

Delivering Enduring Value in Private Equity: Beyond Cost-Out

In my experience partnering with private equity firms and portfolio companies, the journey towards true value creation rarely ends with rapid cost-out and improved EBITDA. Operational excellence is vital, but lasting impact comes from shaping the organisation well beyond the initial turnaround. Here, I share practical insights drawn from delivering strategic change, managing complex transformation, and driving sustainable growth for multiple businesses.

The Next Stage: Strategy, Governance, and Execution

Once cost reductions and efficiencies are in place, leadership must pivot from crisis management to long-term growth. Developing a target operating model (TOM) tailored for the future, introducing robust governance, and creating a strategic plan that connects every layer of the organisation, that underpins sustained performance and investor confidence.

Having led the development of strategic plans and governance structures, I've seen first-hand how aligning internal teams and third-party suppliers to renewed company goals can profoundly lift both financial and operational results. In one case, by embedding transparent communications and ensuring all contributors understood their role in the transformation journey, the business realised multimillion-pound savings while building a stable operational platform for future growth.

Change Management: The Real Challenge

Transformation is as much about people as it is about systems and process. Complexity increases when change is fast-tracked under investor timelines. Resistance can arise due to legacy habits, apprehension toward new technologies, or poor articulation of the vision.

Applying robust change management approaches, such as stakeholder engagement, clear objectives, and ongoing support, can bridge the gap between intent and result. I have turned underperforming regions into leading performers by proactively engaging teams, fostering collaboration, and setting clear, measurable goals. Behaviour change takes time but is accelerated when leaders and staff experience short-term wins that demonstrate the value of the new direction.

Change management is not a single event, but a series of connected actions: creating urgency, building leadership coalitions, designing flexible plans, and maintaining momentum through regular evaluation. Managing emotions and expectations, empathetically and directly, is central to successful transition, ensuring no one feels left behind.

Culture and IT: The Twin Engines (and Typical Stumbling Blocks)

Many turnarounds falter when digital or IT initiatives outpace cultural alignment. I have witnessed IT programmes and process upgrades that, on paper, promised

efficiency but failed to deliver meaningful results because teams were disengaged or incentives misaligned.

My approach is to design customer-centric KPIs that reinforce desirable behaviours and make operational excellence tangible for front-line employees. By linking these KPIs to technology rollouts and providing targeted training, teams move from passive acceptance to active participation. The right cultural alignment turns digital transformation from a risk to a growth driver, with technology supporting, not dictating, how work gets done.

In one transformation, developing the organisational target operating model alongside a tailored communications strategy enabled both rapid cost reduction and operational excellence. Embedded habits, leadership mindsets, and local nuances all impacted the IT rollout, but with the right cultural engagement, even sceptical teams became champions of the new approach.

Communication: The Glue of Transformation

Effective transformation demands clear, honest, and frequent communication. From day one, stakeholders must be kept informed, given a forum for questions, and supported with practical answers, not just directives.

Much of my work involves diagnosing breakdowns in communication during critical change phases. I focus on ensuring strategic objectives are well understood, feedback loops are established, and jargon is minimised. This not only reduces anxiety but also surfaces early warnings when implementation starts to drift. Strategic communication is fundamental throughout, whether guiding senior stakeholders or engaging directly with operational teams.

Digital Transformation and Post-Turnaround Growth

Today's value creation levers go beyond operational fixes. Digital transformation and the ability to embed technology into every aspect of operations are now seen as fundamental accelerators of growth. Private equity firms are increasingly recognising the need for data-driven decision-making and scalable platforms that support rapid market adaptation.

I have worked with organisations to build digital capabilities that align with strategic goals, improve reporting, and allow businesses to share insights across portfolio companies. This shift enables not just efficiencies and cost savings but greater agility and access to new revenue streams.

Best Practices for Executives and Investors

For those facing the next stage of the Private Equity value creation journey, these lessons stand out:

- Focus on strategy and governance alongside operational performance

- Prioritise stakeholder engagement and emotional intelligence in change management
- Elevate culture, using IT and digital tools as enablers, not end goals
- Maintain clear, transparent communication at every stage, from boardroom to shop floor
- Use customer-centric and outcome-driven KPIs that connect teams to the value they deliver

Across my career, I've helped organisations save tens of millions, transform their culture, and deliver sustained growth. Yet, the greatest impact has come from blending hard targets with a commitment to leadership, engagement, and honest dialogue.

If your organisation is facing strategic transformation, navigating post-turnaround challenges, or aiming to drive digital and cultural excellence, I'd welcome the opportunity to share practical insight and help unlock lasting value.