

# Navigating Uncertainty: Value Creation gains pride of place

June 2025



After five years of macro whiplash – COVID, Brexit, supply chain chaos, conflicts in Ukraine and Middle East, inflation, interest rates, tariffs... it's safe to say that uncertainty, or indeed permacrisis, is the new normal. Against this backdrop, how does PE drive meaningful growth?

There have been some key themes that have emerged in recent months (weeks even) which support this assertion: value creation is more critical than ever. And getting it right depends on quickly adapting to external shocks and building resilient, agile portfolios with multiple “ways to win” and that includes having a robust, collaborative approach across the fund – where investment committees, deal teams, and operating partners are working as one.

Here are a few of the winning themes (or trends) we've observed so far this year:

## Doubling down

With deal volumes remaining low, funds are increasingly focused on value creation (and preservation), developing strategies to allow assets to achieve their full growth potential. I was surprised to learn from one of the panel discussions at the PEI Operating Partners Conference in May that the number of in-house PE operating roles has more than doubled since 2021, and this trend is expected to continue. However, collaboration between investment and operating teams remains a friction point at many firms, with some operators feeling like “second-class citizens” and investment teams questioning operators' impact.



Growing the value creation team is not enough. Actively translating the investment thesis into a driver-based value creation model is best practice. The funds in which Investment Committee, Deal Teams and Operating Teams are aligned and communicating consistently are winning.

## Increasing the runway

There has been much talk of the rise of the secondaries in recent years. Notably, Inflexion closing the largest continuation vehicle in Europe last month. The £2.3 billion fund will provide four Inflexion portfolio companies with the opportunity to continue their growth plans with a particular focus on M&A.

This includes a robust, collaborative approach across the fund – where investment committees, deal teams, and operating partners are working as one.

## Key Levers for Value Creation

In the short term, getting the basics right and protecting the asset is crucial. Pricing discipline, cost discipline, and customer retention are the levers with the highest impact. Equally important is ensuring the finance function meets PE standards, with many funds focusing on post-deal finance reviews. The increasingly important topic of cybersecurity also requires attention, with many funds upping their efforts to understand the risks among their portfolio and seeking assurance to preserve current and future value of an asset.

## Conclusion

PE is built to thrive during periods of market disruption, and the long-term winners will be those who have a clear strategy and are executing on it, but as we often say in PE, what got us here, won't get us there – the strategy is changing – and value creation is now core to it.



## Contact us



### Miles Davies

**Partner, Private Equity  
Value Creation**

**T:** +44 7786 336140

**E:** miles.davies@kpmg.co.uk



### Sara Ellison

**Director, Private Equity  
Value Creation**

**T:** +44 7468 700037

**E:** sarakathleen.ellison@kpmg.co.uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

**Document Classification: KPMG Public**

Create: CRT162405 | June 2025