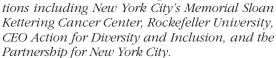
# Pioneering the Growth Equity Model

#### An Interview with William Ford, Chief Executive Officer, General Atlantic

EDITORS' NOTE Bill Ford joined General Atlantic in 1991 and became CEO in 2007. He has deepened the firm's global presence, increased its capital base, and expanded its capabilities to identify high-potential growth companies across multiple sectors and geographies. In addition to serving on the boards of IHS Markit, BlackRock, and the McKinsey Advisory Council, he is an active leader involved in a number of global nonprofit, educational, and cultural organiza-



**COMPANY BRIEF** General Atlantic (generalatlantic.com) is a leading global growth equity firm providing capital and strategic support for growth companies. Established in 1980, General Atlantic combines a collaborative global approach, sector-specific expertise, long-term investment horizon, and a deep understanding of growth drivers to partner with great management and build exceptional businesses worldwide. General Atlantic has more than 150 investment professionals based in 14 offices around the world.

#### Will you discuss the history and heritage of General Atlantic and how the firm has evolved?

We are excited that 2020 will mark General Atlantic's 40th anniversary. GA pioneered the growth equity model, which is centered on



William Ford

nurturing the topline growth of emerging industry leaders. GA's founder, Chuck Feeney, was an entrepreneur who built a global business, Duty Free Shoppers. He established GA to invest in high-growth businesses and support industry-disrupting entrepreneurs like himself, and to fund the global charitable pursuits of the Atlantic Philanthropies, to which he donated all of his wealth. He has now given away roughly \$9 billion over the course of his lifetime.

Along the spectrum of private investments, growth equity is an asset class of its own, sitting between venture capital and buyouts. We generally invest in post-revenue stage, rapidly-growing companies, typically with 20-30 percent revenue growth or more. The truly unique aspect of GA's growth equity model is the partnership aspect: GA seeks to work directly alongside entrepreneurs with the energy and vision to scale. We partner to derisk their growth and help accelerate their businesses with capital, talent, global networks and insights.

The ethos and mission of GA has remained consistent since it was founded in 1980, and today we are a truly international enterprise that scours the world for pockets of innovation, growth and entrepreneurialism. We're proud to have invested in more than 350 entrepreneurs and companies that were seeking high growth in their local markets and globally.

How do you define the General Atlantic culture and how critical is maintaining culture to the continued success of the firm?

General Atlantic's culture is marked by a legacy of high levels of meaningful collaboration to best serve our capital partners and portfolio companies. That significant level of cooperation is core to both our company culture and the success of our globally-connected team. We invest from one pool of capital and have one single P&L, meaning our international offices are driven by one core incentive - to invest in and build some of the best brands and business models in the world, and provide longterm value to our capital partners. Our alignment on this goal is underscored by the fact that the collective General Atlantic team represents roughly 8 percent of our capital base – the single largest commitment.

### Will you highlight General Atlantic's commitment to partnering with entrepreneurs and investing in innovation?

Our founders were entrepreneurs who built a global business, and today we seek to help our portfolio companies achieve the same. We partner with entrepreneurs and high-growth brands with proven business models in four sectors that are shaped by and driving technological innovation – consumer, financial services, healthcare, and technology. The concept of geographic hubs of innovation is fast becoming antiquated. We believe in the globalization of entrepreneurship and seek to invest in "indigenous entrepreneurs" around the world to help usher in the next wave of innovation

## What are the key factors that General Atlantic evaluates during the due diligence process?

Our biggest focus when evaluating prospective investments is scalability and alignment

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of vision. We invest in companies with established business models and with visionary leaders who are either innovating by creating new markets and conceiving new services or disrupting markets through an entirely new approach. With that in mind, we view our role at General Atlantic as channeling what's already strong about these companies and taking it further, rather than dictating paths for growth. Our ability to create a shared vision with management teams during due diligence is the biggest test in evaluating the potential for a successful partnership.

#### How is technology impacting General Atlantic's business and will you discuss General Atlantic's investment in technology?

General Atlantic has a long history of investing in transformative technologies and will continue to invest in the next generation of technology leaders. Similar to the transition from an agricultural economy to an industrial economy over the past 100 years, we are in the midst of the profound and accelerating shift from an industrial economy to a digital economy. The global transition to a digital economy will continue to enable the formation of new companies that should create new markets and disrupt existing ones. For example, we continue to focus on the digital payments space, as the disintermediation of banks may have wide-ranging consequences. While mobile and cloud-based technology have led growth in digitization up until now, we are moving into a new era that will be defined and shaped by an explosion of data, the Internet of Things, and the application of artificial intelligence and machine learning.

# General Atlantic is committed to philanthropy and supporting the communities it serves. Do you see this as a responsibility for leading companies today?

As a growth investor, we are a business with many important stakeholders around the world, including within our firm, our portfolio of more than 100 companies, and our capital partners. We strive to partner with companies that share our values and our strong belief that businesses and technologies can make a positive impact in lives and communities. As a company, and as individuals, we support the ongoing work of the General Atlantic Foundation and keep philanthropy and community engagement firmly rooted in our culture, as they have been since General Atlantic was founded. Our values also include a commitment to diversity and inclusion, and we believe we can make progress in closing diversity gaps through sourcing diverse talent for C-Suite and Board-level executives within our portfolio companies, so we've built our talent sourcing mechanism with that goal in mind.

You serve as Co-Chair of the Partnership for New York City. What makes the Partnership so effective and how critical is it for the business community and business leaders to work together to address the needs of New York City?

The Partnership for New York City, under the leadership of Kathy Wylde, has been incredibly effective because of the way it fosters collaboration and constructive dialogue between the public and private sectors. To name a few key areas of focus, we are committed to strengthening New York City as a hub for innovation and talent. Investment in industries that continue to emerge in prominence, like life sciences, media and fintech, fuels the economy, creates jobs and serves our communities. The members of the Partnership are also focused on marshalling resources around our environmental, social and governance efforts for the benefit of New York City and its diverse population.

I can share a specific example to illustrate the work of the Partnership: a recent meeting with the mayor raised the issue of the city's relatively slow pace in authorizing the development of the infrastructure required for a 5G network. Now, as a result of that conversation, the industry is working collaboratively with city agencies to accelerate deployment and ensure that New York City remains at the forefront of innovation.

## What advice do you offer young people interested in building a career in the industry?

As I've mentioned, GA's heritage began as a family office for a philanthropic entrepreneur, and that ethos has become critically important to me during my 28 years at the firm. Given that, I would encourage young people starting out in this business to think about where and how they are contributing their time, talent and insights, at every stage of their career. Whether that means investing in a university endowment while in school, volunteering expertise or time to a non-profit organization you care about, or developing a long-term partnership with an entrepreneur who is looking to solve real needs – always look for areas where you can take ownership or bring new ideas to the table, and where the impact reaches far beyond yourself. •

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