



CRITICAL EYE

The peer to peer Board Community

PRIVATE EQUITY & AIM RETREAT

GOING FOR GROWTH

RESEARCH RESULTS 2019

“This research, carried out at our PE & AIM Retreat 2019, offers valuable insight into the challenges executives in private equity-backed and AIM-listed businesses are facing.

The theme of the Retreat was ‘Going for Growth’, and this ambition is set against a backdrop of uncertainty, with 74 percent of attendees facing business model disruption and only 13 percent being confident of growth in the UK economy over the next twelve months.

To succeed in this testing market, leadership teams need to have a strong vision and a clear sense of direction for the business, and yet 73 percent admit they are too inward-looking and focused on day-to-day activities. Compounding this, 43 percent say the quality of strategic debate around the Board table needs to improve.

The good news is, business leaders recognise the value of investing in their people to overcome these challenges, with ‘employee engagement and productivity’ and ‘retaining key talent and developing skills’ topping their list of priorities for 2019. With this in mind, the next year promises to be a fascinating one in the world of fast-growth businesses.”



Jamie Wilson
Managing Director
Criticaleye

Findings from Criticaleye's PE & AIM Retreat 2019 Research



43%

of leaders admit they need to improve the quality of strategic debate



Most **(74%)** are facing business model disruption



54%

of leaders are keeping their options open when it comes to exit routes



73%

admit to being too inward-looking and focused on the day-to-day



Many **(68%)** say business performance is greatly enhanced if executives have access to external reference points



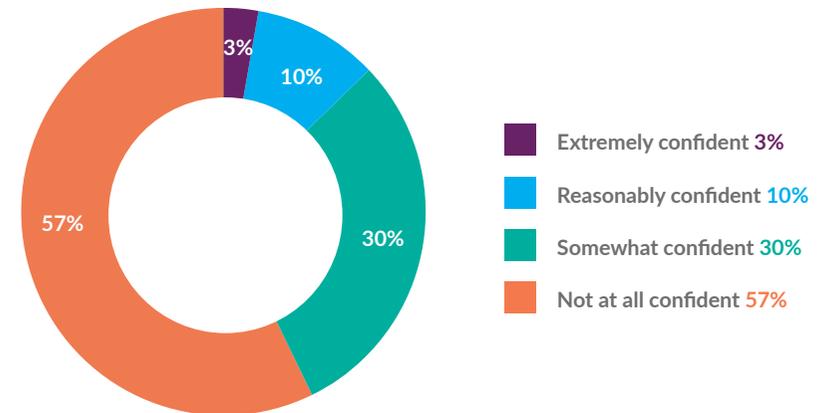
Mentoring is the most effective leadership development tool for PE-backed and AIM-listed executives

Strategy

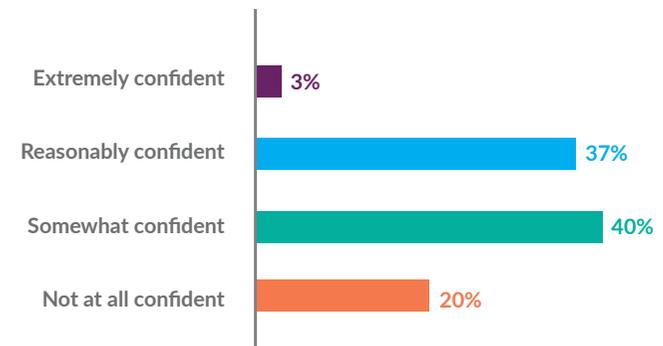
Criticaleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

Slowdown in UK growth is a key concern for PE-backed and AIM-listed leaders over the next year

How confident are you that the rate of growth in the UK economy will increase over the next 12 months?



How confident are you that the global economy will grow over the next 12 months?

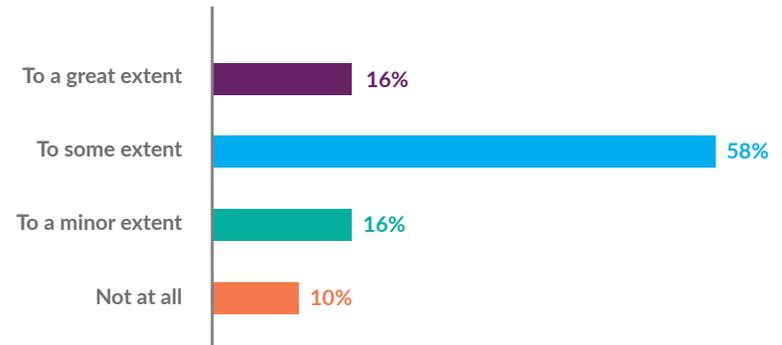


Although most PE-backed and AIM-listed leaders (87%) feel equipped to deal with disruption, they recognise there are shortfalls in capability

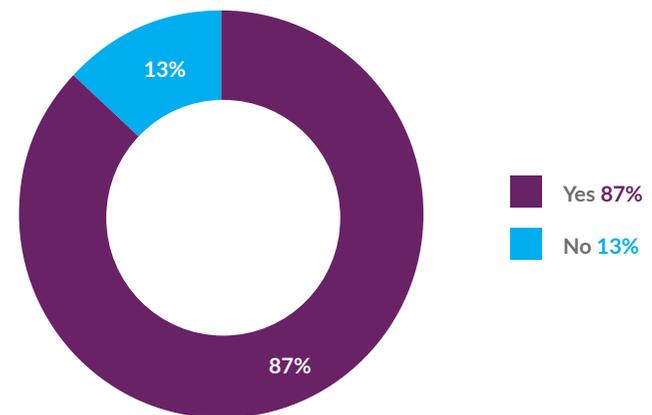
“Understanding digital disruption is a key gap.”

PE & AIM Research Participant

Is your business model being disrupted?



Does your senior leadership team have the ability to respond to business model disruption?

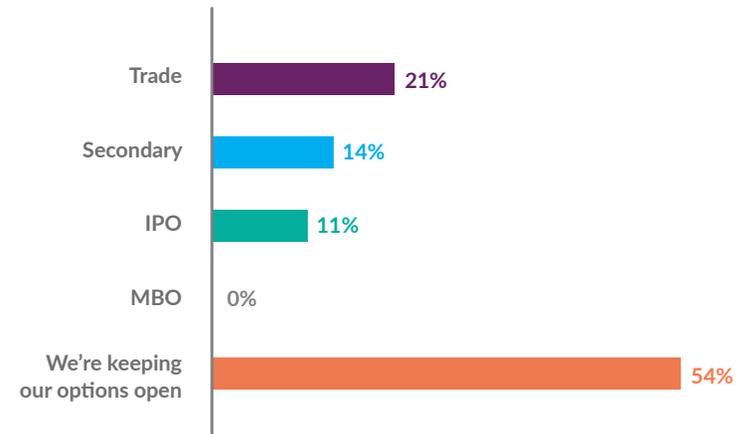


Private Equity: The impact of management capability on exit value

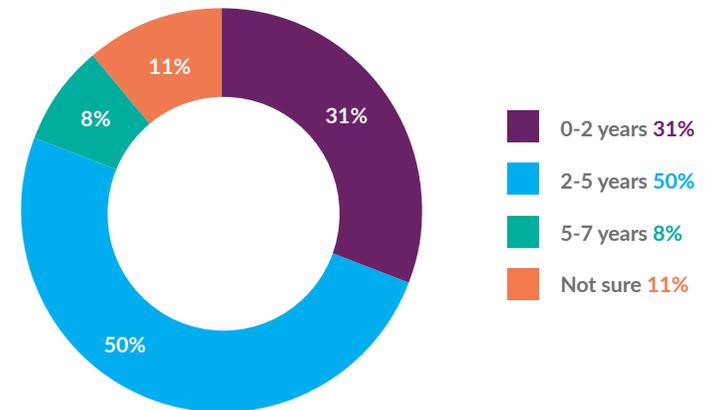


Click [here](#) to see Iain Ferguson, former Chair, EDM Group; Rob Crossland, former CEO, Optionis Group; and Ian Edmondson, Non-executive Director, Dunlop Aircraft Tyres, share their views on why outstanding leadership capability is crucial to exit value.

What is your most likely exit route?



When do you expect to exit?

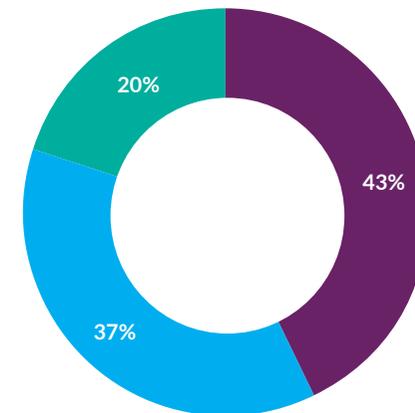


Executive teams need to improve the quality of strategic discussions according to PE-backed and AIM-listed leaders

Click [here](#) to see senior executives across our Community discuss how leaders can make more time for strategic discussion, and why it is important.

Featuring: Mark Whitby, Non-executive Chair, Codeplay (& Criticaleye Board Mentor); Joanne Wilson, CFO, Dunnhumby; Chris Griffith, Director - Investor Relations, Tesco; and Micheal Topham, CEO, Biffa.

In which of the following areas do you need to improve the quality of debate in the leadership team?

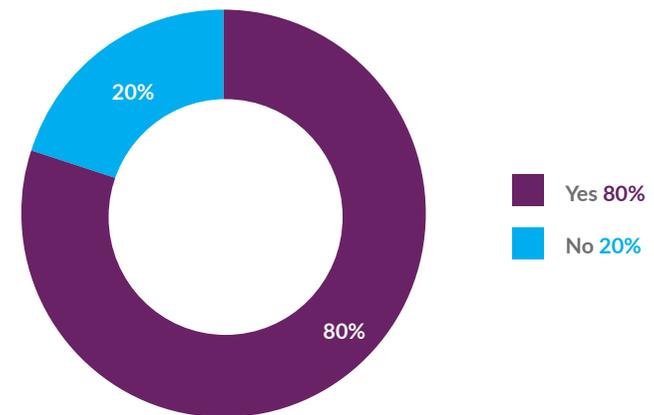


Although most (80%) of PE-backed and AIM-listed leaders say the executive team can deliver the strategy, one in five don't think this is the case

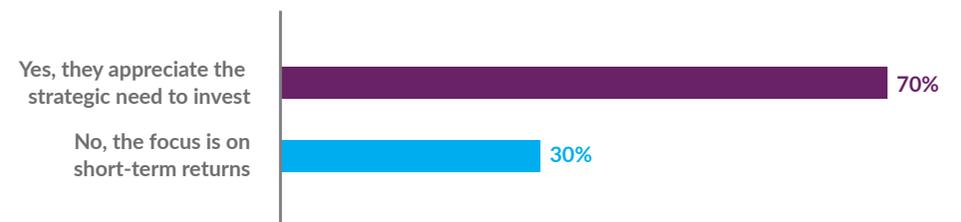
“Our team is too focused on today's issues.”

PE & AIM Research Participant

Does your executive team have the ability to execute on the medium to long-term strategy?

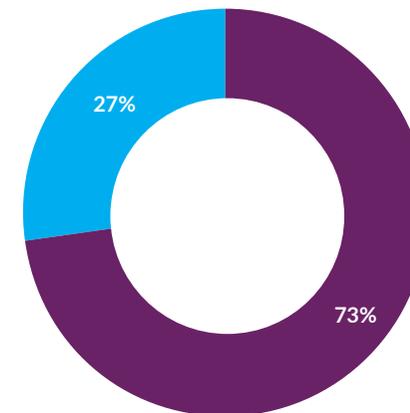


Are your investors allowing you to make investments in medium to long-term growth?



The Chair remains a key player in terms of the support available to leadership teams of fast-growth businesses

Does your Chair add value in terms of the support provided to the executive team?



■ Yes 73%
■ No 27%

Top 5 Priorities in 2019

- 1. Employee engagement and productivity
- 2. Retaining key talent and developing skills
- 3. Innovation
- 4. Improved performance management
- 5. M&A

Leadership

Criticleye enables and develops great leadership with the perfect mix of peer to peer discussion and high-impact case studies

29%

Afraid to challenge
and speak openly

14%

Lack of trust

14%

No alignment on
key commercial
objectives

Leaders reveal the
primary reasons
for failure in the
management team

14%

Not enough time
spent discussing
strategy

7%

Substandard
internal controls
and reporting

22%

Poor communication
and people skills

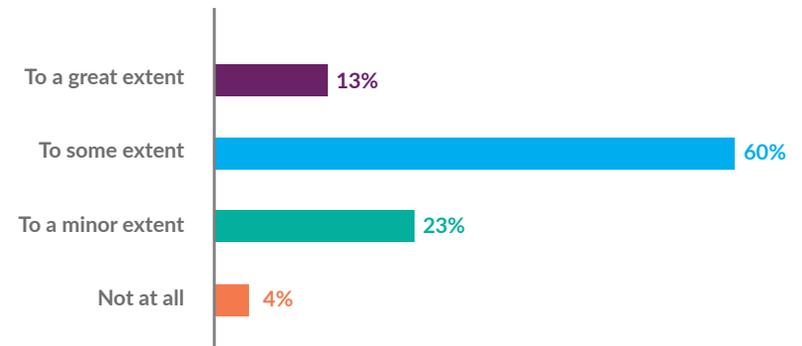
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73% of leaders in PE-backed or AIM-listed businesses admit to being overly focused on the short term to some or a great extent

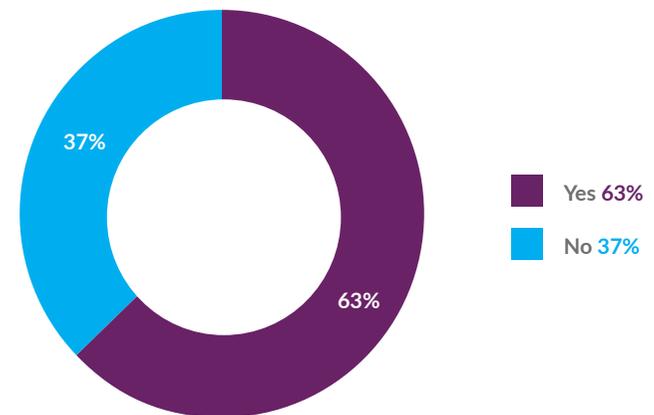
Click [here](#) to see leaders in our Community talk about how senior teams can be more adept at looking outside their businesses.

Featuring: Paul Pomroy, CEO, McDonald's UK & Ireland; Diana Breeze, Group HR Director, Bunzl; and Pamela Harding, HR Director, PRS for Music.

Is your senior leadership team too inward-looking and focused on the day-to-day?

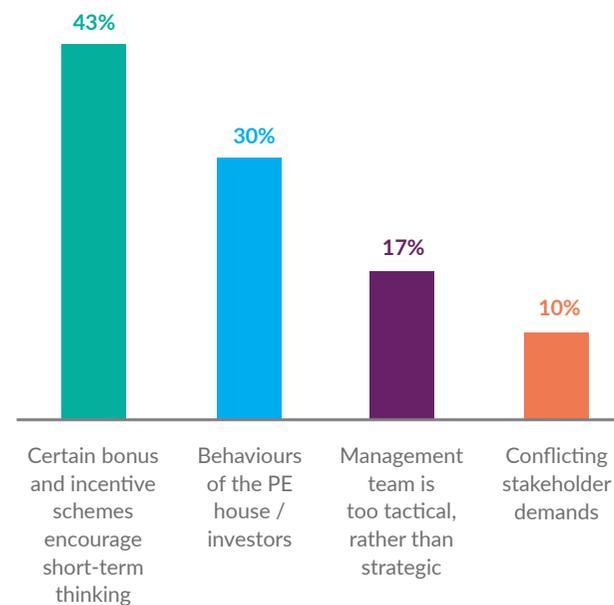


Does being too focused on the day-to-day have a detrimental impact on business performance?



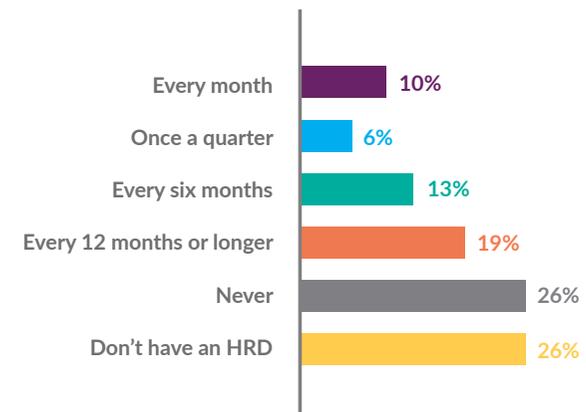
Short-term rewards and pressure from investors can create an environment where teams are too inward-looking and short-term

Why do management teams become too focused on short-term goals?



Over a quarter of PE-backed and AIM-listed businesses do not have an HR Director with whom they can consult on leadership development

How often does the HRD meet with the Board to discuss the leadership development needs of senior executives?



“Developing existing talent is the right route in most scenarios. It is key to retention and recruitment of talent.”

PE & AIM Research Participant

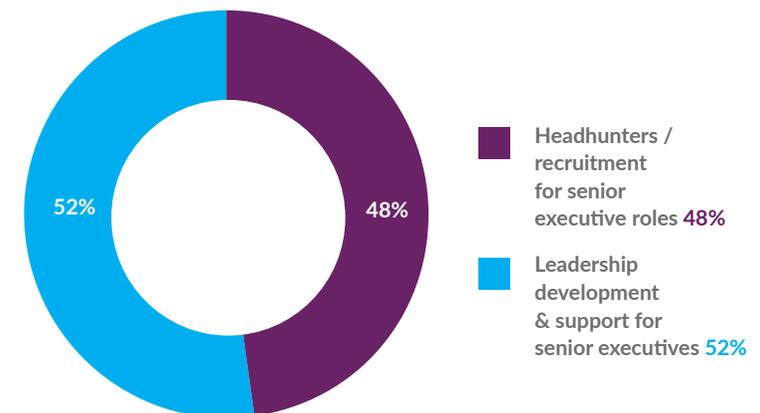
Click [here](#) to see leaders share their views on how organisational budget is allocated between internal leadership development and recruitment.

Featuring: Matthew Blagg, CEO, Criticaleye; Claudio Righetti, CEO, Analyx, and Chair, Twentyfifty; and John Duncan, Managing Director, Heathview Consulting, and former Group HRD, Royal Mail.

Should more be spent on leadership development and support for senior executives, as opposed to headhunters?



In your experience, on which of the following do you spend more?

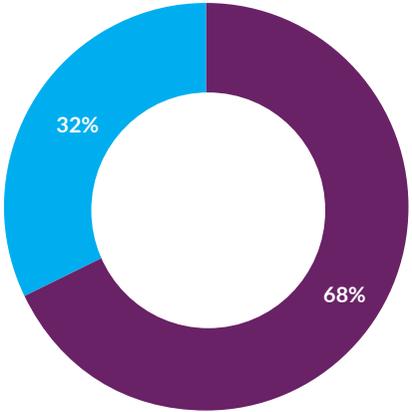


Leadership collaboration: bringing the outside in



Click [here](#) to see Jill Easterbrook, CEO, Boden; Jaidev Janardana, CEO, Zopa; Paul Cardoen, CEO, First Bank of Nigeria; and Paula Dowdy, SVP & GM EMEA, Illumina, share their views on why collaboration is important, and which interactions are most valuable to them.

Is business performance enhanced if executives have access to reference points outside of their organisation / sector?



- To a great extent 68%
- To some extent 32%
- To a minor extent 0%
- Not at all 0%

PE-backed and AIM-listed leaders rank mentoring as the no.1 leadership development tool



Thanks to our Board Mentors, Mark Whitby, Chair, Codeplay; Keith Edelman, Chair, Revolution Bars Group plc and PennPetro Energy plc; Phil Smith, Chair, Innovate UK; and Neil Griffiths, Non-executive Director, City Pub Group and StarStock, for sharing their views on the value of mentoring. [CLICK HERE TO WATCH THE VIDEO](#)

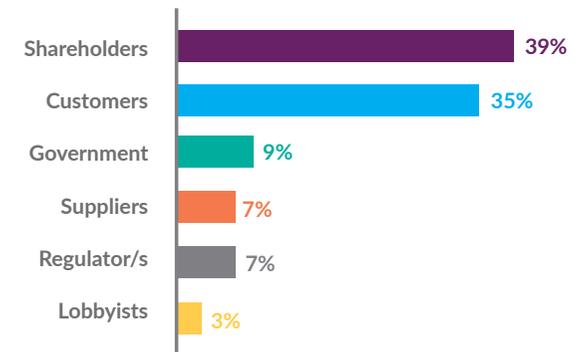


Stakeholders

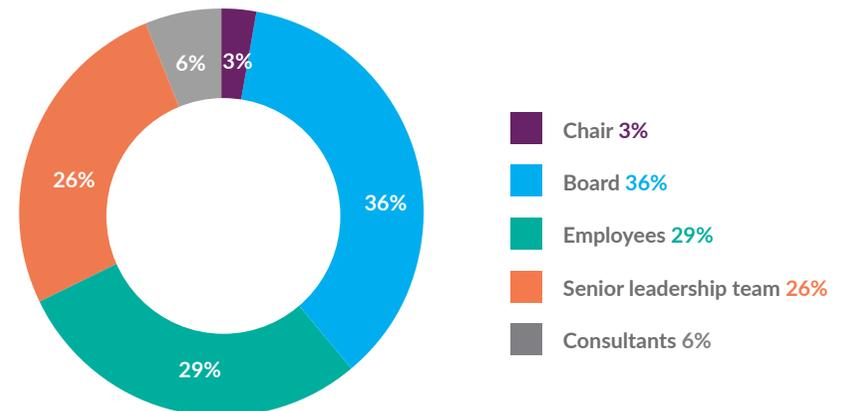
CriticalEye provides the right reference points to manage and navigate increasingly important stakeholder relationships

Investors and the Board are the most challenging stakeholders for PE-backed and AIM-listed businesses

Who is your most challenging external stakeholder?



Who is your most challenging internal stakeholder?

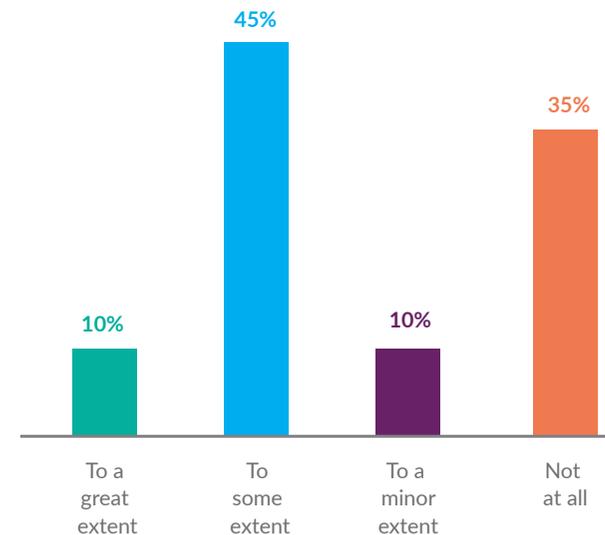


Are plc investors more short-term than private equity?



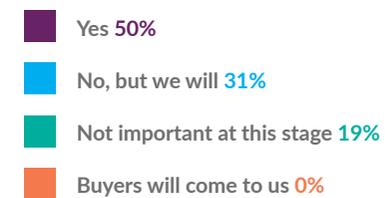
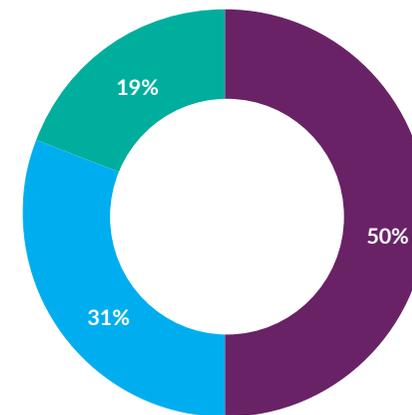
Click [here](#) to see Tom Attenborough, Head of International Business Development - Primary Markets, London Stock Exchange; Neil Griffiths, Non-executive Director for City Pub Group and StarStock (& Criticaleye Board Mentor); Jonathan Bye, CEO, Seabrook Crisps; and Mark Winlow, Non-executive Chair, Personal Group, share their views about which investors are more short-term.

Are Plc investors more short-termist than PE?



Business leaders are prioritising their exit planning

Have you mapped your buyer landscape?



What our leaders say

Do PE houses understand the importance of leadership development?



We asked leaders whether PE houses and investors truly understand the importance of leadership development.

Thanks to Giles Turrell, Portfolio Investor; Ian Edmondson, Non-executive Director, Dunlop Aircraft Tyres; Steve Parkin, CEO, Mayborn Group; Bernie Waldron, serial non-executive (& Criticaleye Board Mentor); and Beth Butterwick, CEO, Karen Millen, for sharing their views.

[CLICK HERE TO WATCH THE VIDEO](#)

Getting the balance right between tactical and strategic thinking



In this video we ask leaders about striking the right balance between tactics and strategy.

Thanks to Anthony Fletcher, CEO, graze; Lynn Drummond, Non-executive Chair of Venture Life Group (& Criticaleye Board Mentor); Jill Easterbrook, CEO, Boden; Paul McNamara, CEO, EValue; and David Johnson, CEO, Security Services, International SOS, for sharing their experience and expertise.

[CLICK HERE TO WATCH THE VIDEO](#)

Leadership during times of disruption



In this video, we speak to leaders about how business model disruption tests the skills and capabilities of management teams to the limit.

Thanks to Mike Evans, Chair, Just Eat plc; Hywel Ball, Managing Partner, EY; Sarah Bates, Chair, Solar Capital Technology Trust plc; Tony Hayward, Chair, Glencore; and Neil Griffiths, Non-executive Director, City Pub Group, StarStock (& Criticaleye Board Mentor), for sharing their views.

[CLICK HERE TO WATCH THE VIDEO](#)

Private Equity: Buy and Build Strategy



Thanks to Russell Wilcox, CEO, Clarion Events for sharing his experience of making successful acquisitions. He spoke to us at our Private Equity Retreat about what approach businesses should be taking when it comes to buy and build.

[CLICK HERE TO WATCH THE VIDEO](#)

Navigating your investor relationship



What makes a great CEO-investor relationship?

Thanks to Steve Richards, former CEO, Casual Dining Group Ltd, for sharing his experience of working with investors and the importance of alignment between the leadership team and the fund.

[CLICK HERE TO WATCH THE VIDEO](#)

WANT TO JOIN OUR GROWING COMMUNITY OF CEOs, CFOs, NEDs, HRDs AND OTHER LEADERS? CONTACT: INFO@CRITICALEYE.COM FOR MORE INFORMATION ABOUT HOW WE SUPPORT AND DEVELOP SENIOR EXECUTIVES AND THEIR TEAMS ACROSS A WIDE RANGE OF SECTORS AND ORGANISATIONS.

“At Criticaleye we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



Charlie Wagstaff
Managing Director, Criticaleye

We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve
Better
Performance

Inspiring Leaders to Succeed

Our Values

Respect: an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

Collaboration: working together to share knowledge and expertise is a defining characteristic of effective executive teams

Challenge: strategies and ideas need to be constructively challenged to reach the best outcome

Trust: leaders need to trust their colleagues and peers in order to work effectively and drive results

Integrity: we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

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