



White Paper

# Fulfilling the promise of private equity

Unlock a deeper digital transformation to help private equity work harder and drive stronger growth



# Private equity is full of promise. Can your operations deliver on all fronts?

In times of economic uncertainty, the private equity market continues to boom. Globally, the first quarter of 2025 saw deals grow by 45% in volume and more than double in value year on year.<sup>1</sup>

Trade tensions and subsequent market volatility may have made limited partner (LP) investors more cautious, with nearly three-quarters of general partners (GPs) expecting tariffs to have a moderate negative impact on deployment activity in the short term.<sup>2</sup> But volatile public markets can also increase opportunities for private equity investments, with their unique promise of stability and portfolio resilience.<sup>3</sup>

As EY says, “While uncertainty may cause (private equity) firms to refrain from deploying capital at scale over the next several months, increased volatility often leads firms to become more opportunistic. Indeed, despite — or perhaps because of — increased market volatility, firms report elevated risk tolerances versus their usual.”<sup>4</sup>

So, whether you’re a GP, a fund of funds or a fund administrator, private equity still offers huge potential for business growth. But without modernized operations from front to back, some of that potential could remain untapped. Are you working private equity as hard as you could?



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1, 2, 4. EY, Private Equity Pulse: Key Takeaways<sup>8</sup> from Q1 2025, April 2025

3. Aberdeen Investments, Private Markets: An Investment Haven in an Uncertain World, April 2025

## Operational challenges call for deeper transformation

The table stakes are rising for private equity operations. Investment strategies are more complex, investors more demanding and portfolio insight more critical. It is increasingly important to optimize the whole fund lifecycle so you can attract and retain investors, show their investments hard at work and drive growth in investor and fund services.

That means plugging every gap in your ecosystem of financial technology and automating and integrating processes from end to end. You can't risk the inefficiencies, vulnerabilities, errors and compliance breaches that result from siloed legacy systems, manual interventions and overreliance on spreadsheets. The potential costs are just too high.

According to research by FIS, organizations around the world are losing an average of \$31.7 million a year as a result of cyberthreats to their financial systems, \$14.9 million because of regulatory and compliance issues, \$11 million through operational inefficiencies and \$6.2 million due to human errors and reworks.<sup>5</sup>

So, in the drive to reduce costs, digital transformation should be a high priority for every business, private equity fund managers and administrators included. But when it comes to investing in modern financial technology, private equity considerably lags behind other financial services sectors.

The majority of banks (80%) and asset managers (73%), for example, say they have made significant progress in their adoption of fintech. By contrast, private equity firms feel less confident in their fintech strategies, with less than half (45%) reporting at least moderate progress in their fintech journeys.<sup>6</sup>

It's time for private equity fund managers and administrators to complete their digital transformation. Read on to learn how adopting the latest fintech will help overcome three key challenges for your business, fulfill its growth potential and make private equity work harder.

5, 6. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025



# 1. Complexity is growing

With sophisticated investment strategies and a more diverse investor base, private equity is an increasingly complex and costly asset class to support, whether you're a fund manager or administrator. And aging, fragmented and highly manual fund operations are feeling the pressure.

PwC says, "Many PE firms have started to make drastic changes in their legacy business practices in an attempt to pursue new investment opportunities and to remain competitive for LP commitments. In an effort to have a broader investor base and grow assets under management, for example, some funds have turned to building out funds for retail investors. Others have added to their product mix by targeting portfolio companies (portcos) outside of the funds' typical industries, opening private credit funds, building secondary funds and/or adding infrastructure investments or other nontraditional PE asset classes.

"Some firms started these moves earlier, but for many this is introducing new layers of operational complexity and forcing a functional maturity that they haven't experienced before."<sup>7</sup>

Today's GPs are diversifying geographically as well as strategically to improve returns for LPs. In a 2025 survey,

64% of institutional investors say they intend to boost investments in developed Asia-Pacific markets, and 61% in emerging Asia-Pacific economies. Additionally, nearly 60% plan to increase allocations in both emerging and developed European markets.<sup>8</sup>

To help their investors realize the full potential of diversification, private equity fund managers are creating increasingly flexible investment vehicles. As a result, legal structures are becoming more complicated, requiring multiple layers to cater to new investment opportunities.

Regulation compounds the complexity, especially if you're moving into new geographical markets. When your fund operates across different countries, fund managers and administrators must help meet a whole range of tax compliance rules and other regulatory requirements.

So, operational challenges are multiplying for firms that manage or service private equity investments. Challenges that a patchwork of disparate legacy systems, custom integrations and error-prone spreadsheets will struggle to meet efficiently or without pushing up costs.

With sophisticated investment strategies and a more diverse investor base, private equity is an increasingly complex and costly asset class to support, whether you're a fund manager or administrator. And aging, fragmented and highly manual fund operations are feeling the pressure.



7. PwC, Next in Private Equity: Trends Shaping 2025 and Beyond, January 2025

8. Institutional Investor, Pursuing Private Assets for Diversified Returns, February 2025

## Modernize and simplify your operations from front to back

Partial, piecemeal transformation projects won't hit the spot. To manage increasingly complex private equity accounting and reporting processes with new ease and less overhead, you need a thoroughly modern, cloud-based SaaS technology stack that helps streamline your operations across the fund lifecycle.

By increasing automation and efficiency, you can reduce the costs and risks of spreadsheet-based manual processes and generate financial and investment reports faster. You'll also be in a stronger position to help drive and adhere to industry best practice.

Ultimately, investing in modern technology will help you make light work of the complexities facing private equity.

You'll not only save time and resources in meeting the varied operational and regulatory requirements of multi-asset, multi-jurisdictional fund structures, but also help futureproof your firm against coming challenges.

However, while 80% of banks and 70% of asset managers say they are well prepared to handle challenges in their financial technology ecosystem because of their investments, only 50% of private equity firms share their confidence.<sup>9</sup> It's time to step up your technology strategy – and step it up fast.



<sup>9</sup> FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

## The FIS solution

FIS® Private Capital Suite gives you all the powerful technology you need to help you modernize and simplify your private equity operations.

With centralized data, end-to-end workflows and open APIs, the suite provides a more seamlessly integrated suite of solutions for the whole fund lifecycle, from onboarding, multi-asset accounting and reporting to portfolio monitoring, treasury and front-to-back data management.

To keep private equity hard at work, Private Capital Suite allows you to automate and streamline even the

most intricate fund accounting and reporting processes. With complex waterfall calculations, for example, the results will quickly cascade throughout your fund structure.

And with planned AI functionality, you'll be able to easily configure your accounting system to handle new events in the fund lifecycle, without tapping the resources of your IT team.



## 2. Investor expectations are rising

In private equity, you can no longer keep attracting investment – and fulfilling your fundraising potential – without delivering an exceptional investor experience.

Deloitte says, “Logic prevails in private equity but is it time to inject more emotion? Robust analysis and cold hard numbers are the foundation for solid investments. Yet in the wider world, 95 per cent of consumer purchasing decisions happen entirely subconsciously, and B2B buyers also demonstrate a strong emotional connection to their vendors.

“Entering the decision-making mind of customers requires organizations to connect on this deeper level and through the customer experience they deliver ... A focus on

how customers feel about your brands and putting the customer experience at the heart of value creation plans ... will pay dividends.”<sup>10</sup>

But are your private equity operations up to the challenge? Today’s limited partners demand the highest standards of service at every touchpoint, with unprecedented levels of transparency, real-time reporting and streamlined communication on investments.

So, as a fund manager – or an administrator that handles the onboarding of, and communications to, investors – you face mounting pressure to provide secure modern, intuitive interfaces for an optimal digital investor experience. And you need to make onboarding processes as seamless as possible while meeting all KYC and AML regulatory requirements, too.



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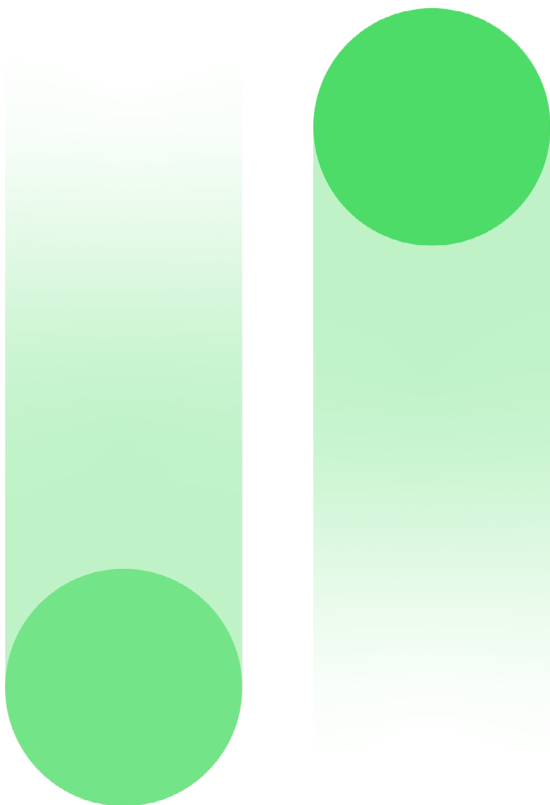
## Digitize and optimize the investor experience

The stakes are high. If private equity investors don't get an exceptional, totally seamless experience from fund managers and their administrators, they'll be more likely to leave for a competitor.

Conversely, with modernized digital reporting and self-service access to data, GPs, funds of funds and fund servicers are better placed to demonstrate the institutional credibility they need to win and keep investors, while making operations easier to scale.

Plus, in a challenging fundraising environment, firms can get their relationships off to the best possible start by making it quicker to onboard investors and meet regulatory compliance requirements.

Again, investment in technology will be key, with the likelihood of impressive returns. Half of executives worldwide say they gained new customers as a result of increasing their investment in tech, while 45% improved customer engagement.<sup>11</sup>



11. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

## The FIS solution

To provide a differentiating investor experience and meet rising digital expectations, Private Capital Suite's digital investor portal aggregates, organizes and visualizes data on private equity investments.

To show investment strategies hard at work, this self-service, mobile-enabled solution allows fund managers to more securely share timely insights that investors can access on demand and easily understand, drawing on data they can trust.

For less friction in investor servicing, the portal also helps fund managers and servicers automate and streamline onboarding and regulatory compliance processes from end to end. Investors can subscribe to funds digitally by filling out a simple, user-friendly webform, before submitting to seamless ID verification, AML, KYC and FATCA or CRS checks, and advanced investor screening for compliance with local regulations.



### 3. Appetite for data is all-consuming

Access to comprehensive data is critical to today's private equity fund managers and administrators alike, whether for making informed investment decisions, tracking portfolio performance, determining the fair value of investments or delivering reports. More than ever, investors and stakeholders want detailed insight into fund performance, portfolio analytics, risk metrics and operational efficiency.

But as private equity operations grow in size and complexity, fragmented legacy systems and manual processes make it harder to unify and verify data from across your organization – and fulfill its potential for insight and growth.

Deloitte says, "Data & AI-driven strategies have emerged as a critical factor for (private equity) firms to innovate and differentiate themselves with.

"Many firms cannot reliably collect and integrate trusted data regularly from their portfolio companies and third parties because of limited infrastructure capabilities, data management process challenges, and limited data governance.

"Manual data collection and review processes are not scalable, and firms often lack executives accountable for data, governance, and analytics."<sup>12</sup>

Security is another issue for private equity data. An especially high percentage of private equity firms (93%) report being impacted by cyberthreats, compared to 88% of asset management and services organizations and just 85% of banks.<sup>13</sup>

As private equity operations grow in size and complexity, fragmented legacy systems and manual processes make it harder to unify and verify data from across your organization – and fulfill its potential for insight and growth.



12. Deloitte, *Data-driven Strategies: The Winning Edge in Private Equity*, June 2024  
13. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

## Feed the need for insight

For actionable, reliable insights, delivered efficiently and safely, you need to break down silos and harmonize data flows across the entire fund lifecycle.

Advanced automation is designed to not only accelerate insight on your private equity portfolio but also provide more complete, accurate and accessible data for investor, regulatory and internal reporting.

Now you can deliver the insight you need to achieve compliance, enhance the investor experience and service funds more effectively. And at the same time, you can reduce costs, risks and errors, and improve security and scalability.

But there's another good reason for getting your data in order – the potential adoption of artificial intelligence (AI) at various stages of the investment lifecycle.

By applying AI and machine learning to your data, you can more quickly respond to market opportunities, conduct faster due diligence and make investment decisions with greater confidence. But first you need to ensure the quality of that data, so that it's ready for use in conjunction with AI and will deliver trustworthy results.

Notably, 51% of firms globally say that data quality and availability is the most significant challenge they have faced in their organization's adoption of AI in their current financial processes, along with data privacy and security concerns (53%), difficulty integrating with existing systems (58%), lack of in-house expertise (64%) and high implementation and maintenance costs (73%).<sup>14</sup>

These challenges notwithstanding, use of AI in private equity is growing. In fact, 85% of GPs expect AI to have a significant or transformational impact on the way they do business over the next five or more years.<sup>15</sup>

14. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

15. EY, *5 Key Drivers of Private Equity Valuation*, May 2024

## The FIS solution

With robust, built-in cybersecurity, Private Capital Suite provides the insights you need to show investments working optimally. Cloud-based portfolio analytics and data management bring transparency to private equity strategies at all levels, from portfolio companies to individual funds and vehicles.

For timely, high-quality digital data, an AI-powered solution is in development to help you rapidly extract and standardize key data points from documents including performance reports and call and distribution notices. We also plan to incorporate an AI-driven rules engine to help detect, correct and close exceptions

throughout the accounting and reporting process. With a front-to-back, cloud-based data management platform, you can more easily integrate and interrogate data from across your enterprise, updated in real time. And for quicker access to accounting data, you can grab it via a REST API without logging into the accounting system.

In co-sourcing arrangements, Private Capital Suite also enables fund administrators to feed data directly into GP technology stacks. With greater control over data, GPs can easily integrate it with their other solutions – while keeping it more secure within their organization.



# Unlock the full potential of private equity with FIS

Prepare to modernize your private equity operations from front to back. At FIS, we are dedicated to unlocking financial technology to the world and to empowering general partners, funds of funds and fund administrators to effectively put money to work in investor and fund services. Get in touch with us today and learn how we can help your business drive deeper digital transformation to fulfill your growth potential.

[Unlock more](#)



# Money at rest. Money in motion. Money at work.™

Private Capital Suite helps private equity work harder by optimizing the investor experience and driving efficiency, compliance and transparency.

Our **technology** powers the global economy across the money lifecycle.

## Money at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.

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## Money in motion

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.

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## Money at work


Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

## About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit [FISGLOBAL.COM](https://www.fisglobal.com). Follow FIS on LinkedIn, Facebook and X (@FISglobal).


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