Revista JRG de Estudos Acadêmicos, Ano 8, Vol. XIX, n.19, jul.-dez., 2025

Listas de conteúdos disponíveis em [Portal de Periódicos CAPES]

Revista JRG de Estudos Acadêmicos

ISSN: 2595-1661

ARTIGO

Página da revista:
https://revistajrg.com/index.php/jrg

Structural Trade-offs in Entrepreneurship Through Acquisition: Capital, Governance, and Regulatory Constraints Across ETA Models

Dilemas Estruturais no Empreendedorismo por Aquisição: Capital, Governança e Restrições Regulatórias nos Diferentes Modelos de ETA

DOI: 10.55892/jrg.v8i19.2827
ARK: 57118/JRG.v8i19.2827

Recebido: 03/01/2026 | Aceito: 05/01/2026 | Publicado *on-line*: 06/01/2026

Danilo Baptista Moscatelli Boavista
https://orcid.org/0009-0005-7499-4305
http://lattes.cnpq.br/5785596552905942
Master of Business Administration, Chicago Booth
University of Chicago, IL, USA
E-mail: danilo.boavista@gmail.com

Resumo

O empreendedorismo por aquisição (Entrepreneurship Through Acquisition – ETA) evoluiu de um conceito acadêmico de nicho para um conjunto diversificado de caminhos institucionalizados de acesso à propriedade empresarial. Embora o modelo tradicional de Search Funds tenha sido amplamente estudado, o ecossistema de ETA passou a incluir abordagens estruturalmente distintas, como transações conduzidas por Independent Sponsors e aquisições autofinanciadas. Apesar de sua crescente relevância, esses modelos frequentemente são analisados de forma isolada ou tratados como equivalentes, o que obscurece os trade-offs estruturais enfrentados pelo empreendedor adquirente.Este artigo adota uma perspectiva comparativa centrada no searcher para examinar como diferentes modelos de ETA alocam risco, controle, incentivos e autoridade decisória. Com foco em Search Funds tradicionais, Independent Sponsors e ETA autofinanciado, o estudo analisa diferenças nos mecanismos de captação de recursos, na composição da estrutura de capital, nos termos econômicos, nos arranjos de governança e na exposição regulatória. Ênfase especial é dada à relação entre essas escolhas estruturais e o estágio de carreira, o capital humano e a tolerância ao risco do searcher. Com base em literatura acadêmica revisada por pares, relatórios institucionais, análises práticas e exemplos financeiros ilustrativos, o artigo demonstra que os modelos de ETA funcionam como arquiteturas de carreira distintas, e não apenas como alternativas de financiamento. A análise incorpora ainda mudanças recentes nas regras de elegibilidade de crédito da Small Business Administration (SBA) dos Estados Unidos, evidenciando como alterações regulatórias afetam de forma relevante a viabilidade e a economia de determinados caminhos de ETA, especialmente para empreendedores estrangeiros ou não residentes permanentes. Os resultados indicam que o sucesso em ETA depende menos da escolha de um modelo universalmente superior e mais da seleção de uma estrutura compatível com a experiência, os objetivos e as restrições institucionais do searcher. Ao integrar aspectos de governança, economia e regulação em um único arcabouço analítico, este estudo contribui para uma compreensão mais sofisticada do ETA e oferece implicações práticas para empreendedores, investidores e formuladores de políticas públicas.

Palavras-chave: Empreendedorismo por Aquisição; Search Funds; Independent Sponsors; ETA Autofinanciado; Governança; Alinhamento de Incentivos; Private Equity.

Abstract
Entrepreneurship Through Acquisition (ETA) has evolved from a niche academic construct into a diverse set of institutionalized pathways to business ownership. While the traditional Search Fund model has received substantial academic attention, the broader ETA landscape now includes structurally distinct approaches such as Independent Sponsor transactions and self-funded acquisitions. Despite their growing relevance, these models are often analyzed in isolation or treated as interchangeable, obscuring the structural trade-offs they impose on acquisition entrepreneurs. This article adopts a comparative, searcher-centric perspective to examine how different ETA models allocate risk, control, incentives, and decision-making authority. Focusing on traditional Search Funds, Independent Sponsors, and self-funded ETA, the study analyzes differences in fundraising timing, capital stack composition, economic terms, governance structures, and regulatory exposure. Particular attention is given to how these structural choices interact with the searcher's career stage, human capital, and risk tolerance. Drawing on peer-reviewed academic literature, institutional reports, practitioner analyses, and illustrative financial examples, the paper demonstrates that ETA models function as distinct career architectures rather than mere financing alternatives. The analysis also incorporates recent changes in U.S. Small Business Administration (SBA) lending eligibility, highlighting how regulatory shifts materially affect the feasibility and economics of certain ETA pathways, especially for foreign and non-permanent-resident entrepreneurs. The findings suggest that success in ETA depends less on identifying a universally superior model and more on selecting a structure aligned with the searcher's experience, objectives, and institutional constraints. By integrating governance, economics, and regulatory dynamics into a unified framework, this study contributes to a more nuanced understanding of ETA and offers practical implications for entrepreneurs, investors, and policymakers.

Keywords: *Entrepreneurship Through Acquisition; Search Funds; Independent Sponsors; Self-Funded ETA; Private Equity; Incentive Alignment.*

1. Introduction

Entrepreneurship Through Acquisition (ETA) has emerged as a credible and increasingly institutionalized pathway to business ownership, particularly within developed economies characterized by fragmented small and medium-sized enterprise (SME) markets and widespread succession challenges. Rather than founding new ventures, ETA enables individuals to acquire and operate established businesses with existing cash flows, customers, and organizational structures, thereby mitigating several risks commonly associated with early-stage entrepreneurship (Ruback; Yudkoff, 2017).

Academic and practitioner attention has historically concentrated on the **traditional Search Fund model**, given its origins in leading U.S. business schools and the availability of longitudinal performance data. However, the ETA landscape has expanded meaningfully over the past two decades to include structurally distinct models, most notably **Independent Sponsor transactions** and **self-funded ETA**, each reflecting different approaches to capital formation, governance, and operator incentives.

Despite this diversification, much of the existing literature continues to treat ETA as a relatively homogeneous phenomenon or to analyze alternative models in isolation. This creates an incomplete understanding of how **structural design choices** (fundraising timing, capital stack composition, governance rights, and regulatory exposure) shape outcomes for the central actor in ETA: the searcher or acquisition entrepreneur.

This paper argues that ETA models are best understood not as substitutes for one another, but as **distinct career architectures**, each embedding specific trade-offs between credibility, control, risk concentration, and economic upside. Building on prior work reviewing Search Funds as an ETA strategy (Boavista, 2025), this study adopts a comparative, searcher-centric lens to analyze three dominant ETA pathways: traditional Search Funds, Independent Sponsors, and self-funded ETA.

2. Methodology & Research Objectives

This study adopts a **comparative qualitative methodology**, grounded in a synthesis of peer-reviewed academic literature, institutional research reports, and practitioner-oriented legal and financial analyses published between 2000 and 2025.

Primary sources include:

- Academic work from Harvard Business School, Stanford Graduate School of Business, and IESE Business School;
- Longitudinal studies on Search Fund performance;
- Practitioner analyses of Independent Sponsor transactions;
- Regulatory documentation from the U.S. Small Business Administration;
- The author's prior peer-reviewed research on Search Funds (Boavista, 2025).

Rather than conducting an empirical performance study, the paper employs **structured comparative analysis**. Each ETA model is evaluated using a consistent analytical lens across Section 3, enabling direct comparison of:

- Capital formation mechanics and timing risk,
- Distribution waterfalls and incentive convexity,
- Governance structures and control rights,
- Behavioral and psychological implications for the searcher.

Illustrative financial examples are used where appropriate to clarify economic differences, without claiming statistical generalization. This approach aligns with the paper's objective of improving conceptual clarity and decision-making relevance rather than producing predictive financial models.

The analytical framework positions the searcher as the focal unit of analysis, recognizing that ETA outcomes depend not only on deal quality but on the **fit between individual capabilities, structural constraints, and institutional context**.

The primary objective of this study is to **systematically compare** the main ETA models along four interrelated dimensions:

1. **Fundraising structure and timing**,
2. **Economic terms and incentive alignment**,
3. **Governance and decision-making processes**, and
4. **Searcher-centric trade-offs across different career stages**.

Rather than evaluating which model produces superior financial returns in the abstract, the paper focuses on **how and why different structures impose different constraints and opportunities on the searcher**, influencing deal feasibility, operational autonomy, risk exposure, and long-term wealth creation.

The contribution of this paper is threefold.

First, it extends the ETA literature by integrating **Search Funds, Independent Sponsors, and self-funded ETA into a single analytical framework**, highlighting their structural interdependencies rather than treating them as isolated categories.

Second, it introduces a **career-stage and human-capital perspective**, demonstrating that ETA model selection is contingent on professional maturity, access to capital, and tolerance for concentrated risk—factors that are often implicit but rarely formalized in prior research.

Third, the study explicitly incorporates **regulatory dynamics**, particularly recent changes in U.S. Small Business Administration (SBA) lending eligibility, as a material determinant of feasible ETA structures. This responds to a gap in the literature, which frequently assumes stable and uniform access to acquisition financing.

By doing so, the paper aims to bridge academic theory and practitioner reality, offering insights relevant to scholars, acquisition entrepreneurs, investors, and policymakers.

3. Results and Discussion

3.1. Fundraising Structures: Capital Formation, Timing Dynamics, and Career-Stage Considerations

Fundraising represents one of the most structurally differentiating dimensions across Entrepreneurship Through Acquisition (ETA) models. Beyond the mechanical aspects of capital raising, each structure embeds distinct assumptions regarding **risk-sharing, timing optionality, informational asymmetry, and the professional maturity of the entrepreneur**. Traditional Search Funds, Independent Sponsors, and self-funded ETA each reflect not only alternative financial architecture but also different points along an entrepreneur's professional lifecycle.

3.1.1. Traditional Search Funds: Early-Career Capitalization and Front-Loaded Alignment

Traditional Search Funds are characterized by the **early, pre-transaction aggregation of capital**, typically raised before a specific acquisition target is identified. In this model, searchers raise a modest pool of "search capital"—often between US$300,000 and US$600,000—from a syndicate of approximately 10 to 20 investors, usually high-net-worth individuals, former operators, or institutional investors with prior exposure to the asset class (Stanford GSB, 2022).

This structure serves several functions simultaneously. First, it **de-risks the personal financial exposure** of relatively early-career professionals, allowing them to devote full-time effort to sourcing without personal capital at risk. Second, it creates **early alignment and repeated interaction** between searchers and investors, fostering mentorship, governance discipline, and shared expectations well before acquisition (Ruback & Yudkoff, 2020).

However, this front-loaded fundraising also introduces notable complexities. Capital is committed before deal certainty, resulting in **timing risk**: prolonged searches can erode investor patience, increase opportunity cost, and psychologically pressure searchers toward suboptimal acquisitions (Smith & Mitchell, 2016). Additionally, early dilution is unavoidable: searchers exchange long-term equity upside for short-term financial stability.

From a career-stage perspective, traditional Search Funds are disproportionately chosen by **younger professionals**, often between their late 20s and mid-30s, many of whom are recent MBA graduates from elite institutions (Stanford, Harvard, IESE). At this stage, individuals typically possess strong analytical skills but limited operating track records or personal capital, making institutional endorsement both necessary and value-enhancing (Boavista, 2025).

3.1.2. Independent Sponsors: Mid-Career Capital Orchestration and Transaction-Driven Fundraising

Independent Sponsor models invert the timing logic of Search Funds. Rather than raising capital ex ante, Independent Sponsors pursue **deal-first fundraising**, sourcing and negotiating acquisitions independently before assembling the equity capital required to close the transaction. This structure avoids idle capital and allows investors to underwrite a specific opportunity rather than a blind search (Gilson; Jenkins; Miller, 2021).

While this approach improves capital efficiency, it significantly increases **execution complexity and transactional risk**. Fundraising occurs under time pressure, often in parallel with due diligence, financing negotiations, and seller interactions. Sponsors must manage asymmetric information, investor skepticism, and coordination challenges, particularly when equity checks are non-uniform or bespoke (Gilson; Jenkins; Miller, 2021; Ruback; Yudkoff, 2020).

Moreover, Independent Sponsors must demonstrate **credibility without institutional backing**. Unlike Search Funds, which benefit from standardized norms and academic legitimacy, Independent Sponsors rely heavily on personal reputation, prior transaction experience, and investor relationships. As a result, this model is more commonly adopted by **mid-career professionals**, often in their late 30s to 50s, with prior experience in private equity, investment banking, or operational leadership (Willoughby, 2020).

Fundraising dynamics also differ in incentive signaling. Independent Sponsors frequently negotiate carried interest, management fees, or transaction fees contemporaneously with capital raising, increasing legal and regulatory complexity. The absence of a standardized template leads to wide dispersion in economic outcomes and governance terms (Gilson; Jenkins; Miller, 2021).

3.1.3. Self-Funded ETA: Late-Career Autonomy and Capital Constraint Trade-Offs

Self-funded ETA represents the most capital-autonomous model, eliminating external equity fundraising altogether. Acquisitions are financed through a combination of personal equity, senior debt, seller financing, and, in the U.S., frequently SBA-guaranteed loans (Ruback; Yudkoff, 2017).

This structure offers maximal ownership retention and decision-making authority, but it introduces **binding capital constraints**. Deal size is typically limited by personal net worth and debt service capacity, and the entrepreneur bears full downside risk, including personal guarantees. Consequently, risk diversification, one of the key advantages of institutional ETA structures, is largely absent (Yudkoff; Ruback, 2021).

Fundraising timing is simplified but not trivial. While no equity syndication is required, negotiations with lenders and sellers become central, and the entrepreneur's personal financial profile is scrutinized in depth. Importantly, the lack of third-party equity validation can increase seller skepticism while simultaneously accelerating decision-making when trust is established.

Self-funded ETA is most commonly pursued by **late-career professionals,** often in their 40s or 50s, who have accumulated sufficient capital, industry expertise, and risk tolerance. These individuals frequently prioritize autonomy, speed, and cultural continuity over scalability or financial engineering (Zellweger, 2007).

3.1.3.1. Recent Changes in SBA Lending for Non-Permanent Residents and Their Impact on Foreign ETA Buyers

In March 2025, the U.S. Small Business Administration (SBA) enacted a substantive policy revision (formalized in **Policy Notice 5000-865754 and updates to SOP 50 10 8**) that significantly tightens eligibility for its core loan guarantee programs (7(a) and 504) with respect to **citizenship and immigration status**. The rule change marks one of the most consequential shifts in SBA lending in decades and has immediate implications for cross-border and non-permanent-resident (non-LPR) participation in U.S. small-business acquisitions, including ETA transactions. (U.S. Small Business Administration, 2025)

A. **Key Regulatory Changes**

- **100 % Ownership Requirement:** Loans under the SBA's flagship 7(a) and 504 programs are restricted to businesses **owned entirely by U.S. citizens, U.S. nationals, or Lawful Permanent Residents (LPRs)**. Prior to 2025, businesses could qualify with up to **49 % foreign ownership**, provided U.S. citizens or LPRs held a majority stake. This minority-ownership pathway has been eliminated. (U.S. Small Business Administration, 2025; Starfield & Smith Attorneys at Law, 2025).
- **No Beneficial Ownership for Non-Citizens:** Individuals who are **non-immigrant visa holders (e.g., E-2, L-1, H-1B), refugees, DACA recipients, or other foreign nationals** are expressly categorized as "ineligible persons." Any direct or indirect ownership by such individuals disqualifies the business from SBA support. (Starfield & Smith Attorneys at Law, 2025).
- **Verification and Documentation Requirements:** Lenders must now collect more extensive documentation (e.g., alien registration numbers) and verify status through systems such as USCIS Form G-845. Ownership data for **at least 81 % of beneficial owners** must be entered into SBA's loan processing system (E-Tran), increasing compliance costs and underwriting complexity. (Starfield & Smith Attorneys at Law, 2025).

These revisions were designed to align SBA lending practices with **Executive Order 14159 ("Protecting the American People Against Invasion")** (United States of America, 2025), a Trump-era directive emphasizing immigration enforcement and restricting public benefits, including loan guarantees, to authorized individuals.

B. **Implications for ETA and Foreign Entrepreneurs**

I. **Restricted Access to Government-Backed Capital:** Historically, SBA loans, particularly 7(a) guarantees, were a cornerstone financing source for ETA transactions in the **U.S. lower and middle market**, especially for deals under ~$5 million. They offered favorable interest rates, long maturities, and high loan-to-value ratios that made acquisitions more feasible with limited personal equity.

II. Post-2025, **foreign buyers without LPR status are effectively excluded** from accessing SBA-backed acquisition financing. Even minority equity positions held by foreign nationals may render a transaction ineligible, unless ownership is restructured prior to closing. (Starfield & Smith Attorneys at Law, 2025).

III. **Smaller Buyer Pool and Transaction Friction:** The elimination of SBA eligibility for non-LPR owners reduces the number of qualified buyers for many small businesses, particularly in sectors that historically attracted foreign investors (e.g., hospitality franchises, service businesses). Sellers who previously relied on SBA financing to expand the pool of credible purchasers may now face fewer offers or longer closing timelines.

IV. **Alternative Capital and Deal Engineering:** Foreign buyers who remain interested in ETA must now depend more heavily on **non-SBA debt**, private lenders, seller financing, or bespoke investor syndication. These options tend to command **higher cost of capital** and shorter maturities than SBA guarantees, altering deal feasibility and valuation dynamics.

V. **Structuring and Timing Complexity:** The timing of capital formation and acquisition execution becomes more complex for non-citizen buyers. Because SBA eligibility can no longer be assumed, deal teams must build alternative financing strategies **before entering binding purchase agreements**, increasing due diligence requirements and negotiation risk.

C. **Career-Stage and Cross-Border ETA Decisions:**

- **Aspiring early-career searchers or self-funders relying on SBA loans** may now face significant barriers without LPR status, influencing decisions about ETA model selection and immigration pathways.
- **Mid-career Independent Sponsors with networks of institutional capital** are less affected by SBA policy directly but must recognize how these changes reshape deal execution for non-resident co-investors or portfolio company buyers.
- **Late-career self-funders** might choose to pursue smaller deals with traditional bank financing or private debt structures when SBA guarantees are unavailable, or they may consider immigration pathways (e.g., EB-5) to obtain LPR status and regain SBA eligibility.

D. **Dynamic of Fundraising Timing and Policy Impact**

The 2025 SBA changes underscore how **regulatory policy can materially influence ETA fundraising dynamics**. Traditional Search Funds and Independent Sponsors operating with institutional capital can typically absorb shifts in credit availability; they work with diversified investor bases and access a wide spectrum of debt and equity providers. However, for models where **debt is part of the capital stack early in the transaction (e.g., self-funded ETA or searcher deals relying on SBA products)**, these changes require earlier and more rigorous financing planning, often shifting the timing of fund commitments and legal structuring work upstream in the process.

The tightening of SBA eligibility has also accelerated **deal-sourcing windows**: buyers without immediate access to guaranteed debt must align with private lenders whose capital isn't reserved indefinitely, thereby compressing fundraising timelines and elevating competitive pressure.

3.1.4. Comparative Timing and Professional Lifecycle Implications

Across models, fundraising timing is not merely a technical choice but a **strategic reflection of professional maturity, risk appetite, and human capital**. Early-career entrepreneurs benefit from institutional capital and structured support; mid-career professionals leverage reputation and networks to assemble capital opportunistically; late-career operators trade scale for independence.

This progression suggests that ETA models are not substitutes but **complementary pathways**, each optimally aligned with different stages of an entrepreneurial career and different market conditions. Understanding these dynamics is essential for both practitioners selecting a model and investors evaluating alignment and execution risk.

3.2. Economic Structures, Incentive Alignment, and Capital Stack Outcomes Across ETA Models

Economic structures in Entrepreneurship Through Acquisition (ETA) are best understood not as neutral financing choices, but as **mechanisms that allocate risk, control, and behavioral incentives** among investors and operators. Differences across traditional Search Funds, Independent Sponsors, and self-funded ETA materially affect transaction feasibility, return distributions, and operator decision-making, particularly in a regulatory environment where access to leverage is increasingly constrained.

This section provides a comparative analysis of these economic structures using a standardized transaction example, explicitly incorporating (i) the non-use of SBA financing in traditional Search Funds, and (ii) the SBA lending cap and eligibility restrictions affecting self-funded ETA.

3.2.1. Conceptual Framework: Economics as Behavioral Design

ETA capital structures reflect intentional trade-offs among three core objectives:

1. **Capital protection and priority for investors**,
2. **Long-term incentive alignment for the operator**, and
3. **Operational flexibility under uncertainty**.

Traditional Search Funds emphasize **alignment and downside protection**; Independent Sponsors emphasize **transactional convexity and scalability**; self-funded ETA emphasizes **ownership concentration and autonomy**, often at the expense of diversification and downside protection (Ruback; Yudkoff, 2020; Gilson; Jenkins; Miller, 2021).

3.2.2. Baseline Transaction Assumptions (Illustrative Example)

The same target company is used across all ETA structures to isolate economic differences.

Table 1 – Comparative summary of ETA models analyzed.

Parameter	Assumption
Business Type	U.S. services company
Revenue	US$8.0 million
EBITDA	US$1.6 million (20% margin)
Purchase Multiple	5.0× EBITDA
Enterprise Value	US$8.0 million
Holding Period	7 years
Exit EBITDA	US$2.2 million
Exit Multiple	6.0×
Exit Enterprise Value	US$13.2 million

Source: Author's own elaboration.

This profile reflects the median acquisition size and quality observed in lower-middle-market ETA transactions (Stanford GSB, 2022).

3.2.3 Traditional Search Fund Economics (Non-SBA)

A. Capital Stack

- Equity (LPs): ~US$3.2 million (40%)
- Senior Debt (non-SBA): ~US$4.8 million (60%)
- Preferred Return: ~8% IRR to LPs
- Searcher Equity: 20–30% (vesting-based)

a. Explicit Non-Use of SBA Financing

Contrary to a common misconception, **traditional Search Funds do not use SBA financing**. This is a deliberate structural choice driven by investor preferences and governance considerations:

- **Distribution Waterfall Integrity:** SBA loans impose lender-driven cash sweep and distribution constraints that interfere with preferred equity waterfalls, which LPs rely on for return prioritization (Ruback; Yudkoff, 2017).
- **Personal Guarantees:** SBA lending requires personal guarantees from borrowers, which institutional LPs generally reject due to misaligned risk allocation and potential moral hazard.
- **Operational Control:** SBA covenants can restrict refinancing flexibility and strategic optionality, conflicting with long-term value-creation strategies favored by Search Fund investors.

As a result, traditional Search Funds rely on **conventional senior bank debt, unitranche facilities, or seller notes**, even at the cost of lower leverage.

B. Incentive Mechanics

Searcher equity typically vests in three tranches:

1. **Closing equity** (≈⅓),
2. **Time-based vesting** over 4–5 years,
3. **Performance-based vesting** tied to IRR or MOIC hurdles.

This structure strongly incentivizes **patient capital allocation and operational excellence** (Ruback; Yudkoff, 2020).

C. Illustrative Outcome

- Net Equity at Exit: ~US$10.0 million
- Searcher Share (25% vested): ~US$2.5 million
- LP MOIC: ~2.0×
- LP IRR: ~17–20%

3.2.4. Independent Sponsor Economics

A. Capital Stack

- Equity: ~US$3.6 million (45%)
- Senior Debt (non-SBA): ~US$4.4 million (55%)
- Sponsor Promote: 10–30% carry
- Management Fees: 3–5% of EBITDA (often capped)

B. Incentive Mechanics

Independent Sponsors typically receive **non-vesting carried interest**, earned only after investors receive:

1. Return of capital,
2. Preferred return,
3. Hurdle-based MOIC or IRR thresholds.

This produces a **highly convex payoff profile**, rewarding sponsors disproportionately in successful outcomes while offering limited downside protection (Gilson; Jenkins; Miller, 2021).

C. Illustrative Outcome

- Residual Equity Pool: ~US$6.5 million
- Sponsor Carry (20%): ~US$1.3 million
- Cumulative Fees (7 years): ~US$1.5–2.0 million
- Total Sponsor Economics: ~US$2.8–3.3 million

Independent Sponsors are largely insulated from SBA regulatory changes, though reduced SBA availability can affect exit liquidity for smaller portfolio companies.

3.2.5. Self-Funded ETA Economics (With SBA Cap and Gap Investor)

A. Capital Stack (Adjusted for SBA Constraints)

SBA 7(a) loans are capped at **US$5.0 million**, making them insufficient to finance the full debt portion of the illustrative transaction.

- SBA Debt: US$5.0 million (capped)
- Gap Capital (junior equity or preferred): ~US$1.4 million
- Personal Equity: ~US$1.6 million
- Total Capital: US$8.0 million

The **gap investor** is typically a passive minority investor receiving preferred economics, materially altering the “100% ownership” narrative often associated with self-funded ETA.

B. Incentive Mechanics

While the operator retains operational control, economic upside is now shared, and risk concentration remains high due to:

- Personal guarantees,
- Subordinated capital costs,
- Tighter debt service coverage.

C. Illustrative Outcome

- Net Equity at Exit: ~US$10.0 million
- Owner Share (post-gap investor): ~US$6.5–7.0 million
- Equity IRR: ~25–30%
- MOIC on Personal Equity: ~4.0–4.5×

Recent SBA citizenship restrictions further limit this model for non-LPR buyers, often forcing greater reliance on higher-cost private debt or equity (SBA, 2025).

3.2.6. Comparative Economic Outcomes Table

Table 2 – Comparative summary of ETA models analyzed.

Dimension	Search Fund	Independent Sponsor	Self-Funded ETA
SBA Usage	None (by design)	None	Yes (capped)
Equity Ownership	20–30% (vesting)	10–30% carry	Majority, not 100%
Need for Gap Capital	No	No	Yes
Personal Guarantees	No	No	Yes
Downside Protection	High	Medium	Low
Sensitivity to SBA Policy	Low	Low	Very High
Capital Efficiency	Medium	High	Medium
Operator Risk	Moderate	Low–Moderate	High
Typical Career Stage	Early	Mid	Late

Source: Author's own elaboration.

3.2.7. Discussion

Correcting for leverage realities and regulatory constraints reveals that ETA economics are often **mischaracterized in simplified narratives**. Traditional Search Funds intentionally sacrifice leverage to preserve alignment; Independent Sponsors monetize transaction skill and reputation; self-funded ETA trades diversification for autonomy, increasingly requiring hybrid capital solutions.

These distinctions are critical for accurate academic analysis and practical model selection.

3.3. Governance Structures, Control Rights, and Process Dynamics Across ETA Models

Governance is a defining, but frequently under-theorized, dimension of Entrepreneurship Through Acquisition (ETA). While fundraising and economic terms determine how value is distributed, governance structures determine **how decisions are made, who controls strategic direction, and how conflicts are resolved over**

time. In ETA transactions, governance is inseparable from capital structure: the identity, sophistication, and risk exposure of capital providers directly shape board composition, control rights, and operating autonomy.

This section compares governance frameworks and execution processes across traditional Search Funds, Independent Sponsors, and self-funded ETA, highlighting how these models allocate authority, manage agency risk, and evolve over the investment lifecycle.

3.3.1. Governance as a Control Mechanism in ETA

From a theoretical standpoint, ETA governance can be framed through **agency theory and incomplete contracting**. Investors delegate operational control to an entrepreneur whose incentives must be aligned ex ante through equity, vesting, and oversight mechanisms (Jensen; Meckling, 1976). Unlike venture capital or large-cap private equity, ETA governance must accommodate:

- **Operator centrality** (the business is often inseparable from the CEO),
- **Illiquid ownership structures**,
- **Long holding periods**, and
- **High information asymmetry**, especially post-acquisition.

As a result, ETA governance emphasizes **ex-post monitoring and relational contracting** over rigid contractual enforcement (Kaplan; Strömberg, 2003).

3.3.2. Traditional Search Fund Governance: Investor-Centric Oversight with Operator Accountability

A. Board Composition and Control

In traditional Search Funds, governance is **explicitly investor-centric**, reflecting the LPs' role as long-term capital providers underwriting both financial and execution risk. Post-acquisition, the portfolio company typically has a **formal board of directors (or managers)** composed of:

- 3–5 members,
- Majority representation by investor nominees,
- One seat held by the searcher-CEO.

This structure ensures that while the searcher maintains day-to-day operational authority, **strategic decisions - capital allocation, acquisitions, CEO replacement, refinancing, or exit timing - remain subject to investor oversight** (Ruback; Yudkoff, 2020).

B. Governance Rationale

Investor control reflects several structural realities:

- LPs contribute nearly all equity capital,
- Searchers often lack prior CEO experience,
- The model depends on **learning, mentorship, and discipline** as much as execution.

Board engagement in Search Funds is typically **high-touch**, especially in the first 24–36 months post-acquisition. Investors frequently act as advisors, recruiting resources, and informal risk managers rather than purely fiduciary overseers (Stanford GSB, 2022).

C. Process Implications

- **Slower but more deliberate decision-making**,

- Strong checks on over-expansion or leverage misuse,
- Clear pathways for CEO replacement if performance deteriorates.

This governance intensity makes Search Funds particularly suited for **early-career operators**, where developmental oversight is a feature rather than a constraint (Boavista, 2025).

3.3.3. Independent Sponsor Governance: Negotiated Control and Asymmetric Authority

A. Board Composition and Control

Independent Sponsor governance is **less standardized and more heavily negotiated**. Post-acquisition boards often include:

- Sponsor-appointed directors (often 1–3 seats),
- Institutional investor representatives,
- Occasionally an independent director.

Control depends on sponsor reputation, capital contribution, and investor mix. Unlike Search Funds, sponsors may or may not serve in operating roles; many function primarily as **board-level strategists** (Gilson; Jenkins; Miller, 2021).

B. Governance Rationale

Independent Sponsor investors tend to be more sophisticated and transaction-oriented. As such, governance emphasizes:

- **Capital protection through covenants and veto rights**,
- Less emphasis on day-to-day mentoring,
- Strong alignment around exit economics rather than operator development.

This produces a governance structure closer to **lower-middle-market private equity**, where authority is distributed but not necessarily collaborative (Willoughby, 2020).

C. Process Implications

- **Faster decision cycles** when sponsor credibility is high,
- Greater tolerance for financial engineering (recaps, bolt-ons),
- Potential for governance friction if sponsor and management incentives diverge.

Independent Sponsor governance is best suited to **mid-career professionals** with proven judgment and networks, where investors expect execution rather than apprenticeship.

3.3.4. Self-Funded ETA Governance: Centralized Authority and Informal Controls

A. Control Structure

Self-funded ETA exhibits the **most centralized governance structure**. The owner-operator typically holds:

- Majority or full equity ownership,
- Complete board control (or no formal board),
- Direct accountability to lenders rather than equity partners.

Formal governance mechanisms are minimal; oversight is exercised primarily through **debt covenants, personal guarantees, and lender reporting requirements** (Ruback; Yudkoff, 2017).

B. Governance Rationale

The absence of external equity investors eliminates classical agency conflicts but introduces **concentration risk**. Decision-making is rapid and flexible, but errors cannot be diversified across a portfolio or corrected by an active board.

Recent SBA policy changes amplify these dynamics. Where SBA debt is used (subject to caps and eligibility), lenders exert increased scrutiny over cash flows and compliance, partially substituting for absent equity governance (U.S. SBA, 2025).

C. Process Implications

- **Maximum operational autonomy**,
- High emotional and financial exposure for the owner,
- Limited strategic challenge or dissent.

This model is most compatible with **late-career entrepreneurs** who value independence and possess sector-specific experience and risk tolerance (Zellweger, 2007).

3.3.5. Governance Evolution Over the ETA Lifecycle

Governance in ETA is not static. Across models, it evolves as:

- Leverage decreases,
- Operator credibility increases,
- Capital providers reassess risk exposure.

Search Funds may gradually relax oversight as the CEO matures. Independent Sponsors may tighten control following add-on acquisitions or refinancing events. Self-funded owners may introduce advisory boards post-stabilization to mitigate blind spots.

This dynamic reinforces the view that governance is a **living system**, adapting to performance, capital structure, and external constraints rather than a fixed contractual artifact.

3.3.6. Comparative Governance and Process Summary

Table 3 – Comparative summary of ETA models analyzed.

Dimension	Search Fund	Independent Sponsor	Self-Funded ETA
Board Formality	High	Medium	Low
Investor Control	High	Negotiated	None
Operator Autonomy	Medium	Medium–High	Very High
Monitoring Intensity	High	Medium	Low (lender-driven)
Decision Speed	Moderate	Fast	Very Fast
Agency Risk	Managed via governance	Managed via economics	Concentrated in owner
Best-Fit Career Stage	Early	Mid	Late

Source: Author's own elaboration.

3.3.7. Discussion

Governance choices in ETA are inseparable from **human capital, capital structure, and regulatory environment**. Models optimized for capital protection may slow execution but reduce catastrophic risk; models optimized for autonomy accelerate decision-making but amplify downside exposure.

Understanding these governance trade-offs is essential for accurate academic modeling and for practitioners selecting an ETA pathway consistent with their experience, capital access, and risk tolerance.

3.4. Searcher-Centric Trade-offs: Nuanced Differences, Hidden Frictions, and Path-Selection Logic

ETA is often presented as a simple choice among "Search Fund vs. Independent Sponsor vs. Self-Funded." In practice, these are not interchangeable formats—they are **distinct career architectures** that impose different constraints on the searcher's **time, psychology, control rights, financing optionality, and long-run wealth creation**. The most important insight is that each model does *not only* change how the deal is funded; it changes what the searcher is *allowed* to do, *when* they can do it, and *how* they are judged at every step (Ruback; Yudkoff, 2017; Ruback; Yudkoff, 2020).

3.4.1. The core "searcher problem": balancing credibility, control, and capital under uncertainty

Across all paths, the searcher must solve three structural problems:

1. **Credibility with sellers** (Can you close? Can you lead? Will you preserve legacy?)
2. **Capital formation and certainty** (Can you fund on time at predictable terms?)
3. **Control and accountability** (Who decides? Who can replace you? Who bears downside?)

Each ETA model "solves" these differently, and the *solution itself* creates second-order consequences.

3.4.2. Traditional Search Fund: the "credibility + apprenticeship" trade

A. **What you gain**
   - **Financing certainty early:** raising search capital before a deal exists reduces the probability of dying at the finish line due to funding gaps. That certainty converts into seller credibility ("we have institutional backers") and more consistent execution tempo (Stanford GSB, 2022).
   - **Structured mentorship and governance:** the board tends to be active and development-oriented, which is particularly valuable for earlier-career operators stepping into a first CEO seat (Ruback; Yudkoff, 2020).

B. **What you give up**
   - **Control rights and autonomy:** governance is investor-forward by design; the searcher typically has board representation but not board control, and strategic moves (debt, acquisitions, exit timing) often require consent (Ruback; Yudkoff, 2020).
   - **Psychological pressure from the "search clock":** once capital is raised, time becomes visible and performance is continuously evaluated,

creating subtle incentives to "do a deal" versus "do the right deal"—a dynamic observed in search-fund lifecycle discussions (Stanford GSB, 2022).
   - **Economic dilution for de-risking:** vesting-based equity is an alignment tool but also a trade of upside for runway and institutional support (Gilson; Jenkins; Miller, 2021).

C. **Best fit (for the searcher)**
   - Strong for earlier-career professionals who want a CEO path with a governance scaffold and who value structured capital formation over autonomy (Boavista, 2025; Stanford GSB, 2022).

3.4.3. Independent Sponsor: the "optionality + speed" trade (with higher execution fragility)

Independent sponsorship can look attractive to searchers who want greater latitude: you find a deal, then raise capital around it. But for the searcher, the defining trade-off is: **you buy optionality by accepting funding fragility.**

A. **What you gain**
   - **Model flexibility:** you can choose when to raise capital, and you can build a thesis and process around your strengths (industry focus, operational angle, bolt-on strategy).
   - **Scalability of identity:** independent sponsorship can scale into repeated transactions (platform + add-ons), and the professional identity is closer to "capital + deal orchestrator" than "single-company CEO-for-life" (Gilson; Jenkins; Miller, 2021).

B. **What you give up**
   - **Compressed fundraising under deadlines:** because capital is raised deal-by-deal, fundraising often runs in parallel with diligence and negotiation. That increases *timing risk* and can weaken negotiating leverage with both sellers and lenders.
   - **Higher term dispersion and negotiation burden:** economics vary widely, promote levels, catch-ups, fees, governance rights, creating transaction-by-transaction complexity and more places for misalignment to enter (Gilson; Jenkins; Miller, 2021).
   - **Role ambiguity risk:** many independent sponsors are not the CEO; they operate through boards/oversight. For a searcher whose goal is operator primacy, this can create tension unless clearly structured.

C. **Best fit (for the searcher)**
   - Strong for mid-career professionals with established investor relationships, transaction credibility, and a clear value-creation "angle" that investors recognize (Gilson; Jenkins; Miller, 2021).

3.4.4. Self-Funded ETA: the "control + wealth concentration" trade (with financing constraints and personal exposure)

Self-funded ETA is often described as "maximum upside." The nuance is that it is maximum upside **only if you can still buy a great business at competitive terms and survive the first 12–24 months of operator risk**—without institutional buffers.

A. **What you gain**
   - **Decision rights and speed:** centralized control can be a competitive weapon with sellers who value simplicity, confidentiality, and fast closes.
   - **Ownership concentration:** when it works, the operator captures most of the wealth created (Ruback; Yudkoff, 2017).

B. **What you give up**
   - **Financing constraints and structuring complexity:** real self-funded deals are rarely pure "100% owner equity + senior debt." In practice, caps (e.g., SBA loan maximums) and lender constraints frequently force creative capital stacks (seller notes, junior debt, or gap equity). That can reintroduce investor-like dynamics even when the model is "self-funded" in spirit.
   - **Personal guarantees and tail risk:** the searcher becomes the shock absorber, financially and emotionally, especially when leverage is high and covenants are tight.
   - **Regulatory access risk for foreign buyers:** the 2025 SBA citizenship/immigration eligibility tightening materially reduces SBA-backed financing feasibility for non-LPR buyers, raising the cost of capital and/or shrinking the feasible deal set (U.S. SBA, 2025).

C. **Best fit (for the searcher)**
   - Strong for later-career operators (or those with substantial personal capital and industry credibility) who prioritize autonomy, can withstand concentrated downside, and can source financing without relying on restricted channels (Ruback; Yudkoff, 2017; U.S. SBA, 2025).

3.4.5. The subtle trade-offs reviewers (and practitioners) miss

Across models, the most meaningful differences for the searcher often appear in second-order effects:

- **Seller negotiation posture:** Search Fund and Independent Sponsor structures can signal "institutional certainty," but may trigger seller fear of "financial engineering." Self-funded can signal simplicity but may trigger doubts about financing capacity.
- **Error correction mechanisms:** Search Funds can correct operator mistakes via board intervention; self-funded often corrects mistakes via lender pressure—usually later and harsher.
- **Time allocation:** Search Funds spend "fixed time" raising at the start; Independent Sponsors spend "variable time" raising per deal; self-funded spends time "engineering capital stacks" under lender constraints.
- **Identity and psychological load:** Search Funds and self-funded are identity-heavy (you *are* the CEO). Independent Sponsor can be identity-flexible (you may be owner, board lead, capital partner, or quasi-fund manager). Those identity dynamics shape burnout risk and decision quality over time (Ruback & Yudkoff, 2017; Stanford GSB, 2022).

3.4.6 Searcher-Centric Comparison of ETA Paths (robust decision lens)

Table 4 – Comparative summary of ETA models analyzed.

Dimension (Searcher Lens)	Traditional Search Fund	Independent Sponsor	Self-Funded ETA
Primary identity	"Operator-in-training → CEO"	"Deal lead + capital orchestrator" (may or may not be CEO)	"Owner-operator"
Fundraising timing	Upfront (search capital), then acquisition raise	Deal-by-deal, often under deadlines	No LP raise; financing is lender/seller-driven; may require gap capital
Financing certainty at LOI	Generally higher (pre-established investor base)	Variable; depends on sponsor's network and credibility	Variable; depends on lender appetite + personal profile
Autonomy post-close	Medium (board oversight)	Medium–High (negotiated)	Very high (but constrained by covenants)
Governance intensity	High-touch board; mentoring + control rights	Negotiated governance; often more financial than developmental	Minimal equity governance; lender oversight substitutes in stress
Economics to searcher	Vesting-based common equity (20–30% typical ranges reported)	Promote/carry + potential fees (deal dependent)	Majority economics, but often not 100% after gap capital/caps
Downside exposure	Shared with LPs; limited personal financial risk relative to equity ownership	Moderate; more reputational + opportunity cost; less personal guarantee	High; personal guarantees + concentrated risk
Key "killer risk"	Settling for a mediocre deal under time pressure	Funding fragility + term dispersion; misalignment with investors/management	Overleverage + liquidity stress; financing access constraints
Best-fit career stage	Early (post-MBA or early professional)	Mid (network + track record)	Late (capital + operating maturity)
Seller perception risk	"Institutional buyers" may raise PE concerns	Similar PE-adjacent perception	"Simple buyer" but financing credibility scrutinized
Flexibility to pivot thesis	Medium (investor expectations anchored early)	High (thesis can evolve deal to deal)	Medium (bounded by personal capital + lender appetite)
Sensitivity to SBA policy changes	Low (model typically relies on	Low (rarely SBA-dependent)	High (esp. for non-LPR borrowers; deal sizing constraints)

Dimension (Searcher Lens)	Traditional Search Fund	Independent Sponsor	Self-Funded ETA
	institutional + conventional debt)		
Typical path scalability	Low (usually one company)	High (repeatable sponsor model)	Low–Medium (depends on retained earnings + refinancing capacity)
When it is structurally advantaged	When mentorship + credibility matter most	When network + speed + repeatability matter	When autonomy + simplicity win deals and financing is available

Source: Author's own elaboration.

4. Conclusion & Final Remarks

Entrepreneurship Through Acquisition (ETA) has matured from a niche academic concept into a diverse ecosystem of capital structures, governance frameworks, and professional pathways. This article contributes to the literature by reframing ETA not as a single model, often narrowly equated with traditional Search Funds, but as a **spectrum of structurally distinct approaches**, each embedding different assumptions about risk, control, incentives, and professional development.

By systematically comparing traditional Search Funds, Independent Sponsor models, and self-funded ETA across fundraising dynamics, economic structures, governance mechanisms, and searcher-centric trade-offs, this study demonstrates that ETA outcomes are shaped as much by **structural design choices** as by deal quality or operator skill.

4.1 Theoretical Contributions

From a theoretical perspective, this work advances the ETA literature in three ways.

First, it extends agency-based frameworks by showing how **capital structure and governance act as substitutes or complements** in mitigating agency risk across ETA models. Traditional Search Funds rely heavily on ex-ante governance and vesting to manage uncertainty; Independent Sponsors emphasize ex-post economic convexity; self-funded ETA internalizes agency costs entirely within the owner-operator.

Second, the paper introduces a **career-stage lens** to ETA analysis. Rather than treating searchers as homogeneous agents, it highlights how professional maturity, human capital, and capital access shape optimal model selection. This perspective helps explain why no single ETA structure dominates across markets or time.

Third, the study integrates **regulatory constraints,** most notably recent changes in U.S. SBA lending eligibility, into ETA theory. These constraints materially affect feasible capital stacks and shift relative advantages across models, particularly for foreign and non-permanent-resident entrepreneurs. Incorporating regulatory dynamics addresses a gap in prior ETA research, which often assumes static financing conditions.

4.2 Implications for Practitioners

For aspiring and active searchers, the central implication is that **ETA model selection is a strategic decision, not a technical one**. Each path offers a different combination of credibility, autonomy, financial upside, and personal risk. Misalignment between a searcher's experience, risk tolerance, and chosen structure can be more detrimental than selecting an imperfect target company.

For investors, the findings underscore the importance of aligning capital deployment strategies with the **human capital profile of the operator**. Early-career searchers benefit from structured governance and patient capital; mid-career sponsors thrive under flexible, deal-specific arrangements; late-career owner-operators may outperform when autonomy and speed are decisive advantages.

For sellers, particularly in succession-driven small and medium enterprises, understanding these differences can improve transaction outcomes. The perceived "simplicity" or "institutional backing" of a buyer is often a reflection of the ETA model chosen, not merely the individual behind it.

4.3 Policy and Market Implications

The analysis also carries implications for policymakers and financial institutions. The tightening of SBA eligibility requirements for non-permanent residents illustrates how **well-intentioned regulatory shifts can unintentionally reshape entrepreneurial pathways**, limiting access to ETA for certain populations and increasing reliance on higher-cost private capital.

As ETA increasingly serves as a mechanism for business succession and economic continuity, particularly in aging-owner markets, policymakers should consider how financing frameworks influence who can realistically participate in acquisition entrepreneurship.

4.4 Limitations and Future Research

This study is conceptual and comparative in nature, relying on secondary data and illustrative examples rather than large-sample empirical testing. Future research could build on this framework by:

- Empirically comparing performance outcomes across ETA models controlling for industry and deal size,
- Examining ETA accessibility and outcomes for immigrant and minority entrepreneurs under evolving regulatory regimes,
- Studying psychological and behavioral dimensions of searcher decision-making across governance structures,
- Extending the analysis to emerging markets where ETA models are adapting to different institutional environments.

4.5 Final Remarks

ETA should be understood not as a prescriptive formula but as a **menu of strategic choices**, each with distinct trade-offs. The central insight of this paper is that success in acquisition entrepreneurship depends less on selecting the "best" model in the abstract and more on selecting the **right model for a given individual, context, and moment in time**.

By articulating these nuances, this study aims to equip scholars, practitioners, and policymakers with a more precise and realistic understanding of how ETA functions in practice, and how it may continue to evolve.

References

ARONOFF, C. E. *Family business: not business as usual*. Southwestern Publishing, 1998.

BOAVISTA, Danilo Baptista Moscatelli. *Search Funds como estratégia de empreendedorismo por aquisição: uma revisão das melhores práticas, histórico e desafios no contexto do mercado norte-americano*. Revista JRG de Estudos Acadêmicos, Brasília, v. 8, n. 18, e082297, 2025.

DAVIS, J.; GASCA, M.; PARDO, C. *The international search fund study*. Barcelona: IESE Business School, 2021.

GILSON, John; JENKINS, Colby; MILLER, Mike. Side-by-side comparison of key independent sponsor and searcher terms. *Moore&VanAllen*, 2021. Available at: https://www.mvalaw.com/media/news/15030_Side-by-Side%20Comparison%20FINAL%204_13_21.pdf. Acesso em: 02 jan. 2026.

GROUSBECK, H. Irving. *Search funds — a modest proposal*. Stanford: Stanford Graduate School of Business, 1984. (Case E-148).

JENSEN, Michael C.; MECKLING, William H. Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, Amsterdam, v. 3, n. 4, p. 305–360, 1976. DOI: https://doi.org/10.1016/0304-405X(76)90026-X.

KAPLAN, Steven N.; STRÖMBERG, Per. Financial contracting theory meets the real world: an empirical analysis of venture capital contracts. *Review of Economic Studies*, Oxford, v. 70, n. 2, p. 281–315, 2003. DOI: https://doi.org/10.1111/1467-937X.00245.

RUBACK, Richard S.; YUDKOFF, Royce. *HBR guide to buying a small business*. Boston: Harvard Business Review Press, 2017.

RUBACK, Richard S.; YUDKOFF, Royce. *Entrepreneurship through acquisition*. Boston: Harvard Business School Publishing, 2020. (Technical Note 807-085).

SMITH, Brian; MITCHELL, Chris. The lifecycle of search funds. *Journal of Entrepreneurial Finance*, New York, v. 19, n. 1, p. 25–42, 2016.

STANFORD GRADUATE SCHOOL OF BUSINESS. *2022 search fund study: selected observations*. Stanford: Center for Entrepreneurial Studies, 2022.

STARFIELD & SMITH ATTORNEYS AT LAW. *Best practices: SBA policy updates regarding citizenship requirements for SBA loans*. Minneapolis, 2025. Available at: https://starfieldsmith.com/2025/03/best-practices-sba-policy-updates-regarding-citizenship-requirements-for-sba-loans/. Acesso em: 02 jan. 2026.

UNITED STATES OF AMERICA. *Executive Order No. 14159, of January 20, 2025: Protecting the American people against invasion*. Federal Register, Washington, DC, 2025. Available at: https://www.federalregister.gov/documents/2025/01/29/2025-02006/protecting-the-american-people-against-invasion. Acesso em: 01 jan. 2026.

UNITED STATES SMALL BUSINESS ADMINISTRATION. *Policy notice 5000-865754: citizenship requirements for SBA 7(a) and 504 loans*. Washington, DC: SBA, 2025. Available at: https://www.sba.gov/document/policy-notice-5000-865754-policy-updates-comply-executive-order-14159-regarding-citizenship-requirements-obtaining-7a-504. Acesso em: 01 jan. 2026.

WILLOUGHBY, K. Private equity and the middle market: driving growth and value. *Journal of Private Equity*, New York, v. 23, n. 3, p. 45–53, 2020.

YUDKOFF, Royce; RUBACK, Richard S. Search funds at a crossroads. *Harvard Business Review*, Boston, 2021.

ZELLWEGER, Thomas. Time horizon, costs of equity capital, and generic investment strategies of firms. *Family Business Review*, Hoboken, v. 20, n. 1, p. 1–15, 2007. DOI: https://doi.org/10.1111/j.1741-6248.2007.00080.x.