Case example #3: We helped in the Operations / Value Creation team design for a Canadian institutional investor

BAIN CREDENTIALS

Situation

 Canadian Fund Co is an institutional investor with a global portfolio across industries



- Operations / Value Creation team is looking to increase and formalize team involvement throughout deal lifecycle, including how to build out the necessary resources to support the expanded vision
- Bain assisted Fund Co in defining the role of the Operations /
 Value creation team in each stage of the investment lifecycle

Results

 Developed comprehensive view and high-level plan for how to execute the Operations / Value Creation's vision for operations involvement across the investment lifecycle



 Achieved alignment on approach to socialize the proposed changes to Operations / Value Creation team roles with the deal teams

Approach

 Defined archetypes and models for operations involvement in diligence, VCP development, VCP types, and postdecision exit process, based on case studies of leading PE funds



- Defined a high-level governance for ongoing monitoring, including defined forums, meeting cadence, and high-level meeting content
- Co-developed the vision for operations team role, including determining appropriate archetypes and models, and identifying internal examples of where the team involvement was positive or could be improved
- Developed materials to communicate proposed changes to the Operations team design at the reference, summary, and executive levels

Case example #3: Through our lens on portfolio value creation, we addressed key questions throughout the deal lifecycle

BAIN CREDENTIALS



Due diligence



Onboarding & VCP development



Ongoing monitoring & support



Exit planning

- How should the operations team participate in the diligence effort?
- How developed should our VCP hypothesis be pre-close?
- How codified should our value creation toolkit(s) be?

- When should we conduct VCPs?
- How should the deal teams and operations team engage to support VCP development?
- What level of external support should we use, when?
- What are the elements of a VCP factbase and roles to develop?

- How do we embed a portfolio-wide perspective in monitoring?
- How can we be proactive in addressing performance issues?
- How should we determine the operations team allocation across the portfolio?
- How can we ensure challenging questions are asked in meetings?

- What role should the operations team adopt before and/or after the exit decision?
- How can the operations team support a company preparing for exit?



Operations team construction

- What is the right mix of internal resources between generalists and functional experts?
- In which areas of specialization should the operations team prioritize hiring functional experts?
- How and in which areas should the operations team build preferred partnerships?
- How should the operations team use operating partners in value creation?

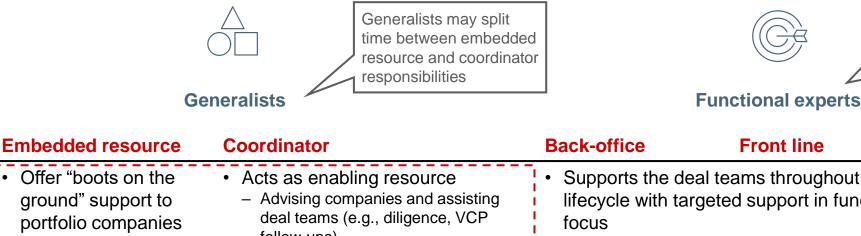


Digital & analytics capabilities

- What digital / analytic tools could we use to add value to our portfolio? What value do they bring?
- What are the potential models for embedding these skills? What are the trade-offs between in-house and external?
- Which model makes the most sense to pursue?
- What is the road map for getting there and how can we track our progress over time?

Case example #3: We recommended focus on generalist roles over functional experts based on team size and portfolio focus

BAIN CREDENTIALS



- Advise or help develop value creation plans and actively engage with management to
- follow-ups)
- Keeping "rolodex" and coordinating with external advisors/consultants
- Tracking best practices
- Supports holistic resource allocation decisions across the portfolio

- Supports the deal teams throughout the investment lifecycle with targeted support in functional areas of
- Typically integrated into broader value creation approach

Typical background

Role

General management or consulting background, typically with line management/operating experience; may also have functional spike to complement existing team

Operating experience in relevant functional area (e.g., HR, IT), relevant to most/all portfolio companies

Operating experience in specialized functional area or industry (e.g., salesforce optimization, healthcare), relevant to some companies

Recommended approach

External advisors

may play this role

internal ops team

rather than

support execution