The Pool Is Not the Problem

If you keep looking at the same people in the same places, you will keep getting the same results.

Reflections from a former private equity portfolio company executive | October 2026

Having recently stepped away from executive life, I've been reflecting on the people I've worked with and the decisions I've seen made about talent. Some of those reflections come from my experience as a woman; others from watching exceptional executives overlooked because they hadn't held a particular title or completed a particular transaction. I've seen enough to believe that, in today's challenging market, funds willing to look beyond familiar credentials could find a genuine competitive advantage.

The case for changing how PE hires

PE needs more from management teams than it did ten years ago. In a US buyout example, a deal that needed roughly 5% annual EBITDA growth in 2015 would need 10–12% in 2025 to deliver 2.5x MOIC.[1] The assumptions differ, so this is not a forecast for every deal. But the point stands: the business has to deliver more of the return.

Leadership changes are also part of the model. In one study of large US buyouts, 71% of CEOs were replaced before exit.[2] That does not mean the changes were wrong. But a change at the top takes time, and the market for people who can do these jobs, and want to, is competitive. Earlier research found that 83% of PE executives believed unplanned CEO turnover lengthened holding periods.[3]

If you are competing with other funds for the same executives, using the same specifications, the same search firms and much the same assessment process, where is your competitive advantage? There may be good people you and your competitors never get to see. The trick is to find them without lowering the standard.

Sometimes changing the CEO, CFO or other executive is exactly the right decision. But even a good change costs time. In Europe, a senior executive may have six months' notice, sometimes with further contractual restrictions. You can wait for the person you want or compromise on availability. Then the new executive has to learn the business, build relationships, assess the team and decide what to change. Every CEO brings a different way of operating; every CFO runs finance slightly differently. Work can slow and teams can become unsettled. Six months to recruit and another two quarters to get fully effective could consume a year of the hold. That matters when the value-creation plan is already demanding.

The ability to replace an executive is not a substitute for getting the appointment right in the first place.

Three filters worth challenging

1. Prior PE experience

PE experience has value. Someone who understands sponsor governance, cash, pace and the exit timetable may get moving faster. But "has worked in PE" is not a skill in itself. Around three-quarters of portfolio-company CEOs and CFOs have already held a C-suite or non-executive role in a PE-owned business.[4] So the industry keeps returning to a familiar group. What exactly do you need this person to know? Can you test for it? And does somebody else on the team already bring the PE experience?

Nobody is suggesting putting an untested executive into a critical seat. The question is whether a PE logo on the CV should decide who gets considered.

2. Prior title

A CFO who has done the job before brings useful experience. But a finance director may already have done much of the work. Russell Reynolds found that 43% of new portfolio-company CFOs in its US sample were first-time CFOs.[5] PE firms already make these appointments. They are not some radical experiment. And yet so often the role specifications require previous CFO experience.

The same applies to CEOs. A divisional or regional managing director may have run a substantial business, with full P&L responsibility, led transformation, managed acquisitions and built a strong leadership team. But they may never have held the group CEO title. Of course, being the ultimate decision-maker, managing a board and dealing directly with a PE sponsor bring different demands. The question is whether those gaps are significant enough to rule someone out, or whether the candidate has already demonstrated the capabilities that matter most.

For either role, ask what the business actually needs. For a CFO, that might mean cash and liquidity, forecasting, controls, acquisitions, board communication, building the finance team and challenging the CEO. For a CEO, it might mean delivering growth, improving performance, leading change and building the organisation. What has the candidate actually been accountable for, and what have they delivered? Where someone has a genuine gap, decide whether it can be managed and supported. Where they do not, why exclude them?

3. Exit experience

Exit experience is worth having when the person actually did the work: financial plan, strategy, diligence, data room, equity story, refinancing, separation, negotiations; running the process internally. Simply being in the building when a company was sold tells you very little. And an IPO is not a sponsor-to-sponsor sale or a continuation transaction.

For a CFO joining just before a difficult exit, transaction experience may be essential. Elsewhere, operational capability may matter more, with the sponsor and advisers supplying transaction expertise. Ask what the candidate personally delivered, what went wrong and what they learned. “Done an exit” is the start of a conversation, not the answer. An executive who has not completed one may still be better equipped than someone who happened to be there when a deal closed.

Filters accumulate—often before the sponsor sees the candidates

The job specification is only the first cut. And it may already be asking the wrong questions. A specification can reflect what the CEO or investment team finds reassuring, rather than the capabilities most critical to delivering the value-creation plan. Then the search firm decides whom to approach. Researchers decide who looks credible. CVs and LinkedIn reward people who describe themselves well. Interviews can reward confidence. References and psychometrics add more hurdles. Each filter may sound sensible. Put them together and good candidates disappear before anyone has tested what they can do. Take “a PE CFO who has done an exit”. That is three filters masquerading as one. It can exclude a finance director who led the exit work and has everything needed except the title.

Gender gives us one way to see the effect. If you insist on people who have already held a job, you inherit the composition of the group that held it before. Russell Reynolds found that women made up 7% of externally hired portfolio CFOs who had previously been CFOs, but 17% of first-time appointees.[5] That does not prove the requirement caused the difference. It does show how much the starting pool can change.

I reviewed 18 funds and 730 European-headquartered portfolio companies in September 2026. I could identify the group CEO in 556 businesses. Thirty-four were women: 6.1%. Five funds had no identifiable female group CEO.[6] This is a snapshot, not a census of European PE, but it is difficult to look at those numbers and conclude that the industry is drawing widely.

The issue is not whether 6.1% meets somebody’s target. It is whether the search ever reached the people outside the familiar pool. If you only consider people who already hold the title, or you have a high number of cumulative filters, you should not be surprised when the next generation looks much like the last.

This is not unique to PE. The relevant comparison is not with all women in leadership, but with women already running businesses, divisions and regions. The Pipeline reported that women held 19% of commercial roles with P&L accountability in 2024; Russell Reynolds found women in 21% of FTSE 100 divisional and regional P&L leadership roles, a group from which 41% of FTSE 100 CEO appointments were drawn.[7] Yet women held only 8.2% of FTSE 350 CEO seats, compared with 6.1% of identifiable group CEO positions in my PE sample.[6][7] These are different populations, and there is no reason to expect exact proportionality. But the narrowing is striking. Listed companies have not solved it either. If women hold roughly one in five commercially accountable leadership roles, why do so few reach the CEO seat? And what additional narrowing may occur when PE insists on a previous CEO title, PE experience and an exit?

There may be a second filter: how candidates present themselves. A study found that women described comparable performance less favourably than men, and employers did not fully adjust for the difference.[8] The experiment was not about PE executives. Still, think about how much weight is put on a convincing CV, a polished interview or the way a CEO explains a difficult quarter. There is a real risk of mistaking confidence for performance. The answer is to check the evidence, not to assume that every difference is bias.

What happens after appointment matters too. In listed companies, Russell Reynolds found shorter average tenures for women CEOs and more dismissals within three years; a separate US study found differences in dismissal risk and the response to improving performance.[9][10] Neither proves that PE boards behave the same way. But consider the possible connection: if women are less inclined to describe comparable performance in glowing terms, could that also affect how boards interpret a difficult quarter, progress against a plan or the case for keeping an executive? We do not know but it is a risk. That is a reason to test the possibility against actual results, not to assume that confident reporting and strong performance are the same thing.

The filters have a price

When funds ask for the same three credentials, they chase many of the same people. Search firms know those names. The candidates know they are in demand. And searches keep coming: CEO and other CXO replacements during a hold are hardly unusual.

That can mean higher packages, tougher equity negotiations and longer searches. You may be paying a premium for familiarity when what you really need is capability.

There is an obvious alternative. Look at capable people the standard specification screens out. Your competitors may never have approached them. That is an opportunity, not a lowering of standards.

What I would change

This is not a call for another fund-wide initiative or a new reporting industry. PE firms have access to considerable leadership experience across their investment teams, operating partners, independent directors and advisers. The question is whether they use it most effectively when making decisions about people. Bring in the right perspectives at the right time, without turning every appointment into a committee exercise.

Before the search starts

- Decide who owns the appointment and when the sponsor gets involved. CEO and CFO appointments should be firmly on the fund's radar. For other roles, the portfolio-company CEO may run the process, with clear points for sponsor input or approval. Do not leave the question of ownership until the shortlist arrives.
- Treat CEO succession as an assessment, not the CEO's nomination. The CEO should contribute, but should not decide alone who is in contention. For critical roles, the investment team should make sure credible internal candidates have been considered, with challenge from operating partners, independent directors or advisers where useful. Assess people against what the business will need next, not their closeness to the CEO, current title or confidence in presenting themselves. Discuss the options explicitly with the relevant decision-makers and give promising executives a fair understanding of the capabilities they need to demonstrate. This need not become a formal board process for every role. The need for greater discipline is clear: a report from Heidrick & Struggles and AlixPartners puts the proportion of PE-owned companies with succession planning programmes at just 26%.[11]
- For roles that are repeatedly hard to fill, build a view of the market before a vacancy arises. Keep in touch with strong runners-up and former executives. There is no reason to restart from zero every time.

Write a better brief

- Start with the value-creation plan. What are the three or four things this executive must deliver for the investment to succeed? What capabilities do those require, and which are already present in the team? Then test the proposed specification against those priorities. Are we hiring someone equipped to deliver the plan, or someone who simply looks like a safe appointment? The CEO and CHRO should not write the specification in isolation: use the investment team, operating partners and independent directors or advisers where their perspectives will help. Nobody has a perfect view of their own gaps. Separate capabilities that are essential from experience that would merely be reassuring.

- For every demand for a previous title, PE background or exit, ask one question: what risk are we trying to avoid? Then ask whether the candidate can demonstrate the capability another way, or whether the team can cover the gap.
- Be clear about the trade-offs. A first-time CFO or someone new to PE may be a strong hire, but need a more experienced chair, a mentor or targeted transaction support. Decide that before making the offer, not six months later.

Make the search firm earn its fee

- The person running the search — fund or portfolio company — should see the market map and an early longlist, not just a beautifully packaged shortlist. Ask which less-obvious candidates were considered and why they were dropped. The sponsor should see that detail on searches it has agreed to oversee; it need not sit in every interview.
- AI and better databases make names easier to find. That should mean a wider search, not the same names faster. Ask what the search firm did beyond its database, LinkedIn and the usual suspects. You pay for reach, judgment and persuasion. Make them show all three.
- Interviews are another place where good candidates can be lost. CEOs and investment teams are busy, and preparing properly for interviews takes time. It is easy to rely on experience and instinct, particularly when a candidate presents well. But a convincing conversation is not the same as evidence that someone can do the job. Agree beforehand what the role needs, ask candidates for comparable examples of decisions and results, and probe what they personally delivered. Some people are better at selling their achievements than others. The same caution applies to psychometric tests, particularly those based on self-reporting. Candidates can learn to give the answers they think are expected, and a favourable result may simply reinforce an impression rather than provide independent evidence of capability. The sponsor does not need a scorecard, but should resist a confident five-minute verdict on somebody whose work nobody has properly tested.

Give the appointment a chance to work

- Agree the initial support plan and the first proper review date before the executive starts. Be explicit about what success looks like, what help is available and who will provide it. A first-time CFO, someone new to PE and an experienced executive entering a difficult business will need different things.
- Use genuine 360-degree feedback, not just the view from the sponsor or boardroom. Some executives manage upwards brilliantly and leave a trail of damage below; others build exceptional teams without making a show of it; and some antagonise their peers. The same self-description risk applies after appointment: judge delivery using results and views from the people affected, not just the executive's account. Make sure feedback reaches the executive early enough to act on it, and follow up. Use it to

identify where support or development would help, not as another stick to beat them with.

- Offer practical mentoring where it would help. An experienced corporate CEO or CFO entering PE may benefit from an experienced PE executive who understands the pace, governance and sponsor relationship. A first-time CEO or CFO may need a different kind of support. Make room for confidential conversations outside the reporting line: an operating partner checking the numbers or milestones is not the same thing as a mentor. And consider external peer networks for senior women who may have very few peers with similar experiences within the portfolio.
- When an appointment ends, the sponsor and relevant company leaders should have a candid discussion. Was it a planned upgrade, a change in the business, a genuine performance failure or a mismatch that the hiring process should have spotted? No elaborate taxonomy is needed. The point is to learn something before the next search.

A few questions worth tracking

Keep this simple. For important searches, ask: Did we see credible candidates beyond the usual PE-and-title profile? Did the search firm explain the candidates it ruled out? Did we assess internal successors rather than accept nominations? How long did the appointment take, and why? A year later, is the executive delivering what we hired them to do — and have we listened beyond the boardroom? This is not a new dashboard. It is basic discipline.

Conclusion

If you are competing with other funds for the same executives, using the same specifications, the same search firms and much the same assessment process, where is your competitive advantage? It will not come from lowering the bar. It may come from looking further, judging people on what they have done, asking more of your advisers and giving good executives the support to deliver. The pool may be wider than the process lets you see.

I started thinking about this partly from a woman's perspective. But the more I reflected on the executives I have worked with, the more convinced I became that the opportunity is broader. I have seen a strong potential CFO overlooked because he had never held the title. And before I completed my first exit, I had never completed an exit. Some candidates without those credentials will not be ready; others may be exactly what a business needs. The test is whether the process finds out, rather than screening them out. In this market, even one fund willing to search more widely and assess more carefully may find an advantage its competitors have missed. Widen the search. Don't lower the bar.

Sources and methodological notes

[1] Bain & Company, Global Private Equity Report 2026, “Welcome to a New Era”, Figure 1. An illustrative US buyout model: roughly 5% annual EBITDA growth delivered 2.5x MOIC on a 2015 deal over a five-year hold, against 10–12% for a 2025 deal. Bain’s stated inputs are leverage of about 50% of enterprise value at 6% in 2015 against about 36% at 8% in 2025, and entry/exit multiples of 10.0x/12.5x in 2015 against 14.0x/15.0x in 2025. Verified against Bain’s published report, October 2026.

[2] Gompers, Kaplan & Mukharlyamov, NBER Working Paper 30899 (2023), study of 192 large US buyouts (2010–16). CEO replacement is not synonymous with failure.

[3] AlixPartners, 11th Annual Private Equity Leadership Survey, published 25 March 2026 (427 respondents: 174 private equity leaders and 253 portfolio company executives). The 83% figure is reported there as a finding of earlier AlixPartners research; the publisher does not state which year that research covered. The 2026 survey separately reports that 65% of private equity firms saw CEO turnover during the holding period.

[4] Altrata, Portfolio Company Talent 2026. Approximately 12,500 companies and 68,000 individuals, US and UK. The three-quarters figure covers prior C-suite or non-executive roles at PE-owned businesses.

[5] Russell Reynolds Associates, Portfolio Company CFOs: Rethinking the Hiring Blueprint (31 May 2022), mapping 150 portfolio companies across 17 US PE firms. The same study reports that 7% of externally hired portfolio CFOs who had previously held the title were women, against 17% of first-time appointees. https://www.russellreynolds.com/en/insights/articles/portfolio-company-cfos-rethinking-the-hiring-blueprint

[6] Author’s research, September 2026. Eighteen funds (KKR, CVC, Carlyle, EQT, Bain Capital, Apax, Cinven, Nordic Capital, Bridgepoint, Warburg Pincus, PAI Partners, Ardian, Eurazeo, CD&R, Triton, Hg, Astorg and Waterland), 730 European-headquartered, control-owned portfolio companies above US$100m revenue; CEO identified for 556, 34 women. This is a non-random sample with incomplete identification, not an industry-wide estimate.

[7] The Pipeline, Women Count 2024: women held 19% of commercial, P&L-accountable roles. Russell Reynolds Associates, FTSE 100 research (2024): women held 21% of divisional and regional P&L leadership roles; 41% of CEO appointments came from that leadership group. FTSE Women Leaders Review 2026: women held 8.2% of FTSE 350 CEO positions. These are different samples and measures, not a direct estimate of the qualified PE CEO candidate pool.

[8] Exley & Kessler, “The Gender Gap in Self-Promotion”, Quarterly Journal of Economics 137(3), 2022, pp. 1345–81. Experimental setting, not executive recruitment. https://academic.oup.com/qje/article/137/3/1345/6513425

[9] Russell Reynolds Associates, Global CEO Turnover Index — “Why Women CEOs Leave Sooner” (2025). 1,317 CEO departures, 2018–2024, across twelve indices including the FTSE 100 and FTSE 250. Listed-company data; not private equity.

[10] Gupta, Mortal, Silveri, Sun & Turban, Journal of Management (2020), US public-company sample 2000–14; external validity to PE is untested.

[11] Heidrick & Struggles and AlixPartners, Closing the Leadership Gap in Private Equity (copyright 2025; web version published 27 January 2026), p. 6. The chart reporting 26% for succession planning cites the AlixPartners tenth annual Private Equity Leadership Survey and a Heidrick & Struggles survey of CEOs and board members, March 2025 (n=1,027). The figure covers succession planning programmes generally, not formal CEO succession plans specifically. https://www.heidrick.com/en/insights/private-equity/closing-the-leadership-gap-in-private-equity