|  |  |  |
| --- | --- | --- |
| Knut Ringbom |  | EQT |

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

**I was with co-founder with Biovian in 2003, and became in CEO in 2012, but we got the PE involved in 2018.**

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: Freedom and flexibility to do what we want. 2: Alignment regarding the annual growth targets and the growth targets 5-7 years. For example, if you invest in CAPEX and human resources you may see a momentary drop in profitability however this is with the understanding that you will be able to reach your exit goal.**

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?

**1: More active participation during the board meetings, not just sitting there**.

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?

**9**

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: Industry driven expertise and understanding of the inherent dynamics of the industry. PE funds that focus a bit on everything are not as attractive as they cannot support the company as much.**

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: More focus on facilitating contact with network and opinion leaders in our industry.**

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.**

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: A chairman of the board with governance expertise; crucial as it results in a clear division of what the role of the CEO and the chairman of the board is and fluid running of the board.**

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

**1: PE needs to be active in finding board members with industrial expertise. In a small company there can be very limited expertise on the board. For example, family members may even be on the board. However, when a company grows to a certain size, board members need to be professional and have sufficient expertise.**

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?

**8-9**

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?

**They were quite realistic; On the tough side but still doable.**

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

**(i) EBIT + 25 % first 3 years (35% to 40%)**

(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: Comes down to really knowing the business; making viable and credible analyses of the sectors and subsectors which the company operates in.**

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

**1: More intense discussion regarding where the company should place its bets.**

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)

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

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 (4-5)**

(iii) 5-7 mission critical initiatives

(iv) 8-10 mission critical initiatives

(v) 10 - 15 mission critical initiatives

(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: Market due diligence to understand which areas will be sustained in the next three years.**

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

**That went quite well.**

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

**9**

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: Have a skilled HR team with an HR manager that is tasked with ensuring that everyone in the organization will understand what they have to achieve.**

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: Stop assuming that everyone knows what you are talking about. That is possible in a 20-person company but not in a 100-person company. You need to have a clear and aligned strategy otherwise the organization will be lost.**

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?

**80%**

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?

**80%**

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

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?

**At least in Finland it is not very easy to shuffle people around.**

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: The key is having a great sales team.**

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: Simply starting everything earlier than we had although that is easy to say retroactively.**

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: Clear accountability. This involves rewarding people when they achieve the desired targets and requiring them to present their progress during follow-up sessions.**

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

**Nothing new to add.**

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: New international markets**

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

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: Get the sales team up and running earlier as they are crucial to our success. 2: Pressure the PE to improve the board composition; have more industry experts to support the CEO to build the strategy**.

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?

**1: Stay calm and believe in yourself; PE are not always right. They will challenge you and ask you to do things that you cannot achieve. Their job is to set very high targets; don’t get too frustrated about not achieving them. 2: Take time away from work to achieve clarity in your mind as this helps you to do your job even better.**