



EXEO  
CAPITAL

BUSINESS INVESTMENT WITH PURPOSE

# Servant leadership in private equity – THE EXEO CAPITAL WAY

In the competitive realm of private equity, traditional top-down leadership approaches are being increasingly challenged by more inclusive and transformative models. One such model, which has proven to be both effective and sustainable, is servant leadership. This approach prioritises the growth and well-being of individuals and communities. At EXEO Capital, we have long championed this model to enhance the performance and sustainability of our portfolio. Below, we explore the key benefits that servant leadership delivers to our investment partnerships.

## Building trust and strong relationships

At the core of servant leadership is the prioritisation of others' needs, fostering a culture of trust and mutual respect. In the high-stakes environment of private equity, where partnerships are vital, this leadership style significantly strengthens relationships between limited partners, portfolio companies, fund transaction teams, investee employees and other stakeholders. By demonstrating genuine care and commitment to success, EXEO Capital creates environments within portfolio companies where transparency and communication thrive. This trust facilitates open dialogue about challenges and opportunities, fostering collaboration that leads to better decision-making

and problem-solving. Ultimately, this gives both the company and us as investors, a competitive edge and enhances the performance of our investments.

This value of servant leadership was clearly demonstrated during a recent merger within one of our portfolio companies. As expected, discrepancies arose during the integration phase, but EXEO Capital played a crucial role in resolving differences and ensuring alignment. This level of involvement was possible because of the deep trust we have cultivated over time – trust that would have been unlikely to develop in a more authoritarian shareholder-company relationship.

## Fostering innovation and agility

Servant leadership nurtures creativity and innovation by empowering employees at all levels. In private equity, this means granting portfolio companies autonomy to explore new ideas and strategies, supported by robust management teams. For example, EXEO Capital's approach enabled Vital Health Foods Group to successfully assimilate a competitor's production volumes. This initiative materially increased capacity utilisation and provided Nautilus Pharma's factory with the throughput needed for sustainable operation.

Innovation thrives in environments where individuals feel valued and heard. Across Africa, we have seen that cultivating a culture that rewards initiative, meeting or exceeding targets and experimentation positions companies to remain competitive and adaptable in fluctuating market conditions. This not only drives growth but strengthens the resilience of our investments.



# Enhancing employee engagement and retention

Employee engagement and retention are critical to business success. Servant leadership aligns the human resources agenda on the personal and professional development of employees across our portfolio companies, prompting management teams to invest in their people through training, mentorship, and career development programmes. In a region such as Africa, where skills shortages are prevalent, investing in people has a particularly profound impact.

Marginpar, one of our portfolio companies operating in Kenya and Ethiopia, exemplifies this approach through

the Kaizen management philosophy. By embracing continuous improvement and involving employees in decision-making processes, Marginpar has created a work environment where employees feel valued and empowered. They are called “value-adders” and not “employees”. This approach aligns closely with servant leadership, prioritising workforce growth and well-being, leading to higher levels of engagement and loyalty and a remarkably low staff turn-over. People stay in their jobs because they are happy in what they are doing.

## Enabling long-term focus

EXEO Capital’s commitment extends beyond immediate gains; we focus on creating value consciously, so that companies and people may thrive. As leaders in integrating sustainable business practices and ethical decision-making into our investment strategy, we ensure our portfolio companies are well-positioned to build robust, future-proof businesses.

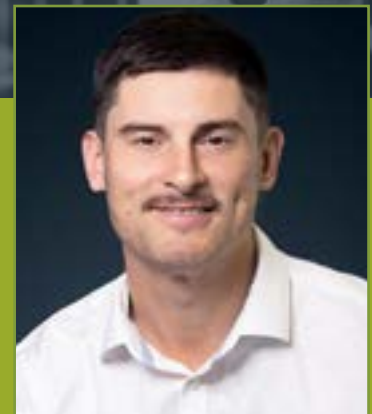
A prime example is Pee Pee Holdings Limited (PPHL), a Tanzanian leader in polymer-based bag and tarpaulin production for the agriculture and cement industries. As part of EXEO Capital’s Agri-Vie Fund II, PPHL benefitted from specialist technical assistance under a BIO technical assistance grant. This support enabled the implementation of a solar hybrid power system, reducing reliance on grid electricity and eliminating diesel use. Within the first month, power interruptions decreased by 90%, with a long-term goal of adding approximately 30 production days annually.

This initiative exemplifies our commitment to creating sustainable solutions that drive both operational efficiency and environmental responsibility.

## Conclusion

As the private capital landscape continues to evolve, the importance of ethical and inclusive leadership cannot be overstated. Servant leadership, especially when supported by senior management and engaged, sector-specific investors, offers a powerful model for achieving sustainable success. This approach benefits not only investors but the broader stakeholder community.

EXEO Capital remains dedicated to leading by example, demonstrating that servant leadership principles are integral to our future private investment partnerships. To learn more about our commitment to sustainability practices, read more [here](#).



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Associate



### About EXEO Capital:

EXEO has invested across 8 countries and 15 sectors, and completed 39 transactions since 2008.