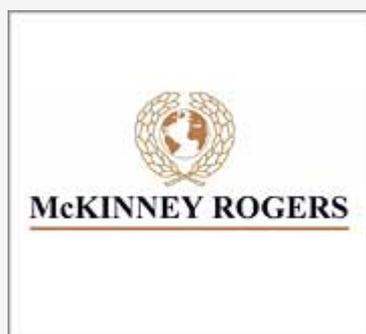


Business Leaders Expect No Growth from the Private Equity Market Over the Next 12 Months, Shows New Research

NEW YORK, N.Y., April 8 (SEND2PRESS NEWSWIRE) – An international survey launched today by global business performance consultancy, McKinney Rogers, finds that senior business executives believe the private equity market will remain stagnant for at least the next 12 months. The research report, called “Private Equity – Perception and Reality” was conducted online with senior executives in the USA, Europe, Africa and Asia Pacific.



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While an encouraging three quarters (70%) of respondents recognize the beneficial impact of Private Equity (PE) investment, they all agree that the market will not grow at all over the next 12 months and that it will only ‘grow a little’ for two years after that.

Although the credit squeeze (71%) and economic uncertainty (68%) were cited by most respondents as the major cause of the private equity slowdown, those from Africa and Asia Pacific see this as having significantly less of an impact than those in the USA and Europe. This suggests that PE firms could conclude a greater proportion of deals in Africa and AP, raising the prospect of even less business investment in the USA and Europe where the credit squeeze has already hit hardest.

Questioned on the magnitude of the problems facing organizations that want to use private equity as a means of funding their business, nearly 80% point to a lack of available cash – especially within Europe – while all regions agree that PE firms will now be very selective about the deals they do. American respondents think that employee resistance to PE funding is quite a large problem, compared to the other regions. Potential problems with trade unions are also a consideration, cited by more than one-third (37%), with Africa in the lead.

Commenting on the research, Damian McKinney, CEO of McKinney Rogers, said: “The results of this research highlight that without significant growth potential to rely on, the emphasis of PE firms should now be on managing and running the companies and assets that have already been acquired. This switch in emphasis from transaction to management skills is at the heart of the changed environment that private equity funds now face, and success in making

this transition is likely to define the industry's winners going forward.

"A significant challenge for any acquirer of a business lies in understanding how to get to grips with and where appropriate, change the leadership, strategy and business culture of the company. It is vital that teams have clarity of vision and are set guidelines and performance expectations, as well as tangible reasons for working to this standard. By understanding what is expected of them while being given the freedom to execute missions in the way they best see fit, a sense of ownership is developed, leading to an increase in motivation and performance.

"Over half (53%) of respondents highlight the worth of management expertise that PE firms can bring to companies and it is these skills that PE firms need to build on now to gain a competitive edge."

For a copy of the report, Private Equity – Perception and Reality, please email MCKR@PortfolioComms.com or telephone +44(0)20 7240 6959.

About McKinney Rogers

McKinney Rogers is a global business performance consultancy which specializes in helping clients execute their strategy to its full potential effect and thereby deliver extraordinary results.

Working with its clients to drive year-on-year increases in their business performance and to build a platform for sustainable growth, McKinney Rogers uses the concept it has developed of Mission Leadership(R), which embeds clarity and ensures alignment throughout its clients' organizations.

The Mission Leadership approach is intensely practical, involving tools, methodologies, leadership and team behaviors and performance tracking technology that enables organizations to deliver superior results cost effectively.

For more information please visit www.mckinneyrogers.com.

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