

Carve-out Consultants for Private Equity



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In the current climate, companies are navigating ongoing **uncertainty**. Many are expecting interest rates to remain high for some time and, in preparation, are looking for alternative ways to access capital. To do this, executive teams are electing to sell non-core assets to achieve their strategic goals and set themselves up to weather a potential recession.

Meanwhile, **private equity firms** have record levels of dry powder and are **well-positioned** to purchase these assets at a reasonable price. Operationally focused PE firms in particular are actively looking for interesting investment opportunities where they can put their playbook to work.

But a lot goes into making these carved-out assets valuable — in many cases, the PE firm is tasked with standing up an entirely new business, starting with the core infrastructure including finance and accounting, systems, and IT. From here, teams prioritize various work streams depending on the strategic vision of the new business, from operating model transitions and standing up new processes to fresh-start accounting and cost take-out initiatives. Then there's the question of *who* to bring on to execute and manage these high-priority tasks.

The carved-out company rarely gets a full management team or the resources required to tackle the complex tasks at hand, so much of this work requires consulting support. But today, not all firms are leaning on traditional, high-end firms for that support. Instead, they're choosing to hand-pick **independent consultants** with specific operating expertise to stand up various functions quickly and effectively.

Independent Carve-Out Consultants

Here's a look at the two main reasons independent consultants are ideal for carve-outs.

1. Access precise skill sets while improving project management.

To manage your carve-out effectively and ultimately help the company grow and become a leader in its market, you need to access specific skill sets across several areas. This is difficult to find at a management consulting firm, which is often a team of generalists who may lack hands-on experience executing carve-out workstreams.

By leveraging independent consultants, you're able to select an individual or a team with direct and relevant operating experience. Cherry-pick the precise expertise you need based on backgrounds and niche project experience — for example, experience implementing a specific ERP or setting up new finance processes and reporting — to create your ideal bespoke team. You can also leverage an independent resource for a Program Manager or Interim Chief Transformation Officer to quarterback the process and help you stay on track.

2. Drive realized value creation quickly.

Volatile market conditions, a competitive environment due to new consumer behaviors, and access to technology are reasons why **private equity** leadership teams face pressure to realize value creation across carve-outs on accelerated timelines. This "**push for accelerated value creation**" requires teams to manage operational, system, and process improvements more efficiently and effectively than ever before.

Quick access to subject matter expertise can drive an accelerated value-creation plan. Due to functional work experience (often at Fortune 500s and "Big 3" firms), **independent consultants** act as point solutions and can be dropped into projects quickly to flex teams up and down and drive value.

When using a **Marketplace like Catalant**, top-tier independent consultants are waiting in the wings. And there's **no substantial lead time** like there is at a traditional firm. Simply interview and hire independent consultants all in one place, and they can hit the ground running in less than three weeks (or, in some cases, days) so they can begin delivering value across your carve-out.