

A Pipeline for Hot Prospects

McGuireWoods' innovative [independent sponsor initiative](#) began with a simple premise, private equity partner [David McLean](#) said.

"We heard many prospects tell us, 'Bring us a deal and we'll hire you.' So with great hope and excitement you can only have in your youth, we set out to originate proprietary deals to bring to our clients and prospects," McLean noted as he welcomed nearly 600 attendees to the firm's [second annual independent sponsor conference](#), held Oct. 2-3 in Dallas.

Independent sponsors are deal professionals, many from private equity and investment banking backgrounds, who excel at identifying quality targets but lack committed sources of capital.

McGuireWoods' national conference was an extension of a business development strategy that has seen the firm's private equity lawyers cultivate networks of independent sponsors and capital providers in nine U.S. cities, creating new opportunities for deals.

"By spending our time and resources to help our clients and prospects do more, it comes back to us," said McLean, who started the initiative with fellow Dallas partner [Jon Finger](#). "The numbers we have here today are incredible."

Added Finger, "We knew we had to take a different approach in our practice. We wanted to be more than service providers by growing our network and adding value to our network without any expectation of reciprocation."

This year's conference drew 294 independent sponsors and 304 capital providers from 35 states and Canada.

McGuireWoods partners led panel discussions on topics such as deal sourcing, navigating relationships with independent sponsors, how the 2017 Tax Act impacts deal activity, and the evolution of the traditional private equity model. The firm also hosted a breakfast reception as part of its [Women in Private Equity and Finance](#) initiative. The many meetings that took place between independent sponsors and capital providers were largely driven by the highly detailed conference attendee list that attendees were able to view and filter by investment criteria.

"The most successful independent sponsors invest time in upfront legwork, and find value in hidden corners of the market and identifying valuable partners," Finger and McLean wrote in an article in [The Texas Lawbook](#) that shared key takeaways from the conference.

When it named McGuireWoods "[Law Firm of the Year](#)" in its Mid-Market M&A Awards, *Mergers & Acquisitions* magazine singled out the independent sponsor and women in private equity and finance initiatives as examples of client-focused innovations that set the firm apart as an industry leaders.

"Being highly entrepreneurial means that you're always looking for ways to improve upon an already successful model," Finger said recently in an interview with [Corporate Counsel Business Journal](#). "Over these years, we have seen this approach pay off, as our client base and network have grown exponentially."

Panelist Mike Becker of Plexus Capital said the packed ballroom at The Ritz-Carlton was evidence of how the industry has grown in the last decade.

"I used to go to these things in '06 and there would be nine of us," Becker said. "We'd have two capital providers and seven guys trying to find a deal. Now we have 600 people here – 300 trying to find a deal and 300 trying to fund a deal. That's a massive change in the market."

The evolution has produced what one panelist described as "a golden era for private equity" in which independent sponsors play an important role.

"The biggest thing that the independent sponsor model brings to the market is origination," said Jack Sadden of Valesco Industries. "Origination is what is hugely valuable to all of us, whether or not you're a funded group or an independent sponsor."