



Manager Onsite Visits

After the warm or [cold initial LP solicitations](#), [introductory meetings](#) (virtual or in-person at the allocator's premises), and ongoing communications, but before the full consummation of a commitment, the prospective LP visits the GP's office. This is an opportunity to view the sponsor in its natural habitat, where hopefully, home-field advantage numbs the GP's inhibitions and allows the prospective LP a peek into how the proverbial sausage is made. Despite the pandemic momentarily forcing LPs to mimic (virtually – Zoom, Teams, etc.) onsite visits before making commitments, the status quo has returned to where onsite visits are a mandatory part of most LPs' due diligence procedures. Contrary to what some (mostly GPs) think, onsite visits are not just a check-the-box bureaucratic exercise – they can boost or break the ongoing positive momentum of a budding relationship.

As with most incremental actions on the journey towards deal closure, onsite visits exude some degree of pageantry. After all, the primary goal of the GP during the onsite visit is not only to impress with substantive content but also to plant self-aggrandizing subliminal messages – I don't mean this to sound negative because it is arguable that the best time to blow your own horn is on your home turf. "Witness how we live, and you'll realize we are poised to generate large returns for you", "Feel the kinetic energy of high-quality work being done potentially on your behalf" and "This is a place exceptional people want to work" are a few of the subconscious (and sometimes bold) sentiments being diffused into the atmosphere during onsite visits. For LPs, despite the pomp and circumstance that engulf parts of this segment of due diligence, onsite visits are a critical opportunity to delve deeper into unfinished diligence questions, meet team members who are typically not on the road, ascertain (as authentically as possible) a sense (by mentally discounting aspects that are blatantly just for show) of the GP's everyday work culture/ambiance/vibe, watch the interaction between colleagues in their natural habitat, etc.

I must emphasize once more that onsite visits are no trivial matter. There is a lot at stake for both the prospective LP and the commitment-soliciting GP. If the visit isn't executed with effective planning, a cadence informed by emotional intelligence, and a clear understanding of the ultimate objectives, valuable time and effort are at risk of being unrecoverably wasted. Below are a few elements of onsite visits that contribute to best positioning stakeholders to achieve value.

- **Time Considerations:** I have found that about three hours is a perfect sweet spot for the length of time for onsite visits as part of a deep due diligence process – this is not scientific by any means, but it does take attention spans into consideration. The length of time can be more or less than three hours depending on the LP's stage of GP engagement. For example, prospective LPs who lump in operational due diligence (ODD) with investment due diligence (IDD) or those who would select "punishment" or "torture" from a list of menu items, can exceed the stated recommendation. Of course, logistics and practicality must be assessed when locking down the duration of the meeting – a prospective LP traveling a long distance for the onsite visit will be more amenable to a marathon session than one who is just a stone's throw away from the GP.
- **Agendas help:** An onsite visit agenda, even a loose/skeleton one, is essential for injecting some structure into the proceedings. By soliciting (from the visiting prospective LP) key points to be covered, the GP can prepare the appropriate attendees and anticipate the meeting's tone. I am a firm believer that the best investment discussions are the free-flowing ones, but with onsite visits, I have found that too much laxity



with discussion topics can lead to excessive unnecessary banter and the need for numerous post-meeting follow-ups. However, a rigidly adhered-to agenda can create a carousel-like meeting with fractured cohesion. A fine balance must be struck between prolonging important segments (as they organically appear) and cutting short non-consequential fluff. Usually, a person from either side (GP or LP) acts as the designated determiner of what should be lengthened or shortened - I always appreciated it when an experienced investor relations person or a deft [placement agent](#) attentively executed this role.

- **Time of day:** In line with the preceding point, onsite meetings must be strategically positioned to yield the best results. It has been my experience that onsite visits scheduled in the morning are usually the most fruitful. Early starts (say 9 am) ensure that all participants arrive fresh and focused on the primary objective. If any participants have to travel to the meeting location, arriving the day before, and getting a good night's rest before the meeting is strongly advised. Logistically, early morning starts are also advantageous because the mission can be completed by midday or early afternoon, leaving ample time for meetings with other nearby GPs or catching flights home in the late afternoon or early evening.
- **Illustrative deal memo discussions:** There is no better forum than the onsite visit for a GP to showcase its preferred type of deal and quintessential investment style. A few executed (or pipeline) deals on the agenda for deep dives can ensure memorability and help the prospective LP form a clear narrative. Multiple GP investment team members in the room can go a long way in replicating real-time considerations and conversations that occurred (or are still occurring) when the specific deal was being assessed. The various voices and points of view help illuminate (if that is actually the case) the progressive discourse and intellectual debate underlying the manager's work and investment culture.
- **Presence matters:** The whole reason behind an onsite visit is to meet all relevant parties in their natural environment. Life happens! - so there are likely good reasons for the absence of important team members during onsite visits. Also, since GPs host many onsite visits during fundraising, they must prioritize or devise a system that allows the team to fulfill their investing duties as well as accommodate onsite visits. All that said, if there is potential to commit a decent amount of capital, it is difficult for LPs to suppress frustration when key team members from the GP side are absent or participating virtually.
- **That one person:** Every organization has that one person (or two) who embodies its essence – he/she is the heart and soul of the whole establishment. Something about this person effortlessly showcases the mold that management would love to use for employee replication. It could be his/her blinding honesty, big-picture thinking, understanding of core values, absence of ego, alien-like intelligence, kind words to all, sensor-like adeptness at pinpointing critical deal aspects, etc. that endears most to them. Sometimes, this person is the founder or senior investment team member, but often, this individual does not have a senior or visible rank, they just come to work every day and do their thing. I always want to meet that person, even if it is just for five minutes – there is so much to learn from the person who personifies the essence of an organization you are potentially marrying for 10+ years.
- **Food:** Nosh is always a crowd favorite. There is something about food that unfailingly lightens the mood. During onsite visits, food carries its fair share of jeopardy. There are few things more mentally paralyzing than the mind-numbing self-consciousness of the possibility of having a piece of food in your teeth. Not



to mention the very high and uncanny likelihood of a question or statement being thrown your way the second you shovel an inappropriately sized portion of food into your mouth. I am infusing some levity into this section because I don't think food makes or breaks an onsite visit, but it does have a role to play. Sticking to my stated preference for morning onsite meetings, I think having coffee/tea and light snacks at the start and ending with lunch when all/most of the critical issues have been discussed, is the best approach. The food at the end can also be organized as a packed lunch for the visitors to take if they so wish.

- **Office tour:** Like it or not, office tours are a staple on onsite visit agendas. Office tours allow a GP to immerse the visitor in the unique feng shui of its workplace environment. The customary work-pit walkthroughs, awkward kitchen hellos, and smiley waves through glass walls are all part of the onsite visit game. Although brief and cursory at best, it can be argued that office tours provide a decent inside view of the work culture at the GP.

Depending on the stage of due diligence and the magnitude of unfinished work, each onsite visit exhibits its own unique tone, cadence, urgency, rigidity, and/or depth. Nevertheless, it is impossible to overstate the gravity of these encounters because missteps can prove to be deservingly irreparable. The height of the stakes involved should implore both prospective LPs and fundraising GPs to ensure that all controllable aspects of onsite visits are carried out as meticulously as possible.

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