



P. 03

Where the value sits

P. 04

The five-stage playbook

P. 06

The playbook in practice

P. 10

The economics

AI APPLIED ACROSS THE PORTFOLIO

The Private Equity AI Playbook.

A repeatable playbook for **EBITDA lift**, **revenue upside**, and **exit differentiation** across portfolio companies.

The Challenge

The differentiator is no longer adoption. Nearly every firm has AI activity somewhere in the portfolio. What separates the winners is a governed, repeatable playbook that creates measurable value inside the hold period.

ADOPTION VS. EXECUTION

PE firms planning to expand portfolio AI budgets

BCG 2026



>90%

Firms that have operationalized AI with concrete results

BAIN 2025



~20%

The money is committed. Execution is what separates the winners.

40%

of investors took a 5%+ valuation haircut from digital underinvestment at exit. The cost of waiting shows up in the multiple.

BCG 2026

PE winners don't do more AI. They have a **repeatable playbook** for portfolio-wide value creation.

INSIDE THIS PLAYBOOK

03 Where the economic upside sits in a portfolio

04 The five-stage playbook, from assessment to replication

05 Why AI programs fail, and the structural fix for each failure

06 The playbook in practice: measured results

07 The Compoze model and how the engagement runs

10 The economics: investment vs. measured returns

Where the Value Sits

Not every AI use case moves the same lever. AI shows up in three places in a PE firm's numbers, and this edition covers the two inside portfolio companies.

Moves the Multiple

1

AI-Enabled Products & Business Model Redesign

Exit differentiation that changes the conversation with buyers.

Copilots · AI features · Workflow products · New revenue streams

Moves EBITDA

2

Portfolio Company Operations

The fastest path to P&L impact, inside the first hold-period year.

Customer service · Sales · Pricing · Finance · Content ops

Moves Cycle Time

3

Fund / GP Operations

Speed and capacity for the fund itself, compounding across every deal.

Deal sourcing · Diligence · Monitoring · LP reporting

[Get the Fund Edition →](#)

WHERE THIS EDITION FOCUSES

The flagship build starts inside portfolio company operations, where results land in the P&L fastest. From there the playbook extends up the stack, toward product and the exit narrative.

The Five-Stage Playbook

The playbook is modeled on PE value creation plan discipline: initiative-level accountability, measured KPIs, and exit narrative integration. Five stages, each with a named deliverable.

1

Assess WEEKS 1-2

Portfolio readiness scan, data and systems inventory, workflow pain-point map, and a digital maturity baseline.

✓ Readiness heat map with maturity scores

2

Prioritize WEEKS 3-4

3-5 use cases per portco, ranked by EBITDA impact, feasibility, and replicability, then integrated into the value creation plan.

✓ Ranked initiative roadmap in the VCP

3

Execute WEEKS 4-16

Flagship build: data pipelines, AI integration, workflow redesign, change management, and KPI instrumentation.

✓ Working system in production

4

Monitor ONGOING

ROI tracking against the VCP, governance cadence, exit narrative linkage, and board-ready reporting.

✓ Monthly KPI dashboard

5

Replicate CONTINUOUS

Reusable templates, standardized playbooks, a CEO learning loop, and the next-wave roadmap.

✓ Portfolio rollout and learning cadence

Designed to integrate directly into a PE value creation plan, with **initiative-level ownership**, quarterly board reporting, and explicit exit narrative linkage.

Why AI Programs Fail

Six failure modes show up in nearly every stalled portfolio AI program. Each one has a structural answer built into the playbook.

WHY PROGRAMS FAIL

Pilot Sprawl

15+ experiments, no focus

No Link to Thesis

Only 11% link AI to exit narrative

Technology-First

Fancy models on broken workflows

No Production

Slide decks, no shipped systems

Talent Gaps

60% of CEOs cite as top barrier

No Learning Loop

Every company relearns alone

VS

HOW THE PLAYBOOK PREVENTS IT

3-5 ranked use cases. Prioritized by EBITDA impact, feasibility, and repeatability.

Thesis-mapped initiatives. Every build tied to underwriting thesis, margin, or exit story.

Workflow redesign first. The #1 predictor of AI impact (McKinsey).

Full-stack delivery. One team owns data, integration, and AI apps through production.

Embedded engineers + capability transfer. Your team owns it when we leave.

Reusable templates. A cross-portfolio learning cadence compounds every win.

Sources: McKinsey 2025, AlixPartners, Bain 2025, Blackstone CEO Convening

The Playbook in Practice

Four measured results, one method: assess the workflow, launch a flagship build, measure the impact, replicate what works.

01 PROCUREMENT AI

Multi-company PE portfolio · 40+ companies

>65% cost reduction

in targeted procurement categories

AI-driven analysis of 15,000+ software agreements, identifying redundant contracts, pricing inconsistencies, and renegotiation opportunities at portfolio scale.

02 FIELD SERVICE AI

Industrial manufacturing portco

5x ROI in Year 1

immediate technician productivity gains

GenAI indexing of thousands of legacy product specification documents: de-duplicated, structured, and surfaced to field technicians as they work.

03 SALES & CONTENT AI

200+ engagements · Multiple verticals

60% higher conversions

with 30% more content output

GenAI-powered content generation and sales enablement: reusable templates, personalized collateral, and automated content workflows.

04 MULTI-FUNCTION AI

Mid-market education & media portco

8 AI projects at once

across 5 business functions

Eight concurrent AI projects targeting workflow bottlenecks across sales automation, customer care, content ops, and product development.

The playbook turns **one flagship win** into a repeatable system across the fund.

Results reported in select case studies. Sources: Compoze Labs Research, Bain PE Report 2025, MIT Sloan 2025, McKinsey 2025

The Compoze Model

One full-stack team embedded with your operating partners and portfolio teams, working from a methodology built for how PE creates value. Strategy and engineering in one partner.

01

PE-Native Methodology

Built for value creation plan discipline: initiative-level accountability, board-ready KPIs, and explicit exit narrative integration.

02

Full-Stack AI Execution

From data readiness through AI integration, workflow deployment, change management, and team capability transfer. Strategy to production.

03

Portfolio-Wide Scale

Proven templates, standardized playbooks, and cross-company learning loops that turn one flagship win into a repeatable system.

Investment Partner

Underwriting thesis validation and portfolio-wide prioritization.

Operating Partner

Hold-period AI value creation plus a governance and replication playbook.

Portco Leadership

Workflow fit, an adoption path, and team ownership after deployment.

Strategy and engineering in one partner. Your team owns the systems when we leave.

How the Engagement Runs

Compoze operates as the strategic execution layer between PE operating partners and company leadership, turning value creation plans into production AI systems. Each layer has a clear job.

1

PE Operating Partner **SETS THE AGENDA**

- Sets the value agenda and hold-period priorities
- Selects companies for AI initiatives
- Defines the exit thesis and board reporting cadence
- Allocates budget and secures executive sponsorship

2

Compoze Labs **BUILDS & SHIPS**

- Assesses readiness and sizes opportunities across the fund
- Builds data pipelines, AI applications, and system integrations
- Deploys to production with KPI instrumentation
- Transfers capability so your teams own the systems

3

Portco Leadership Team **OWNS & RUNS**

- Owns adoption, workflow redesign, and change management
- Drives KPI measurement and operational governance
- Participates in the cross-portfolio learning cadence
- Maintains and evolves AI systems post-engagement

Compoze complements your existing strategy advisors by owning **data readiness, application build, AI integration, production deployment, and capability transfer.**

Why Compoze

Every engagement runs on one full-stack team that owns the work end to end: strategy, data, engineering, and production, with no handoffs in between.

01 End-to-End Ownership

Strategy, data, engineering, and production from one team that owns the work from first idea through launch. No handoffs.

02 Co-Built with Your Teams

We build alongside your portco teams with full capability transfer: your team owns it when we leave.

03 EBITDA-Linked KPIs

Every initiative measured against value creation plan targets. Board-ready reporting from day one.

04 Cross-Portfolio Patterns

What works at one portco becomes a reusable template for the fund. Structured learning loops across companies.

05 PE-Native Governance

Initiative-level accountability, quarterly board reporting cadence, and explicit exit narrative linkage.

06 AI-Native by Default

The same AI-native workflow we run internally powers your builds, turning weeks of estimated work into focused hours.

One full-stack team, embedded in your portfolio, shipping **production systems** inside the hold period.

The Economics



A \$35K readiness assessment, then a \$75K–\$150K flagship build per portfolio company that ships to production inside 16 weeks. Board-ready deliverables at each step.

\$35K

Readiness Assessment

2 weeks, fixed scope
Board-ready deliverables



**\$75K–
\$150K**

Flagship Build

12–16 weeks to production
Per portfolio company

MEASURED RETURNS (REPORTED IN SELECT CASE STUDIES)

Procurement **>65% cost reduction** across 40+ companies

Field Service **5× ROI in Year 1** immediate productivity gains

Sales & Content **60% higher conversions** with 30% more content output

Finance & AP **80% faster processing** 40% cost reduction

Customer Care **40–60% lower handle time** higher CSAT and NPS

Compare: \$500K+ strategy retainers produce roadmaps. \$75K–\$150K Compoze engagements produce working systems with measured EBITDA impact.

Sources: Compoze Labs Research, Bain 2025, MIT Sloan 2025, McKinsey 2025. Returns reported in select case studies.

Your Portfolio Has AI Activity. The Playbook Turns It Into EBITDA.

Three stages, one repeatable model, working systems in production.

1

Assess & Prioritize

WEEKS 1-4

Portfolio readiness scan, use-case sizing ranked by EBITDA impact, initiative roadmap integrated into the VCP.

2

Build & Deploy

WEEKS 4-16

Flagship workflow build with measured KPIs, data pipeline integration, and production deployment.

3

Monitor & Replicate

ONGOING

KPI tracking tied to the investment thesis, board-ready reporting, and a replication playbook across the portfolio.

Schedule a Conversation →

meetings.hubspot.com/nathan-mcclatchey/private-equity

ABOUT COMPOZE LABS

Compoze Labs builds the software your business runs on. AI, custom applications, and data platforms, designed, shipped, and run by one Minneapolis-based team that stays accountable for the outcome.

Also in this series: **The Fund Edition**, covering deal sourcing, diligence, and fund operations.

[Get the Fund Edition →](#)