



## PE Intern Interview Pre-Work

Private & Confidential

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# Note from the Founder

*First off, before you begin our handbook and kick off Caprae Capital's interview process, I want to congratulate you for being pre-selected. For each cohort round of interns, we generally receive about 500 applicants and select on average 10. Of course, many interns, given the workload for the handbook, do not finish; hence there is some skewness in the data set so please do not be too intimidated.*

*In a nutshell, Caprae Capital looks for several characteristics. We pride ourselves on bringing in not just successful interns but individuals who can and have the desire to change the world some day. As we have refined our interview process over time, I have simplified what we look for in a candidate - character, courage, creativity... and if applicable, crazy. By crazy, we mean this in a good way - a burning desire and the mental and physical stamina to take the time to master one's craft and become world-class in what they do.*

*While many programs measure a candidate's potential by school pedigree, SAT/ACT scores, GPA, financial modeling skills, prior internships, etc. I do believe simplifying the recruiting process to such metrics and relying on data points not generated on your own is not only intellectually lazy but also dangerous for any organization aspiring to become world-class. We look for independent thinkers, those who are never afraid to question, and avoid those who look at finance as a means to an end, a vehicle for a fat payday, or a nice trophy to stamp on their resume. Therefore, every step of our interview process is quite intentional and is aimed to seek out the right candidates that can thrive in our system.*

*In a short period of time, our internship program has become very highly-regarded. Some of our interns received invitations to internship programs or FT or PT positions at Blackstone, BMO Capital Markets, and notable hedge funds and family office PE Funds as well as various consulting and startup roles. Additionally, given our reputation and connections, various PE or VC shops have reached out to us to fill in positions for their company, by asking for resumes from interns that have been part of our program (Think of us as an MLB "Farm system" to make it to the pros)*

*Of course, not everyone is able to maximize his or her potential here, but for the ones that have great upside, I try to part the red sea as much as I can. At the end of the day, when comparing talent vs experience, I liken this to comparing horsepower vs mileage. At Caprae Capital we love horsepower. Hence, several of our interns, despite their young age, have had the pleasure of joining me on business trips to London, Frankfurt, Chicago, etc while still at school, to network and establish business relationships. We also carved out an investment management team where our best interns reach out to some of the more promising companies and discuss*

*with sellers, business brokers, PE Shops, and M&A advisors about the possibilities of working together.*

*I guess the most stunning statistic of Caprae Capital is that we now have 9 interns who have stayed post-graduation and/or are working full-time jobs on top of their role here at Caprae Capital. I am proud to see that the fund that we have launched has provided not only so much career value but a high-level of satisfaction with a sense of pride and ownership for those who have remained dedicated.*

*Although I do not interview candidates directly, I do review all the recorded videos should you reach that stage. I wish you the best of luck during the interview process and appreciate all the time you will be spending to get to know us. I hope to meet you on the other side and look forward to building a world-class company together.*

*Thanks,*

*Kevin*

*PS - Although we are a finance firm, we are a founder/operator first company. While companies and countries may come and go, culture remains. **PLEASE READ** what we mean by that on our [founder's latest post on how we use AI for messaging](#) and what we are trying to accomplish through [corporate governance](#). Also, please check out our [recruitment video](#)*

# 1. Executive Summary

Caprae Capital Partners (Caprae Capital) is a financial services and buy-side advisory firm seeking to acquire private companies with an EBITDA between \$1.5 and \$10 million. Our targets are located in the technology sector, specifically in the IT industry, and we aim for companies with significant recurring revenue and trading for a reasonable multiple commensurate with its growth and investment return potential. Caprae Capital also offers innovative services like SaaS (Search as a Service) and [MaaS \(M&A as a Service\)](#) in order to provide tailored support to entrepreneurs navigating the search fund process.

Companies will be sourced through tailored direct methods, such as warm introduction, industry associations, and highly customized direct marketing campaigns.

If you receive and accept an internship offer from Caprae Capital, as part of the internship you will be expected to develop industry theses that meet our criteria, develop lists of companies that fit that criteria, and outreach to them through direct marketing campaigns.

In preparation for your interview, please prepare a one-page industry memo that aligns with our criteria, compile a list of five companies within that sector, complete the lead generation task, and provide thoughtful responses to each question.

Also be sure to mention **any tools/databases you have access to** (through school, or any other means) and plan to use for this research (ie. ReferenceUSA, SourceScrub, Zoominfo, Growjo etc.)

## 2. Interview Steps:

1. Submission of resume/application
2. Review of application (within 3 weeks of submission)
3. Recorded Video Interview
4. Handbook submission (7 days to complete) => You are here
5. Final Interview
6. Background check
7. Final Decision (decision usually within 5 days)

### 3. Submission requirements

- **Industry Thesis & Research Package:** Submit a one-page industry memo with market analysis, company profiles for 5 target firms, and documentation of research sources used
- **Lead Generation Task:** Create a Google Sheets file with 6 qualified leads (3 from SaaSquatch, 3 from external sources) including full contact details per our criteria.
  - *Note: Include your Google Sheets link in your handbook submission - missing links will negatively affect your assessment.*
- **Questions:** Complete written responses to all required questions including your 3-paragraph (maximum) explanation of why you want to intern at Caprae Capital.
- **Resume:** Include your updated resume with your submission.

### 4. Industry Research & Deal Sourcing Task

An industry-driven origination starts by identifying industry sectors and selecting companies that meet the fund's investment criteria.

#### A. Identify Sector

Sector ideas come from a variety of sources: prior work experience, research reports, sector insiders, and MBA network. Caprae Capital Partners will be focused on B2B services in sectors with large assets where the Principal can leverage his expertise in the operation of the business.

*Examples of sectors that Caprae Capital plans to pursue are:*

- ITAD (IT Asset Disposition) Industry
- ITAM (IT Asset Management)
- IT TPM (Third-Party Maintenance)
- Onsite Destruction/wiping
- IT MSP Companies

#### Identify Industries

Build an understanding of different industries within a sector and identify ones that have a high level of recurrent revenue and companies are differentiated on attributes, other than price.

#### B. Build a List of Companies

Identify targets, screen companies based on pre-set criteria

#### C. Validate and Test Thesis

Continue screening companies and validating industry theses. Repeat A-C.

## 5. Former Illustrative Thesis: Industry Memo

*(EDTech Example - Please use the industries listed above as we are now pursuing different industries)*

### Illustrative Thesis Example II: Niche Online Education

<b>Industry Premier</b>	Parent Industry: Educational Services NAICS #: 611. <sup>10</sup> Industry Size Global: \$90.37B by 2023 Industry Growth USA: \$21.64B by 2024 (E-Learning) <sup>11</sup> Industry CAGR Global (2019-2023): >9% (Distance Learning) <sup>12</sup> Industry CAGR USA (2020-2024): 12% (E-Learning) <sup>13</sup> Gross Margins: ~58% (Educational services industry) & ~77% (Technology Sector) <sup>14</sup>
<b>Industry Size and Growth</b>	The E-Learning market in the US is expected to grow by \$21.64B during the period of 2020-2024. Part of the reason for this strong growth is high demand for online education for its affordability and accessibility. In addition, due to the extensive digitalization, the increase in the number of internet users is increasing the opportunity for the companies operating in this space. With in-person learning so heavily impacted by COVID-19, the industry has experienced exponential growth in 2020. In addition, 64% of high school students in the US use digital learning tools everyday as well as 45% of elementary school. <sup>15</sup>
<b>Business Model and Strategic Analysis</b>	Online education providers offer a variety of tutoring services in a range of academic subjects, across all age groups. To be successful in this industry, companies must be able to quickly adopt new technologies, access a highly-skilled workforce and possess a good reputation. <sup>16</sup>
<b>Value Drivers</b>	There are several reasons for students to choose online learning: such as existing commitments that do not allow for attendance in campus-based activities, distance learning, employer requirements and incentives, etc. Challenges such as the lack of engagement between student and faculty can be improved. Due to its affordable education and high margin for the business, there is a lack of defensibility in this industry. Value can be created by shifting to a more permanent online learning environment, which can in turn allow for longer term contracts with companies and institutions, which can work particularly well for niche education and/or employee training services. <sup>17</sup>
<b>Caprae Capital Strategy</b>	The Principal of Caprae Capital is an adjunct professor at Chapman University. He is very well aware of the issues associated with students and faculty engagement as well as the new content development. The Principal also has an extensive network of professionals working in academia and in the EdTech space. Prior to graduating and officially launching his search, the Principal intends to re-establish and establish relationships with professionals in the industry and attend industry trade shows to recruit a team of river guides. Additionally, the Principal has been an active writer, allowing him to gain access to key influencers in the industries he is involved in, as well as free access to many trade shows and VIP events. We believe his background and his skills will give him a sizable advantage in this fast-growing space.

<b>Key Resources</b>	<u>Industry Groups</u> <ul style="list-style-type: none"> <li>• Online Learning Consortium</li> <li>• The World Association for Online Education</li> <li>• United States Distance Learning Association</li> <li>• The International Association for Distance Learning</li> </ul>	<u>Trade Shows</u> <ul style="list-style-type: none"> <li>• DevLearn</li> <li>• ATD Tech Knowledge</li> <li>• Learning DevCamp</li> <li>• Training Conference</li> <li>• CLO Symposium</li> </ul>
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## 6. Lead Generation Task

Your task is to identify 6 companies that fit the following investment criteria:

1. **Industry:** ITAD Industry
2. **Employee Count:** 10-50
3. **Revenue Estimate:** 1 million and 10 million in revenue
4. **Year Founded:** After 2000
5. **CEO Age:** 45+
6. Please use [SaaSquatch Leads](#) as this will be your primary tool used during your time at our company.
  - a. Use the free version of SaaSquatch to generate 3 leads from your available 5 credits. Please clearly indicate which leads were sourced through SaaSquatch in your submission.
  - b. For the other remaining 3 leads, please use an external database. If you do end up signing up to use SaaSquatch to pay for additional leads, that is not required, but that is acceptable if you are confident in your ability to source leads.
7. Attach a file with your leads
8. **Create a Google Sheet and structure each lead as follows:**

Company Name	Company Website	Company LinkedIn	Industry	Product/Service	HQ State	HQ City	Employee Count	Revenue	Revenue Source	Year Founded
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## 7. Basic Questions

Please explain why you want to intern here vs other internships in no more than 3 paragraphs.

Please Answer these Basic Questions:

1. Will you need course credits for the internship?
  - o We also offer performance incentives - commission, stipend, part-time paid roles, intern of the month/week, acquisition bonuses (in certain instances, course credit will disqualify you from these bonuses, so please let us know)
2. Are you willing and able to work a minimum of 12-hours/week?
3. Will you be able to start immediately on the following Sunday? (This is required)
4. Will you be able to attend our Sunday Strategy meetings at 12:30 PM EST?

## 8. Reapplicants

Keep in mind you can only apply up to 3X per year

1. *What do you think is Caprae's unfair advantage?*
2. *What does "To become a legend, you must take down legends" mean to you?*
3. *What do you think Caprae's culture will be like?*
4. Socials
  - a. [LinkedIn](#)
  - b. [Substack](#)



c. [YouTube](#)

## 9 . Next Steps

### Key Deadlines & Submission Instructions:

Please submit your completed work within **7 days** of receiving this message using this application [form](#).

**Next Steps:** Once submitted, your handbook will be evaluated. If you receive a satisfactory score, you will be invited to a final interview within 2-3 business days. If not, a final offer depending on your stage. Only handbooks that have passed will receive an invite for the next steps. For those who fail the handbook, unfortunately, you will unlikely receive a notification. Caprae receives 1000s of applicants, and it is not always possible for our staff to follow up with all candidates. To ensure parity in the interview process, extensions will not be permitted. Please note that you can only apply up to three times per year.

**Need Help?** If you face any issues, please contact us at [partners@capraecapital.com](mailto:partners@capraecapital.com)

Good luck!