Annual PE Leadership Survey

AlixPartners Decade of data

For a decade now, AlixPartners has been collecting insights from Private Equity and Portfolio Company executives. Here's a look back at where we've been, including major market disruptions



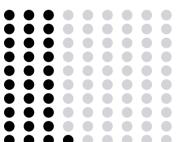
Brexit, **US Election Year**

2016

First Annual Survey

Organizations provide no formal preparation or training at all for potential CEO successors

of respondents agree





US Tax Cuts & Jobs Act



US-China Trade War

2017

Second Annual Survey

The most significant source of conflict between PE firms and portcos?



2018

Third Annual Survey

The high cost of unplanned CEO turnover

34%

46% Unplanned turnover

have experienced unplanned CEO turnover erodes internal rates

It lengthens hold times

64%

do not have suitable successors identified

Of CEO turnover happens a year after closing and a year before exit causing the biggest disruption.





Tech IP0s

2019

Fourth Annual Survey

PEs' evaluation of portco leadership teams



have above-average or better ability to evaluate portco leadership



actually conduct independent assessments of leadership teams



PE and portco executives agree

Establishing and ensuring senior team alignment should be the

priority in the first 100 days post-deal

78%

of PE leaders who believe portco CEOs drag their feet in making management team changes



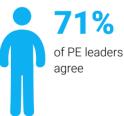
Covid19 Pandemic. **US Election Year**

2020

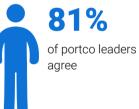
Fifth Annual Survey

Culture is often valued - but less often managed

Company culture is critical to the successful implementation of strategy







But...

30% of portco executives say neither they nor their investors evaluate their

company's culture



Leading through disruption has accelerated the importance of human capital in creating value. That's not surprising because how a company leads and manages its talent can not only make or break its ability to survive crises but also determine whether it will thrive in the aftermath"

Ted Bililies, Ph.D. | Sixth Annual Survey

Annual PE Leadership Survey

AlixPartners Decade of data



Disruption has become the norm for the PE industry. Rapidly evolving economic and competitive dynamics, the proliferation of Al across industries, expensive debt and underperforming assets, and anxious investors are all contributing to uncertainty and risk. One thing is certain: PE firms and their portcos need to be aligned to attract and deploy the best leaders to retain an edge"

Jason McDannold | Ninth Annual Survey



Supply Chain Crisis, Rise of ESG



Sixth Annual Survey

In periods of disruption, leadership and human capital are a top priority lever for generating value in portfolio companies



PORTCO

PORTCO



3 Organic **PORTCO**



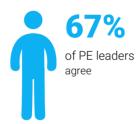
The Great Resignation, Inflation Surge, War in Ukraine

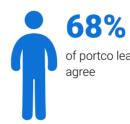
2022

Seventh Annual Survey

The "Great Resignation" and the War for Talent

We see talent recruitment as a major challenge







Revolution

2023

Eighth Annual Survey

The most important portco leadership traits

Portco executives		PE firm executives
55 %	Ability to lead change	60%
42%	Adaptability/ Agility	51%



Lowering Interest Rates, Global Energy Transition, US Election Year

2024

Ninth Annual Survey

How portco leaders describe their relationship with PE Firms



As hold times lengthen, the importance of leadership grows

The biggest talent challenges because of longer hold times



39%

Retaining the best talent



Building a strong leadership team



Keeping the leadership engaged







Burnout

Both PEs and portcos rank burnout as the #1 issue for their talent pool

In the mind of private equity, the best leaders drive change, motivate their teams, are resilient and agile; they see the big picture. To PE leaders, these traits matter because they have the greatest impact on generating high returns for investors. When things go wrong, in their view, it's because leadership has been unfocused in execution, not urgent enough in in how it executes, or too hands-off"

Rich Wallace | Eighth Annual Survey

Reflecting on a decade of insights reminds us of where the industry has been and how far it has come. We can leverage this knowledge as we look forward to the exciting possibilities and challenges the next ten years will bring.