

## Rubenstein: Fundraising must change

**David Rubenstein, co-founder of The Carlyle Group, said GPs are spending an increasing amount of time fundraising and less doing deals.**

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Carlyle's David Rubenstein closed yesterday's BVCA Summit moving away from the conference's heavy focus on tough economic conditions to fundraising. Rubenstein started with some top tips for fundraisers such as "believe in what you are saying, know what you are talking about and enjoy what you are doing".

Rubenstein noted the significant technological changes that have altered the way businesses operate, except, he said, private equity fundraising. The process of fundraising, Rubenstein said, still consisted of multiple face-to-face meetings, which were inconvenient and time-consuming. He expressed his hopes that this would change, and that the meetings would be done by video conference, at least for the third or fourth session.

The lengthy nature of the fundraising process is worsened by the increasing time it takes to raise a fund in 2011 compared to pre-crisis years, he argued.

Rubenstein also talked about the painstaking process of producing questionnaires for LPs, which he suggested be standardised to save time. His speech centred on the need for firms to spend more time focusing on investment opportunities and deal-making, rather than fundraising.



David  
Rubenstein

He also stressed the need for fundraisers to listen to potential investors as this helps GPs understand what is appealing to their market.

This echoed other suggestions during the conference that GPs must increasingly take into account the concerns of their investors. During a later panel discussing GP-LP communications, there was unanimous agreement that the manager and investor dynamic has changed, and since 2008 more and better quality information has been provided to LPs.

Rubenstein also noted the shift in who is driving investments in the private equity market. He said the industry was built by public pension funds, whereas nowadays sovereign wealth funds are the largest investors. He said that high net-worth individuals too were now a more important part of the industry and were increasingly investing through feeder funds.

Among other top tips from the Carlyle founder were: always follow up, accept rejection and always say thank you.

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