

Technology Strategy Review for a Tech-Enabled Portfolio Firm

ANALYSE



PLAN



DELIVER

OPTIMISE



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BACKGROUND

Our client, a Private Equity investor, expressed confusion about the tech strategy and justifiability of technology spending at one of their portfolio firms, which had been under their control for several years. This was a sensitive situation, as we had been brought in by the investor, necessitating immediate trust-building with the portfolio management. The project involved a technology strategy review with the purpose of delivering commentary and advice on the existing tech strategy.

STRATEGY ASSESSMENT

Our ACT (Assess, Challenge, Transform) methodology was adapted for this context, focusing on understanding the existing tech strategy, identifying its strengths and weaknesses, and proposing improvements. We also employed the Kolbe psychometric assessment on the CTO to gain insight into his strengths aligned to our "People First" value.

1. **Assess:** We began by studying the existing tech strategy and how it was integrated into the broader business strategy. We assessed the current technology spend and analysed the portfolio firm's understanding of value attribution and strategic planning.
2. **Challenge:** We interacted with both the investor and the portfolio firm to challenge the established technology strategy, focusing on data-based evidence and existing plans. The aim was to help clarify the direction for the tech team and the board.
3. **Transform:** We sought to align the technology strategy with the firm's overall business strategy. This involved not only planning but also the implementation of iterative benefits to deliver quick, tangible results.

ASSISTING PORTFOLIO MANAGEMENT

Our technology strategy review led to several key outcomes:

1. **Proving the value of technology:** The team was able to articulate the value of their software and its role in business innovation. However, we recommended a more rigorous data-driven approach to support these assertions and to provide clarity to the investor.
2. **Prioritising effort based on ROI:** The portfolio firm was building and maintaining two products, one internal the other SaaS. We helped the team make a clear data-backed decision to sunset one of the two platforms to focus on the more revenue-generating platform.
3. **Aligning tech strategy to business objectives:** We stressed the importance of aligning the technology strategy with business objectives. This involved closely linking the tech team's activities with business planning and delivering quick, iterative benefits.

BUILDING A SIMPLIFIED TECH STRATEGY

The project helped improve relationships between the investor and the portfolio firm through a mutual understanding of the value of technology. It led to a more methodical approach from the tech team in demonstrating the ROI on technology spend and the value of the tech team itself. Furthermore, the insight gained from the Kolbe assessment of the CTO ensured a strategy tailored to his strengths and areas that needed delegation. The technology team had built a valuable asset, but they had been poor at communicating the ROI of their efforts.