AN 80/20 INSTITUTE WHITE PAPER

100

DAYS TO INSTALL THE VALUE-CREATION PLAN

The First 100 Days

— a PE-backed CEO's value-creation operating plan

How a sponsor-backed CEO diagnoses, decides, and installs the plan that sets the trajectory of the entire hold — before the calendar takes command.

THE 80/20 INSTITUTE

BILL CANADY

EXECUTIVE SUMMARY

You have one hold period and one shot at its trajectory. The first 100 days decide both.

A private-equity hold runs roughly five to six years.[1] Inside that window, the value-creation thesis is either installed and compounding or quietly slipping. The variable that most separates the two outcomes is not year three. It is the first hundred days — the period in which the new CEO either takes command of the levers or lets the calendar take command of them.

The pressure is higher than it has ever been. For a decade, multiple expansion and cheap leverage did most of the work; a deal could clear its hurdle on about **5% annual EBITDA growth.** That era is over. Bain's analysis is blunt — **"12 is the new 5"**: the typical deal now needs roughly **10–12% annual EBITDA growth,** and operating improvement, not financial engineering, has to carry almost the entire return.[2] The CEO is now the value-creation engine.

5–6
YEAR HOLD — ONE WINDOW TO COMPOUND[1]

12%
IS THE NEW 5% — ANNUAL EBITDA GROWTH NOW REQUIRED[2]

100
DAYS TO SET THE TRAJECTORY OF THE WHOLE HOLD

This paper is the operating plan for that engine's first hundred days. It moves in three phases — **Diagnose, Decide, Install** — to produce a one-page **Value-Creation Plan (VCP)** built on the four levers of enterprise value: Revenue, Margin, Capital, and Multiple. It locks the team, installs the operating cadence that governs the plan, and books the quick wins that self-fund the journey toward a credible **3× equity in three years.**

WHAT YOU'LL GET FROM THIS PLAN

The clock and the new math behind PE returns; a 100-day Diagnose–Decide–Install sequence; the four-lever Value-Creation Plan and the "number"; the team lock; the operating cadence; the payoff math to 3×; and a readiness self-assessment.

PART ONE · THE CLOCK & THE MATH

The clock is running before you sit down

A hold is five to six years; a CEO's credibility window is one hundred days. And the math of the return has shifted under your feet — operating improvement now has to do the work that leverage and multiples once did.

Private equity is a time-boxed business. The average hold period sits in the five-to-six-year range, and the internal rate of return that defines success is exquisitely sensitive to when value is created — a dollar of EBITDA added in year one compounds far harder than the same dollar added in year four.[1] That single fact is why the first hundred days matter out of all proportion to their length. They are not 5% of the hold. They are the period in which the trajectory of the entire hold is set.

The first hundred days also set something less measurable but just as decisive: the CEO's standing with the sponsor, the board, and the management team. A leader who arrives with a diagnosis, a plan, and early proof points earns the room to operate. A leader who spends the quarter "getting up to speed" spends down credibility that is very hard to re-earn. Speed of insight, not speed of motion, is what buys that latitude.[3]

And the bar has moved. For most of the 2010s, a sponsor could buy a business, add leverage, ride a rising multiple, grow revenue modestly, and clear its return on roughly **5% annual EBITDA growth.**[2] With higher rates, compressed entry-to-exit multiples, and tighter credit, that arbitrage is gone. Bain's verdict — **"12 is the new 5"** — captures it: the same return now demands roughly **10–12% annual EBITDA growth,** and the great majority of it has to come from operating the business better, not from the financial structure around it.[2]

Figure 1 · "12 Is the New 5"



Figure 1 — "12 is the new 5." The composition of PE returns has shifted: multiple expansion and leverage have receded, and operational EBITDA growth must now carry the return. Source: Bain & Company, Global Private Equity Report.[2] Bar widths are illustrative of the directional shift.

The implication for the incoming CEO is direct. The value-creation plan can no longer be a slow, consensus-built artifact that emerges in month nine. It has to be diagnosed, decided, and installed inside the first hundred days, because operating improvement compounds — and the clock has already started. The rest of this paper is that plan.

TAKEAWAY

The first hundred days are not 5% of the hold — they set the trajectory of all of it. With "12 the new 5," operating improvement now has to carry the return, and it compounds hardest when it starts early.

ACTION QUESTION

If a dollar of EBITDA in year one is worth far more than the same dollar in year four, what are we still "getting up to speed" on that should already be moving?

PART TWO · THE SEQUENCE

The first-100-days sequence: Diagnose, Decide, Install

Three phases, not one scramble. Diagnose the business on facts; decide the three-to-five bets that constitute the plan; install the cadence and the team that make it run. Sequence is everything.

The most common first-100-days failure is doing all three phases at once — reorganizing before the data is clean, hiring before the bets are set, launching initiatives before anyone owns the number. The discipline is to run the phases in order. Diagnose before you decide; decide before you install. Each phase has a deliverable, and the hundredth day ends with a plan that is already running.

Figure 2 · The First-100-Days Sequence



Figure 2 — The first-100-days sequence. Diagnose (0–30), Decide (30–60), Install (60–100). The output is not a deck but a Value-Creation Plan already running on an operating cadence.

Days 0–30 · Diagnose

Start with the truth, not the narrative. Get the financial and operational data clean enough to trust, then run an **80/20 segmentation** of customers and products to find the vital few that drive the profit and the trivial many that drain it.[5] Baseline each of the four value levers as it stands today, and find the cash trapped in working capital. The deliverable is a fact base no one in the room can argue with.

Days 30–60 · Decide

Convert the fact base into choices. The Value-Creation Plan is not a list of forty initiatives; it is **three to five vital-few bets** that, together, produce the number — the explicit EBITDA and enterprise-value target the deal requires. Name the bets, quantify each, and identify the gaps — in capability, capacity, or capital — that stand between today and the number.

Days 60–100 · Install

A plan delivers nothing until it runs. Stand up the operating cadence that will govern the plan, get the right leaders in the right seats, and book the first quick wins — the early, self-funding proof points that build momentum and credibility. By day 100, the plan is no longer a proposal. It is the way the business runs.

TAKEAWAY

Sequence is the discipline. Diagnose on facts before you decide the bets; decide the bets before you install the team and cadence. Run all three at once and you reorganize around a narrative instead of the truth.

ACTION QUESTION

Are we trying to hire, reorganize, and launch initiatives before the fact base is clean — and which of those moves are we making on narrative rather than data?

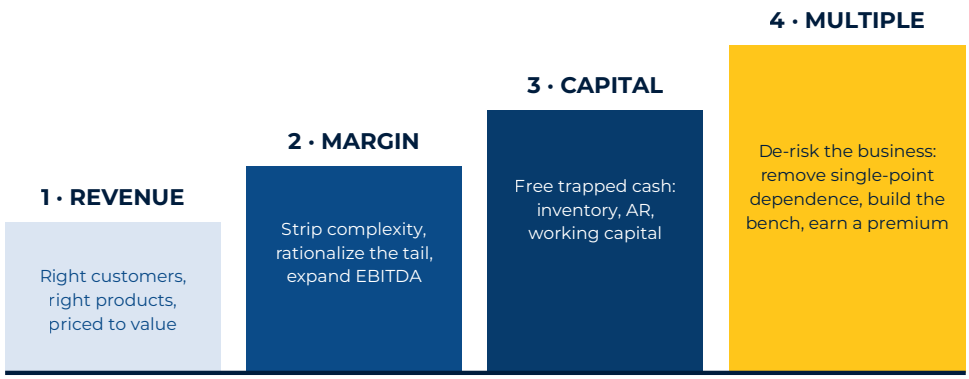
PART THREE · THE PLAN

The Value-Creation Plan: four levers on one page

Enterprise value is not a number you chase. It is the product of four levers — Revenue, Margin, Capital, Multiple. The VCP names the number and the bridge from today's EBITDA to it, lever by lever.

Enterprise value, simplified, is EBITDA multiplied by a valuation multiple. That equation contains four distinct levers a CEO can pull, and the Value-Creation Plan is the one page that assigns a target, an owner, and a quick win to each. Pulled in sequence, the levers don't add — they compound.

Figure 3 · The Four Levers of Enterprise Value



Pulled in sequence, the levers compound into enterprise value

Figure 3 — The Four Levers of Enterprise Value. Revenue quality and margin grow EBITDA; capital efficiency frees cash to fund the bets; de-risking the business earns a higher multiple on every dollar of that EBITDA.

Lever 1 · Revenue

Not all revenue is equal. The goal is not more revenue but more of the right revenue — the A-segment customers and core products that carry margin, priced to the value they deliver rather than to win on price. This is where most growth spend leaks, because it is aimed at undifferentiated demand.

Lever 2 · Margin

Margin is where complexity is paid back. Disciplined simplification — rationalizing the SKU and customer tail, fixing pricing — can lift margin by several points without touching the core.[4] It is not cost-cutting; it is removing work that was never earning.

Lever 3 · Capital

A profitable P&L can still starve a business of cash. Trapped working capital — slow inventory, stretched receivables — funds nothing. Freeing it converts paper profit into deployable cash that funds the VCP's bets without new debt or dilution.

Lever 4 · Multiple

The most overlooked lever, and often the largest. A business that depends on one founder, a few customers, or undocumented heroics trades at a discount. A business with a real bench, diversified revenue, and a documented operating system earns a premium — multiplying the value of the other three levers.

DEFINE THE NUMBER, THEN THE BRIDGE

The VCP is anchored by a single figure: **the number** — the EBITDA the deal model requires at exit, and the enterprise value it implies. From there, build the bridge: today's EBITDA, plus the quantified contribution of each lever, equals the number. If the levers don't bridge to it, the plan isn't finished — the gap is the work.

TAKEAWAY

Enterprise value is EBITDA times a multiple, and four levers move it: revenue quality, margin, capital efficiency, and the de-risking that earns a higher multiple. The VCP assigns a target, an owner, and a quick win to each.

ACTION QUESTION

Do today's EBITDA plus the quantified contribution of each lever actually bridge to the number — and if not, is the remaining gap named as the work?

PART FOUR · THE TEAM LOCK

The team lock: get the right people owning the levers

A plan is only as good as the people who own it. Grade the team honestly, build the bench behind each lever, and remove the single-point dependence that caps the multiple.

No CEO executes a value-creation plan alone. The first hundred days are when the leadership team is graded and, where necessary, reshaped — not on personality, but on whether each leader can own a lever and hit a number. The framework is simple and unsentimental: **A players** raise the performance of everyone around them; **B players** are solid and developable; **C players** are in the wrong seat or the wrong role. The plan needs A players on the vital-few bets, and it needs them fast.

Figure 4 · The Team Lock

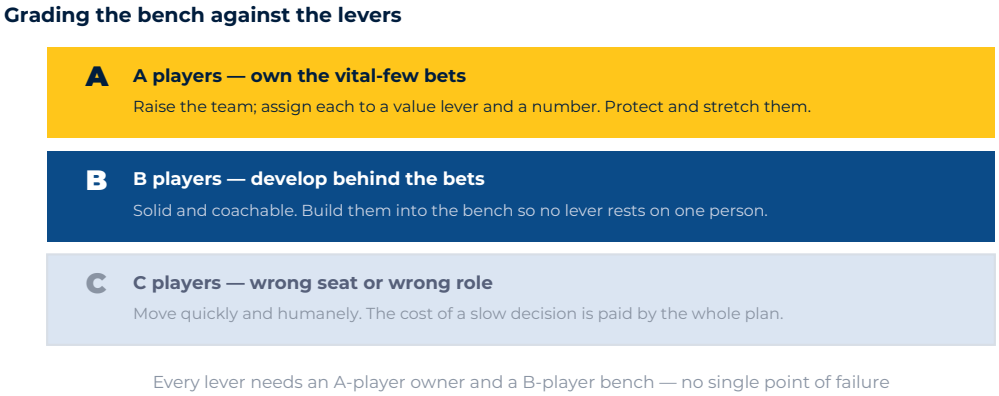


Figure 4 — The team lock. Grade leaders A/B/C against the value levers, assign an A-player owner to each, and build a B-player bench behind it. The goal is depth on every lever, so no part of the plan rests on one person.

The most expensive talent problem in a sponsor-backed company is **single-point dependence** — a business that cannot run without one founder, one rainmaker, or one operator who holds the system in their head. It caps the multiple directly, because a buyer cannot underwrite a company that breaks when one person leaves. Removing that dependence is not an HR exercise; it is a value-creation lever. Document the operating system, build the bench behind every critical role, and decide explicitly who owns the operating cadence when the CEO is in the field. The team lock is what turns a personality-driven business into an institution that compounds.

TAKEAWAY

Grade leaders A/B/C against the levers, put an A-player owner on every vital-few bet, and build a B-player bench behind it. Removing single-point dependence is not HR — it is a multiple lever.

ACTION QUESTION

If our best operator left tomorrow, which lever would stall — and what would it cost the multiple that the business still runs inside one person's head?

PART FIVE · THE CADENCE

The operating cadence: the Command Center

A plan without a cadence drifts. The Command Center is the governance rhythm — weekly, monthly, quarterly — that keeps the levers moving and surfaces problems while they are still cheap to fix.

Most value-creation plans don't fail at the strategy layer; they fail at the operating layer, where good intentions meet a calendar full of noise. The fix is an explicit governance cadence — **The Command Center™** — that puts the right decision in front of the right people at the right interval. It runs on a simple discipline: track **leading indicators** that predict the number, not just the **lagging indicators** that report it after the quarter is gone.

Figure 5 · The Command Center Cadence

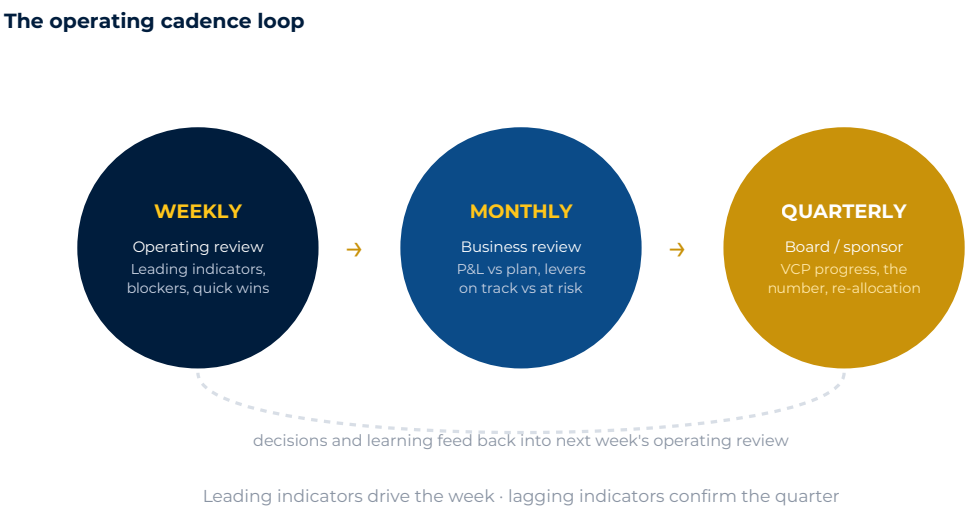


Figure 5 — The Command Center cadence. A nested loop: weekly operating reviews drive execution, monthly business reviews track the levers against plan, and a quarterly board/sponsor rhythm governs the VCP and the number — with learning feeding back into the week.

The cadence is also the sponsor's window into the business. A disciplined reporting rhythm — the same leading indicators every week, the same lever scorecard every month, the same VCP-against-the-number review every quarter — replaces anxious one-off questions with a shared, predictable picture. That predictability is itself a form of value: it builds the sponsor trust that

earns the CEO room to operate, and it surfaces problems while they are still small and cheap to fix rather than at the exit-readiness scramble.

TAKEAWAY

Plans fail at the operating layer, not the strategy layer. A weekly/monthly/quarterly cadence on leading indicators keeps the levers moving and gives the sponsor a predictable window — which is itself value.

ACTION QUESTION

Are we governing the plan on leading indicators that predict the number — or discovering problems only when the lagging quarter has already closed?

PART SIX · THE PAYOFF

The payoff: compounding to 3× in three years

"3× in three years" is not a slogan; it is arithmetic. When EBITDA grows and the multiple re-rates at the same time, equity value multiplies — and the quick wins self-fund the journey there.

Enterprise value is EBITDA × multiple. Grow only EBITDA and value grows linearly. Grow EBITDA and re-rate the multiple — by de-risking the business through the team lock and the operating cadence — and value grows geometrically. That dual move, installed in the first hundred days and governed thereafter, is the engine behind a credible 3× equity outcome over a three-year horizon.

Figure 6 · The Equity Value-Creation Bridge

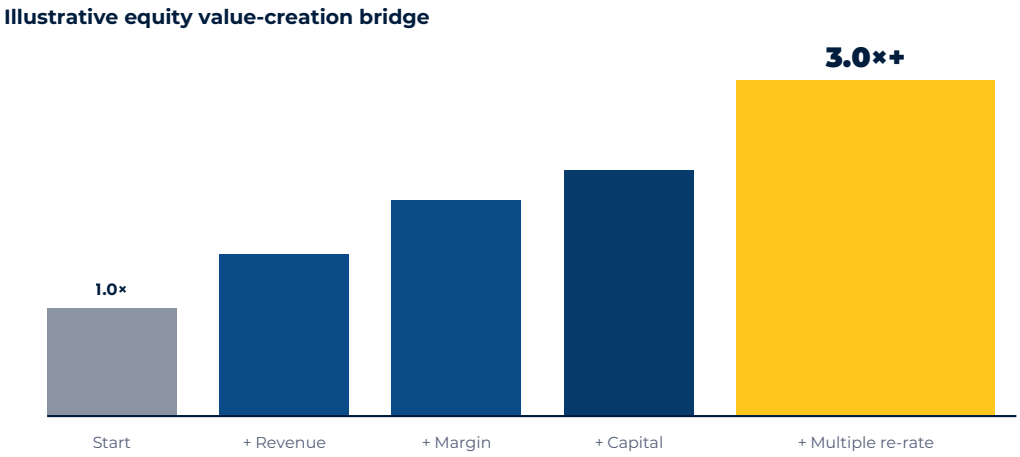


Figure 6 — The equity value-creation bridge (illustrative). Revenue quality, margin, and capital efficiency grow EBITDA; de-risking the business re-rates the multiple. Together they bridge from 1× to 3×+ equity value. Figures are illustrative, not a forecast of any specific deal's results.

Two practical truths make the bridge real. First, **quick wins self-fund the journey.** The early proof points booked in the install phase — a re-priced tail, freed working capital, a closed margin leak — generate cash that funds the larger bets, so the plan does not depend on new capital it may not get. Second, **sponsor alignment compounds the result.** A CEO and sponsor working from the same VCP, the same number, and the same cadence make faster, better capital-allocation decisions across the hold — which is itself worth a turn of multiple at exit.

The point is not the specific multiple. It is the structure: when a CEO moves all four levers with a system installed in the first hundred days — instead of chasing one lever with effort in year two — value compounds. That is what turns 3× from a hope into a plan.

TAKEAWAY

Grow EBITDA and re-rate the multiple together and equity value compounds geometrically. Quick wins self-fund the bets, and sponsor alignment is itself worth a turn of multiple — that is what makes 3× a plan, not a hope.

ACTION QUESTION

Are we moving all four levers with a system installed now — or chasing one lever with effort in year two and hoping the multiple takes care of itself?

SELF-ASSESSMENT

Is your first-100-days plan ready?

Check what's true today. Fewer than five checks means the trajectory of your hold is still up for grabs — and the window to set it is open right now.

- [ ] **Data.** Our financial and operational data is clean enough to base irreversible decisions on, and we have segmented customers and products by profit.
- [ ] **VCP exists.** We have a one-page Value-Creation Plan: 3–5 vital-few bets, each with an owner and a number.
- [ ] **Team graded.** Every leader has been graded A/B/C against a value lever, and the A-players are in the right seats.
- [ ] **Cadence installed.** We run a weekly/monthly/quarterly operating rhythm on leading indicators, not just lagging ones.
- [ ] **Quick wins identified.** We have named the early, self-funding wins that build cash and credibility in the first 100 days.
- [ ] **Sponsor-aligned.** The CEO and sponsor share the same plan, the same number, and the same reporting cadence.
- [ ] **Stress-tested.** The plan bridges to the number even if one major bet underdelivers, and single-point dependence is being removed.

TAKE COMMAND OF YOUR HOLD

Run your first-100-days plan against your numbers.

The methodology behind this plan has helped 100+ companies create more than **$3 billion in shareholder value** over 30+ years — by installing focus and an operating cadence, not by adding spend. The next step is a working diagnostic that pressure-tests your Value-Creation Plan, your team, and your number against the four levers.

BOOK A WORKING DIAGNOSTIC →

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ABOUT

The operator behind the method



Bill Canady

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Bill Canady is a transformational operating executive with more than 30 years of P&L leadership. He runs Arrowhead Engineered Products, a billion-dollar global industrial business, as Chairman & CEO — teaching operators what he is actually doing inside his own income statement, not theory from the outside. He created the Profitable Growth Operating System (PGOS) and is the author of The 80/20 CEO, From Panic to Profit, and The Rule of Three. His methodology has helped 100+ companies create more than $3 billion in shareholder value.

The 80/20 Institute

PREDICTABLE, PROFITABLE GROWTH — INSTALLED AS AN OPERATING SYSTEM

The 80/20 Institute helps CEOs of middle-market manufacturing, distribution, and service companies — and the sponsors who back them — trade complexity for clarity. Through the Profitable Growth Accelerator™, which installs PGOS in 100 days, and the ongoing governance of The Command Center™, the Institute equips leaders to find the critical 20% that drives 80% of results, eliminate the complexity that starves it, and move all four levers of enterprise value. Straight talk, no fluff, takeaways you can use inside your own P&L. This is the operating companion for the PE-backed CEO's first hundred days.

REFERENCES & NOTES

Sources

1. **Bain & Company.** Global Private Equity Report (recent editions). Average buyout holding periods of roughly five to six years; analysis of value creation timing and the sensitivity of returns to early-hold EBITDA growth; sources of PE value creation (revenue growth, margin expansion, multiple expansion, and leverage/de-leveraging). bain.com/insights/topics/global-private-equity-report

2. **Bain & Company.** Global Private Equity Report — value-creation analysis: deals that once required ~5% annual EBITDA growth to clear return hurdles now require ~10–12% ("12 is the new 5"); multiple expansion and cheap leverage have receded as return drivers, shifting the burden to operational improvement, which must now lead the return. bain.com/insights/topics/global-private-equity-report

3. **McKinsey & Company.** Private-equity value-creation and "first 100 days" research, including the value-creation plan, top-team assessment, and operating-model interventions that distinguish top-quartile holds. Speed of diagnosis and early operating cadence are repeatedly linked to outperformance. mckinsey.com/industries/private-capital

4. **Harvard Business Review** and related operating research on private-equity value creation (e.g., on the operating-partner model and post-close operational improvement). Disciplined simplification and pricing discipline can expand margins by several points; de-risking and management depth support a premium exit multiple.

5. **Juran, J. M.,** building on **Vilfredo Pareto.** The Pareto principle and the "vital few vs. trivial many" — the analytical basis of the 80/20 customer and product segmentation used in the Diagnose phase of this plan.

This white paper is published by The 80/20 Institute for the education of operating executives and the sponsors who back them, and is not investment, legal, or accounting advice. The "3× equity in three years" outcome and all figures shown in the value-creation, team, and cadence exhibits are illustrative of the methodology's mechanics; they are not forecasts and results vary by company and deal. Third-party statistics are attributed to their original publishers. © 2026 The 80/20 Institute. All rights reserved. PGOS, Profitable Growth Operating System, Profitable Growth Accelerator, The Command Center, and Earn the Right to Grow are marks of The 80/20 Institute.