



## NorthEdge launches AI and data driven origination platform

NorthEdge Capital has launched a new artificial intelligence (AI) and data analytics platform which it will use to help identify new buy-and-build opportunities.

NorthEdge has partnered with Manchester-headquartered Peak AI for the project, an organisation that focuses on using AI and data to drive

sustainable business growth.

Peak's algorithms, machine learning and deep learning technologies will be used to assist NorthEdge's investment process as it seeks out opportunities in the North of England and Midlands regions.

"We are constantly seeking new methods of building on our entrepreneurial approach to

drive value," NorthEdge's Ray Stenton said.

"Machine learning is set to revolutionise deal origination at NorthEdge, and by working collaboratively with Peak we are building a stronger picture of our market size, demographics and the key drivers for investment opportunities," he added.

## HumaticaCorner



### Performance Feedback – The most difficult leadership process

"Critical but broken." That's how managers and employees describe their company's performance feedback process. This is a problem for private equity buy-outs where behavioural change is needed to create value and reach ambitious goals.

Managers understand that dynamic markets demand more rigorous feedback and coaching to improve the skills and competencies of their team members. It is essential in competitive markets. On the other hand, employees also understand that objective performance feedback is essential for their development in a world where the half-life of knowledge and experience has shrunk, and continuous learning is essential.

So, why is feedback so difficult? Psychologists tell us that it's because we are going up against the fundamentals of human behaviour: the survivalist need to be part of a group and cooperate. Humans therefore find it exceedingly difficult to park day-to-day working relationships for a moment and give objective feedback on personal improvement. It's hard to make this non-confrontational.

This is all the more so because of knowledge worker performance being driven by subjective competencies like logical thinking, the ability to structure, and clear communications. These are difficult to measure objectively. In addition, they are fleeting behaviours that may only be demonstrated on rare occasions.

But, there is a better way. A small firm, Taleva, has devised an ingenious process to crack the code and drive rigorous, objective feedback with high voluntary compliance. They apply a unique "ritual" that leverages deeply engrained human motivators to overcome the natural barriers to addressing personal development needs. With their process, leaders can do the right thing for the company, and groups can master the challenge of rigorous individual feedback.

For a feedback process to work, employees must trust that it is objective and fair. Objectivity comes from having clearly defined competencies for each role and calibrating these for each employee in a "performance board". Fairness is delivered by integrating multiple different views in an open and transparent process that most employees actively participate in. The "process" is transparent for all, however the "content" is transparent only to those with a need to know.

For portfolio company CEO's who know they need to activate their organisation, but have stretched resources, a 3rd-party managed service approach makes good sense. It also has the benefit of ensuring that sensitive personal information is kept confidential and builds trust among employees as the neutral third party guarantees process fairness and integrity.

Taleva has perfected a tool-supported feedback process which removes the hassle and delivers meaningful behavioural change. They provide a turn-key performance management solution including training, software and on-going process facilitation. Portfolio companies can thereby implement a "best-practice" individual performance management process which anchors objectives and facilitates constructive feedback to ensure results, in one month.

**Humatica**

UK businesses must give 10% stake to workers, plans Labour



Labour plans to require mid-market and large businesses (defined as those with over 250 employees) to hand a one per cent shareholding to its workers every year up to a ten per cent cap.

These shares will be placed in an "inclusive ownership fund" with any dividends resulting from the shareholding paid to workers up to a maximum of £500 (€557.60) per year per person. Any further funds beyond this will be paid into a national public services and welfare fund.

Employees will also accrue voting

rights from their shareholding.

The policy proposal will be of concern to private equity firms, as it is unclear how the policy will be implemented and what impact it will have on alignment between investors and fund managers.

The CBI, an industry body representing some UK businesses, has criticised the plan.

It will cause investors in the UK "to pack their bags", said CBI director-general Carolyn Fairbairn, leading, she said, to a fall in productivity and employee pay.

## INVERLEITH CLOSSES DEBUT FUND ON €60M

Inverleith, the private equity firm investing in consumer, wellbeing and lifestyle brands, has closed its debut fund on €60m.

Founded in 2010 by former Noble Group head Ben Thomson and former Glenmorangie president Paul Skipworth, Inverleith backs companies based in the UK and Northern Europe with enterprise values of up to €30m. It takes both minority and majority stakes.

The firm has secured two deals since launch, backing the Scottish Malt Whisky Society and Good Hemp, a producer of hemp milk, a fast-growing alternative to dairy.

In a statement Thomson said that although many asset classes appear fully valued, the firm saw opportunity to capitalise on shifting consumer trends.