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| Kenni Risse | Mustad | Axcel |

Introduction

The questionnaire covers 4 themes Alignment, Ambition, Mobilization and Execution. Each theme follows a similar and simple structure of questions. Each theme takes 8-12 minutes to cover. Our focus is HOW a CEO should or could work to achieve success.

0. Which year did you start as CEO? (Let the CEO select if several applicable CEO jobs).

2nd round

**October 2020. (Total three years)**

*We start with theme Alignment & Governance*

Theme 1 – Alignment & Governance

Alignment

1. Please describe the 2 most important actions performed by the owner representatives that contributed to successful trust & alignment between the owner representatives and you as CEO (alignment regarding critical objectives, business plan and way of working together)?

**1: Very strong on financial reporting 2: Very clear about what we want to do and accomplish. 3: Provide us with the required knowledge from their networks to support our goals.**

2. Please provide 2 specific suggestions for how the owner representatives could have acted to even further strengthen trust & alignment between the owner representatives and you as CEO?

**He mentioned that PE is very result focused and their performance evaluation is KPI driven. I ask if this is something that is negative, and he says “*no, after all my job is to create shareholder value and KPI’s point me in that direction. That is part of the gaming of working with PE.”***

3. Imagine that you responded to the following question 6 months into your CEO assignment – how do you score the degree of trust & alignment between the owner representatives and you as CEO regarding critical objectives, business plan and way of working together – on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?

**8.**

4. If score <7, Which 2 key factors explain the score?

5. Which 3 key factors or actions would have improved the score to 9?

Competence

6. Please describe the 2 most important contributions by the owner representatives on the theme of business-critical knowledge & competence (in the shape of competencies, methods, people etc.)?

**1: The invest the needed resources in their board. The strongest boards I have worked with have always been under PE. 2: They are open to investing and providing the resources to accomplish our goals. 3: They have a broad network off people e.g., a consultant in operations.**

7. Please provide 2 specific suggestions for how the owner representatives could have made even stronger contributions on the theme of business-critical knowledge & competence?

**1: Sometimes they miss a lot in-depth industry and brand understanding and thus we miss discussions on the underlying factors that drive the business.**

8. Imagine you responded to the following question 12 months into your CEO assignment – how do you score the contribution of business-critical knowledge & competence from owner representatives on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?

**8**

9. If score <7, Which 2 key factors explain the score?

10. Which 3 key factors or actions would have improved the score to 9?

Governance

11. Please describe the 2 most important contributions by the owner representatives to ensure an effective governance model, i.e. for performance management of the company and its business plan?

**1: Governance is PE’s core competence. They ensure that there is a clear strategy in place and link the strategy to clear actions and targets. They have outperformed all of their owners we have had in this regard, whether family, listed or privately owned.**

12. Please provide 2 specific suggestions for how the owner representatives could have made even stronger contributions to ensure an effective governance model?

**1: Have stronger interest and intel on our industry. They are generalists and miss out sometimes on important details that are unique to our industry.**

13. Imagine you responded to the following question 12 months into your CEO assignment – how effective is the overall governance model on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?

**8.**

14. If score <7, Which 2 key factors explain the score?

15. Which 3 key factors or actions would have improved the score to 9?

*Now theme 2 of 4 - Ambition & Priorities*

Theme 2 – Ambitions & Priorities

16. In your first business plan as CEO of the private equity owned company – what is your view of the overall ambition level regarding financial & strategic targets?

(i) Too low targets

(ii) Somewhat too low targets

**(iii) Targets at the right level**

(iv) Targets were somewhat over-ambitious

(v) Targets were clearly over-ambitious

17a. Please provide short motivation to your answer in question 16?

**1: This case was realistic. In my previous case it was a tough one. In the first case we sold a rapid growth company to PE and they expected 40% growth without any plateau which was unrealistic.**

17b. Roughly, what was the target for EBIT increase for the first 3 years in the business plan?

(i) EBIT + 25 % first 3 years

**(ii) EBIT + 50 % first 3 years**

(iii) EBIT + 75 % first 3 years

(iv) Double EBIT first 3 years

(v) EBIT should more than double first 3 years

(v) Other 3-year EBIT target – describe briefly

18. Please describe the 2 most important success factors regarding the process of developing the financial & strategic ambition level of the business plan?

**1: Very data driven. We looked at the market, competitors and the space we are in. This is a very analytical phase.**

19. Please provide 2 specific suggestions for how the development of the ambition level could have been improved further?

**Nothing to add.**

20. In your first business plan as CEO of the private equity owned company – what is your view on the number of key initiatives defined in the business plan?

(i) Too few key initiatives

(ii) Well balanced number of key initiatives

(iii) Somewhat too many key initiatives

**(iv) Too many key initiatives**

21. Why did you end up with too few or too many key initiatives (depending on answer in q20)

**Management’s fault. We had a complex task of optimizing the backend while also delivering growth. Ideally you should not have more than 5 initiatives if you want to keep momentum**

22. What were the implications of too few or too many key initiatives (depending on answer in q20)

**Harder to keep focus and delivering on everything.**

23. How many “mission-critical” initiatives (or key themes / focus areas) were part of your first business plan?

(i) 1-2 mission critical initiatives

(ii) 3-5 mission critical initiatives

(iii) 5-7 mission critical initiatives

(iv) 8-10 mission critical initiatives

**(v) 10 - 15 mission critical initiatives (10)**

(vi) >15 mission critical initiatives

24. Which were the 2 most important success factors to ensure a clear priority of the “mission-critical” initiatives in the business plan?

**1: Clear prioritization of frontend and backend goals 2: Clear ownership and timeline for each initiative.**

25. Please provide 2 specific suggestions for how the process of achieving a clear priority of the key initiatives could have been even better?

**1: I would lower the number of the strategic must win battles. 2: I would improve the follow up on the initiatives to secure dedication and accountability throughout the organization.**

26. How what you rate your first business plan on a 10 grade scale with regards to ambition level *and* clear prioritization of key initiatives? where “3” is poor, “5” is ok and “7” is good

27. If score <7, Which 2 key factors explain the score?

28. Which 3 key factors or actions would have improved the score to a strong 8 or 9?

Theme 3 – People & Mobilization

29. In which ways did you secure strong organizational ownership for the business plan´s objectives and key initiatives – describe the 2 most important actions?

**1: Change language from board language (data, KPI) to vision, values, and leadership when speaking to the organization as a whole. This is crucial to inspiring them. 2: You need to balance clear responsibilities and KPI driven performance evaluation with the human side e.g., acknowledging and celebrating successes.**

30. Please provide 2 specific suggestions for how you and the top management team could have ensured an even stronger organizational ownership for the business plan initiatives?

**1: It was far too down early in my career. I need to spend more time to work with the management team in order to get their ownership and involvement.**

31. Imagine you responded to the following question 12-18 months into your CEO assignment – How strong is the overall ownership for the business plan´s objectives and key initiatives among the top 10% of management – please score on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?

**9-10. Everybody knows what to deliver.**

32. Which 3 key factors or actions would have improved the score to a strong 8 or 9?

33. Imagine you responded to the following question 12-18 months into your CEO assignment – How strong is the overall organizational ownership for the business plan´s objectives and key initiatives – **please score on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?**

**8-9.**

34. Which 3 key factors or actions would have improved the score to a strong 8 or 9?

**1: Monthly townhall meetings where I’m transparent about the numbers, what is working and not working, and what we are trying to accomplish. Shortcutting communication from the CEO is not a good idea. Hearing information straight from the CEO’s mouth is more inspirational and ensure that information does not get lost through the bureaucracy.**

35. After 12-18 months into your CEO assignment; to what degree did you have your “dream-team” - i.e. the right person in the right place regarding the 5% highest managerial positions?

(i) The right person in the right place for >90 % for the 5% highest managerial positions

(ii) The right person in the right place for 80-90 %

(iii) The right person in the right place for 70-80 %

**(iv) The right person in the right place for 60-70 %**

(v) The right person in the right place for 50-60%

(vi) The right person in the right place for <50 % for the 5% highest managerial positions

36. How could you have acted to better or faster ensure the right person in the right place for the top 5% managerial positions – top 2 suggestions?

**1: It is important to stay with your gut feeling and listen to it. My weak side is that I have a very cynical side but I also have a very human side and want to give people a chance. On the other hand this human side helps me get people motivated and embrace me whilst also being able to take tough decisions.**

Theme 4 – Implementation & Results

37. How did you secure speed & pace in the development and execution of the business plan – please describe the 2 most important factors or actions?

**1: Use time every year to decide what we need to do every year in terms of responsibility and expectations. 2: Build a strong follow up system. People know I will follow up on each strategic project and that they have to stand up during every meeting and give me an overview of their progress.**

38. What could you have done even better to secure speed & pace in the development and execution of the business plan - top 2 suggestions?

**1: Put more shine on people during meetings to motivate them.**

39. You get this question 18 months into your CEO assignment – How strong is the speed & pace in the execution of the business plan; please score on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?

**8.**

40. If score <7, Which 2 key factors explain the score?

41. Which 3 key factors or actions would have improved the score to a strong 8 or 9?

42. In which ways did you secure the organization’s success in implementing the mission-critical initiatives in the business plan– please describe the 2 most important factors or actions?

**1: An understanding in the management team of how important the must-win battles are for the organization and for PE. 2: Clear timeline on the must win battles, who is driving them, and what we gain for achieving them.**

43. What could you have done differently to enable even stronger organizational success in implementing the business plan - top 2 suggestions?

**1: Part of it is a learning curve. I was new to the industry. But now that I have more knowledge, I know which are the must-win battles and I’m comfortable delegating.**

44. You get the following question 18 months into your CEO assignment – How do you score the implementation success of the business plan’s key initiatives; please score on a 10 grade scale where “3” is poor, “5” is ok and “7” is good?

45. If score <7, Which 2 key factors explain the score?

46. Which 3 key factors or actions would have improved the score to a strong 8 or 9?

47. Which were the top 2-4 mission-critical initiatives in the business plan to drive absolute EBIT growth – select from the following (read all of them quickly 1-2 times)?

**1: Organic growth 2: Growth via acquisitions**

48. During your last year as CEO prior to the COVID -19 crisis – what was the annual organic EBIT growth?

(i) Double digit % positive organic EBIT growth

(ii) Single digit % positive organic EBIT growth

(iii) Flat / zero organic EBIT growth

(iv) Negative organic EBIT growth

**Just been there 10 months.**

49. If you could do your CEO journey all over again from day 1 – what would you have done slightly or entirely differently to ensure an even better success – 2 specific examples?

**1: More tough on my decisions and taken them much fast4er. 9/10 my stomach feeling ends up being the right one. 2: Trying to get an even faster view of the industry prior to my start.**

50. Lastly, our conversation has covered best practices and lessons learnt in order to succeed as a CEO in a private equity context – on that theme – which are your top 3 specific advice to an incoming CEO who is new to the private equity context?

**If I had a coffee with an incoming CEO off-the record I would say the following:**

**1: The board meetings can be very cold because they are very data driven. There is no bullshit. You need to leave your feelings outside and focus on their KPI’s. It does not mean that PE don’t like you but rather that their focus is on the commercial 100%. In private companies, there is often an interest in your personal life. But you have to get used to it being much colder under PE. 2: Be aware of how you bridge the board dialogue into motivating the organization and breaking down the strategic plan. KPI’s are important, but you need to build a vision and fun organization around it to motivate people. 3: Make 100% sure that you gather the right people around you.**