

# The Role of Private Equity Funds

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# Key Challenges of Family-owned Companies

- Lack of Long term finance
- Increased competition
- Succession problems
- Lack of qualified staff
- Defining core business
- Adopting a winning management attitude

# Role of Private Equity Funds

- Provide finance
- Improve competitiveness
  - a. Create a Board- Strengthening & changing the work environment
  - b. Strategy formulation
  - c. Achieve economy of scale through mergers
  - d. Application of best practices
  - e. Enlarge markets
- Develop plans for stakeholders
- Identify & provide exits from non-core business

# Why companies seek PE Investment?

- To obtain capital
- To obtain knowledge & experience

# Profile of companies desired by PE firms

- Entrepreneurial business looking for growth

# Obstacles

- Ego of the entrepreneur
- Valuation disagreements
- Clash of Cultures