

# 4

# STRATEGIC PRIORITIES

NEEDED TO DRIVE VALUE  
IN PORTFOLIO COMPANIES



**FAHRENHEIT**  
ADVISORS



## **The path to achieving superior operating results in your portfolio company is having defined plans for systematic execution of key business drivers.**

Having worked with over 1,000 organizations to build flexible, resilient companies, we've identified 4 Strategic Priorities that can be invaluable to drive fast, sustainable value creation.

### **People, Processes, Systems, and Partners**

It's time to drive value at every phase of the investment cycle: pre-deal, post-deal, and exit.

***This guide is intended to give you the key questions you should be asking for each of these 4 Strategic Priorities.***



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# Priority One: People

## **Do you have the right people in place to get where you want to go?**

You've worked hard to acquire the right portfolio company, but now it needs to perform. Talent gaps is an urgent matter. You need an accelerated way to identify, hire, develop, or supplement talent from the executive level to the teams executing day-to-day operations.

### **Key talent questions:**

1. Do you have an in-depth way to understand the full inventory of experience and skills in your company and where overlap or gaps exist?
2. Does the organization have any cultural misalignment risk?
3. Are there personality landmines that you should be aware of?
4. Do you have leadership and training programs in place to help the company transition to being institutionally owned?
5. When should you hire employees or leverage outside resources?



# Priority Two: Processes

## **Do you have processes set up throughout the company to help it grow at scale?**

Unfortunately, many companies lack well-documented, repeatable, scalable, and efficient processes. Everyone in the company executes in their own way, making knowledge, transfer and consistent results difficult to achieve. To grow at scale, you need well-documented and easily accessible institutional best practices. We've seen these process enhancements transform companies from good to great.

### **Key process questions:**

1. Are existing processes lean, efficient, and scalable?
2. Can these processes scale and be easily trained?
3. Are your processes documented or are they just behavioral patterns?
4. Are KPIs or checklists usable, measurable, and effective?
5. Do old or manual processes take longer than they should, or measure things that aren't valuable?
6. What decisions could you make if you were able to get actionable information faster?



# Priority Three: Systems

**Do you have the right systems in place to build and grow your business for sustained success?**

Operationally, businesses function best with effective systems, so well-functioning and scalable processes are crucial. Once you have great processes, it's time to put the right systems in place to support them.

**Key systems questions:**

1. Are existing systems built around legacy processes vs. best practices?
2. Are your systems developed on industry best practices or homegrown around processes that may be ineffective?
3. What is your process to build new systems to support growth goals?
4. Do you have manual processes that are repeatable and could be automated?
5. Do your systems enable access to timely and accurate information about your business to help you make informed decisions?



# Priority Four: Partners

**Do you have operational partners in place who can quickly and consistently help you overcome challenges, seize opportunities, and drive value creation?**

Many Private Equity firms do not have in-house capabilities to drive superior operating results from their portfolio companies. In order to stand out in a time of increased competition for deals and skyrocketing valuations, operating value creation is a clear need and expectation by limited partners.

## **Key operating partner questions:**

1. Is your operating partner model scalable and sustainable?
2. How diverse is the background of the operating partner's team?
3. Does the operating partner's bench have a wide range of expertise to provide the on-demand solutions you need?
4. Can the operating partner solve your problem on your schedule?

# The Fahrenheit Advisors Operating Partner Model

**We know time is money. Every day a schedule slips or you have to dive into details, you risk missing out on value creation opportunities.**

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## How does Fahrenheit Advisors’ outsourced Operating Partner Model work?

If you have in-house expertise, our team can provide leverage to execute on tactical needs or opportunities where the portfolio company team has gaps or weaknesses.

If you don’t have in-house expertise, our seasoned team brings an operator’s mindset and “been there, done that” experience to drive strategy and execution for you.

**We bring experience to every investment cycle phase to help your companies grow:**

	PRE-DEAL	POST-DEAL	EXIT
ASSESS	✓	✓	✓
PLAN	✓	✓	✓
IMPLEMENT		✓	✓

# We specialize in a holistic approach to creating value:



## Business Advisory

*Strategy, Sales, Operations, and Restructuring*

Clear vision and defined goals are the key to keeping focused and rapid value creation. We provide experienced leadership with the benefit of knowledge from a vast array of relevant business situations.



## Finance and Accounting

*Interim and Fractional CFOs, Controllers, and Consulting*

As financial complexity grows, so does the need for “been there done that” expertise. A portfolio company needs to institutionalize processes, invest in technology, and supplement data analysis to make growth goals happen.



## Human Capital

*Fractional and Interim HR, Strategy, and DE&I*

You worked hard to acquire the right portfolio company, but now you need it to perform. Moving your talent forward is a non-stop process where we can help drive improved ROI from your talent investment.



## Executive Search

*Fill Talent Gaps and Grow Your Team*

When you have gaps in your team, you need urgent solutions. A proven process for creating a broad, robust candidate pool is key to getting the right talent into your business as quickly as possible.



See our full suite of services  
that help private equity firms  
create greater value in their  
portfolio companies:

[fahrenheitadvisors.com](http://fahrenheitadvisors.com)

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