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The Women's Private Equity Summit: 'I Love Downturns!'

When Deal Journal was invited to the second annual [Women's Private Equity Summit](#), our curiosity was piqued. If the organizers could find more than five women in private equity, we reasoned, the most we could do was attend (and moderate the keynote discussion with the chairman of DLJ Merchant Banking, Nicole Arnaboldi, and Beth Cobert, senior partner at McKinsey).

It turns out that the organizers, led by conference founder and managing director Beth Falk, rounded up more than 300 women—private equity investors, pension-fund investors, funds-of-funds managers, lawyers, bankers and more, all on hand to discuss the topic “Game Change: Leveraging the New Reality.”

The attendees came together at the Ritz Carlton in Half Moon Bay, Calif., a place that resembles a land mass from Scotland somehow airlifted into the California coast. The doormen wear golf breeches and, on Friday and Saturday nights, a bagpipe player entertains crowds at sunrise and sunset. On the first day of last year's summit, Bear Stearns collapsed. This year, [Bernie Madoff was hauled off to jail](#) as the summit commenced.

Blame it on the the beautiful surroundings, the generous discount on the spa services or a night spent toasting mushrooms at outdoor fire pits, but attendees remained chipper. When Ms. Falk mentioned that the Dow Jones Industrial Average was at 7,000, the audience burst out clapping—and then laughed at their own lowered expectations.

“We have all faced adversity,” Ms. Falk said, “We're not here to grumble. The Women's Private Equity Summit is all about opportunities, so let's find them and go after them.”

Opportunities, of course, translates right now to the chance to make money—and for many private-equity mavens, that means cutting costs at their portfolio companies. One panelist in an early afternoon session noted that private-equity firms are so eager to cut costs that salary cuts are likely to be long, deep and permanent; she has seen companies shopping for new equipment on eBay.

Most of the private-equity experts conceded that they were spending more time on “triage” for struggling companies and that restructuring and bankruptcy firms were becoming their best friends. Still, there was much talk of assets selling for unprecedented lows, and a panelist later in the day quoted one of her venture-capital mentors, who found good investments when no one else was looking: “I love downturns!”

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