

Making the value-creation playbook executable

Most private equity firms have a value-creation playbook. Far fewer can apply it consistently across a portfolio, because the judgment that makes it work sits with a handful of operating partners.

01

The playbook is a summary, not the method

A typical playbook lists levers: pricing, procurement, working capital, commercial excellence, add-on acquisitions, management upgrades. It reads well in a fundraising deck. In practice the value comes from knowing which lever to pull first in which kind of company, what signals show it is working and when to stop.

That knowledge belongs to operating partners and deal teams who have run the same lever many times. It is transferred through apprenticeship and board conversations, and it is lost when those people leave or when the firm grows faster than they can travel.

02

What operating partners actually decide

Behind each lever sits a set of judgments that rarely make it into the playbook.

Diagnosis: which symptoms in the first 100 days point to which lever.

Sequencing: what has to be true before a pricing or procurement program can start.

Thresholds: the leading indicators that show a program is on track or should be stopped.

Management fit: when to back the existing team and when to change it.

Precedent: what happened in earlier portfolio companies with similar profiles.

03

Portfolio data is not portfolio knowledge

Firms have invested heavily in portfolio monitoring: monthly KPIs, dashboards and board reporting. These show what is happening. They do not explain what the firm believes should be done about it, or why the same KPI movement led to different actions in two companies.

An AI assistant connected to the monitoring data can describe trends. It cannot recommend the firm's response unless the firm's diagnostic logic, thresholds and precedent are available to it in a governed form.

04

From playbook to operating system

Making the playbook executable means capturing the decision logic behind each lever: the diagnostic questions, the evidence that answers them, the thresholds the firm uses and the earlier cases it learned from. Each element has an owner among the operating partners and is updated as new portfolio companies teach the firm something new.

The result is that a deal team working on a new acquisition can see how the firm has approached similar companies, a portfolio company CFO can see what the firm expects from a working-capital program, and an AI agent preparing a board pack can flag where performance diverges from what the playbook predicts.

Where to start

Choose one lever the firm uses often, such as working capital or pricing, and two or three portfolio companies where it has been applied. Reconstruct the decisions made along the way with the operating partner involved, turn them into explicit diagnostics and thresholds, and test them on a current portfolio company. The firm ends with an asset it can use in diligence, in the first 100 days and in fundraising.

Bring us one consequential decision.

Penomic makes a financial institution's definitions, policy, precedent and judgment usable by people, models and agents, with provenance on every output.

Request a private briefing at penomic.ai/contact · More research at penomic.ai/insights