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Alec Gores: '100% devoted' to private equity

Posted by [Dan Primack](#)
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Alec Gores is a private equity investor. And he has no plans to change anytime soon.

Gores is founder and CEO of The Gores Group, which today announced the closing of its third fund with \$2 billion in capital commitments. He also has been linked to several sports teams as a potential buyer, but told me via phone that he has "no interest in owning a sports team... I'm 100% devoted to this firm and the work we're doing."

That work is to make control investments in companies with serious operational improvement needs. Sometimes that means underperforming or undervalued companies, and sometimes that means corporate carve-outs.

"We like tough situations," Gores says. "The biggest differentiator [between Gores and rival firms] is our in-house operations team. We're able to get due diligence done much quicker, and with much

more confidence."

There are no investment strategy changes planned for Gores' third fund, except that much more capital is now available. Gores raised \$400 million for its debut fund in 2003, and then \$1.3 billion for its second fund in 2006. The more recent fundraising began in early 2009 with a \$1.5 billion target -- a long process which ultimately yielded an oversubscribed result.

A majority of prior Gores investors returned for the new fund, and on average increased their commitments by 36%.

The firm also added several new limited partners, including some from Asia. Gores has not yet acquired an Asian company, but said he might consider it over the next several years. This also could include putting a few boots on the ground. So far, the Los Angeles-based firm has satellite offices in London and in Boulder, Colorado.