

PRACTITIONER'S GUIDE TO

PRIVATE EQUITY

A free principal summary of the full 648-page practitioner guide.

Philip A. Baratelli, CPA, MBA · Founder, Baratelli Institute

Does this guide make my sourcing, my investment committee, my ops team, or my LP relationships more effective and/or more efficient?

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BARATELLI INSTITUTE * PRACTITIONER GUIDE SERIES

A FREE PRINCIPAL SUMMARY

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FOR THE PE PRACTITIONER

Who this is for, and what's inside

This summary is written for the practitioner who actually runs PE work — the sponsor partner, the investment-committee member, the operating-partner, the LP allocating to the asset class, the IB analyst pricing a take-private, the controller who runs fund admin, the fund counsel who drafts the side letters. It is not written for someone looking for a textbook introduction to private equity. The full guide assumes you already do this work.

The full *Practitioner's Guide to Private Equity* runs 648 pages across 38 chapters and one running deal — Project Bellwether — that recurs from sourcing through exit. It ships with a 17-tab Excel workbook, nine deal-type models (roll-up, take-private, dividend recap, growth, distressed, real-estate, SaaS, and so on), a fully populated IC memo, a full Bellwether deal model, an IC presentation deck, an LP directory, a DD service-provider directory, and AI prompts integrated into every chapter where they belong.

The buy-test for this guide is the same buy-test that controls every Baratelli Institute reference. Does this make my desk more effective and/or more efficient? If yes — buy. If you can't answer yes after reading this summary, don't buy.

The summary itself ends on the next page with a full chapter spliced from the guide — Chapter 11, Fund Admin and LP Reporting. Read it the way you would read a sample chapter at a bookstore. The rest of the guide is built the same way.

WHAT'S INSIDE

How the full guide is built

The full *Practitioner's Guide to Private Equity* covers 38 chapters across the PE firm's full operational arc — from the first sector-map outreach call to the final exit. Below: the architectural pieces that make the guide and its companion workbook into one working system.

Project Bellwether — the running deal

Every chapter that touches deal work walks the reader through Project Bellwether, a fully-built fictitious lower-middle-market platform acquisition. The IC memo, the financial model, the IC presentation deck, the diligence findings, the 100-day plan — all populated for Bellwether so the reader sees the deliverable at full depth, not just the framework.

Nine deal-type Excel models

The companion workbook ships with nine separately-built Excel models — one for each major PE deal type: roll-up, add-on, dividend recap, take-private, growth equity, distressed, real-estate, SaaS, and the master LBO. Each model is fully linked: assumption changes flow through the three statements, debt schedule, and IRR calculations.

The 17-tab companion workbook

Sourcing pipeline tracker, side-letter matrix, capital-call schedule, waterfall calculator, fund-admin checklist, LP report template, ASC 820 valuation governance, and ten more tabs. The workbook is the practitioner's working file; the guide is the manual for using it.

LP and service-provider directories

The back-of-book directories — LP universe by category (state pensions, endowments, sovereigns, family offices, gatekeepers), and DD service providers by function (Quality of Earnings, commercial DD, legal, tax, insurance, IT/cyber) — give the new firm a starting call list it would otherwise spend years building.

AI prompts integrated into every chapter

Each chapter ends with one or more AI prompts written for the practitioner deploying ChatGPT, Claude, or Gemini against the chapter's real work — sector-map outreach drafting, IC memo skeleton, side-letter review, financial-diligence anomaly detection. The prompts are not appendix decoration; they are part of how a 2026 PE professional actually runs the desk.

The next page is a real chapter from the guide, spliced in at full depth. Read it the way you'd read a sample chapter at a bookstore.

CHAPTER PREVIEW

A full chapter, at full depth

What follows is **Chapter 13 — LP Relations as a Strategic Discipline**, spliced directly from the full guide. The page numbers continue from this summary's numbering; the chrome and chapter content are identical to what ships in the \$349 guide.

Read it the way you would read a sample chapter at a bookstore. If after reading, your desk would be more effective and/or more efficient with the other 37 chapters, the 17-tab workbook, the nine deal-type models, the IC memo template, the populated Bellwether deal model, the LP directory, the DD service-provider directory, and the AI prompts integrated into every chapter — buy the full guide.

If after reading, it doesn't — don't.

— *Phil Baratelli*

CHAPTER 13

LP relations as a strategic discipline

The LP relationship doesn't end at commitment. It is the firm's most durable strategic asset.

13.1 LP relations is not investor relations

Many firms collapse LP relations into IR — quarterly reports, annual meetings, occasional update emails. That's the floor. The discipline is treating each LP as a strategic relationship that compounds across funds. The LP who commits \$25M to Fund I and is treated as a transactional account is the LP who passes on Fund II. The LP who is treated as a partner — given access, advisory weight, and direct engagement with the senior team — commits \$50M to Fund II and intros the firm to three more LPs.

13.2 The four LP-relationship cadences

Cadence	What happens
Annual partner-LP one-on-one	Each top-25 LP gets a dedicated 60-minute annual conversation with a founding partner. Not a sales call. A relationship review.
Quarterly portfolio update beyond the report	A 20-minute call walking through 2–3 portfolio companies in detail. Reserved for top-15 LPs.
Annual LP meeting (in-person)	Full LP base. 1–2 days. Portfolio reviews, strategy update, food-and-drink relationship-building.
LP advisory committee (LPAC) meetings	Quarterly with the 8–12-member LP advisory board. Material decisions (LPA amendments, key-person changes, fund extensions) are discussed here before fund-wide announcement.

13.3 When LPs leave

LPs do leave funds. Reasons: (1) institutional reallocation away from PE entirely, (2) underperformance vs. alternatives, (3) team changes that broke the original thesis, (4) governance dispute. Of the four, only #2 is fully under the firm's control. Discipline: when an LP signals departure, the senior partner with the relationship runs an exit conversation — what went wrong, what could change, would they reconsider. The conversation rarely saves the LP. It very often saves the next 5 LPs from leaving for the same reason.

13.4 Practitioner deliverable

The LP-relationship operating system: each top-25 LP has a named partner accountable one-on-one calendar entry, a documented relationship history, and an explicit understanding care about (returns, governance, co-invest, ESG, transparency).

Page

13.5 AI prompt — LP relationship review

AI Prompt — paste into ChatGPT, Claude, or Gemini

Context. Preparing for the annual one-on-one with [LP name]. Inputs: their commitment history [paste], prior interactions [paste], the questions they've asked across past quarterly calls [paste]. Output: a 1-page brief with (1) what they care about most, (2) what's likely top-of-mind for them this year, (3) three substantive things to discuss in the meeting that aren't already in the quarterly report, (4) what the firm wants from them for Fund [N+1].

13.6 Chapter takeaways

LP relations is not IR. IR is reporting. LP relations is partnership.

Four cadences. Annual one-on-one, quarterly deep-dive call, annual LP meeting, quarterly LPAC.

Departing LPs are diagnostic, not just losses. Run the exit conversation. The next 5 leavers benefit.

Each top-25 LP has a named accountable partner. Without named accountability, LP relat to IR.

Continue: Part III — Sourcing and Diligence.

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C.23 LP-meeting agendas — what the GP discusses at each cadence

Chapter 13 lays out the four LP-relationship cadences. Each cadence has a different audience, a different time budget, and a different agenda. The samples below are working agendas used by Fund I and Fund II GPs, with the GP-led talking points spelled out so the deal team and IR head can prepare consistently. The single biggest discipline: every LP meeting is preceded by a 30-minute internal prep call where the partner attending names the three things they want the LP to walk away with.

C.23.1 Annual partner-LP one-on-one (60 minutes)

Reserved for top-25 LPs. Conducted by the senior partner who owns the relationship. Not a sales call — a strategic conversation about the fund, the firm, and the partnership. Held annually, ideally in person, ideally at the LP's office.

Time	Topic	What the GP discusses	What the GP listens for
0–10 min	LP-side update — their world	Open with: 'Tell me what's changed for you since we last met.' Mostly listen. Topics: their PE program pacing, recent commitments, staff changes, board or committee dynamics, regulatory pressures.	Are they over- or under-allocated? Have they lost a key staff member? Is the committee changing chair? Anything that affects re-up risk.
10–25 min	Firm + fund honest update	Walk through: deployment pace vs. plan, team additions and any departures, two best deals and why, two hardest deals and what's being done. Use specific numbers. No glossing.	Where are they leaning forward in the chair? Where are they cooling? Their questions are the diagnostic.
25–40 min	Strategy and the next fund	Discuss thesis evolution; new sectors or geographies being explored; planned changes (if any) for the next fund — size, terms, GP commit, key-person additions. Test ideas for receptivity.	Will they re-up? At what size? Will they want LPAC? Are they open to co-invest?
40–50 min	Specific LP requests / open items	Anything they have asked for that is still open: reporting customizations, side-letter questions, co-invest requests, ESG data needs.	Pressure points. Things that haven't been resolved that risk the relationship.
50–58 min	LP wants from us	Direct ask: 'What are we doing well? What should we be doing differently? Who else should we be talking to?'	Honest feedback. The LP that gives you negative feedback is the LP that intends to stay.
58–60 min	Next steps	Three explicit follow-up items committed in writing within 48 hours. Confirm next contact cadence.	That you actually wrote them down.

What to leave out. Quarterly-report content (they have it). Marketing-deck pitch (they have deal performance numbers (already in the report)). The hour is for what they don't get from channel — direct partner access and honest perspective.

C.23.2 Quarterly portfolio deep-dive call (20 minutes)

Reserved for top-15 LPs. Conducted by the deal-team partner closest to the assets being discussed. Companion to the quarterly written report, not a substitute. Held within 2 weeks of report distribution.

Time	Topic	What the GP discusses	Sample dialogue
0–2 min	Set frame	'I want to spend most of this call on Project [X] and Project [Y] — they're the most material moves in the quarter and I'd rather give you depth on those than skim everything.'	'Let me know if there's a different portco you'd rather use the time on.'
2–10 min	Deep-dive — Portfolio Company A	Last quarter's commitments + what was delivered + what wasn't. Operating partner's two-week priorities. Material risks for next quarter. Capex deployment vs. plan.	'EBITDA was \$X vs. \$Y plan; the miss was [specific reason]. Operating partner Sue Smith and I have refocused next quarter on [specific actions].'
10–15 min	Deep-dive — Portfolio Company B	Same structure. Use a 'good news / open items' framing. Don't bury the open items.	'Two open items that may move next quarter: [item 1, item 2]. Here's how we're handling each.'
15–18 min	Cross-portfolio themes	Anything affecting multiple portfolio companies — sector trends, financing market, customer-demand inflection, regulatory.	'The sub-investment-grade financing market has tightened 75 bps since last call; we're refinancing PortCo C now to lock in.'
18–20 min	LP questions / open items	Open the floor. Anticipate top 2 questions and have data ready.	'I expected you'd ask about the [specific topic from the report] in the additional context.'

The discipline. Pick the 2–3 most material portfolio companies for the call. Resist the temptation to go through all 12. The LP's time is the constraint; depth on what matters beats breadth on what doesn't.

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C.23.3 Annual LP meeting (1.5 days, in person)

All LPs invited. Held annually at a single venue — historically NYC, increasingly Palm Beach, Miami, or Aspen for differentiation. The two-part economic logic: (1) deliver portfolio updates and strategy in concentrated form; (2) build informal relationships through dinners, side conversations, and shared time.

Day 1 — content (typical 8:30 AM start, 5:30 PM finish)

Time	Session	What the GP delivers
8:30–9:00	Coffee and registration	Informal partner-to-LP interaction. Each partner is briefed to spend 5 min with each priority LP.
9:00–9:30	State of the firm	Founding partner: team additions, capital deployed, fund-life timing, anything material since last year. 30 minutes max.
9:30–10:30	Portfolio review	Each deal-team partner: 8–10 min per deal across the portfolio. Highlight 2–3 deals in detail, summary on the rest. Operating partners contribute on operational thesis.
10:30–10:45	Break	Side conversations. Partners are circulating, not retreating to a back room.
10:45–12:00	Sector or thematic deep-dive	One thematic presentation (e.g., 'Why we're leaning into industrial-services consolidation'). Often co-presented with an operating partner or sector advisor.
12:00–1:30	Lunch with portfolio-company CEOs	3–5 portco CEOs join lunch. LPs interact directly with management. Strongest relationship-building hour of the meeting.
1:30–2:30	Capital-formation update	CFO + IR head: deployment pace, pipeline, expected next fund timing, any structural changes contemplated for next fund.
2:30–3:30	Operations and risk	CFO + COO: valuation methodology refresh, audit relationship, regulatory matters, cyber posture, any material operational matters.
3:30–3:45	Break	
3:45–4:45	LP Advisory Committee public session	Open report from LPAC chair (LP, not GP) on year's discussions and decisions. Open Q&A; from broader LP base.
4:45–5:30	Closing — open Q&A; with founding partners	All founding partners on stage. No prepared remarks. Honest questions taken.
6:30 onward	Cocktail reception + dinner	Mandatory partner attendance. Seating planned to surface relationships, not random.

Day 2 — half day (typical 8:30 AM start, 12:00 PM finish)

Time	Session	What the GP delivers
8:30–9:30	Optional: 1:1 partner-LP meetings	Pre-scheduled 30-min slots. Top-25 LPs get priority booking; second-tier LPs invited if slots remain.
9:30–10:30	Portfolio-company CEO panel	3–4 portco CEOs on stage discussing their experience working with the firm. LPs ask questions directly. Most-credible signal of GP quality.
10:30–10:45	Break	
10:45–11:45	Deep-dive — one new investment thesis area	Sector partner walks LPs through a thesis under construction, that will inform the next fund.

Time	Session	What the GP delivers
11:45–12:00	Closing remarks + lunch buffet	Founding partner: thanks, looking-forward, single concrete commitment for the year ahead.

What gets cut from a weak annual meeting agenda. Long PowerPoint walks through every portfolio company in equal depth. Generic 'state of PE' macro presentations. Partner monologues for minutes. Skipping the cocktail reception. The LP came for direct partner time, portco CEO and a credible read on whether to re-up. Everything else is filler.

C.23.4 LP Advisory Committee (LPAC) meeting (90 minutes, quarterly)

8–12 LP representatives from the largest commitments. Reviews material conflict matters, fund extensions, key-person events, valuation methodology changes, and ad hoc items where the LPA requires LPAC consent. Run by the GP CFO or General Counsel; chaired by an LP representative (rotating, typically annually). Materials sent 5 business days before the meeting. Minutes maintained by counsel.

Time	Agenda item	Who leads	Sample content
0–5 min	Chair welcome, prior minutes approval	LPAC chair (LP)	Approval of prior-quarter minutes; any administrative items.
5–15 min	Fund operating update	CFO	Capital deployed, NAV, drawdowns, distributions, any material changes since last meeting.
15–35 min	Conflict matters (consent items)	General Counsel	Each item: description, related-party identification, pricing methodology, third-party fairness opinion if applicable, GP recommendation, request for LPAC vote.
35–50 min	Valuation methodology review	CFO + third-party valuation firm	Annual full review (one quarterly meeting per year); quarterly sensitivity update at others. Material changes from prior period.
50–65 min	Pipeline / strategy preview	Founding partner	Confidential preview of pipeline LPs will see in next quarter; thesis evolution.
65–80 min	LP-raised topics	LPAC members	Each LPAC member has opportunity to raise an item. GP responds. Often the most-valuable 15 minutes — issues surface here before they become problems.
80–90 min	Executive session (LPs only, no GP)	LPAC chair	LPs alone for 10 minutes. Discuss any matters they wish to raise without GP present. Any feedback then communicated to GP through chair.

The standing LPAC consent list. The categories of matters that almost always require LPAC consent under modern LPAs:

Category	Examples requiring LPAC consent
Affiliate transactions	Sale of asset between fund and GP affiliate; portco of one GP fund providing services to portco of another GP fund.
Cross-fund investments	Investments where one GP-managed fund holds debt and another holds equity in same portco.
Conflict waivers	LP requests for conflict waiver beyond what side letter provides.
Valuation methodology changes	Material changes to written valuation policy; changes to third-party engagement.
Fund extensions	Extension of investment period or fund term beyond initial period.
Key-person events	Replacement of named key persons; waiver of key-person trigger.
Successor fund issues	Acceleration of successor-fund raise; investment-period overlap with success
Continuation vehicles	Creation of continuation vehicle to acquire fund assets; transfer pricing methodology.

Category	Examples requiring LPAC consent
LPA amendments	Any amendment to the LPA below the supermajority threshold.
GP-led secondaries	Any GP-led secondary transaction. Heightened SEC focus.

The LPAC discipline. The LPAC is the firm's most consequential governance forum. Materials prepared sloppily, consent items advanced without thorough rationale, or executive sessions where LPs feel the GP withheld information — any of these damages the firm's credibility and makes the next cycle harder. Treat the LPAC as the SEC examiner imagines it: an independent body of fiduciaries protecting the LP base from GP self-dealing. Run it accordingly.

PROJECT BELLWETHER · Chapter 13 · LP relations

Bellwether was the featured portfolio company at the Fund I annual LP meeting in Year 2. Susan Smith (Bellwether operating partner) and the new Bellwether CEO presented to the full LP base over a portco-CEO lunch. LP enthusiasm for Fund II crystallized after that lunch — five LPs signaled re-up intent within 30 days.

PART III

Sourcing and Diligence

Seven chapters on the front-end of the deal: building proprietary deal flow, screening discipline, the diligence stack, and the volatility positioning that produces the deals others can't see.

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CONTINUE READING

Order the full guide

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