



Leveraging AI in PE-Backed Companies for 2024

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Speaker Introduction



Steven Lee

Managing Director and Global Practice leader for Global Transaction Analytics @ Alvarez & Marsal

Steven Lee is a Managing Director in Alvarez & Marsal's Global Transaction Advisory practice in New York. As the Global Practice Leader for the Global Transaction Analytics service offering, he focuses on applying data analytics in buy- and sell-side transactions, capital market activities, and performance improvement. Mr. Lee also leads the AI Global Task Force at Alvarez & Marsal leading the charge to adopt Gen AI into the core strategy.

Mr. Lee brings more than 20+ years of specialist experience helping clients effectively analyze and draw decision insights from financial and operational business data. He has significant international experience throughout Europe, the Middle East, Latin America, and Asia, and across a wide variety of industries.

Mr. Lee advises clients across the lifecycle of private equity investments and corporate transactions. He assists private equity firms and other strategic buyers to obtain financial and operational transparency in companies to make informed investment decisions and drive growth.

Speaker Introduction



Joey Baruch

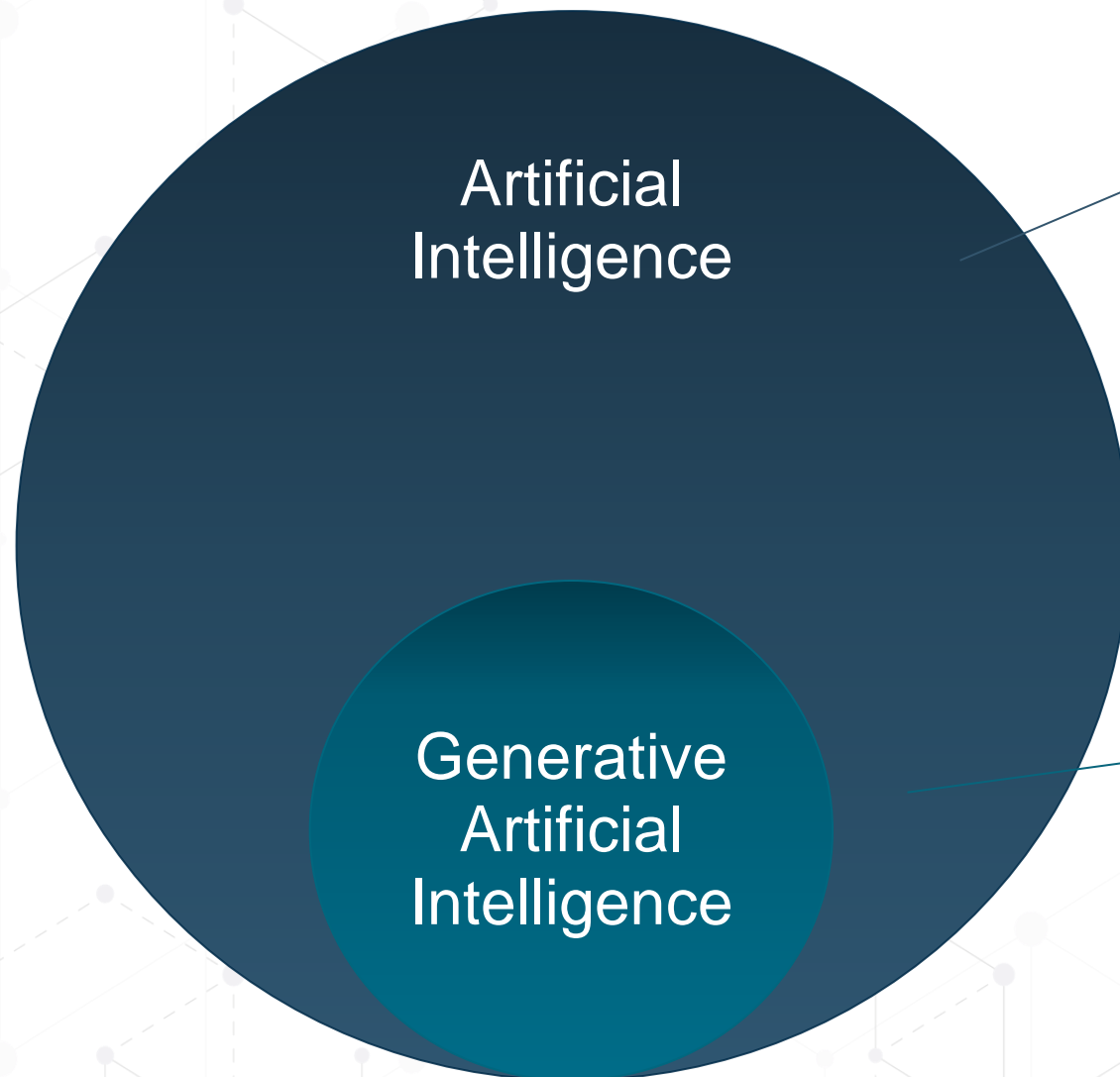
Chief Technology Officer @ Alvarez & Marsal's Data Intelligence Gateway (DIG)

Joey Baruch leads technological research and development, focusing on implementing cutting-edge AI strategies across data acquisition, architecture, and machine learning deployment. Mr. Baruch is a founding member of A&M's Center of Excellence for AI and an AI subject matter expert, having contributed to multiple high-profile projects for global education and entertainment companies.

With over a decade of experience, including roles at PayPal and IBM Research Labs, Mr. Baruch brings a unique blend of technical expertise and business acumen to AI implementation in PE-backed companies. He specializes in aligning technology resources to business goals, managing R&D efforts, and implementing next-generation intelligence capabilities to drive operational efficiency and informed decision-making.

Mr. Baruch holds a bachelor's degree in computer engineering from The Technion - Israel Institute of Technology and an MBA from Cornell Tech, positioning him as a strategic leader in leveraging AI for business growth and optimization in the private equity sector.

What is AI vs. Gen AI?



Artificial Intelligence (AI)

- Analyzes historical data to make predictions, commonly numerical and for specific tasks.
- Includes Data Science, Machine Learning, and Predictive Analytics.
- Pattern recognition

Generative Artificial Intelligence (Gen AI)

- Subset of AI that generates new data, commonly text-based.
- Capable of generating images, text, and other data types using generative models.
- Largely based on LLMs
- Pattern creation

Democratization of AI

AI has historically been implemented by mostly high-tech companies such as Amazon, Google, and Meta. However, Gen AI is now easily accessible, both to individuals for personal use and institutions.

1

Gen AI based ChatBots are now available for the public with no AI or technology skills.

2

AI models no longer require specialized training, Gen AI is now accessible by leveraging existing models called Large Language Models (LLMs).

3

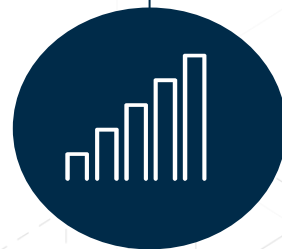
Companies can now adopt Gen AI solutions in as quickly as weeks.

McKinsey predicts that Gen AI will add up to \$4 trillion to the global economy.
MIT estimates that Gen AI will boost worker productivity by up to +40%.

Analytics Maturity

Analytics/BI

Analysis to uncover insights and trends for informed decision making.



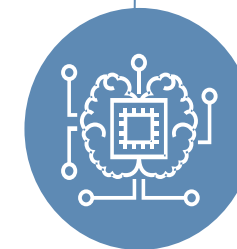
Data Science and Machine Learning

Combining statistical analysis and domain expertise to extract insights and build predictive models.



Generative AI

Subset of AI focused on creating content, such as images, text, or files from existing data.



Key Use Cases for AI

Insights Extraction 01

- Historical trends to predict future outcomes.
- Customer clustering to detect patterns or similar characteristics.
- Predict customer demand, budgeting requirements, and customer propensity to churn.

Productivity Gains 02

- Summarizing emails, meeting transcriptions, and other documents.
- Auto-drafting email responses, job descriptions, research synopsis, text-to-image, etc.

Knowledge Management 03

- Gathering, parsing, and synthesizing large volumes of information in a short amount of time.
- Auto-generating content based on prior versions of reports, proposals, and contracts.

Roundtable Discussion

Framework for Advanced Analytics and AI Adoption

1

Examine and strengthen digital core

To fully leverage the capabilities of Gen AI, high quality data is essential.

2

Establish key objectives of AI adoption

Establishing key objectives is crucial to strategically implement Gen AI and realize the maximize value.

3

Identify and manage risks

The success of a Gen AI rollout is dependent on managing and mitigating risks such as data security.

Risks and Remediation

1 / Early Stages
The Gen AI revolution is just beginning, and the technology is evolving very rapidly.

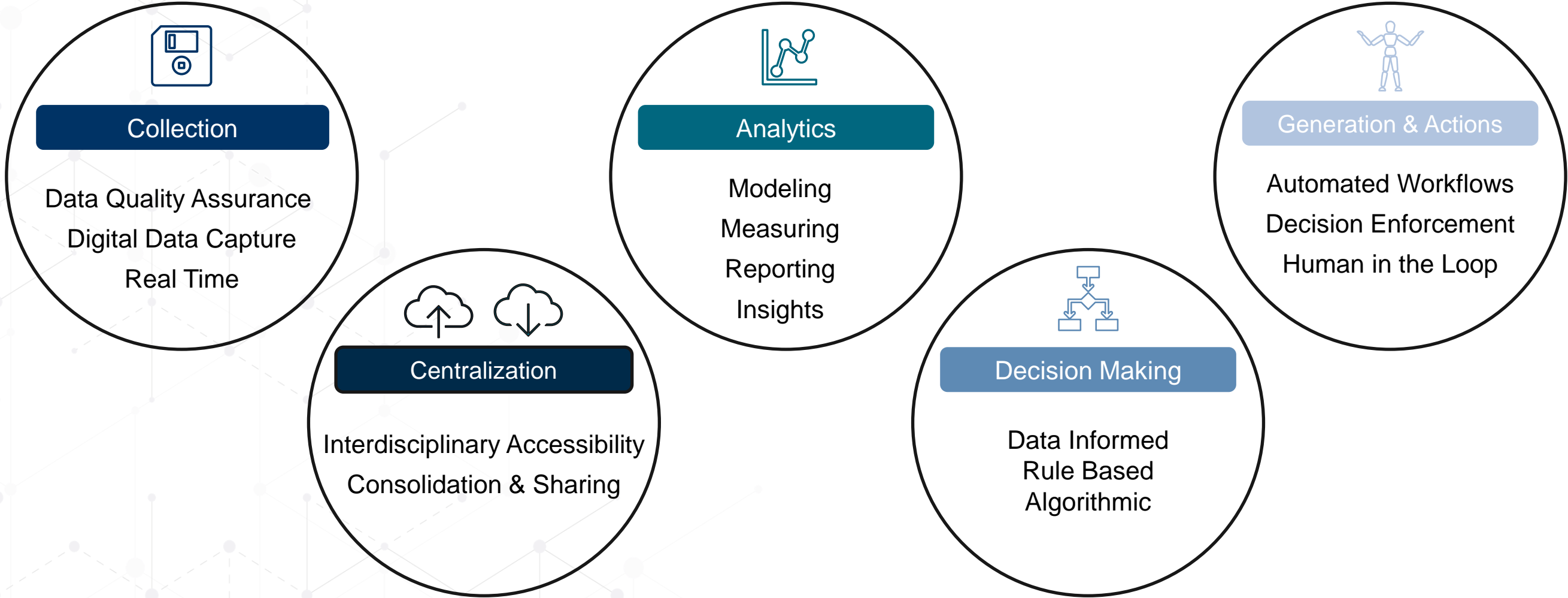
2 / Hallucinations
AI can generate erroneous or false data, predictions, or perceptions.

3 / Ethics & Bias
Misleading outputs with biases or consequences.

4 / Data Security Risk
Unintentional dissemination of confidential information or PII.

5 / Consequences
Can cause critical errors leading to significant legal, financial, or reputational risks.

Components of Digital Transformation



Data-Driven Mindset | Change Management | Continuous Innovation | Risk Management

Closing Remarks



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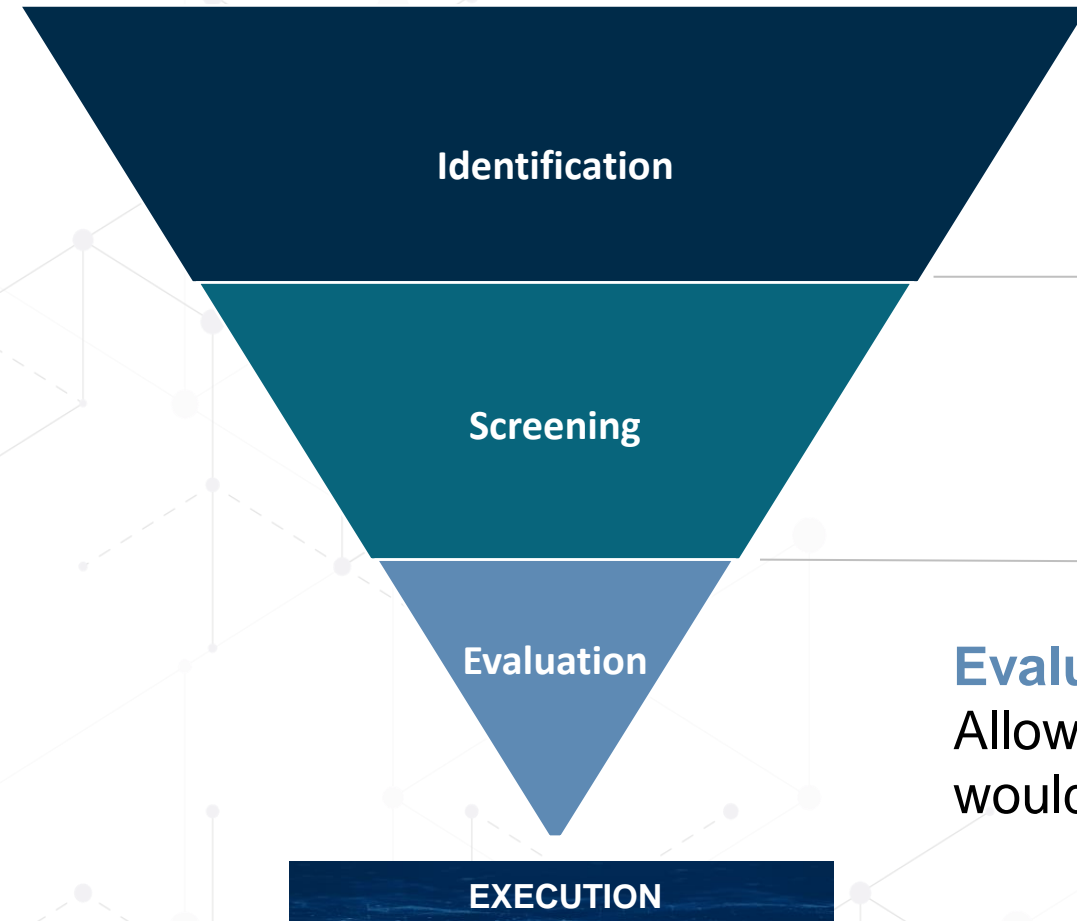
Mobile: (917)-969-1963



**Are you doing enough to leverage artificial intelligence
and the latest technologies to stay competitive?**

Appendix

Target Identification and Preliminary Due Diligence with AI



Identification

Use AI to find the right target at the right price by feeding strategic objectives and deal criteria.

Screening

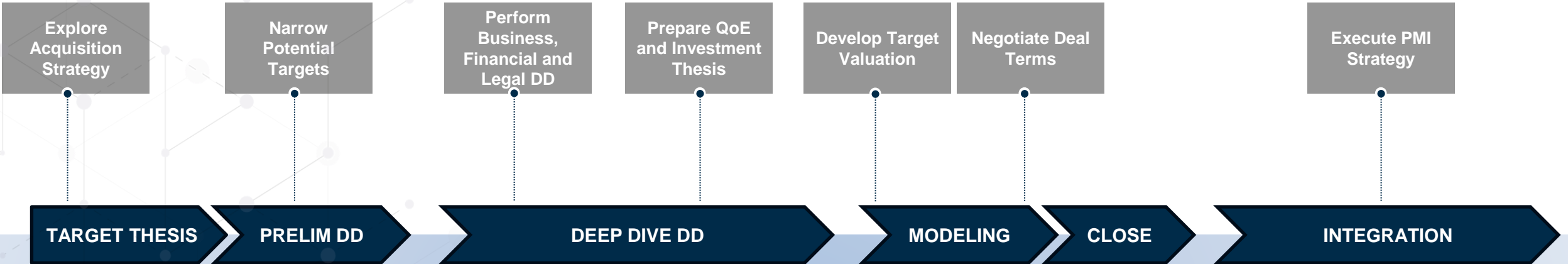
Utilize AI to synthesize information across a variety of public data sources.

Evaluation

Allow AI to uncover insights from the data presented that would take a human much longer to uncover.

M&A Due Diligence with AI

TRADITIONAL WORKFLOW



GENAI ASSISTANCE



Post Merger Integration and Value Creation with AI

In the realm of private equity, harnessing the power of AI encompasses seamlessly integrating cutting-edge technologies for benchmarking against market standards, pinpointing pivotal growth drivers, leveraging predictive analytics for informed decision-making, and cultivating synthetic growth strategies, all culminating in unparalleled value creation.



Software & Tech

- Strengthen human capital through auto-generated software code and streamlining the code review process
- Code migration across platforms
- Assist in anomaly event detection



Financial Services

- AI generated algorithms for fraud pattern detection and prevention
- Analyze historical trends and market data to identify risks, credit scoring and underwriting



Consumer Retail

- Optimize budgeting, purchasing and inventory through automated demand forecasting
- Auto-generate new product designs based on consumer review and market trends



Manufacturing and Industrials

- Identify risks in the supply chain and simulate disruptions or shipment routes
- Analyze data from sensors, equipment logs and maintenance records to predict maintenance needs

A&M: A Global Professional Services Firm

OUR PEOPLE



Senior Leadership
800+ experienced
Managing Directors
Dedicated Private Equity
Service Practice
1,000+ Private Equity
Services Professionals

OUR CLIENTS



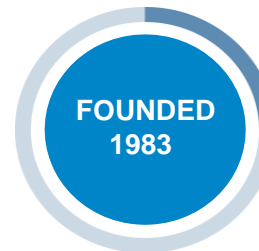
200+ Mid-cap/ Large-cap
PE Firms
44% FTSE 100
58% Fortune 100
138+ Industries

OUR DIFFERENTIATORS



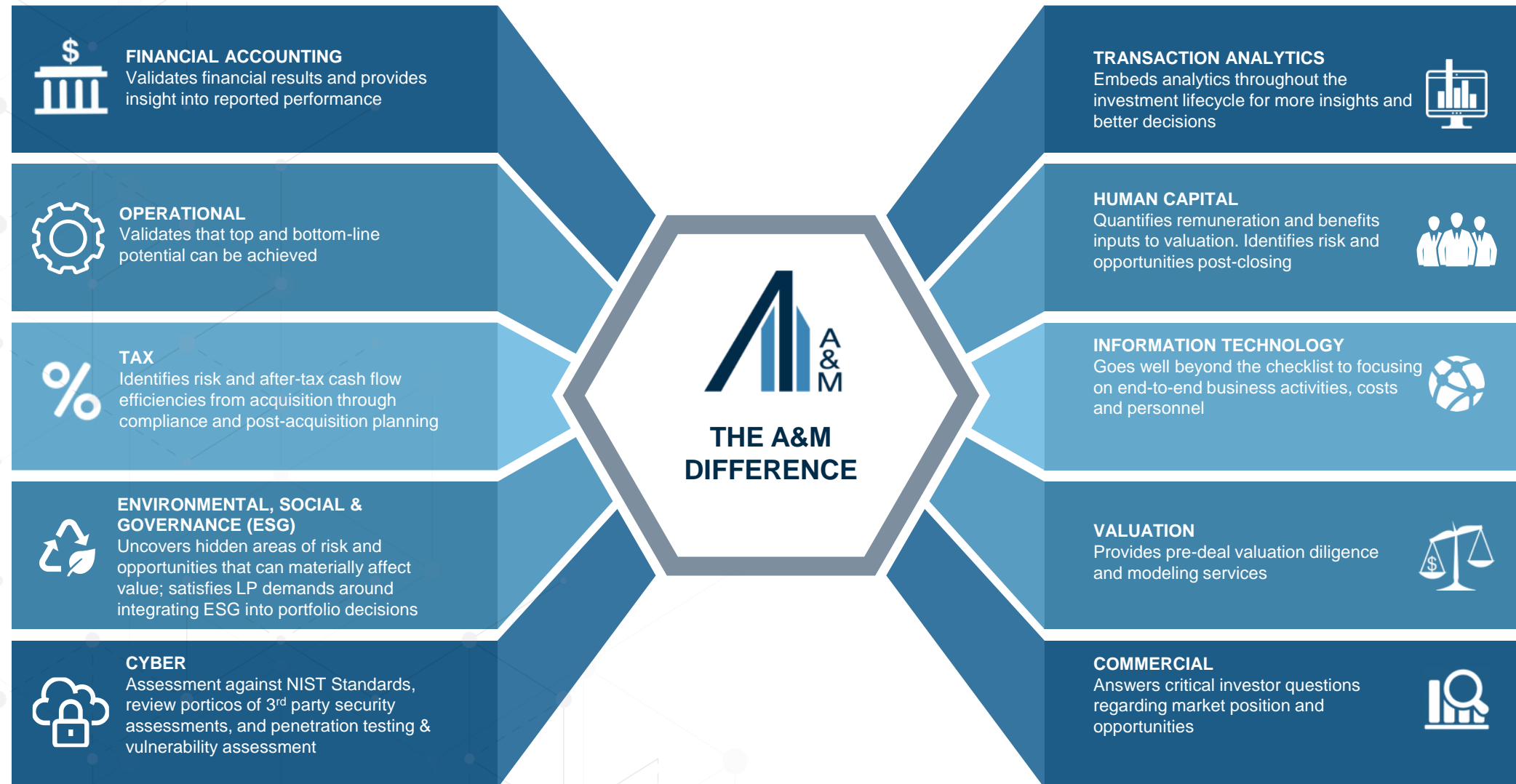
Integrated Full-service
Solutions
Senior-led Team
Hands-on Approach
Strong Operational Heritage
Free from Audit-based
Conflict

Leveraging AI in PE-Backed Companies



Private Equity Services: Integrated Diligence and Value Creation

Financial accounting and tax combined with deep operational, functional and industry expertise maximizes value of every transaction.





Q&A Segment

ALVAREZ & MARSAL