

How a PE firm achieved a 60% LOI to Close conversion rate in 2021



Hamilton Robinson Capital Partners combines the power of technology and people to create a dynamic business development machine.

Hamilton Robinson Capital Partners (HRCP) is a lower middle market private equity firm that specializes in first institutional capital for leading North American businesses in industrial manufacturing, distribution, and service subsectors with revenues of \$15 - \$200 million and earnings of \$3 - \$15 million. With over \$1.6 billion in transactions completed and 66 companies acquired since 1984, HRCP has taken a highly focused and collaborative approach to their practice, built around strong relationships and a growth-oriented culture to drive long term value for partners.

The Challenge

The M&A marketplace has settled into a hyper-competitive order hampered by finite levels of human capital and high industry turnover rates, which challenge the preservation of personal connections vital to successful deal sourcing. HRCP remains focused on tightly defined investment criteria and faces a disproportionately high volume of potentially relevant deals relative to internal resources available to execute on them. To stay competitive in the target segment, HRCP has determined they need to:

- **Maintain touch with active intermediaries** to combat CRM data staleness and potential missed opportunities.
- Proactively and consistently **add new firms to their pipeline** to ensure they are seeing all target sector deals.
- Identify and prioritize the **most productive relationships** to efficiently allocate partners' limited time.

The deal sourcing process within HRCP is structured around each partner's coverage of a set of intermediary relationships, supported by a dynamic stack of data-gathering tools that obtains, analyzes, and pushes relevant information to inform touches.

Key Takeaways

- Hamilton Robinson Capital Partners leverages SPS as part of their tech stack to supplement internal deal sourcing efforts
- The CRM Integration tool allows HRCP to efficiently build and maintain relationships with relevant, active intermediaries
- SPS automated Email Alerts and custom KPI dashboards informs HRCP partners of active opportunities and relationships to prioritize
- **HRCP successfully closed one deal via SPS-enabled outreach in 2021**

The Solution

Given leadership's commitment to their historical investment focus, HRCP has long recognized the need to supplement the power of people with technology for a robust origination system. With SPS' customizable platform and partner-first approach, HRCP is enabled to augment relevant deal sourcing data with the collaboration of dedicated client partners to create a bespoke and efficient process predicated on continuous improvement.

By utilizing a custom-built integration between HRCP's CRM - EquityTouch - and the SPS Portal, partners can access up-to-date contact information for active intermediaries, streamlining the process of building and maintaining a robust deal pipeline. Consistent use of SPS product features such as KPI dashboards and Email Alerts provide partners with timely deal data and allow them to capitalize on more targeted outreach and more productive conversations - ultimately enabling them to **see more relevant deals**.

Learn how SPS can help drive your business development

[Request an SPS Demo](#)

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Deal Timeline Using SPS to Find Active Bankers

As shown in the timeline below, HRCP's use of the SPS Portal and CRM Integration has allowed partners to find and keep in touch with active intermediaries in their target market, despite heightened frequency of industry turnover.



Consistency is key

HRCP leverages facets of SPS' product features to find deal opportunities and extract KPI data to gauge and accelerate the success of origination tactics. The consistent and reliable delivery of this information over time paints a clear picture of which deal sourcing methods are truly successful.

Custom dashboards in the SPS Portal present actionable intelligence on target sector deals:

- Potential broken deals
- IOIs and LOIs
- Assets being held within Industrials sectors

SPS Email Alerts provide transaction-level data for target market deals, which informs the prioritization of relationships:

- Key data on ~10 closed deals per week, including Deal Stage indicating whether the deal was seen or missed by HRCP
- Individual contact information for the professionals involved in each transaction, including intermediaries and investment bankers

SPS CRM Integration keeps the HRCP pipeline updated with contact information for relevant, active contacts currently transacting in the target segment:

- Allows partners to cross-reference and correct information for their set list of intermediary contacts
- New partners enter with already-current contact information
- Partners receive weekly KPI pushes for current touches

“SPS allows you to get very granular in your searches. It allows us to see who is transacting deals in our core market both in size and sector focus - which greatly impacts our efficiency and effectiveness. This drives improved ROI not just on the cost of SPS, but your travel costs, conference fee costs and human capital cost, making everything more efficient through the use of smart technology.”

Carrie DiLauro
Director, Operations





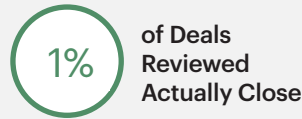
The Results

Using Technology to Combat a Fragmented Market

Deal Closing KPIs

To the right are average conversion and turnover metrics at HRCP over recent years.

These averages represent standard measures seen in the current M&A market.



Conversion Rate from LOI to Close in 2021

Last year, HRCP increased their utilization of technology such as SPS Alerts to receive automated pushes of relevant information, rather than the antiquated "go searching" method. The result was an increased LOI to Close conversion rate from a targeted 25-30% to nearly 60%.

Deal Origination Benchmark Statistics

HRCP Annual Deal Flow Compared to Peers

2021	2020	2019
+82%	+86%	+103%

HRCP Unique Intermediaries Compared to Peers

2021	2020	2019
+125%	+103%	+129%

**Percentages based on median values for firms in the Sector Focused, Lower Middle Market peer group for deals sourced during the LTM period ending June 30th each year*

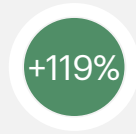
In recent years, Hamilton Robinson Capital Partners has continuously logged higher deal flow than that typically seen by other firms with comparable investment criteria, by an average of +90% since 2018. The firm's proportion of deals seen from unique intermediaries is even more exceptional compared to peers.

At the same time, HRCP maintains a competitive pipeline closing ratio, often within decimals of the industry average, indicating consistently relevant and viable deals sourced.

This evenness of high quality deal flow is difficult to attain when casting a wider net, but is made possible by HRCP with a focused strategy supported by skilled originators and a robust sourcing mechanism.



On average, HRCP has seen 90% more deals than the median deal flow for its peer group since 2018



HRCP has sourced deals from more than 2x the number of unique intermediaries compared to its peer group since 2018

Learn how you can see more target market deal flow

Request an SPS Demo

Click or call 212.376.6129