For alums, culture is key to private equity success

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Steve Jarmel (BSM ’93), left, and John Findlay (BSM ’07) are partners at Periscope Equity LLC, a Chicago-based private equity firm that’s

grown to $385 million in assets under management by investing in technology-enabled service and software companies.

For Freeman alumni Steve Jarmel (BSM ’93) and John Findlay (BSM ’07), the decision to strike out on their own in private equity presented an opportunity to not only generate superior returns but also to build a company where culture matters.

Jarmel and Findlay are the two partners at Periscope Equity LLC, a Chicago-based private equity firm that invests in founder-owned technology-enabled service and software companies. Periscope has $385 million in assets under management, 12 direct employees and 1,200 employees in its portfolio companies.

“If one of our alumni were to start a firm like Periscope, it would be impressive,” says Ira Solomon, Freeman School dean. “To have two of our alumni come together to grow a firm like Periscope, that’s unique.”

Both Jarmel and Findlay worked first in investment banking and then in large private equity firms before deciding that lower-middle market companies promised more opportunities.

“I wanted to build something where culture matters,” says Jarmel. “It matters at the firm, and it matters when building durable and sustainable portfolio companies. “Putting culture on the same plane as returns is somewhat unique in the private equity landscape.”

Prior to Periscope, Findlay worked at megafund Lone Star Funds, which he saw as a great way to get private-equity experience and a springboard to his current career. “I wanted to do something much more entrepreneurial and work with founders and management teams as partners in building their teams and taking them to the next phase of growth.”

Periscope invests on behalf of university endowments, charitable foundations, pension funds and other investors. Jarmel says his investment strategy has remained constant through the years, which has afforded him a good understanding of the opportunities and challenges for founder-owned businesses. “We are looking for companies that typically have some undermarketed, underleveraged or underutilized data or technology assets, and we use our capital, executive network and strategic view to accelerate these technology solutions.”

Findlay says the tech component is key. “We’re taking traditional services-based businesses in many cases and really tech-enabling them and making them innovative. It generates a lot of value for customers.”

Jarmel originally started the precursor to Periscope in 2007, then founded Periscope in 2012, bringing in Findlay as his first hire the next year.

Even though their routes differed upon graduation – with Jarmel getting his start in marketing and Findlay in investment banking – the Freeman School served them both as a launching pad for their success.

Findlay hustled to find an investment banking job after graduation, relying on the Freeman alumni database for connections. He credits the Darwin Fenner Student Managed Fund and Burkenroad Reports courses with helping him to get his foot in the door. “When I look back on my experience at Freeman and what really was impactful for my career, those are the two main examples.”

Tulane and New Orleans still hold a special place in both of their hearts. Before COVID-19, Jarmel regularly returned to New Orleans as a member of the Tulane Fund Advisory Board, and he and Findlay have traveled together to New Orleans for business on occasion.

“When we sit down with investors, sometimes if they’ve just met us and they look at our bios, they say, ‘Did you guys go to college together?’” Jarmel says with a laugh. “Given the 14-year age difference between us, I say, ‘That’s the best question for me, and the worst question for him.’ …It’s not like we were college roommates.”

“That would have been fun though,” Findlay adds.