...; I'm great at...; I'm bad at...
- What's my favorite role on a team? My least favorite?
- In what context am I happiest at work? Outside work?
- What type of people do I gravitate toward, and what type do I avoid?
- What response do I typically motivate in people?
- The thing I've wanted most in life is X. Here's what happened.
- My biggest mistake was.... Here's what I learned from it and how I adjusted.
- The most stressful situation I've dealt with was...
- The hardest decision I've made and how I made it.
- Where I seek advice.
- The most messed-up situation I've walked into and what I did.
- The most unjust treatment I've experienced.



Exhibit 2: Search fund cases

1. [Aero Logistics](#)
 2. [Allen Lane](#)
 3. [AlphaCredit](#)
 4. [Antoine Leboyer and GSX](#)
 5. [Baskits Inc.](#)
 6. [Bomi Mexico](#)
 7. [Bovard and Majid](#)
 8. [Brown Robin Capital](#)
 9. [California Medical Transport II](#)
 10. [Cambridge Franchise Partners](#)
 11. [Carillon Assisted Living](#)
 12. [Castronics, LLC](#)
 13. [Citywide Building Services](#)
 14. [Coley Andrews](#)
 15. [Compass Ventures](#)
 16. [Convenient MD](#)
 17. [CRC Telecom](#)
 18. [David Dunwood](#)
 19. [Discover Capital](#)
 20. [Doug Cook: Acquiring a Business](#)
 21. [Doug Cook: Feldco Window Company](#)
 22. [Duncan Field](#)
 23. [Earl Gordon - Eastern Circle](#)
 24. [Elasto Therm: The Next Step](#)
 25. [Emergency Roadside Assistance](#)
 26. [Eric Weston](#)
 27. [ESPA--Extended Service Plans of America](#)
 28. [Explo Leisure Products](#)
 29. [Eyewitness Surveillance](#)
 30. [Fail Safe Testing, Inc.](#)
 31. [Franklin Warranty](#)
 32. [Gatewood and Daugherty: Minding Their Own Business](#)
 33. [Graham Weaver](#)
 34. [Greg Mazur and the Purchase of Great Eastern Premium Pet Foods](#)
 35. [Helena Divišová](#)
 36. [Himscorp, Inc.](#)
 37. [Home Nursing of North Carolina](#)
 38. [Hudson Manufacturing Co.](#)
 39. [I Said You Said She is the Entrepreneur](#)
 40. [I Said, You Said He is the Entrepreneur](#)
 41. [Icedelights](#)
 42. [INNOVA-MEX's Bid for ENKONTROL](#)
 43. [Insearch](#)
 44. [Jim Sharpe: Extrusion Technology, Inc.](#)
 45. [Jim Southern](#)
 46. [John Preston](#)
 47. [Kalil Diaz: A DR-based Search Firm Considers its First Acquisition](#)
 48. [Kirk Riedinger and Jamie Turner](#)
 49. [Krueger Gilbert Health Physics](#)
 50. [Lind Equipment](#)
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Exhibit 2: Search fund cases

51. [MC Tool](#)
 52. [Med-Mart: Transitioning the Business Model](#)
 53. [Montebello Capital](#)
 54. [Mt. Auburn Partners](#)
 55. [Nashton Partners](#)
 56. [Opk Capital Corporation - an Introduction to Search Funds](#)
 57. [Opportunity Growth at Grupo Torre Médica](#)
 58. [Pacific Cares: Seizing a Market Opportunity](#)
 59. [Pathfinder Capital](#)
 60. [Paul Thomson: Walker Insurance](#)
 61. [Peter Jepsen](#)
 62. [Peter Kelly and Med Mart](#)
 63. [Presidio Solutions](#)
 64. [Private Equity at Work: Purchasing Cake Masters](#)
 65. [Prospect Colleges](#)
 66. [Quality Imaging Products](#)
 67. [Record Masters](#)
 68. [RevenueWorks](#)
 69. [Rose Electronics Distributing Company](#)
 70. [Russell Poore](#)
 71. [Sarah Harris](#)
 72. [Sea Breeze Capital](#)
 73. [Searching for a Search Fund Structure: A Student Takes a Tour of Various Options](#)
 74. [Sierra Capital Partners](#)
 75. [Sumit Aneja: Getting the Right Investors](#)
 76. [SunWest Medical Services](#)
 77. [Systems Design West](#)
 78. [Terry Hinge & Hardware](#)
 79. [Tom Bird & Ken Saxon](#)
 80. [Valley Fire Protection](#)
 81. [Vector Healthcare](#)
 82. [Vestige Capital](#)
 83. [Visant Capital](#)
 84. [What's Next? Search Fund Entrepreneurs Reflect on Life After Exit](#)
 85. [Winnan Metal: Fulfilling the Dream](#)
 86. [WorkWell](#)
 87. [Zeswitz Music](#)
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Exhibit 3: Other resources

Books and Articles



1. [Early Career LBOs Using the Search Fund Model](#)
2. [Models of Entrepreneurial Acquisition](#)
3. [The First 10 Questions for Would-be Searchers](#)
4. [Purchasing a Business: The Search Process](#)
5. [Four Paths of Entrepreneurship Through Acquisition](#)
6. [Searching for a Search Fund Structure: A Student Takes a Tour of Various Options](#)
7. [The Evolution of a Search Fund CEO and Company](#)
8. [On the Nature of a Search Fund Not Working Out as Planned](#)
9. [HBR Guide to Buying a Small Business](#)
10. [Buy Then Build](#)
11. [Stanford GSB Search Fund Primer](#)
12. [2020 Search Fund Study](#)

Other resources



1. [Stanford GSB website on search funds](#)
2. [Jim Sharpe Blog](#)
3. [Chicago Booth podcast on search funds](#)
4. [Think Like an Owner podcast](#)
5. [Searchfunder.com](#)
6. [Events hosted by the Search Fund Coalition](#)

Conferences



1. [IESE Business School](#)
2. [Stanford Graduate School of Business](#)
3. [Southeast-Entrepreneurship Through Acquisition Conference](#)
4. [MIT](#)
5. [Harvard Business School](#)
6. [University of Chicago Booth School of Business - Kellogg School of Management at Northwestern University](#)



Exhibit 4: Sample investors

1. [A. J. Wasserstein](#)
2. [Accelerator111](#)
3. [Al Global](#)
4. [Alpine Investors](#)
5. [Alza Capital Partners](#)
6. [Anacapa Partners](#)
7. [Argo Partners](#)
8. [Aspect Investors](#)
9. [Bosworth Capital](#)
10. [BroadStreet Partners](#)
11. [Cambria Group](#)
12. [Endurance Search Partners](#)
13. [ETA Equity](#)
14. [Footbridge Partners](#)
15. [Futaleufu Partners](#)
16. [GJ King and Will Bressman](#)
17. [Granite Point Partners](#)
18. [Halstatt Legacy](#)
19. [Housatonic partners](#)
20. [Hunter Search Capital](#)
21. [Istria Capital](#)
22. [Jamie Turner](#)
23. [JB46](#)
24. [Jim Sharpe](#)
25. [Jose Martin Cabiedes](#)
26. [Jose Stella and Rafael Somoza](#)
27. [Kinderhook Partners](#)
28. [Kirk Riedinger](#)
29. [Lucas Braun and Ryan Robinson](#)
30. [Luis Martin Cabiedes](#)
31. [M2O](#)
32. [Mark and Bill Egan](#)
33. [Mark Anderegg](#)
34. [Maven Equity Partners](#)
35. [Milk Street Ventures](#)
36. [Miramar Equity Partners](#)
37. [Next Coast Ventures](#)
38. [NextGen Growth Partners](#)
39. [Pacific Lake Partners](#)
40. [Peter Kelly](#)
41. [Peterson Partners](#)
42. [Red Forest Capital](#)
43. [Relay Investments](#)
44. [Rob Johnson](#)
45. [Saltoun Capital Partners](#)
46. [Scott Asen](#)
47. [Search Fund Accelerator](#)
48. [Search Fund Partners](#)
49. [Second Squared](#)
50. [Simon Webster](#)
51. [SME Ventures](#)
52. [Spur Acquisitions](#)
53. [The Nashton Company](#)
54. [The Operand Group](#)
55. [Tobias Raeber](#)
56. [Tom Cassutt and David Lazier](#)
57. [Trilogy Partners](#)
58. [True North Search](#)
59. [TTCER](#)
60. [Vonzeo Capital](#)
61. [Westerly Group](#)
62. [Will Thorndike](#)
63. [WSC & Company](#)

Exhibit 5: Searcher, faculty, and investor perspectives

The Searcher Perspective



Georgyi Vekhov (Yale SOM 2020)
Milestone Capital Russia
msc-rus.ru



Betsy Brandt
Forest Park Capital
forestpark-capital.com

<p>1 How can a potential searcher best prepare to launch a search fund in an MBA program?</p>	<p>There are three things to do. The first is to take relevant MBA classes. The second is to self-educate about ETA: Speak with at least 40 searchers (10 raising funds, 10 searching for funds, 10 who have acquired funds, and 10 who have failed in some way) and read relevant cases. The third is to find like-minded individuals among classmates and alumni to socialize with during the search fund journey.</p>	<p>The most important thing is to talk to as many searchers as possible! I would target more than 25. That number may sound high, but it's an important part of the discovery process. Try to find a mix of current searchers, operators, and those that have exited. The great thing about the search community is that everyone's willing to jump on the phone and chat. Also, become familiar with the search fund bible <i>The Stanford Primer</i> and associated studies.</p>
<p>2 What advice can you share on course selection and skill development?</p>	<p>I believe taking the right MBA classes is a great way to prepare yourself as the first-time CEO of a small business. Soft-skills classes are more important than hard-skills classes (as the latter can be learned alone). I took many classes at Yale SOM, and these were the most useful: ETA, Rollups & Serial Acquisitions, Leading SMEs, Human Capital Strategy, PE: LBO, Corporate Finance, Managerial Controls, Negotiations, Operations, Supply Chain, and Competitive Strategy.</p>	<p>The search process and operation phase require a well-rounded background. I would take a mix of general management, finance, and operations courses and fill in gaps in your skill set. For me, those were sales and marketing, so I made those focuses in my second year. In addition, I'd recommend taking any private equity-focused courses offered. While the investments are much larger, the core investing principles still hold true in the search world!</p>
<p>3 What advice can you share on internship opportunities?</p>	<p>An internship with a searcher or accelerator allows learners to gain hard skills for the search process and to "wear the coat" of a searcher in a low-risk way. I'm interning post-MBA at SPUR Acquisitions, and I've found this experience very valuable. One could also intern with an investor (sometimes, it's possible to combine an internship with an MBA) or searcher who bought a business.</p>	<p>I highly recommend an internship with a current searcher or investor! As I did not strongly consider search until my second year, I missed this opportunity. I think most searchers would welcome an MBA intern besides the undergraduate interns they typically hire. This would be a great opportunity to get your feet wet and see what daily life is like when you are on the hunt for a business and interacting with business owners and intermediaries.</p>
<p>4 What are big questions potential searchers should consider in an MBA program?</p>	<p>There are three big questions:</p> <ol style="list-style-type: none"> 1) Am I ready to be an entrepreneur? 2) Do I understand the difference between the large corporate world and a small business that often lacks resources? 3) Where do I want to be in 10 years? What makes me happy? 	<p>Will you be happy and fulfilled in your life and career as a searcher? Can you commit to this process for seven years (minimum)? What might be your competitive advantage when searching? Are you comfortable with the possibility of not finding a business? Are you willing to pick up and move for the right opportunity? What type of business might be the right fit for you? Do you want a partner?</p>
<p>5 What did you not do during your MBA program that would have helped you launch a search fund?</p>	<p>I wish I knew about the search fund model earlier. I learned about it in the middle of my second year of my MBA program. While owning and running a business has always been my long-term goal and I was taking appropriate classes, I never realized there are lower-risk ways to be a CEO and get capital and advice needed for the journey.</p>	<p>As an MBA student, you have some of the best library resources in the world at your fingertips! In hindsight, I would've spent more time in the library, reading research reports and crafting industry theses, to get a more solid base going into the search phase. Once you start talking to business owners, it's a whirlwind! So, the more work you can do up front, the better.</p>

The Faculty Perspective



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1 How can a potential searcher best prepare for launching a search fund while in an MBA program?
 As the military adage goes, “Time spent on reconnaissance is seldom wasted.” If you can, take a course on the subject, go to conferences, read up, and where possible, meet investors. Above all, reach out to searchers and operators.

2 What advice can you share on course selection and skill development?
 A course on the subject, if possible, is almost a must. Additionally, take courses or look for opportunities to improve the important skills that you haven’t honed. Typically, the searcher’s background is more suitable for either deal making (private equity, investment banking, or consulting) or operations. Expose yourself to the other side.

3 What advice can you share on internship opportunities?
 If possible, do an internship with a searcher, search fund operating company, or both. Understand what it means to engage in a search or lead a company.

4 What are big questions potential searchers should consider in an MBA program?
 Though the direction you go upon graduating isn’t set in stone, don’t underestimate its impact on your life. I’m convinced that, for many of you, it will be one of your most important decisions in 30–40 years. Ask: Who are you, away from your ego? If you like solving problems, enjoy learning, aspire to taking responsibility, and feel comfortable taking a moderated risk, this might be your path.

5 What do potential searchers not do in an MBA program that could help them launch a search fund?
 I believe that, when it comes to mentorship, two aspects come at a premium: a) work for people who mentor and b) when working with other searchers, treat their search as yours. The former will improve your efficiency and assist your decision about whether this is your path. The latter will let you run an improved search and be a better mentor in the future. You also needn’t wait until you close your fundraising to become a searcher. You could be one today.

The most important activity while getting your MBA is to maximize the experience with your classmates and faculty. Spend time building deep connections with classmates and creating relationships with faculty that will last after graduation. You’ll have time to raise funds before and right after graduation, but you’ll never have another MBA experience.

Take classes outside your comfort zone and learn not just skills but broaden your mental reach by attending classes you otherwise might have avoided. Take classes on leadership, HR, and operations. Running a company is more about building a team than anything else.

Work for a search fund company in the summer. Doing so is the best opportunity to discover if you really want to do this.

I revert to Mary Oliver and the last line of her poem “The Summer Day”: “Tell me, what is it you plan to do with your one wild and precious life?”

Notwithstanding anything I said earlier, it’s helpful to use your MBA platform to build connections with potential investors to raise funds from the very best possible investors.

The Investor Perspective



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| <p>1 Describe your firm.</p> | <p>Relay is a Boston-based search fund investment firm that uses the traditional search fund model. As a US-based fund, our primary focus is the US (and North America, more broadly). However, we are the most international investment fund of our peer group, with investments in 20 countries. We are industry agnostic and participate in funding at the search fund stage and the acquisition round.</p> | <p>Footbridge Partners invests in exceptional entrepreneurs whose mission is to source, buy, and build a market-leading company long term. Before Footbridge, we were searchers who acquired, operated, and ultimately exited smarTours, by selling to a private equity fund in a highly successful transaction.</p> |
| <p>2 How can a potential searcher best prepare for launching a search fund in an MBA program?</p> | <p>Time is a searcher's greatest enemy (and asset), so you want to hit the ground running. Build your website before you officially launch and determine how you want to brand yourself to business owners. Brokered deal flow is a main opportunity, particularly at the outset of a search: You can begin getting your name out there at any time. Start looking for interns and evaluating service providers, including CRM systems, email and marketing campaign tools, and more!</p> | <p>Talk to as many searchers and search fund investors as possible. As an MBA student, you'll find alumni are almost always willing to speak with you, even CEOs and executives, whose time is scarce. Take advantage of this. Get your name out there. Learn from others who have done this before. The search fund world is a small, tight-knit community interested in supporting other entrepreneurs and sharing experiences.</p> |
| <p>3 What advice can you share on course selection and skill development?</p> | <p>When we meet with prospective searchers, we ask which entrepreneurship/ETA courses they took while in business school. If your program offers these classes, we view taking them as a positive signal. Regarding skills, hard skills, such as financial modeling and deal structuring, are helpful, but don't forget about soft skills—how well can you relate to people, specifically generational business owners? How quickly can you bounce back from a "no"?</p> | <p>Take a course on ETA or small firms. Round out your skills with courses that help you strengthen your weak areas and broaden your skills overall. Consider pursuing an independent study on searching. Sharpen your soft skills. I meet many searchers who are highly intelligent but seem to ignore the importance of building rapport and developing relationships. These skills are critical when you're trying to convince an owner to sell his or her business to you or to motivate members of your team to achieve a company goal.</p> |
| <p>4 What advice can you share on internship opportunities?</p> | <p>If you find the opportunity to intern with a search fund or search fund-acquired operating company and you're seriously considering the search fund path, don't pass that opportunity up. There's no better way to prepare yourself for a search than spending weeks or months living that life.</p> | <p>Visit a searcher running a business or still searching (or both). Searchers want to help other searchers. There is no better way to get a feel for what searching will be like than seeing it with your own eyes. In addition, if there are specific skills you want to develop, consider an internship that focuses on these skills. For example, I meet many searchers who want to strengthen their finance skills by pursuing an internship in investment banking.</p> |
| <p>5 What are the big questions potential searchers should consider in an MBA program?</p> | <p>The big question every searcher should ask is: Do I want to be the CEO of a small, typically unprofessional company? But even if the answer to that is "yes," there are many other questions you should ask before determining whether the search fund path is right for you. Can you get up every day and structure your day to remain motivated, effective, and disciplined? Do you have an industry or geographic preference? Do you want (or need) to search with a partner? Who do you want as long-term partners (investors)?</p> | <p>Should I search on my own or with a partner? What characteristics and skills does the ideal partner have? Is there a specific industry thesis that makes sense to pursue? Should I raise search capital or be self-funded? What am I looking for from my investors?</p> |

This case has been developed for pedagogical purposes. The case is not intended to furnish primary data, serve as an endorsement of the organization in question, or illustrate either effective or ineffective management techniques or strategies.

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Endnotes

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