

RECRUITING & INTERVIEW PREPARATION

Growth Equity Recruiting & Interview Playbook

Find the business. Test the growth. Defend the investment.

Recruiting & sourcing

Growth quality & unit economics

Ownership & dilution

Original investment cases

Market theses & memos

Interview simulations & solutions

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Decide what the growth is worth

A growth investment can miss its return target even when the company grows. The price, cash required to fund that growth, dilution and exit assumptions can absorb the operating progress. Your job in an interview is to connect the business evidence to the investment decision.

This playbook is for students and early-career candidates preparing for minority growth-investment roles. It assumes basic financial statements, percentages and valuation concepts. It covers sourcing, applications, commercial diligence, recurring-revenue quality, ownership and returns. It is not a substitute for a buyout modeling course, an early-stage venture course or legal advice. Growth strategies differ; some firms also make control investments or use debt. Read the actual mandate before preparing.

All companies, transactions, candidate examples, customer conversations and interview exercises in this book are fictional. Dollar amounts are USD. Tables state whether amounts are millions or dollars. Examples omit costs only where explicitly stated. They are practice decisions, not investment recommendations or predictions of employer questions. No employer endorses this guide.

The five questions to keep connected

DECISION	EVIDENCE YOU NEED	WHAT CAN GO WRONG
Is this company relevant?	Mandate, customer, business model and scale	Attractive business, wrong fund
Is the growth valuable?	Cohorts, pricing, margin and cash collection	New sales conceal weak retention
Can the company fund the plan?	Hiring, capex, working capital and runway	Profitable growth consumes cash
What do we own?	Primary/secondary proceeds, fully diluted shares and rights	Check size is confused with ownership
Can this price earn the required return?	Operating scenarios, dilution and exit values	A good company becomes a weak investment

Write these five answers before building a large model. A spreadsheet cannot repair missing customer evidence. A compelling market story cannot repair an ownership calculation.

Choose the role before writing the application

Growth-equity job titles can hide different work. A sourcing role may emphasize finding and qualifying companies. A diligence role may emphasize customer research, commercial analysis and investment memos. An operating role may work with portfolio management teams. These can overlap; do not infer the mix from the title alone.

Insight's official campus materials describe sourcing and metrics work in its investment program and commercial diligence in its Diligence & Growth Strategy program. That is a useful example of why candidates should inspect the role, not a universal hiring structure. Program eligibility and dates change; verify them with the employer. [S1, S2]

Build a role card with the firm's mandate, geography, typical investment stage, announced investment examples, team responsibilities, application requirements, source URL and date checked. Distinguish what the firm explicitly says from your inference. A portfolio company's job board is not the investment firm's hiring page.

Match an artifact to the work

For sourcing, prepare a short market map with inclusion rules, evidence links and a prioritized company. For diligence, prepare a cohort bridge and a one-page decision memo. For an operator transition, show how a commercial decision affected retention, margins or cash, while respecting confidentiality. Do not turn a private employer model into a recruiting sample without authorization.

Fictional application example. Weak: “Passionate about investing in high-growth companies.” More useful, if true: “Built a public-source map of scheduling-software vendors serving independent clinics; compared buyer workflows, integrations and pricing, then wrote a two-page diligence plan for one company.” The second statement tells a reviewer what can be inspected. It does not claim customer access or a completed investment.

Keep a tracker with firm, role, eligibility, application deadline from the employer, submission date, relevant artifact and next action. There is no universal calendar in this book. A campus program and an experienced-hire vacancy can run on different schedules.

Turn experience into defensible evidence

A resume claim should survive three questions: what did you personally do, what evidence did you use, and what changed because of the work? A large number without a clear definition is not stronger than a smaller number you can explain.

Fictional before and after. Before: “Analyzed SaaS companies and supported investment decisions.” After, if accurate: “Reconciled a software-company case's customer cohorts to the reported ARR bridge; separated expansion from new-customer additions and identified a weaker small-business cohort.” This describes the work without pretending that a classroom exercise deployed capital.

For consulting experience, explain the customer question, sampling method, conflicting evidence and recommendation. For banking, distinguish model preparation from investment judgment. For operating experience, explain the metric definition, comparison period and your specific contribution. For students, a well-labeled independent project is more credible than inventing transaction experience.

Prepare a project defense

Use a five-part answer: purpose, inputs, method, conclusion and limitation. For example: “I tested whether growth depended on new sales replacing churn. I used fictional customer data, reconciled opening and closing ARR, separated cohorts and found weaker retention in small accounts. I would request billing records and product-use data before making an investment recommendation.”

Then prepare the adverse question: “What would change your answer?” A good response names an observable item, such as a reconciliation showing that apparent churn was a product migration. It does not simply say “more data.”

Outreach that has a reason

An original practice message: “I am studying software used by independent clinics. Your firm's published investment in a workflow provider led me to compare implementation and retention questions in that market. I am applying for the analyst role and would value your perspective on how junior investors split sourcing and diligence work. I can send a short public-source map if useful.”

Use only truthful specifics. Keep confidential information out, honor requests not to contact again and do not imply a referral that does not exist. The guide supplies practice wording; it does not send messages or promise replies.

04

Source companies with a falsifiable market map

“Healthcare software is growing” is not a sourcing thesis. Narrow the customer, expensive problem, current workaround, adoption constraint and reason the problem may be changing. Then identify what would disprove the opportunity.

An original thesis might be: independent outpatient clinics with several sites struggle to reconcile appointment capacity across legacy systems. A specialist scheduling layer could reduce manual coordination, but integration effort and low willingness to switch may erase the benefit. This is a hypothesis, not evidence of a measured market.

Build the map in two passes

First identify categories: incumbent suites, point solutions, in-house processes and adjacent vendors. Then compare individual companies on verified customer segment, product function, pricing evidence, implementation burden and integrations. Keep “unknown” when public information is absent. Website logos do not establish active paying customers; a funding announcement does not establish revenue quality.

FICTIONAL COMPANY	EVIDENCE SUPPLIED IN THE EXERCISE	NEXT DILIGENCE QUESTION
LoomOps	Recurring contracts and a customer ARR file	Does the file reconcile to invoices and revenue?
QueuePilot	Several enthusiastic customer references	Who declined to renew, and why?
SlotWorks	Public low-price positioning	What is included, and what service labor is required?

Do not rank these companies on invented revenue. Prioritize the next research action. LoomOps permits a quantitative retention exercise; QueuePilot requires selection-bias checks; SlotWorks needs a full cost-to-serve comparison.

Bottom-up market sizing

Suppose a fictional target segment contains 8,000 eligible organizations and a supported annual contract value of \$20,000. The simple segment opportunity is \$160 million. If only 35% currently meet the integration requirements, the eligible near-term pool under that assumption is \$56 million. Neither is a revenue forecast. At 10% penetration of that eligible pool, annual revenue would be \$5.6 million before considering competitive share, implementation capacity or pricing changes.

The most useful follow-up is to test the 8,000 count, the 35% eligibility assumption and the price. Do not multiply an unrelated global industry forecast by an arbitrary market share. Keep the denominator tied to buyers who can actually use and pay for the product.

A sourcing conversation that changes the priority list

The first conversation should help decide whether a business fits the mandate and deserves more work. It is not an excuse to recite a sector thesis at a founder. The dialogue below is original and fictional; it assumes the person has agreed to the conversation. It does not authorize or carry out outreach.

Your fictional fund invests 5–15 million of minority capital in established recurring-revenue businesses. The initial research points to appointment software for multi-site clinics. A candidate has identified three companies: one appears relevant but has little public operating data; one sells an inexpensive scheduling widget; one offers a broader suite that includes scheduling. The task is to choose the next diligence action, not invent their revenue from website traffic.

Opening and qualification

Candidate: “Thank you for taking the call. I am trying to understand how multi-site clinics coordinate capacity when their existing systems do not communicate. Your public product description focuses on that handoff. Which customer problem brings you into a buying discussion most often?”

Founder: “Usually a regional operator wants fewer unused appointments. We also sell to individual practitioners.”

Candidate: “How does implementation differ between those groups? I am interested in which customers can get value quickly and which require a larger integration.”

Founder: “Regional groups can have more complicated setup, but they have someone responsible for the rollout. Small offices often have no project owner.”

The answer changes the initial hypothesis. Complexity alone may not predict poor adoption: implementation ownership could matter. Add a field for customer rollout responsibility to the diligence request. Do not turn this one statement into a measured relationship between headcount and retention.

The objection

Founder: “We are not fundraising. Investors keep asking the same growth questions.”

Candidate: “Understood. I do not want to imply there is a transaction when there is not. Is your current priority independent growth, a possible secondary sale, or simply learning what a partner could contribute later? If none is relevant, I can leave it there.”

Founder: “We may consider some employee liquidity eventually, but we do not need cash today.”

Candidate: “That distinction matters. A secondary purchase would pay existing holders rather than finance new hiring. I would need to understand whether that fits our mandate before suggesting next steps.”

The candidate does not rebrand an unwanted capital pitch as a favor. The response also introduces a modeling consequence: the company cannot spend money that goes to selling shareholders. An attractive business can be a low-priority opportunity for a primary-growth mandate at that moment.

Write the call record

Separate statements, interpretation and follow-up. **Statement:** founder reports that implementation ownership differs by segment and no primary raise is planned. **Interpretation:** customer segmentation deserves attention; immediate primary-investment fit appears limited. **Next action:** verify the fund's secondary flexibility and, only if appropriate and welcomed, request a limited follow-up on renewal cohorts. The record should not say “founder confirmed strong retention,” because the conversation never supplied retention evidence.

For the sourcing map, this call may move a company below a less prominent business with both mandate fit and a current capital need. That is a useful result even when no deal advances. A sourcing process measures relevance and evidence, not just the number of positive conversations.

Follow-up artifact

Draft three questions that would change the next decision: the share of revenue from each segment, renewal outcomes by implementation completion, and the type of capital transaction the company would actually consider. Put the reason beside each question. If the founder declines further discussion, record the preference and stop. The practice exercise is complete when your next action follows from the information received.

06

LoomOps: reconcile the revenue story

LoomOps sells workflow software. You receive the following fictional annual recurring revenue data. All amounts in this case are millions of dollars unless stated otherwise. ARR is an annualized recurring contract measure defined for this exercise; it is not recognized revenue, bookings or cash collected.

OPENING CUSTOMER COHORT	OPENING ARR	CHURN	CONTRACTION	EXPANSION	ENDING ARR FROM OPENING CUSTOMERS
Enterprise	7.20	(0.36)	(0.24)	1.80	8.40
Small business	4.80	(0.60)	(0.30)	0.60	4.50
Total	12.00	(0.96)	(0.54)	2.40	12.90

New customers add \$4.10 million of closing ARR. Ending ARR is therefore **\$17.00 million**, up **41.67%** from \$12.00 million. There are no acquisitions, FX movements or methodology changes in this exercise.

For the opening cohort, gross revenue retention excludes expansion: $(12 - 0.96 - 0.54) / 12 = \mathbf{87.50\%}$. Net revenue retention includes expansion but excludes new customers: $12.90 / 12 = \mathbf{107.50\%}$. These definitions must be checked before comparing companies; naming conventions and exclusions vary.

Enterprise NRR is $8.40 / 7.20 = \mathbf{116.67\%}$. Small-business NRR is $4.50 / 4.80 = \mathbf{93.75\%}$. The combined number conceals different customer behavior. A strong answer identifies the mix before declaring the business “sticky.”

The first diligence request

Request customer-level opening and closing ARR, start dates, cancellation dates, product, segment, discount history and reconciliations to billing and recognized revenue. Separate an actual lost customer from a product migration or contract consolidation. Review whether expansion is price, seats, usage or a newly acquired product. Ask whether accounts that have not yet reached renewal are included.

If the largest customer adds \$1.2 million of the \$2.4 million expansion, half the expansion comes from one account. That is not automatically bad, but it changes concentration and repeatability questions. Contract duration, renewal timing and underlying use become more important than the aggregate headline.

Revenue-recognition sanity check

A new \$120,000 annual subscription beginning October 1 can have \$120,000 of year-end ARR but only \$30,000 of recognized subscription revenue in that calendar year under the simplified assumption of straight-line delivery over twelve months. Billing all \$120,000 in advance does not turn it into \$120,000 of current-year revenue. Real accounting depends on the contract and applicable rules; do not use an ARR table as an accounting policy.

Contracts, billing and the cost of winning a customer

An ARR bridge says what recurring contracts are worth on specified dates. It does not show when revenue is earned or when cash arrives. This original contract exercise makes those differences visible before they are folded into an operating model. It uses explicit simplified service-delivery assumptions, not a rule for every software contract.

All amounts are thousands of dollars. Contract K1 starts January 1, runs for twelve months and has an annual hosted-software fee of 120. It is billed and collected in full on January 1. Contract K2 starts July 1, runs for twelve months and has an annual fee of 240. It is billed in four equal quarterly installments of 60, each at the start of the quarter, and each invoice is paid thirty days later. Recognize service revenue evenly each month. There are no refunds, usage fees, taxes or opening balances.

Build the calendar before the totals

K1 contributes 10 of monthly revenue for all twelve months. K2 contributes 20 per month from July. Its first two bills are issued July 1 and October 1; cash arrives July 31 and October 31. The remaining bills belong to the following year. Do not force all 240 of contractual value into current-year billing merely because the agreement is signed this year.

CALENDAR-YEAR MEASURE	K1	K2	TOTAL
New annual contracted fees signed	120	240	360
December 31 ARR, under the case definition	120	240	360
Revenue recognized in the year	120	120	240
Invoices issued in the year	120	120	240
Cash collected in the year	120	120	240

The equality of recognized revenue, billing and cash at year-end is specific to this calendar. On July 15, the story is different. For a month-end accounting snapshot, July 31 includes 10 of K1 revenue and 20 of K2 revenue for July. The K2 receipt arrives at that month's end. On **September 30**, cumulative revenue is $90 + 60 = 150$, billing is 180 and cash is 180. Deferred revenue is **30**, all from K1's remaining service. K2's first quarterly service period is fully earned by that date.

Now delay K2's second payment from October 31 to the following January 15. Year-end revenue and billings remain 240, but cash is **180** and receivables are **60**. The operating product and annual contract value have not changed. The collection delay matters for funding and credit quality; it should not be hidden by reporting ARR growth alone.

Add acquisition and implementation costs

The exercise's sales effort for these two contracts costs 180 in cash. It includes sales compensation, allocated demand generation and commissions attributable to acquiring them. Implementation cash cost is another 30 per new customer, paid before go-live. Steady recurring gross margin is 75%, excluding this one-time implementation work. These definitions are supplied so that the candidate can identify the different questions, not because every company's internal metric should use them.

At the full contracted annual run rate of 360, recurring gross profit is 270 per year or 22.5 per month. Acquisition-only payback is $180 / 22.5 = \mathbf{8 \text{ months}}$. Adding the 60 implementation cost gives a simple cash-recovery screen of $240 / 22.5 = \mathbf{10.67 \text{ months}}$. Both are steady-state calculations; neither means the cash has actually been recovered ten months after the first hiring expense.

In the first calendar year, recognized gross profit under the stipulated 75% margin is $240 \times 75\% = \mathbf{180}$. Subtract acquisition cash of 180 and implementation cash of 60: the simplified contribution after those items is **-60**, before other corporate costs. The later start of K2 is enough to make the calendar-year result differ from the annualized run-rate screen. A customer-level schedule should show when the selling cost, onboarding cost and recurring profit actually occur.

If implementation is part of the reported cost of revenue, do not subtract it again from a margin that already includes it. If acquisition expense supports existing-customer expansion as well as new logos, justify the allocation. A precise payback figure with an inconsistent numerator and denominator is less useful than a clearly bounded range.

What to request in diligence

Ask for contract start/end dates, billing cadence, invoice and receipt dates, service obligations, cancellations and cost allocation. Reconcile a small sample to source records before scaling the analysis. A list of signed agreements cannot prove collections, and a bank receipt alone cannot prove recurring revenue. The purpose of the request is to connect commercial activity to the investment's cash requirement.

For an interview answer, distinguish your simple screen from a full cohort cash recovery model: “The headline payback is eight months under steady run-rate assumptions. Including the separately supplied onboarding cost raises that screen to 10.67 months, while staggered starts leave the first calendar year negative on the stated contribution basis. I would model timing before using the metric to size the funding round.”