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

**2009 (Impilo came in in 2019)**

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: They had a formula for onboarding companies; a two-page term sheet that outlined intentions, ownership structure etc. 2: Did an extensive due-diligence on the company**.

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: PE lacked entrepreneurial spirit sprit; Lack of alignment regarding this became apparent quite quickly. PE wanted reporting, forecasting and constant reviewing which was a real-time constraint for our management team. However, we wanted to get on with it. I spent 20% of my time delivering or preparing reports for the PE firm. It gave them comfort but prevented us from doing things that we needed to do. 2: They were expecting us to do all of the work regarding finance and control; but we expected them to do more of the job since they are the ones with the competence.**

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?

**9-10. Extremely high in the beginning. Things started to unravel after 12 months.**

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: Financial analysis 2: Industry intelligence 3: Management consulting capabilities 4: A lot of experience running mature companies.**

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:They knew what the end goal was but they did not a good job getting us there. They expected things to go much faster and did not possess capability. Impilo were mostly focused on covering their back-sides i.e., changing CEO and bringing in Mckinsey. It is really unfortunate since the company has turned around since then. 2: They spent tremendous amount of money on Mckinsey report; that money could have been spent on putting a controller in place which would have freed up management from reporting time 3: Expected them to be really good at raising capital but they weren’t. Lacked experience in bringing in capital into early-stage companies. When a PE company is already sitting on your board and owning ¼ of the company, it is really hard to get additional investors because they see it as a poisoned well. They should have focused on investing more, instead of looking of external capital and trying to get out.**

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?

**4**

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

**My expectation was that they would transfer the knowledge into the company rather than us chasing it down.**

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

**1: Taken on responsibility for financing 2: Hired a CFO**

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: Setting up a structured board; but that was about it.**

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

**1: Older chairman that had a lot of experience in the sector but his energy level was low and he was very rigid in his role even when though we needed to move fast. 2: Board served had police functioning which is destructive for a management team; we were used to a collaborative board that enhanced us. This board just wanted us to explain why we had not reached the numbers 3: They took me off the board; they had me in for the presentations but then asked me to leave. Up until their arrival, I had been running the board, so it became very awkward for me.**

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?

**4**

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

**We felt like we were abandoned. They assumed we were a mature company where they could relax and have us do all of the work. However, we were in an entrepreneurial stage where things where changing all of the time and we needed that support.**

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

**1: Roll up their sleeves and join the management team in working on the 90-day plan. 2: Serve a collaborative and parentship role.**

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?

**Impilo was conservative; they would always ratchet down our goals. This was surprising since the fundamentals were the strong. Impilo came in and gave us a hair-cut. I question why they were interested to begin with even if they did not have higher aspirations. They were probably writing the exit strategy quite early on, and they wanted to downplay the opportunity so they could justify to their limited partners why the needed to get out.**

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: Understanding of market dynamics and internal capabilities; impilo understood that we had strong fundamentals relative to the market.**

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

**1: Impilo needed to think bigger; they were quite conservative. They read the McKinsey report and only picked up on the negative bits where I read the same report and viewed it positively.**

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**

(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?

**Nothing**

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: Brought in a segment expert on regulatory timing and submission; essentially brought in expertise to ensure that we focused on the right areas.**

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

**8**

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

**Lacked understanding of market as they should have.**

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

**1: Brought in market expertise; we had that on the management but also in the board would have been helpful. 2: Burn-rate was too high; taking quick action on that front could have reduced the burn and made everyone much calmer versus being in panic mode.**

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: Recruiting the right people in the right roles; we had tremendously strong culture within the company of mission driven folks that really believed in what we were doing; making diagnostic equipment more prevalent to lower income areas.**

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: Larger share-options for the management team; Impilo came with a highly complex incentive scheme that the management team did not really understand. Impilo priced them extremely aggressively.**

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**

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

**Very strong; I would represent a good portion of that (10%).**

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?

**9**

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

**1: Mission driven; family run atmosphere where everyone believed in what we were doing. Everyone felt like they were part of the Cavidi family and enjoyed what they were doing.**

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: Pulled the trigger earlier; we were too slow moving on.**

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: Right personnel that were driven by the company’s mission**

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: Impilo should have stepped in earlier and give us support in terms of capital.**

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?

**6**

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

**We should have been moving much faster on execution.**

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

**1: Transition to product-scale up could have been addressed with perhaps the right experts 2: Spent money on making things move instead of sticking rigidly to a budget; we focused on cutting costs when we should have been focusing on scaling up**

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: As a team spent a quite bit of time going through the busines strategy and going through the Mckinsey report to make sure that we had things in place to optimize our chances of success**.

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

**1: Hiring competent, industrial minded, commercial managers to take over the project team and transition us from a project led organization to a commercial scale-up.**

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?

**5-6**

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

**We were struggling to meet time-plans, budgets, and needed more capital**

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

**See 43**

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: Making operations more professional 3: Digitalization**

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

**NOT APPLICABLE**

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?

**I wish I had your book to read ;) People told me that it was too early to bring in an PE owner, but I brought them in because we needed the money. That was in retrospect a mistake since the match with the stage company was in. We were 24 months too early in reaching for PE company, and should have waited. I would say that a lot of the fundamental issues raised throughout this interview are not necessarily specific to Impilo but simply due to a mismatch between the stage the company was in and the expertise that Impilo had (as they were mostly focused on growth stage companies and mature companies). They are not cut-out for the entrepreneurial journey.**

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: Alignment of the core-business objectives between the CEO and what the PE owners expect needs to be spot-on. Are they there for money? Are they there to support the core-business? What exactly do we need them for?2: During DD everyone wants everything to look beautifully so you got to disclose where you are.**