

**The Ohio State University
Fisher College of Business**

Finance 7216: Private Equity - Theory and Practice

Spring 2026, Second Half of Semester

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Readings: The readings for the course are all available from the Harvard Business School Press website. In addition, I will provide copies of a paper of mine entitled: "Buyouts: A Primer" before the term begins. Please read this paper before the first class.

Course Overview: Private equity funds are responsible for a large percentage of merger activity both inside and outside the U.S. The venture capital portion of the private equity industry has provided financing for most of the prominent new companies that have gone public in recent years. The buyout portion of this industry has helped many established public companies go private. Consequently, the organized private equity market has become a major component of the capital markets.

Understanding the private equity industry involves answers to a number of interesting questions such as: Why are institutional investors attracted to the private equity industry and will private equity continue to be a successful strategy for investors in the current environment? Why has the venture capital industry been slow in recent years and are prospects for it likely to improve? How do sponsors identify and evaluate opportunities? When is "going private" the right strategy for public shareholders? What are management's and the board's responsibilities in such a situation and how should they assess their options? Most fundamentally, does taking company private create value on average? If so, what factors affect the value creation process?

The purpose of this course is to explore these and related questions, and to blend a review of practices in the private equity sector with a "hands on" approach to creating, launching, managing, and winding down a fund.

Course Procedures:

This course is designed to be a time-consuming and challenging course. The course will follow a combination of traditional academic lectures, cases, and guest speakers from industry. During the lectures, we like to encourage student participation and thus will at times actively call on students. Our intention is not to test you, but rather to keep everyone actively engaged in the material.

For each case, we have assigned study questions concerning the case. During class, we will consider these questions and the material in the case. You are allowed and encouraged, but not required, to meet in groups outside of class to discuss and analyze the cases. In the past, students have found that these groups complement class discussion well. We have written up a document “Preparing Cases: A Short Guide”, that should help you get started on your case preparation.

Because of the nature of the course (and its grading criteria), it is extremely important that you attend every class, arrive on time, and be prepared to participate. To help us out, you should bring your name cards to each class.

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic,-or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion.

If you are isolating while waiting for a COVID-19 test result, please let me know immediately. Those testing positive for COVID-19 should refer to the [Safe and Healthy Buckeyes](#) site for resources. Beyond five days of the required COVID-19 isolation period, I may rely on Student Life Disability Services to establish further reasonable accommodations. You can connect with them at slds@osu.edu; 614-292-3307; or slds.osu.edu.

Grading:

Grading will be based on attendance/class participation, a modeling assignment, case memoranda, and a project that will entail creating a new fund.

Class participation and attendance:

Class participation will count for 35% of the final grade. I will judge your performance based both on the quality and the quantity of your comments. Because so much of the learning in this course occurs in the classroom, it is very important that you attend every class. Low class participation combined with several absences can lead to a failing grade.

For those of you who think that 35% is high, remember that in the post-graduate school, real world, more like 100% of your "grade" is based on how you communicate with your colleagues. This class is one of the last low-risk environments for students to work on their communication skills. **If you are uncomfortable with such a heavy weight on participation, do not take this class.**

Case memoranda:

For at least two of the cases we do during the semester, I require you to submit a two-page memorandum of analysis and recommendations at the beginning of each case discussion. Feel free to turn in more than two memoranda if you choose; I will look favorably on "extra" memoranda if you are on the border between grades at the end of the semester.

You may choose to prepare cases in groups of no more than four students. Alternatively, some students prefer to work on their own; preparing memoranda individually is acceptable.

Memoranda will not be accepted after the class has met. There will be no exceptions to this rule. A memorandum will be given credit if it is handed in and no credit if it is not. Initially, therefore, I will not grade them. However, I will use the memoranda to determine final grades, especially for those students who are on the border between grades.

These memoranda will count for 15% of the course grade.

Project: Creating a New Fund:

You will be required to do a class project that will be to design a new fund. This project will count for 50% of the final grade. Students will present their projects during class.

You will work in groups of four to five students to develop and present an idea for a new fund. This will occur in phases during the term. We will meet with each group at some point during the term to discuss your proposed fund. During the last several class sessions, each group will give a group presentation of your fund idea and in class. The goal will be to convince prospective investors to invest in your fund; grades will be assigned based on the attractiveness of the investment.

Your group will meet with the course instructors outlining your idea for a fund, including background information on the sector, expected fund size, structure, return expectations and tenor for the fund, why this fund would appeal to investors, which investors you will target, an initial marketing plan for the fund, and an initial economic analysis validating your idea. It is ok to have several ideas at this stage and get feedback from the instructors as to which are the most promising.

After you have agreed with the instructors on the idea, you will develop a presentation, which makes the case for your fund to an “Investment Committee”, (in this case your instructors and other invited guests). In this presentation, you will include:

- The argument or “case” for your fund idea
- Investment Strategy and Sample Investments
- Terms and Conditions (Summary Term Sheet) for the fund
- Human Resources
- Marketing Plan
- Economic Summary
- Any other information you think helps make your case

In developing your fund concept, you should take into account the topics we have covered in class:

- Structure of your fund (open-ended vs. closed ended)
- Size of fund
- Fund governance
- Types of Investors
- Acquisitions
- Use of leverage (or not)
- Asset management
- Asset disposition
- Risk/Return considerations

You will make this presentation to the instructors and potentially others, who will evaluate it as if they are potential investors in your fund. The presentation should be approximately 15-20 minutes long. Every group member must participate in the presentation. Other than the presentation, the only other deliverable necessary is a copy of your presentation materials that should contain all the important aspects of your fund. The presentations will be judged primarily on the fund’s potential to earn returns, but also on the quality of the presentation itself, its professionalism, and originality.

Cases:

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- “The Blackstone Group’s IPO” (HBS 9-808-100)
- “Arsenal Capital Partners Refinancing of Pinnacle” (HBS 9-225-075)
- “NewView Capital and Venture Capital Secondaries” (HBS 9-820-038)

Cases are available as a coursepack from HBS Press using this link:
<https://hbsp.harvard.edu/import/1385639>