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The Founder-Family Merchant Bank at Scale

The BDT & MSD Partners Case

An analytical case study on the seven capabilities produced by the 2023 merger of MSD Partners and BDT & Company, and what founder-family clients can now access from a single counterparty that no single firm previously offered.

MERCHANT BANK · FAMILY OFFICE · PATIENT CAPITAL · BUFFETT / TROTT / DELL

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An analytical case study on the capabilities produced by the 2023 merger of MSD Partners and BDT & Company — and what founder-family clients can now access from a single counterparty that no single firm previously offered.

In June 2023, MSD Partners — Michael Dell's family-office asset-management arm — and BDT & Company — Byron Trott's merchant bank — announced a merger, forming BDT & MSD Partners. Combined AUM at close was reported around $50 billion. Trott became CEO. Michael Dell rolled his MSD stake into the combined entity and retained meaningful ownership.

For most practitioners the deal registered as a large but unremarkable financial-services combination. That framing missed what the merger actually produced. The important story is not about the deal terms, the strategic rationale, or the broader family-office-model thesis. **The important story is about capabilities. Specifically: what can BDT & MSD Partners now do for a founder-controlled or family-controlled client that neither MSD nor BDT could do alone, and that no other single financial-services counterparty currently offers at comparable institutional scale.**

This Brief walks those capabilities directly. Section 0 lays out the *starting point* — what MSD Partners and BDT & Company each brought to the merger. Sections 1 through 7 each address a specific capability produced by combining those starting positions — the practitioner-relevant answer to *"if I engage BDT & MSD Partners, what am I actually buying access to?"* Sections 8 and 9 cover the supporting context (the Trott-Buffett credential that anchors the merchant-banking practice; the Michael Dell wealth arc that produced MSD's institutional capital base). Section 10 addresses the merger's strategic drivers — why Trott and Dell chose to combine two independent firms rather than continue growing them separately. Section 11 addresses the competitive set. Section 12 addresses the forward-looking question — *what could BDT & MSD Partners become?* — with five plausible evolution paths and the Institute's read on each. Section 13 is the practitioner takeaway; the Brief closes with cross-references to the Institute's existing Berkshire and Dell coverage and standard disclosure.

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§0. Starting point — what MSD and BDT each brought to the merger

Before laying out the new capabilities the merger produced, the table below summarizes what MSD Partners and BDT & Company each did as standalone firms in the years leading up to the June 2023 announcement. The columns identify the practice area, MSD's standalone position, and BDT's standalone position. Rows marked "—" indicate the firm did not operate materially in that practice area on a standalone basis.

Practice area	MSD Partners (standalone, pre-merger)	BDT & Company (standalone, pre-merger)
Public equity	Concentrated long-only positions in public companies; MSD family capital plus outside LP capital	—
Credit (public + private)	Performing corporate credit, distressed credit, direct lending, specialty finance	—
Real estate	**One of the largest single-family / family-affiliated real estate investors in the US.** Direct and joint-venture positions across hotels (including a longtime Four Seasons position), office, industrial, and residential	—
Private equity direct	Controlling and minority stakes across multi-sector founder-family businesses	—
Founder-family M&A advisory	—	Sell-side, buy-side, minority recap, family-liquidity structuring, generational transition
Capital raising / capital markets advisory	—	Debt and equity capital raising for founder-family operating companies, across both public and private markets
Merchant-banking co-invest	—	BDT Capital Partners funds co-investing alongside client families on transaction-specific opportunities
Asset management (private funds)	Institutional-scale platform for outside LPs across public equity, credit, real estate, and PE	Private-investment funds anchored by client-family LP capital
Family-office administration	Internal for the Dell family only; not offered externally	—
Coverage continuity model	Family-office (Dell) core + outside LP relationships	Two-decade coverage continuity for founder-family clients; deliberate rejection of Wall Street rotation

Practice area	MSD Partners (standalone, pre-merger)	BDT & Company (standalone, pre-merger)
Berkshire-adjacent transaction execution credential	—	Iscar (2006), Marmon (2007-08), Mars-Wrigley (2008), Lubrizol (2011); Buffett on-record endorsement
Named client-family relationships	Dell family (institutional core) + outside LP families	Two-decade relationships with Walton, Mars, Pritzker, Ferrero, and dozens of other Fortune 500 founder families
Approximate AUM at merger	$20B outside LP + Dell family capital	$30B in BDT private-investment funds

The table makes the merger logic legible. Rows where one firm has a value and the other has "—" are the practice areas each firm added to the combined platform. Rows where both firms have values are where the merger produced scale or geographic/relationship expansion in a practice area where both were already active.

The specific asymmetry that made the merger structurally productive: **MSD had built an institutional-scale asset-management platform with permanent-capital discipline but did not have the founder-family advisory or Berkshire-adjacent execution credential. BDT had built the founder-family advisory practice and the Berkshire credential but did not have institutional-scale patient capital of its own.** Neither firm could organically build the other side at the speed the combined market opportunity required. The merger was the only path.

The sections that follow (§1 through §7) walk the specific capabilities that emerged from combining these two starting positions — new capabilities that neither firm could deliver alone.

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§1. Founder-family advisory backed by institutional-scale patient capital

The core capability. BDT alone had the founder-family advisory practice and Berkshire-adjacent credential; it did not have institutional-scale patient capital of its own. MSD alone had $20+ billion of patient family-office capital plus $20+ billion of outside LP capital, but did not have the deep founder-family advisory relationships or the Buffett-endorsed transaction-execution credential.

Combined, BDT & MSD Partners can walk into a founder-family conversation and offer both. If a Fortune 500 founder-controlled company is considering a partial recapitalization, the firm can advise the family on transaction structure *and* commit its own patient capital as principal, from the same platform, without introducing a third-party PE fund whose 10-year LP cycle would force an exit and whose incentive structure would push for operational interference.

This specific combination — family-office patient capital available at scale, deployed by a merchant banker with two-decade founder-family relationships and Berkshire-endorsed transaction posture — is not currently offered at comparable institutional scale by any other single US financial-services counterparty. Traditional PE firms have the capital but not the founder-family relationship depth of Trott's two-decade practice. Some large-cap PE platforms (Blackstone's private capital business, KKR's core investments strategy, Apollo's Hybrid Value Fund) have built long-hold, founder-friendly fund structures with 15-25 year lives, but these still operate through LP-fund architecture with eventual return schedules. Traditional Wall Street banks have the transaction expertise but not principal capital. Single-family offices have both but at insufficient scale to serve as counterparty on a large recapitalization. Smaller founder-family-office / merchant-bank hybrids exist and are growing, but none combine all seven of the capabilities described in §1 through §7 at BDT & MSD Partners' institutional scale.

What this enables that wasn’t available before: partial recapitalizations that preserve founder control while providing family liquidity, structured with permanent capital that will not demand an exit in 5-10 years. The founder gets liquidity and retains operating discretion; the advisor and the capital source are the same institution, so alignment is structural rather than contractual.

§2. Cross-family transaction facilitation

BDT’s two-decade practice built a client roster that includes the Walton family, the Mars family, the Pritzker family, the Ferrero family, and dozens of other founding families of Fortune 500 and Forbes 400 companies. MSD’s capital base and institutional practice reached a comparable but different family network through its LP relationships and direct-deal history. The combined firm has cross-family visibility across an unusually deep American founder-family network.

That visibility produces a specific capability that only the combined firm has at scale: **the ability to match a selling founder-family with a buying founder-family on a transaction, both represented by the same trusted counterparty, both with the same time-horizon and control-retention preferences.**

This is materially different from a traditional M&A process. In a traditional process, a selling family engages a Wall Street bank to run a competitive auction; the auction brings in strategic acquirers and PE funds; the selling family accepts the highest bid, which typically comes from a PE fund whose 10-year exit clock immediately starts. The seller gets a good price; the buyer gets a business that will be re-sold in 5-7 years.

In a BDT & MSD Partners-facilitated cross-family transaction, the seller family transitions the business to a buyer family who intends to hold it permanently, at a price both families find fair, without the auction dynamics that push valuations to the top of the range at the cost of transaction certainty and operating continuity. Both families have the same coverage-continuity relationship with BDT & MSD Partners. The transaction is structured for the specific outcome both families want, not for the auction dynamic.

The Marmon transaction is the historical prototype: Trott represented the Pritzker family in the 2007-2008 sale of Marmon Group to Berkshire. Berkshire, in Buffett's telling, was as close to a founder-family buyer as an institutional acquirer gets. The transaction structure preserved the outcomes both sides valued. Post-merger, BDT & MSD Partners can now facilitate that same type of transaction without needing Berkshire as the specific counterparty — because the combined firm has both sides of the family-to-family transaction inside its own client network.

§3. The full multi-generational wealth architecture from a single counterparty

Single-family offices at Forbes 400 scale typically coordinate seven to twelve distinct outside relationships to run the family's wealth architecture: investment adviser or OCIO, private-equity fund LP relationships, direct-investment deal flow, tax preparer, tax structuring counsel, estate planning attorney, trust administration, cash management and banking, insurance broker, philanthropic administration, family governance advisor, cybersecurity, and concierge services. Each relationship has its own fee structure, its own coverage-continuity risk, and its own information silo. The family-office CFO or family principal spends substantial time coordinating across silos.

BDT & MSD Partners can now offer a single-counterparty consolidation of the investment, direct-deal, and merchant-banking layers of that architecture — combined with the operational family-office administration that MSD had built for the Dell family internally over 25 years. For a subset of founder-family clients, this is a genuine one-counterparty replacement for what was previously five to eight separate relationships.

What this enables that wasn't available before: materially reduced coordination cost for the family, a single institutional relationship for the practice areas where coverage-continuity and alignment matter most, and integrated information flow across investment strategy, deal execution, and family-office operations. The tax, estate, insurance, and philanthropic layers remain external; the investment and transactional layers consolidate.

The specific practitioner reader for whom this matters: the founder-CEO principal who has just experienced a large liquidity event and is deciding how to build the family-office infrastructure.

Historically that principal would have engaged an OCIO for public-markets investment, a separate PE fund-of-funds for private-markets allocation, a separate direct-investment shop for co-invest opportunities, an M&A adviser for any transactions on family operating businesses, and a family-office administrator for operations. BDT & MSD Partners is now positioned to serve four of those five roles from a single relationship.

§4. Berkshire-adjacent transaction structures without needing Berkshire

Berkshire Hathaway’s acquisition posture — patient buyer, cash price, no operating interference, permanent ownership — is what most founder-family sellers want in an acquirer. But Berkshire is not available as a buyer for every founder-family transaction. Berkshire has specific size thresholds (typically $1B+ for a meaningful acquisition), specific sector preferences, and specific quality criteria (durable competitive moat, competent existing management, straightforward business model). Many attractive founder-family businesses do not meet those criteria and therefore cannot be sold to Berkshire regardless of the seller’s preference.

BDT & MSD Partners can now structure Berkshire-adjacent transactions for founder-family sellers whose businesses don’t qualify for Berkshire itself. The mechanism: the combined firm arranges the acquisition through its own capital plus a co-investing family-buyer, using transaction terms modeled on the Berkshire template (cash price, permanent ownership, no operating interference, retention of existing management). The seller gets the Berkshire-style outcome; the buyer is a different family or a BDT & MSD fund vehicle; Berkshire is not a party.

What this enables that wasn’t available before: access to Berkshire-style transaction outcomes for the substantially larger population of founder-family sellers whose businesses fall outside Berkshire’s specific acquisition criteria. The combined firm has done the pattern before, has the credential (through Trott’s Berkshire history) to promise it credibly, and has the capital (through MSD’s institutional platform) to execute it as principal when a natural family-buyer isn’t immediately available.

§5. Full-capital-stack investment execution

MSD Partners had built strategy verticals across public equity, credit, real estate, and direct private equity over 25 years. BDT had built a private-investment platform focused on co-investing alongside its client families. Combined, the platform now spans the full capital stack:

- **Public equity —** concentrated long-only positions in public companies, held on a multi-year or permanent basis (MSD Partners’ historical public-equity practice)

- **Public and private credit —** performing corporate credit, distressed credit, direct lending, and specialty finance across corporate and real-estate collateral
- **Real estate —** direct real estate investment across office, industrial, hospitality, and residential
- **Private equity direct —** controlling and minority stakes in private founder-family businesses, growth equity, and buyouts
- **Merchant-banking co-invest —** alongside client families on transaction-specific opportunities (the BDT model)

For a founder-family principal building a fully-diversified family-office allocation, the practical implication is that BDT & MSD Partners can serve as the discretionary manager for a materially larger share of the total allocation than any single-strategy fund. A single-family office that historically allocated to 15-30 outside managers across strategies can, if it chooses, consolidate five to ten of those relationships into the BDT & MSD Partners platform.

What this enables that wasn't available before: substantial single-relationship consolidation of the family-office manager roster, with the specific alignment benefits of working with a merchant bank whose client base is other similar founder-family principals rather than a purely institutional investor.

§6. Coverage continuity through the 30-year family arc

Traditional Wall Street coverage rotates. A Fortune 500 founder-family may work with three or four different senior bankers over a 20-year period as the assigned banker gets rotated across accounts, changes firms, or gets promoted into a general-management role. Institutional PE coverage rotates similarly. Traditional trust-company advisory rotates as the trust officer retires or moves on.

The BDT model was explicitly built to reject that pattern. Byron Trott built two-decade relationships with specific families precisely by refusing the Wall Street coverage-rotation model — the family got Trott, not "whoever is on the desk this year." Post-merger, the coverage-continuity commitment scales to the combined BDT & MSD Partners institutional platform.

For a founder-family principal in their 60s or 70s planning generational transition to children in their 40s, the ability to engage a merchant-banking counterparty who will still be there in 20 or 30 years, with the same operating principles, is not a minor consideration. It is often the dispositive one. The children who inherit the family enterprise inherit not just the assets but the trusted counterparty relationships that surround the assets. If those counterparties are rotating every 3-5 years, the inheritance is more fragile than the balance sheet suggests.

What this enables that wasn't available before: an institutional-scale platform positioned to be a multi-generational counterparty to founder families, matching the time-horizon of the family's wealth architecture rather than the time-horizon of a banker's career-rotation cycle.

§7. The specific competitive advantage the combined firm now has

Each of the above capabilities has some analog at another institution. Rockefeller Capital Management has multi-generational family-advisory continuity. Willett Advisors has founder-family patient capital at scale. Silver Lake has some founder-CEO relationships and long-hold discipline on specific deals. Traditional Wall Street banks have the transaction-execution expertise. Traditional PE has the capital to deploy.

What no single other institution has is the specific combination of all seven capabilities integrated into one operating platform: (1) founder-family advisory backed by institutional patient capital; (2) cross-family transaction facilitation; (3) full multi-generational wealth architecture; (4) Berkshire-adjacent transaction structuring; (5) full-capital-stack investment execution; (6) 30-year coverage continuity; and (7) the specific Trott-Berkshire credential that opens founder-family conversations at senior level.

That integrated combination is what makes BDT & MSD Partners the current reference case for the founder-family-office / merchant-bank hybrid model at institutional scale. Other institutions may build toward the same combination over the next 5-10 years — some are visibly trying — but as of the 2023 merger and today, the combination is available at one firm.

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§8. Historical context 1 — the Trott-Buffett credential

MSD Capital → MSD Partners → BDT & MSD Partners

MSD Capital was founded in 1998 as Michael Dell's single-family office. At the time, Dell was the founder-CEO of a publicly traded company that had built one of the largest personal fortunes of the personal-computer era, and he needed a formal architecture to manage that wealth outside the Dell Inc. balance sheet. The firm was founded by Dell together with Glenn Fuhrman and John Phelan, both of whom had prior investment-banking and buy-side backgrounds. Marc Lisker joined shortly after as a founding operational principal. MSD was headquartered in New York with a satellite presence in Santa Monica and later Austin.

The founding thesis was straightforward: build a permanent-capital investment platform on Dell's personal wealth, operating without the LP-fund-and-return cycle constraints that private-equity funds face. In practice this meant public equity investments, credit, real estate, and direct private-equity deals across multiple sectors. Because the capital base was patient and permanent, MSD could underwrite longer-hold theses than traditional PE and take positions that didn't fit standard fund duration profiles.

By roughly 2009, MSD had built enough of a track record and operational infrastructure that the founders concluded outside institutional capital could be layered on top of the internal Dell wealth without disrupting the underlying model. MSD Partners was formed as the outside-capital arm. Over the following fourteen years, MSD Partners built AUM across multiple strategies, with the outside LP capital reportedly reaching roughly $20 billion at the time of the 2023 merger. Its investment approach retained the family-office origin discipline: fewer, larger positions; longer holding periods; more flexibility on structure than a traditional PE fund.

The 2013 Dell Inc. take-private — in which Michael Dell, together with Silver Lake, took Dell Inc. private for approximately $24.9 billion — both concentrated and multiplied the Dell family wealth. Dell wrote roughly a $4.6 billion equity check into the take-private (rollover of his existing 14% stake plus fresh MSD capital). The subsequent operating turnaround, the 2016 acquisition of EMC, the 2018 return to public markets via the VMware tracking-stock structure, and the eventual VMware sale in 2023-2024 to Broadcom compounded that equity check to a family-wealth position that Bloomberg's Billionaires Index estimates at over $200 billion — among the largest personal fortunes ever compounded from a single LBO transaction. The Institute's Dell case memo walks that compounding math in detail.

The consequence for MSD was structural. The family-office capital base that had started at some fraction of Dell's 1998 wealth had, by 2023, grown into one of the largest single-family capital pools in the United States, integrated into MSD Partners' institutional asset-management platform. The scale and complexity of that combined capital base — internal family capital plus outside LP capital — had reached a point where the operational infrastructure of a formal merchant-banking partnership was more efficient than continued organic growth of MSD alone.

BDT & Company

BDT & Company was founded in 2009 by Byron Trott. Trott had previously spent 27 years at Goldman Sachs, ending as vice chairman of investment banking. His practice at Goldman had been distinctive: rather than the typical investment-banker profile of transaction volume across many clients, Trott built long-tenured relationships with a specific class of client — founder-controlled and family-controlled companies whose leadership prized privacy, patience, and coverage continuity over transaction-driven advisory.

The formation thesis for BDT was explicit: Wall Street's dealer/underwriter model is fundamentally misaligned with founder-family clients. Traditional investment banks require transaction velocity to justify their P&L structure; senior banker time gets rotated to whichever client is transacting this quarter; and the compensation architecture rewards deal announcements over client service. Founder-family clients, by contrast, want a merchant banker who will remain their coverage partner for decades regardless of whether a transaction is imminent, who has the discretion to hold ideas back until the family is ready, and whose interests are aligned with the long-term prosperity of the family enterprise rather than with quarterly capital-markets throughput.

BDT was structured as a merchant bank in the classical sense — advisory practice combined with an investment platform where the bank co-invests alongside client families in specific transactions. Coverage continuity is the operating principle; a founder-family client engages BDT and typically works with the same senior banker for years or decades, across multiple transactions and non-transaction advisory work. The client roster, publicly reported over the years by the Wall Street Journal, Bloomberg, Reuters, and others, has included the Walton family, the Mars family, the Pritzker family, the Ferrero family, and dozens of other Fortune 500 founding families and Forbes 400 principal families.

The BDT investment platform, reportedly around $30 billion in AUM at the 2023 merger, is comprised of private funds that co-invest with client families in specific opportunities. The alignment structure is important: BDT's fund LPs are largely the same family clients BDT advises. When Trott presents a family-controlled company recapitalization or a founder-liquidity event, the BDT fund co-invests with the family or with adjacent founder-family clients. The advisory practice generates the deal flow; the fund provides the aligned capital. The two are structurally paired in a way that Wall Street's advisory-and-underwriting model does not permit.

The Trott-Buffett relationship

Byron Trott's public credential as the merchant banker for founder-family clients rests substantially on his relationship with Warren Buffett and Berkshire Hathaway. That relationship, publicly documented across two decades of Berkshire annual letters, deal announcements, and financial press coverage, is the single most consequential endorsement any banker in the modern era has received.

The specific transactions Trott advised on for Berkshire, in his Goldman period and subsequently at BDT, include:

- **Iscar Metalworking (2006) —** Berkshire acquired an 80% interest in the Israeli precision-cutting-tools manufacturer for approximately $4 billion. Buffett later increased the stake to 100%. The deal was Berkshire's first significant international acquisition and was originated by Trott.

- **Marmon Group (2007-2008) —** Berkshire acquired the Pritzker-family industrial conglomerate for approximately $4.5 billion in the initial 60% purchase, with a phased buyout of the remaining interest completed over the following years. Trott represented the Pritzker family in the sale to Berkshire, having built the relationship over years of prior advisory work.
- **Mars-Wrigley (2008) —** Berkshire provided approximately $6.5 billion of financing (subordinated notes and preferred stock) as part of Mars' $23 billion acquisition of Wrigley. Trott coordinated the transaction structure between Mars, Berkshire, and Wrigley.
- **Lubrizol (2011) —** Berkshire acquired the specialty-chemicals manufacturer for approximately $9 billion in cash. Trott represented Lubrizol.

The Marmon transaction as case illustration

The Marmon Group sale to Berkshire (2007-2008) is the specific historical prototype for what BDT & MSD Partners can now do at institutional scale. The Pritzker family had built Marmon over four decades into a diversified industrial conglomerate spanning wire and cable, transportation services, water treatment, food processing, and industrial equipment — with revenue exceeding $7 billion at the time of sale. The family faced the succession question every mature founder-family enterprise eventually faces: which counterparty could acquire Marmon without dismembering it, retaining the operating decentralization the Pritzkers had built, preserving the existing management teams across the operating subsidiaries, and providing the cash certainty a multi-generational family transition required.

Berkshire was the specific answer because Berkshire's acquisition posture — patient buyer, cash purchase price, no operating interference, permanent ownership — matched exactly what the Pritzker family needed. Trott's role was to bridge the two sides: he understood the Pritzker family's requirements from years of prior advisory work, and he understood Berkshire's acquisition mechanics from years of prior Berkshire transactions. The 2007 initial 60% purchase and the phased buyout of the remainder over the following years produced exactly the outcome both sides valued — the Pritzkers exited on their terms; Berkshire acquired a durable industrial conglomerate that has since compounded inside its structure.

The specific pattern is what BDT & MSD Partners can now replicate at scale without needing Berkshire as the specific counterparty. The combined firm has (a) the founder-family relationships to identify sellers who want the Berkshire-style outcome, (b) the family-office capital pool to serve as principal or arrange a founder-family buyer, and (c) the two-decade transaction-execution credential to promise Berkshire-adjacent terms credibly. For the substantial population of founder-family sellers whose businesses fall outside Berkshire's specific acquisition criteria (Berkshire's size, sector, and quality thresholds are narrow), BDT & MSD Partners is now the closest available counterparty to the Berkshire-style outcome. That is the specific replicable pattern the Marmon transaction established, and it is the operating template for the combined firm's future practice.

Beyond specific transaction citations, the public record includes Buffett's on-record commentary in Berkshire annual letters. Buffett has repeatedly written that Trott understands Berkshire's acquisition posture — long-hold, no operating interference, cash purchase price, permanent ownership — better than any other banker Buffett has worked with. Berkshire's acquisition record is, by many practitioner assessments, the single greatest capital-allocation record in the history of American business. Trott is documented as inside a meaningful fraction of that record.

The analytical importance of this credential runs beyond marketing. Berkshire's acquisition posture is specifically the posture that founder-family sellers want to encounter when they consider selling or recapitalizing: patient buyer, cash price, no post-close interference, permanent ownership. Berkshire, of course, is not available as a buyer for every founder-family transaction — it has specific size, sector, and quality criteria. But Trott's specific competence — running transactions where the buyer prizes patience and permanence over transaction velocity — is directly transferable to any founder-family transaction, whether the buyer is Berkshire, another founder-controlled acquirer, a family-office direct investor, or the founder's own family recapitalization.

This is the specific credential that no traditional Wall Street investment bank has been able to replicate. Goldman Sachs, Morgan Stanley, J.P. Morgan, and the rest can point to comparable transaction volume and comparable senior-banker experience. None of them can point to the specific Berkshire-endorsement track record, because Buffett has explicitly chosen not to work with them at the same depth.

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§9. Historical context 2 — the Michael Dell wealth arc

The Michael Dell wealth arc is the specific case example that made the 2023 merger both possible and necessary. The Institute's Dell case memo walks the full compounding math; the summary matters here.

2013 — take-private. Michael Dell, with Silver Lake, took Dell Inc. private for approximately $24.9 billion. Dell's personal equity check was approximately $4.6 billion (rollover of his existing 14% stake plus $750 million of fresh MSD Capital cash, plus a waived special dividend). Silver Lake contributed approximately $1.4 billion. Debt financing filled the rest of the enterprise value.

2013-2016 — operating turnaround. Away from public-market quarterly scrutiny, Dell restructured the business, exited underperforming lines, and pivoted the enterprise into servers, storage, networking, and software. The pivot was operationally difficult but structurally correct.

2016 — EMC acquisition. Dell Technologies acquired EMC Corporation for approximately $67 billion, the largest technology acquisition in history at that time. The deal added storage, virtualization (through VMware, which EMC controlled), and enterprise software to Dell’s hardware base. The financing was substantial and complex; the strategic result was that Dell Technologies became one of the largest enterprise-IT platforms in the world.

2018 — return to public markets. Dell Technologies returned to public markets through a Class V tracking-stock exchange transaction that consolidated the VMware ownership structure. The public-market return was structured to preserve family control while providing liquidity for equity holders who wanted to exit.

2021-2024 — VMware separation. Dell Technologies spun off VMware in November 2021 as an independent public company. VMware was subsequently acquired by Broadcom for approximately $69 billion in cash and stock, closing in November 2023. Dell’s indirect economic interest in the VMware sale contributed materially to the family wealth position.

2023 — MSD-BDT merger. With the family wealth position institutionalized at scale, and with the operational infrastructure of a formal merchant-banking partnership more efficient than continued organic growth of MSD alone, MSD Partners and BDT & Company announced the merger. The combined firm, BDT & MSD Partners, integrated MSD’s asset-management platform and outside LP capital with BDT’s founder-family advisory practice and co-investment funds. Trott became CEO; Michael Dell became chairman; and the combined firm now operates as one of the largest and most consequential family-office / merchant-banking hybrids in the world.

The compounding math — $4.6B → $202B, told in two columns

Because Dell and Broadcom shares both appreciated enormously after their deals closed, the value is best shown as what each pool was worth *when it became marketable to Michael Dell* versus what it is worth today. The following table is drawn from the Institute's Dell case memo (see baratelliinstitute.com/case-study-dell for the full workings and financial model).

Value pool	At the transaction	Today (Jun 2026)
Dell Technologies stake	$16B	$106B
Broadcom shares (from VMware) · est.	$21B	$81B
Cash from the VMware sale to Broadcom	$12B	$12B
Dividends received (since FY2022)	—	$3B
Total value to Michael Dell	**$49B**	**$202B**
Equity invested (2013)	$4.6B	$4.6B
Multiple of money	**11x**	**44x**

"At the transaction" values each pool when it became marketable to Michael Dell (the 2018 Dell re-listing; the 2023 Broadcom close; the VMware cash at receipt). The Broadcom line is derived from the fixed deal terms and assumes no shares sold since 2023 — the case's softest single input. Values as of market close June 26, 2026, reviewed June 29, 2026.

Independent cross-check — Bloomberg's $212B corroborates

The order of magnitude holds up outside the Institute's model. On June 29, 2026 the Bloomberg Billionaires Index put Michael Dell's net worth at approximately $212 billion (fifth in the world). Notably, Bloomberg assumes Dell sells roughly 20% of the Broadcom holding each year — a more conservative assumption than the no-sale posture behind the Institute's $81B Broadcom line — and still lands above the $202B figure, because Dell stock has climbed further than the Institute's June 26 mark. The Institute treats $202B as a defensible, even conservative, estimate, while flagging the Broadcom sub-line as the softest input in the composition.

Why the math matters for this Brief

The point for the practitioner reader: the story didn't end with the 2013 take-private valuation gain, and it didn't end with the 2018 re-IPO liquidity. The story continued into the 2023 institutionalization of the family-office platform. That final step — taking a founder's family office from single-family scale to institutional-scale merchant-banking platform — is the specific move that separates the founder families who become multi-generational institutions from the founder families who dissipate wealth over one or two generations. **The value-pool table above is the specific quantitative case for why the 2023 merger was both possible and necessary: the family capital base had grown to a scale where the operational infrastructure of a formal merchant-banking partnership was more efficient than continued organic growth of MSD alone.**

§10. Why they merged — six converging drivers behind the 2023 announcement

The public rationale at merger announcement (June 2023) was the standard M&A press-release language: complementary capabilities, scale advantages, serving founder families across the full transaction lifecycle. Dell became chairman; Trott became CEO; both retained meaningful equity. That framing answers the *what* of the merger. The Institute's analytical read on the *why* — the practitioner inference from publicly observable facts — identifies six converging drivers.

One. Trott looking for the same "home for BDT" he had spent 20 years finding for his clients. For two decades Trott had helped founder-CEO clients place their businesses with acquirers who would preserve legacy, operating discretion, and long-term culture — Marmon to Berkshire, Wrigley to Mars, Iscar to Berkshire, dozens of others. He was the merchant banker founder-families trusted specifically because he understood what a founder needs a buyer to promise. In his mid-60s, Trott is now the founder-CEO of a firm he built. The question every founder his age asks — *who will run this after me, in a way I trust?* — is the same question his clients had been asking him for two decades. Merging with MSD, where he could work alongside Michael Dell, is the merchant-banker equivalent of the solution Trott himself had been engineering for founder-family clients for a career.

There is also a physical dimension. Trott has been running a merchant-banking practice on constant travel for four decades. Founder-family relationships built two decades deep are built in person, at operating locations, over meals, across geographies — not over Zoom. The physical cost of that schedule compounds at his age, even with substantial wealth and private-travel resources. The client is still on a commercial timeline, at the operating location, on their calendar. Institutionalizing the firm inside a larger platform reduces the personal-travel load without abandoning the client base, because coverage can be shared across a wider senior-partner bench.

Two. What Trott was actually selling — the practitioner question of transferable value. Beyond personal motivation, the merger economics rest on what BDT had to sell that has value beyond Trott's personal involvement. BDT had three candidate asset categories, ranked here by transferability:

1. **Most transferable — the asset management business.** BDT Capital Partners funds ($30B AUM) have real value that outlasts Trott. Fund vehicles have committed LP capital with defined structures. GP interests can be valued and transferred. Management fee and carry streams have market-standard multiples for sale. This is the most obviously salable component of BDT and the largest single line-item in a merger-value calculation.
1. **Somewhat transferable — the execution bench.** BDT's senior partners can run client engagements and execute transactions on their own, not just through Trott. This bench has value in a merger, though less durably transferable than fund assets because senior partners can leave post-merger and take relationships with them. Retention structures (equity, deferred comp, non-competes) matter to any deal design.
1. **Least transferable — Trott's personal client relationships.** The Walton, Mars, Pritzker, and Ferrero relationships are largely Trott's personal relationships built over two-plus decades. They walk out the door with Trott when he retires. A merger does not transfer them structurally — combining firms does not make Michael Dell the trusted counterparty of the Walton family. Only Trott does.

For the merger to make economic sense for both sides, Trott must have had significant value in categories #1 and #2 — not just #3. The merger economics were built around the fund business plus the execution bench, with Trott's personal relationships providing incremental deal-flow value only during his remaining active years at the firm. Simultaneously, for Trott, the merger monetized #1 and #2 while preserving his active role in #3 for as long as he chooses to work. Sell the transferable, keep executing the personal — that is what makes the timing rational at his age.

Three. MSD had already lost two of its three founding investment partners. MSD Capital was founded in 1998 by Michael Dell together with Glenn Fuhrman and John Phelan as founding investment partners. Fuhrman departed around 2015. Phelan retired in 2019. By 2023 MSD had been operating for four years without its original co-founding investment partners, with Marc Lisker and other senior partners running the firm. Two of the three original founders were gone. Bringing in a founder-generation figure of Trott's stature — as CEO of the combined firm — filled a founder-generation void that MSD was already navigating and gave the combined firm an anchor figure whose credibility with founder-family clients was itself an asset.

Four. Pre-existing personal familiarity between Trott and Dell. Two decades of adjacent professional presence in the founder-family advisory space built the personal comfort that lets two founder-controlled firms combine. A merger between principals who did not know each other well would not have been structurally viable. The relationship was the enabling condition; the strategic rationale was the sufficient condition.

Five. Category-timing pressure. By 2023 the founder-family direct-investing category had grown enough that Blackstone, Apollo, KKR, and other well-capitalized institutional entrants were building capabilities specifically to serve founder families. A merger between two established founder-family platforms consolidated the category before institutional entrants could disrupt it further.

Six. Reducing dependence on Berkshire deal flow. BDT's Berkshire-adjacent transaction credential — Iscar, Marmon, Lubrizol, Mars-Wrigley — is real and publicly documented, but it is a finite asset going forward. Warren Buffett is in his mid-90s; Berkshire's acquisition cadence has slowed publicly as the transaction size that "moves the needle" for Berkshire has grown to $10 billion or more and become rare. The specific BDT-Berkshire deal-flow channel was structurally set to diminish over the following decade regardless of what BDT did. Merging with MSD gave BDT a much larger institutional platform not dependent on Berkshire-specific deal flow.

Composite read. The merger reads as the intersection of Trott's succession consideration, MSD's founder-generation void, personal familiarity between the two principals, category-timing pressure, and the fading Berkshire deal-flow channel — with the transferable-value analysis in point Two shaping the specific deal economics. Public language emphasized capabilities integration; the strategic reality was more layered.

§11. The competitive set — comparison against adjacent institutions

BDT & MSD Partners is the largest and most visible example of the founder-family-office / merchant-bank hybrid, but it is not the only one. The broader trend is documented across a set of adjacent institutions, each of which represents a different starting position converging toward similar operating models. The table below compares the six most-cited institutions in the category across the seven capability dimensions from §1 through §7.

Capability	BDT & MSD Partners	Rockefeller Capital	Willett Advisors	Emerson Collective	Cascade Investment	Silver Lake
1. Founder-family advisory + institutional patient capital	Strong: Trott credential + Dell family + institutional LPs	Moderate: Rockefeller heritage + Viking Global equity; broader wealth-management scope	Moderate: Bloomberg family capital, minimal outside advisory	Moderate: Powell Jobs capital, minimal outside advisory	Moderate: Gates family capital, minimal outside advisory	Limited: institutional PE with founder-CEO relationships on specific deals
2. Cross-family transaction facilitation	Strong: cross-Fortune 500 founder-family network	Moderate: wealth-management client cross-referral	Minimal: single-family focus	Minimal: single-family focus	Minimal: single-family focus	Limited: institutional deal-flow model
3. Full multi-generational wealth architecture from single counterparty	Strong: investment + direct-deal + merchant-banking + family-office admin	Strong: wealth management + investment + family-office services	Moderate: primarily investment + family-office admin for Bloomberg family	Moderate: investment + philanthropy	Moderate: investment + family-office admin for Gates family	Limited: PE fund vehicle only
4. Berkshire-adjacent transaction structuring	Strong: Trott's two-decade Berkshire practice credential	Absent: no comparable credential	Absent	Absent	Absent	Limited: some Berkshire-parallel long-hold on specific deals
5. Full-capital-stack investment execution (equity + credit + RE + PE + co-invest)	Strong: MSD platform breadth	Strong: multi-strategy platform	Moderate: primarily concentrated direct positions	Moderate: primarily direct positions	Strong: multi-strategy platform	Limited: PE-focused

Capability	BDT & MSD Partners	Rockefeller Capital	Willett Advisors	Emerson Collective	Cascade Investment	Silver Lake
6. Coverage continuity through 30-year family arc	Strong: BDT model built on this discipline	Moderate: institutional continuity but rotation exists	Strong: single-family in-house model	Strong: single-family in-house model	Strong: single-family in-house model	Limited: fund-cycle rotation
7. Combined competitive advantage	The only platform with all seven at institutional scale	Multi-generational wealth-management platform; different center of gravity	Deep single-family model; not counterparty to other families	Single-family + philanthropy focus	Deep single-family Gates model	PE with founder-CEO relationship depth on select deals

The comparison makes the specific BDT & MSD Partners positioning legible. Rockefeller Capital has comparable multi-generational institutional infrastructure but a different center of gravity (broader wealth management rather than concentrated merchant-banking for founder families). Willett, Emerson Collective, and Cascade are structurally similar single-family platforms that do not serve as counterparties to other families. Silver Lake has some founder-CEO relationship depth on specific deals but operates in the traditional PE fund structure. BDT & MSD Partners is the only institution that combines all seven capabilities at institutional scale — which is the analytically precise version of the "no other counterparty matches" framing softened in §1.

Rockefeller Capital Management. Descended from the original Rockefeller family office, restructured in 2018 with outside institutional investment from Viking Global to combine family-office services with a broader wealth-management and merchant-banking platform. Serves both the Rockefeller family and outside client families. Reported AUM well into the hundreds of billions across managed and advised assets.

Willett Advisors. Michael Bloomberg’s family office, formalized around the management of Bloomberg’s personal wealth (largely derived from Bloomberg L.P., which remains private). Willett operates as a single-family office with substantial direct-investment capability. Bloomberg has not (as of public reporting) pursued the outside-capital expansion that MSD did, but the structural profile is comparable.

Emerson Collective. Laurene Powell Jobs’ family office, structured as an LLC rather than a foundation to permit flexibility across investment, philanthropy, and policy activity. Substantial direct-investment portfolio in media, technology, and social enterprise. Not merchant-banking in the BDT sense, but a comparable founder-family-office institutional-scale platform.

Silver Lake. Structurally different — Silver Lake is a large institutional private-equity fund, not a family office — but with meaningful founder-CEO relationships and long-hold discipline that positions it adjacent to the merchant-bank-for-founders category on specific transactions. Silver Lake was Michael Dell's partner on the 2013 take-private; the operating relationship between Silver Lake and the Dell family continues.

Cascade Investment. Bill Gates's family office, principal manager of Gates' personal wealth outside of the Gates Foundation. Direct-investment platform with substantial public and private holdings.

Single-family and multi-family offices generally. Beyond the named institutions, the broader trend is the rise of formalized family-office direct investing across dozens of Forbes 400 principal families, hundreds of Forbes-list-adjacent families, and thousands of families in the $100 million to $1 billion wealth range. Industry reports from Campden Wealth, UBS, and the Family Office Exchange (FOX) consistently identify direct investing as the fastest-growing family-office practice area, with allocations to direct deals rising materially through the 2010s and 2020s.

The strategic thesis common across the competitive set: founder-controlled and family-controlled companies increasingly prefer to work with counterparties whose incentive structure and time horizon align with their own, rather than with traditional PE funds constrained by 10-year LP-return cycles or with traditional Wall Street coverage constrained by transaction-velocity compensation. That preference has produced sufficient volume to sustain a category of institutional-scale family-office / merchant-bank platforms — of which BDT & MSD Partners is now the most fully integrated example.

§12. What could BDT & MSD Partners become — five evolution paths

The 2023 merger produced a specific combined firm at a specific institutional scale. It also produced optionality. Multiple evolution paths are available to BDT & MSD Partners over the next decade; the firm's choice among them will shape the founder-family-office / merchant-banking category for a generation of comparable firms behind it. This section walks five plausible paths, what each would require, what each would gain, and what each would cost.

Path 1 — The Goldman Sachs path: evolve into a full-service investment bank

What it would look like. BDT & MSD Partners expands from merchant banking into full-service investment banking: underwriting, capital markets, IPO advisory, sales and trading. The firm becomes a Wall Street competitor with a differentiated founder-family origin story but a broadly comparable service surface.

What would be gained. Meaningfully larger revenue base, broader institutional client footprint, capital-markets deal flow adjacent to the merchant-banking practice, and scale economics on regulatory and operational infrastructure.

What would be lost. The founder-family alignment that made BDT successful in the first place. Full-service investment banking requires transaction velocity to justify the P&L structure of a large-scale operation. Transaction velocity is the specific incentive misalignment that founder-family clients chose BDT to escape. The moment BDT & MSD Partners has capital-markets bankers whose bonuses depend on transaction throughput, the merchant-banking practice starts drifting toward that same incentive structure.

Institute read on likelihood. Low. The Trott-Buffett-Dell founding thesis is explicitly built on rejecting the full-service investment-bank model. Trott left Goldman precisely to build something different. The firm has strong institutional memory of that founding rationale. A Goldman-style evolution would repudiate the founding thesis and is therefore unlikely as long as Trott and Dell are in strategic decision positions.

Path 2 — The Blackstone / KKR / Apollo path: scale into a multi-strategy alternatives platform

What it would look like. BDT & MSD Partners scales outside LP capital across all strategies to $200-500B AUM over the next decade, matching the growth trajectory of Blackstone, KKR, or Apollo. The firm becomes a top-tier alternatives platform with the specific differentiator that its origin was a family office / merchant bank rather than a leveraged buyout shop.

What would be gained. Institutional-scale AUM economics, cross-strategy fund fundraising leverage, brand recognition adjacent to the largest alternatives platforms, and the ability to deploy capital at scale into founder-family opportunities that current AUM does not support.

What would be lost. The specific concentration of founder-family LP capital that currently anchors the funds. Scaling to $200-500B requires substantial outside institutional LP capital (public pension funds, sovereign wealth, insurance company GAs). Once those LPs dominate the fund investor base, their return-cycle expectations start driving fund duration, exit pressure, and portfolio-company operational posture. That drift is exactly what the merchant-bank-for-founders model was built to avoid.

Institute read on likelihood. Moderate. BDT & MSD Partners is already multi-strategy and has the operational infrastructure to scale. The question is how much outside institutional LP capital the firm is willing to take on before the incentive structure drifts. The Institute's read is that BDT & MSD will grow AUM materially over the next decade but will deliberately cap the outside institutional LP share to preserve the founder-family alignment. A $100-150B AUM ceiling seems plausible; $500B does not.

Path 3 — The Berkshire path: become a permanent-capital acquisition vehicle

What it would look like. BDT & MSD Partners evolves toward a Berkshire-style permanent-capital structure where LPs (and clients) become permanent stakeholders rather than fund investors. Instead of raising a new fund every three to five years, the firm accumulates permanent capital contributed by founder families as long-duration equity partnerships. Investments are held permanently rather than sold at fund maturity. The firm becomes something structurally similar to Berkshire Hathaway itself but with a merchant-banking origin rather than an insurance-float origin.

What Berkshire’s permanent-capital structure actually rests on. Berkshire compounds without LPs because it has four distinct sources of permanent, non-callable capital, none of which have return-schedule obligations:

1. **Insurance float** — customer premiums held against future claims. Approximately $170B+, growing with the insurance business. Effectively negative-cost leverage because underwriting has run at approximate break-even to modest profit over decades.
2. **Retained operating earnings** — cash flow from operating subsidiaries (BNSF, BHE, MidAmerican, Precision Castparts, Marmon, and dozens of others) reinvested rather than distributed. Buffett has trained shareholders across six decades not to expect distributions.
3. **Deferred Tax Liability — approximately $90B as of Q1 2026.** Generated by unrealized gains on the appreciated equity book (Apple, Coca-Cola, American Express, Bank of America) and accelerated depreciation on operating-subsidiary capex. As long as Berkshire does not sell the equity positions and does not distribute the depreciation-shielded operating cash flow, the tax is never paid. The DTL sits on the balance sheet as an interest-free, no-obligation loan from the US Treasury that grows as the positions appreciate. It is arguably the purest form of permanent capital in the entire structure — no actuarial tail (unlike insurance float), no distribution expectations (unlike retained earnings), and no cost.
4. **Equity issuance** — Class B stock as deal currency, used rarely and only in specific transactions.

BDT & MSD Partners has *none* of these at Berkshire scale. Dell family capital is patient but does not grow the way insurance float grows. There is no operating-subsidiary base of comparable scale generating retained earnings. There is no meaningful DTL because there is no decades-accumulated appreciated equity book or depreciable operating-asset base. And equity issuance as a deal currency requires a public listing the firm does not have.

What would be gained. Complete elimination of fund-cycle exit pressure. Longer effective holding periods on all portfolio investments. A structural alignment with the founder-family client base that no fund-based firm can match. Berkshire-level durability of capital.

What would be lost. Fund fee economics (management fees, carry) that account for most of a traditional alternatives firm's profitability. LP contribution flexibility (permanent-capital contributors cannot exit or redeem easily). Substantial restructuring complexity in migrating existing fund LPs into a permanent-capital structure.

Institute read on likelihood. Low but not zero. This is the most philosophically-aligned evolution path with the founding thesis, but the structural complexity of migrating a large existing LP base is substantial. More likely: BDT & MSD Partners retains fund structures for outside LPs while running a permanent-capital vehicle inside the firm using the Dell family capital as the anchor. A partial-Berkshire structure rather than a full-Berkshire structure.

Path 4 — The Rothschild path: stay a multi-generational family-controlled merchant bank

What it would look like. BDT & MSD Partners remains substantially as it is today: institutional-scale merchant bank + family office hybrid, $50-100B AUM, 200-500 employees, founder-family client focus. The firm becomes a multi-generational institution with Trott and Dell family ownership passing to next generations, similar to how Rothschild has remained a family-controlled merchant bank across seven generations and multiple centuries.

What would be gained. Multi-generational continuity for the client base. The firm becomes literally what the merchant-bank-for-founders model produces at the counterparty end: a family-controlled firm serving other family-controlled clients across generations.

What would be lost. Public-market liquidity for firm founders and senior partners. The typical private-firm dispersal-of-ownership dynamic (senior partners exit, take equity out, dilute concentrated control) has to be actively managed against for the family-controlled model to persist across generations. This is difficult and most firms fail at it.

Institute read on likelihood. Moderate to high. The Rothschild pattern is available and philosophically aligned with the founder-family-for-founder-family model. The specific test will be generational transition planning — how ownership and strategic control pass from Trott, Dell, and current senior partners to the next generation. If handled correctly, this evolution preserves the firm's identity indefinitely.

Path 5 — The Rockefeller Capital path: take outside institutional equity at the firm level

What it would look like. BDT & MSD Partners takes outside institutional investment at the *firm level* — not just at the fund level — to accelerate scaling while retaining meaningful Trott and Dell ownership and strategic control. Analogous to Rockefeller Capital Management's 2018 restructuring, in which Viking Global took a substantial equity stake in the firm alongside the continued Rockefeller family ownership.

What would be gained. Growth capital for institutional expansion, geographic and practice-area expansion, and outside-shareholder pressure and discipline on operational metrics. The firm becomes a scaled platform with multiple ownership constituencies aligned around long-term growth.

What would be lost. Some degree of the founder-controlled discipline that defines the current firm. Outside institutional equity holders eventually want liquidity, dividend returns, or IPO exit. That pressure introduces incentive misalignment over time.

Institute read on likelihood. Low. Trott and Dell built BDT and MSD respectively as founder-controlled firms. The 2023 merger was structured to preserve that founder-control model, not to prepare for outside institutional equity. This evolution would repudiate the merger's own structural intent.

The Institute's composite read

Weighting the five paths against each other: the most likely 10-year evolution is a **hybrid of Path 2 (Blackstone) and Path 4 (Rothschild)** — moderate AUM scaling (perhaps $80-120B by 2033) while preserving founder-controlled strategic ownership and multi-generational firm identity. Path 3 (Berkshire) is aspirationally aligned but structurally hard. Path 1 (Goldman) is philosophically excluded. Path 5 (Rockefeller) requires an outside-equity move that the merger deliberately avoided.

The one path that is neither in the list above nor a likely evolution: the "get acquired by a larger institution" path. Multi-strategy alternatives platforms (Blackstone, KKR, Apollo, Ares) and diversified financial-services conglomerates (Goldman, Morgan Stanley, J.P. Morgan) could conceivably attempt to acquire BDT & MSD Partners for its founder-family relationships and Berkshire credential. The Institute's read is that Trott and Dell would not sell for exactly the same reason their client families do not sell to strategic acquirers whose incentive structure would compromise the founder-family alignment. The firm was built to be a counterparty to founder-family clients; being acquired would repudiate that identity as visibly as any structural move the firm could make.

The evolution paths that matter are the ones that preserve or extend the founder-family alignment. The evolution paths that destroy that alignment are the ones the firm will refuse regardless of the financial terms offered.

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§13. Practitioner takeaway

For the practitioner reader — the family-office CFO, top advisor, or founder-family principal evaluating BDT & MSD Partners or comparable institutions in the founder-family-office / merchant-bank category — the 2023 merger produced five practitioner-relevant conclusions.

One. The founder-family-office model has crossed institutional scale. It is no longer a boutique offering serving a handful of billionaires. It is a formalized institutional practice area with tens of billions of AUM, deep operating infrastructure, and a defined competitive set (§11).

Two. The merchant-bank-for-founders coverage model is analytically validated. BDT built two decades of practice by explicitly rejecting the transaction-velocity model of Wall Street and building coverage continuity for founder-family clients. The 2023 merger with MSD is the practical validation: an institutional-scale family office chose to combine with a merchant bank rather than build its own advisory practice, because the merchant-bank model produces client-family alignment that internal build cannot match at speed.

Three. Founder-controlled companies now have a specific alternative to traditional PE. When a founder-family company considers a recapitalization, liquidity event, or generational transition, the choice used to be traditional PE or traditional Wall Street underwriter/dealer. Today the choice includes founder-family-office direct-investment platforms and merchant-bank-plus-fund hybrids like BDT & MSD Partners.

Four. The Berkshire acquisition posture is now practically referenceable. Berkshire cannot be replicated. But the Berkshire *approach* to acquisitions can be approximated by other buyers, and BDT & MSD Partners is one of the platforms best positioned to arrange those approximations. Founder-family sellers who want a Berkshire-adjacent transaction structure but whose businesses don't meet Berkshire's specific criteria now have a formalized advisory-and-capital counterparty who understands what they want.

Five. The multi-generational wealth-architecture arc is fully visible. The Dell case — 1998 family-office founding → 2013 take-private → 2016 EMC → 2018 re-IPO → 2023-2024 VMware separation and BDT & MSD Partners institutionalization — is the definitive worked example of what happens when a founder-CEO chooses to institutionalize the family-office side of the family wealth.

Practitioner questions to ask any founder-family-office / merchant-bank hybrid

The Institute recommends the following seven questions when a family-office CFO, top advisor, or founder-family principal evaluates BDT & MSD Partners or any other institution in the founder-family-office / merchant-bank category. Each question maps to one of the seven capability dimensions in §1 through §7 and is designed to elicit substantive answers rather than marketing language.

1. **On capital structure.** What is the split between LP-fund capital and permanent-capital sources in the vehicles you would deploy on our transaction? What percentage of the capital available for our deal has a return-schedule obligation to outside LPs, and what percentage is permanent or family-office capital with no forced-exit expectation?

1. **On coverage continuity.** Who at your firm will be the senior coverage partner on our engagement today, in five years, in ten years, and in twenty years? What is your firm's turnover rate for senior partners at that level? What retention structures (equity, deferred comp, non-competes) are in place to preserve that continuity?

1. **On holding period discipline.** What is your typical or average holding period on portfolio investments? What is the longest single portfolio investment you have held? What is the mechanism by which a business you acquire from us would be held for 20+ years rather than sold at the 5-7 year mark to return LP capital?

1. **On cross-family transaction facilitation.** Have you previously matched a selling founder-family with a buying founder-family on a specific transaction? Can you cite examples? What is your typical role — advisor to one side, both sides, or transaction facilitator?

1. **On family-office services scope.** Which of these do you provide from a single relationship: investment management, direct-deal execution, tax structuring, estate planning, trust administration, cash management, insurance, philanthropic administration, family governance? Which do you not provide, and who do you partner with?

1. **On the Berkshire-adjacent posture.** Can you describe a specific transaction you have executed where the buyer was patient, cash-paying, non-interfering, and committed to permanent ownership? Was Berkshire the specific counterparty, or was it another buyer under Berkshire-style terms?

1. **On generational transition of the firm itself.** Your senior founder-generation figures — who succeeds them, on what timeline, and what governance structure ensures the firm's operating identity persists after their departure? What is your firm's own succession plan?

The seven answers are the specific practitioner reference for whether the counterparty across the table matches what the family needs. The counterparty who cannot answer specifically on all seven is not the counterparty for a multi-generational family engagement.

§14. Cross-references and further reading

Institute coverage that connects to this Brief:

- **Berkshire Hathaway acquisition record.** The Berkshire acquisitions hub walks every disclosed Berkshire acquisition since 1962. Trott's specific transactions (Iscar, Marmon, Lubrizol, Mars-Wrigley financing) are documented there in the context of the broader Berkshire acquisition posture.
- **Dell case study.** The Institute's full case memo on the Michael Dell 2013 take-private, the $4.6 billion equity check, the operating turnaround, the EMC acquisition, and the compounding to a family-wealth position now reported by Bloomberg at over $200 billion.
- **"Most Large Companies Eventually Become 'PE Firms'" Brief.** The Institute's analytical thesis on how successful operating companies evolve into permanent-capital acquisition vehicles. The founder-family-office / merchant-bank hybrid is the mirror-image thesis on the buy-side.
- **The Family Office Reference Guide.** The Institute's paid practitioner guide on family-office structure, formation, and coordination.
- **The Liquidity Event Playbook.** The Institute's reference on transaction sequencing and post-transaction family-office architecture.

Disclosure and sourcing

The Baratelli Institute has no affiliation with, endorsement from, or client relationship with BDT & MSD Partners, MSD Capital, MSD Partners, BDT & Company, Michael Dell, Byron Trott, Dell Technologies, Silver Lake, Berkshire Hathaway, or any other entity or principal referenced in this Brief. This is independent editorial analysis of publicly available information; no non-public information has been used.

Sources include: MSD Capital and MSD Partners public communications and reported AUM figures from Bloomberg, Reuters, and Wall Street Journal coverage over 2009-2023; BDT & Company public communications and reported client-relationship and AUM figures from the same sources; the announcement of the 2023 MSD-BDT merger as covered by the Wall Street Journal, Bloomberg, Reuters, and Financial Times; Berkshire Hathaway annual letters (1998 through 2024), specifically Warren Buffett's public commentary on Byron Trott; the Institute's own Dell case memo (see baratelliinstitute.com/case-study-dell); and standard financial-press coverage of the Rockefeller Capital Management, Willett Advisors, Emerson Collective, Silver Lake, and Cascade Investment competitive-set references.

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