

Huntsman Gay is 'Building Something Special'

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PrivCap

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Less than two years after closing a \$1.1bn debut fund, the firm has completed 16 deals and is reaping the benefits of having built 'a firm, not a fund,' says co-founder Richard Lawson

When Huntsman Gay Global Capital was launched with a \$1.1 billion debut fund in 2009, the partners wanted to "endeavor to build a firm, not a fund," says co-founder and managing director Rich Lawson.

The firm, based in Palo Alto, California, now has nearly 60 professionals tasked with sourcing deals, providing industry expertise, servicing investors and supporting the activities of a very busy new private equity firm. Huntsman Gay recently completed its 16th transaction in the form of a major investment in Sunquest Information Systems.

In an exclusive interview with Privcap, [available here](#), Lawson says he and the other co-founders wanted to create a significant firm infrastructure ahead of actual deal activity in order to "build something special. . . Now the rewarding part has quickly come for us."

Among Huntsman Gay's professionals are those dedicated to deal sourcing. The firm also has a roster of "capital advisors" who help find deals. Lawson estimates that 80 percent of the firm's deals to date have been sourced through its proprietary relationships.

In the interview, Lawson also discusses the critical role of the firm's famous chairman, industrialist Jon Huntsman, the founder of Huntsman Corporation. Huntsman's high profile among potential portfolio company sellers and managers has "a fundamentally different impact in the middle market," says Lawson. "You sit down with a family that's thinking, 'How do we take this business to the next level? How do we grow it perhaps from the United States to [be] more global in nature? How do we know we're finding a partner that has had similar experiences that we're about to undergo?' The kind of credibility that Jon can bring in terms of his experience, across the table, saying 'I've been there, I've done that' . . . that's the kind of unique value that Jon has brought, in addition to a number of folks within our firm. We have six former CEOs."

Lawson also discusses his use of Twitter to air his views and the activities of his firm, and the fact that not many later-stage private equity professionals are so communicative. “If you look at the venture capital community, you have a very, very robust ecosystem of venture capitalists. . . that are big supporters of their portfolio companies, of their investments, of their management teams through blogs, through Twitter, through a variety of different traditional media outlets,” says Lawson. “It just seemed like it was an opportunity for us to open the door a little bit. . . for dialogue about the middle market.”

Lawson says his firm’s success raising a relatively large first-time fund in the middle of an economic crisis was partly due to the deep experience of the co-founders as well as to the fact that Huntman Gay is “likely one of the first ILPA-friendly” firms, a reference to the suggested improved private equity partnership terms and conditions put out by the Institutional Limited Partners Association.