

The Obstacles and Value of Artificial Intelligence in the Private Equity Industry

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For my thesis, I want to explore the obstacles to artificial intelligence (AI) adoption that private equity (PE) companies face and the most effective ways to overcome them. Given these obstacles, is the value of implementing predictive analytics worth the capital and effort? If it is, how can firms position themselves to effectively integrate the technology into their pre-existing methods? By having the knowledge, tools, and ability surrounding AI adoption feasibility, PE professionals could potentially analyze more deal opportunities, make informed, unbiased decisions, and gain an advantage over competitors.

I have looked at research and surveys done on both the current state of the private equity industry, the potential benefits that predictive analytics could provide regarding deal sourcing and management, and overall software and technology integration. To answer my proposed questions, I will be analyzing clients of companies that offer predictive analytic services, conducting interviews with buy-side firms that both do and do not utilize AI, and digging deeper into related industries that have successfully incorporated AI into their platforms.