

## Case Study:

# Higher sale price for portfolio company by including “Vendor Due Diligence Leadership, Team & Organization”

### THE CHALLENGE

A private equity-owned portfolio company preparing for exit lacked a structured approach to showcase the value of its (i) senior leaders, (ii) management team, (iii) organization and (iv) talents. Information about these areas was incomplete, subjective, and inconsistent in quality.

Senior leaders faced challenges in presenting compelling, credible narratives about their strengths. They had fragmented and misaligned views on leadership, team, and organizational capabilities, which increased the risk of being perceived as not in control of these areas, potentially leading to a lower sale price.

In contrast, conducting a “VDD – Leadership, Team & Organization” was estimated to increase the final sale price by an additional ~2%.

### OUR WORK

Working closely with the portfolio company's management team, we:

- Applied our structured "VDD – Leadership, Team & Organization" approach, ensuring an efficient process that effectively demonstrated the value of leadership, team, talent and organization.
- Qualified the process with evidence-based tools and provided third-party objectivity, a key factor valued by potential buyers.
- Guided and inspired leaders on strengthening their leadership, team, and organization, ensuring they were positioned to take the company to the next level.
- Prepared and rehearsed the management team for a compelling and well-aligned presentation on leadership, team, and organization, reinforcing consistency and future value to buyers.
- At the final stage of the sales process, the two remaining buyers were each given a dedicated one-hour Q&A session with Valesco, alongside the corporate financial advisor and private equity firm.

The entire VDD process was completed in just four weeks, with each senior leadership team member investing a total of five to eight hours.

## THE RESULT

The portfolio company strategically elevated how it presented its leadership, management team, talent approach, and organizational design to potential buyers.

By proactively showcasing the company's leadership, team, and organization as tangible assets, the "VDD – Leadership, Team & Organization" initiative significantly contributed to securing a higher sale price. Conducted by Valesco as an independent third party, this approach increased credibility and strengthened the company's market positioning.

## VALUE PROVIDED

**Attractiveness:** Completing a “VDD – Leadership, Team & Organization” positioned the portfolio company as well-managed and ready for future growth.

**Transparency:** The systematic, evidence-driven approach built trust and transparency with buyers, addressing a domain that is often assessed subjectively.

**Negotiation Leverage:** Robust, data-backed insights into leadership, team, and organization justified a higher asking price.

**Risk Mitigation:** By proactively identifying risks, opportunities, and areas for improvement, the company demonstrated self-awareness and a commitment to continuous improvement, which reassured buyers and minimized uncertainties.

**Management Presentation:** Senior leadership was well-prepared, aligned, and able to present a compelling narrative about their individual strengths, the team, and the organization.

The VDD increased *the company's perceived value, recognizing that people and leadership dynamics play a crucial role* in investment decisions.

If you would like to get full insight into how the “VDD – Leadership, Team & Organization” was conducted, including details on its content and reporting, I invite you to book a 45-minute virtual call on this link: [Call: Detail insight into VDD - Leadership, Team & Organization](#) or contact Ulrik Langermann, Valesco, at +45 2723 6165 / [ul@valesco.dk](mailto:ul@valesco.dk)



- We are a boutique consultancy focused primarily on "Due Diligence, Post-Acquisition and Vendor Due Diligence for Leadership, Team, and Organization"—these are our core services.
- Our proven approach is grounded in extensive research and evidence-based methods.
- With over a decade of experience, we have successfully completed more than 350 assessments and +25 M&A due diligences and post-merger integrations.
- Our clients, the leaders and talents who undergo our approach trust us, especially as we do not engage in or offer any search or recruitment services.