

Private Equity

It's time to rethink due diligence

From risk assessment to value creation

Before the ink dries

The sharp contrast in deal outcomes

“Great news, everyone,” says Catherine to her deal team. “We’ve got the green light to bid for Bestportco. Our goal is to drive growth by expanding its operations and incorporating add-on acquisitions. Competition’s fierce, so let’s get due diligence done quickly.”

Two months later, the deal is closed, and the team begins its value creation planning. Catherine calls another meeting. “Congrats on our successful bid. However,” Catherine sighs, “our post-deal diagnostics revealed some surprising gaps. While we can expand Bestportco’s product line, the operating platform isn’t ready to scale cost-effectively. Also, its tech doesn’t look like it can support any bolt-ons, so we’ll need to address the tech debt. I doubt the current leadership team has done this before, so we’ll need to find an experienced Chief Transformation Officer.”

“Our pre-deal diligence was too disconnected from our investment thesis,” Catherine continues, “and we weren’t able to uncover enough in the limited time we had. This can set us back by 9-12 months, which could’ve been avoided.”

Of course, this is a fictional example, but it’s a situation many deal teams are familiar with. According to a recent Accenture Research survey of 251 private equity (PE) leaders, a vast majority believes that high-quality due diligence directly contributes to value creation. Despite this awareness, 83% feel their current due diligence approach has substantial room for improvement. We believe it’s time to rethink PE due diligence ‘from risk assessment to value creation.’

This report explores exactly that: how, using technology, firms can expand due diligence beyond risk assessment to make it a springboard for creating value. Leveraging analytics and generative AI can set deal teams apart—they can scrutinize more targets faster and better, engage in more deals and achieve higher exits.

83%

of PE leaders say their current due diligence approach is suboptimal

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Neto is a senior advisor experienced in leading both corporate and private equity clients through complex growth and margin improvement programs. His particular area of expertise is in executing company-wide operating model transformations for tech-enabled services companies during M&A transactions and take-private situations. Neto leads the North America market for Private Equity and is based in Los Angeles.



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Martin brings a 25+ year track record of leading the strategy and execution of major operations and technology changes that drive impactful growth and value to private equity firms and their portfolio companies. He is passionate about fostering business growth via innovation and believes it's important to challenge the status quo to get the best possible outcomes and returns for his clients. Martin is based in New York City.



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What we see

Dealmaking is getting more complex

75%

of leaders surveyed agree that PE investments have grown more complex—a 1.5x increase from our 2023 study.

Holding time remains high

17%

decline in exits in 2023 compared with 2022, highlighting the need for bigger change interventions.

Holistic due diligence is ever more important

83%

of respondents believe their current due diligence approach has substantial room for improvement.

What's on the horizon

The pre-deal phase is getting more attention

2.4x

increase in mentions of due diligence, 7.7x of sourcing and screening, and 3.8x of value creation plan in earnings calls and articles of PE firms.

Promising tech revolutions are ahead

30%

of due diligence tasks can potentially be automated and another 20% augmented through generative AI as PE firms continue to rethink their operating models.

Leadership assessment is critical

62%

of respondents spend considerable or extensive amounts of time assessing the leadership of a target company.

Navigating the deal maze

Finding value in deals has grown significantly more challenging and complex.



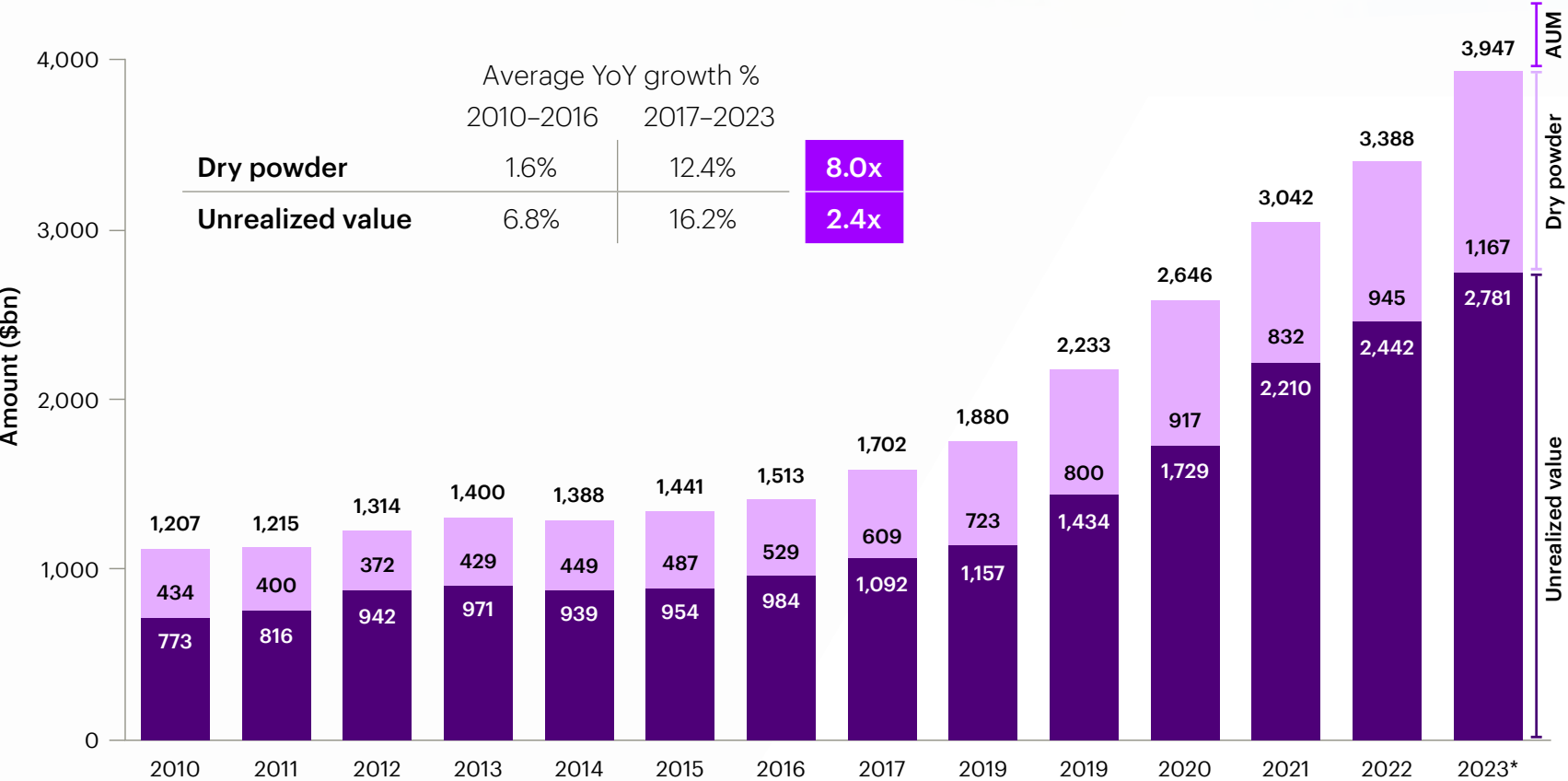
Buyout funds' cumulative assets under management (AUM) have surged 77% since 2019.¹

Between 2013 and 2022, however, there has been a 9% decline in total available targets.² This means more firms are in the race to invest in a shrinking pool of desirable companies.

In addition, higher interest rates have led to increased cost of capital and reduced use of leverage. It's becoming more difficult to generate the same returns as in a low-interest era, while deploying cash is getting tougher.

The result: firms are holding on to their cash as they assess opportunities to invest. Dry powder—unallocated capital waiting to be invested—is at an all-time high for global buyouts, having grown over 23% in 2023 to \$1.2 trillion (see Figure 1).³ The average holding time continues to be above six years, and the number of exits declined by 17% in 2023 over 2022.⁴

Figure 1:
Dry powder for buyouts continues to accumulate faster than growth in AUM.



Source: Accenture Research analysis of Preqin data, 2024.
*As of September 30, 2023

In short, finding and winning deals that generate alpha is becoming increasingly challenging.

Leaders are acknowledging these challenges. In our survey of 251 seasoned buyout leaders, 75% agree or strongly agree that PE investments have grown more complex over the past five years.⁵ This is significantly more than the 50% who did so in our survey last year.⁶ **This complexity impacts every stage of the investment process, demanding more sophisticated analysis and strategic planning.**

75%

of leaders say that PE investments have grown more complex over the past five years



Falling short against rising demands

Traditional methods won't get you there. Greater efforts are needed to unlock the full potential of investments.



In an environment where deals that meet investment targets are harder to come by, PE firms are executing more complex deals. They are gravitating towards carve-outs, add-ons and hypergrowth scalers and are increasingly focusing on **operational value creation.⁷**

Currently, operational value creation accounts for 79% of a firm's target efforts, up from 76% last year. Firms continue expanding the set of value levers they look to use.

While many tier-one firms are widening their approaches, they need greater precision and reliability in due diligence to foster higher confidence in changes. Firms who build this conviction pre-deal are more likely to embark on bigger and more successful value creation plans rather than smaller interventions.

“Building an integrated plan that aligns market assessment, operational requirements, growth drivers and people strategy is crucial for creating value.”

— Associate director, global PE firm



Competitive edge starts pre-deal

Use due diligence to kickstart your value creation plan.



We believe PE investors need to think about tooling their portfolio companies differently. Deeper interventions—getting closer to the customer, driving organic and inorganic growth, integrating emerging technologies while being strong on cost management—are essential for bigger transformation efforts that maximize value at exit.

To make these changes confidently, knowing the target company inside out is crucial. Detailed, granular analysis sets the stage for effective post-deal value creation, helping firms to hit the ground running and deliver value throughout the hold period.

Technology, especially generative AI, is a game changer as it enables speedy and comprehensive due diligence. For our recent study, [Reinventing M&A with generative AI](#), we surveyed 750 global C-suite executives with decision-making authority in M&A. Nearly two-thirds (64%) expect generative AI to revolutionize deal processes more than other recent technological advancements.

“There’s a strong correlation between how detailed and specific the value creation plan is, and how well the overall performance of the investment fares.”

— Senior leader,
Top 10 US-based PE firm

In response, 74% of executives anticipate increasing their spending on data and AI solutions in 2024. Yet, many leaders may find that they are treading into new territory and struggle to identify and prioritize concrete applications.

Figure 2 highlights how key due diligence activities—assessing and collating data, interviewing experts and customers, investigating business risks—can be powered by technology, including generative AI.



Figure 2:
How technology can improve both the efficiency and effectiveness of pre-deal activities.

Activity	Impact of technology	Efficiency	Effectiveness
Gather	Generative AI can automate document requests by generating standardized forms and tracking completion.		
	Web scraping can expedite and expand data collection, including customer insights.		
	Generative AI can sift through unstructured sources to summarize executive background and skills.		
Analyze	Generative AI can analyze large volumes of documents quickly and accurately, flag risks and discrepancies, and create summaries.		
	Sentiment analysis can assess tone and context of documents across platforms to identify areas of strength and concern.		
	Business intelligence tools can analyze organizational data and provide insights into behavior, processes and performance.		
	Predictive analytics can forecast financial performance using internal and external data.		
Report	Generative AI systems can continuously monitor market conditions and regulations, adapting due diligence processes in real time.		
	Generative AI can summarize content for teams, executives and the investment committee.		
	Generative AI can tailor due diligence reports to meet bespoke requirements and preferences.		

Source: Accenture Research analysis based on inputs from industry specialists, 2024.

The pre-deal phase is rising on the agenda

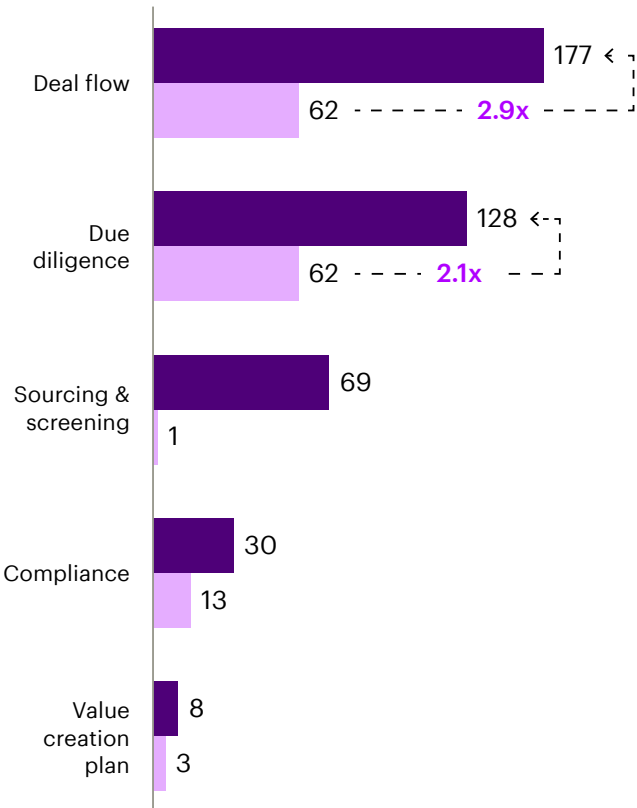
The importance of pre-deal value creation planning is not lost on firms.



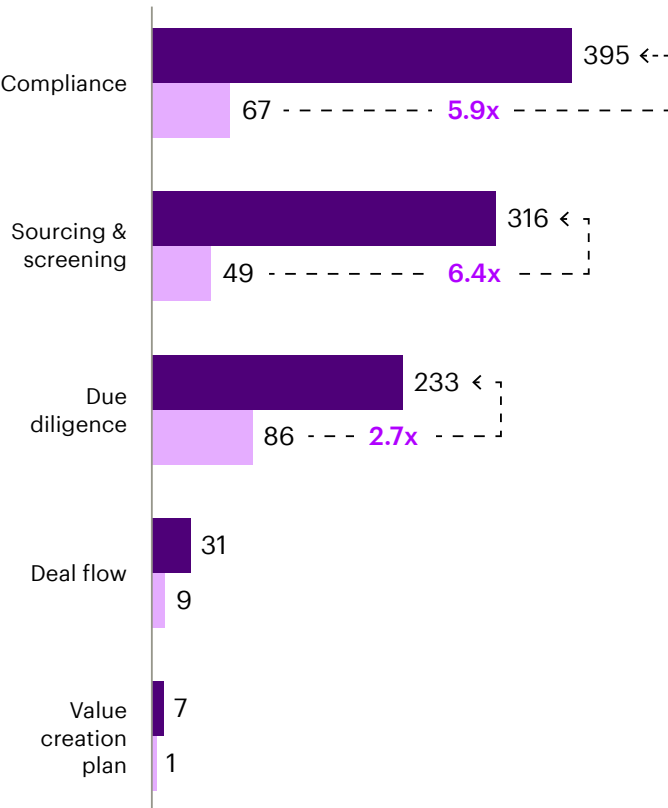
Using generative AI, we analyzed PE firms' earnings call transcripts and media articles. We saw a heightened focus on pre-deal activities, including deal flow, due diligence, sourcing and screening (see Figure 3).

Figure 3:
Publicly listed general partners are deepening their focus on the pre-deal phase.
(Word count analysis based on earnings calls and media articles)

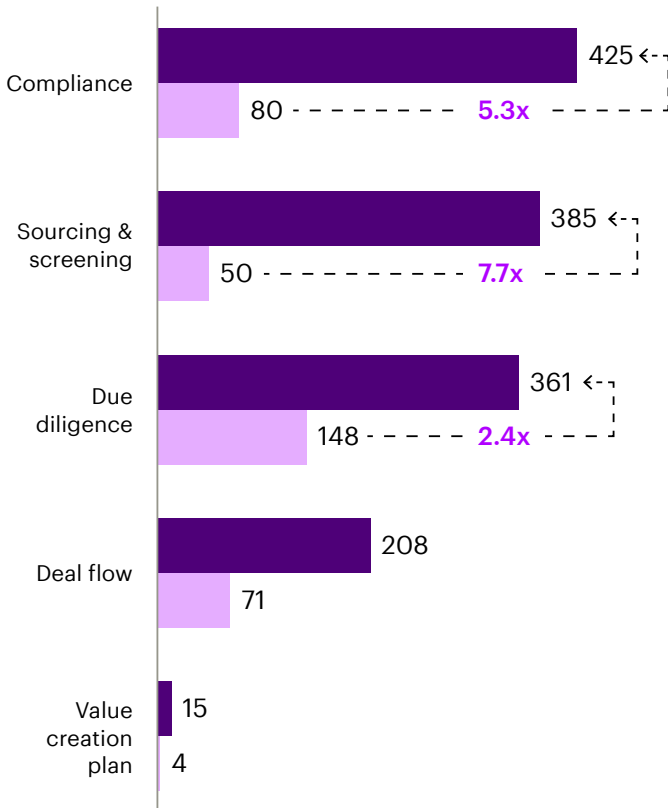
Earnings call analysis



Media analysis



Earnings call + media analysis



Q2 2020-Q1 2023 Q2 2017-Q1 2020

Source: Accenture Research analysis of earnings calls and media articles for 27 select PE companies over 24 straight quarters (Q2 2017-Q1 2020 vs. Q2 2020-Q1 2023). Accenture used proprietary generative AI tools to analyze multiple earnings calls and media articles (See: About the research).

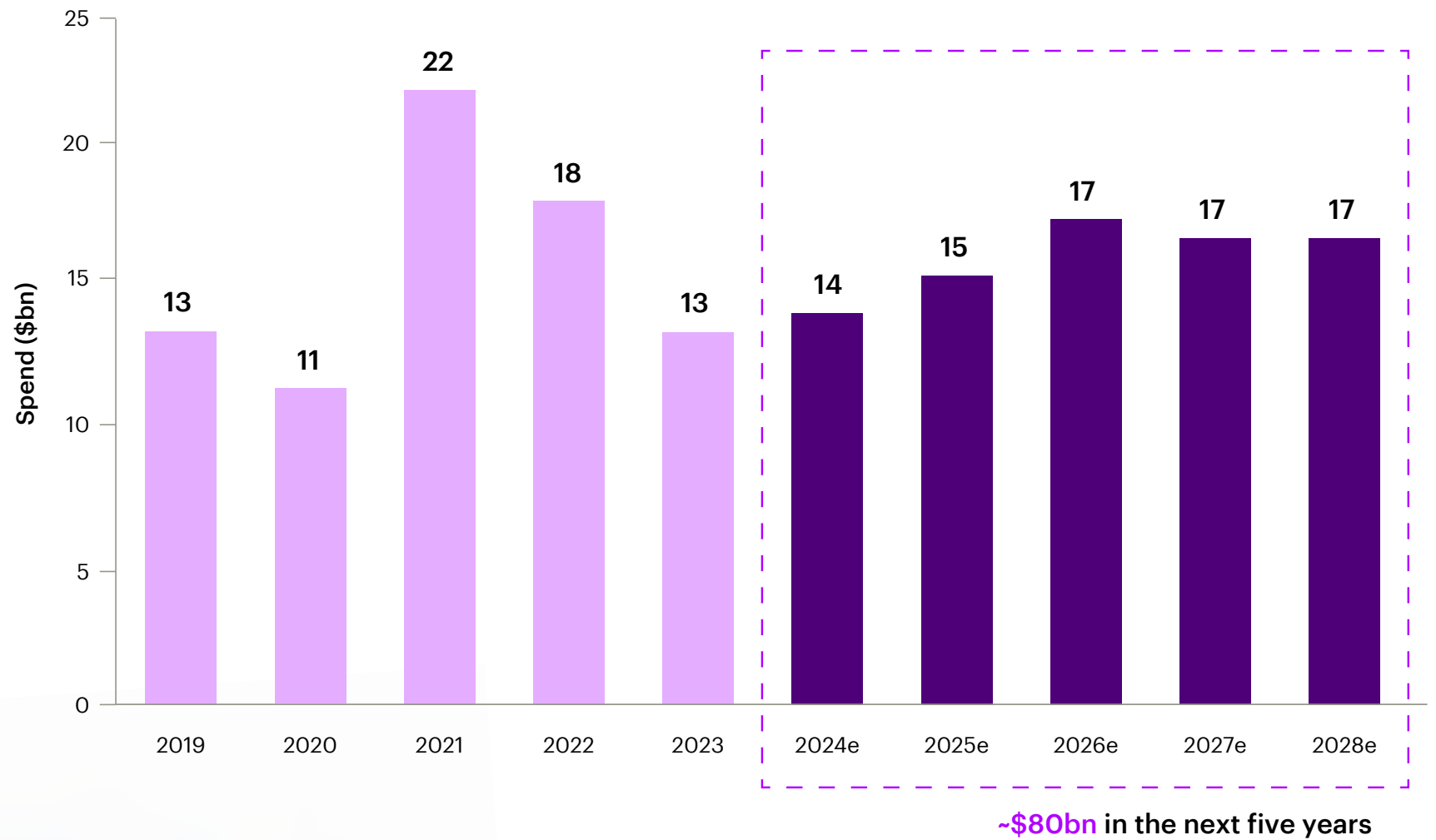
This emphasis on due diligence is borne out by firms' expenditures. Our survey reveals that PE acquirers typically spend approximately 1% of the total deal value on such activities. That translates into a potential spend of \$80 billion on due diligence over the next five years (see Figure 4).

Clearly, firms are adept at mobilizing resources swiftly and spare little expense to get expert assistance. While this approach isn't fundamentally flawed, it has failed to keep pace with the heightened competitiveness and increasing complexity of the deal landscape.

Rather than just 'getting due diligence done,' we believe the approach needs to evolve toward 'making due diligence a competitive edge' for buyouts. Such superior outcomes will justify the resources allocated to these exercises.

Figure 4

PE acquirers are expected to spend \$80 billion on due diligence in the next five years.



Source: Pitchbook; Due diligence cost of 1% of deal value is approximate, based on inputs from Accenture Private Equity Leaders Survey, 2024, expert interviews and internal industry specialists. Numbers have been rounded.

Due diligence faces many hurdles

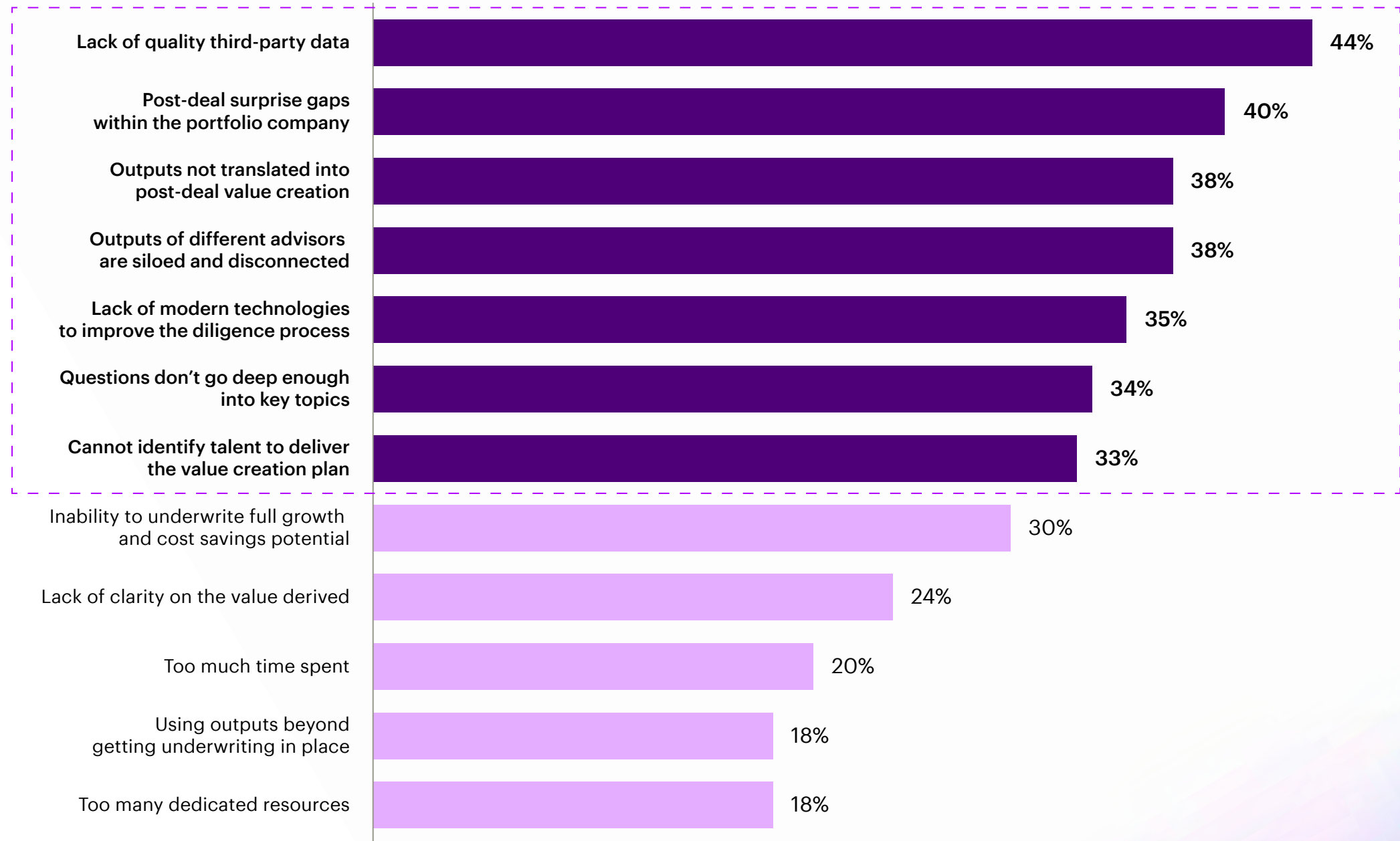
PE firms encounter numerous challenges while conducting due diligence. They often struggle to integrate all stages of the due diligence process from start to finish, lacking cohesion from initial insights to ultimate value creation. **This disconnection hampers both their ability to project and underwrite growth accurately, and to estimate the capital and operational expenditures required to drive the desired outcomes.**

Our research shows that the top obstacle in carrying out due diligence effectively is a lack of quality third-party data. Nearly half of leaders (44%) say its absence hinders their decision-making.

Further, 38% of respondents believe the outcomes of due diligence are compartmentalized and siloed, impacting post-deal integration and synergy realization. And one in three respondents indicate they struggle to find the right talent that can execute their value creation plans.



Figure 5:
Top-ranked challenges during due diligence as reported by PE leaders.



Source: Accenture Private Equity Leaders Survey, 2024.

Acting with foresight

Developing a robust vision for the target company before finalizing the deal is crucial in shaping successful investment outcomes.



The first year is critical to align the organization to the change imperative. To start fast, firms must have clarity on the investment thesis, conviction around what it takes to realize the thesis and alignment with the management team.

The strategic foresight derived from a thorough pre-deal analysis is indispensable—it can justify higher bid amounts by clearly demonstrating the future potential of the target company, giving the PE firm a competitive advantage in the deal-making process.

What is needed is a well-defined value creation plan that acts as a guiding principle throughout the investment period. The plan should detail how various interventions—whether it's new technology adoption, market expansion, corporate restructuring, or talent management—will interact with and reinforce one another to contribute towards [reinventing the target company](#).

Moreover, for these interventions to be successful, they must resonate with the people at the heart of the company—the [workforce](#). This overarching vision should be embraced by the company's

leadership and effectively communicated to ensure that the workforce is motivated and aligned with the new strategic objectives.

Fostering employee ownership

Consider KKR, a leading PE firm that has successfully expanded globally with its portfolio companies. Fourteen years ago, KKR pioneered a potent strategy for attracting and retaining talent across all company levels: investing in employee engagement and promoting employee ownership. KKR started working with its portfolio companies to allocate a portion of the equity value created in deals to the entire workforce.

This approach helped create wealth for employees, motivated them further, and turned what would have been ordinary investment

outcomes into extraordinary ones. KKR now complements this strategy with management initiatives around employee engagement, workforce training and financial literacy, among others.

The result: To date, they have helped companies award billions of dollars in equity to non-executive employees across more than 40 companies, potentially creating material wealth for over 100,000 working families.⁸

A new dawn

As the dealmaking landscape evolves, it's clear that a shift in strategy is needed to derive maximum value from investments right from the start.

We will explore three critical approaches that separate leading firms from the pack and turn traditional due diligence into a more dynamic, value-driven process. Together, these strategies offer a pathway to not only safeguard but significantly amplify investment returns.

01 Get the full view

Take an enterprise-wide approach to develop a holistic strategy pre-deal.

Value creation today is not incremental or siloed. It's an enterprise-wide effort that requires a master value creation plan that ties interventional themes to the business case and, via a set of coordinated levers, enables PE firms to enhance overall value creation.

PE firms have broadened their due diligence coverage over the past five years (see Figure 6). With due diligence now covering more areas—from technology and operations to leadership and sustainability—having an integrated process that paints a comprehensive picture is crucial.

Even so, our research shows that the discovery of unexpected gaps in the portfolio company's capabilities, processes or technology is a common occurrence: 40% of leaders surveyed see this as a top challenge. Given the expanded scope of due diligence, PE firms struggle to do everything by themselves.

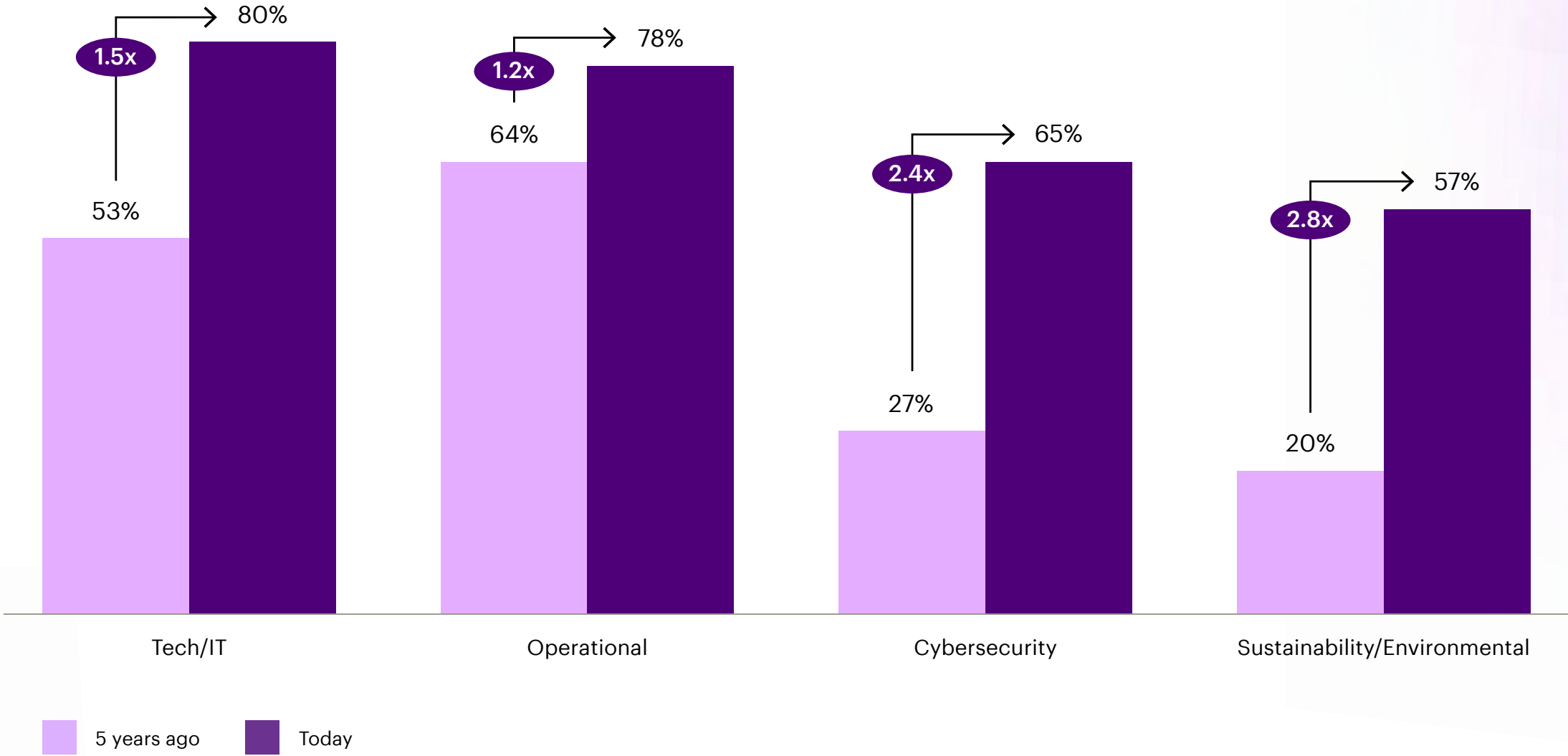
That's where external advisors and operating teams come in. With practical implementation experience and streamlined processes, these partners can help chart a course and point the ship in the right direction.

“Our diligence starts at 30,000 feet, beginning with in-depth desktop analysis, which gives us a comprehensive understanding of thematic areas. From there, we progressively delve deeper to validate the practicality of the value creation thesis.”

— Head of capital solutions,
mid-market PE firm



Figure 6:
The scope of due diligence and data needs has increased.
(% of respondents always or frequently conducting due diligence type)



Source: Accenture Private Equity Leaders Survey, 2024.

Harnessing the acumen of advisors

While spending ~1% of the total deal value on due diligence, many firms don't leverage external advisors. More than four out of 10 leaders (42%) never or only occasionally use advisors for operational due diligence. Similarly, over one-third are not tapping into experts around sustainability and environmental due diligence (see Figure 7).

On top of this, when firms are hiring external advisors, maintaining their involvement from pre-deal to post-deal execution is uncommon. Over half of the respondents (54%) say they never or only occasionally retain advisors used in pre-deal due diligence for post-deal value creation.

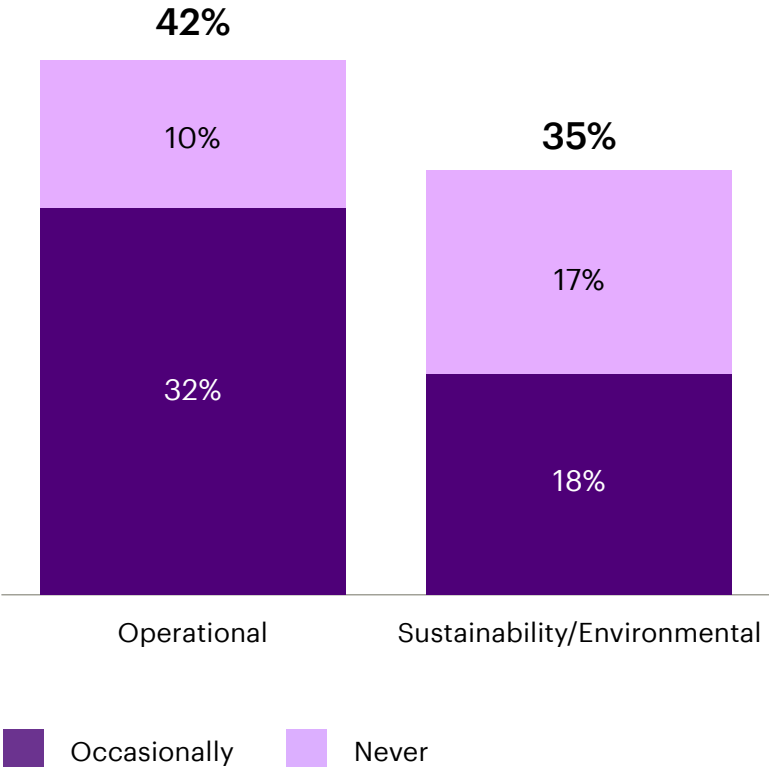
“Operating partners and specialized advisors can add value during the diligence stages, particularly in areas like technology. Matching the right specialist to pre-deal diligence activities can enhance the value creation plan.”

— Associate director, European buyouts

These advisors have proprietary data and experience, and can be the best source for accurately sizing value and costs. They can move quickly and better integrate pre- and post-deal planning efforts when engaged throughout the deal cycle.

Not only PE firms, but also their portfolio companies haven't been leveraging the ecosystem to the fullest. We analyzed the data of 515 PE-backed companies that have gone public in the last five years and looked at their partnerships until their year of listing. Notably, only 9% of PE-backed companies that we studied engaged with a managed services partner before going public.

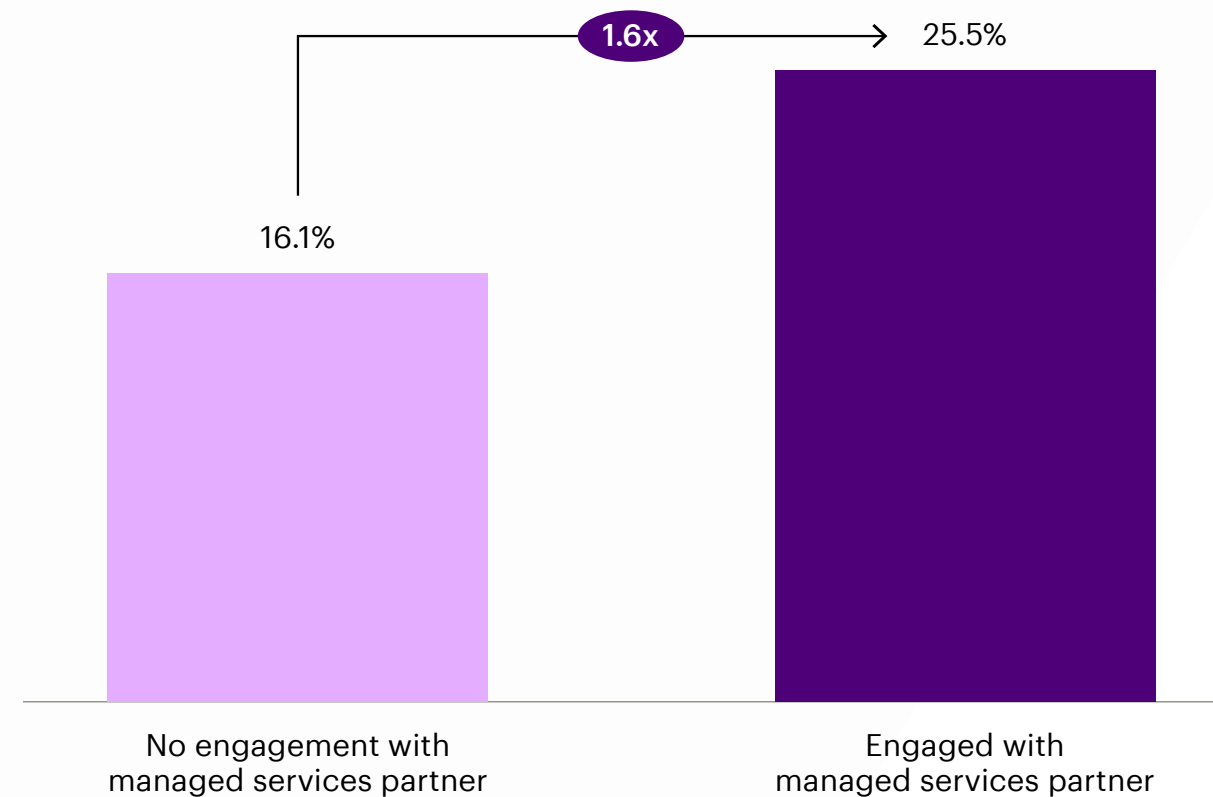
Figure 7:
Not all PE firms are using external advisors for non-traditional due diligence areas.
(% of respondents occasionally or never using external advisors, by area)



Source: Accenture Private Equity Leaders Survey, 2024.

We believe companies need to bring in the right specialists early to drive better financial outcomes on the journey to building value. **Our research revealed that companies that engaged a managed services partner before or in the year of listing registered 1.6x higher revenue growth (5-year CAGR) over companies that did not leverage such a partner (see Figure 8).**

Figure 8:
Leveraging managed services partners provides an edge in value creation.
(5-year revenue CAGR, 2018–2023)



Source: Engagement with managed services partner based on SIC code mapping leveraging Factset. The partnership data has been analyzed till the year of listing. Sample: 515 companies of which 467 companies did not engage with managed service partner before listing and 48 engaged with managed service partner before listing. S&P Capital IQ, 2024.

02 Do more with less

Leverage technology and the right team dynamics to maximize efficiency and insight.

PE firms that use advanced technologies for target screening and due diligence can work faster and drive deeper analyses.

Leveraging AI and machine learning can transform traditional due diligence by accelerating data processing and enhancing analytical insights, allowing firms to focus on strategic evaluation and opportunity identification.

We found that industry leaders recognize the far-reaching impact of technology, both during deal screening and due diligence. **An overwhelming 97% of PE leaders see at least some impact from the adoption of AI, generative AI, automation and analytics, while 62% anticipate these technologies to fundamentally transform these crucial processes.**

This enthusiasm flows into technology deployment, too. As many as 96% of leaders have increased their technology use for deal screening and due diligence, with 83% observing a moderate to significant enhancement.

Where technology can add power

We believe AI—particularly generative AI—can be a key differentiator for PE firms looking to push the boundaries of what's possible in the pre-deal stages. By partnering with leading technology providers, they can expedite routine due diligence tasks, enabling a deeper focus on strategic analyses that give more confidence in value creation areas.

Generative AI represents a clear opportunity to accelerate change and close the performance gap. Consider how Accenture is doing it for M&A and due diligence.

Accenture is one of the most acquisitive firms in the world, executing more than 30 deals per year on average. In addition, we are investing in generative AI to help our clients capitalize on AI innovation.

These two aspects come together in MergerMax Assistant—an interactive, generative AI-based application launched for our global M&A professionals in 2023.

Trained on decades of experience with thousands of documents, the application informs insights with prior learnings and acts as a team augments. As we rapidly expand the dataset and build integration for third-party data providers, we're enhancing MergerMax Assistant's response quality and functionality.

MergerMax IT Due Diligence is a generative AI-based co-pilot designed to automate diligence tasks, analyze data and report findings with impact. An important part of our end-to-end, AI-powered M&A suite, this module enables M&A professionals to work faster, cover more areas of IT and dig deeper into value creation opportunities.

Ramping up technology mastery

The key to adopting new technologies is to start with the basics and build a solid understanding. A New York-based middle-market PE firm recently engaged us to educate both their internal organization and portfolio C-suite executives on data, analytics and AI—including generative AI.

In response, we developed a series of customized sessions with tailored objectives for each of four target audience groups.

01.

Deal and operating partners:

Build a common understanding of data, analytics and AI, and how they can help drive value creation throughout the investment life cycle to stay competitive in an evolving business landscape.

02.

C-suite executives across all portfolio companies:

Leverage analytics, automation and AI to

maximize enterprise value and understand the prerequisites for enabling adoption of these technologies.

03.

Chief Technology and Product Officers at technology portfolio companies:

Understand ways to develop the right use cases and applications to stay ahead of the market and architect appropriate product and tech strategy.

04.

All technology leaders:

Establish the foundations for successful generative AI project delivery and scalability.

These workshops set a path to greater generative AI use throughout the enterprise and foster ways for leaders to put their data to use from a value creation perspective.

“We are always on the lookout for new capabilities and diligence providers that can offer a differentiated perspective on our portfolio investments. Our goal is to find innovative solutions that not only enhance efficiency but also help us get to the answers faster.”

— Partner,
mid-market PE firm

The generative AI advantage

Generative AI has the potential to automate up to 30% of due diligence tasks and augment an additional 20%, significantly cutting down the time spent on manual processes (see Figure 9). Firms can similarly realize large gains by using generative AI for deal sourcing and screening.

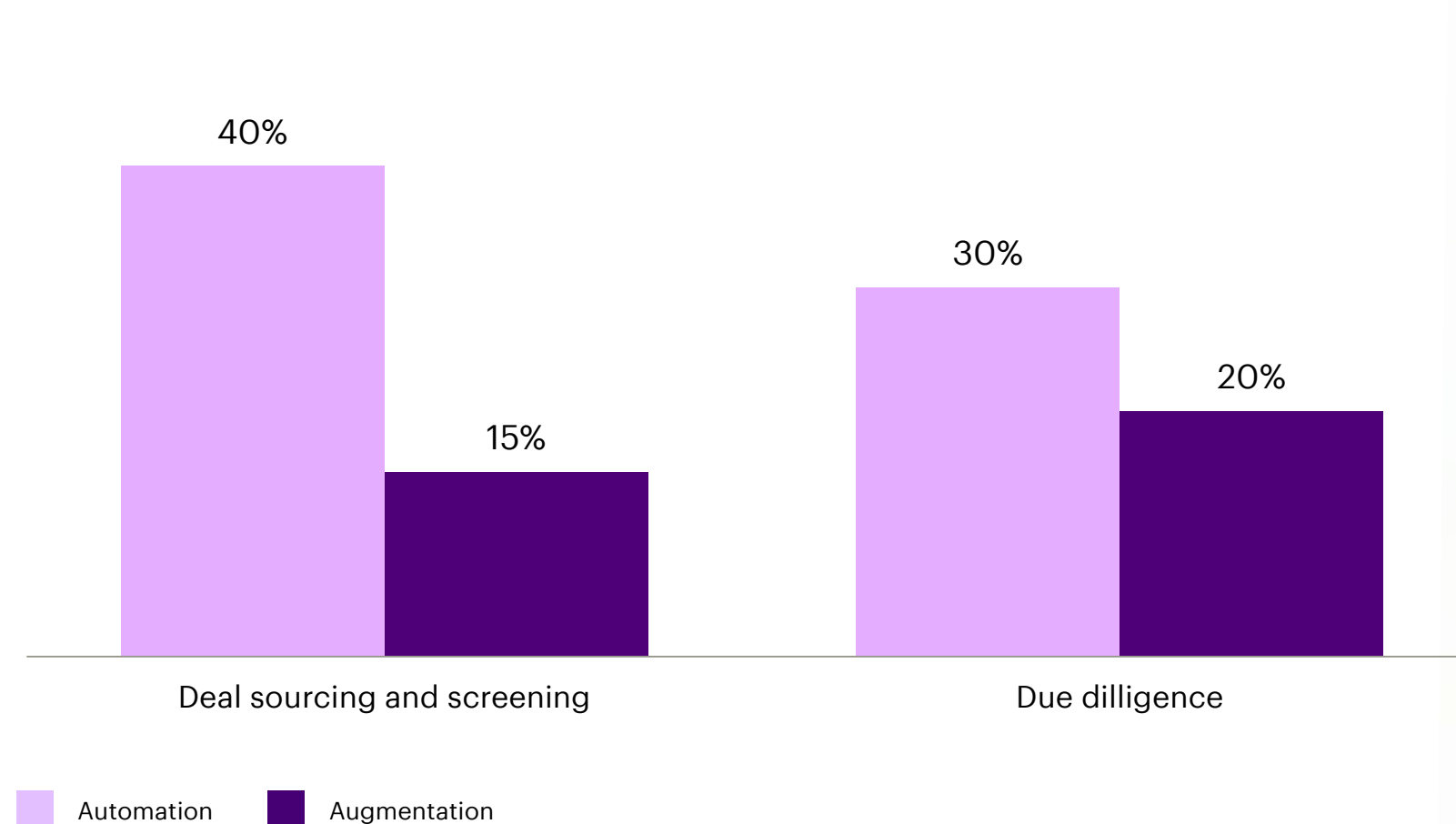
For example, it can streamline deal screening by quickly sifting through massive amounts of data to identify the best potential targets that fit investment parameters. It can also transform how firms manage their internal knowledge bases, turning archives of past deals and investment memos into insights to help drive decision-making.

By reducing repetitive tasks, generative AI and automation extend the limits of human capacity, freeing up teams to engage in higher-level analysis and strategic thinking.

This shift not only enhances operational efficiency but also broadens the scope of due diligence. Advanced analytics and AI guide teams toward areas that merit further investigation, allowing them to derive more nuanced insights.

Figure 9:

Generative AI can potentially automate 30% of due diligence tasks and augment another 20%.



Source: Accenture study, [Reinventing M&A with Generative AI](#), adapted towards PE tasks specific to deal sourcing, screening and due diligence.

Another area where generative AI can bring rich dividends is the analysis of historical deal data. Financial/quality of earnings, legal and tech/IT due diligence are the areas expected to be transformed the most by these technologies. Over the next three years, the impact of AI and automation in these areas is expected to grow, reducing the time spent on data collection and increasing the time available for deeper analytical work.

Unlocking organic growth through data and generative AI

By tapping into CRM data, firms can get a rich view of sales wins and losses, helping them understand the effectiveness of sales strategies and spot meaningful patterns. This can enable firms to more effectively build value creation plans that tailor a portfolio company's sales approaches, improve customer interactions and ultimately drive higher conversion rates.



03 Elevate leadership capabilities

Having the right leadership at the portfolio company is paramount.

Leadership gaps at portfolio companies emerged as an increasingly critical obstacle. Nearly half of the leaders (47%) list this among their top three challenges for value creation execution, compared to 18% last year.

Lack of cultural readiness also became a more significant obstacle, ranking in the top three challenges for 36% of respondents compared to 24% last year.

This aligns with the rationale that cohesive, strategic efforts—even more so than tactical improvements—require effective change management, talent development and 'team involvement' of several key leaders in the portfolio company.

With the transformative capabilities of generative AI offering significant benefits, the stage is perfectly set to pair these technological

advancements with human expertise.

Bringing the right leadership on board early can streamline operations and ensure that plans are not only envisioned but also executed efficiently.

One effective approach is bringing in a Chief Transformation Officer (CTO) from Day One. This practice, currently adopted by only 24% of respondents, helps with strategic, cross-functional oversight and transformational leadership from the outset.

The CTO is instrumental in aligning the newly acquired entity with the firm's overarching objectives, ensuring cohesive progress towards value maximization. In addition to running the value office, the CTO is a key driver of change management. This role is especially critical in deals where the sponsor pursues an ambitious and extensive transformation agenda.

Another effective model involves having an empowered operating partner who orchestrates change and holds the strategic plan together. A significant 67% of respondents now recognize the importance of identifying and engaging strong PE operating professionals for roles that evolve with the business's needs. Similarly, 60% of respondents now prioritize appointing other C-suite officers for specific roles early in the process.

“Our primary levers of value creation were talent and M&A. Talent was every bit as important, but much harder to get right and assess.”

— Operating partner, global PE firm

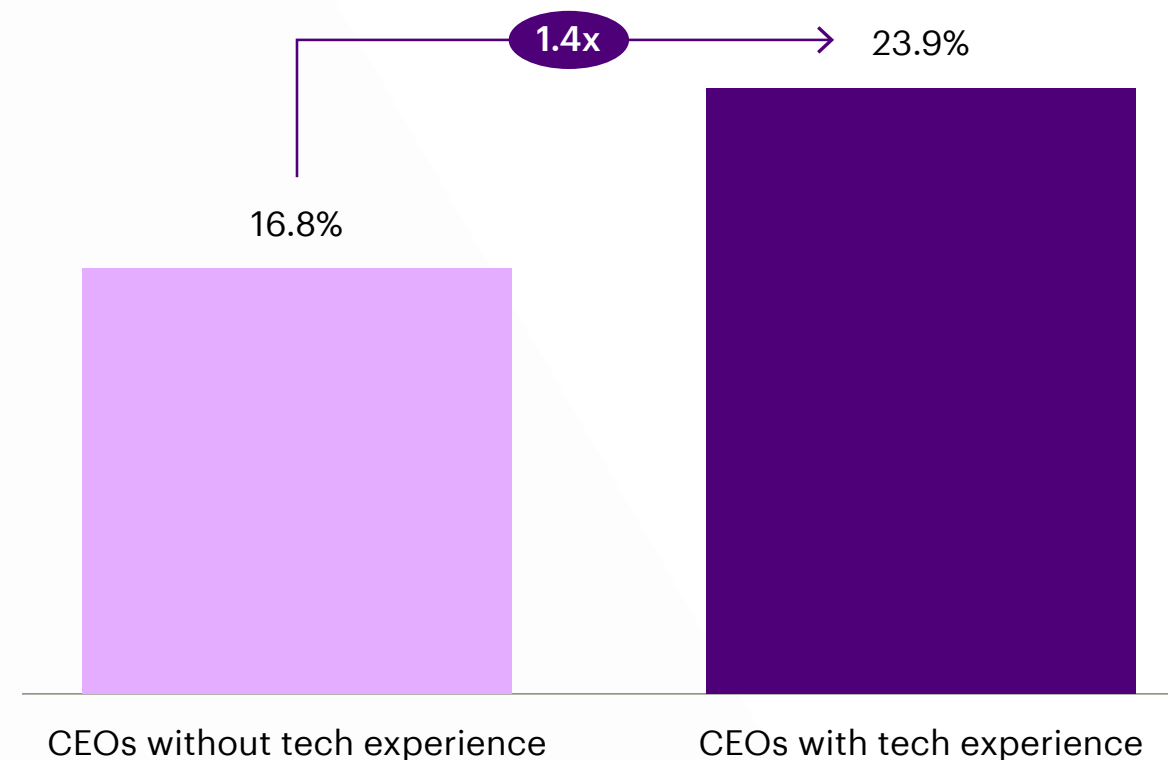
CEOs with tech savvy fare better

As rapid advances in technology become a **key disruptive force**, chief executives with a technology background can be better equipped to manage change, regardless of industry. Their prior experience gives them a distinct advantage in integrating technology, scaling technology solutions and identifying IT-related risks.

Our analysis of 689 PE-backed companies that have gone public in the past five years shows that CEOs with technology experience delivered a 5-year revenue CAGR of 23.9%. This is 1.4x more than for CEOs without a technology background (see Figure 10). Despite this, fewer than 12% of firms have a CEO with a tech background, while just ~15% of board members/CXOs have tech exposure.

Figure 10:
CEOs with a tech background deliver better topline growth.
(5-year revenue CAGR, 2018–2023)

Source: CEO profiles are sourced from S&P Capital IQ as of March 2024. Sample: 689 companies, count of companies where CEO has tech experience = 62, count of companies where CEO has no tech experience = 627. Refer: About the research



“Understanding the CEO and the leadership, assessing the team, their capability and track record are all key aspects of due diligence.”

— Director, US-based PE firm

As dawn breaks, so do the barriers to opportunity

The due diligence process has traditionally focused on evaluating an asset's viability, risks and alignment with the PE firm's investment strategy. While this risk-oriented approach is critical for safeguarding investments and ensuring compliance and legal integrity, there's a compelling case for widening the focus of due diligence to include more value creation planning.

Most investors begin value creation planning during due diligence—82% follow this practice at least half of the time.

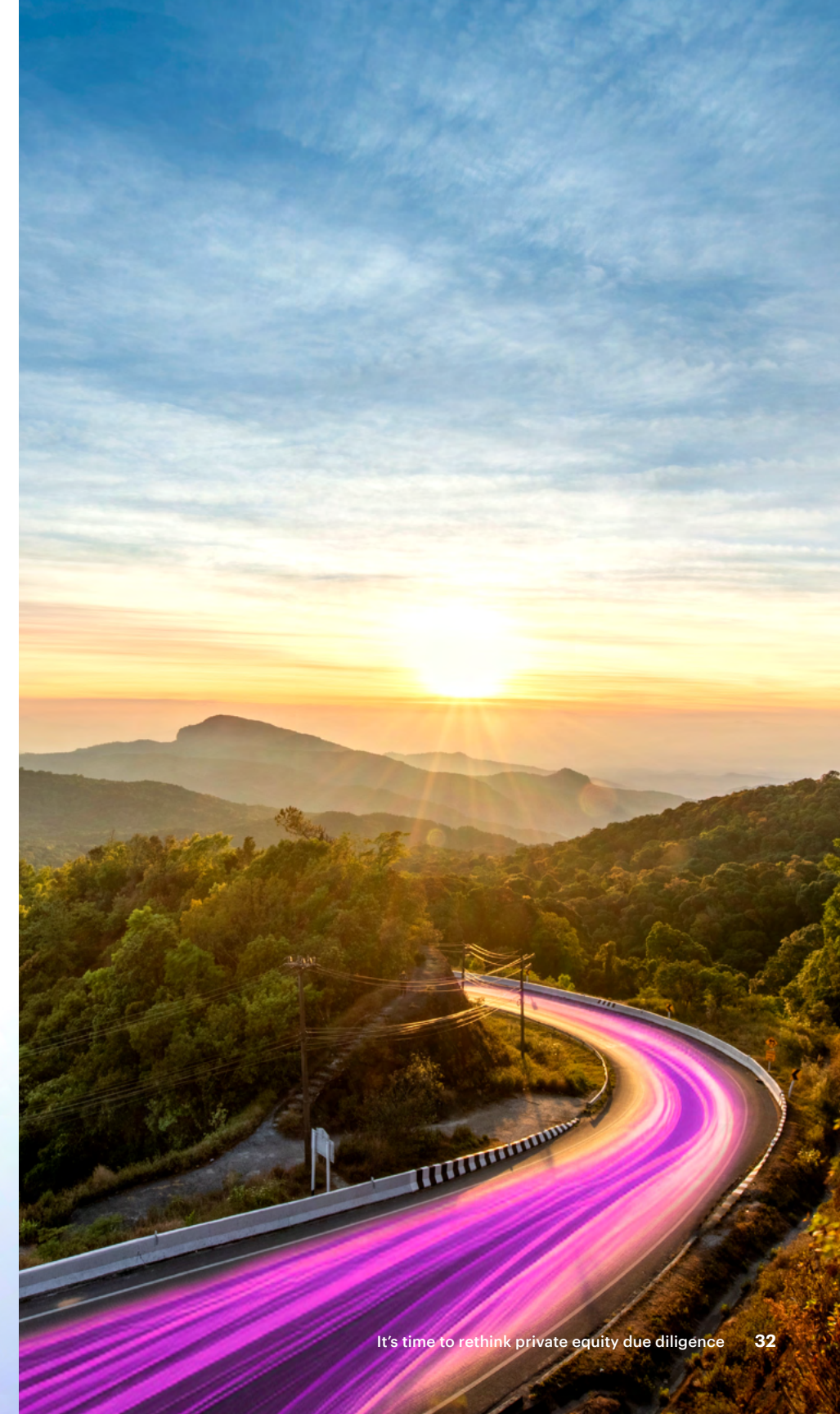
They also agree that starting value creation planning early helps them achieve better outcomes. All of them say it aids in achieving the targeted investment return at least some of the time, and 53% report it contributes most of the time or always.


Still, a substantial group of investors prioritizes identifying risks over analyzing value creation opportunities. While 40% strive to maintain equal focus on both aspects, more than two-thirds of the rest lean towards scrutinizing red flags rather than post-deal value creation. The optimal approach is a mix of offense and defense, where value creation opportunities don't get short shrift.

Whether in a time-sensitive competitive auction or a proprietary deal, PE firms need to simultaneously 'play offense and defense.'

The firms we surveyed identified six operational value creation levers they most frequently use in portfolio companies, four of which are revenue- and growth-focused: sales effectiveness and funnel conversion, cross- and up-selling, revenue model and geographic expansion. Both within a value creation lever and across them, firms need to balance defensive and offensive strategies to maximize deal value while managing risk.

For example, when firms look at the potential risk of customer or product concentration, they should also evaluate the selling resources and capabilities needed to diversify markets. Another top lever is headcount optimization. While looking to right-size a department, it's critical to consider not only the potential benefits, but also how any reorganization introduces risks or compromises other value creation activities.





Pre-deal value creation planning enables investors to clearly ascertain if the target company has the necessary resources and operating model to pull the agreed upon levers. It allows firms to move faster and bring in the capabilities and leadership needed to manage the change.

This approach ensures that the right management and incentives are in place and all parties have a shared vision for sustainable success.

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- 6 Accenture, [Conquering the next value frontier in private equity](#), 2023.
- 7 Ibid.
- 8 Sourced from KKR: [Creating an ownership culture](#), retrieved June 3, 2024.

About the research

The findings in this report are based on the following research streams:

Primary research

Private equity leaders survey: Central to our research is a global survey of 251 senior PE professionals from North America (46%), Europe (34%) and Asia Pacific (20%), all from firms managing at least \$5 billion in assets, who engage in dealmaking and investment decisions for buyouts. The survey was conducted between March and April of 2024. The sample covered PE firms with \$100bn+ in AUM (13%), \$50-99.9bn (9%), \$25-49.9bn (21%) and 5-24.9bn (57%).

Interviews and case studies: We conducted expert interviews with external private equity and internal Accenture specialists. This was complemented by desktop research for case studies.

Secondary research

Accenture analysis based on the following data sources: Factset, Moody's News Edge Data, Pitchbook, Preqin and S&P Capital IQ.

Analysis of earnings call transcripts and media articles: 27 GPs' earnings call transcripts and media articles (using Moody's News Edge Data) were analyzed. Accenture leveraged proprietary data science tools and Generative AI (Gemini 1.5 Large Language Model).

Productivity analysis: We evaluated more than 19,000 tasks from almost 1,000 occupations from O*Net, the primary source of occupational information in the United States. Applying a Private Equity relevant task layer, we tagged each of those

tasks by the levels of proactive reasoning, interpersonal communication and expert validation they required. Based on the tagging combination, we identified tasks that had potential for productivity improvements—through a combination of both augmentation and automation—from generative AI.

Analysis of CEO, board, CXO technology experience: Accenture Research analyzed the professional background of all board members and key C-level executives. A total of 9,470 executives—from 1,398 PE-backed companies that have gone public in the past five years—were analyzed. Board members comprise of independent and non-independent members of the board including chairs. CXOs include Chief Executive Officer, President, Chief Finance Officer, Chief Operating Officer, Chief Investment Officer, Chief Accounting Officer, Chief Information Officer, Chief Administration Officer, Chief Legal Officer, Chief Compliance Officer and Chief Marketing Officer.

For this analysis, we define board members with technology experience as those who meet at least one of the following criteria:

- They have technology responsibilities (e.g., Chief Information Officer, Chief Technology Officer, Chief Digital Officer) at their current company or had such responsibilities in previous companies.
- They have or had senior responsibility at a technology firm.

How we can help

Accenture Private Equity partners globally with PE clients across their investment life cycle. We provide end-to-end services that span due diligence and deal support, transition and transformation planning, as well as portfolio company value creation, using proven solutions underpinned by digital and technology. In addition to supporting the investment life cycle, we help PE firms reinvent the ways they create value through scaled portfolio capabilities, shared services and access to leading ecosystem partners.

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Accenture Research creates thought leadership about the most pressing business issues organizations face. Combining innovative research techniques, such as data science led analysis, with a deep understanding of industry and technology, our team of 300 researchers in 20 countries publish hundreds of reports, articles and points of view every year. Our thought-provoking research developed with world-leading organizations helps our clients embrace change, create value and deliver on the power of technology and human ingenuity.

About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services — creating tangible value at speed and scale. We are a talent- and innovation-led company with approximately 743,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology and leadership in cloud, data and AI with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients reinvent and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

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