Interview series.

Leaders making a difference, 2024

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Isabelle Pagnotta

Partner and Head of Business Services, Inflexion Private Equity

With over 20 years of private equity experience, Isabelle Pagnotta has a proven track record of backing and partnering with management teams to help them accelerate growth and achieve their ambitions. Here Isabelle discusses why she's an advocate of diversity in the financial world, as well as her passion for mentoring aspiring female private equity professionals.

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How did your journey in the private equity/investment sector begin, and how has it progressed?

I think my father would have liked me to follow in his footsteps as an engineer, but from the age of around 15 I developed an interest in the business side of things and this was the career path I decided to focus on. I also knew that I wanted an international career. At business school I spent one year in the UK, one year in Spain and one year in France, with internships in each country. I instantly loved the deal type activity of investment banking and after graduating I joined Bear Stearns in London as an analyst. It was here that I worked with private equity clients and realised that private equity (PE) was the right career path for me. Two years later, I secured my first PE role.

That was 22 years ago, and it was a very different time as there were very few females in the industry and certainly not much talk about diversity and inclusion. . But I'd found my passion; investing in companies to help them continue their growth trajectory, helping them to make acquisitions, creating jobs and developing people – it's so positive and this is what kept me going and remains my driver today. Working in private equity is very diverse and stimulating, every day is different and when you start your day in the morning you don't know what it will look like. In my current role as a Partner and Head of Business Services at Inflexion, I lead the origination and execution of majority and minority investments in Business Services across the UK and continental Europe. I am also a non-executive director of dss+ and K2 Business Partnering Solutions.

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In your role you gain insights into the heart of a company: the leadership, the people, and the company culture. What attributes do you look for and how does company culture impact the growth of a company and creation of sustainable value?

Company culture has always been critical; private equity is not just about financials. When we perform due diligence at a company, we spend a lot of time understanding the culture of an organisation – as ultimately this is what we are investing in. We back management teams and the people we meet because if the people are good and have the right capabilities, then the numbers will follow. Now we also increasingly look at the ability to attract diverse people.

I firmly believe in diversity – it's about diversity of thoughts helping you make better decisions and since I've been senior enough to be in leadership positions, I have always tried to have a diverse team. I have also mentored employees for a number of years now and I think it's a very important part of retention. You have to show leadership, not just talk about it because seeing is believing. When you meet and work with a lot of different people, you start identifying the people who can lead a business; they are both ambitious and charismatic. They have the ability to not always be the one who has to speak, they have the ability to listen, which is really important. In addition to the focus on people, there's now an increased focus on environmental, social, and governance (ESG) in general. In other words, whether a company has a socially responsible lens through which they make decisions. When we look at a company to invest in, we increasingly look at where they rank from an ESG perspective. It's about sustainable changes that companies are making, not just financials.

Q Leaders are increasingly turning to technology and innovation for inspiration and a competitive edge. In what capacity do you see technology and innovation creating more sustainable business practices? What would you say are the other key drivers to create a sustainable business that is resilient and better positioned to withstand industry volatility?

> "The go to market strategy is evolving in the sense that you will have to offer a tech platform to clients moving forward if you want to make sustainable change.

Technology is a key driver for companies to remain resilient and sustainable. Technology is paramount to all companies, as you simply can't disassociate technology from strategy. An important opportunity lies with AI which is massively changing service companies, especially as this new technological change is impacting the way we think about investment for our portfolio companies. We are supporting our portfolio companies to invest in technology to be ready for the big changes, such as AI. Technology is also changing business models – the go to market strategy is evolving in the sense that you will have to offer a tech platform to clients moving forward if you want to make sustainable change. In addition, I think that being able to be diversified geographically is critical so that if something unforeseen happens in a particular geography, the business can continue to grow elsewhere. Likewise, diversifying by sector and market is advantageous, giving exposure to industries that are not affected.

As you know, this interview is part of a series called "Leaders Making a Difference." What would you say you're most proud of in terms of your leadership?

I'm happy to have found my own leadership style. When I started, it was hard to know what I was going to be, especially with limited female role models. I like to think that I have a very inclusive leadership style; I like getting my team's input and opinions on decisions and creating diverse teams. Having diverse profiles in a deal team is so valuable – people come at it from different angles but it's very complementary. I don't always like everyone to agree. It's good to brainstorm and discuss ideas. It's a pleasure to have helped people to grow and progress in their career. I can see my direct input and it makes me feel really proud.

" Don't be afraid to ask for help. No one is perfect; be humble enough to say, 'how can I improve' and 'how did you do it?'

Given your experience as a mentor, what three top tips would you give to someone just starting their career in private equity?

Firstly, be yourself (because everyone else is taken!). Secondly, don't be afraid to ask for help. No one is perfect; be humble enough to say, 'how can I improve' and 'how did you do it?' And thirdly, don't hesitate to take risks and stretch yourself, sometimes we have the tendency to restrain ourselves, we suffer with imposter syndrome, but its ok to stretch a bit to test yourself and you'll soon realise you can do more than you thought you could.

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