



**CRITICALEYE**  
The Peer-to-Peer Board Community

# **GROWTH** **IN A HIGH-OCTANE** **LANDSCAPE**

Speakers at Criticaleye's recent Growth Company Retreat discuss the multiple pressures bearing down on leaders at present, and how to maintain a course to growth in a frenetic environment



By now, the disruptive forces at play in the current environment are well documented. High interest rates, geopolitical volatility and rapid technological advancement are just three examples of areas occupying the minds of growth company leaders when it comes to decisions around strategy, growth and investment.

Leaders of private equity-backed and AIM-listed businesses at Criticaleye's 2024 Growth Company Retreat were able to discuss these external factors in depth, while also focusing on leadership capability and Board alignment in a safe space amongst peers. The Retreat was delivered in partnership with [AlixPartners](#), [DWF Group](#), [Yonder Consulting](#) and [Zeus Capital](#).

**Mark Veldon**, Partner and Managing Director at AlixPartners, told the audience that the 'level of disruption appears to be coming down a degree' at the moment, albeit from a high base. "There's a little bit more security in terms of where the actual environment is heading. I think that from a CEO's perspective, that provides a little bit more of a degree of comfort. That being

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**Amanda Cunningham**

said, there's still a lot of challenges and if you're sitting still then you're going to lose," he warned.

In this constantly shifting environment, leaders simply cannot afford to rest on their laurels. Criticaleye CEO

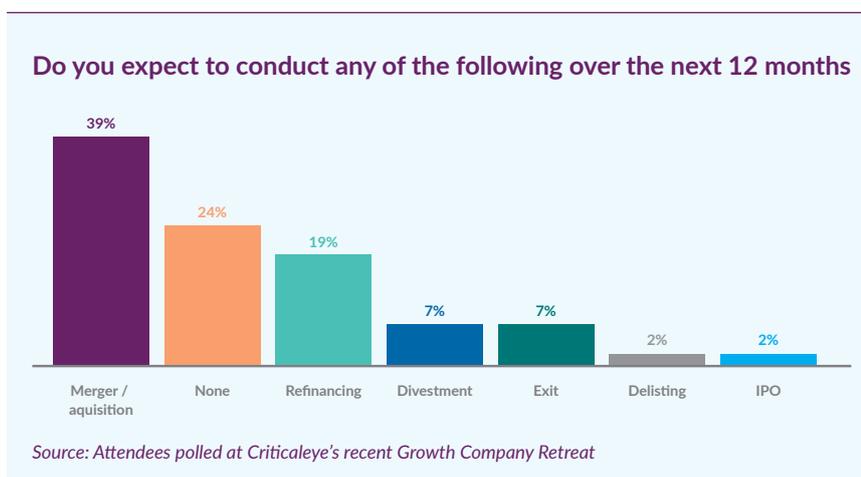
**Matthew Blagg** said: "This is a high-octane landscape and the workload is higher for everyone across the C-suite, so you've got to be more committed and more involved. Boards, investors and the executives have really got to be honest about how match fit they are and whether they've got the right reference points."

These conversations need to be had regularly at Board level to ensure that a business remains in the right hands that can chart a course to growth, whether that be organically or through acquisition, despite the external pressure points.

**Amanda Cunningham**, CEO of PE-backed Horizon Care & Education, discussed the core behaviours observed in Boards of high-performing businesses. "A healthy Board should give you positive feedback on your successes as well as constructive criticism. That challenge needs to be there and you need to be held to account. But I think that effective communication and being very transparent is key," she said.

In a growth company context, management teams can often fall into the trap of being overly focused on output data relating to performance. This is when the Chair and non-exec team should step in and recalibrate the focus of the leadership team so it doesn't lose sight of the longer-term vision.

**Lee Rochford**, Chair of Atom Bank, said: "Think about what conversation you need in the Boardroom versus the exec team and not just be looking backwards at performance information, but forwards. It's about getting that >





balance right between, 'how did we perform last month?' and being focused on the enablers for your strategy."

The CEO and the CFO are most influential when it comes to injecting pace into a company's growth trajectory. **Matthew** described a 'tag team relationship' that can work effectively when it comes to interactions with investors, particularly in PE ownership structures.

However, "there is a particular skills shortage with regards to finance directors who have the competency and capability to challenge a bank or to challenge the partners of a PE house," according to **Matthew**.

Building on this point, **Amanda** said: "One of the key things is having that confidence to be able to stand up and speak openly in Board meetings. In private equity, it can sometimes be rather challenging and the dynamics in the Boardroom can be quite intense, so it's about having a CFO that can handle that, but also having a relationship where you can say, 'This is the next step and this is how we need to do it.'"

Speaking from an investor's perspective, **Mark** agreed that there is a capability gap in terms of the number of leaders who have previously managed inflationary and high interest rate environments. "What invariably happens in private equity is when the company's performance or cash flow is deteriorating, the house makes additional requests for information and that can be distracting from the bigger picture. That's when the friction comes in between the portfolio management team and the investors," he added.

**Lee**, who was previously CFO with Virgin Money and CEO of fund manager Arrow Global, articulated the role of the Chair as an additional layer of support for the CEO and the CFO. "Ultimately, the CEO reports into you, but I also want direct access to my CFO. I want open, honest communication and to understand them as a person.

"As a Chair, I want to know if they are a strong enough personality to have those difficult conversations that can be necessary, either with the CEO, the exec team or indeed the Board," he continued. "Sometimes the CFO might be the bearer of bad news about how you prioritise resource, whether you can afford to do certain things, and whether it's going to drive value."

Looking at the broader macro picture, there are reasons to be optimistic. "From a dealmaking perspective, [interest rates falling] will help in terms of fundraising, it'll also help in terms of acquiring assets," said **Mark**. "Let's not forget, there's a huge backlog of assets ready for exit. Where valuations will go is the \$1,000 question."

When considering capital-intensive projects such as M&A, **Lee** said: "Be clear about where your red lines are and the parameters where you're prepared to take risks. But within that, particularly in growth companies, I think it's not a bad thing to be on the scary side of comfortable. If everything's flashing green from a risk appetite perspective, you should be challenging whether you're getting too comfortable."

In a similar vein, **Matthew** concluded: "I actually think this is a more exciting

environment and the differential in this market is far greater for a well-run business than in an easy marketplace. But you have to thrive in it and be able to control the inconsistencies and the challenges that come through, because otherwise you can get consumed." ■

25 APR 2024 / 08:30-10:00

**GROWTH COMPANY**

VIRTUAL ROUNDTABLE

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Criticleye supports leaders and management teams of private equity-backed and AIM-listed organisations to drive growth and tackle business-critical challenges around leadership, strategy and stakeholder management. Please click [here](#) to speak to one of our team about joining our global Community

Featuring commentary from:

**Mark Veldon**  
Partner and Managing Director  
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**Matthew Blagg**  
CEO  
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**Amanda Cunningham**  
CEO  
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