

# Technology Advisory for a PE-Driven MBO & Post-Deal Portfolio Management

ANALYSE



PLAN



DELIVER



OPTIMISE



**Hutton Henry**  
Managing Partner

Working with PE and Portfolio in digital transformation since 2016. Helping tech leaders pre and post deal through coaching and advisory.



**Rod Alderton**  
CIO (Assoc. Partner)

FTSE 250 CIO, Senior IT and digital transformation lead. Helping Investors grow complex technology businesses and identify commercial opportunity.



**Alex Lea**  
CTO/CPO (Assoc. Partner)

High-growth CTO & Digital Product Leader with over 20 years' experience as an advisor & non-exec helping startups and SMEs to avoid common barriers to growth, reach their goals more quickly and at a lower cost.

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## BACKGROUND

The initial client in our engagement was a private equity house considering a management buyout (MBO) of a fast-growing, tech-enabled service company in the UK communications industry. Our remit was to conduct comprehensive technology due diligence. The prospective portfolio company, consisting of a 100-strong workforce, was preparing for leadership change with a new, growth-oriented CEO.

## IDENTIFYING THE CHALLENGE

The core task in the initial phase was to thoroughly assess the technology capabilities, roadmap, and the IT team of the prospective portfolio company. Our investigation revealed that the tech function was underperforming, with too many incomplete projects and mounting dissatisfaction across the business units. Additionally, there was growing friction between the CEO and CTO, which was undermining the company's growth prospects.

## DUE DILIGENCE

Our first step was leveraging our proprietary Kolbe psychometrics service, aligning with our 'People First' philosophy. The assessment demonstrated that the tech team was predominantly composed of 'fact finders', highly analytical individuals, but they were struggling under the leadership of an entrepreneurial 'Quick Start' CTO.

The due diligence also uncovered a convoluted tech infrastructure with multiple ongoing projects - a costly affair further complicated by offshore development teams. A candid discussion with the CTO culminated in a mutual decision for him to step aside.

## EXECUTING THE DEAL AND COACHING

Upon successful completion of the MBO, the portfolio company became our client. We formulated a technology strategy that aimed at simplifying the existing infrastructure by implementing a widely recognized off-the-shelf product. This strategic shift allowed the tech team to pivot their focus to business development rather than complex tech concerns. Additionally, we employed our people services to shortlist and interview potential CTOs, thus providing vital support in selecting a new tech leader. Once onboarded, we continued to offer support, including presentation training, to assist the new CTO in effectively communicating with the PE-backed board.

## STRATEGIC OVERSIGHT AND IMPLEMENTATION

We maintained our relationship with the company on a fractional basis for a year post-deal. Our ongoing guidance was crucial as the new CTO worked on doubling the size of the team and replacing the original systems.

The engagement concluded successfully with a more streamlined tech stack, an expanded tech team, and a new CTO leading effectively. Improved communication within the management team and the PE investors was an additional win. The investor now had a clear understanding of the company's technology strategy and its alignment with business objectives, and the portfolio company was well-positioned to accelerate its growth trajectory. Our commitment to blending people and technology solutions was reaffirmed, resulting in sustainable growth for our clients.