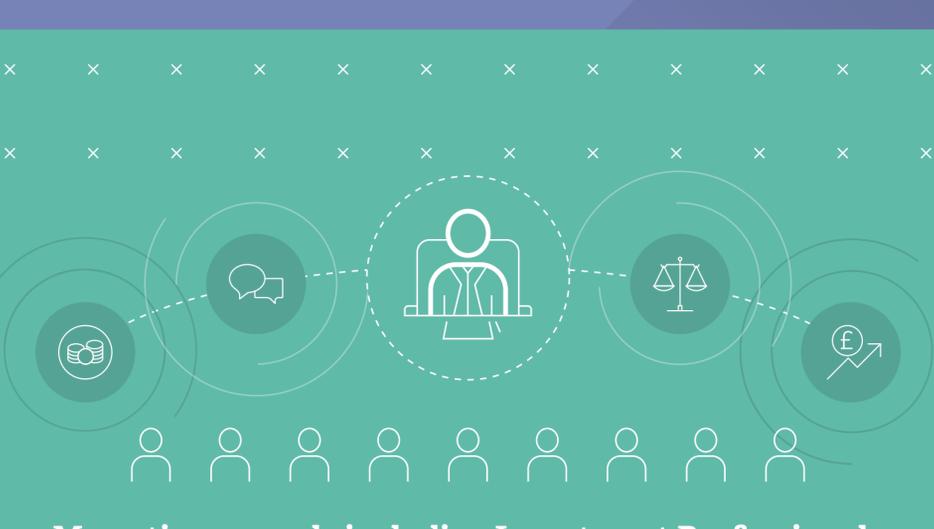




# Operational Excellence

## What does it mean to be a Non-Exec Chairman for a PE backed Company ?



Many times people including Investment Professionals working for PE Funds asked me the same question. I would like to take the opportunity today to answer to this in a short non-conventional manner...

### 1

Yes the Chairman is in charge of keeping the maximum cohesion and alignment of the Board and to define the priorities in accordance with the CEO to set the Board's agenda allowing an honest and open debates setting the right environment for making informed decisions.

### 2

...But the contribution of the Chairman goes well beyond this in an environment of accelerated value creation in a PE backed Company:

- Being both a sound board, a coach, an advisor, sometimes a mentor to the CEO or to the CEO and his team sharing experience and best practices.
- Allowing the Board and the Management team to think "out of the box" to accelerate value creation.
- Helping to make sure that any aspiration, vision and great ideas suggested by the Management team are executable according to the financial objectives set by the Board.
- To favour the dialog and ease it between the Directors and the CEO in making sure that the right analysis and KPIs required are on the table for the board to make decisions when multiple views are expressed and key decisions have to be made.

### 3

Monitoring the Company's performance and evaluate risk:

- Making sure that comprehensive and structured Financial, Operational reporting and Strategic analysis are shared with the Board to monitor the Company's performance.
- To evaluate risk versus opportunities in a context of value creation, adjusting the level of risk to the potential of deliverable performance.
- Evaluating on a regular basis performance of the top Management team and making the right decision at the right time if needed.

### 4

To help the Board to grasp the impact of the Product/Market on future Financial Performance

In ensuring visibility to the Board on a regular basis of the investment/divestment impact on Product and Market and to agree on priorities and execution risk.

### 5

To facilitate the Exit process at the right time to respond to the Fund Objective and Management aspiration

- To align Board and Management on timing and objectives.
- To ensure that the Board is prepared, selecting the right advisor and engaging in a process with realistic expectations.
- To coordinate appropriated Fund resources to prepare the company and the Management team for a successful exit.

All of this can only be achieved with a natural and constructive dialog with the CEO and eventually some of his team at her/his invitation. Build the trust and being a sparring partner to the CEO while having the confidence and hearing from the Board and the Fund are the key.



Resources

## Hg Experts



**Didier Bench**  
Operating Partner at Hg, Chair of EidosMedia