

How a PE firm achieved a +29% CAGR for intermediary conversions



Charter Oak Equity leverages technology to identify opportunities while maintaining a personal touch with the banker community

Charter Oak Equity (COE) is a lower middle market private equity firm that focuses on niche manufacturing, packaging, medical products & services, specialty chemicals, consumer products, and financial services companies up to \$150 million in enterprise value. COE and its predecessor funds have invested in private equity since 1992, and to date the firm has invested over \$500 million in control-oriented capital in 30 portfolio companies through over 50 acquisitions.

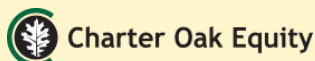
The Challenge

Business development efforts were constrained by time and limited resources. Additionally, Charter Oak found automated campaign management or blind emails to be inappropriate for the types of relationships they were seeking to build, and they needed to:

- Manage both its inbound deal flow and existing pipeline — as well as its outbound efforts.
- Locate stalled or broken processes so they could attempt to revive those deals.
- Identify and prioritize lower-volume boutique banks that fit their market position.
- Maintain personalization when engaging with prospects among the banker community.

“SPS has become a vital resource behind our business development efforts. Their outstanding coverage of the middle market and rich database allows us to keep abreast of new deals and dealmakers in the sectors we target.”

Zubin Avari
General Partner



Key Takeaways

- Charter Oak’s pipeline data was integrated directly into the SPS portal
- Automation was used to identify intermediaries without losing any personalization
- Consistent weekly outreach to bankers was enabled by SPS Alerts — with a focus on lower-volume boutique banks
- Since 2017, the SPS process created several exclusive opportunities and enabled Charter Oak to build new intermediary relationships
- **Charter Oak successfully closed three deals, sourced via two intermediaries tracked by SPS**

The Solution

Working closely with Doni Perl, Charter Oak’s principal responsible for increasing deal flow, the SPS relationship management team customized the SPS solution to address COE’s specific requirements.

Their target market of investable deals was tightly defined, and pipeline data from Charter Oak’s CRM was integrated directly into the SPS portal. This broke down barriers between the two systems and eliminated time-consuming manual deal data validation.

For example, every SPS intermediary is automatically matched against the corresponding entry in Charter Oak’s CRM (or created, if no such entry exists). This makes it possible for COE to instantly retrieve the history of the relationship.

Learn how SPS can help drive your business development

[Request an SPS Demo](#)

Click or call 212.376.6129

A daily flow of opportunities

Charter Oak receives regular emails that alert them to intermediaries closing relevant deals, as well as calling out deals within their own CRM pipeline that may have stalled and could become a restart opportunity.

The email alerts include transaction details such as:

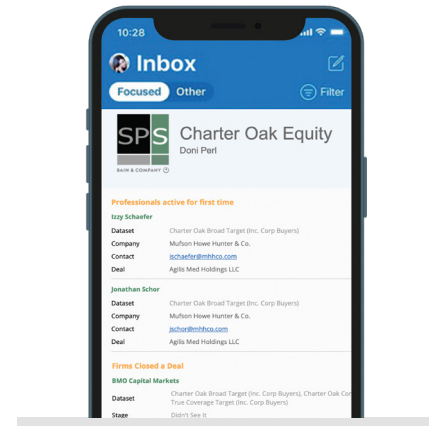
- Size range
- Investors
- Description
- Linked professionals

These emails also indicate whether COE has seen the deal already or not and they link to any biographical and deal history available on the SPS portal.

This wealth of target knowledge enables COE to retain a personal touch when they engage with an intermediary. And when establishing new relationships, the integration also enables COE to use SPS’s deep pool of contact and descriptive information to run highly targeted campaigns through their CRM.

As a result of engaging personally with this flow of leads, Charter Oak has been able to source over 2,100 deals, with a running average of 16 intermediary conversions each month since January 2020.

COE closely monitors “intermediary conversions,” the first time a firm sends a live deal opportunity, in addition to tracking outbound contacts with new relationships.



Automatically generated emails are sent to Charter Oak Equity to alert them to opportunities

Intermediary Conversions January 2020 – August 2021

Averages:

38

Weekly Contacts

165

Monthly Contacts

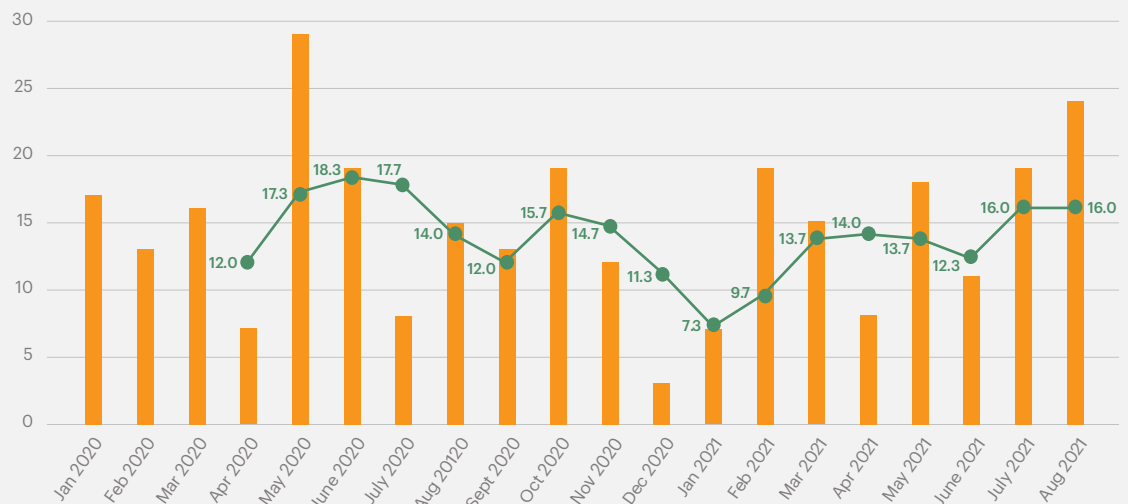
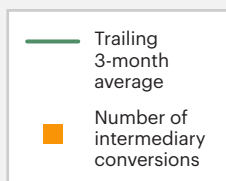
14

Monthly Intermediary Conversions

171

Intermediary Conversions in 2020

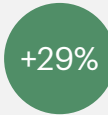
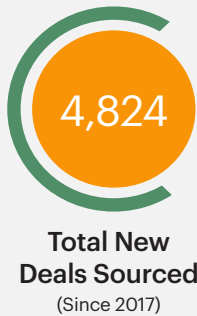
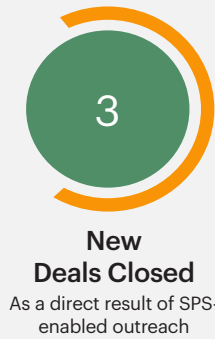
Since January 2020, Charter Oak was able to source over 2,100 deals and add a running 3-month average of 16 intermediary conversions each month.



The Results

Charter Oak's success with SPS since 2017

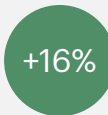
As shown here, the steady stream of new contacts and intermediary conversions has led to Charter Oak seeing a significant increase in deals sourced and signed NDAs, with similar improvements further down the funnel.



Monthly New Deals Sourced
(CAGR 2017 - 2020)



Monthly NDAs Signed
(CAGR 2017 - 2020)



Monthly Bids
(CAGR 2017 - 2020)

After the initial customization, integration, and automation, Charter Oak began to use the SPS Alerts to easily reach out to boutique bankers immediately upon the closing of a relevant deal.

The daily volume of deals varies, but typically COE receives daily personalized emails with opportunities that could deliver the next deal. In addition, the broken process alerts enable COE to circle back on relevant opportunities from their own internal pipeline, to ensure nothing "falls through the cracks," and to ensure prior efforts were not wasted.

The result is that SPS has become a key component of COE's business development efforts.

Within only a year, the SPS-enabled process made it possible for COE to identify a new, relevant intermediary relationship that resulted in a successfully sourced and closed deal.

"Tools like SPS Alerts tell us when intermediaries are closing relevant deals, and this heads-up has helped COE convert an average of 15 intermediaries per month from simply know about to have sourced a deal from."

Doni Perl, Principal



Charter Oak Equity



Charter Oak is the Best-in-Class Originator for the Lower Market Peer Group in the 2021 Deal Origination Benchmark Report. Released annually each Fall, the SPS DOBR is the industry standard for PE deal sourcing analytics. It enables objective analysis of your firm's sourcing performance in context of its peers and highlights specific areas that can benefit most from proactive development efforts.

See how you can receive a steady stream of leads

[Request an SPS Demo](#)

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