CASE STUDY

HIRING OPERATING ADVISORY TALENT

HUNT PARTNERS

LEADERSHIP
EMERGENT INDIA

OPERATING ADVISORS, IN THE CONTEXT OF PRIVATE EQUITY

An Operating Advisor is a senior member of the industry who is appointed on a part-time basis to support a Private Equity fund's investment in a sector. The lineage of this individual can be the same as a board member reflecting domain expertise, industry connect and a successful track record of delivering performance. This individual can be an executive or a non-executive, with no current conflict to the fund's target sector. A fund can utilize such talent during any point of their investment life cycle, including due diligence, closing the transaction and post transaction performance management.

ROLE OF THE OPERATING ADVISOR

Operating Advisors provide strategic guidance and operational expertise, drawing from their past extensive executive experience. They shape strategic direction, drive innovation, and foster growth. Leveraging their network, they open doors for business development and partnerships as well as act as personal advisors at times, to promoters of these businesses. They are brought in for their influence during inflections and or defining business situations, such as, fund raising, technology as an offering, product or business diversification and growth. They eventually become essential enablers of success, ensuring long-term sustainability and competitiveness.

HUNT PARTNERS

LEADERSHIP
EMERGENT INDIA

USE CASES OF APPOINTING AN OPERATING ADVISOR

Due Diligence: Review of assumptions made into the business plans and financial models including costs, growth estimates and future returns.

Business Performance: Competitive dynamics, Commercial risks and Contracts are the three main areas that an Advisor may need to look at from time to time basis. Advisors, may or may not be utilised for leadership hiring. Initiatives.

Business Strategy: Identification of any significant area in business that may lead to shifts in the business model, a.k.a. technology, supply chain disruption, consumer demand curves, M&A activity, listing, hiring a CEO/MD, and such.

Mentor: Playing the role of a 'fund representative' available to the promoters of the business to solution for possible bottlenecks.

COMPENSATION ADVISORY FOR OPERATING ADVISORS

Industry segments such as Green Hydrogen, Semi-Conductors, Solar, EV, Smart Meters, Fleet Management and Warehousing are areas where there has been recency of such hires.

Senior Advisors in India, prefer a per meeting fee more so because this helps them create parity with other engagements.

Depending on the nascency of the business in India, Expat Operating Advisory Talent can also be considered with some prior working knowledge of India/South Asia/South East Asia markets. Yes, there is availability of such talent that Hunt Partners is in the know of.

HUNT PARTNERS

LEADERSHIP EMERGENT INDIA

"OPERATING ADVISORS PLAY A CRITICAL ROLE IN BRIDGING THE GAP BETWEEN FINANCIAL INVESTMENT AND OPERATIONAL EXECUTION. IT IS A VALUE ACCRETIVE ROLE WHERE ONE'S INDUSTRY EXPERTISE, OPERATIONAL EXPERIENCE, STRATEGIC GUIDANCE AND NETWORK CAN BE USED MOST EFFECTIVELY FOR PRIVATE EQUITY PORTFOLIOS. THEY ARE NOT TO BE CONFUSED WITH NON-EXECUTIVE DIRECTORS ON THE BOARD. EACH YEAR, HUNT PARTNERS EXECUTES 2-3 SUCH ENGAGEMENTS FOR OUR CLIENTS WHICH ALLOWS US THE OPPORTUNITY TO GAIN TREMENDOUS INSIGHTS INTO THE WORKING OF A NEW INDUSTRY IN INDIA AND GLOBALLY."

- HUNT PARTNERS