

Dealmaker

OCTOBER/NOVEMBER 2008
DEALMAKERDAILY.COM

PARTY CRASHERS

Meet the Women Who Are
Shaking Up Private Equity



SUZY KRISCUNAS
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CRASHING THE PRIVATE CLUB

On the male-dominated private-equity scene, a tiny but growing number of tough and talented females are securing leading roles



Fresh out of Harvard in 1993, Christina Weaver Vest hit the campaign trail. The 22-year-old spent her first year out of school working as policy director for Richard Fisher, a Texas Democrat

who was running for a U.S. Senate seat against Republican Kay Bailey Hutchison. Fisher's bid fell short (a former Brown Brothers executive, he's now chairman of the Dallas Fed), but for Vest, the experience was far from a total loss. Through Fisher, she established some terrific contacts — none of whom turned out to be more important to her career than Tom Hicks, the Dallas-based buyout king and one of Fisher's friends. Hicks wound up hiring Vest as an analyst at his buyout firm, Hicks, Muse, Tate & Furst, in February 1995. "I can count on one hand the number of women I knew in private equity when I joined," Vest recalls.

A year after she was hired, Vest, a Miami native, began to establish her bona fides at the otherwise entirely male operation. She helped work on the firm's April 1996 purchase of Ghirardelli Chocolate, which wound up being sold two years later for a delicious 63 percent return. In May 2001, in another so-called platform acquisition, she had her first leadership role in a deal, helping close the \$335 million purchase of Pinnacle Foods, makers of Vlasic pickles and Swanson frozen dinners. Two years later, Hicks, Muse sold Pinnacle to JPMorgan's private-equity arm for more than twice what it had paid.

Today, Vest, 37, working out of Boston, is one of three partners at Hicks Equity Partners, the Dallas-based private-equity arm of Hicks Holdings, a family office. She's still doing big deals. Among the most recent transactions to benefit from the application of her Midas touch was the \$3.5 billion acquisition, announced this past June, of Graham Packaging from Blackstone. It was her largest deal yet, one executed through a Hicks Equity Partners Special Purpose Acquisition Company, Hicks Acquisition Corp.

While Vest is more effective than ever, with 13 years of experience under her belt, she's still one of only a small number of women in the upper echelon of private equity.

Statistics on the percentage of women who hold top posts at private-equity firms are difficult to come by, but a cursory glance at the Web sites and public filings of the some of the largest, best-known firms begins to tell the tale.

Apollo, Blackstone and KKR all made public

filings in advance of their IPOs or prospective IPOs. In them, they listed their top executives and managing directors. How many women are among those ranks? At Apollo, one out of 50; at Blackstone, five of 79; at KKR, zero out of 30. Bain, similarly, lists no female MDs.

Meanwhile, research cited by *Condé Nast Portfolio* magazine in May indicates that the top 10 private-equity firms (as ranked by transaction value) employ roughly 1,000 investment professionals. An analysis of the employment data by the magazine showed that only four women were partner-level dealmakers.

Quantifying what seems still to be conventional wisdom in financial services — that the buyout world remains a boys' club, even as the rest of the money-management and trading industry is working hard to open the tent — nevertheless ignores an equally intriguing fact: Slowly but surely, an increasing number of women are now spearheading deals and running deal shops.

Consider just a few of these private-equity trailblazers making their name in the industry:

■ **WARBURG PINCUS** managing director **ELIZABETH WEATHERMAN** led her firm's \$4.4 billion acquisition of Bausch & Lomb last autumn.

■ **JACKIE RESES**, the 38-year-old co-head of media at Apex Partners, recently helped pull off a \$7.75 billion purchase of Cengage Learning, beating out a slew of big firms in the transaction, among them Bain Capital, Blackstone, Thomas H. Lee and Providence.

■ **ADRIANNA MA**, a 34-year-old principal at General Atlantic, was involved in the \$2.8 billion acquisition of ConAgra's commodity-trading business this summer.

■ **HADLEY MULLIN**, a managing partner at TSG Consumer Partners, helped oversee the purchase of Pevonia Skincare earlier this year. Mullin is a marvel of multitasking for the San Francisco-based niche firm; she structures deals, executes them and also helps run the portfolio companies. Her particular strength, she says, comes from her accountability and follow-through: "If I say something is going to get done by a certain time, people around me know it will get done on time."

Indeed, some women in the industry have formed their own niche firms that seek to embrace diversity, both in the outside world and within their firms. Molly Ashby, formerly of JPMorgan's private-equity group and the founder of nine-year-old Solera Capital, has put some \$250 million to work in a wide portfolio of companies, several of which have an orientation to

the female customer. Among Solera's group of holdings: Latina Media Ventures; Annie's, an organic-food company; and The Little Clinic, a unique, retail-based health-care company.

Says Ashby of founding Solera, "I wanted to start a firm that had a really strong emphasis on diversity and inclusion, while maintaining the best practices of private equity that I learned at JPMorgan." Has the challenge of being a woman in a male-dominated field been difficult to overcome? "It is certainly different," she muses, "but I never found it to be an impediment. If you work hard and are a good colleague, you will gain respect within the industry."

Vest concurs with that sentiment. "With Tom Hicks as my mentor, the fact that I am a woman was never an issue," she says. "Integrity and judgment were what mattered most to him, not gender."

Having a more inclusive team does have its advantages. When Vest and Hicks did a deal for a family-owned business in Latin America, their combined dealmaking acumen, plus their considerations of the family dynamics also at play, helped bring the transaction to a successful close.

What, then, of the challenge of looking after one's own family while simultaneously competing in the corporate jungle? TSG's Mullin, who has a 3-year-old daughter at home, is unabashed when discussing her priorities both inside and outside the office. "I think people are often somewhat surprised that I have a family," she says. "I work hard, of course, but my family is my number-one priority. And I love that my daughter sees me go to work every day. When I get home at night, she asks me if I chased EBITDA during the day."

Many women in the industry downplay the notion that they've had to overcome significant barriers or break through glass ceilings to succeed in high finance. Perhaps such modesty, though, is just another form of the stoicism that many say has helped them triumph in an extraordinarily competitive environment.

"I'm not sure it even makes any sense to use the term *glass ceiling* anymore," says Gwyneth M. Ketterer, the COO of BSMB, formerly Bear Stearns Merchant Bank. "Women who don't pay attention to barriers, but instead look past them, are the ones who succeed on Wall Street. I don't think women have necessarily been offered the same opportunities as men in private equity. You do find that it's male-centric. Some people are going to disagree with me on this, but it's true. But if you continue to harp on it, that's not how you break through." ■

My Story

SUZY KRISCUNAS

Managing Partner, Riverside Co.

My father was part-owner of a bakery with multiple locations; I think that's why I always felt comfortable working with company founders and entrepreneurs. It was in my roots. Still, I never expected to wind up working in private equity. I was on track to get a Ph.D. in French literature; I had wanted to study French and go to France. I completed a master's program in French literature at Indiana University and was writing my dissertation for the Ph.D. program when I started looking at job opportunities.

I didn't find anything that was truly right for me, so I entered an MBA program at Indiana University. In 1980, I received my MBA in finance and was recruited by First National Bank in Dallas to join its credit-training program. I got married and moved to Dallas. As part of the program, people would do rotations into different groups, but once I got to the bank's venture-capital subsidiary, First Dallas Capital Corp., I never rotated again. I really loved working with business owners. It wasn't so much simply lending them money that excited me, but instead helping them focus on the strategy and working with them. I really liked helping companies achieve their goals. I still do.

Riverside was a good fit for me. I joined as a transacting partner in 2001, and I opened the Dallas office. Prior to that I was a managing director in the Merchant Banking Group of Banc One Capital Corp., where I was responsible for the Dallas office of the equity- and mezzanine-investing operation, Banc One Capital Partners. As a transacting partner at Riverside, I was responsible for leading acquisitions and working with portfolio companies. That's still part of my role. I still close deals and work with portfolio companies, but as co-fund manager of Riverside's \$1.2 billion Riverside Capital Appreciation Fund family, I have a broader responsibility to implement strategy, a role I took on about a year ago.



Suzy Kriscunas helps manage more than \$1 billion for Riverside.

PHOTOGRAPH BY IAN SPANIER

Our strategy is to connect with the people we're buying from or partnering with. Most firms can produce the highest bid, but few are as hands-on as we are. It's always exciting to close a deal, but the true enjoyment is working with the companies. We really value people here. Very few people leave Riverside; we hire good people and help them grow into partner roles. Riverside makes sure people have opportunities, and I place a high value on that. I like that philosophy.

Throughout my career, I haven't dwelled on the fact that I'm a woman. I've never really viewed it as an advantage or a disadvantage. I'm just another professional doing a job, and I feel I'm treated that way. I'm happy to say that over the seven years I've been with Riverside, more and more women have joined the firm. The Riverside Capital Appreciation Fund family in North America now has four women partners and three women vice presidents.

As told to Danielle Fugazy