Changemakers

We cast a spotlight on the leaders who have helped shape private equity into the industry it is today

Putting their stamp on the asset class

PEI's list of 21 Changemakers highlights the pioneers, partners and personalities who have had an outsized impact on the industry, and those whose actions continue to shape its future

In 2011, to mark the 10th anniversary of its founding, *Private Equity International* compiled a ranking of the '100 most influential' people of the decade. At the time, we noted that while private equity was not then a "mainstream part of investment management", it was on the verge of becoming one. Gone were the days of it being considered a cottage industry, and it was the professionals included in the ranking, we argued, that were responsible for the transformation of the asset class.

Today, private equity has become a typical part of many institutional investors' portfolios, and the asset class is also beginning to open up to less traditional investor profiles, such as defined contribution pension schemes and retail investors. The market has evolved significantly over the last 10 years, but what about the people behind it?

With *PEI* celebrating its 21st anniversary this year, we decided to spotlight 21 changemakers who have made a splash in the industry since we began covering it.

As in 2011, it was an almost impossible task to whittle the movers and shakers in private equity down to a finite list, with the added difficulty this time around of filling just 21 spots rather than the more generous 100. But try we did, and after much debate among *PEI*'s editorial team – past and present – we narrowed our selection down to those we believe have helped shape private equity into the industry it is today.

Not only is our 21st anniversary list of influencers more compact than our 10th anniversary edition, it also eschews the idea of ranking them. Today's list includes not just individuals, but groups of co-founders or co-leaders. Some have been active in the industry for decades and their stature in private equity is undeniable. Others have started making waves more recently, but their work looks set to help direct the future course of the asset class.

Among them you will find founders of some of the biggest names in private markets, pioneers who have moved the needle in areas such as ESG and impact investing, and visionaries who have developed innovative practices and put new or once-niche market segments on the map. The selection also features individuals who have championed DE&I, and as efforts such as theirs begin to prompt more meaningful change across the industry, we hope that there will be greater diversity among founders and senior leaders over the years ahead.

There are, of course, many people worthy of inclusion in the list who have been omitted. Each reader likely has their own idea of who should have been featured, and no doubt these vary widely. In 2011 we wrote that our list of '100 most influential' individuals was unlikely to be our last "because to us this is a business in which people have always mattered greatly". This still holds true today. Any industry as relationship-driven as private equity would be nothing without the people behind it.

If *PEI* repeats this exercise when it reaches its next major milestone, we shall see whether our choices for the 21 Changemakers list has stood the test of time. Until then, we will continue to cover the ongoing transformation of the asset class and the individuals driving it forward. ■

21 Changemakers coverage written by Helen de Beer, Madeleine Farman, Louise Fordham, Adam Le, Alex Lynn, Carmela Mendoza, Toby Mitchenall, Hannah Roberts and Tobias Waters

Roll call

Marc Rowan, co-founder and CEO of Apollo Global Management

Stephen Schwarzman, co-founder, chairman and CEO of Blackstone

Réal Desrochers, former managing investment director, private equity, at CalPERS and former director of alternative investments at CalSTRS

David Rubenstein, co-founder and co-chairman of the board at Carlyle

Megan Starr, global head of impact at Carlyle

Joseph Rice, co-founder of Clayton, Dubilier & Rice

Jeremy Coller, chief investment officer, managing partner and founder of Coller Capital

Nigel Dawn, senior managing director and head of the private capital advisory group at Evercore

David Blood, founding partner and senior partner of Generation Investment Management

Sir Ronald Cohen, chairman of the Global Steering Group for Impact Investment

Lawrence Calcano, chairman and CEO; **Dan Vene**, co-founder, managing partner and head of iCapital Marketplace; **Nick Veronis**, co-founder, managing partner and head of portfolio management at iCapital

Kathy Jeramaz-Larson, former executive director at the Institutional Limited Partners Association

Pete Stavros, partner and co-head of Americas private equity at KKR

Henry Kravis and George Roberts, co-founders and co-executive chairmen at KKR

Kathleen Bacon, Cécile Belaman, Jennifer Dunstan, Dana Haimoff, Lori Hall-Kimm, Alexandra Hess, Kathryn Mayne, Emma Osborne, Christina Pamberg, Hanneke Smits, Helen Steers and Sasha van de Water, co-founders of Level 20

Wol Kolade, managing partner at Livingbridge

Weijian Shan, co-founder, executive director and executive chairman of PAG

Robert Hamilton Kelly, Ali Raissi and Christian von Schimmelmann, managing directors and global co-heads at Petershill Partners

Jan Ståhlberg, founder and managing partner at Trill Impact

Paul Volcker, former chairman of the US Federal Reserve

David Swensen, former chief investment officer at Yale University

Megan Starr
Carlyle

While ESG has continued to gain momentum in private markets, a lack of standardisation has proved a sticking point. A data-led, standardised set of principles against which managers and investors alike can measure ESG efforts is crucial to understanding how much progress is being made in key areas.

Widely regarded in the industry as an innovator in this area is Megan Starr, global head of impact at Carlyle. In September 2021, Starr played a leading role in the launch of the ESG Data Convergence Project, which Carlyle spearheaded alongside the California Public Employees' Retirement System, to help address this challenge.

As part of the project, participants track and report six metrics: Scope 1 and 2 greenhouse gas emissions, renewable energy, board diversity, work-related injuries, net new hires and employee engagement.

More than 230 GPs and LPs representing $24 trillion in assets under management have since signed up to take part in the project, which is now known as the ESG Data Convergence Initiative, with the Institutional Limited Partners Association serving as official secretariat.

"ESG is one of the more collaborative corners of finance, which is why the ESG Data Convergence Project was even possible," Starr told *Private Equity International* earlier this year.

"We have a similar collective objective as a private markets industry – better, more quantitative, comparable performance data on ESG, so that we can accurately assess progress over time and potential correlations with financial performance. We worked together to agree on a common way of tracking data in order to make that happen."

Starr joined Carlyle from Goldman Sachs' investment management division in 2019 to create and implement the firm's long-term impact strategy and oversee the ESG team, which leads Carlyle's investment diligence and portfolio company engagement work on ESG issues. Her work has continued to put the firm at the cutting edge of ESG developments, including innovations such as sustainability-linked loans.

Joseph Rice
Clayton, Dubilier & Rice

Joseph Rice, one of the four individuals to found Clayton, Dubilier & Rice in 1978, is widely regarded as one of the earliest pioneers of the leveraged buyout model. Per CD&R's website, Rice has said of the firm's founding: "In many respects, it wasn't really a business but a personal effort by a close-knit group, which wasn't exactly sure where it was headed, but shared a sense of common values and a conviction that combining operating and financial skills would produce better investment results."

Those values included the belief that LBOs – having fallen out of popularity at the time as a result of bankruptcies that followed the

"[We] shared a… conviction that combining operating and financial skills would produce better investment results"

JOSEPH RICE
CD&R

late 20th century LBO boom – had far more to offer than was widely believed. As an early proponent of the model, Rice led CD&R in several high-profile deals, including the acquisitions of rental car company Hertz, Goodrich Tire Company and Remington Arms.

Upon stepping down from his role as chairman of CD&R in 2012, Rice continued to contribute to the industry, including through his work with the Private Capital Research Institute.

Rice co-founded PCRI in 2011, inspired by PE's rapid growth. The aim, he told *PEI*, was to "increase transparency and understanding of private capital through academic research as the industry scales".

Jeremy Coller

Coller Capital

Mention the secondaries market in any discussion about private equity and Jeremy Coller's name is bound to come up sooner or later. While the former pension fund executive didn't execute the first ever secondaries transaction, his contribution to the evolution of the secondaries market is unparalleled.

Coller was working at the UK's ICI Pension Plan in the 1980s when a US venture capitalist named Dayton Carr came along with plans to raise a fund dedicated to acquiring second-hand stakes in private equity funds. Coller, who became the first institutional investor in Carr's fund, thought the idea was such a good one, he decided to launch a firm focusing on the strategy himself.

While Carr's firm, Venture Capital Fund of America, would remain focused on the smaller end of the secondaries market, Coller Capital would go on to become one of the industry's biggest players.

It wasn't all smooth sailing for Coller. In 1990, when he decided to launch the first European fund of funds to invest in co-investments, the first Gulf War broke out, throwing a spanner in the works of his fundraise.

"Necessity is the mother of invention, so I pivoted from 'what I wanted to do' to 'how do I get into business?'" Coller tells *PEI*. If the PE fundraising market was challenged in this environment, why not oil the wheels of liquidity and start a secondaries market, he thought.

By 2000, Coller had backed the first secondaries transaction worth more than $1 billion with the acquisition of UK bank NatWest's private equity portfolio. By 2007, just prior to the global financial crisis, Coller raised the largest dedicated secondaries fund at the time with a $4.8 billion vehicle.

"It took us four years to raise €50 million and in 2021 we closed our eighth fund at over $9 billion," Coller says, highlighting the firm's success over the years. "Along the way I industrialised the secondaries private equity market."

Industrialise it he did: secondaries market volume grew from a fringe activity in the 1980s to a roughly $130 billion market last year, according to intermediaries' estimates.

Coller Capital is not the largest secondaries firm. It does, however, hold its own within the top 10 biggest firms – its latest secondaries fund is a roughly $9 billion vehicle – and it is known for having the wherewithal to push into areas others shy away from. It is considering launching a yuan-denominated secondaries strategy in China and has launched a credit secondaries fund.

Says a veteran London-based intermediary who has worked with both the firm and its founder: "The market would be a lot worse off without them."