

ankura
CAPITAL ADVISORS

THE EXECUTION GAP

Moving a Mid-Market Data Center from Idea to Steel

September 2026

The Sponsor's Dilemma: A Good Idea Is Not a Financeable Project

Picture the position of a mid-market sponsor today. You have a site, or an option on one. You have a power thesis and perhaps a soft conversation with an anchor tenant. On paper, you have a data center. What you do not have is the machinery that turns that thesis into steel in the ground.

No Captive Capital-Markets Desk

Nobody in-house to structure and place the equity and the debt

No In-House Power Team

Nobody to fight through the interconnection queue or design an onsite gas-and-battery solution

No Permitting Group or Owner's Engineer

No procurement organization that can lock in a transformer 18 months before you need it

And the Clock Is Running

On the power position, on long-lead equipment, and on better-resourced developers chasing the same queue slots and the same dollars

So, you do what mid-size sponsors have always done: You hire specialists. One firm for the market study. A bank for the capital. A construction advisor for the build. A JV advisor for the partner. Each is competent inside its lane. But none of them owns the whole road, and you discover that the real risk in your project does not live inside any single lane. It lives in the gaps between them.

THE QUESTION EVERY SPONSOR IS REALLY ASKING

"I have a project. What I do not have is a team that can take it the rest of the way, without me becoming a full-time general contractor of advisors."

ankura
CAPITAL ADVISORS

Building a Financeable Project

For a mid-size data center sponsor, the hardest part of a project is rarely the idea. It is the distance between a credible idea and a project that a lender or equity partner will **actually fund**, and a contractor will **actually build**. We call that distance the execution gap.

WHY POWER IS THE NEW BOTTLENECK

The market has never been more attractive, or more crowded. Artificial intelligence (AI) has turned computing capacity into a strategic resource, and capital is chasing it aggressively. Yet the binding constraint has shifted from chips to power: Substations, transformers, and transmission are now the gating factors, and industry analysts project U.S. electricity demand could roughly double by 2027 on the back of AI and data center growth.

H HYPERSCALERS

- In-house development
- Capital-markets teams
- Dedicated construction teams

M MID-SIZE SPONSORS

- Becomes the general contractor
- Stitches together advisors
- Every handoff risks a stall

THE ARGUMENT OF THIS PAPER

An integrated execution framework can help sponsors close that gap: power and permitting strategy, site and JV structuring, capital formation, and construction risk management coordinated to limit handoff risk.

The Execution Gap, Defined

The execution gap is the space between a credible thesis and a build-ready, financeable project. A thesis is a story about demand, power, and returns. A financeable project is something very different: a de-risked, evidenced, fully-structured package that a capital provider can underwrite, and a contractor can price with confidence.

Crossing that gap means resolving, in a coordinated way, a series of interdependent questions:

1. **Is the power real and controllable?**
   Queue position, transmission headroom, and a viable onsite-generation fallback

2. **Is the site entitled?**
   Zoning, environmental, and community approvals on a schedule matching the capital plan

3 **Is the partnership sound?**
A JV structure with aligned economics and no hidden control traps

4 **Is the capital committed?**
An equity and debt structure sequenced as one raise, not four disconnected conversations

5 **Is the build de-risked?**
EPC strategy, long-lead procurement, and cost controls established pre-construction

WHY A FRAGMENTED ROSTER STRUGGLES HERE

These questions are not independent. This interdependence is precisely what a fragmented set of advisors handles badly because no one is accountable for the connections between the pieces. No single-lane advisor can manage these dependencies. Absent an integrated team, the sponsor manages them alone and absorbs the risk in every gap between scopes.

A Crowded, Fragmented Advisory Landscape: 4 Lanes, No Road

The advisory market that has grown up around data centers is deep, talented, and profoundly siloed. A sponsor evaluating help will encounter four distinct types of firm, each strong in its lane:

- **Data center specialist advisors:** Excellent on siting, design, and technical benchmarking, but thin on capital formation and deal structuring.
- **Investment banks:** Strong at raising and placing capital, but largely absent on power, permitting, and the physical realities of construction.
- **Construction and owner's-rep advisors**: Authoritative on build and schedule but disconnected from the capital stack and JV economics that determine whether the build is ever funded.
- **JV and partnership advisors:** Skilled at structuring the deal between sponsor and partner, then handing off before execution begins.

Each of these is a lane. None is the road. The sponsor is left as the systems integrator, running three-to-five separate engagements, reconciling conflicting models, absorbing every handoff, and personally owning the risk in each gap between scopes. That coordination burden is a real cost: in professional fees, in lost time, and in the errors that creep in when no single team sees the whole picture.

THE FRAGMENTATION TAX

Retaining three-to-five boutiques does not just multiply fees; it multiplies handoffs, timelines, and the number of places a project can quietly die. The sponsor pays for coordination they are forced to perform themselves.

ankura
CAPITAL ADVISORS

Mapping the Execution Gap: Seven Stages Where Projects Stall

The journey from idea to execution is not a mystery; it is a sequence of predictable friction points. The table below maps the seven stages where mid-size data center projects most often stall, and the cross-functional response each one requires. The pattern is the point: competitors cover one or two rows; the sponsor needs the entire column.

Stage	Where Mid-Size Sponsors Stall	The Cross-Functional Fix
Thesis and Feasibility	Power, fiber, and demand assumptions are untested; there is no bankable narrative to take to capital.	Market, technical, and economic feasibility built into a single, defensible model.
Site and Power Control	Interconnection queue position, transmission constraints, and onsite generation (gas/BESS) are unresolved.	Integrated power strategy, interconnection read, and site-control structuring.
Permitting and Entitlement	Zoning, environmental, and community delays quietly consume the schedule.	Regulatory, environmental, and stakeholder-engagement strategy run in parallel, not in sequence.
Partner and JV Structuring	The wrong partner, misaligned economics, or hidden control traps stall the deal.	JV structuring, governance design, and counterparty diligence.
Capital Stack	A strong technical project cannot be translated into a financeable story; equity and debt are pursued in fragments.	Broker-dealer-led equity, project debt, and structured capital, sequenced as one raise.
Build and Schedule Risk	EPC selection, long-lead procurement (transformers, gensets), and cost/schedule overruns erode returns.	Construction advisory, owner's-rep oversight, and cost/schedule risk management.
Bankability and Close	Lenders and equity demand diligence the sponsor cannot self-produce.	A single, integrated diligence package that de-risks the raise and accelerates close.

Read top to bottom, the table is a project plan. Read left to right; it is a diagnosis of why fragmented advice fails: Each stage depends on the ones around it, and a firm that only owns one row cannot manage the dependencies that determine whether the project gets built.

> **THE PATTERN**
>
> Competitors cover one or two rows. The sponsor needs the entire column — one team, one model, one timeline, accountable for the connections between the stages.

ankura
CAPITAL ADVISORS

The Power Question: Where Mid-Market Projects Stall First

Ask a sponsor what their project depends on and most will answer demand. Ask a lender the same question and the answer is power. Accelerated computing has pushed load growth ahead of the pace at which utilities can plan, permit, and build transmission, and the practical consequence is that the scarce asset in a data center project is no longer land, capital, or even silicon. It is a firm, contracted, schedule-certain path to electrons. Every other workstream sits downstream of that path, which is why a power position that reads adequately in a feasibility study and fails in diligence takes the whole project down with it.

Is the queue position worth what the model assumes?

An interconnection request is not a power supply. What matters is where the request sits in the study process, which network upgrades the studies are likely to assign, who pays for them, and whether the utility's own construction schedule supports the energization date the pro forma depends on.

Is there a credible bridge?

Where grid energization lands beyond the tenant's required service date, the project needs bridge generation, whether gas turbines, reciprocating engines, fuel cells, or storage-firmed supply, with its own permitting, fuel supply, and emissions envelope. Bridge power that is not permitted and contracted is a hope rather than a plan, lenders read it that way.

Can the campus be phased?

Few mid-market projects need full nameplate capacity on Day One. Structuring the site for phased energization converts an all-or-nothing power risk into a sequence of smaller, individually financeable commitments, brings revenue forward, and gives the sponsor room to absorb a delay in one phase without jeopardizing the whole.

Has the cooling and water story been settled?

Higher rack densities push projects toward liquid cooling, which changes the mechanical design, the equipment procurement list, and the water withdrawal and discharge profile. In constrained markets the water permit can become as contentious as the power permit, and it is usually raised by the community long before it is raised by a lender

None of these are answered by a capital-markets team, and none are settled by a market study. They are answered by power and environmental specialists, permitting counsel, and engineers working against the same clock the bankers are running. That simultaneity is the whole difficulty, and it is precisely what a roster of separately retained firms is structurally unable to deliver.

THE BINDING CONSTRAINT

The scarce asset is no longer land, capital, or silicon. It is a firm, contracted, schedule-certain path to electrons and every other workstream sits downstream of it.

ankura
CAPITAL ADVISORS

What Capital Providers Actually Diligence: 5 Audiences, 5 Qs

Sponsors tend to describe the capital raise as a single event. Capital providers do not experience it that way. Several distinct constituencies look at the same project, and each is underwriting a different risk, asking a different question, and requiring different evidence. A package that satisfies one but not the others does not shorten the raise; it lengthens it because every unanswered question sends the sponsor back for work that should have been produced in parallel.

Anchor Tenant

Really asking: Can you deliver contracted capacity on my date, at my density and reliability?

The package must contain: A dated power path, cooling and density design, delivery schedule, and credible remedies for late delivery.

Sponsor and Developer Equity

Really asking: Is the site and power position genuinely controlled, and is the entry basis defensible?

The package must contain: Site control documentation, interconnection evidence, and an independent feasibility and valuation view.

Infrastructure and Institutional Equity

Really asking: Is the return risk-adjusted, and is governance clean enough to hold for a long duration?

The package must contain: JV and governance terms, one integrated model with sensitivity cases, and articulated exit paths.

Project Debt and Construction Lenders

Really asking: What happens if the build runs late or over budget, and who absorbs it?

The package must contain: EPC contracting strategy, contingency, procurement status, an independent engineer's view, and a schedule tied to draw milestones.

Structured and Private Credit

Really asking: Where does my capital sit, what secures it, and what is the downside case actually worth?

The package must contain: Collateral analysis, intercreditor terms, and a defensible re-tenanting and recovery view.

1 PACKAGE, 5 READERS

A package that satisfies one constituency but not the others does not shorten the raise; it lengthens it because every unanswered question sends the sponsor back for work that should have been produced in parallel.

The Schedule Spine: Procurement and Build Strategy

If power is the binding constraint, procurement is the spine that holds the schedule together. Main power transformers, medium-voltage switchgear, generators, chillers, and increasingly the coolant distribution equipment that liquid-cooled halls require are all competing for the same constrained global manufacturing capacity every hyperscaler is buying against. Order dates, not construction start dates, determine when the facility can accept load.

That creates an uncomfortable sequencing problem for a mid-size sponsor: The equipment that governs the schedule often has to be reserved before the financing that pays for it has closed. Sponsors resolve this in one of three ways.

Accept the Contractor's Lead Times	Fund Deposits at Risk Ahead of Close	Negotiate a Limited Notice to Proceed
And with them a later revenue date	Owner-furnished equipment paid for from the sponsor's own balance sheet	Releasing procurement ahead of full financial close

Each path carries a different cost, a different risk profile, and a different reception from lenders, and none of them can sensibly be chosen by the construction advisor and the banker working separately.

A lump-sum turnkey EPC transfers the most risk to the contractor and is priced accordingly; a guaranteed-maximum-price or multi-prime structure preserves sponsor flexibility and speed but leaves more exposure on the sponsor's side of the line, which lenders will test closely in diligence. The right answer depends on the sponsor's risk appetite, the tenant's delivery remedies, and what the debt package will tolerate, and those three inputs sit in three different advisory lanes. Settling the EPC strategy without the capital structure in view is how sponsors end up holding a contract their lender will not accept.

Why Integration Matters: Coordination Is as Decisive as Expertise

Data center projects are shaped by a range of interdependent factors, including power availability, permitting, financing, construction planning, and operational requirements. Success often depends less on any individual workstream than on how effectively those workstreams are coordinated. Bringing these disciplines together within a single framework can help reduce complexity, improve decision-making, and support more efficient project execution. Ankura's platform brings these capabilities together across the project lifecycle.

The value of an integrated approach extends beyond convenience. Decisions involving power planning, permitting, procurement, financing, and construction are highly interconnected, and changes in one area can materially affect outcomes in another. When these disciplines operate within a coordinated framework, project teams are better positioned to identify dependencies, evaluate trade-offs, and manage execution risk throughout the development lifecycle.

ankura
CAPITAL ADVISORS

The Integrated Capability Stack: 1 Team Across the Whole Road



Capital Advisors (ACA)

Registered broker-dealer leading equity, project debt, structured and special-situations capital, plus M&A and JV placement, the funding engine of the project.



Construction and Infrastructure Advisory

EPC strategy, owner's-representation, procurement support, and cost/schedule and claims risk management through build-out.



Real Estate and Site Advisory

Site control, valuation, and lease/anchor-tenant structuring to lock down the physical foundation of the project.



Energy, Environmental, and Permitting

Power and interconnection strategy, onsite generation options, entitlement, and environmental/ESG positioning.



Economic and Market Analysis

Demand modeling, feasibility, and defensible projections that stand up to lender and investor scrutiny.



Transaction Diligence, Valuation, and Forensic

The independent, verifiable evidence base capital providers require before they commit.



Data, Technology, and Cyber

Operational readiness, tenant-readiness, and technology/security diligence for a modern facility.

200+
transactions completed by ACA professionals

$6.0 Billion+
in aggregate value across those transactions

As data center development becomes increasingly multidisciplinary, sponsors often require support across technical, financial, construction, and operational workstreams. The ability to coordinate these functions can be as important as expertise within any individual discipline.

For a mid-size sponsor, an integrated engagement can reduce the coordination burden associated with managing several separate firms. It can also help maintain consistency across the project model, diligence materials, capital plan, and construction schedule as the project develops.

4 Phases. 1 Integrated Engagement. Scaled to the Project

Integration is a claim until it has a shape. In practice, an Ankura engagement runs in four phases, and the design principle behind them is that a sponsor should never be asked to commit significant fees before knowing whether the project is worth pursuing. The early phase is deliberately small and diagnostic; the later phases scale only as the project earns them.

0 Diagnostic

A rapid, senior-level read on power, site control, demand, and capital readiness, isolating the two or three issues that will actually decide whether the project is financeable.

The sponsor holds: a candid gap assessment and a sequenced plan, produced before meaningful fees are committed.

1 Bankability

Feasibility and market work, power and permitting strategy, site and JV structuring, and procurement and EPC planning, run in parallel against one timeline and one model.

The sponsor holds: an integrated, evidenced project package built to answer capital's questions before they are asked.

THE DESIGN PRINCIPLE

Phase 0 is deliberately small: A sponsor should never be asked to commit significant fees before knowing whether the project is worth pursuing. The later phases scale only as the project earns them.

2 Capital Formation

ACA-led equity, project debt, and structured capital taken to market as a single sequenced raise, with diligence support through negotiation and documentation.

The sponsor holds: a committed capital stack and a closed transaction, with the power position and schedule still intact.

3 Execution Oversight

Owner's representation, procurement support, cost and schedule controls, claims avoidance, and technology, security, and operational readiness through commissioning.

The sponsor holds: a build governed to plan and a facility ready to accept its tenant on the contracted date.

WHAT CONTINUITY BUYS

The power position, the model, and the schedule that made the project financeable are the same ones governing the build maintained by the team that produced them, through commissioning.

ankura
CAPITAL ADVISORS

An Illustrative Journey: 40 MW in a Secondary Market

The following scenario is illustrative, a composite designed to show how the integrated model works in practice. It does not depict a specific client. A regional sponsor controls land in a fast-growing secondary market and sees demand for a 40 MW campus. Grid interconnection is years out, so the plan depends on onsite gas generation paired with battery storage, and on a single anchor tenant whose commitment is still soft. The sponsor has conviction, a site, and a thesis, and no way, alone, to make it financeable.

Stages 1-2

Thesis and Power

The team stress-tests demand and returns in one model, confirms the interconnection timeline, and structures a bankable onsite gas-plus-BESS solution as the primary power path, turning the project's biggest risk into a defensible strength.

Stage 3

Permitting

Environmental, zoning, and community-engagement workstreams run in parallel with the capital plan, so entitlement and financing mature on the same schedule instead of colliding.

Stage 4

Partner/JV

The anchor-tenant and JV structures are designed from the outset to satisfy lenders: aligned economics, clean governance, no control traps.

Stages 5-7

Capital, Build, Close

Capital Advisory delivers a unified equity and project debt raise backed by institutional-grade diligence, positioning projects as build-ready and financeable from day one.

5 Firms, in Sequence	1 Team, in Parallel
Months of handoffs while power value erodes	Financed. De-Risked. Build-Ready.

THE COMPRESSION IS THE VALUE

What a sponsor coordinating five firms might carry over many months of sequential handoffs, an integrated team runs in parallel, arriving at a committed capital stack and a de-risked build with the timeline, and the power position, still intact.

Execution Advantages of an Integrated Approach

In a market this crowded, a sponsor competes not only on the quality of the asset but on the credibility of the execution. The integrated model creates advantage on exactly the dimensions capital providers and partners' reward:

- **Speed to Bankability**

  One team working in parallel reaches a financeable package faster than five firms working in sequence, and in a power-constrained market, speed protects the project's scarcest asset.

- **A Single, Coherent Diligence Narrative**

  Lenders and equity see one integrated story, not four disconnected models with seams they must reconcile, which lowers perceived risk and cost of capital.

- **Credibility With Capital and Partners**

  A senior team with an over $6 billion track record and deep PE and debt relationships signals to counterparties that the project will actually close.

- **The Ability to Punch Above Its Weight**

  The integrated model gives a mid-size sponsor an execution capability closer to a hyperscaler's, without building the bench, so it can compete for the same queue positions, tenants, and capital.

Questions to Ask Any Data Center Advisor

Sponsors are rarely short of firms willing to be hired. The useful exercise is not comparing credentials decks but asking a small number of questions that expose whether a firm can carry a project across the gap or only work inside one lane of it. Eight questions do most of the sorting.

1. Who on your team owns the power path, and what have they personally gotten energized?
2. Which of these workstreams do you perform yourself and which do you subcontract or hand off to another firm?
3. Show me the single model that connects power assumptions, permitting dates, procurement, and the capital stack. Whose model is it, and who maintains it?
4. If the interconnection study returns network upgrades we did not anticipate, who redesigns the project, and how quickly does the capital plan get rebuilt around it?
5. Who signs the diligence package a lender will rely on, and will that party stand behind it under scrutiny?
6. Are you able to structure and place equity and debt, or can you only make introductions to other groups registered to do that work?

7 What is your role after financial close, and how are cost and schedule problems caught while they are still correctable?

8 Where are your conflicts? Do you hold economic interests in the contractors, tenants, or capital providers you would recommend to us?

The answers sort the market quickly. Most firms give a strong answer to one or two of these and a thin answer to the rest, which is exactly the fragmentation problem restated. A sponsor should be looking for the firm that can answer all eight without changing the subject to a partner it would need to bring in.

Conclusion: Coordinating the Path From Concept to Execution

The data center opportunity is enormous, and the competition for it is unforgiving. Mid-size sponsors will not win by having the best idea; many of them do. They will win by closing the execution gap faster and more credibly than the field.

The challenge is often one of coordination as much as capital. As projects become more complex and timelines more compressed, sponsors need to align decisions across power, permitting, financing, procurement, construction, and operations. Approaches that bring these disciplines together within a common execution framework can help reduce complexity, improve decision-making, and support more predictable outcomes. Ankura's multidisciplinary platform has been developed with this objective in mind.

Power First

A firm, contracted, schedule-certain path to electrons.

1 Package

Diligence produced in parallel, to one standard of evidence.

1 Team

Accountable for the connections between the stages.

Co-Authored By:

Ankura Capital Advisory



Jeffrey Goodman
Managing Director
jgoodman@ankuracapitaladvisors.com



Abhishek Pathania
Director
apathania@ankuracapitaladvisors.com

Digital Advisory – Americas



Thomas Montgomery
Senior Managing Director
Thomas.Montgomery@ankura.com

BROADER ANKURA OFFERING

2,000+ PEOPLE WORLDWIDE

SERVING 3,000 CLIENTS

ACROSS 115+ COUNTRIES

450+ SENIOR LEVEL PROFESSIONALS

44 LANGUAGES SPOKEN

35+ OFFICES GLOBALLY

- Turnaround & Restructuring
- Data & Analytics
- Cybersecurity
- Economics & Statistics
- Performance Improvement
- Litigation, Arbitration and Disputes
- Capital Projects Advisory and Forensic Services
- Advanced Human Capital & Labor
- Global Strategies and Solutions
- Construction, Disputes & Advisory
- Transaction Advisory
- National Security, Trade & Technology
- Ankura Office of the CFO™
- Risk Management & Compliance Advisory
- Investigations & Accounting
- Joint Ventures and Partnerships

Forbes WORLD'S BEST MANAGEMENT CONSULTING FIRMS 2026

2022-2026
World's Best Management Consulting Firms
Five Years of Recognition. One Commitment to Excellence

Securities Offered Through Ankura Capital Advisors, LLC (Member FINRA/SIPC)

ankura
CAPITAL ADVISORS

How Ankura Capital Advisors Can Help

Sell-Side Advisory

Clients spent a lifetime building their business. We help them achieve the best outcome on their terms while preserving the legacy they built, through disciplined processes that maximize value, optionality, and certainty of close.

Buy-Side Advisory

The right acquisition compounds value for a decade; the wrong one destroys it overnight. We identify, value, negotiate, and close the deals that fit, leveraging our network and Ankura's diligence resources to leave no stone unturned.

Debt and Equity Capital Raising

Whether it is growth capital, refinancing, recapitalization, or taking chips off the table, we evaluate the full universe of funding alternatives. We execute alongside our clients across senior lenders, unitranche lenders, mezzanine providers, family offices, and equity sponsors.

Special Situations

Setbacks happen; what comes next defines the outcome. We move quickly to engage lenders, renegotiate debt, source rescue capital, structure workouts, or execute §363 and Article 9 sales, paired with Ankura's market leading T&R practice.

AWARDS

2025	2024	2023	2023	2021
TURNAROUND ATLAS AWARDS	THE M&A ADVISOR	TURNAROUND ATLAS AWARDS	acquisition international	THE M&A ADVISOR
SPECIAL SITUATIONS DEAL OF THE YEAR (< $10M)	FINANCIAL DEAL OF THE YEAR (UNDER $500M)	SPECIAL SITUATIONS M&A DEAL	BEST M&A ADVISORY FIRM OF THE YEAR	RESTRUCTURING DEAL OF THE YEAR (OVER $500M)

INDUSTRY COVERAGE

- TECHNOLOGY, MEDIA & TELECOM
- CONSUMER & RETAIL
- TRANSPORTATION & LOGISTICS
- FINANCIAL SERVICES
- HEALTHCARE & LIFE SCIENCES
- CONSTRUCTION & REAL ESTATE
- MANUFACTURING & INDUSTRIALS
- NATURAL RESOURCES

SELECT CLIENTS

fifteenfortyseven CRITICAL SYSTEMS REALTY · Critical Infrastructure Partners · DATA CENTERS · NSCALE · NTT DATA · SAP Partner · e-TeleQuote INSURANCE · C3 RENTALS, LLC · GIG.tech · DCL · TRUTH · AZZUR GROUP · NAVISITE · COMPASS datacenters · GENERAL GRAPHENE

Securities Offered Through Ankura Capital Advisors, LLC (Member FINRA/SIPC)