

Mike Eisenga Answers: How Involved are Private Equity Companies in Their Investments

Many business success stories were fueled by investments from private equity companies. Michael Eisenga discusses how involved these companies are.

UNITED STATES, November 4, 2021 /EINPresswire.com/ -- There are countless stories of private equity companies turning relatively small, unknown businesses into powerful success stories. Backed by significant investment money, the will to succeed and relationships in the industry, private equity companies can inject energy and cash into businesses to help them grow at paces they likely wouldn't be able to accomplish on their own.

Because of the well-known success stories, obtaining investments from private equity companies is a goal of many small business owners. However, it's not always worth it.

[Real estate investor Mike Eisenga](#) warns that private equity companies are not always very involved with their investments. In many cases, these companies focus on raising capital, sourcing products, reducing costs, establishing sales relationships, and then an exit strategy. While the private equity company may have people who support the businesses they invest in, it's not their strength.

Not every investment private equity is successful. Contrary to popular belief, most of their investments don't pan out nearly and the powerful success stories.

To compensate for that high failure rate, private equity companies need to make multiple high-stakes investments simultaneously. At first, they allocate their resources equally among all their assets -- until they see the ones that prove to have more significant potential.

Then, the private equity companies often shift their resources to these high-performing investments, leaving the others to fend for themselves. In many cases, this strategy can cause some businesses to fail.

Not all private equity companies work this way, though. Michael Eisenga points out that smaller private equity companies focused on building local communities can do a lot of good.

In addition to the cash investment they can inject into a business, they can serve a direct role in

improving operations and cutting costs. The executives at these firms can prove invaluable resources, as they have years of experience optimizing their businesses and doing so for others.

By helping with financial, marketing, management, and product strategy, these private equity companies can accelerate the growth of their business investments while also building long-term value that lasts. Ultimately, if the proper relationship is established, private equity companies can help build sustainable businesses.

This dichotomy between private equity companies accentuates the fact that it's vitally important that business owners find the right investment partnership. They should analyze their current situation, where they want to take their company, and what support and direction they'd want from a private equity company.

Then, by vetting the company, the business owner can find the right fit that will help them achieve their goals in the way they want to.

About Michael Eisenga

[Mike Eisenga](#) is a successful commercial real estate investor with a banking and finance background and the former mayor of Columbus. As a President of both American Lending Solutions, a mortgage lending company (he founded and operated from 2000 to 2018), and First American Properties, he has a track record of creating and operating successful businesses. Mr. Eisenga is also devoted to property development and construction, primarily serving smaller local communities. Especially in the senior housing sector.

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