
NYU Stern CSB Valuation Tool Case Study

Engaging with Private Equity GPs

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Private Equity GP Case Study

A Middle-Market Private Equity GP used the Value Creation Tool on a recently closed deal in the Technology Communications sector

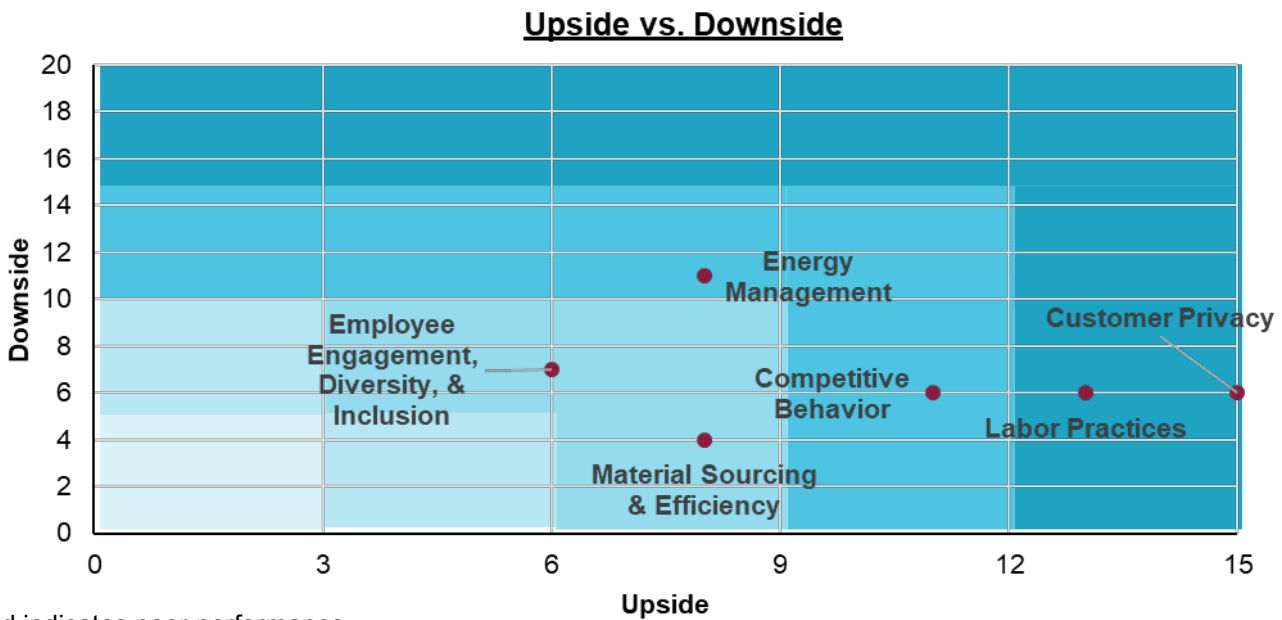
GP  HQ: US  AuMs ~\$23B  Middle Market  20 PCs

Target **Sector:** Technology Communications **HQ:** US **Revenue:** \$180MM **# of Employees:** ~1,400

Assessment Findings

Material Topics	Current State	Estimated Downside	Estimated Upside
Energy Management	Very Low	Medium	Medium
Customer Privacy	High	Low	Very High
Employee Engagement, Diversity, & Inclusion	Medium	Low	Low
Material Sourcing & Efficiency	High	Very Low	Medium
Labor Practices	Very High	Low	Very High
Competitive Behavior	Low	Low	High

Identified Priorities



Current State: green shading indicates good performance on whaterial topics, red indicates poor performance
Estimated Downside: red shading indicates high risk, green shading indicates lower risk
Estimated Upside: red shading indicates low opportunity, green shading indicates high opportunity

ROSI and ESG Strategy Development

Based on assessment findings, the GP focused on developing strategy and executing actions to improve **Labor Practices** and promote **Employee Engagement, Diversity, & Inclusion**

ROSI Priorities Identified	Rationale and Potential Benefits	 Actions Taken to Enhance on ROSI Dimensions
<p>1</p> <p>Employee Health & Safety</p> 	<p>Risk Management: Avoided costs related to workplace accidents (reparations, regulatory, insurance, etc.)</p> <p>Talent Management: Improved worker satisfaction leading to improved productivity</p>	<ul style="list-style-type: none"> • Leadership and Governance: Hired an Environmental Safety Manager and introduced a Safety Ambassador • Training: GP organized labor practice training sessions with third party consultants; Implemented a self-assessment program • Safety Goal Setting: Established TRIR reduction goals, with 38% reduction achieved in 2023 and TRIR significantly below industry average
<p>2</p> <p>Worker Wellbeing</p> 	<p>Operational Efficiency: Improved worker satisfaction leading to improved productivity</p> <p>Talent Management: Improved worker satisfaction leading to lower hiring costs</p>	<ul style="list-style-type: none"> • Leadership and Governance: Expanded role of Chief Administrative Officer to include HR oversight • Awareness: Hosted first company-wide Wellness Challenge in 2024; GP organized best practice discussion among portfolio ESG Leads • Communication: Launched new internal platform focused on employee engagement, with 50% of workforce enrolled on the platform within two weeks
<p>3</p> <p>Diversity, Equity & Inclusion</p> 	<p>Talent Management: Improved worker satisfaction leading to lower vacancy costs</p> <p>Stakeholder Management: Enhances company's brand and reputation</p>	<ul style="list-style-type: none"> • Awareness & Training: Provides DEI training to all new hires along with annual refreshers to employees, with >95% completion rate in 2023 • Tracking: Track diversity data for total workforce, senior leadership and board, with plans to track pay gap metrics to ensure pay equity • Transparency: Launched campaign to add transparency to organization

Thank You

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