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Gram Equipment

Procuritas

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).

**2009. Worked in 2 PE owned companies in total**

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: We jointly started working on a plan; they had some considerations about how to develop the company but they involved us and allowed us to give maximal input which generated confidence. 2: Put someone onto the board that had understanding of the industry. If it was only PE people, it would be too much figures and too little industry know-how**.

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: When selecting industrial people to the board they did a fair job, but not a good job. The one’s that we got into the board did not contribute enough to the development of the company; selection could have been more thorough. 2: More involvement of the management in the plan**

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: Financing issues; this is where they come from. 2: Made us take a wider strategic view. If you work in a business for many years your view of the business might get too narrow and they helped with this. They told us to “please look ahead.”**

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: Selecting board members with industrial expertise**

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?

**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: Requirement of a thorough business-plan. 2: Strong follow up instruments 3: Comprehensive reporting system that gave a wider overview of the business.**

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

**They did well on that.**

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?

**10**

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?

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?

**PE were strong at identifying areas where the company needed to and could improve; they had a delicate balance between ambitious and being over-ambitious.**

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: Clear goals; grow and gain significant market share as well focus on internationalization.**

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

**The ambition was right, ambitious but realistic.**

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)

**PE wanted to work on too many issues**

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

**Unable to dedicate enough resources to each key-initiatives. Each organization has a threshold of capacity; going over it leads to underperformance.**

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?

**1: Focusing on initiatives that helped the company gain market share as this was our main ambition. 2: Focus on improving earnings**.

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

**Perfect**

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: Bottom up-approach; instill a sense in people that they are involved in setting the goals 2: Setting stretch targets to that people feel proud if they reach them.**

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: Clarity about targets and progress in relation to targets across organization. Management had a high ownership but lower-levels were not as strong.**

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?

**8**

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?

**6,7**

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

**1: Transparency; e.g., communication regarding main-targets and progress on these targets. 2: Involving a wider-group as this instills empowerment and acceptance.**

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: Recognized much faster that the team did not possess the capabilities for the task at hand; sometimes emotions make it difficult to make necessary changes. 2: Stronger push from PE to change people; it is incredibly helpful.**

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: Top-management has to be involved otherwise it can easily drop. 2: Need to allocate the right resources to do the job otherwise you will not get speed and quality. 3: PE owners were very patient and allowed us to iterate the business plan and improve it.**

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: Pare down initiatives and allocate enough resources for each initiative. 2: Hire the right team much more quickly.**

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?

**Way too many initiatives**

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

**1: Reduced number of initiatives 2: Allocated more resources to each initiative**

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: Allocate enough resources 2: Eventually hiring the right people**

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

**1: From the very beginning to allocate the right people for each initiative. 2: Clear plan for the achievement of each initiative**

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?

**7**

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?

**1: Better allocation of people and resources to each initiative 2: Hiring the people.**

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: Growth via acquisitions 2: New international markets 3: Operational excellence 4: Making operations more professional**

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?

**1: Having the courage to make changes and take the hard-steps such as changing people and hiring new people. 2: Improving prioritization of the most initiatives; I would have put much more emphasis on this.**

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: Getting the overall targets made very clear between the CEO and the PE firm. 2: Build quickly relationship with PE owner in order to foster mutual trust. Mutual trust is like putting money in the bank; you can use it later on. 3: Be very open towards the PE owners; it fosters trust and also shows PE owners where you need help which allows them to use their extensive network to help the issue.**