AUTOMATING THE PRIVATE EQUITY DEAL LIFE CYCLE

about tpg

Founded in a family office in 1992, TPG started and is headquartered in San Francisco, California and Fort Worth, Texas.

Fast forward to today, and TPG is one of the largest private equity investment firms in the world. The company has more than 1,000 employees around the world, with offices across the United States, Europe, Asia, and Australia.

TPG manages investment funds specializing in growth capital, venture capital, public equity, and debt investments.

TPG

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"Bits In Glass has been a critical partner in our Appian development journey.

Everyone we've worked with has been exceptional and takes our long-term success seriously."

- Melanie Emmel, Senior Director, TPG

RESULTS

INCREASED PORTFOLIO VALUE
STREAMLINED DEALS
Streamlined the deal management approach, **providing more value** to both TPG and its portfolio companies.

PROVIDED REAL-TIME DATA
INCREASED PRODUCTIVITY
Improved access to real-time data, providing company-wide productivity improvements and reporting capabilities.

BETTER TEAM COLLABORATION
IMPROVED VISIBILITY
Enabled **better and faster internal communication** between internal business teams with better access to data and reports.

EASILY ADD FUNCTIONALITY
ENABLED FUTURE GROWTH
Provided the ability to **easily add more functionality** for future growth and scale.

TOO MUCH MANUAL

Completing a private equity deal/investment is a complex, highly regulated, time-sensitive process, and one that involves numerous stakeholders.

The steps of a private equity deal, commonly referred to as the deal life cycle, require various business units/departments to work together processing information and documentation.

TPG was manually pulling and processing deal data using spreadsheets, emails, and a number of in-house legacy systems. The problem was all the information captured was disconnected and hard to access.

For example, accounting would capture data in one place, and legal was unable to easily access this data for reporting needs.

Private equity deals are highly dependent on collaboration. Without notifications for tasks needing attention/completion and no single point of entry to manage the life cycle of investment deals, employees used time-consuming workarounds like shared spreadsheets, documents, and email chains, slowing operations and delaying investments.

Plus, relying on employees manually inputting information into different systems came with both risk of data entry errors as well as siloed data sources which complicated validations and reporting.

TPG needed to modernize and automate its deal life cycle process, with a 'one-stop-shop' approach for deal data to help streamline collaboration between business units and accelerate private equity deals.

DIGITAL LIFE CYCLE

TPG identified the need for a digitized platform that's easy to implement, educate on, and customize.

Appian was selected as the low-code automation platform of choice, and Bits In Glass was brought on to build and implement a new deal life cycle process, which included three main aspects:

1. Automated deal creation and execution

Using Appian, we built a digital deal entry application, to streamline data capture during the initial phases of a new private equity investment. Now, instead of using multiple spreadsheets and legacy systems, employees can accomplish everything from within one application.

For example, multiple business teams like accounting and legal can review and edit information, provide additional supporting documentation, and approve deals. The application dispatches these tasks automatically to the correct teams in varying orders based on business rules built into the application.

The result is a cycle where teams can communicate, track, report, and most importantly execute complex deal structures, all while mitigating data entry risks and maintaining the highest standard of compliance demanded by the financial sector.

Plus, the application is integrated with TPG's in-house systems, ensuring data only needs to be entered once, and is updated across all required systems.

2. Billing allocations

By integrating the deal entry application with TPG's billing system, we automated the approval of billing allocations through three internal teams.

When an allocation is created, based on predetermined business rules and risk indicators, automatic approvals can be granted to avoid any manual employee intervention, accelerating the process. If an allocation can't be automatically approved it alerts any internal teams required to review and reconcile the allocations.

Additionally, the application expanded to become the master source of a large amount of the data being captured throughout the deal lifecycle.

Many other applications that were pulling from legacy data sources now have the information available within a single data source, greatly reducing the complexity of reporting and overall data architectural needs.

3. Custom reports

We developed a number of custom reports across business units and teams, all of which are user-friendly and easily configurable.

For example, the compliance team now has multiple custom reports; one being a watch list. The team can assign an allocation to a watch list to alert other teams to look into certain elements of a deal before approval.

Another is an escalation report, which tracks if any steps in the deal have exceeded a service level agreement (SLA), or need review and further action by certain internal teams to enable the compliance team to secure what they need to move forward.

GET BIG ON YOUR TEAM!

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