Stephens

Q&A: Brian Bratcher

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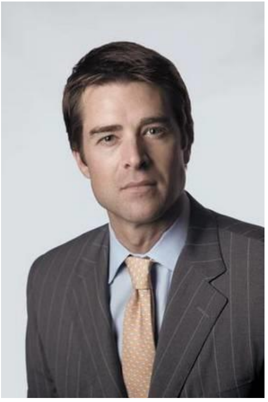
Managing Director



Mr. Bratcher joined Stephens in 1994 and leads the firm's Financial Sponsors Group. Prior to joining Corporate Finance, he was a senior member of the Stephens' Institutional Equity Sales Team. Mr. Bratcher earned a BBA in Finance in 1993 from the University of Arkansas.

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Mr. Bratcher joined Stephens in 1994; on August 9th he celebrated his 20th anniversary at the firm. He leads Stephens' Financial Sponsors Group, which is focused on building long-term relationships with private equity firms through a focused, high-touch coverage effort. We sat down with Brian to discuss his career, how Stephens has evolved since 1994, and trends he sees in the private equity sector.

You've worked at Stephens for 20 years – almost your entire career. How did you get your start?

When I graduated college in 1993, the only entry-level program at Stephens was the corporate finance analyst program, and I thought a sales position would be a better fit for me. I knew Larry Bowden, a long time Stephens employee, and he had introduced me to Greg Feltus and others at Stephens while I was in college. Since there was not a sales position available at Stephens post-graduation, I went into mortgage banking. Six months after taking this job, Larry Bowden called to tell me there was an opening in mutual fund trading. I didn't think twice about it and immediately jumped at the chance to get my foot in the door.

You've been at Stephens during a period of great growth and transformation. What has changed?

It's of course become a larger company with a much greater national profile. But what's more important is what hasn't changed. It offers something that is almost unheard of in Corporate America anymore: If you come here and find something you are good at you can plan on working here for the rest of your career. The firm doesn't pigeonhole you or put you on a fixed career path, but as they see your interests develop they will find ways to keep talented individuals.

Also, there is a willingness to promote from within, willingness to listen to different ideas, voices, and thoughts. That goes all the way up to Curt Bradbury, our COO, and Warren Stephens, our CEO. I don't think you get that these days in larger, publicly traded firms, where people are too focused on short term results.

At Stephens, decisions are made on a case-by-case basis; not by ticking boxes and following precedent. The goal is to leverage best practices and thinking for a specific situation. It would be simpler if things were standardized, but the results are better this way.

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What trends do you see in your sector?

It is a seller's market, and a very strong one at that. A number of things continue to drive the strength in both mergers & acquisitions and capital markets: excess capital, availability of leverage and scarcity of quality assets. Most of the companies that made it through the recession are now in much better shape to participate in the mergers & acquisitions market activity.

The financial crisis affected different people in different ways. Clearly, there were many who learned tough lessons, but they managed through the recession. Some folks have a short memory and seem to have forgotten what led us into trouble. Given where leverage levels are now, there is some concern and question in the market as to where we go from here. Hopefully, it's not a repeat of 2008.

Another trend that we are seeing in the private equity universe is professionals at private equity firms leaving to join family offices or start their own firm with capital from a few wealthy families. A lot of these family offices do not have the infrastructure needed to be competitive. With this trend, family offices are becoming more visible in the private equity universe.