



Agile Principles in Private Equity

Results-driven examples and proven strategies.

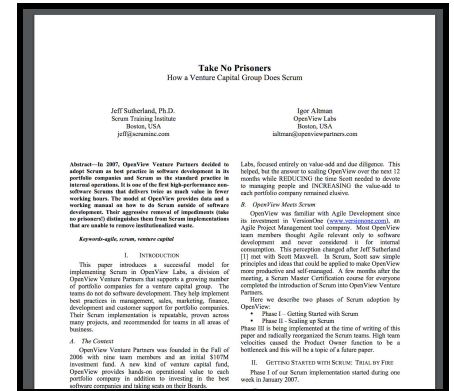
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Would Private Equity Investors Benefit from Agile?

The answer is, **yes**. In 2007 a Venture Capital firm named OpenView Partners decided to adopt an Agile method called **Scrum** and cited several positive outcomes¹:



- *Reduction in stress* - team went from working with Six Portfolio Companies to working with ten without getting overwhelmed or drop-off in quality.
- *Team becomes self-managing* - communication within the team increased while the time investment from senior partners decreased.
- *Low value projects went away* - projects became easier to manage.
- *New team members integrated into the team and workflow extremely quickly via Scrum* - they carry a full workload within three weeks of starting without extensive training.



bulgerpartners “Traditionally, waterfall development processes have served the PE community well – as a lot of time is spent in annual planning processes. This common, fallible practice creates waste in the ecosystem. Agile development strives to delay major investments until they are necessary and eliminates waste in doing so.”²



McKinsey&Company

Deloitte.



“In large and complex projects, Agile's success rate jumps six times that of conventional methods”³

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“As a result, the company's customer-satisfaction scores are up by multiple points”⁴

“A global financial services organization migrated its 1,500 member delivery team to Agile to ensure high-quality products”⁵

“PE firms have always been responsive and agile to win the best deals”⁶

¹ <https://pdfs.semanticscholar.org/a503/fbbbc8997eb018fa9e275732b82408af83fe.pdf>

² <http://bulgerpartners.com/agile-software-development-in-pe-backed-organization-why-pe-and-agile-havent-always-gone-together/>

³ <http://www.bain.com/infographics/agile-innovation/>

⁴ <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/agile-marketing-a-step-by-step-guide>

⁵ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/financial-services/us-fsi-agile-at-scale-brochure.pdf>

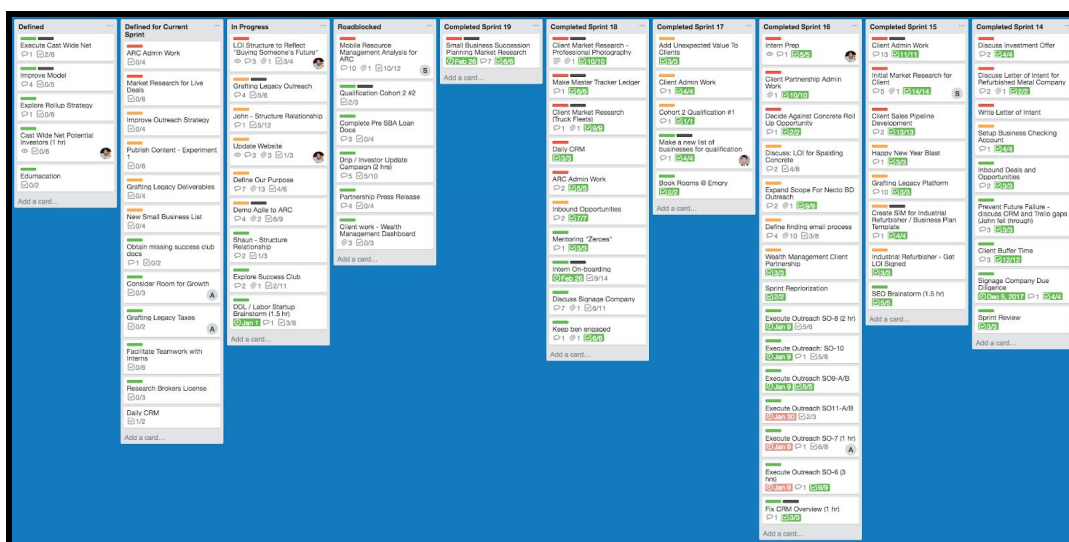
⁶ <https://www.granthornton.com/~media/content-page-files/campaigns/growth/pdfs/2017/Future-Growth-Private-Equity-report>

An Introduction to The Kanban Board Technique

The power to endure is the winner's quality.

➤ If you learn from your mistakes and don't give up..... you win.

Trello, an Atlassian Corporation product, promotes the Kanban Technique. Atlassian, listed on NASDAQ with a market cap of \$12 billion, explains, "Kanban ('visual signal' in Japanese) is a popular framework used to implement Agile... requiring real-time communication of capacity and full transparency of work... Work items are represented visually on a Kanban board, allowing team members to see the state of every piece of work at any time"⁷.



Defined | Defined for Current Sprint | In Progress | Roadblocked | Completed

A Search Fund's Kanban Board

We at Grafting Legacy LLC, have maintained our Kanban board for about one year (pictured above):

- The Kanban board is reviewed jointly by the two principals in weekly "Sprint Review" or "Sprint Planning" activities.
 - Principals meet in order to review, prioritize, and promote tasks (tasks are organized into "cards" that move from column to column).
 - In addition, new projects with fully defined scope are brought into the current workflow only once every two weeks.
- At the beginning of each workday, the Grafting Legacy team reviews the Kanban board. The board acts as a facilitator to the workflow process. Tasks are visually prioritized, executed throughout the workday, and updated on the Kanban board in real-time.

⁷ <https://www.atlassian.com/agile/kanban>