

Leveraging CRM for Fundraising

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Many believe that the private equity sector is facing the toughest fund raising environment in recent times. Management consulting firm Bain & Company's Global Private Equity Report 2012 forecasted early this year that fund raising is unlikely to recover in 2012. The slower pace of exit activity is leaving liquidity-strapped Limited Partners strained to meet capital calls for past commitments, and volatile equity markets are pressing them against their PE allocation ceilings. Meanwhile, an oversupply of funds seeking capital may be forcing General Partners to scale back expectations.

The year isn't over yet. As private equity firms enter their latest round of fund raising for 2012, there is merit in leveraging customer relationship management (CRM), a discipline that helps bring to the fore, the hidden relationship intelligence that exists in firms for business advantage in this 'people' driven industry where professionals are reliant on relationships with key contacts, intermediaries, advisors and firms' alumni to raise funds and close deals.

CRM systems facilitate a strategic and planned approach to the staged process of fund raising, automating and covering for inadvertent gaps and loopholes that could potentially jeopardise the fruition of fund raising activity and deals. They also highlight opportunities that perhaps are not easily obvious.

Such technology provides a centralised repository of contacts, networks and intertwined connections through which not only can professionals identify potential investors, make initial contact and set up meetings, but also undertake due diligence and accurately log all activity and transactions pertaining to deals right down to individuals involved, for present and future use. Professionals have visibility of fund raising activity, deals' universe and lifecycle, which serves as a great platform for informed decision making. Overtime, this database of intelligence transforms into firms' knowledge resource.

The CRM tool is usually accessed via Microsoft Outlook, which means that professionals can easily retrieve key contact details, information on mutual connections, dealings with colleagues, upcoming meetings and personal notes. With investors and influencers potentially spread across the world and on the move, most CRM systems also provide a mobile portal to enable access to the central database 'on the hop'.

CRM solutions facilitate a joined up approach to investor relations and communication. For instance, they provide visibility of multiple touch points within the organisation eliminating unnecessary/duplication of activity and ensuring that investors are only contacted with relevant information.

Regulatory pressure is increasing on firms to conduct risk profiling, credibility checks and the like on investors, investees and individuals. CRM systems enable professionals and firms to keep a detailed track of due diligence carried out as a matter of course.



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In essence, fund raising is a managed process and CRM provides the framework and platform upon which to execute the activity. Especially in the current economic climate where challenges and pressures are numerous, utilising a CRM solution that has been designed to meet the requirements of professional services organisations, leaves professionals to concentrate on the value generating tasks while the tool to a large extent automates the administrative aspects of fund raising. It is worth considering.

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