



Rebalancing Strategy and Tactics

Moving into a more positive 2022, organisations must adopt future-focused strategies. Community Members tell **Dylan Totton** how leaders can do this by embracing new opportunities and creating effective, collaborative leadership teams

The uncertainty of the past eighteen months has seen senior leaders having to be more operational in their focus, but now is the time to step back and take a longer-term view. CEOs of growth businesses must get set for the future by revisiting their strategy and securing the right funding, while remaining alert for signs of top-team burnout.

At Criticaleye's recent [Growth Company Forum](#), held in association with [finnCap Group](#), **John Farrugia**, who is Managing Partner & Head of Technology at finnCap Cavendish, set the context for the discussion with his review of the business outlook.

He struck an optimistic note. "In 2021, with the vaccine rollout and lockdown restrictions coming to an end, economic growth has been boosted," **John** said. "We've seen a lot of M&A deal activity, particularly in the first half of 2021, and we expect that to continue. Inbound foreign investment is driving that, with £58.7 billion in Q1 alone, which is three times higher than in 2020."

He observed that the venture capital market was buoyant and Private Equity was active too: "There's £243 billion of dry powder. The EV to EBITDA exit multiple, with quality assets, is now double digit in every single sector, which I haven't seen for a while," he said.

John signposted risks, including the end of the furlough scheme, worker shortages and issues around supply chains. "Manufacturing costs have soared, global shipping costs have increased, and therefore, perhaps the biggest concern is around inflation," he added.

However, looking ahead to 2022, he was positive: "With the dry powder in Private Equity and the desire of institutional investors to keep deploying capital, it will continue to remain buoyant for the foreseeable future."

The economic boost that **John** described means that leaders of growth businesses must step back >



from the overly operational-focus that the pandemic required. **Matthew Blagg**, CEO of Criticaleye, explained, “We’ve been through a period where a lot of the leadership has been quite tactical, and we are beginning to see cracks appearing. Now that capital is flowing faster, CEOs need clarity on their strategy so they can align it with funding opportunities and then execute at pace.”

Mike Tye, Chair of The Big Table Group and a Criticaleye Board Mentor, thinks that leaders must work harder at creating this clear view of strategy. “One thing I often see lacking in Boards is the desire to really argue the strategy out,” he said. “That comes from not having sufficient trust between the Board members, executives, non-execs and investors, to say, ‘We’ve got five strategic options here and we can only do one of them, so let’s agree which one’s right.’ It’s important to have that tough debate.”

While taking a fresh look at your strategy is crucial, savvy leaders will have kept one eye on the longer-term picture throughout the crisis. **Serena Lang**, Non-executive Chair of Eleco plc, said, “Over the past 12 months, we’ve been focused on strategy even though we’ve been in this COVID time. We looked into what our competitors are doing and the impact of new technology on customer behaviour, because my concern as a non-executive is about whether we have enough visibility on what else is happening in the marketplace.”

The right balance between long-term ‘planning’ and short-term ‘doing’ must be struck, and this is much easier if the Chief Executive has a strong team behind them. **Matthew** explained: “As a CEO, you’ve got to have a forward

“A good Chair is there as a mentor and a sounding board for the CEO”

agenda, and you can’t constantly stop and then restart on those priorities. Resilient CEOs think about the structure of their team so that they don’t get bogged down in the day-to-day detail and tactical activities.”

Jim Lightfoot, President and CEO of Interigen, has done just this. “I have a very good senior leadership team, so I made sure I delegated and then only focused on the larger, core issues to drive the organisation forward,” he said.

A Pillar of Support

Organisations remain under significant pressure, and this is a time when a strong relationship between the CEO and the Chair can be invaluable. “A good Chair is there as a mentor and a sounding board for the CEO, because anyone who’s been a Chief Exec will know it can be a very lonely place,” commented **Serena**.

A poll conducted at the Forum revealed the full impact of the ongoing strain on CEOs and their teams, with a massive 80 percent of attendees saying that burnout of senior leaders was having a negative impact on their organisation’s performance.

Jim offered one explanation: “When you’re continually driven into the details, as opposed to thinking more strategically, there’s a point you reach where people run out of energy,” he said.

“Right now, the risk of burnout is extraordinarily high,” **Mike** said. “I think it is incumbent on the Chair to be asking all of the senior team: What’s the temperature? What are you finding? How do we help people get through this?”

“This is about people’s mental and physical wellbeing, and no one can perform well if they’re not in great shape.” ■

Criticaleye’s [Growth Company Retreat](#) will take place on Thursday 17th and Friday 18th March 2022.

For more information, please speak to your Relationship Manager or the [Events](#) team.

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