What Multi-Business Firms Can Learn From Private Equity Contributions to Portfolio Company Performance

Private equity firms have a long history of investing in and improving the performance of portfolio companies. In recent years, multi-business firms have increasingly turned to private equity for help in improving the performance of their own businesses. This trend is likely to continue in the coming years as private equity firms continue to develop new and innovative ways to help companies improve their performance.

There are a number of reasons why multi-business firms can benefit from working with private equity firms. First, private equity firms have a deep understanding of the factors that drive business performance. They have a team of experienced professionals who can help companies identify and address their key challenges. Second, private equity firms have a track record of success in improving the performance of portfolio companies. They have a proven ability to help companies grow sales, improve margins, and increase profitability. Third, private equity firms can provide funding to help companies invest in new growth initiatives. This can be a valuable resource for companies that are looking to expand their business or enter new markets.

Managing Diversified Portfolios: What Multi-Business Firms Can Learn from Private Equity (Contributions to Management Science) by Daniel O. Klier

★★★★★ 5 out of 5

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There are a number of specific ways that private equity firms can help multi-business firms improve their performance. These include:

- **Improving operational efficiency.** Private equity firms can help companies improve their operational efficiency by identifying and eliminating waste. They can also help companies implement new processes and systems that can improve productivity.
- **Growing sales.** Private equity firms can help companies grow sales by developing new marketing strategies, expanding into new markets, and acquiring new customers. They can also help companies improve their customer service and salesforce effectiveness.
- **Improving margins.** Private equity firms can help companies improve their margins by reducing costs and increasing prices. They can also help companies negotiate better deals with suppliers and customers.
- **Increasing profitability.** Private equity firms can help companies increase their profitability by improving their operational efficiency, growing sales, and improving margins. They can also help companies make strategic acquisitions and divest non-core businesses.

Multi-business firms that are looking to improve their performance should consider working with a private equity firm. Private equity firms have a deep understanding of the factors that drive business performance, a track record of success in improving the performance of portfolio companies, and the ability to provide funding to help companies invest in new growth initiatives.

Case Study: How Private Equity Helped a Multi-Business Firm Improve Its Performance

One example of how private equity can help a multi-business firm improve its performance is the case of Newell Brands. Newell Brands is a global consumer products company with a portfolio of brands that includes Sharpie, Paper Mate, and Rubbermaid. In 2016, Newell Brands was struggling to grow sales and improve margins. The company's stock price had been declining for years, and the company was facing increasing competition from online retailers.

In 2017, Newell Brands hired a private equity firm to help improve its performance. The private equity firm worked with Newell Brands to develop a new strategic plan. The plan focused on improving operational efficiency, growing sales, and improving margins. The private equity firm also provided Newell Brands with funding to invest in new growth initiatives.

The new strategic plan has been a success. Newell Brands has improved its operational efficiency, grown sales, and improved margins. The company's stock price has also rebounded. In 2021, Newell Brands reported its highest sales and profits in the company's history.

The case of Newell Brands is just one example of how private equity can help a multi-business firm improve its performance. Private equity firms have a deep understanding of the factors that drive business performance, a track record of success in improving the performance of portfolio companies, and the ability to provide funding to help companies invest in new growth initiatives. Multi-business firms that are looking to improve their performance should consider working with a private equity firm.

Private equity firms can be a valuable resource for multi-business firms that are looking to improve their performance. Private equity firms have a deep understanding of the factors that drive business performance, a track record of success in improving the performance of portfolio companies, and the ability to provide funding to help companies invest in new growth initiatives. Multi-business firms that are looking to improve their performance should consider working with a private equity firm.

Here are some additional resources that you may find helpful:

- Bain & Company: Private Equity Performance Improvement
- McKinsey & Company: How Private Equity Creates Value
- Boston Consulting Group: Private Equity & Principal Investors

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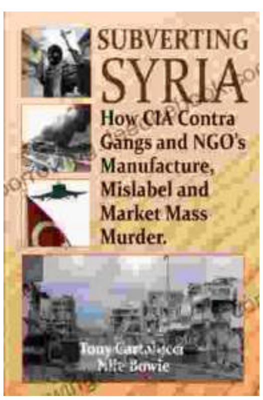

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