

HIGHER ECHELON™

Developing High-Performance Organizations



A Holistic Training Approach for
Portfolio Company Growth

HIGHERECHELON.COM



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Private equity portfolio companies face extreme pressure to perform and achieve challenging objectives year after year. A recent survey by Alix Partners discovered 58% of private equity CEOs are replaced within two years of investments, and throughout the lifetime of the private equity firm's holding, 73% of CEOs transition. This turmoil can stifle company growth, reduce innovation, and increase risk.

However, it is not a bad news story for everyone. Leaders who consistently thrive in this highly competitive environment master *resilience and adaptability*. Fortunately, through specialized training based in sport and performance psychology, these characteristics can be developed. The characteristics serve as a common language in the leaders' performance-oriented cultures and help drive them to exceed their targets while developing their teams. With the current pandemic, productivity disruption has become the norm, and the pace of change has accelerated at a punishing rate. The winners in today's business environment will ultimately apply high-performance skills to thrive

Pandemic Impact on Business, and the Expectations of Leadership Teams

According to a study by McKinsey Consulting, the six most-profitable industries have added \$275 billion a year to their expected economic-profit pool, while the bottom six have lost \$373 billion.

Some companies find themselves having the potential to benefit financially during pandemic response while entire sectors are facing a crushing financial downturn and the threat of bankruptcy. Regardless of which side you find your company on, a common theme is the rapidly *accelerating pressure and increasing expectations of leadership teams* to adapt and perform using new methods in unpredictable situations.

What is the unique window of opportunity that this presents for you and your organization? And how are you preparing yourself and the people on your team to thrive in unprecedented times?

amidst the setbacks and instability associated with uncertain times.

It Starts With Leaders

An organization's high-performance journey starts with its leaders, who must embody high-performance habits to drive organizational excellence and model high impact behaviors for their teams. Observations suggest many company leaders believe that they can easily incorporate the lessons into their leadership model by reading the latest leadership book. Unfortunately, and for often very legitimate reasons, most leaders lack the accountability and expertise to apply high-performance skills and ultimately regress to their old habits. There is a reason the best athletes in the world, such as Tiger Woods, have a swing coach and Peyton Manning had an offseason quarterback coach, to help them develop the resilience and adaptability needed to win. Performance psychology enjoys increasing relevance because the same mental and emotional skills that work for professional athletes are the same ones that work for professional business people.



When the owning private equity firm planned to exit, the Precision Diagnostics leadership team needed to prepare for rapid and substantial growth. The CEO credits HigherEchelon's long-term partnership with helping them achieve:

- *The company's best two years in growth and revenue since its inception.*
- *Maintenance of a 30% growth trajectory for the past 3 years.*
- *Precision's EBITDA has more than doubled in each of the last two fiscal years through our partnership and other related factors.*



Resilient and Adaptable Leader© Program



THE RAL© PROGRAM FOCUSES ON TRAINABLE PERFORMANCE SKILLS THAT SUPPORT CONSISTENT, HIGH-PERFORMING BEHAVIORS THAT LEAD TO THE CLIENT'S DESIRED BUSINESS OUTCOMES.

HigherEchelon's Resilient and Adaptable Leader© (RAL) Program suggests a different training approach that enables leaders to navigate today's complex business environments. The RAL© program develops high performing leaders armed with knowledge, awareness, and training in skills such as psychological hardiness, grit, attention control, and advanced goal-setting skills. Research has shown that enhancements in these mental and emotional skills drive business outcomes such as growth, innovation, increased productivity, and change management. RAL© was developed by leaders for leaders, and is delivered by an expert staff that includes seasoned corporate and military leaders - many with combat experience - and experts with Ph.D.'s in human performance, sports psychology, organizational behavior, and educational psychology.

A Customized Approach

The RAL© program is different from other leadership programs. Instead of focusing on traditional leadership skills alone, it treats leadership as a performance and focuses on the mental and emotional skills that form the foundation of high performance. While based in science, the program is not academic-heavy, as it was developed and facilitated by seasoned instructors with applied experience in high-pressure situations. Through on-

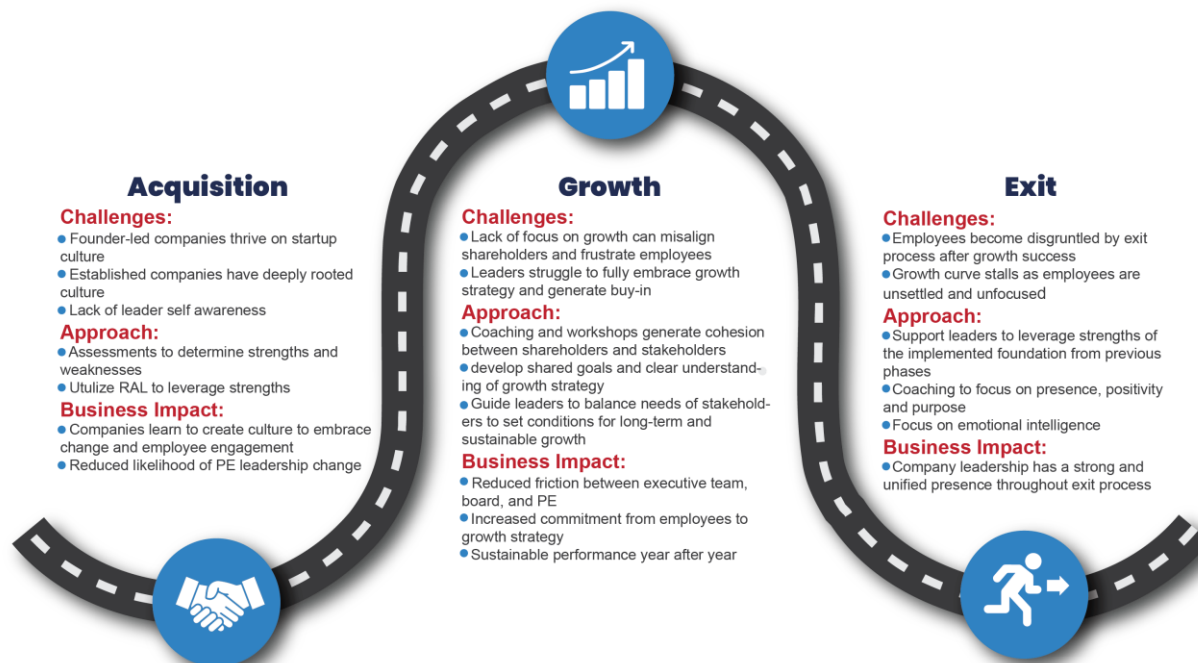
stryker®

"We overcame so much doubt, rejection and negativity to build trust, lasting relationships, manage change, and improve our overall culture, and **finished with our best year ever.**"

—General Manager, Stryker

going training and coaching, high-performance behaviors become habits and result in measurable results, ultimately leading to the business outcomes clients desire. RAL© is not a "one and done" approach. Instead, it is an investment in people as the driving force for organizational excellence.

The customizable curriculum includes approaches to common issues such as managing change, improving employee engagement, resolving conflict, managing stress, providing effective feedback, determining leadership and decision-making styles, motivating the workforce, and establishing a winning culture. Due to the nature of private equity ownership, these challenges are native to a portfolio company's lifecycle, and if not addressed, can lead to poor results.



COMPANIES ACHIEVE POSITIVE BUSINESS IMPACTS THROUGHOUT THEIR PE LIFECYCLE THROUGH HIGHERECHELON'S TAILORED APPROACH TO DEVELOP HIGH-PERFORMING LEADERS

Service Offerings

HigherEchelon provides support to companies tailored to their corporate lifecycle phase and strategic goals. Through an initial assessment, HigherEchelon determines strengths and weaknesses and works with executive leaders to implement the plan to build high-performing organizations. Throughout the process, HigherEchelon coaches executive leaders to implement consistent and productive behaviors. This combination of training and quality coaching can produce powerful results. According to a Personnel Management Association internal report, individuals who received training combined with coaching increased their productivity by an average of 86%, compared to increases of only 22% with training alone. According to the Hay Group, it is perhaps not surprising that between 20% to 40% of Fortune 500 companies use executive coaching as part of their standard leadership development for executives and up-and-coming leaders.

HigherEchelon's clients often say they most value the end-to-end, comprehensive approach that is customized to align with their business objectives, which can deliver impacts within a trusted partnership.



HYSTER-YALE

GROUP

"To this day, I still utilize the training and techniques we worked on together. **It was the best coaching I've ever received** in my 35 years as a Manager and Sales Representative."

— Hyster-Yale Area Business Manager



Getting Started with HigherEchelon

With every new partnership, HigherEchelon helps companies explore immediate needs through an initial scoping exercise to understand the company goals and current hurdles to achieving those goals. Based on this scoping exercise and assessment, HigherEchelon then develops a plan to meet the company's needs in a phased, tailored approach addressing prioritized issues one at a time. Often the senior leadership team recognizes the value in expanding the breadth and depth of the HigherEchelon services throughout the organization. For example, a portfolio company

may begin with a focused intervention to enhance team performance within a specific project team, and then realize their current culture is misaligned, sparking a further engagement with HigherEchelon to design and implement a culture change process. HigherEchelon team members become valued colleagues of the company, delivering services and offering insights based on trust and expertise. The table below displays some services and tasks HigherEchelon provides to develop a high performing company. HigherEchelon delivers services on site, virtually, or in a hybrid format based on customer preferences and needs.

SERVICE OFFERING	TASKS ASSOCIATED WITH THE SERVICE OFFERING
Assessments and Diagnostics	<ul style="list-style-type: none">• Create and conduct executive leader interviews (CEO Interview, Executive Level Focus Groups)• Construct and administer surveys based on customer goals (e.g., Cognitive Behavioral Assessment, MBTI, DiSC, Korn Ferry viaEDGE, Envisia Learning's View Suite 360, Hogan EQ report, Keirsey, et al.)• Analyze survey results• Use data analytics to derive insights• Provide recommendations to customer for solutions
Change Management	<ul style="list-style-type: none">• Assess current environment and needs• Administer assessment instruments and analyze results• Coach leadership on the change management process by phase (i.e., Pre-Launch, Launch, Execution, Sustainment)• Provide 7 proven tools to facilitate change / OCM toolkit• Assess progress at critical stage gates to determine opportunities and challenges
Culture Transformation	<ul style="list-style-type: none">• Determine the existing culture• Outline and codify the organization's aspirational culture• Develop, deliver, and execute the Organizational Change Management (OCM) Plan• Develop, deliver, and execute the Strategic Communications (STRATCOM) Plan• Review the distribution of resources
Embed & Reinforce	<ul style="list-style-type: none">• Review the allocation of resources in the organization• Conduct a behavioral assessment of senior leaders and what behaviors they model• Assess HR processes• Analyze the organizational design and structure• Conduct a skills assessment and identify training gaps• Coach leaders on how to confront and tend to employees who are not on board with change• Conduct a bottom-up review of policies, procedures, and practices to assess whether they are consistent with the change
RAL©	<ul style="list-style-type: none">• Conduct strategic interviews to identify customer priorities and needs• Deliver a customized 1–3-day experiential in-person or virtual workshop focused on developing mental and emotional skills for high-performance• Administer workshop impact assessment post-workshop
Executive Coaching	<ul style="list-style-type: none">• Individual Coaching• Group Coaching• Mastermind Groups

Please get in touch to begin your company's journey to reach the next level of performance.

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Trusted Partners in Organizational Excellence