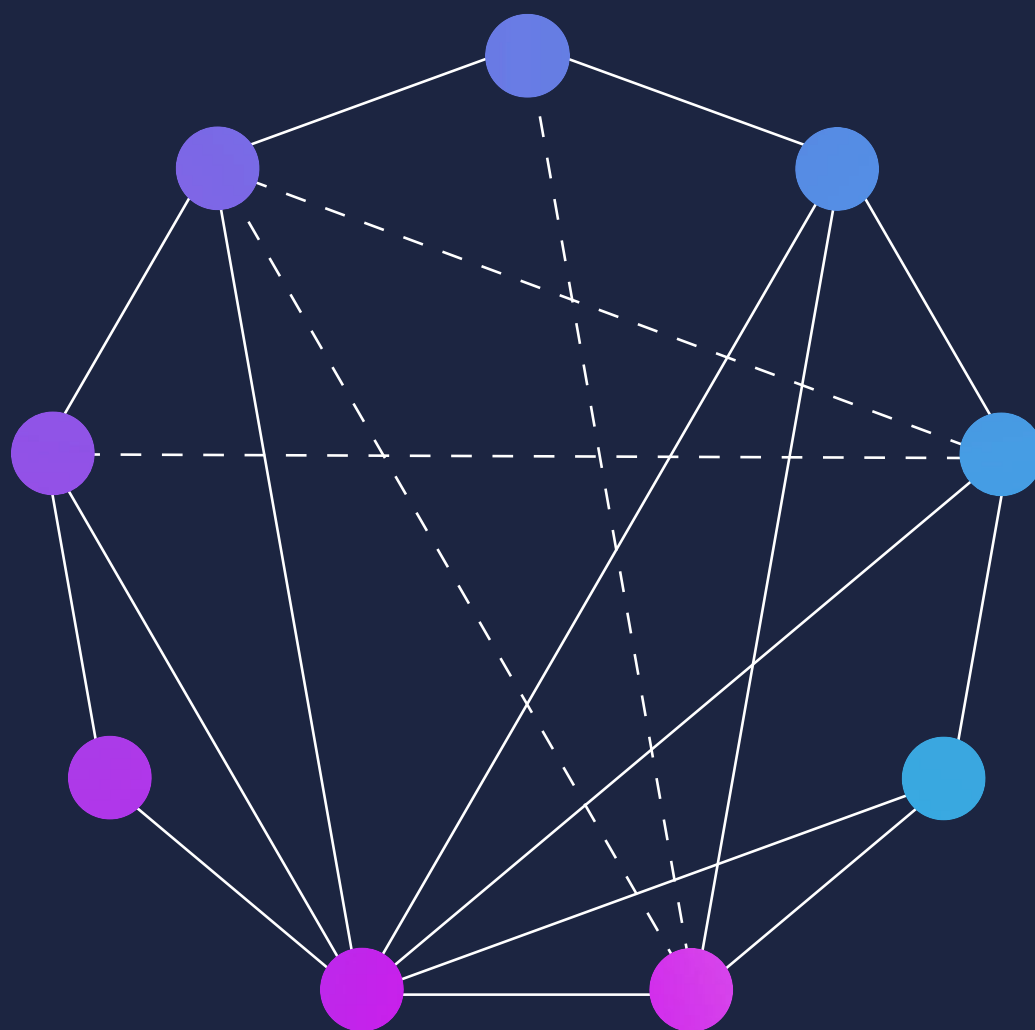


POSITIONING YOUR FIRM FOR POST-SLOWDOWN SUCCESS:

9 TIPS FROM TOP DEALMAKERS



Dwindling inbound opportunities. Skyhigh interest rates. Postponed prospect meetings. Yes, deal flow has slowed, but leading firms never sleep on the competition.

Instead, they invest “down time” wisely by proactively finding ways to position themselves for post-slowdown success. So we asked fourteen of today’s most seasoned and successful dealmakers two important questions:

- 1. What are the most impactful ways dealmakers can spend their time and resources when the market gets slow?**
- 2. What tactics, processes, or tools can firms focus on now to put themselves in a good position for when deal flow picks back up?**

Their answers were brimming with actionable insights that can be summed up in nine key lessons. Now, we’re sharing these tips with you, along with further reading for each topic. Let’s meet our experts and see what they had to say!

Table of Contents

1. Meet Our Experts

[/PAGE 4](#)

2. 9 Tips to Act Now

Tip #1: Deepen Your Domain Expertise

[/PAGE 7](#)

Tip #2: Build Direct Pipeline

[/PAGE 9](#)

Tip #3: Focus on Adding Value

[/PAGE 11](#)

Tip #4: Nurture Relationships

[/PAGE 12](#)

Tip #5: Get on the Road

[/PAGE 13](#)

Tip #6: Refine Your Tech Stack

[/PAGE 14](#)

Tip #7: Optimize Your Portfolio

[/PAGE 16](#)

Tip #8: Establish New Processes

[/PAGE 17](#)

Tip #9: Invest in Marketing

[/PAGE 19](#)

3. Using Skill to Win the Long Game

[/PAGE 20](#)

4. About SourceScrub

[/PAGE 21](#)

MEET OUR EXPERTS



Mike Cavallaro

BD Manager and Associate, Morgan Partners

Previous Experience: Investment Banking Analyst, TI Partners
Investment Banking Fellow, Davidson Capital Advisors



Dominic Chan

Vice President, Vaquero Capital

Previous Experience: Founder, Summit Trail Advisors
Senior Analyst, Barclays



Christian Clifford

Managing Director, Raymond James

Previous Experience: Investment Banking, Oppenheimer & Co
Investment Banking, AGC Partners



Sean Cole

Investor, Accel-KKR

Previous Experience: Account Executive, SourceScrub
Account Executive, Yelp



Jon Dodson

CTO, SourceScrub

Previous Experience: CTO, Signal Labs
VP of Engineering, Conversant, Inc.



Sebastien Douville

Partner and COO, FirePower Capital

Previous Experience: VP, Transaction Advisory Services, FirePower Capital
Director, Finance & Corp Dev, Real Time Medical



Tyler Fair

Co-founder, SourceScrub

Previous Experience: Director, Business Development, Serent Capital
Associate, Harvey & Company LLC



Jessica Ginsberg

Managing Director, Business Development, LFM Capital

Previous Experience: Portfolio Management Officer, Bank of America
Vice President, Essex Investment Management



Christie Klauberg

Vice President, Francisco Partners

Previous Experience: Associate, Francisco Partners
Investment Banking Associate, Morgan Stanley



Brandon Knapp

Managing Director, Evercap Advisors

Previous Experience: Managing Director, Crutchfield Capital
Financial Planning & Analysis, Allegiant Travel Company



Jordan Margolin

Head of Business Development, VSS

Previous Experience: Analyst, Piper Sandler
Analyst, Sandler O'Neill + Partners, L.P.



Jim Obsitnik

CEO, SourceScrub

Previous Experience: CEO, Cadmium
COO, Capsilon



President & Founder

Mid-Market Growth Equity Firm



Charles Shannon

Corporate Development Expert

Previous Experience: Sr. VP of Corporate Development, Datasite
VP, Corporate Development, Equus Holdings

TIPS TO ACT NOW

2

Tip #1: Deepen Your Domain Expertise

“Despite slowing market conditions, thoughtful relationship-building and data-driven market research remain vitally important. As we know, timing is everything. Continuing to stay smart on specific sectors of interest and networking with relevant companies and intermediaries allows capital providers to be in an advantageous position when businesses are ready to transact.”

— Jordan Margolin, Head of Business Development, VSS

“Spend more time ‘getting smart’ on priority industry and focus areas – develop your understanding of the business models, industry trends, and key players.”

— President & Founder, Mid-Market Growth Equity Firm

“Keep on your cadences with both prospects and financial sponsors regardless of near-term opportunities. This way you’re in tune with changing market appetite and sentiment and staying on top of what is commanding premiums in the market at any given time. Our clients find it invaluable when we are able to reference sponsor conversations in our space, as they continuously try to determine the best way to position themselves to maximize shareholder value when the time comes.”

— Mike Cavallaro, BD Manager and Associate, Morgan Partners

Recommended Reading

How Modern Dealmakers Overcome Market Mapping Madness

[View Article](#)

Tip #2: Build Direct Pipeline

“Maintaining a healthy pipeline and continuing to actively source interesting opportunities are critical for being in a good position through a slower market. Firms should harness the power of data science and analytics for their sourcing efforts...to easily build comprehensive lists of acquisition targets, fine tune scoring and prioritization, continuously track companies, and access advanced conference intelligence. In a more challenged macro environment, building a stronger, data-driven sourcing engine is a competitive differentiator and could be the difference between having a productive 2023 and missing deals.”

— Christie Klauberg, Vice President, Francisco Partners

“Build your pipeline. Fewer deals will be coming inbound, so firms will have to double down on direct sourcing to ensure a healthy deal flow. This is a great opportunity to really clearly define the types of businesses you want to invest in and actively seek them out. This strategy tends to give way to more proprietary opportunities, which are lower competition and harder to come by, especially in a slow market.”

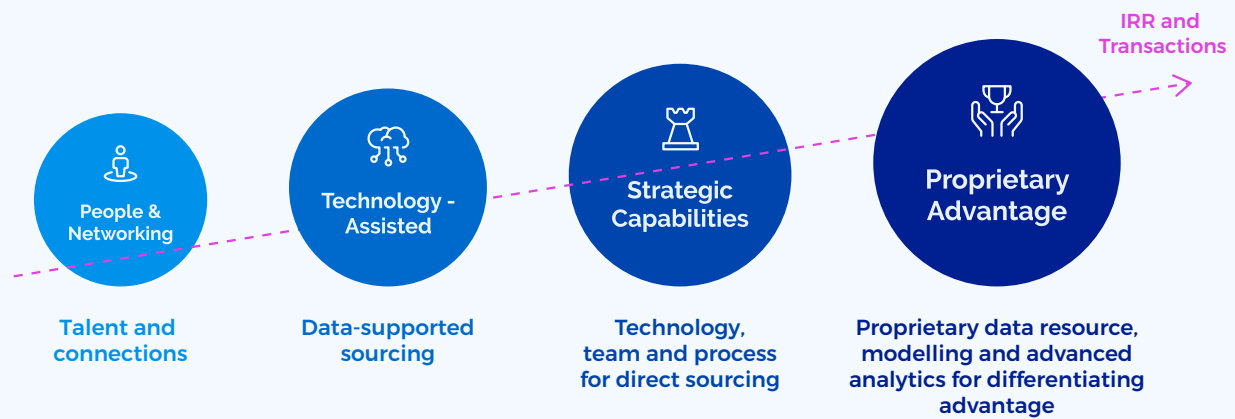
— Tyler Fair, Co-founder, SourceScrub

“As a buy-side advisory firm that sources proprietary deals for PE firms and strategic acquirers, Evercap doesn’t recommend halting deal generation efforts due to a slow market. If clients have the capacity, we recommend continuing to reach out to tier one companies for potential transaction discussions. There are actionable deals in any macro-economic environment. Thus, utilizing a proactive sourcing approach can optimally position buyers during times when fewer sellers are coming to market.”

— Brandon Knapp, Managing Director, Evercap Advisors

Recommended Reading

Building Proprietary Advantage in Dealmaking: A 4-Stage Deal Sourcing Maturity Model



[Download Guide](#)

Tip #3: Focus on Adding Value

“Provide trusted advice to clients and prospects so that you’re ready or top of mind when the market opens back up. Take a long-term view and stay nimble and positive and continue to add value in the ‘bad’ times so that you’re prepared for the ‘good’ ones!”

— Christian Clifford, Managing Director, Raymond James

“As a trusted advisor the work never stops... even when the deal markets get slow. I’ve sat under several veteran deal-making mentors who have viewed this as a phenomenal opportunity to earn a potential client’s trust, helping them critically think through broader strategy as a way to continue adding value. While it’s important for partners to consider how employees are using their time, a little pro-bono work can go a long way when it comes time to banker selection.”

— Mike Cavallaro, BD Manager and Associate, Morgan Partners

“During the downturns of 2000-2001 and 2008-2009, what worked for me was the notion of ‘surrounding the deal.’ Inside the markets I focused on, I intentionally called on as many accountants, attorneys, senior lenders, and wealth managers as I did business owners themselves. What I found was during uncertain times, business owners would reach out to the advisors they knew and trusted more often in order to seek advice. I made sure I was top of mind in the advisory community by demonstrating I could be a resource for their clients if ever advice or benchmarking was needed from a capital markets standpoint.”

— Charles Shannon, Corporate Development Expert

Recommended Reading

NES Fircroft Increases International Deal Flow by 150%

[Learn How](#)

Tip #4: Nurture Relationships

“Being prepared and nurturing existing relationships with our prospective companies ensures we maintain a robust pipeline. We’ve often cultivated relationships for years with the companies we invest in, so we continue to adopt that same workflow and mentality.”

— Sean Cole, Investor, Accel-KKR

“In an environment with less overall deal volume relative to 2021 levels, the importance of establishing relationships with potential targets early and building pipeline is certainly heightened. It is incumbent on dealmakers to be creative and proactive with outreach, maintain active dialogue, and adopt a prudent approach towards capital deployment.”

— Christie Klauberg, Vice President, Francisco Partners

“Understand that timing for a transaction in the near-term might not be of interest to an owner. Introductory calls with owners who are not actively looking to sell can be valuable and serve to build relationships. In turn, making these connections early places the buyer in a better position when the owner is ready to transact and demonstrates the patient capital perspective. At Evercap, we’ve found that PE firms and strategic acquirers that offer useful advice, introductions, or other value during these intro calls build additional goodwill.”

— Brandon Knapp, Managing Director, Evercap Advisors

Recommended Reading

Cold Calls Don't Cut It! 10 Hot Outreach Tips Every Dealmaker Should Know

[Read Article](#)

Tip #5: Get on the Road

“I still think there’s no substitute for the in-person, as efficient as Zoom sometimes may be. Whether that is a road show or an industry conference, in-person meetings create better relationships and are more memorable.”

— Dominic Chan, Vice President, Vaquero Capital

“From a proprietary standpoint, we make sure that we’re finding new companies and nurturing our existing base. That involves higher touch points, creative outreach/marketing, and in-person meetings. We are also attending 3x the amount of conferences we attended last year.”

— Sean Cole, Investor, Accel-KKR

“We try to manage travel schedules. It’s great to get out on the road when the market is slower and then be more available in the office to take calls on new opportunities and review them as they come in.”

— Jessica Ginsberg, Managing Director, Business Development, LFM Capital

Recommended Reading

Why Your Conference Strategy Is Dead on Arrival and How to Give It New Life

[Get eBook](#)

Tip #6: Refine Your Tech Stack

“Leveraging technology is more important now than ever; being able to not only compile, but also utilize both market and company-level data to your advantage is key. Whether it is having an up-to-date CRM, utilizing market intelligence tools, or implementing automated mass marketing campaigns, dealmakers must continue to expand their sourcing toolkit.”

— Jordan Margolin, Head of Business Development, VSS

“We continue to rely on our tech stack, including SourceScrub, to identify top targets that we can approach in a differentiated way. We have really strong reporting capabilities in our CRM to help us see the pipeline across various stages, by deal type, and source. These reports help us anticipate deal volume at any given time and help us know when to check in with key intermediaries that are bringing these deals to the market.”

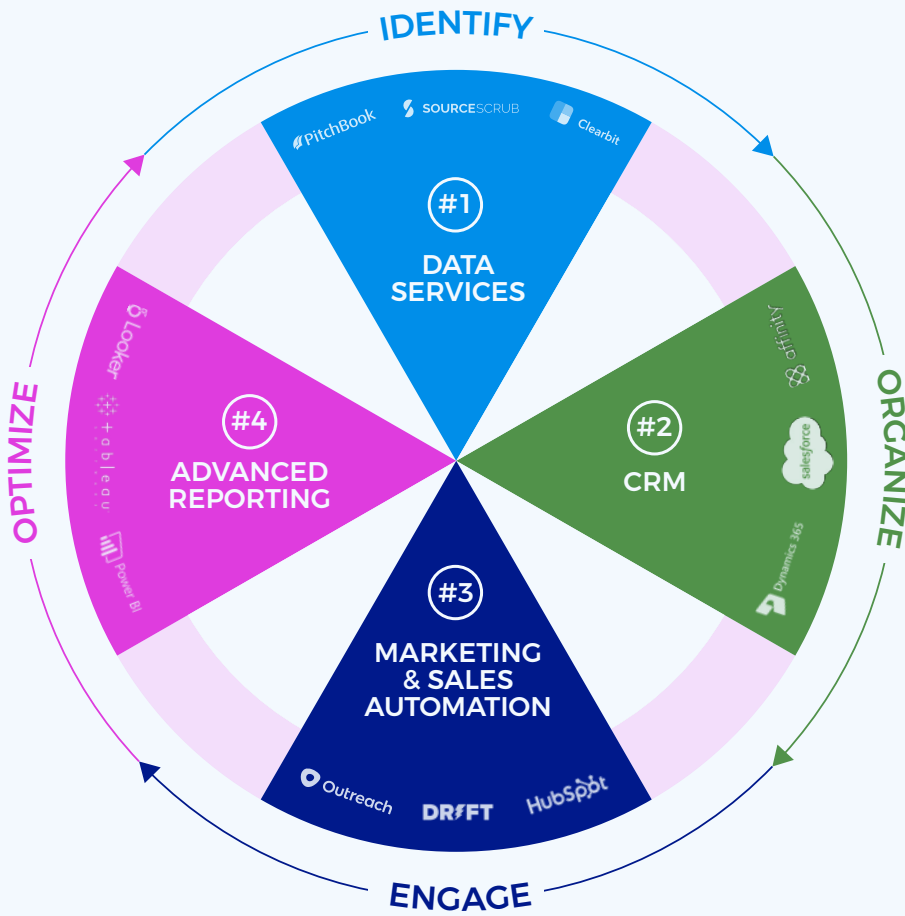
— Jessica Ginsberg, Managing Director, Business Development, LFM Capital

“Utilizing your firm’s tech stack, such as your CRM to set reminders, or your data provider engines such as Pitchbook, SourceScrub, CapIQ, etc. to alert you to triggering events worth following up on, makes sure you don’t miss a beat.”

— Mike Cavallaro, BD Manager and Associate, Morgan Partners

Recommended Reading

Inside the Modern Dealmaker's Tech Stack:
3 Core Components Plus One to Grow on



[Download Guide](#)

Tip #7: Optimize Your Portfolio

“Spend more time focusing inward on the portfolio and optimizing performance of ‘what you have.’ Focus on add-on acquisitions – smaller, proprietary deals are often less impacted by general market slowdowns than platform / banked deals.”

— President & Founder, Mid-Market Growth Equity Firm

“It never hurts to grow where you’re planted. How can you help your current clients or portfolio companies improve their performance and, by default, your own? Does it make sense to acquire new technology functionality or market share via add-ons? Are there any opportunities to monetize the product or service with new revenue models or channels? Optimizing what’s already working and maximizing the value of your current investments will give you a strong head start when the market picks back up.”

— Jon Dodson, CTO, SourceScrub

“During the initial stages of COVID, we amped up technology, like PowerBI, at our portfolio companies so that we could have a real-time view of what was happening. Seeing actual data, in real-time, helped us to act faster and stay on top of ever-changing circumstances at our partner companies.”

— Jessica Ginsberg, Managing Director, Business Development, LFM Capital

Recommended Reading

Bridging the Valuation Gap with Add-ons

[View Article](#)

Tip #8: Establish New Processes

“When the market slows, we reckon dealmakers would benefit from spending a bit of time studying best practices in business development at B2B SaaS organizations, some of which are stunning BD machines. Drawing inspiration from these best practices, and designing and implementing new BD initiatives based on them, can materially change the quantum and nature of a firm’s deal flow. These B2B SaaS best practices are readily available online, so the barriers have substantially come down; the key challenge now lies in adapting them to a dealmaking context, and having the right leadership, accountability mechanisms, and willingness to experiment internally.”

— Sebastien Douville, Partner and COO, FirePower Capital

“Always have a systematic approach in following up with relationships from the past years. Having a log of calls (when/what) with either private equity clients or prospective companies is very helpful in determining when to set up a follow-up. For example, a company that you’ve spoken to in 2021 that may not have been looking to go to market may be in a much different position today.”

— Dominic Chan, Vice President, Vaquero Capital

“‘What is my top 100 target list in sector X? How do I refresh this list every year? What are my firm’s connections to those? How are we tracking them? Can we stand up a dedicated campaign over the next 2-3 years to get in touch and build a relationship, e.g. can we systematically visit these targets when we travel to a board meeting for an existing portco?’ Asking questions

like these shines a light on gaps that might exist in the deal origination function. The tactics, processes and tools would then become relatively obvious. That kind of work would pay off nicely when the dealmaking environment normalizes.”

— Sebastien Douville, Partner and COO, FirePower Capital

Recommended Reading

Why 78% of Digital Transformation Initiatives Fail and What to Do About It

[Get eBook](#)

Tip #9: Invest in Marketing

“By cultivating and implementing a clear marketing strategy, dealmakers can remain top of mind and ensure they are continually well-positioned in the market.”

— Jordan Margolin, Head of Business Development, VSS

“When markets pull back and engagement rates slow, marketing activity becomes a priority in order to keep your pipeline strong. The cost of advertising both online and offline decreased during those periods and I doubled down. Sponsorships, conferences, email blasts, etc. — all were leveraged with capital saved and earned during hot market periods.”

— Charles Shannon, Corporate Development Expert

“One of the most cost-effective and impactful ways to market your firm is to produce content about your most recent wins. Dig into the specific resources your firm brought to the table, why you stood out compared to competitors, and what made these companies want to become part of your portfolio. Then find companies that are similar to these recently won investments, and get this material in front of them. Turn it into conference handouts, post it on social, include it in your outreach emails — the possibilities are endless, and now is the time.”

— Jim Obsitnik, CEO, SourceScrub

Recommended Reading

Keys to Post-Transaction Investment Banking Marketing Strategy

[Read Article](#)

USING SKILL TO WIN THE LONG GAME

3

Nobody knows when deal volume will jump-start in 2023, but the dealmakers that will hit the ground running once it does aren't the ones waiting to see what happens. While some firms may get by on luck during times of plenty, positioning your firm for post-slowdown success requires purposefully and proactively sharpening your dealmaking skills.

From updating your technology stack to focusing on adding value to optimizing your existing portfolio, our experts offered proven suggestions to put your "down time" to good use and take control of your deal flow. For more insight on how leading firms play and win the long game, check out this guide: [**Skill vs. Luck: Winning the Right Deals with Data Signals**](#).

4

ABOUT SOURCESCRUB

SourceScrub is a market-leading Deal Sourcing Platform for investment and M&A firms looking to research, find, and connect with founder-owned companies. Founded in 2015, SourceScrub provides deal-ready data, purpose-built tools, and on-demand data operations to give firms a decisive advantage so they never miss a deal.

Learn more at www.sourcescrub.com.



