

The Jockey vs. the Horse: How Investors Size Up Independent Sponsor Deals



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What are the top 4 perspectives that investors use to evaluate an independent sponsor deal?

- 1. THE JOCKEY:** Who is the sponsor - their track record, industry expertise, team, and how much capital will they have at risk?
- 2. THE HORSE:** How attractive is the business - its market, product / service, competitive differentiators, financials, and its management?
- 3. THE STRUCTURE:** Since one often “makes their money on the buy” ... how investor-friendly is the target’s enterprise value, deal structure (cash at close vs deferred consideration), amount of investor rollover, tax structure (e.g., QSBS), cost of capital, model outputs?
- 4. THE PLAN:** What is the likelihood of success on deal closing, alignment with seller, strong transition / value

creation plan, mitigants for key risks, opportunity for increasing multiple, exit universe of future buyers?

John J. Koeppel's commentary on "[How to Evaluate an Independent Sponsor Deal: A Framework for Investors](#),"
June 11, 2026, *Capitalpad*

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