

SAN FRANCISCO

Serent Closes Debut Small LBO Fund At \$250M

By [Matthew Monks](#)

4/7/2008 – Serent Capital has closed its debut fund at \$250 million, ahead of its \$200 million target.

Serent Capital LP, which the San Francisco-based firm started raising last year, aims to invest \$10 million to \$50 million in profitable services business in the financial, media, health care, legal and media industries.

It is targeting companies with \$20 million to \$30 million in annual sales that are profitable and on the cusp of evolving from a start-up to an institutionalized business, according to Managing Director Kevin Frick.

Frick was a consultant with McKinsey & Co., most recently running its West Coast private equity office in charge of working with buyout firm's portfolio companies.

He co-founded the firm with fellow McKinsey veteran David Kennedy. They started their post-business school careers at McKinsey. Kennedy left the firm in 2001 to start a pledge fund called Crystal Springs Capital. That fund bought an outsourcing company called Service Source Corp., with Kennedy as co-chief executive.

The two decided to start a small buyout fund late last year, as investors have been taking a shine to the small market in recent years.

Frick said their track record and strategy drew investments from a strong roster of limited partners, including Harvard Management Co., Horsley Bridge Partners Inc., Adams Street Partners LLC and the Ziff family's private equity office.

"LPs are trying to get exposure to the small buyout segment," Frick said.

Fund-raising started in October and closed last month.

Rounding out Serent Capital is Chief Financial Officer Mark Shang, who was previously a member of PricewaterhouseCoopers' transaction services practice.