Q&A: Altvia

Jeff Williams

VP of Industry Solutions

Jeff Williams started with Altvia in 2011, bringing with him deep technical understanding and industry experience as an Associate at a leading Fund-of-Funds, Greenspring Associates. Through his tenure, he has worked extensively internally leading various departments from product, development, and marketing and externally with clients to make the vision of Altvia come to life through the development and launch of products solving the issues facing GPs and LPs.

Mr. Williams' past work included sourcing and evaluating later-stage venture financing in private companies, fund commitments to premier venture capital managers and evaluating secondary investment opportunities. His specialty areas included market and manager research, tracking portfolio companies, valuing secondary opportunities and direct investments, financial modeling and budgeting. Mr. Williams worked to establish models, practices and processes, and during his time at Greenspring, the firm nearly tripled the value of its funds under management.

Mr. Williams earned a BA in finance from the University of Utah and lives with his wife, two toddlers, and 10 guitars in Colorado.

From conversations with your clients and your own reading of the latest fundraising data, what is your perspective on the broader fundraising cycle across private fund strategies in the current moment?

Any major economic downturn or cycle will create risks and opportunities for investors—some of the biggest economic shifts we've ever seen have come about by cycles like this one. At the same time, this has been unlike any other cycle, especially in terms of the pace at which these shifts have already played out. Investors are going to need time to better assess risks and rewards, so it certainly seems we're seeing some pause on fundraising and waiting to have more visibility into where we go from here. There's no question there has been a "flight to safety" of top-tier brands with consistent top-quartile performance. I suspect there will be some interesting opportunities for differentiated strategies and lesser-proven managers that we haven't seen play out yet, and for good reason, as institutional investors are waiting to see how their broader portfolios hold up against the unknowns in the near term.

What are the primary hurdles in the fundraising process that your clients are looking to address now? What has changed compared to before the pandemic disrupted normal business flows?

We were already in the midst of a gradual movement toward technology to better enable fundraising leverage, but the focus had mostly been on internal tools that were the equivalent of better notetaking and follow-up. For years, we've been expecting and building products for a future where technology played a more direct role in the actual engagement between GPs and LPs. We couldn't have anticipated a pandemic would accelerate this so quickly, but there's no question that GPs are now looking for ways to better engage with investors and prospects. Survey results I've seen even in recent days overwhelmingly show the new normal is here, and it's more about technology playing a role in the actual engagement of GPs and LPs versus its traditional role in memorializing post-engagement through notes and follow-up. We're thrilled to be prepared for and to have pushed for this transformation, but we're even more excited for the modern experiences that will come to both GPs and LPs, and for a time when everyone will have saved by leveraging technology in this way.

How have those hurdles shifted across the variety of fund types you work with, from buyouts to funds of funds? Please feel free to expand across the full gamut of fund strategies you work with.

I don't notice as much of a distinction in this technology-driven dynamic within different fund strategies. There's no question that distressed buyout folks are thinking very differently about the opportunities (and risks) they expect to see versus a venture-focused GP, but we see fewer opportunities for technology to have as dramatic of an impact on deal teams than we do in the "customer service" realm. Using that phrase is a bit awkward in this market, but the new world we've already settled into—even as consumers—is clearly focused on businesses using technology to better service their customers in a physically distant world. Note, too, the intentional use of the term physically distant rather than socially distant: We can be socially closer than ever even when physically distant, and that's the point! I'd argue this shift is now more important for B2B, especially in services industries such as ours; face-to-face interaction may never be the same, and every GP, no matter their LPs ("customers"), must figure out how to provide better service starting now. That may differ slightly from one investment strategy to another, but at the end of the day, everybody has to be thinking about it.

From your direct view into the intricacies of the fundraising process nowadays, how has it evolved over the past several years, taking into account not just the COVID-19 pandemic but also shifting industry standards? What do you think is least-known of those changes that more private market players should be aware of?

We have a very unique viewpoint into this because we work with both GPs and LPs as customers. We've been working for years to provide the differentiated technology that the reader is likely to have seen presented at industry events by some of the premier, research-driven funds of funds that we're grateful to have as customers. We've seen the pain they suffer in getting information, the things they'll do to get it, and what they'll do with it. We've spent a great deal of time, energy, and money working to solve these problems for them. One of the well-known challenges we've all heard about during the last several years is a demand for greater transparency, and I believe most GPs worry about the obstacles they face in providing this to their LPs, and even more worry about what the LP will do with that information. What I believe to be lesser-known is the opportunity we've seen created by GPs committing to transparency. It's the other side of the same coin—one that requires a commitment to service and realizing there's far more to be gained than lost with transparency. In other words, oversharing has created amazing opportunities for an even healthier GP-LP relationship, despite a fear that doing so would cause deterioration. GPs themselves have yet to understand what's in some of their own data, but this fear is overcome quickly when GPs see the positives that analytical LPs find in their data.

Given the current environment, more established and/or larger fund managers seem likelier to close on their vehicles, but what is your perspective on that? How have you seen emerging or newer fund managers strategize around the degree of uncertainty in the current environment?

I touched on this a bit earlier, but there's no question we've already seen this trend and PitchBook does a great job of calling some of these larger fund managers out in the Q2 2020 US PE Breakdown—Thoma Bravo, Dyal Capital Partners, Lightspeed Venture Partners. Some of these firms launched new fundraises amidst the uncertainty and made it look easy. Newer managers are falling into certain camps—some more determined and some more realistic. I think we'll look back at this time and realize how niche strategies emerged as the result, and how others thrived because of it; however, it still feels like we can't predict know how it will all play out yet. I'm certain we'll also look back and realize this was the moment fundraising, the GP-LP relationship, technology-enabled service, and transparency changed forever, and we're extremely excited about that. There's already plenty of evidence of this that we've observed both from working with some big firms that closed funds during Q2 and some of the emerging managers that are adapting quickly to this new reality.

From a technical standpoint, which features and support have been most heavily demanded by fund managers as their process has evolved, and why? What has stayed the same?

Part of the reason we're so excited about some of the changes we're seeing is that we've expected this evolution, but it accelerated beyond our expectations. The opportunity that has presented itself was also a key strength of ours, so we saw a marked move toward both existing customers who were looking to better integrate relationship and communication technology into their process and established firms that aren't customers needing to solve for gaps they have in these areas. Communication has overwhelmingly become the thematic driver but maintaining the key "customer" (investor) relationships has been a common thread that hasn't changed. Much like what we've seen in our personal lives during COVID-19—we've always loved those close to us, but we've begun to communicate in ways we always could but rarely did.