

Leading practices in Private Equity

AI: The real story in
Private Equity

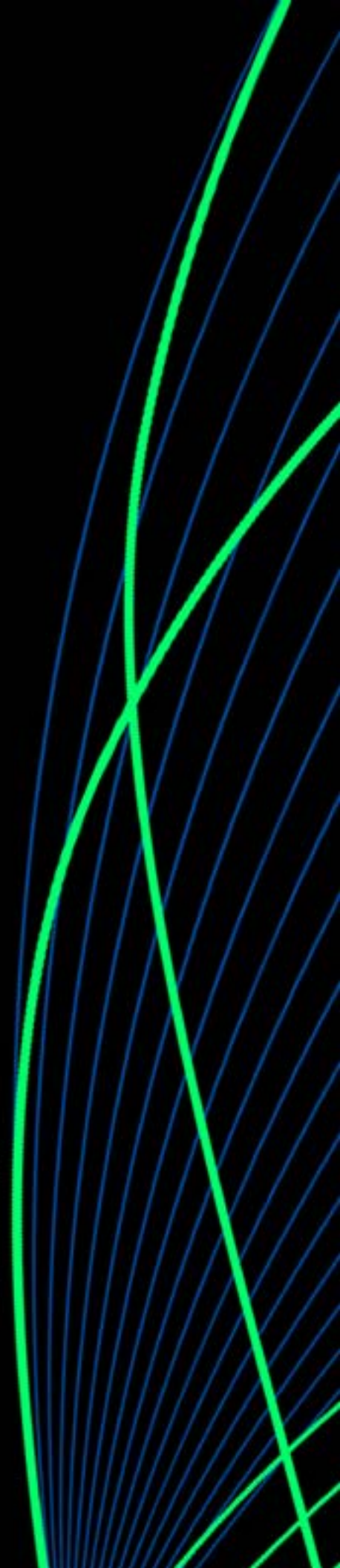


Trying to be best practice everywhere is the worst practice of all

Artificial Intelligence is in every business conversation—in private equity (PE) and otherwise—for good reason. Our research and recent survey show that leading firms are investing in AI, but not in the way the headlines might have you believe. The real story isn't about AI's swooping in to 'save the day.' Neither is it about companies that pour money into AI and get little from their investments. It's about how the smartest firms are using AI in targeted, practical ways to get more out of their investments and sharpen their competitive edges.

In just a few months, the AI conversation has shifted from enthusiasm to anxiety. There's growing skepticism—perhaps we should say realism—about AI, and a growing awareness that the road to success begins by identifying the business problem that needs to be solved. Success comes when firms treat AI as a tool, not a strategy in itself, and focus on where it can truly move the needle.

Decades of AlixPartners research on PE leadership show that talent and expertise form the bedrock of value creation. We've seen firsthand that the best results come from coupling AI with human expertise. AlixPartners' handbook [Practical AI for Private Equity Operating Partners](#) reveals specific ways PE firms are using this powerful technology to achieve real efficiencies and accelerated value creation.

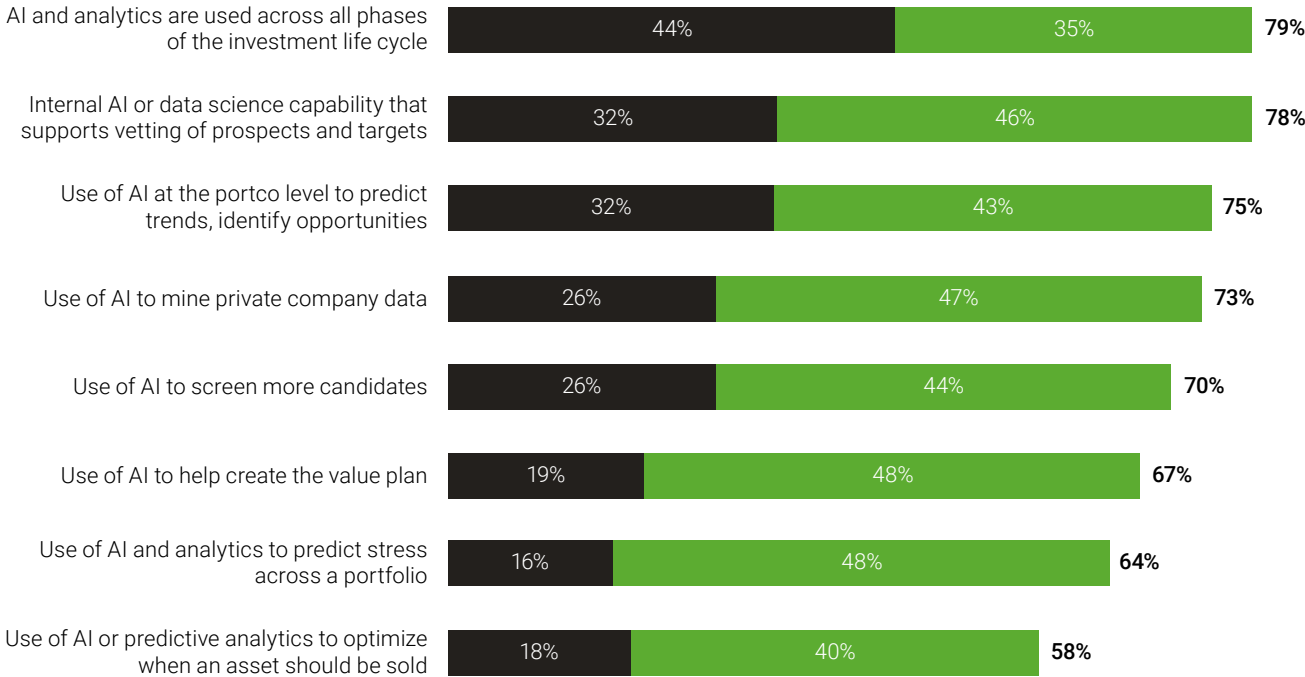


AI's role: Powerful, but not the whole story

Our research and analysis into best practices in private equity, based on a [survey of PE executives](#) confirms that leading firms see AI as important. Eight of the 57 top-rated practices, or one out of seven, is AI related. The highest-scoring best practice? The use of AI across all phases of the investment lifecycle—from searching for potential acquisitions to concluding successful exits. It's a game changer for deal sourcing by helping teams scan mountains of data in seconds, spot trends, and surface opportunities that might slip past even the sharpest analyst. AI has similar value in vetting prospects, [due diligence](#), and [post merger integration](#) by enabling those measures to be accomplished much more quickly, so that portfolio company (portco) leadership and operating partners can get on with the work of value creation.

AI is also proving its worth by being able to both predict stress across portfolios and identify growth opportunities for portcos. In the right hands and with the right expert guidance, AI equips operating partners and executives with tools for foresight as well as hindsight, thereby leading to better discussions, better plans, and better outcomes.

Leading practices that mention AI across the deal life cycle



Survey responders strongly agree (leading practice)
 Survey responders somewhat agree

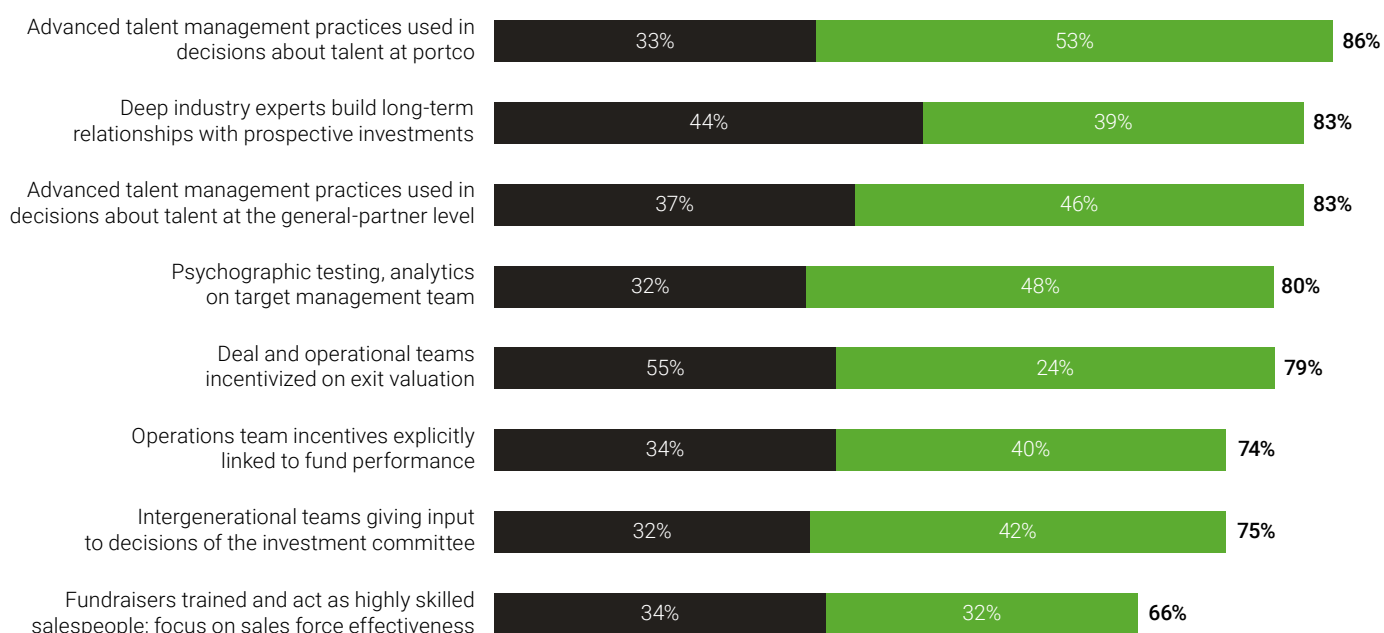
Other responses allowed: Neutral, somewhat disagree, strongly disagree (basic, table stakes), not familiar. Max: 100%

Humans are still the real differentiators

As we highlighted in '[The Human Antidote to AI Hype](#)', what sets leading firms apart from the rest isn't just their investment in AI, but how they blend their investments with human judgment and expertise. The real magic happens in the use of AI to *amplify* human judgment, not *replace* it.

Similarly, our survey of leading PE practices found that human capabilities such as advanced talent management, deep industry knowledge, and close collaborations consistently score higher (66-86%) than AI capabilities (58-79%).

Leading practices: Humans are still important



■ Survey responders strongly agree (leading practice) ■ Survey responders somewhat agree
Other responses allowed: Neutral, somewhat disagree, strongly disagree (basic, table stakes), not familiar. Max: 100%

[Decades of AlixPartners research on PE leadership](#) show that talent and expertise form the bedrock of value creation.

Looking ahead: The real future of AI in PE

The story of AI in PE is still being written. We're in a moment of healthy skepticism in which the hype is giving way to hard questions about what really works. Will AI indeed save the day? Not on its own. But what's becoming obvious is that the firms that will win are those that combine the best of both worlds: harnessing AI's power while doubling down on human expertise. The real differentiator will lie in the ways firms blend technology and talent to create value in ways that neither technology nor talent could achieve alone.

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ABOUT US

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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