

2020 Asia Private Equity Survey



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Executive Summary

The inaugural Oliver Wyman, Marsh and Mercer Asia Private Equity survey explores the changing areas of concern for senior private equity (PE) executives. We polled more than 40 funds operating in Southeast Asia, Hong Kong and China for their views on topics ranging from insurance to culture to operations in order to understand their priorities in the year ahead.

The overarching theme of our survey this year was ‘value creation in the post-COVID-19 era,’ as well as the resulting shifts in priorities at the funds’ portfolio companies.

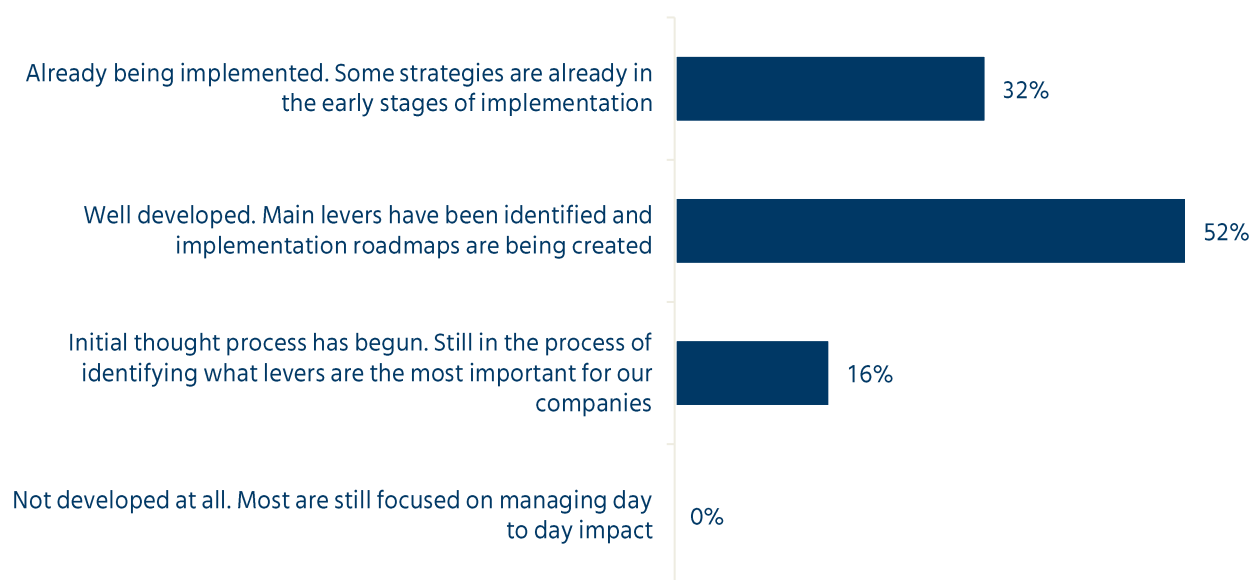


All of our respondents shared the same outlook: the impact of COVID-19 is here to stay for the long term, and short-term actions would likely be insufficient to result in sustainable value creation (or even value preservation).

Short-term recovery plans have been put into place

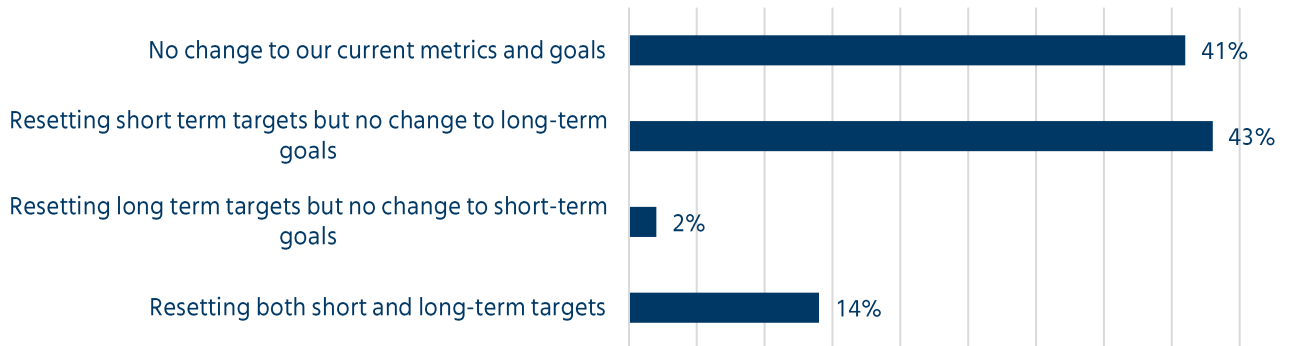
Responses to mitigating the impact of COVID-19 on businesses have been swift and (likely) effective. Most operating heads are confident in their organization’s ability to deliver on the basic commercial levers (such as cost reduction and channel optimization) in the short term, with most plans already entering the implementation phase.

Figure 1: Most COVID-19 response plans are in place



Confidence is high that the situation is under control; funds expect some short-term impact, but limited long-term value impact.

Figure 2: Long-term incentive plans are not changing



Deeper transformation are now critically important

Post-COVID, the importance of rapid but sustainable transformation has emerged as a critical action point. These areas have long been on PE funds' radars but have taken on a heightened level of importance in an uncertain environment, where rapid adaptation and change is synonymous with value.

We see two major areas of transformation that have taken centre stage, both of which funds have highlighted an uncertain ability to deliver.

Digital transformation

Digitization has been a priority among funds' ambitions for their portfolio companies, but in light of COVID, this has become one of the most important areas for immediate action.

Unlike commercial levers, though, most funds have indicated this is not an area they have confidence in delivering. The critical gap between ambition and skill set is concerning, but can be an opportunity for those fastest to bridge the gap.

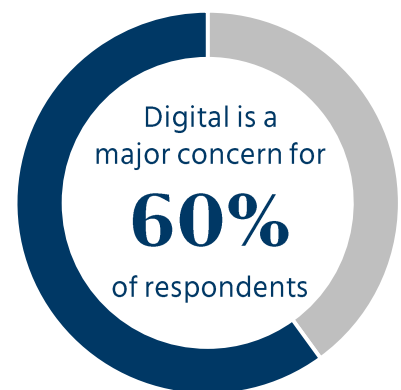
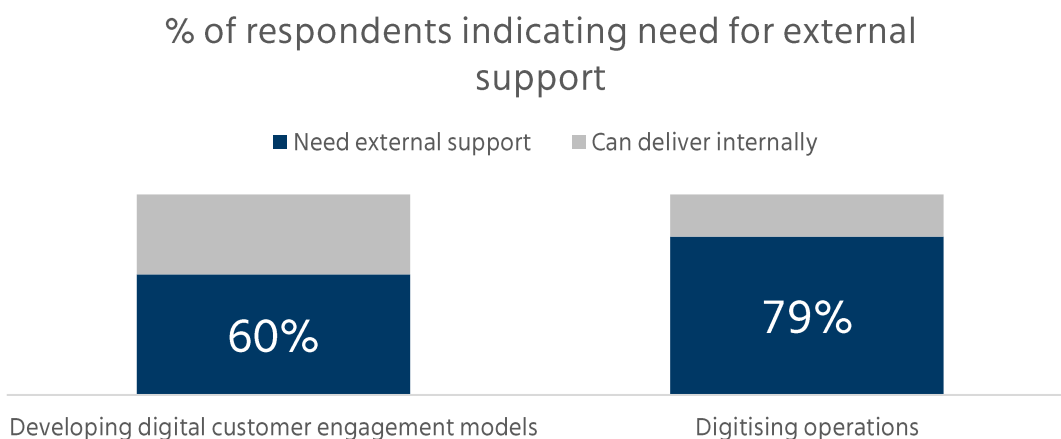


Figure 3: Majority see a gap to deliver digital transformation - most require external assistance



Workforce transformation

As organizations look to digitize their operations and customer engagement models, they must also transform their workforce to adapt to these new business models. A majority of the respondents indicated that improving productivity through artificial intelligence (AI) and automation is their top workforce priority. Eliminating or automating administrative tasks will allow employees to spend more time reskilling and delivering the digital transformation agenda. Most respondents also expect to restructure or reorganize their workforce and permanently adopt flexible working arrangements as a direct impact of COVID-19.

Top 4 workforce priorities largely induced by COVID-19



Please refer to appendix for full details.

Leadership and culture alignment

Cultural and leadership alignment issues have been cited as the top two reasons that hamper value creation for portfolio companies.

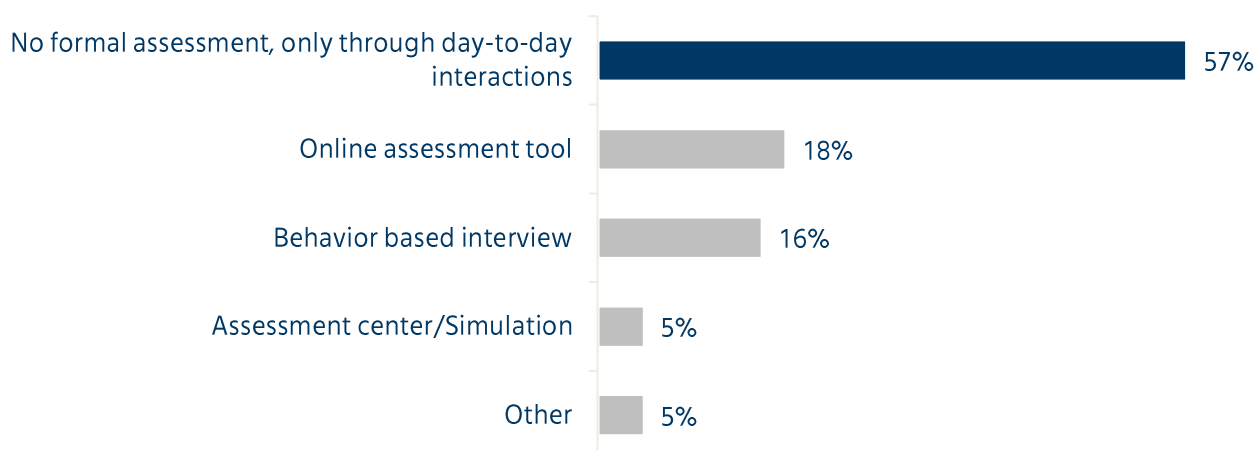
However, 57% of companies still do not conduct any formal competency based assessment to evaluate leaders when acquiring companies.

Most significant post-close issues



Please refer to appendix for full details.

Figure 4: No structured or formal assessment of leaders



This issue is further exasperated by the fact that only slightly over half of the surveyed companies have a clearly identified successor or a pool of external talent that can be tapped on if the incumbent leaders leave.

Figure 5: Areas included in a company's succession plan



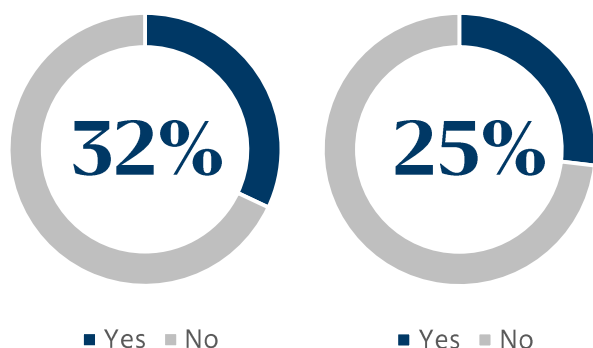
Cybercrime on the rise

Non-traditional insurance (for example, for crime and cyber) that reimburses for financial losses has not historically been the primary lever many portfolio companies have used, despite over 30% of respondents reporting a financial loss in the past three years due to crime or cyber breaches.

Incidence of cybercrimes is increasing during COVID-19 and while employees are working from home¹. Non-cyber-related crimes are also occurring among white-collar workers due to the perceived higher independence of a remote working arrangement.

In the past three years, 32% of survey respondents report at least one portfolio company experiencing crime-related financial losses. One-quarter of respondents have at least one portfolio company that has experienced a cyberattack. In the COVID-19 era, we observe a notable and growing claims trend.

Figure 6: Proportion of survey respondents reporting financial losses in a portfolio company from crime (LHS) And cyber incidents (RHS)



Unforeseen financial losses in the course of business naturally affect a portfolio company's financial performance. So it is natural for funds to consider risk-transfer tools to ensure a steadier stream of returns

Looking at the evolution of the crisis, COVID-19 has clearly shaken up the traditional models under which value is developed and sustained in a financial PE investment, and new toolsets are required to ensure companies perform as expected in this new normal. However, where there are challenges, fast movers will be able to uncover considerable opportunities from this turmoil to deliver a better level — and quality — of performance.

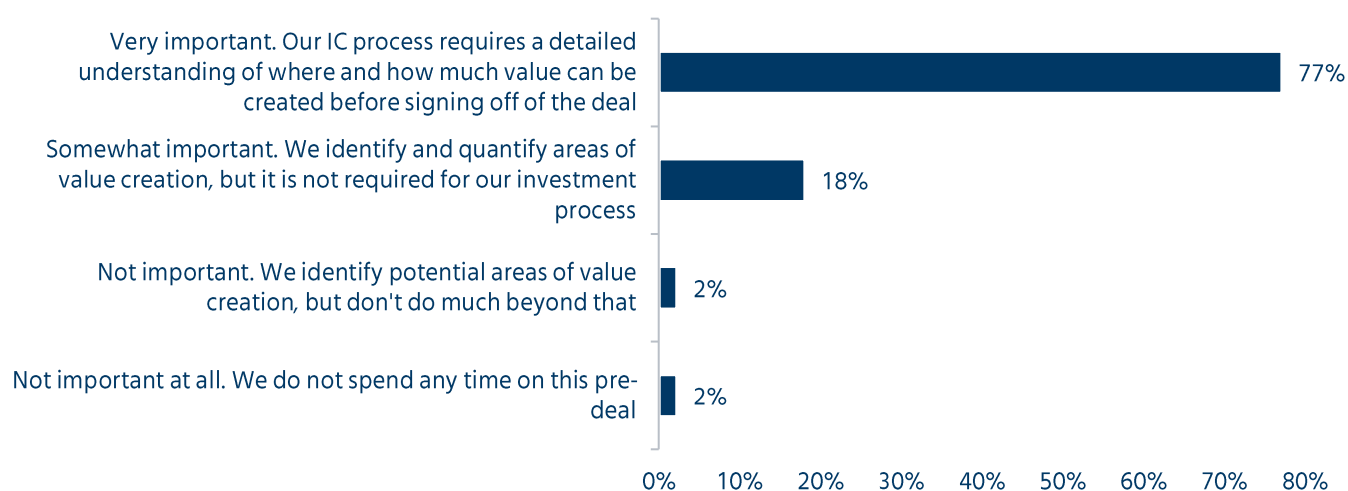
¹ The Business Times dated 12 October 2020 <https://www.businesstimes.com.sg/asean-business/the-threat-of-cyber-attacks>

1. Short-term recovery plans have been put into place

Although Asian countries continue to tackle COVID-19 with varying success, there is limited evidence to suggest economies will return to pre-coronavirus levels anytime soon. Many of our PE clients recognize this, and we observe a marked departure from pre-COVID tactics in preparing for exits and assessing investment targets. Clients are now re-adjusting their portfolio companies' value-creation strategies as exit horizons continue to extend and are developing a detailed value-creation plan for their Investment Committee (IC). Many of our commercial due diligence projects conducted during the COVID-19 period are much more focused on identifying value-creation levers and sizing potential opportunities than in the past.

Figure 7: Value creation plans are now more important than ever

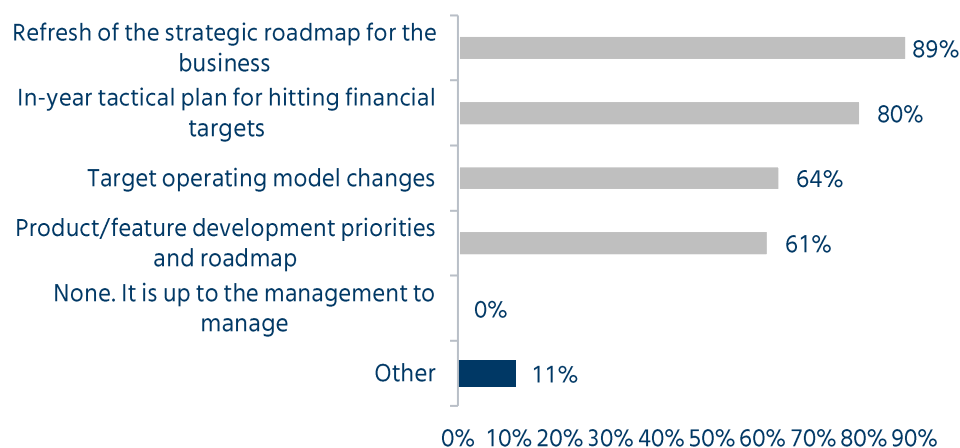
As we transition to a post-COVID-19 world, how important will pre-deal value creation plans be to organisations' typical investment thesis?



In recent transactions we have been involved in, we noticed that though a refresh of the target's strategic road map remains a top priority for most funds, more effort is spent on developing in-year tactical plans for hitting financial targets compared to previous years. This can be largely attributed to the uncertainties created by the pandemic, and therefore, a renewed discipline post-deal in setting realistic milestones and coming up with a tactical plan nimble enough to respond to external changes.

Figure 8: Strategic road map remains the top priority ... but in-year tactical plans are now critical to manage against changing post-COVID macro environment

What are the typical plans/road maps that organizations either actively control, or work very closely with management to put in place once the deal has been finalized?



Other includes:

- Company Organization Structure & Management Hiring
- Governance, Control & Compliance
- Key executives assessment & development
- Organization / Top Talent Development Plan
- Selection of suitable management team

Private equity sponsors that put in the work for value creation are also well-rewarded for their efforts — 50% of survey respondents suggested that by actively steering the portfolio company post-deal, the company EBITDA is estimated to increase by 15%+ above the management plan. The first step toward achieving this is considering potential value-creation levers (see examples in Figure 9, with more focus on capturing COVID-related opportunities such as changing customer preferences), but the ability to tailor the plan based on the company's specific circumstances is critical in generating lasting value. In recent conversations with sponsors and portfolio company CEOs, we saw many examples of a thoughtful approach to steering the company during the COVID era: a traditional offline consumer lender accelerated its plan to pivot to its online business; a retail business exercised more discipline in rationalizing store footprint and managing its store expansion; and a global logistics company re-priced offerings across freight corridors.

Figure 9: Active steering of portfolio companies is key to significant EBITDA uplift
Historically, how much has organisations' funds benefitted from having active control/strong steering of value creation post-deal?

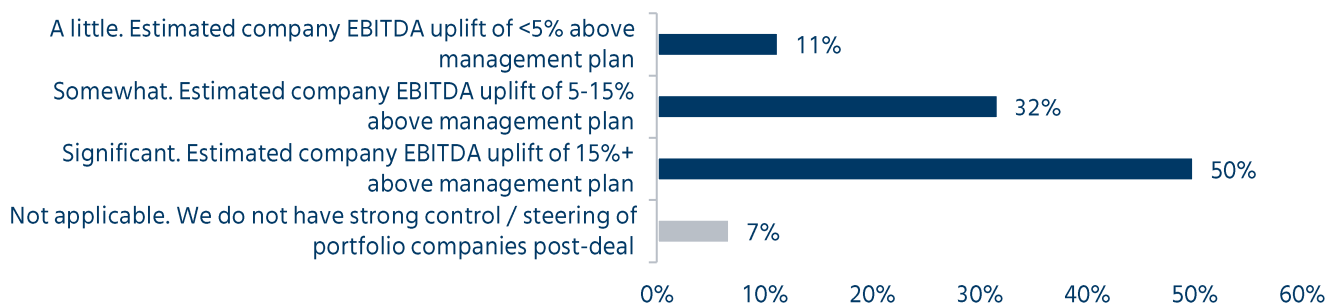


Figure 10: Capturing changing customer preferences to win in a post-COVID world
What are the most important value creation levers for organizations' portfolio post-COVID-19?



Although PE sponsors are generally quite familiar with the typical value-creation levers, their confidence in creating value internally without external support varies. For the more basic tactics — such as reducing costs, gaining competitors' customers in the coming market upswing, business continuity planning — respondents exhibited a high degree of confidence. But for others - such as digitizing operations, developing digital customer-engagement models, developing new propositions or even executing bolt-on acquisitions - respondents are generally less confident in creating value without external help.



Figure 11: Private equity sponsors are confident in delivering the basis aspects of value creation plan but less so for other areas
How confident are organisations to extract value from the levers chosen in the previous question?

	Confident that we can deliver this without external help	Confident that we can deliver this, but only with external help	Not confident that we can deliver this
Gaining competitors' customers in the coming market upswing/recovery	88%	12%	0%
Developing new product propositions given customers' changing requirements	44%	56%	0%
Optimizing channel strategy given changing purchasing behaviors and/or expanding into new channels (e.g. e-commerce, online selling)	61%	35%	4%
Developing digital customer engagement models	40%	60%	0%
Acquisitive growth, taking advantage of distressed market conditions to perform bolt-on acquisitions	60%	27%	13%
Divestment of assets / businesses that are considered non-core	--	--	--
Aggressive cost reduction	94%	6%	0%
Protection of value (e.g. insuring against potential risks)	50%	50%	0%
De-risking the business / business continuity planning	83%	17%	0%
Digitizing operations to e.g. enable remote working	21%	79%	0%
Other	--	--	--

As the COVID-19 pandemic unfolds, its impact on portfolio companies will continue to evolve and play out differently for each company. PE sponsors will need to act now, and there is little margin for error. Savvy sponsors and companies managers are beginning to engage more with external parties on unfamiliar areas. During this unprecedented crisis, getting value creation right and get it done quickly is becoming ever more critical.

2. Digital transformation

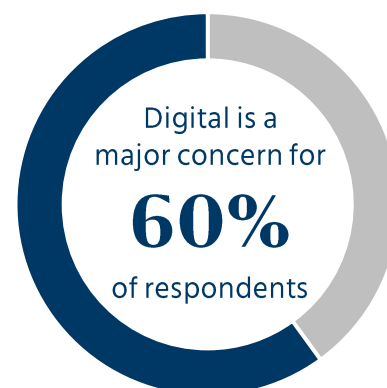
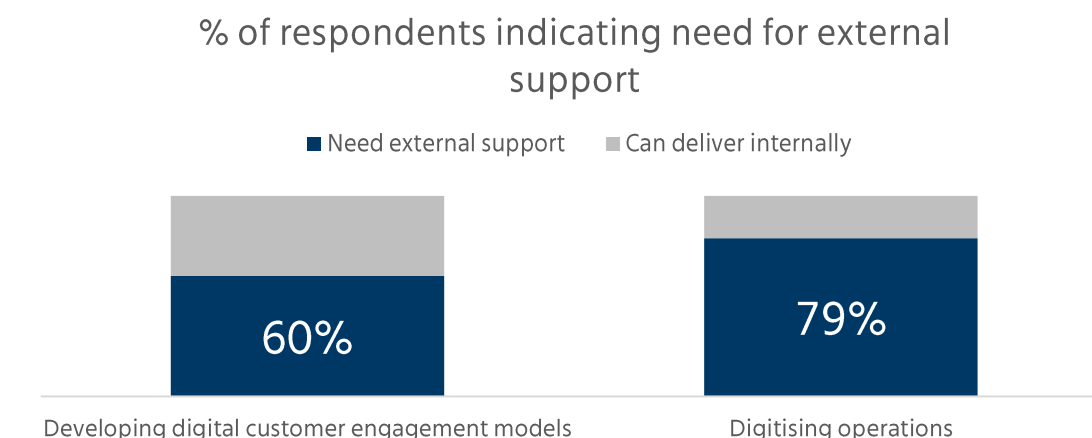
‘Digitization’ has long been a hot agenda item for PE sponsors and portfolio companies, even before the COVID days. Previously, portfolio company CEOs we spoke with often looked at digitization with a healthy dose of scepticism and saw its role as a ‘nice to have’ rather than a ‘must have.’ It has been a subject of frequent debates during management meetings. But the tone has since shifted during COVID and digitization is now a matter of survival.

Such conversations typically centre on two aspects: externally, companies are thinking of new ways to engage customers where a high touch, in-person approach may no longer be an option; internally, the new normal of remote working arrangements also calls for better engagement models with employees to maintain productivity.

Some companies have chosen a more reactive approach in responding to challenges as they appear. Leaders have embraced the challenge, leveraged the opportunity to push through organizational inertia and look for new approaches in running their businesses. We have supported clients to build proof-of-concept digital banking solutions to better acquire and service customers, map out activities from front-to-back office to identify automation opportunities and implement enterprise-wide digital transformation programs.

But what comes as a surprise to us is that though 60% of respondents believe digitization is a major concern, the majority of respondents are not confident in their internal capabilities to deliver such programs. This is a time for action — the resources invested during this period will determine the companies that can survive and thrive in a post-COVID era.

Figure 12: Most respondents see a gap in capability to deliver digital transformation — most require external support



3. Workforce transformation: Improving productivity of the workforce

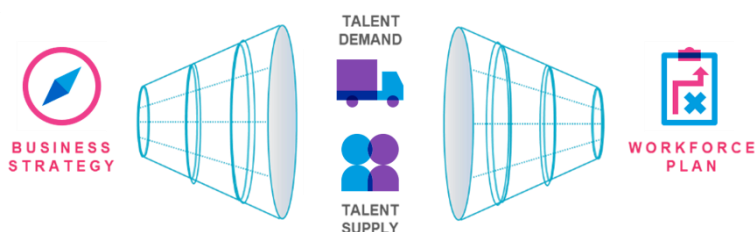
As organizations look to digitize their operations and customer-engagement models, they must also transform their workforce to adapt to these new business models. A majority of respondents indicated that improving productivity through AI and automation is their top workforce priority. They plan to achieve this by looking at what work is done by people and how it is done. In conjunction with this review, organizations will also need to review the size and shape of their workforce and make changes through restructuring/reorganizing.

Top 4 workforce priorities largely induced by COVID-19



For portfolio companies to fully capitalize on productivity gains through AI and automation while simultaneously deploying cost-containment strategies (that is, restructuring), they need to consider strategic workforce planning and job redesign. This will address the impact of roles from a top-down and bottom-up perspective to enable synergy realization and productivity gains.

Once business strategy is determined, private equity leaders need to evaluate it against the company's workforce plan to ensure success. A systematic, data-driven process is required to align business needs and priorities with the current realities of the workforce from a capabilities and demand/supply perspective.



A workforce planning exercise culminates in the creation of a people strategy based on current and future business priorities, and allows for the identification of critical capabilities and roles in relation to business demand drivers. We recommend that such an exercise take place at deal close because it would facilitate the subsequent reorganization and job redesign to meet cost-containment objectives.

Job redesign — with its focus on ensuring productivity gains through improvements in process, technological enablement and workspace optimization — has become more complex in light of continuous transformation efforts in the workplace. Leadership and HR have to focus on aspects such as employer branding, compensation and benefits, change management and succession planning while undertaking a job redesign exercise, as any productivity gains will be undone if the PE firm cannot ensure continued workforce motivation within the portfolio company.

A well-thought-out and executed workforce plan and a job redesign exercise that identifies key roles allows PE firms to realize productivity gains, while creating a motivated workforce working alongside a leadership team aligned to the set performance targets. This will result in better success rates for the PE firm's value-creation goals.

3.1 Flexible Working – the new normal?



Almost one in two companies surveyed indicated that flexible working will be a key workforce priority. Companies that had resisted extending flexible work arrangements in the past were required to adopt these policies overnight as economies went into pandemic-induced lockdown. The disruption and adjustment to work routines demonstrated the extraordinary ability of human beings to adapt, but it has also highlighted how our connection to the workplace is undergoing a fundamental shift. Now that most markets in Asia are opening up for business,

companies must refine these policies and adopt flexible working practices that are sustainable in the longer term.

3.2 Continuously upskill the workforce

Forty-one percent of survey respondents reported reskilling or upskilling employees is among their top workforce priorities in portfolio companies in the post-COVID environment. This is an encouraging sign, since we have previously heard from industry experts that training and retraining needs were, at best, considered late in any change implementation and more as an afterthought. Waiting to retrain the workforce until a new technology is being introduced is too late. Instead, firms looking to digitize operations must proactively educate and train workers on a continuous basis. Employees must have the required analytical and social skills to add value to discussions about using digital technologies to improve operations and change work processes. This change would create value not only through efficiency improvements for the organization but also improve the organizational culture and employer branding.

If reskilling is a commitment to your people, the first step is getting their buy-in. From corporate communications to line managers, organizations need to lead workforces through the uncertainty of reskilling and show them it is not just a fleeting moment before a return to the old ways. Employees will only prioritize something if they are rewarded for doing so, so leaders must commit to change and demonstrate the long-term trajectory if they want people to buy into the organization's focus on reskilling.



Workforce transformation in the hospitality industry

As part of a Singapore government initiative to transform the hospitality industry, Mercer developed a detailed approach to ascertaining the industry's workforce landscape, demand and supply projections, and identifying and prioritizing workforce gaps. The outcome of the study was a set of "buy", "build" and "transform" strategies to address the attraction and retention of talent.

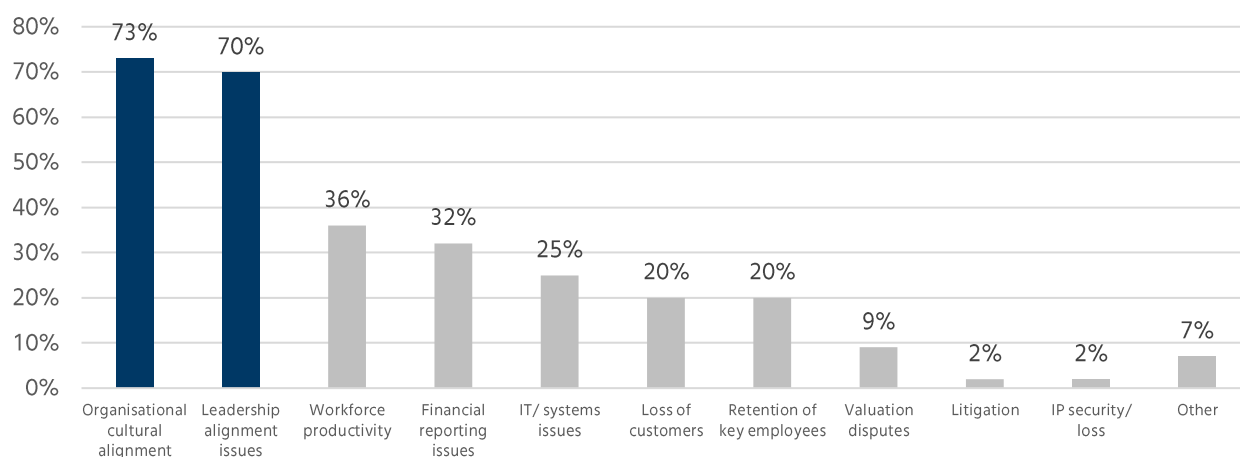
Mercer subsequently worked with five international and regional hotels to help them transform their workforce by generating efficiencies through technological enhancements. The outcomes were then included in a toolkit provided to the Singapore Hotel Association to help uplift sector productivity.

In some ways, business leaders can be excused for feeling like they have an impossible task. Reskilling the workforce while keeping a business-as-usual approach is like rebuilding a plane while in the air, but it is absolutely crucial in the modern business environment. And though this may require a Herculean effort, leaders should be energized as it offers them the chance to remake the organization to meet its vision and goals.

4. Culture and leadership alignment

Survey respondents cited cultural and leadership alignment issues as the top two barriers to value creation for portfolio companies. Seventy-three percent of respondents say that organization cultural misalignment has hampered their attempts to create value for their most recent acquisitions (see Figure 13). This is aligned with Mercer's 2018 research into culture risk in mergers and acquisitions, which revealed that 67% of companies experienced delayed synergy realization due to culture issues.²

Figure 13: Significant issues that hamper value creation



Areas of intangible value — such as talent and intellectual property — can account for a significant proportion of the total value of a transaction. This requires PE firms to do more work to get around the cultural issues that may destroy deal value.

In every case where PE firms say their last deal has yet to create any value, one of the top problems cited was cultural issues. Having the right corporate culture helps align the operating environment and employee behaviors to the deal objectives and future business strategy of portfolio companies. In their quest to drive value for acquisitions, PE firms must uncover and address key drivers of culture, such as organizational hierarchy; leadership competence and style; decision rights; incentive design; employee communications; and work processes, in order to drive value creation.



¹ Source: Mercer, "Mitigating Culture Risk to Drive Deal Value"

² Mercer. 'Mitigating culture risk in M&A to drive deal value 3.0,' available at www.mmc.com/insights/publications/2018/jan/mitigating-culture-risk-in-m-a-to-drive-deal-value-3-0.html.

Culture drives deal success because it sets the tone for the behaviours leaders and employees are expected to exhibit. For example, if the portfolio company wants to speed up decision-making and innovation, then structural changes need to be made in the organization's design and decision rights so that managers and employees are more empowered, with fewer approval levels for decision-making.

Drivers are the operational levers that may be controlled, modified and managed to impact and change behaviours to deliver desired business outcomes. After identifying and acknowledging gaps, a portfolio company can then determine whether to introduce new drivers or enhance existing drivers, and identify the appropriate actions to take. PE firms can help their portfolio companies enhance their leadership training, communication strategy and approach to performance and rewards to support such a shift.

Seventy percent of respondents also cited leadership-alignment issues as a significant barrier to value creation. This result is not surprising given that a majority of the firms (see Figure 6) conduct no formal competency-based assessment to evaluate leaders of an acquired business. This is a big concern, since the ability to achieve the management team's buy-in is a key contributing factor for PE firms to achieve their financial targets after deal finalization.

After refreshing the acquired firm's strategic road map and tactical plans post-acquisition, PE firms require the buy-in and support from key members of the management team to execute changes to the target operating model and product road maps. Though compensation interventions tagged to performance-management measures — such as long-term incentive plans, co-ownership and retention bonuses for management team members — are commonly used to ensure retention and alignment of key management team members, not enough rigor has been put in to evaluate to competence of the management team in meeting the stated objectives.

Exacerbating the problem is that only 30% of companies have a well-developed competency framework to assess leaders, and only 27% have an external pool of talent identified for key leadership positions. Almost half the surveyed companies also don't have a clear view of their high-potential employees or any internal successors (see Figure 14).

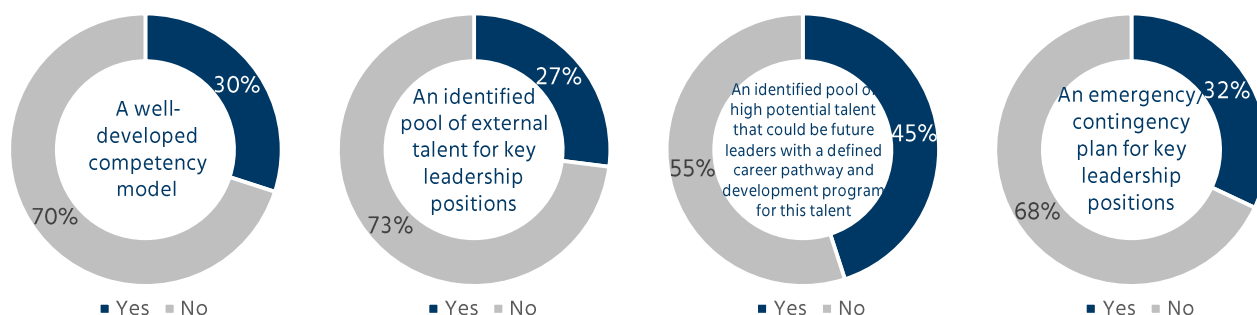
Figure 14: Well-developed competency framework and robust succession planning



Post-merger leadership alignment and culture integration for a shipping organization

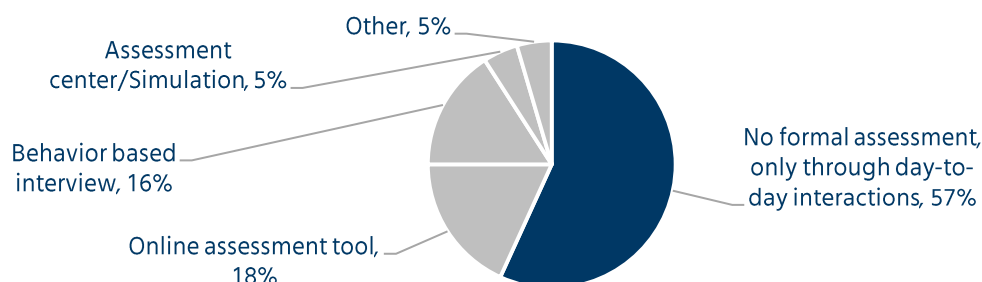
Two years ago, a shipping organization in Southeast Asia had acquired a Norwegian shipping company (consisting of two separate divisions specializing in transportation of oil and gas products) but had not made any attempt to integrate the businesses. Mercer was brought in to review its leadership and culture, and support leadership alignment and cultural integration to enhance collaboration across all three subsidiaries in Europe and Asia.

Given the significant cultural differences, the management team decided that immediate next steps should be to develop a common set of core values, and to improve collaboration among subsidiaries in selected areas (e.g. joint purchasing). To this end, Mercer followed up with each subsidiary to identify levers that would result in culture transformation (e.g. communication; performance and reward mechanisms; leadership style; etc.), which led the way for each subsidiary to individually undertake their respective change programs.



PE firms should consider evaluating key management teams through online or interview-based competency assessments. This allows firms to identify gaps in the core and technical competencies of the team and put together a development plan to plug the gaps. Such a step is currently being taken by only 39% of survey respondents, through online assessments, behavioural interviews or assessment centres (see Figure 15).

Figure 15: No structured or formal assessment of leaders



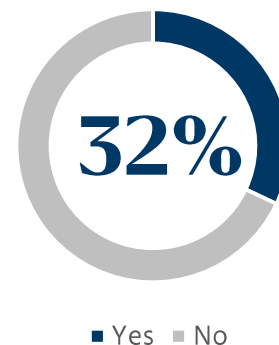
PE firms who have identified leadership alignment as a concern but have not undertaken any form of formalized competency assessment may wish to formalize a leadership alignment framework and undertake activities where business objectives, the role of leaders, strategy approach and desired outcomes are agreed between the PE firm and leaders of the portfolio company. This allows for deeper engagement, obtains alignment from leaders on defining and measuring success, and clearly articulates expectations of leaders. Running alignment activities also proactively addresses any leadership concerns, and instils a level of joint ownership among leaders toward success. These firms should also invest the time to identify high-potential employees and create clear development plans for these potential successors for key leadership roles. This helps de-risk the business and ensures business continuity in case the existing management teams leave or need to be replaced.

5. Well-Insured Companies Drive Value Creation

Unforeseen financial losses in the course of business naturally affect the company's financial performance as a whole. It is natural for financial investors to consider risk-transfer tools to ensure a steadier stream of returns. Here we discuss three insurable risks that a majority of PE in Asia have recently focused on: crime, cyberattacks and business interruption.

5.1 Crime

Over a third (32%) of survey respondents have at least one portfolio company that has experienced financial losses arising from criminal activities in the past three years. Such activities include dishonesty of an employee/third party or collusion between an employee and a third party and fake/impersonating email(s) requesting funds transfer. It is important to note that many crime insurers are looking to limit their exposure to fraud and, therefore, properly worded language regarding crime is key. Although the specific amount of each loss is not covered by this survey, it is noteworthy that businesses have more than 30% chance of suffering loss from criminal activities in the short span of three years.



In the era of COVID-19, and remote working especially, cybercrime is on the rise. Non-cyber-related crimes are also observed among white-collar workers due to the perceived higher independence of a remote working arrangement. In a number of Asian territories, we have already seen more commercial crime notifications in H1 2020 than we have seen in any full year for the last five years. This appears to be a notable and shifting trend.³

In response to these incidences of crime, our survey respondents applied multiple remedies to recover losses and mitigate future exposures. These include reviewing and improving internal protocols and controls and transferring the risks via crime insurance. One respondent reported that they recovered the capital from a downward revision of the valuation.



Other includes:

- Recovered some of our capital based on downward revision of valuation

Although strong internal protocols can help companies reduce the probability of fraud, dishonest employees and external fraudsters can still circumvent the security of even the best-regulated companies. In this case, crime insurance is helpful. In the event an organization requires investigative specialists to establish facts and assess loss, crime insurance can cover such expenses, provided fraud is established. Most crime policies also reimburse for any legal expenses incurred in recovering the fraud loss from known perpetrators.

³ Reference: Marsh JLT Specialty Insights Report dated in June 2020

5.2 Cyberattacks

We make a distinction between cyber-related criminal activities (for example, theft of data or network breaches) and crime activities resulting in a loss of funds. When correctly structured, cyber and crime insurance coverages complement each other, ensuring no gap in coverage in the event of cybercrime claims.

A quarter of survey respondents have at least one portfolio company that has experienced a cyberattack in the past three years in the form of unauthorized access to the portfolio company's computer network/systems or an unauthorized disclosure of data.

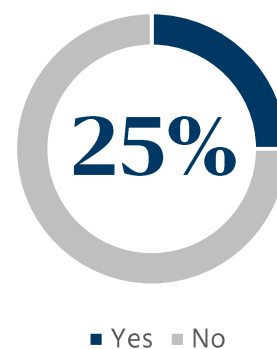
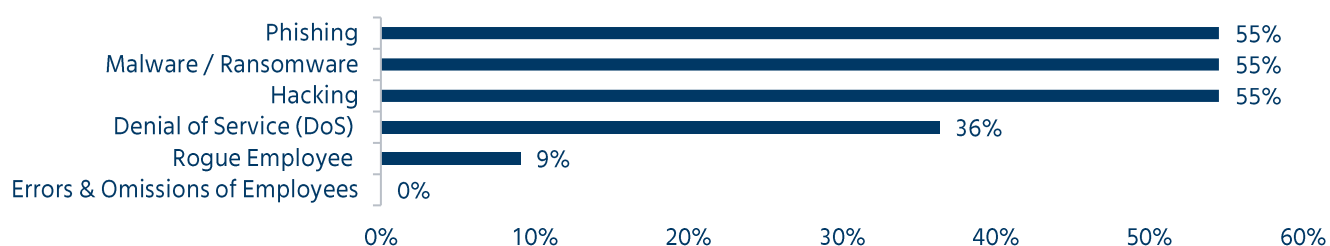
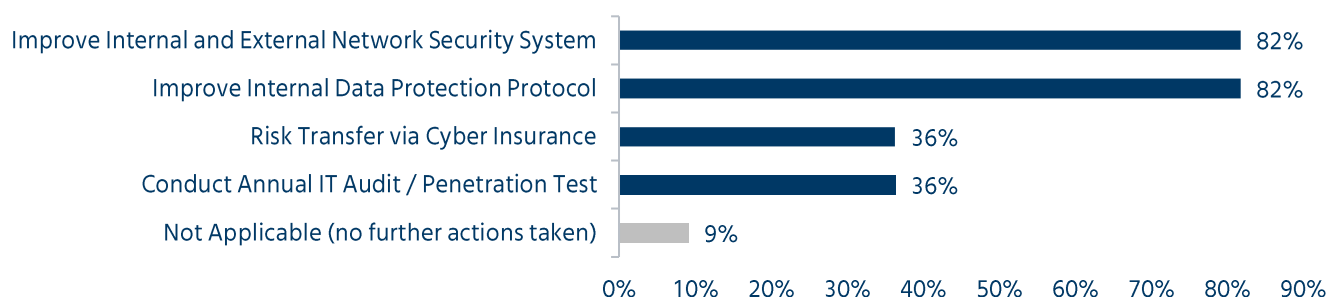


Figure 16. Causes of cyber breaches



In response, our survey respondents took multiple preemptive measures to mitigate future exposures, from improving the portfolio company's internal and external network security system and internal data-protection protocols to procuring cyber insurance to transfer the risks. However, 9% of survey respondents with portfolio companies that suffered cyberattacks did not take any further actions after the attack.

Figure 17. Actions taken following a cyberattack



In our past observations, cyber risks were more relevant to B2Cs that held their customers' sensitive personal data. Recently, however, we have seen a wider range of companies suffering cyber breaches. We note that a number of our PE clients have recently made cyber policy mandatory at the portfolio-company level.

Cyber insurance covers fees, expenses and legal costs associated with cyber breaches. It covers first-party costs and expenses (including business interruption, data asset restoration), third-party liability and defines costs (including privacy and data breaches, failure of network security, defamation) and other expenses, such as forensic investigations, public relations costs and notification costs.

A broader loss trend we are seeing in Asia, and one certainly relevant to portfolio companies (and all industries, includes funds), is the major spike in successful ransomware attacks. We have seen several examples in recent months when attacks have caused considerable damage and disruption to a broad cross-section of businesses. As the take-up of cyber insurance increases, we are consequentially also seeing a number of pay-outs, covering forensic, legal and crisis expenses and indemnity for a range of costs including ransom reimbursement (when legally permissible).

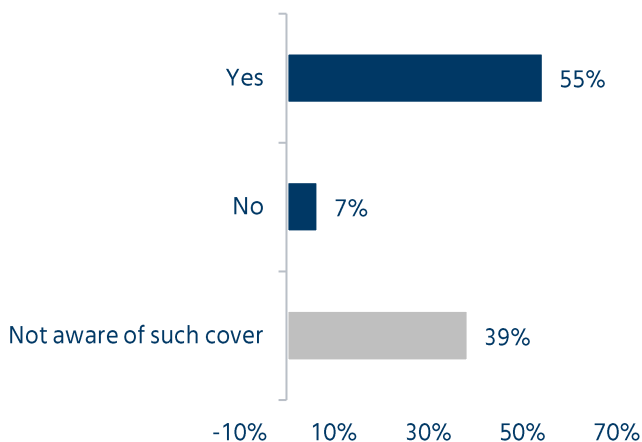
5.3 Business Interruption arising from Property Damage

A majority of portfolio companies are covered by basic property damage insurances. These insurances may be referred to differently across different geographies — property all risks, industrial all risks or fire insurance — but they have a similar, if not the same, meaning as property damage.

18%

However, we note that only 55% of survey respondents confirmed their portfolio companies are covered by insurance for business interruption arising from property damage. Thirty-nine percent of respondents, surprisingly, are not aware of the existence of such cover. This is unexpected, as 18% of survey respondents have at least one portfolio company that suffered financial losses arising from property damage in the past three years.

Figure 18. Are you aware of insurance coverage for business interruption?



Business interruption is a relevant risk to all businesses, regardless of type or size. A loss of critical functions caused by natural or manmade hazards, such as fires/explosions, earthquakes and machinery breakdowns, can affect the portfolio company's market share, profits, growth rate, sales volumes and corporate reputation. Recently, we recognized PE firms emphasizing the need for business interruption insurances to their portfolio companies. This is because the potential financial loss from business interruption is typically more sizable than the associated CAPEX cost to reinstate the damaged property.



Case Study (portfolio program)

Marsh Private Equity and M&A (PEMA) services has structured financial lines insurance portfolio programs for PE firms' >30 portfolio companies. The three programs are directors' and officers' (D&O) liability, crime and cyber insurance s. Before mid-2019, PE firms only made D&O and crime insurances mandatory across their portfolio companies. Cyber insurance was a 'good to have' and was only made mandatory for portfolio companies in B2Cs. However, considering heightened cyber risks today, PE firms now strongly recommend all their portfolio companies subscribe to the cyber portfolio program regardless of industry. Marsh PEMA was mandated to share cyberattack incidence trends with the portfolio company management and show how the policy could respond.

Got questions? Contact our subject matter experts.



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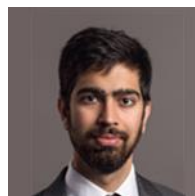
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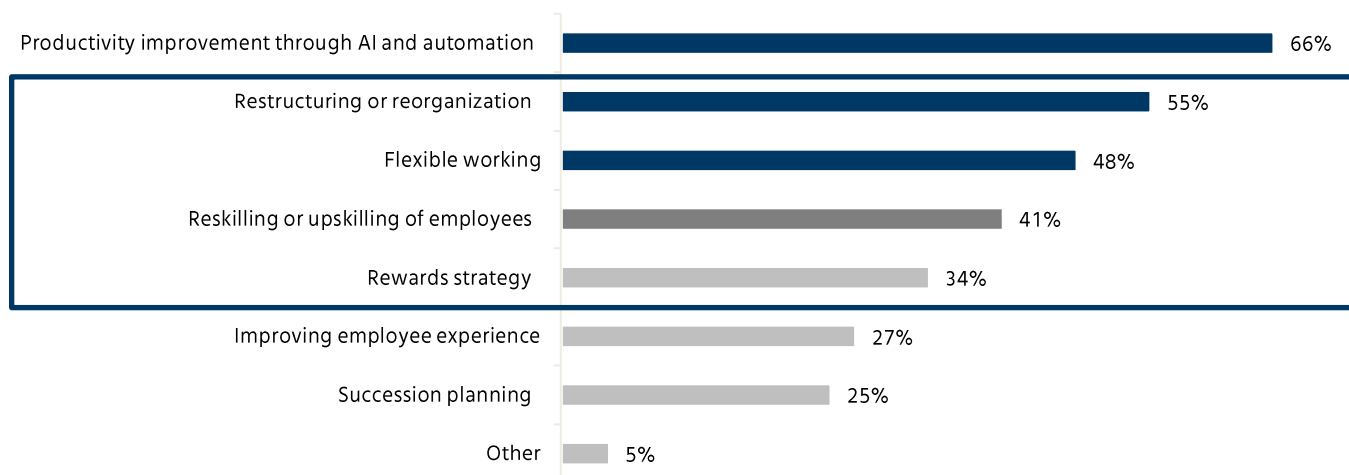
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Appendix – Tables and Charts

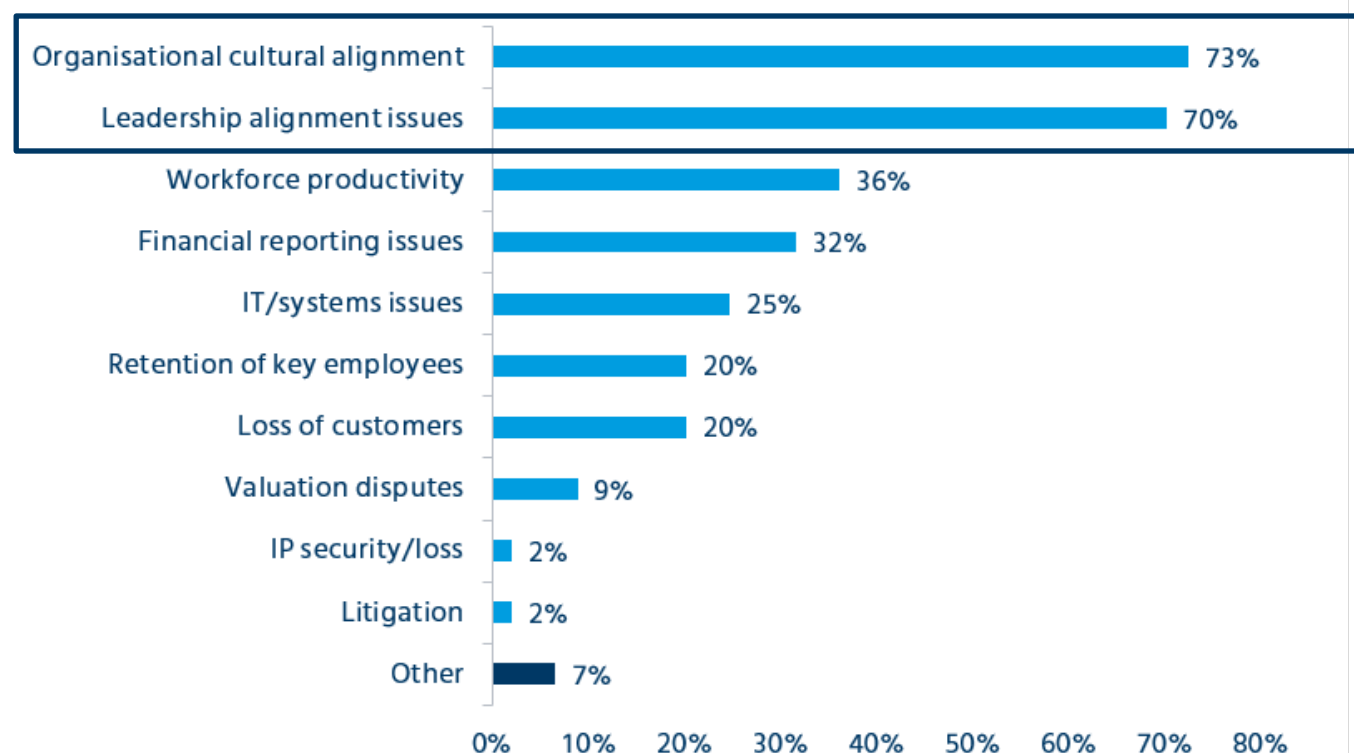
Majority of respondents expect large changes to their workforce structure and culture

% of respondents highlighting option as top-3 workforce priority



Most significant issues that hamper value creation

What are the most significant post-close issues that hamper value creation?



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