

AI by design

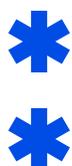
## AI Maturity: The Hidden Lever for Accelerating Portfolio Performance



# 02.

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# 01.

# Introduction

Private Equity firms today are operating in a market defined by rising valuations, higher interest rates and an increasingly competitive deal landscape. Traditional levers of value creation – operational efficiencies, bolt-on acquisitions, and financial engineering – remain important, but they are no longer sufficient to consistently deliver outsized returns.

Artificial Intelligence is rapidly becoming the new frontier of value creation. Used effectively, it can unlock margin improvements, accelerate top-line growth and strengthen exit multiples. Yet despite the enthusiasm, most firms are not yet seeing results. Three-quarters of PE investors are investing in AI initiatives, but only a fraction report meaningful value creation today. The reason is not a lack of capital or technology; it is a lack of organisational readiness.

This paper argues that the real differentiator in the coming years will be AI maturity – the ability of a company's people, processes, data and culture to embed and scale AI in ways that consistently generate measurable business outcomes. For PE investors, assessing and accelerating this maturity represents an underutilised lever for improving portfolio performance and protecting valuations.



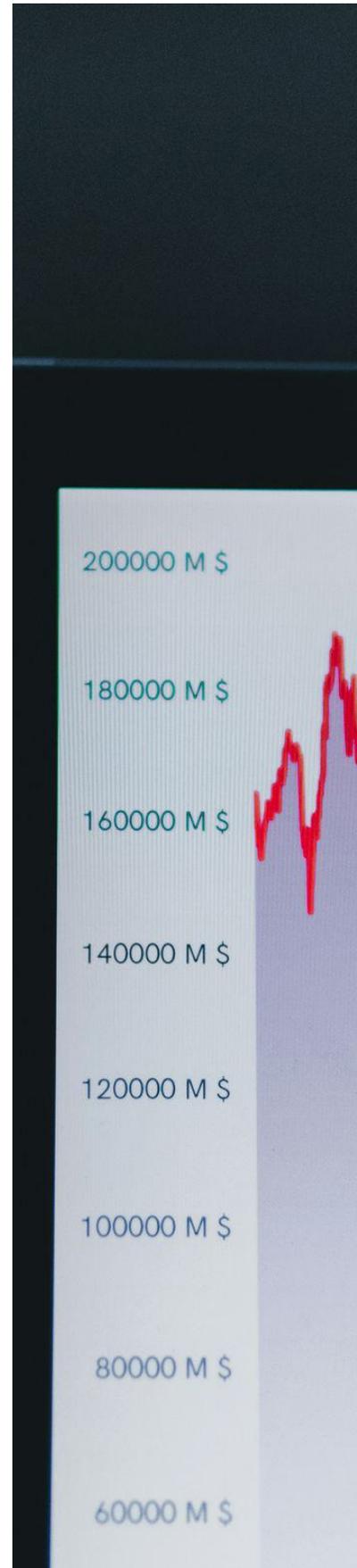
# 02.

## The Investment Gap

The investment community has moved beyond debating whether AI will matter. The question now is when and how it will translate into returns. Research from global consulting houses highlights a striking gap: while nearly 60% of PE firms now view AI as a critical driver of value creation, only around two percent expect to realise significant benefits this year. The vast majority anticipate returns only in the medium term, with most forecasting three to five years before AI initiatives deliver meaningful performance improvements.

In portfolio companies, this gap is visible on the ground. Many firms point to AI pilots – a chatbot in customer service, an algorithm trialled in marketing, or a small automation project in finance – as evidence of progress. But these isolated experiments rarely move EBITDA. Without a coherent strategy, robust data foundations and cultural adoption, AI remains stuck at the margins. For PE investors, this creates both risk and opportunity.

Immature AI capabilities can represent a hidden liability at acquisition, eroding the competitiveness of the asset. Conversely, a systematic approach to assessing and improving AI maturity can surface hidden value and provide a roadmap for post-deal acceleration.



# 03.

## Why AI Maturity Matters

AI maturity should not be confused with the number of algorithms deployed or the size of the data science team. At its core, maturity is about whether the business has the right combination of people, processes, governance and technology to scale AI effectively. Companies with high maturity do not simply experiment; they operationalise AI across workflows, align leadership around a shared vision, and build confidence in employees to use AI tools responsibly.



The difference in outcomes is stark. Organisations with low maturity typically spend heavily on pilots that never scale. Data quality issues remain unresolved, governance is inconsistent, and cultural resistance undermines adoption. High maturity companies, by contrast, turn AI into a force multiplier. They reduce operating costs by automating repetitive tasks, protect margins through smarter forecasting and pricing, and capture growth by personalising customer engagement at scale. At exit, they are also able to demonstrate resilience and future readiness, which increasingly commands a premium in valuation



# 04.

## Accelerating Portfolio Performance



When viewed through a PE lens, AI maturity becomes a strategic lever across the hold period. In operations, AI can drive efficiency through predictive maintenance, supply chain optimisation or robotic process automation. These improvements translate directly into cost savings and margin protection. In growth, AI-powered analytics and customer insights enable sharper go-to-market strategies, boosting customer acquisition and lifetime value. In governance, mature data practices reduce compliance risks and provide confidence to future buyers.

The impact is tangible. In retail, advanced segmentation and personalised recommendations have been shown to cut acquisition costs by double digits while increasing customer lifetime value. In manufacturing, predictive analytics can reduce downtime significantly, protecting millions in margin. In services, automating administrative work accelerates scaling without adding headcount. These are not theoretical projections; they are repeatable, proven use cases already being deployed by leaders in each sector.

For investors, the implication is clear: embedding AI maturity into the value creation plan is no longer optional. It can determine whether a portfolio company outpaces competitors or struggles to defend its market position.



# 05.

## AI Maturity in Due Diligence

Due diligence has always been about uncovering both risks and opportunities. Historically, that has meant scrutinising financials, markets and management capability.

Increasingly, it must also include a view on AI readiness. An AI maturity assessment provides exactly this lens. It benchmarks the target company across critical dimensions, from the integration of AI in workflows to the robustness of data governance and the cultural readiness of the workforce. It highlights hidden risks – such as over-reliance on unscalable pilots or exposure to regulatory issues – while also quantifying the upside potential. Perhaps most importantly, it provides a prioritised roadmap of post-deal initiatives with associated KPIs, giving investors a structured plan for value creation rather than a collection of uncoordinated experiments.

In an environment where multiples are closely scrutinised, overlooking AI maturity is increasingly a liability. Investors who build it into their diligence will not only de-risk acquisitions but also set themselves up to accelerate performance from day one of ownership.



# 06.

## The Mai Approach

At Mai, we believe that AI transformation is not primarily a technology challenge but a leadership and cultural one. Too often, investors and management teams focus narrowly on tools or algorithms while neglecting the people and processes required to sustain adoption. This is why so many AI initiatives stall after promising beginnings

### Pre-Deal: Assessing AI Readiness

Our AI Maturity Assessment provides investors with a clear, independent view of how ready a target company is to leverage AI. By evaluating adoption, data governance, leadership alignment and cultural readiness, we highlight both hidden risks and untapped opportunities. This enables investors to refine valuation models and enter deals with a more informed perspective.

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### Post-Deal: Building the Roadmap

Following acquisition, we work with management teams to design an actionable AI roadmap. This balances short-term quick wins—automation, efficiency gains, smarter forecasting—with long-term initiatives that build resilience and competitive advantage. The focus is always on tying AI investments to measurable value creation within the hold period.

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### Portfolio Oversight: Tracking and Accountability

Throughout ownership, we provide a structured way to measure and report progress. By establishing AI-native KPIs—such as throughput per employee or AI-driven margin impact—we translate technical initiatives into investor-grade metrics. This gives PE firms visibility across the portfolio and confidence that AI is contributing to EBITDA, not just producing isolated experiments..



# 07.

# Conclusion

The coming years will determine which PE firms succeed in turning AI from hype into hard returns. The winners will not be those who simply invest more capital in technology, but those who systematically build AI maturity across their portfolio.

For investors, this represents both a defensive measure and an offensive opportunity. It reduces the risk of overvaluing immature assets, while opening up new avenues of value creation during the hold period. At exit, companies that can demonstrate robust AI capabilities and governance are increasingly seen as more resilient, more scalable and therefore more valuable.

AI maturity is fast becoming the new frontier of due diligence. Those who embrace it will be better positioned to protect their downside, unlock hidden value and deliver superior returns for their stakeholders.:

Mai partners with Private Equity firms to turn AI maturity into measurable portfolio performance. If you would like to explore piloting an AI Maturity Assessment on one of your portfolio companies, we would be delighted to begin the conversation.

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