

# Samdup and Odette in The Drawdown: The Building Blocks

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January 3, 2024 Karma Samdup, Vicki Odette

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**PRACTICES** Investment Management, Private Equity

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Haynes Boone Partners [Karma Samdup](#) and [Vicki Odette](#) authored an article for *The Drawdown* exploring the core elements needed when building a successful Private Equity firm.

Read an excerpt below:

The question of how best to build a successful PE firm frequently prompts a discussion around process and operations; for example, optimum investment vehicle, fee structure and capital-raising strategy. However, another way to consider this is: what makes a successful PE firm? Invariably, the answer is a proven track record in delivering consistent returns to investors; certainly, this is what our LP clients tell us they look for when evaluating a manager opportunity.

So, another – perhaps better – way to frame the question is: what does it take for a manager to build a consistent track record? What are the fundamental factors required to demonstrably build this over time?

## **The team**

Getting the team, especially the core team, right will be key. This includes the composition of the investment team, such as the number, seniority, background and tenure of team members, and their roles and responsibilities in the fund. These attributes indicate the team's experience, expertise, stability and alignment with the fund's strategy and objectives. Investors will also look at the team's culture and values, such as their vision, mission, ethics and collaboration style, and how they align with their own.

Evidently for a first-time fund or spinoff with less performance data, investors will prioritise due diligence on the team and will certainly expect a level of cohesion (such as teams that have worked together previously on the relevant strategy).

A great team should naturally tick the other boxes that investors care about, including: the ability to add value by positively influencing and shaping the growth and/or direction of portfolio companies ideally across multiple economic cycles; being able to draw upon a large network of investor contacts to meet their fundraising targets; and over time to consolidate the fund's institutional investor base.

To read the full article in *The Drawdown*, click [here](#).