

Embracing Complexity

An Interview with Alex Wolf, Managing Partner, Kingswood Capital Management

EDITORS' NOTE Alex Wolf is Managing Partner and Founder of Kingswood Capital Management. He oversees firm-wide management, the strategic direction of the firm, and leads the firm's investment team. Wolf has been a private equity investor since 1997, having completed dozens of investments with several billion dollars deployed across a wide range of industry sectors, including business services, software, media, telecommunications and technology, distribution, gaming, manufacturing, energy services, paper and packaging, retail and consumer products. He has significant expertise in M&A, corporate strategy, turnarounds, restructuring and merger integration. Before founding Kingswood, Wolf was at two leading private equity firms, as an original member of both the Ares Management investment team and the Cerberus Capital Management private equity team. Wolf began his career in the leverage finance group of Wells Fargo. Wolf holds a BA degree from Duke University and an MBA from the Stanford University Graduate School of Business.



Alex Wolf

FIRM BRIEF Kingswood Capital Management, LP (kingswood-capital.com) partners with leading companies in the middle market which stand to benefit from its capital and extensive operating resources. Kingswood embraces complexity and believes it is well-positioned to support businesses at inflection points in their development to enhance value. Based in Los Angeles, Kingswood is a cohesive, entrepreneurial team with a long history of shared success developing "win-win" partnerships with its portfolio companies and management teams.

Will you discuss your career journey?

I began my career as an analyst at First Union (now Wells Fargo) after graduating from Duke University with an BA in English. While at Wells Fargo, I took a chance in joining a newly formed investment firm called Ares Management as my first position in private equity. I had the good fortune to meet Tony Ressler, Ares' co-founder, who brought me on board as one of his first hires in 1997. I spent two years at Ares before heading to Palo Alto to pursue an MBA at Stanford. In 2001, I joined Cerberus Capital Management as one of the first professionals in its small, but fast-growing, private equity group. Being present at the early stages and seeing the evolution and expansion of these two firms into massive platforms, I was struck by the sheer volume of possibilities for creative and determined new entrants in the middle market investment space.

In 2013, I founded Kingswood with a focus on the middle market, eager to build my own private equity firm that could differentiate itself in this promising segment. Our rapid expansion over the past 12 years, including closing three funds in just over three years, is a testament to that potential.

What was your vision for creating Kingswood Capital Management, and how do you define its mission?

When I founded Kingswood in 2013, my guiding principle was to bring a fresh perspective to a mature industry and embrace complexity. Too often in private equity, firms will pass on opportunities with significant underlying

potential because they are in an out-of-favor sector or the transaction seems too complex. This leaves a vast reserve of promising investments completely untapped. Generally, at Kingswood, we focus on identifying good businesses that we think could be better and then support them by marshalling the right resources to get them there. This is a repeatable playbook that has led to enormous success – we've been able to create substantial value for our investors. As we've grown, we've also continued to deepen our bench of operational expertise, which in turn enables us to navigate greater complexity and expand our opportunity set.

In what kinds of deals has Kingswood found the most success?

We've found success by embracing creativity, complexity, and out-of-the-box thinking in our dealmaking. We primarily work with three major seller profiles: complex corporate carveouts, founder-led businesses, and "unnatural" business owners. I enjoy working with founders because of their vision and dedication. When you've built a company from the ground up, you have a unique vantage point that can be a vital component of our broader strategy. Working hand-in-hand with founders, we've been able to align their ethos and values with our vision for growth and expansion, to tremendous results. One recent example of this collaboration in action has been our work with Senture, a leading business process outsourcing provider in the United States. The founding team at Senture always aspired to grow and expand their business, but had not identified feasible opportunities given the founder's conservative approach and unwillingness to invest capital. Working with the team, we were able to

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help them realize their vision, which ultimately resulted in a sale to a leading international, publicly traded provider of digitally integrated business services in 2021.

Another key component of our strategy is embracing often overlooked opportunities through a combination of creative structuring and identifying material operational improvements. This framework has enabled Kingswood to maintain steady deployment across all types of market environments. For instance, take our acquisition of Kodak Alaris last year. To many, this seemed like a strange investment – when we’re all walking around with cameras in our pockets 24/7, Kodak was widely viewed as a remnant of a bygone era. However, we saw an opportunity to revive an iconic American brand by working with the team to streamline operations, reinvigorating the business with a performance-based culture and positioning Kodak to fully leverage the strong base and burgeoning resurgence of analog photography. The results speak for themselves; a year into the deal, we’ve already made a substantial realized return on our initial investment, despite the uncertain macroeconomic environment.

Our success with Kodak is emblematic of the broader growth that our strategy has borne out over the past decade. Our newest fund vehicle (Fund III) has generated early liquidity with significant realizations within the very first year of the investment period, further demonstrating the repeatability of our strategy across multiple funds.

What has been critical in building the Kingswood team?

I’m proud of the incredible team we’ve built at Kingswood. We have focused on finding

people with the right combination of raw intelligence, horsepower, and humility. Our team members start from a place of curiosity and possibility. They’re unique individuals who don’t just see value in deals that hit 10/10 on a plain vanilla private equity scorecard, but rather can spot potential amidst imperfections and have an eye for where we can make an operational difference. It’s a glass-half-full mentality. And they certainly don’t get deterred by challenges.

What do you feel are the keys to effective leadership, and how do you approach your management style?

I think all great leaders have to practice what they preach and lead by example. Kingswood started out small – just one – and it wasn’t too long ago that senior leaders at the company had to wear multiple hats. That’s an approach we maintain to this day. We’re never shy about stepping back into those roles when necessary. We consistently dive into tasks arm-in-arm with team members who appreciate leaders who will be in the trenches with them. When staff see senior executives rolling up their sleeves, it’s inspiring – it builds confidence and cohesiveness. No task is too small, even for the CEO.

Did you always know that you had an entrepreneurial spirit and desire to build your own firm?

There was a part of me that always embodied entrepreneurship, but it didn’t fully materialize until my time at Cerberus in the early 2000s. Back then, the firm wasn’t the industry titan that it is now, so I had a front row seat to see what it takes to start and sustain an extremely successful firm or a team within one. This gave me the perfect experience in building, growing, and developing strong teams and practices.

I learned quickly what worked and what didn’t. At that point, I had not yet been in the top seat calling the shots, but it was this vantage point that allowed me to draw upon those experiences to tweak and improve them in my firm.

I also have a bit of a contrarian spirit, which I have imbued in the firm. For one, we’re based in LA, which is somewhat atypical for a private equity firm, but our location has been absolutely integral to our strategy. Being situated on the other side of the country from New York, the “traditional” hub for private equity, gives us a unique perspective and has allowed us to be at the vanguard of the rapidly growing West Coast PE scene.

On a broader level, I like to zig where others zag, and that serves us well, particularly as we pursue unique deals in out-of-favor industries that many firms might not entertain. We like to run toward knotty issues that others back away from. Because it’s my own firm, I can encourage this unusual approach, and it’s rewarding to see it pay off.

What advice do you offer to young people interested in pursuing a career in private equity?

The best thing you can do as a young person starting in your career is to listen as much as possible. Private equity is an apprenticeship business, where the best way to learn is by watching and repeating. You can’t just read a book or study – you need to see the process in action first-hand. Don’t be afraid to ask a lot of questions; be eager to understand why and how things are done. By being curious, observant, diligent, and focused, you will build a strong foundation for yourself and for long-term success in private equity. ●

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