THL Insights

Founder-Led Companies and the Next Phase of Scale

Why alignment, operational partnership, and sector expertise matter in founder-led investing

Key Takeaways

01 Over five decades, THL has partnered with founder-led businesses across Healthcare, Financial and Essential Services, and other core services sectors. Across ten flagship funds and over 165 investments, the firm has backed more than 65 founder-led companies — ranging from founder-owned businesses to founder-influenced organizations navigating pivotal moments of scale and transition.

02 Founder-led businesses often reach an inflection point where continued growth depends on additional new operational infrastructure, expanded go-to-market capabilities, and institutional resources – without sacrificing the culture and vision that drove their early success.

03 Across more than 65 founder-led and founder-influenced investments over five decades, THL has concluded that the strongest partnerships are built on alignment, operational collaboration, and a shared long-term vision for growth.

04 Sector specialization and pattern recognition matter. Founders benefit from partners who understand their markets, customers, competitive dynamics, and operational challenges from Day One.

05 The most effective founder-investor partnerships preserve the conviction, speed, and accountability of founder-led decision-making while equipping management teams with strategic resources, operational expertise, and scalable infrastructure.

06 Founder-led businesses are often defined by clarity of vision. Built over years and sometimes decades, they reflect a founder's judgment about customers, products, markets, and culture. That judgment becomes embedded not only in strategy, but in how decisions are made, how teams are built, and how the organization evolves.

In our experience, these businesses frequently reach a point where the challenge is no longer winning customers or proving product-market fit. Instead, it becomes sustaining growth while preserving the very attributes that made the company successful in the first place. That transition can take many forms:

- Expanding from founder-led sales to a scaled commercial organization
- Moving upmarket into enterprise customer segments
- Entering adjacent products or geographies
- Investing in technology modernization and AI capabilities
- Building operational infrastructure to support larger scale
- Preparing the business for a broader institutional ownership base

These are not challenges solved through capital alone. They require industry expertise, operational experience, pattern recognition, and a partnership model rooted in alignment.

The Evolution of Founder-Led Businesses

Founder-led companies often scale through instinct, speed, and the founder's proximity to customers and employees. Those qualities can be powerful competitive advantages through the early and middle stages of growth. But as a business matures, complexity increases. Sales cycles lengthen and become more enterprise-oriented. Processes formalize. Geographic expansion introduces new operating requirements. Product portfolios broaden, hiring needs evolve, and reporting infrastructure must scale alongside the business itself.

This is frequently the point at which founders begin evaluating private capital partnerships. Importantly, the best of those relationships are not built around replacing founder leadership. They are built around extending it. We believe the role of a private equity partner is not to impose a rigid playbook or manage from the boardroom, but to help management navigate periods of complexity with greater speed, confidence, and access to resources.

At RepScrubs, a healthcare technology company combining smart dispensing hardware with software-enabled credentialing and compliance capabilities, THL is partnering with management to build the commercial, operational, and organizational infrastructure required for the company's next stage of growth. The partnership is focused on strengthening go-to-market capabilities, expanding relationships with health systems, improving supply- chain and operating efficiency, and supporting the organization as it scales.

> **Founder-led businesses often arrive at an inflection point where the challenge is no longer proving the model — it's scaling the model without losing the qualities that made the company exceptional in the first place. The best partnerships preserve founder vision while adding the infrastructure, operational support, and strategic perspective required for the next phase of growth.**
> **— Joshua Nelson, Managing Director and Head of Healthcare, THL**

Over decades of partnering with founder-led businesses, we have observed several recurring themes in what founders value most from institutional capital.

Alignment and Patience

Founders are usually evaluating far more than valuation or transaction structure. They are assessing whether a prospective partner understands the long-term vision for the business and can support that vision without disrupting the culture and operating philosophy that enabled success.

THL's approach has historically emphasized patient, aligned capital. We invest behind long-duration value creation and structure partnerships around the needs of the business and its management team. In many cases, management retains meaningful equity ownership and continues to lead the organization through its next phase of growth. Our structures vary with the needs of the company and founder, but the underlying principle is consistent: alignment matters.

Operational Partnership

As founder-led businesses scale, operational complexity often grows faster than organizational infrastructure. THL's Strategic Resource Group (SRG) works alongside portfolio company management teams on a range of initiatives including go-to-market strategy, pricing, technology enablement, talent, procurement, and M&A integration. Rather than functioning as external consultants, these teams are designed to operate as an extension of management, a distinction that matters most during periods of rapid transition.

Standish: building on a founder-led service culture

At Standish, a founder-led provider of outsourced fund administration services to alternative investment managers, THL partnered with founder Bob Reynard and the management team to build on the company's differentiated market position and longstanding culture of client service. The partnership has focused on expanding Standish's broader solution set, including tax and compliance capabilities, and bringing those services to existing clients—supporting continued growth while preserving the people-focused culture that has shaped the company since its founding.

> **"THL was highly differentiated…When they showed up, they already knew our industry and knew a lot about us, and it just showed that they were really serious about making an investment. And they're already so far ahead of anyone else." – Bob Reynard, Founder and CEO, Standish**

PaveMasters: Scaling a Regional Leader

At PaveMasters, THL is partnering with founder Joel Batule, CEO Craig Weems, and the management team to support the next phase of growth for a pavement maintenance platform built around local operators with deep community roots. The partnership is designed to help PaveMasters expand across the Western United States while preserving the service-first culture, craftsmanship, and local brand identities that have differentiated the business from its earliest days.

No portfolio company executive was compensated for their statements here, which are subjective and subject to change. Due to the companies' ownership structure and the executives' investments in THL Funds, a conflict of interest exists because executives have an incentive to speak positively about THL. THL has not verified and cannot assure the accuracy or completeness of the statements.

Sector Expertise and Pattern Recognition

> **Founders can tell very quickly whether an investor genuinely understands their market. The ability to engage immediately on customer dynamics, competitive positioning, regulatory complexity, and growth strategy creates a very different kind of partnership from day one.**
>
> **— Ganesh Rao, Managing Director and Head of Financial & Essential Services, THL**

THL focuses primarily on Healthcare, Financial & Essential Services, and Technology – sectors in which we have built domain expertise and long-standing industry relationships over multiple decades. That specialization lets conversations begin from a position of strategic alignment rather than education. Founders can quickly distinguish between investors who have deeply studied a market and those who have not. In our experience, sector fluency – understanding competitive dynamics, customer pain points, technology trends, and operational growth levers – accelerates decision-making.

Supporting Founders Through Inflection Points

THL's founder-led partnerships span a broad range of business models and sectors, including enterprise software and workflow automation, digital content and brand-management platforms, industrial technology, pharma services, multi-site healthcare providers, and financial technology and wealth management platforms. While every company is different, several transition moments appear repeatedly across sectors.

IMO Health: Scaling the commercial organization

Many founder-led software businesses achieve initial traction through SMB customers and founder-led relationships. As the market opportunity shifts toward enterprise accounts, the go-to-market model has to evolve: building enterprise sales organizations, introducing greater process discipline, and maturing customer success to support larger, more complex deployments.

At IMO Health, a founder-led provider of clinical terminology and data-quality software, THL partnered with founder Dr. Frank Naeymi-Rad and the management team as the company expanded beyond its core clinical terminology platform into adjacent AI-enabled products and new end markets. Building on a proprietary clinical dataset developed over more than two decades, the partnership has focused on investing in product innovation, broadening commercial capabilities, and helping position the company as a leading clinical data quality platform while preserving the trusted technology foundation on which healthcare providers rely.

"IMO Health was built on a deep understanding of clinical data and the needs of healthcare organizations. THL recognized the strength of that foundation and supported our efforts to invest in innovation and expand the ways our technology could serve customers." — Frank Naeymi-Rad, Co-Founder and former Chairman & CEO, IMO Health

Careforth: Expanding into new markets

Founder-influenced businesses often have significant room to extend a proven model into new markets, but doing so requires localized go-to-market capabilities, scalable operating infrastructure, and an organization equipped to support growth. At Careforth, originally founded as Seniorlink by E. Byron Hensley Jr., THL partnered with management to expand the company's structured family caregiving model into new states, strengthen its digital and clinical capabilities, and broaden its caregiver coaching and support programs to support this expansion. The company also brought its services together under the Careforth brand, creating a more unified national platform while preserving its original mission of helping families care for loved ones at home.

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"As we looked to expand the model and reach more families, it was important to have a partner that understood both the complexity of healthcare and what it takes to scale a mission-driven organization. THL brought the sector experience and operational resources to help us enter new markets, strengthen our capabilities, and build on the mission that inspired the Byron from the very beginning."
— Tom Riley, Former CEO, Seniorlink (now Careforth)

Centria: Scaling organizational infrastructure

At Centria, a founder-led provider of applied behavior analysis (ABA) therapy for children with autism spectrum disorder, THL partnered with founder Scott Barry and the management team as the company expanded beyond its Michigan roots into a multi-state platform. Rather than focusing on demand generation, the partnership centered on building the organizational infrastructure required to scale—including standardized recruiting and training, investments in technology and operating processes, and the expansion of center-based care—helping the company serve more children while preserving the mission-driven culture established by its founder.

As Centria grew, it was important to find a partner that understood both the opportunity ahead and the responsibility that comes with serving children and families. THL shared our commitment to Centria's mission and brought resources and experience to help the organization scale thoughtfully." — Scott Barry, Co-Founder and CEO, Centria

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Broadening capabilities and organizational scale

As founder-led businesses grow, expanding the range of services they provide can deepen customer relationships and create new avenues for growth, but it also requires additional talent, infrastructure, and coordination. At Standish, THL has supported investment in a broader solution set, including tax and compliance, enabling the company to serve more of its clients' needs while reinforcing the service quality and trusted relationships at the core of the business.

Governance, Culture, and Founder Legacy

One of the most underappreciated aspects of founder-led investing is governance design. Founders are not simply evaluating financial outcomes; they are evaluating whether a partner will help preserve the cultural and organizational characteristics that differentiate their businesses. We believe effective governance should reinforce alignment between investors and management while respecting founder vision and institutional knowledge. In practice, that often includes:

- Meaningful ongoing equity participation for management
- Collaborative board composition
- Clear strategic alignment around long-term value creation
- Operational support structures that empower rather than override management
- Decision-making processes designed to maintain organizational agility

In our experience, founder-led companies perform best when the founder's institutional knowledge and entrepreneurial instincts remain integrated into the organization's evolution. Smile Doctors, a founder-led orthodontic support organization that partners with affiliated orthodontists to help them focus on patient care while providing the operational infrastructure to run and grow their practices, illustrates this point well. Founded around the belief that doctors should be able to "put the patients first," the company has expanded into a national organization without abandoning that original mission.

As **Founder and Chief Clinical Officer Scott Law** explained of the decision to partner with THL, "We had that trust... and also that level of expertise that they brought to the business to help us grow and reach our goals."

In selecting THL, the company's founders and leadership emphasized cultural alignment, trust, and a shared commitment to supporting doctors and patients while providing the resources needed for continued growth.

The Importance of Working Style

For founders evaluating private capital, financial terms matter, but working style matters just as much. The strongest partnerships tend to share three characteristics.

Mutual respect. Founder-led businesses are typically built over long periods of disciplined execution and already possess substantial strengths. The objective is not to reinvent the company; it is to scale and extend what already works.

Bidirectional collaboration. The most productive partnerships are collaborative rather than prescriptive. Management benefits from outside perspective, operational resources, and strategic challenge; investors benefit from founder insight, customer proximity, and organizational knowledge. That exchange tends to produce better long-term decisions than either side operating alone.

Shared long-term orientation. Businesses in transition often require sustained investment – investment in talent, systems, product, geographic expansion, or M&A integration. Those investments may not optimize short-term results, but they can materially strengthen long-term value. Founders respect partners who understand that distinction.

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A Different Model of Partnership

> **The strongest founder partnerships are built on mutual respect and a shared ambition to build enduring businesses. Our role is not to impose a rigid formula. It's to bring pattern recognition, operational resources, and strategic support while helping founders preserve the identity and culture that made the business successful in the first place.**
> **— Jim Carlisle, Managing Director and Head of Technology, THL**

Private equity is sometimes characterized as purely financial capital. In practice, the best founder partnerships are far more operational and strategic. THL's approach has historically centered on a consistent set of principles:

- A long-term orientation rather than a "flip" mentality
- Broad alignment through management equity ownership
- Deep sector specialization and pattern recognition
- Operational engagement through dedicated internal resources
- Collaborative governance structures
- Respect for founder culture and organizational identity

That philosophy has shaped THL's founder partnerships across software, healthcare, financial and essential services, industrial technology, and tech-enabled services for decades. Today, founder-led companies continue to represent many of the most innovative and differentiated businesses in the middle market, but scaling them successfully requires more than capital. It requires partnership.

For founders entering the next phase of growth, the question is rarely just how to scale. It is how to scale while preserving the characteristics that made the company successful in the first place. The right partnership can make that possible.