‘Do the right thing, the right way, with excellence’. Those are the words David Kessenich, '96, lives by. That consistent focus on excellence is how his firm, Excellere Partners (E.P.), became one of the leaders in the private equity field.

Kessenich also credits a large portion of his success to his Chicago Booth education. He and his wife, Colleen, recently demonstrated their gratitude to the school by donating $5 million to support the groundbreaking work and faculty-led research of the Polsky Center for Entrepreneurship and Innovation. The faculty director position, currently held by Steven N. Kaplan, Neubauer Family Distinguished Service Professor of Entrepreneurship and Finance, will be named the Kessenich E.P. Faculty Director at the Polsky Center for Entrepreneurship and Innovation, in recognition of this investment.

“In the 20-plus years since I was a student at Chicago Booth, Steve Kaplan has emerged as one of the top private equity market professors globally,” he said. “I owe my foundation in private equity to Steve, so I started thinking recently about how I could leave a legacy in support of the work he has pioneered. My wife and I decided there couldn’t be a better way than to honor Steve, given his visionary leadership in private equity and entrepreneurship, than to provide resources to the Polsky Center and help ensure a strong future for the faculty directors who will follow in his footsteps.”

Appreciation for the gift

“It is wonderful to see how successful David has become as a private equity investor,” Kaplan said. “He has used his talent and what he learned at Booth to generate an investing track record that is among the very best in the last 15 years. David’s gift will give the Polsky Center the flexibility to push new initiatives a little faster and a little more intensely, and it provides the resources to do more and better research.”

Kessenich grew up on a farm in Northwest Iowa, which is still in his family and operated by his two brothers. As a participant on his high school math team, Kessenich competed at colleges around the Midwest, including Creighton University, from which he received his bachelor’s degree. Upon graduation, he wasn’t ready to go back to the farm and, like many of his peers, moved to Chicago to begin his career.

“That was 1989-90 and there was a pretty deep recession,” he said. “Jobs were in scarce supply but I leveraged my accounting and finance education to get a position with Continental Bank, reviewing and auditing derivative trading activities in their global trading group.”

After a year, he moved to their London office, traveling frequently. “During that time period, very few junior professionals had international assignments,” he said. “While that’s not unusual today, I think that at that time, it’s what helped set me apart when I was applying to Booth.”
Kessenich soon knew he wanted to further his education. “It was very clear to me that an MBA differentiated employees within the financial services arena,” he said. “I wanted the analytical rigor that Chicago could offer. For me, Booth was the perfect fit.”

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—Steven N. Kaplan, Neubauer Distinguished Service Professor of Entrepreneurship and Finance; Kessenich E.P. Faculty Director, Polsky Center for Entrepreneurship and Innovation

Kessenich enrolled in the Evening MBA program and continued working, with his employer paying most of his tuition. After receiving his degree, he remained in investment banking and then made the pivotal move into private equity. In 2006, he decided the time was right to launch his own firm in Denver, and partnered with colleague Rob Martin. Rob had a strong deal sourcing background and network, which helped launch Excellere Partners’ highly differentiated, multi-faceted, and process-oriented deal sourcing program.

“Rob and I wanted to stay focused on the lower to middle market and partner with entrepreneurs,” he said. “That’s what is really special for our firm—helping entrepreneurs pursue their dream and leave an enduring legacy in the end.”

One of the first things David did when founding Excellere was to create a core values statement.

“We came up with a tag line, printed on the back of our cards, that says, ‘Strive for excellence,’ he said. “You learn about mission, vision, and value statements in business school, but I don’t think most students—at least I didn’t—fully appreciate the value of that throughout an organization.”

“We surveyed our various constituencies about what they would like to see in the ideal private equity firm,” he said. “That is how we came up with ideas like servant leadership, transparency, integrity, gratitude, and using ‘we’ instead of ‘me’. We evaluate our investment professionals annually on our core values. It’s a high bar, but we believe that if you set the bar high enough, you’ll get the most out of everybody, every day.”

Today, Excellere has 18 employees, and since its inception, about a third of Excellere’s investment professionals are Booth alumni.

Success of Excellere

“In my experience, most private equity groups start by looking at the returns and move backwards,” he said. “We believe that if you form the right partnerships, select the right industry subsectors, and consistently generate the right kind of value creation, the returns will follow. We’re also very careful to be supportive of the entrepreneurs and make sure they have the right resources to accomplish their vision without being intrusive.”

Even after all these years, Kessenich still loves his job. “The thing I like most about private equity is that the learning curve is always steep, it never levels off,” he said. “Each new entrepreneur is unique and each investment is different.”

Over the years, Kessenich maintained a friendship with Kaplan, returning to campus to present case studies in Kaplan’s Entrepreneurial Finance and Private Equity class. That relationship also led to Kessenich being asked to participate on Chicago Booth’s Private Equity Council, composed of some of the world’s leading private equity investors who provide ongoing guidance and support to the Polsky Center’s Svider Private Equity Program.

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—David Kessenich, ’96

“I think that at this point in my career, I can add a lot of value to the council,” Kessenich said. “The members have such broad insight; it’s a nice forum to openly share thoughts and ideas about the industry.”

Kessenich has high hopes for his investment in the school.

“Clearly, I love the school and am excited to give back,” he said. “I am proud that my gift will further propel faculty research and support new and expanding programs at the Polsky Center, while also supporting Polsky faculty leadership well into the future.”