

What is Smart Money?

Rethinking Investor Experience in European Search Funds

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Abstract

Smart money in European search funds has been framed in prior literature as a binary attribute, leaving searchers without guidance on which kinds of investor experience to prioritize when assembling a cap table. Drawing on 15 interviews with practitioners across European markets, this thesis disaggregates investor experience into four unanimously validated dimensions, i.e., search fund model, operational, transaction, and local market experience. Two enabling conditions, investors' engagement level and capital depth, govern when the dimensions deliver value. The novel framework treats investor selection as a question of aggregate dimensional coverage and translates it into a four-step decision logic that equips European searchers with an actionable guide for cap table construction.

Key words

Search funds, entrepreneurship through acquisition, investor heterogeneity, smart money

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1. Introduction

The traditional search fund model has produced some of the most consistent returns in private markets. Kelly & Heston's (2024) study, tracking 681 search funds from the United States of America and Canada formed between 1984 and 2023, reports an aggregate pre-tax internal rate of return of 35.1% and a return on investment of 4.5x across the sample. Attractive returns are one of the reasons for the asset class drawing increasing attention from investors and aspiring entrepreneurs-through-acquisition beyond North America. In Europe, the model is gaining momentum. 181 search funds were raised across the continent up until the end of 2023, with the majority formed after 2019 (Kowalewski et al., 2024). Yet alongside this growth, practitioners and scholars have begun to flag governance challenges specific to the European context.

One of these challenges is the composition of the investor syndicate. Unlike leveraged buyout funds where a single general partner holds decision authority, the traditional search fund distributes governance across typically ten to fifteen minority investors who collectively control board composition and acquisition decisions. Ener and Dávila (2023) identify a principal-principal conflict in European search funds rooted in the high representation of investors without prior search fund investing experience and propose limiting such investors to a small share of the syndicate. Their framework, however, rests on a binary classification – investors are either experienced or not – which leaves unanswered what experience consists of and why particular gaps, rather than first-time status as such, generate friction.

This thesis originated as an attempt to test whether the principal-principal conflict described by Ener and Dávila manifests in European search funds today. Early interviews did not confirm the conflict as originally framed, either reframing it in terms the binary distinction could not capture or did not recognize it as a practical concern. This was read as a signal that the underlying construct of investor experience is insufficiently specified. The research question was therefore reoriented: *What does investor experience mean in the European search fund context, and how should its different dimensions inform cap table composition?*

To answer this question, 15 semi-structured interviews were conducted with searchers, operators, and investors across European markets at varying stages of ecosystem maturity. Analysis of these interviews and adjacent literature yielded a four-dimension framework of investor

experience, encompassing search fund model, operational, transaction, and local market experience, and a structured quantitative weighting exercise revealing the dimensions' relative importance.

The thesis is structured as follows. Chapter 2 presents literature relevant to the research topic, outlining the search fund model in general and in the European context. Furthermore, the chapter turns to the principal-principal conflict identified by Ener and Dávila, then covers adjacent literature regarding non-financial investor contribution in the fields of venture capital and leveraged buyouts. Chapter 3 presents the research design by describing the mid-study pivot, the interview guide and its formation, and finally data processing and analysis. Chapter 4 reviews the findings around the four-dimension framework. Complementary to a quantitative triangulation of the framework, additional themes arising from the interviews are presented. Chapter 5 transfers the findings into theoretical and practical implications, offering a step-by-step logic to support future searchers in cap table composition. Chapter 5 ends with a discussion of limiting factors of the study. Finally, Chapter 6 concludes the thesis and presents suggested areas of future research.

2. Literature Review

This chapter outlines the theoretical background that underpins the research question of this thesis. The chapter is structured in three sections. The first section introduces the field of entrepreneurship through acquisition and focuses on the traditional search fund model. The following section reviews prior literature on principal-principal frictions observed in European search funds, with particular attention to frictions arising from heterogeneity in investor experience with the search fund model itself. The third section turns to adjacent research literature in comparable private equity fields to assess the definition and impact of investor experience. Thus, this chapter reveals a research gap that addresses the insufficiency of a binary definition and the absence of an empirically grounded multidimensional framework for evaluating non-financial investor contribution.

2.1. Entrepreneurship through acquisition and the search fund model

Entrepreneurship through acquisition encompasses a range of models through which one or more individuals acquire an existing business. Hoffmann et al. (2024) identify five distinct variants: (1) traditional search fund, (2) self-funded search, (3) sponsored search, (4) incubated/accelerator search, and (5) crowdfunded search. This thesis focuses exclusively on the traditional model due to two reasons. First, it is the predominant model in the European ecosystem (Kolarova et al., 2022; Kowalewski et al., 2024). Second, it is the only variant in which the searcher assembles a syndicate of multiple active co-investors, each holding governance rights and contributing non-financial value, the composition of which is the central inquiry of this thesis.

The traditional search fund model is, as described by Johnson (2014), a process of one or a pair of entrepreneurs raising capital from a group of investors to cover expenses associated with searching for a company to acquire. The entrepreneurs, referred to as *searchers*, who secure the search fund typically have little or no previous experience of being a chief executive. The objective of the search fund, Johnson explains, is to identify one business to acquire and thereafter grow. The single-acquisition constraint distinguishes the search fund from broader investment vehicles such as leveraged buyout funds, which pursue portfolio strategies across multiple targets (Morrisette & Hines, 2015). Furthermore, search fund model operations comprise five

distinct phases, as illustrated in Figure 1 (Ener & Dávila, 2023). The initial capital is used to finance the second phase, *searching*. Throughout the search phase, the searchers identify, evaluate, and present attractive opportunities for acquisition, if any are found, to the group of investors. The investors ultimately decide whether to proceed with the proposed acquisition. If an acquisition is completed, the searchers become chief executives, known as *operators*, manage the acquired business while a selected group of investors in the syndicate join the board of directors. If successful, the search fund typically ends by the operators and investors exiting the business through a sale and profits are distributed according to ownership stake.

Figure 1: *Lifecycle stages of a traditional search fund*



Note: Adapted from Ener & Dávila (2023)

A distinctive feature of the traditional model is the syndicate structure itself. A traditional search fund typically brings together ten to fifteen minority investors who collectively control board composition and acquisition decisions (Ener & Dávila, 2023). Unlike private equity funds where a single general partner holds decision authority, the search fund model distributes governance across the syndicate, making the investor mix a structural variable.

Since origination in 1984, the search fund model has become a well-established practice in North America and emerged into other markets. In a study by Kelly & Heston (2024), they describe that the first search fund was established at Harvard Business school in 1984 and the concept was thereafter spread to other business schools. In the same study, the 681 analyzed search funds, formed in the United States and Canada from 1984 to 2023, generated an aggregate pre-tax internal return of 35.1% and return on investment of 4.5x across the sample. Historically attractive financial returns are one of the reasons behind growing interest in search funds beyond North America.

While gaining traction, the spread of search funds in Europe is still limited. According to IESE's series of reports tracking international search funds, the adoption of search funds in Europe is geographically uneven but growing on an aggregate level. As of the 2024 report, which analyzed all known search funds formed outside the United States and Canada, 181 search funds have been raised in Europe up until the end of 2023 (Kowalewski et al., 2024).

Out of these 181 search funds, 67 were formed in Spain, 35 in the United Kingdom, 21 in France, 20 in Germany, 17 in Italy and the rest evenly distributed among other European countries. A majority of the 181 identified European search funds were formed after 2019, and the report highlights accelerated adoption of search funds outside North America in recent years. In summary, the search fund model is well established in the United States and Canada, and adoption of the model is growing in Europe among other markets.

2.2. Principal-principal conflict in European search funds

Previous literature suggests that European search funds face novel principal-principal related challenges between investors with varying experience. Research by Ener and Dávila (2023) outline fundraising frictions related to high representation of investors without search fund experience. Among their findings, they report multiple instances of an experienced investor declining to engage in European search funds because of a high proportion of local first-time search fund investors. The authors suggest that absence of investors with experience of search fund model in European markets is due to recent introduction of the asset class in such markets. Ener and Dávila introduce an *emerging European playbook* for search funds, as an iteration of what they call the *established US search fund playbook*. Their conclusions build upon distinctions between experienced serial and inexperienced first-time search fund investors, and between local and international investors. However, the geographic dimension is arguably based on the assumption that local investors lack experience of investing in search funds, as the asset class is emerging in the European market. In the emerging European playbook, Ener and Dávila propose that the observed principal-principal related friction among European search funds should be mitigated by limiting first-time investors to a small share of the syndicate when fundraising.

It is worth noting that the evidence Ener and Dávila present may be consistent with a more granular reading than the binary label suggests. The experienced investors in their sample appear to have objected not to first-time co-investors as such but to specific behaviors, including unfamiliarity with the search fund playbook, a tendency to steer deal selection toward industries the local investors knew, and unpredictable conduct during acquisition decisions (Ener & Dávila, 2023). The binary classification therefore captures past track record rather than current capability. However, an investor without prior search fund exposure may still contribute with

experience in other valuable dimensions. Whether this reading holds, and what a more disaggregated framework might look like, is the central research question this thesis investigates.

2.3. Adjacent literature on investor heterogeneity

As proposed in Section 2.2, investor experience may be more accurately characterized as multidimensional than as a binary attribute. Adjacent literature has developed such a characterization in detail, and the remainder of this section reviews identified dimensions.

First, the idea that certain investors contribute value beyond capital is well established in the venture capital (VC) literature under the label *smart money*. Hellmann and Puri (2002) provide early evidence that VC-backed firms reach key milestones faster than comparable firms funded by other sources, attributing the difference to strategic involvement rather than capital alone. Hsu (2004) shows that entrepreneurs accept valuation discounts of roughly ten to fourteen percent to affiliate with high-reputation VC funds, implying that founders price non-financial investor value into their fundraising decisions. Sørensen (2007) decomposes VC performance into selection (picking better companies) and influence (improving companies post-investment) and finds that both effects are significant. This establishes that the distinction between capital with and without accompanying capabilities is empirically grounded and consequential for outcomes. Further literature maps the specific dimensions along which investors differ.

Venture capital research has progressively disaggregated investor value into distinct components. Sapienza et al. (1996) decompose investor value-add into three distinct functional roles, i.e., strategic advice, interpersonal mentoring, and networking. De Clercq et al. (2006) build on this by identifying three capital types that VC investors bring to portfolio companies, i.e., financial capital, human capital (skills and expertise), and social capital (network access, introductions, and brokering). Together these studies establish that investor contribution is not a single axis but multidimensional.

Within syndicates specifically, Meuleman et al. (2009) find that non-lead investors join syndicates to access the lead partner's selection and value-adding skills, revealing asymmetric skill expectations within investor groups. Ferrary (2010) extends this finding by documenting what he terms the *implicit labor division* within VC syndicates, where different VC investors contribute different resource types such as industry knowledge, financial expertise, or networks.

Whereas Meuleman et al. show that leads and non-leads differ in engagement level, Ferrary shows they also differ in type of contribution.

The pattern holds outside venture capital. In business angel research, Politis (2008) identifies four distinct value-add dimensions that angels offer and argues that future research should move beyond asking whether angels add value to understanding which types of value which types of angels add. In leveraged buyouts (LBO), Kaplan & Strömberg (2009) introduce a three-pillar framework distinguishing financial engineering, governance engineering, and operational engineering. They document a shift towards operational engineering through the hiring of former CEOs and industry specialists, further underscoring that investor experience is not monolithic but domain specific.

The heterogeneity documented above would be of limited interest if it did not predict differential performance. Several studies confirm that it does. Hochberg et al. (2007) show that network strength, distinct from financial capital, deal experience, or domain knowledge, predicts VC fund performance. Better-networked investors achieve significantly higher returns and superior portfolio company survival rates. Wiltbank & Boeker (2007) find that three factors independently predict better angel returns, specifically due diligence time, industry and domain expertise, and post-investment participation.

In LBOs, Acharya et al. (2013) find that general partner background is both heterogeneous and consequential. Partners with operational backgrounds (ex-consultants and ex-industry managers) generate higher abnormal returns in organic growth deals, while partners with financial backgrounds (ex-banker and ex-accountants) outperform in deals driven by mergers and acquisitions. This finding is particularly relevant because it demonstrates that the match between investor type and deal type moderates outcomes, not investor experience in the aggregate. Gompers et al. (2009) reinforce this logic from a different angle, showing a strong positive relationship between individual VC specialization (industry focus) and success. Generalists underperform through both poor allocation across industries and poor selection within industries.

Taken together, the adjacent literature establishes two propositions. First, investors within syndicates differ along multiple separable dimensions, not along a single experience axis. Second, the match between investor capabilities and situational demands predicts outcomes more

reliably than aggregate experience does. Both propositions have been tested and supported in VC, LBO, and business angel settings. Whether they hold in the structurally different search fund context has not been empirically examined. Nor is it established which specific dimensions of investor experience matter most in search funds or whether the relative importance of those dimensions varies with situational factors such as market maturity or searcher background. The remainder of this thesis investigates both questions.

3. Methodology

This chapter sets out the research strategy used to examine how investor experience shapes cap table composition in European search funds. The research question targets mechanisms that are weakly documented in the existing literature, which warrants a qualitative design. The design proceeds sequentially, with an inductive exploratory stage feeding a deductive confirmatory stage, both conducted via 15 semi-structured interviews.

Section 3.1 outlines the research design and the mid-study reorientation to a multidimensional typology of experience. Section 3.2 traces the development of the interview guide across its four iterations. Section 3.3 describes data collection and the analytical procedure that translates transcripts into the findings reported in Chapter 4.

3.1. Research design

The research design unfolds in two phases that correspond to a mid-study reorientation of the research question (see Chapter 1). In its original framing, the thesis set out to test whether the principal-principal conflict described by Ener and Dávila (2023) manifests in European search funds. After the first five interviews, participants had either reframed the conflict in terms the binary framing could not absorb or did not recognize it as a practical concern. Rather than discard this material, we reread the five interviews as an inductive exploratory phase and reoriented the following ten toward a confirmatory phase built around the emerging dimensions of investor experience.

The two phases therefore differ in epistemic function. Phase one, conducted under interview guide versions one through three, is read post hoc as inductive and exploratory. Phase two, conducted under version four, is deductive and confirmatory, testing the four dimensions of investor experience that crystallized from phase one. Both phases used semi-structured interviews. In phase one this form allowed participants to surface their own conceptual language around what makes an investor valuable. In phase two it allowed room for validation, reweighting, and contestation of the framework while still leaving space for material outside it.

The sample was constructed purposively to capture the perspectives of practitioners with direct experience of European search fund cap table dynamics. Three participant roles were targeted,

namely searchers, operators, and investors. Participants were drawn from markets at different stages of ecosystem maturity, allowing variation on the moderating variable examined in Section 4.3. Interviewees' markets were sorted into three maturity tiers based on the number of raised search funds according to Kowalewski et al. (2024). Participants were recruited in three stages. Initial contacts were identified through personal networks and targeted outreach, selecting for role diversity and geographic spread. Subsequent participants were identified through referrals generated at the close of each interview. Snowball sampling, i.e., obtaining referrals from completed interviews, concentrates referrals within the recruiter's existing network, therefore iterated outreach across role and geography was used in parallel to fill coverage gaps. This iterative approach balanced the access advantages of referral-based recruitment with the coverage requirements of a geographically distributed sample. Outreach messages were kept short and practitioner focused. A full overview of participants by role, geography, market maturity, and interview guide version is provided in Table A1.

3.2. Interview guide development

An interview guide with questions and support for the interviewer was constructed prior to the first interview. Although the interview guide was iterated throughout the research process, the structure of the interviews remained consistent. First, the interviewee was reminded about the topic of the research and introduced to the scope in detail. Following the introduction, a path of questions was followed. At the end of the interviews, the interviewees were encouraged to share any relevant reflections which had not been covered by the questionnaire. Participants were also asked to provide referrals for further interviews. As mentioned, the interview guide was iterated throughout the interview process. The most impactful change followed the pivot of research scope. The interview guide was revised accordingly, most significantly through the addition of a structured weighting exercise across four dimensions of investor experience.

As mentioned in Section 3.1, the research pivot divides the interview process into two analytically distinct phases. The five pre-pivot interviews tested the binary framing and invited participants to share their thoughts on smart money in European search funds. Although no explicit dimensional framework was presented, participants spontaneously introduced distinctions that the binary could not absorb. These interviews did not produce the four-dimension framework but the conceptual material from which it was crystallized. This was done by combining the

participants' language and the disaggregation precedents documented in the adjacent literature reviewed in Section 2.3.

Post-pivot interviews, conducted under guide version four, served a confirmatory function. The four dimensions had been named and structured before these interviews began, and participants were asked to validate, reweight, or contest the framework through open discussion and the weighting exercise after first bringing up their own thoughts on dimensions of investor experience unprompted (i.e., without knowledge of the four dimensions).

The weighting exercise applies a constant sum allocation logic, in which respondents distribute a fixed budget across attributes to elicit relative importance (Green and Srinivasan, 1990; Bottomley, Doyle and Green, 2000). The results are treated as descriptive rather than inferential, given the small sample size and the absence of repeated measurement. Its function is to discipline the qualitative discussion that precedes it. By forcing a numerical tradeoff, the exercise surfaces dimensions that a participant might otherwise rate as universally important and reveals where the binding constraint sits for that participant in practice.

3.3. Data collection and analysis

15 interviews were conducted across all interview guide versions. All interviews took place via 30-minute pre-scheduled online calls from March through April 2026. Prior to the interview, the questionnaire was not shared with the interviewees. However, a general introduction to the research topic was given when reaching out and, in some cases, elaborated on when scheduling the interview. Interviews were conducted in both English and German and transcribed. Transcripts were then cross referenced against notes taken by the interviewer to correct transcription errors and resolve ambiguities. Interviewer notes were recorded during and immediately after each session to capture tone and emphasis.

Analysis proceeded in two steps that reflect the phased development of the study. The first five interviews, conducted before the research pivot, were analyzed through close reading of transcripts and interviewer notes to surface how participants described investor value in their own language. This early reading produced the conceptual material from which the typology of four dimensions was constructed. Once all 15 interviews were complete and the typology had stabilized, all interview material was mapped onto a standardized extraction sheet. For the ten

interviews conducted under guide version four, the mapping followed the live structure of the interview. For the first five interviews the mapping was retrospective and drew on a follow-up through which the weighting exercise was obtained.

Three considerations motivated the use of a standardized extraction sheet. First, the version four guide already decomposed investor experience into the four dimensions and included a weighting exercise across them. The extraction sheet mirrors that architecture and records the validation, reweighting, and moderator signals from the guide's confirmatory blocks in a form that can be aggregated across interviews. Second, a common template permitted aggregation across role and maturity tiers. The sheet imposes that template through its structured fields and preserves interview specific material through an open capture section, so heterogeneity is rendered comparable without suppressing material that sits outside the framework. Third, standardized entries allow every substantive claim in Chapter 4 to be traced to specific interviews and passages.

Following the metadata capture, the extraction sheet begins with a decision tree in yes or no format with attached reasoning, covering unprompted mentions of dimensions, validation of dimensions, and sensitivity to moderators. Then the weighting exercise via the allocation of 100 points across the four dimensions follows, including any adaptation or comment to the categories. Finally, open capture of relevant comments outside the framework and a collection of key quotes flagged for further analysis concludes the extraction sheet. Quotes recorded in German were translated to English while preserving the original wording as reference.

Individual extraction sheets were merged into a cross-interview matrix in which each row represents one interview and each column a distinct analyzable category. The transformation of narrative material into the decision tree was the critical preparatory step, since it rendered otherwise incomparable responses into a single grid. The matrix served as the basis for identifying patterns and qualifying findings across the full sample.

Alongside the structured extraction sheets, a quote register was maintained for unstructured insights. Each quote was attributed to a dimension or topic and rated on polarity and intensity. The register served two functions, first to preserve interviewee voice across the analysis and second to ensure that findings drew on every interview rather than on a small number of vivid anecdotes. Six to ten quotes were extracted per interview, producing a register of 118 entries.

Ethical considerations were addressed through verbal informed consent obtained at the start of each interview, in which participants were briefed on the research scope, the recording procedure, and their right to withdraw any statement. Participants were assured that their contributions would be anonymized in the final manuscript and that no identifying information about their firms or co-investors would be published. Translated material from German interviews was rechecked against the original transcript and the original wording is preserved in the quote register, so that translation choices remain auditable.

4. Findings & Discussion

This chapter presents the findings which emerged from the 15 interviews. Primary findings are structured in a four-dimension framework of investor experience. The four dimensions are (1) search fund model experience, (2) operational experience, (3) transaction experience, and (4) local market experience. As described in Section 4.1, findings validate that each of the four dimensions are valuable when constructing an investor syndicate for European search funds. However, prioritization of the four dimensions, measured through the weighting exercise in Section 4.2, varies throughout the sample. These differences are nuanced by a discussion considering moderator variables, i.e., the interviewee's professional background and the market of consideration. Furthermore, additional themes beyond the four-dimension framework, which surfaced during the interviews, are introduced in Section 4.3.

4.1. The four dimensions of investor experience

Search fund model experience is the first dimension of investor experience in the framework. The dimension is in this study defined as thorough knowledge of the search fund model, either from being a former searcher, serial-search fund investor or having studied search funds professionally in academic research. This dimension resembles the definition of experience by Ener and Dávila (2023). In 13 out of 15 interviews, search fund model experience surfaced when interviewees were asked about desirable dimensions of experience among search fund investors. This result is from the unprompted section of the interviews, in which the four-dimension framework was not deliberately mentioned. When deliberately asked about search fund model experience in the framework, two additional interviewees validated the dimension, therefore reaching 15 out of 15 validations. One respondent (Interviewee 6), with extensive experience of search funds from academia and as both investor and searcher, suggested that active investors with high level of experience of the search fund model may act as “guardians of the model”. According to Interviewee 6, carefully guarding and sticking to the procedure of the search fund model throughout its operational phases, enables the upside potential and downside protection which characterize the asset class. The same interviewee elaborated by saying that deep knowledge of search funds model among investors is especially important in European markets where the general knowledge about search fund model is low. This result

resonates with the findings by Ener and Dávila (2023), that search fund model experience is valuable and sought after when fundraising for a search fund in Europe.

The second dimension of investor experience in the framework is *operational experience*. In the framework, operational experience among investors is regarded as holding prior roles as chief executive, board member, or senior manager in small or medium enterprises. All but three interviewees (12 out of 15) mentioned operational experience during the unprompted part of the interviews before being presented with the four-dimension framework. After the introduction of the framework, all 15 respondents validated the dimension. Interviewees highlighted that operational experience among active investors in the search fund cap table is valuable support for the searcher-turned-operator post-acquisition. Interviewee 2, a searcher, said that operational experience “becomes particularly important during the first 12–24 months post-acquisition, when the operator is under pressure to transition from dealmaker to business leader”. Interviewee 14 contends that this dimension stands apart because, in their words, “once you have a good deal, you will also find good operators who want to invest and join the board afterwards”. The investor's value contribution therefore remains uncertain at the search fund's initial fundraising stage, given that the acquisition target has not yet been identified. Operational experience is thus confirmed as a distinct and broadly endorsed dimension of investor experience, valued primarily for the hands-on guidance it provides the searcher-turned-operator post-acquisition.

Moreover, Interviewee 14 makes the case for the third dimension, *transaction experience*, by saying that it is “important to have dealmakers who make sure there is a good deal” during the acquisition phase. In the framework, transaction experience means previous experience of completing multiple merger and acquisition (M&A) transactions, from playing an active role in the deal-making and completion either as acquiring, selling or advising party. The dimension encompasses experience on M&A execution, due diligence, valuation, and legal structuring. Nine out of 15 interviewees distinctively brought up transaction experience as a valuable dimension among a syndicate of search fund investors during the unprompted part of the interviews. When deliberately asked about transaction experience among search fund investors, 15 out of 15 interviewees validated the dimension as valuable. One respondent, Interviewee 3, argued that adding transaction experience to the search fund may be useful but not vital, and that the associated skills can be gained throughout the process: “Deal or transaction experience is a plus,

but not a must. It is actually not very complex and a good person will understand quickly the financial mechanics and the deal dynamics”. However, Interviewee 14 emphasized the value of having experience from previous M&A deals because “the more deals you have seen, the better equipped you are to navigate all these phases, because you can draw on that experience“. Interviewee 11 adds the need for investors with transaction experience by saying that “as a search fund you have to be faster than a private equity firm, faster than the market, otherwise the deal runs away from you”. The use for transaction experience is naturally concentrated around the acquisition- and sale phases of the search fund operation, which ultimately determine the financial pay-off from the search fund.

Lastly, *local market experience* is the fourth dimension within this framework and pertains to local business contacts, broker relationships, co-investor access, and deal flow generation. This dimension was raised unprompted by 12 of the 15 interviewees. However, after introduction of the framework, all 15 validated it. It was typically described as most valuable during the fundraising, searching, and acquisition stage due to enabling access to additional investors, generating deal flow and expert interviews as well as valuation expertise of M&A advisors. Interviewee 15, a Swedish operator, illustrated the need for local experience by saying that they “could live without international investors, but [...] could not live without the local Swedish ones” because international investors require local investors. A point that is also echoed by Interviewee 8 when they said that “the investor wants to know at least some of the investors on the cap table are local” but that finding local investors is difficult depending on the market. Another aspect of local market experience is added by Interviewee 10, who says that local market experience also encompasses “access to network, experts, future hires et cetera” that the searcher cannot access on their own. Finally, Interviewee 1 highlights that name drop investors, whose reputational signal lends credibility to the searcher, prove valuable “when you are meeting with many owners and they try to evaluate how trustworthy you are as a potential buyer,” thereby reducing seller resistance and unlocking deal access. Other interviewees were a bit critical of this dimension saying it was the “softest factor” (Interviewee 13) and that they had “actually hoped for a bit more from the investors” (Interviewee 7). Local market experience is thus confirmed as a strongly endorsed dimension, valued as a fundraising signal yet dependent on investor engagement level for its contribution.

4.2. Quantitative triangulation

Participants conducted a weighting exercise of allocating one hundred points across the four dimensions of investor experience to express their ideal mix for a representative European search fund cap table. Ten allocations were collected live while five allocations were collected retroactively due to being pre-pivot interviews.

Sample means cluster close to the twenty-five-point equal-weight baseline. Operational experience sits highest at 29.0 (median 30), followed by search fund model experience at 28.0 (median 25), transaction experience at 22.3 (median 20), and local market experience at 20.7 (median 20). The closeness of the means masks within dimension variance. Standard deviations are 7.6 for operational experience, 12.4 for local market experience, 13.9 for transaction experience, and 19.3 for search fund model experience. Search fund model experience carries the highest dispersion, indicating disagreement about the correct dose rather than about inclusion. Operational experience carries the lowest, indicating both inclusion and dose consensus. Moreover, search fund model experience seems to be bimodal rather than weakly weighted. Although its mean sits below operational experience, it is the most frequently top ranked dimension across the sample, selected number one by eight of fifteen participants. Participants who do not rank it first tend to rank it last, producing the wide dispersion.

Means decompose with interpretable asymmetries, flagged as directional signals rather than hypothesis tests given small cell counts. As can be seen in Table 1, by role, searchers and operators (n equals 7) weight search fund model experience and operational experience stronger at 27.9 and 28.6 respectively and allocate least to transaction experience at 20.7. Investors (n equals 8) value transaction experience (23.8) slightly higher while keeping operational experience as the strongest category (29.4).

Market maturity does not show a strong directional effect on the ratings, aside from a low value for search fund model experience (16.3) in nascent markets. However, the sample is heavily concentrated in developing markets with only one observation in mature and four observations in nascent markets.

By background, consulting backgrounds (n equals 4) allocate lowest to search fund model experience (18.8) and highest to operational experience (31.3), while entrepreneurial and

operating backgrounds (n equals 6) produce the most balanced distribution, with a maximum minus minimum spread of only 4.2 points across the four dimensions.

Table 1: *Average weighting exercise by all interviewees*

Variable	n	D1 SF	D2 Ops.	D3 Deal	D4 Local
Type of interviewee					
All	15	28.0	29.0	22.3	20.7
Searcher/operator	7	27.9	28.6	20.7	22.9
Investor	8	28.1	29.4	23.8	18.8
Market maturity					
Mature	1	40.0	30.0	10.0	20.0
Developing	10	31.5	28.5	20.5	19.5
Nascent	4	16.3	30.0	30.0	23.7
Background					
Academic	1	40.0	30.0	10.0	20.0
Consulting	4	18.8	31.3	28.8	21.3
Entrepreneurial or operating	6	26.7	26.7	22.5	24.2
Private Equity or Bank	4	36.3	30.0	18.7	15.0

Abbreviations: n = Number of observations; D1 SF = Search fund model experience; D2 Ops. = Operational Experience; D3 Deal = Transaction experience; D4 Local = Local market experience

Among searchers and operators (see Table 2), developing markets show an overweighting of search fund model experience (36.3) and an underweighting of transaction experience (13.8). In nascent markets, the opposite can be observed with search fund model experience and transaction experience receiving 16.7 and 30.0 respectively.

Staying within searcher and operators, former consultants (n equals 3) value transaction experience highest (30.0). Entrepreneurial and operating backgrounds (n equals 3) show great variance and present search fund model experience (36.7) and operational experience (30.0) as highest with transaction experience only receiving 13.3. Interviewee number 1 is the only searcher in the sample with a private equity background. They rated search fund model experience and transaction experience equally at 15 while ranking local market experience at 40 with operational experience at 30.

Table 2: Average weighting exercise by searchers & operators

Variable	n	D1 SF	D2 Ops.	D3 Deal	D4 Local
Type of interviewee					
Searchers & operators	7	27.9	28.6	20.7	22.9
Market maturity					
Mature	n/a	n/a	n/a	n/a	n/a
Developing	4	36.3	28.8	13.8	21.3
Nascent	3	16.7	28.3	30.0	25.0
Background					
Consulting	3	23.3	26.7	30.0	20.0
Entrepreneurial or operational	3	36.7	30.0	13.3	20.0
Private Equity or Bank	1	15.0	30.0	15.0	40.0

Abbreviations: n = Number of observations; D1 SF = Search fund model experience; D2 Ops. = Operational Experience; D3 Deal = Transaction experience; D4 Local = Local market experience

4.3. Additional themes

Beyond the four-dimension framework, four themes surfaced with sufficient frequency across the interviews to merit consideration as a candidate fifth dimension. Each is reported with its incidence count and assessed against two criteria. First, whether it constitutes a distinct form of investor experience that is not already captured by any of the other dimensions. Second, whether it operates as an independent axis or as an enabling condition under which the four dimensions deliver value.

A frequently surfaced theme is *capability complementarity or coverage* which was mentioned in six interviews. Interviewee 5 stated that “the best boards we have [are] very complementary between some guys who can do very, very different things” with Interviewee 10 adding that a “searcher should include different perspectives in the cap table so that when analyzing a deal, not everyone asks the same questions”, underlining the importance of different experiences during due diligence. Additional support comes from Interviewee 9 (“the more diverse the cap table, the better”) and Interviewee 14 (“not everyone needs to be able to do everything”). In conclusion, complementarity among investors is not a candidate dimension but a meta-principle about how investors combine across the existing four. It is therefore treated as the operating logic of the framework rather than as a fifth dimension.

Another topic raised by six interviewees is the investors' *engagement level* in supporting the searcher-operator. Rather than a separate dimension of experience, engagement level is arguably a capacity constraint for the experience among investors to come to its full potential value for the search fund syndicate. As expressed by Interviewee 5, an institutional search fund investor, "time is often more important than experience". The same interviewee continued by arguing that most investors in search fund syndicates are passive, but the few active investors bring most value if they have relevant experience and can devote the time to actively engage in the search fund. This line of reasoning is supported by one British searcher interviewed, Interviewee 8, who expressed: "The ones in the UK that I want to have on the cap table are people who put their hand in, come on the calls with you, maybe come and meet sellers [...], and they need time for that". Thus, engagement level is an important consideration when constructing the cap table for a European search fund, to capture the full potential of investor experience among the syndicate.

Another attribute that was mentioned during four interviews is *capital depth and follow-on capacity*. Interviewee 9 emphasized that, as an investor, it is important to be resilient, especially if "not everything is going according to the business plan". They go on to say: "An investor who stretches to their maximum at initial investment and cannot follow on is a liability, not an asset". Interviewee 4 identified a lack of capital depth as a result of only focusing on operationally strong or well-connected investors by saying: "You can probably fill the search phase because the capital requirement is not yet that large, but [during] the acquisition later, it is rather unlikely that those same investors are really willing to put in one, two, or three million in equity per person". Thus, capital depth is an infrastructural attribute of the investor, not an experiential one. It interacts with all four dimensions, for instance by enabling an investor to contribute pro-rata in a follow-on round and thereby remain influential through the operating phase, but it does not constitute tacit knowledge.

Four interviewees named *former searchers* as a significant value-add and thus the single most desirable profile on a cap table. This former searcher can fulfill two purposes. First, they can signal trust to owner-operators in proprietary deal sourcing. Interviewee 12, a German operator, said that "when you talk to a managing director and say, I would like to take over your company and become your successor, and you can say someone who has already done this themselves is supporting me, that is an extremely big value add". They continued to add that this is

especially helpful during acquisition target on-site visits. This function is partially downstream of search fund model experience, in that a prior track record generates reputation, and partially of local market experience, in that market embeddedness produces credibility with sellers. The second purpose is guidance, as Interviewee 8 said “the key investor is the guy who has done it before” because they have the empathy and past knowledge to be able to solve problems that are new to the searcher-operator. Conceptually this purpose is an intersection of search fund model experience and operational experience rather than an independent axis. A former searcher who has completed a search and operated the acquired company scores on both dimensions by construction. Treating former searcher as a fifth dimension would double-count rather than extend the framework.

Complementarity and former searcher guidance describe combinations within the existing framework. Engagement level and capital depth describe enabling conditions on the framework. Former searcher reputation describes a downstream effect of the framework. None of the four additional themes surfaced as an independent form of experience that the four dimensions failed to capture, which supports the structural validity of the framework while also indicating where the framework alone is insufficient for ex ante cap table construction. Section 5.2 returns to engagement level and capital depth as decision variables that sit alongside the four experience dimensions.

5. Implications

This chapter draws theoretical and practical conclusions by combining the empirical findings with prior and adjacent literature. Section 5.1 returns to the definition of experience by Ener and Dávila (2023) and relates findings in Chapter 4 to adjacent literature. Then, Section 5.2 translates the framework into a practical guide a searcher can use *ex ante* when assembling a cap table. Lastly, Section 5.3 bounds these claims through the limitations of the research design.

5.1. Theoretical implications

The four-dimension framework of European search fund investor experience contributes with a more nuanced picture of the concept introduced by Ener and Dávila (2023). Their binary classification of investors as experienced or non-experienced does not sufficiently explain the variety in non-financial contribution that investors may bring to a search fund syndicate. Therefore, cap table composition for European search funds was studied through the lens of the four dimensions: search fund, operational, transaction and local market experience. The primary theoretical implications from this study are four-fold. First, the present sample suggests that governance risk in European search fund cap tables is more appropriately assessed across the four dimensions of investor experience than through the binary first-time versus experienced classification used by Ener and Dávila (2023). Second, the four dimensions of investor experience emerging from the present study align conceptually with established typologies of non-financial contribution documented in adjacent literature. Third, search fund syndicate composition should be assessed in aggregate rather than at the individual investor level. Fourth, the four-dimension framework is complemented by two variables, investors' engagement level and capital depth, which constitute enabling factors for the value-add from investor experience to materialize.

The first implication concerns the framing of Ener and Dávila (2023). They classify investors using a binary logic, separating experienced and non-experienced search fund investors. Ener and Dávila also report a principal-principal conflict concentrated among syndicates with a high proportion of first-time search fund investors. Their rationale for this is, as discussed in Chapter 2, focused on behavior associated with first-time investments, as unfamiliarity with the search

fund model and deal selection bias, rather than the first-time status as such. The present sample did not confirm the conflict in the binary form. The first five interviewees either reframed the previously suggested principal-principal conflict beyond the binary logic or did not recognize the conflict as a practical concern. When split into four dimensions of experience, the pattern of conflict can be related to gaps in particular dimensions. A strength of the nuanced framework is the possibility of distinguishing a first-time investor who possesses, for example, operational and local market experience, from a first-time investor with no experience across the four dimensions. Measuring governance risk in the context of European search funds is more appropriately done at the multidimensional level than the binary level.

The framework of investor experience categorized by four dimensions is consistent with typologies of non-financial investor value documented in adjacent literatures. Search fund model experience is the dimension most specific to the asset class and has the weakest direct counterpart in the adjacent literature. However, it functions analogously to the smart money construct discussed by Hellmann & Puri (2002), Hsu (2004), and Sørensen (2007) as it is acquired through prior involvement. Operational experience corresponds to the human-capital component in De Clercq et al. (2006) and to the operational-engineering pillar in Kaplan & Strömberg (2009), both of which capture managerial skill and know-how that an investor can deploy post-close. Transaction experience finds direct counterparts in Wiltbank & Boeker (2007), where angel returns rise sharply with due diligence time and domain expertise, and in Acharya et al. (2013), where M&A-driven private equity deals outperform under partners with banking or accounting backgrounds. Local market experience corresponds to the networking component in Sapienza et al. (1996) and the social-capital component in De Clercq et al. (2006), both of which capture the access an investor provides to relevant external resources. The resemblance between the novel framework and adjacent literature suggests that the non-financial contribution brought by investors to the search fund syndicate is not idiosyncratic to the asset class.

An additional implication emerging from this study concerns how to appropriately assess investor experience in the context of search funds. In the findings, complementarity of experience within the search fund syndicate is emphasized. As presented in Section 4.3, the most frequent unprompted theme beyond the four dimensions was capability complementarity. Six interviews mentioned complementarity, rather than a single investor's completeness, when describing optimal cap table composition as collective coverage across each of the four dimensions of

experience. The perspective of aggregate experience among investors may be particularly relevant due to the structural design of traditional search funds, with delegated governance among a pool of ten to fifteen investors (Kelly and Heston, 2024; Kowalewski et al., 2024). Whether single investors possess experience across multiple dimensions is therefore a secondary consideration. The main question for search fund cap table composition is how well the syndicate covers each of the four experience dimensions collectively in proportions suited to the searcher background and market context.

The fourth implication is with regards to the boundaries of the four-dimension framework itself. The dimensions of experience describe but do not exhaust what makes a cap table effective. In addition to the four dimensions, the two variables engagement level and capital depth, which surfaced in Section 4.3, warrant attention. The first variable, engagement level, is defined as the extent to which investors with relevant capability can devote time to active support of the searcher-operator. Engagement level was mentioned by six interviewees and is regarded as a constraint to the value-add from investor experience. Even where investors with relevant experience sit on the cap table, the value-add diminishes without engagement. Capital depth, investor's ability to maintain their stake pro-rata in the acquired company throughout the life cycle of the search fund, was raised by four interviewees. Capital depth was referred to as an enabling condition among investors, as it is required for them to keep their proportion of influence through potential subsequent financing rounds post-acquisition. Neither investors' engagement level nor capital depth make up separate dimensions of experience in the framework. Rather, they are conditions that, when met, make the framework effective.

5.2. Practical implications

The four-dimension framework suggests a decision logic for searchers to answer a question that the prior literature does not resolve: Given a finite cap table and a finite set of investors willing to commit, how should a European searcher sequence the assembly of that cap table? This section is deliberately ordered as a sequence because earlier steps constrain the choices available at later steps. The logic is, first, audit the searcher's own profile, then apply the capital depth filter, then apply the engagement level filter, then allocate across the four dimensions.

In step one, the searcher should perform a self-evaluation and identify capability gaps. As discussed in Section 5.1, the four dimensions are properties of the cap table, not of each individual

investor. Searcher backgrounds typically map onto distinct strengths and gaps. A consulting background tends to be associated with strong transaction reasoning and comparatively less operational depth, a directional pattern that is consistent with the asymmetry observed in Section 4.2 where consulting-trained interviewees allocated the highest weight to operational experience. A searcher with an operating background enters with the inverse profile. In a duo search the audit is conducted at the pair level, since a complementary co-searcher pair already absorbs part of the residual coverage requirement before the cap table is approached. The first practical move is to document which of the four dimensions the searcher already covers credibly, and at what depth, before approaching any investor. The cap table then exists to fill the residual, not to replicate what the searcher already brings. This reframes the construction problem from *which investors are best* to *which dimensions remain uncovered after the searcher is counted*.

In a second step, the capital depth filter should be applied. Capital depth is conceptually distinct from experience and Section 4.3 treated it as an infrastructural variable rather than a dimension. An investor who cannot contribute pro-rata, whether because the acquisition is larger than originally envisioned or because a subsequent capital raise becomes necessary, creates two distinct problems for the searcher. First, the searcher is forced to identify and onboard new investors at the very moment when attention should be on closing or operating the asset, which consumes limited resources. Second, the investor who cannot follow on is diluted and effectively assumes a passive position on the cap table, contributing neither capital nor influence in subsequent rounds. The practical implication is that searchers should verify that each investor candidate has reserves appropriate to the envisioned acquisition size and should treat investors who stretch to their maximum at entry as filling a permanently passive slot.

In a third step, the investor's ability and willingness to actively contribute should be assessed. The enabling function of engagement level, as stated in Section 4.3, has a direct practical consequence. A nominally well-credentialed investor who is unwilling to take the call, attend the seller meeting, or read the board pack cannot be defined as smart money regardless of stated experience. Active investors are those willing to engage on a recurring cadence, for example sparring on operating decisions, joining seller meetings, and participating in board work. Passive investors are those willing to receive standard reporting and to vote on major decisions, with no day-to-day involvement. Each candidate is classified as active or passive for the

purposes of cap table construction, and the searcher must ensure that the active subset is large enough and credentialed enough to cover the dimensions the searcher does not already bring.

In the fourth step, the coverage logic moves from filters to dimensions. Steps one to three have already narrowed the problem, which means the investors under consideration can in principle deliver the dimension they are recruited for. The weighting exercise in Section 4.2 should not be read as a prescription. What the allocation does support is a coverage logic that all four dimensions should be present somewhere in the post-fundraising pool, with the active subset matched to the phase in which each dimension is most needed. Operational experience is sought after primarily post-acquisition, as Interviewee 2 emphasized when describing the early post-close transition from dealmaker to operator in Section 4.1. Hence, an operationally experienced investor can be passive during search and become active after close. Local market experience and search fund model experience are most relevant during fundraising, search, and acquisition, while transaction experience is required around acquisition and exit.

The dimensions further differ in how substitutable they are after fundraising, impacting their prioritization. Local market experience is the least substitutable. In Section 4.1, Interviewee 15 illustrated this by describing local investors as indispensable while international investors were not, since international co-investors require a local anchor and local investors carry the seller introductions and trust signaling that the searcher cannot replicate from outside the market. Search fund model experience is similarly hard to substitute, because it is mainly needed during the search itself, when there is no time to recruit and no advisor market to outsource to. Interviewee 6 reinforced this by characterizing experienced search fund investors as guardians of the model. Transaction experience is substitutable but expensive, since M&A advisors and lawyers can be retained on a deal basis to compensate for gaps in the cap table, though advisor retention adds to deal costs. Interviewee 3 supports this position, arguing that deal experience is helpful but not essential and can be acquired through the process. Operational experience is substitutable under specific conditions, with Interviewee 14 noting that external board members can be onboarded after the target is known and the acquisition has closed, although searchers should treat that relaxation as a contingency rather than as a plan, because these investors are not guaranteed to be available post-acquisition.

As a side note within this step, the former searcher profile cuts across the ordering. Former searchers sit at the intersection of search fund model and operational experience by

construction and often carry transaction experience from their own acquisition. Therefore, a single former searcher absorbs more of the residual coverage requirement than any single dimension specialist. Beyond coverage, Section 4.3 documents a downstream signaling function, where a former searcher on the cap table eases trust-building with sellers during proprietary deal sourcing. Thus, as former searchers typically possess skills in multiple dimensions, recruiting them first reduces the dimensions still to be covered through other investors.

Taken together, the four-step logic reframes the construction of a European search fund cap table as a residual coverage problem rather than as a sequence of independent investor picks. The searcher first determines what the cap table does not yet need to provide, given the searcher's own profile and, in a duo search, the co-searchers'. Two infrastructural filters then remove candidates who cannot follow on financially or who cannot contribute their experience actively. Only at that point does the four-dimension framework enter, as a coverage map for the residual rather than as an allocation prescription, with the lock order set by substitutability and the former searcher profile prioritized where supply allows. The contribution of the section is therefore not a recommended allocation but a sequence in which feasibility constraints are applied before experience considerations.

5.3. Limitations

Three classes of limitations bound the claims advanced in this chapter and qualify the framework presented in Chapter 4. The first concerns the sample frame, the second concerns the interview instrument and the mid-study reorientation it underwent, and the third concerns the boundary on practical implications. Each class is treated in turn below.

The sample design bounds both the inference the present study can support and the population to which the findings can be extrapolated. With 15 interviews the analysis cannot support inferential claims, and the weighting exercise in Section 4.2 is therefore best read as descriptive triangulation rather than population estimation. Sample composition compounds this constraint, since the iterated outreach across role and geography described in Section 3.1 only partially neutralized interviewee concentration. Cell sizes in the moderator analysis in Section 4.2 and Section 4.3 are correspondingly thin, which means the consulting-background pattern carried into Section 5.2 should be read as directional rather than tested. A second cut on the same frame is selection on engagement. The sample is restricted to practitioners who are active

and accessible within the European search fund ecosystem. Thus, failed searchers or investors who disengaged after negative experiences are absent from the present study. If principal-principal conflict concentrates among failed, stalled, or quietly disengaged cases, the sample would systematically understate its prevalence, which bears directly on the non-confirmation finding in Section 5.1. That finding could therefore be read as the absence of conflict signals among engaged practitioners rather than as evidence of the absence of conflict in the asset class.

The interview instrument and its mid-study reorientation introduce a second class of limitations, which operate at the level of how participants engaged with the framework rather than at the level of who was sampled. The pivot from a binary test of Ener and Dávila (2023) to a multidimensional typology, described in Section 3.1, has three implications for the strength of the validation reported in Chapter 4. The four dimensions were partly synthesized by the researcher between phases, so the validation in phase two is not independent of the synthesis in phase one. Neither phase, with five nor ten interviews respectively, is large enough on its own to carry the inductive-confirmatory split in the conventional methodological sense. The retroactive allocation collection sits within this pivot, since the five pre-pivot interviewees completed the weighting exercise by follow-up email after their interview. A measurement-level qualification applies to the weighting exercise itself, since participants reported how they believe they weight the four dimensions rather than how they behave when constructing or joining a cap table, and the allocation followed qualitative discussion of the same four dimensions, so anchoring on the immediately prior conversation compounds the standard self-report gap. Together these instrument-level limitations bound the strength of specific allocation claims without invalidating the framework that the allocation was used to triangulate.

A final limitation concerns Section 5.2 specifically. The decision logic presented there is a synthesis of practitioner reasoning rather than a tested rule. Capital depth and engagement level enter the logic on the strength of unprompted incidence in Section 4.3, four of 15 and six of 15 interviews respectively. The decision logic should therefore be read as a structured prompt for searcher self-evaluation, and empirical confirmation of both the variables and the ordering remains an open task that the following section takes up.

6. Conclusion

The purpose of this thesis was to study experience among European search fund investors and how it may inform composition of cap table syndicates. The binary classification by Ener and Dávila (2023), based on investor's previous participation in search fund investments, was used as a starting point. Along the research process, the thesis pivoted towards a more nuanced exploration of search fund investor experience.

The reorientation resulted in the most distinctive contribution of this thesis, the four-dimension framework of investor experience. It consists of (1) search fund model experience, (2) operational experience, (3) transaction experience and (4) local market experience. Beyond the four dimensions, the framework was complemented with enabling conditions, i.e., investors' engagement level and capital depth, which, when satisfied, make the framework effective. The novel framework in the context of European search funds aligns with previous literature regarding non-financial investor contribution in adjacent fields such as leveraged buyouts and venture capital. Practically, the thesis offers future searchers a more nuanced and actionable framework to use when constructing cap table syndicates, than the previous binary perspective.

The derived cap table construction logic proceeds in four steps: (1) audit the searcher's own dimensional profile, (2) screen investor candidates for capital depth, (3) screen for engagement level, and then (4) allocate across the four dimensions using coverage complementarity as the governing criterion.

Future research may continue to explore the topic by covering a larger and more diversified sample, include observations of existing cap table compositions and analyze these in relation to search fund outcomes. This thesis contributes to the understanding of investor composition in European search funds, however further research efforts are encouraged to enable a prosperous search fund industry in Europe.

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8. Appendix

Table A1: *Interviewee overview*

Number	Date	Role	Background	Market	Collection method
1	11/03/2026	Searcher	Private equity/bank	Nordics	Follow-up
2	11/03/2026	Searcher	Entrepreneur/operating	Benelux	Follow-up
3	13/03/2026	Investor	Private equity/bank	France	Follow-up
4	16/03/2026	Investor	Private equity/bank	DACH	Follow-up
5	23/03/2026	Investor	Entrepreneur/operating	Benelux	Follow-up
6	30/03/2026	Investor	Academia	Spain	Live
7	03/04/2026	Searcher	Entrepreneur/operating	DACH	Live
8	07/04/2026	Searcher	Consulting	United Kingdom	Live
9	08/04/2026	Investor	Entrepreneur/operating	DACH	Live
10	08/04/2026	Investor	Consulting	DACH	Live
11	09/04/2026	Searcher	Entrepreneur/operating	DACH	Live
12	10/04/2026	Operator	Consulting	DACH	Live
13	15/04/2026	Investor	Private equity/bank	DACH	Live
14	22/04/2026	Investor	Entrepreneur/operating	DACH	Live
15	23/04/2026	Operator	Consulting	Sweden	Live

9. Declaration of AI use

Artificial intelligence (AI) tools were used in a limited and transparent manner during the preparation of the present thesis. The purpose was to support (1) the research process and (2) improve the clarity and technical accuracy. Two AI systems were used: Anthropic's Claude and Microsoft Teams' automatic transcription tool. They served four specific purposes:

First, we used it to identify relevant research. AI effectively assisted in discovering previous research done in the field of this thesis. However, each source was validated and interpreted manually before referencing.

Second, we used AI to improve clarity and refine language. After all text was written by us, AI was employed to suggest improved readability e.g., by providing alternative phrasings. AI was never used to generate theoretical content, arguments, or interpretations.

Third, AI assisted with grammar and formatting checks. It was used to identify minor grammatical issues, maintain consistent use of American English, and improve syntax.

Fourth, we used AI to automatically transcribe interviews and then further to clean said transcriptions by removing redundant filler words and fixing initially wrongly transcribed words.

We were aware of the risks associated with generative AI, including the possibility of hallucinations or fabricated information. To mitigate these risks, AI was not used to produce academic arguments, interpret empirical findings, or generate any part of the substantive content. We reviewed all output critically.

Our experience showed that AI can be a helpful supplementary tool when used with clear boundaries. It improved efficiency in researching and editing while reaffirming the importance of careful human oversight. Restricting AI to non-substantive tasks ensured that all ideas, reasoning, and conclusions presented in the thesis are entirely our own.