2025

Raines International: 2025 Private Equity Talent Report

By Bryan Burg and Maeve Foley
Raines International

Introduction

More than half of 100+ PE partners (59%) told Raines that currently they are only hiring where absolutely necessary, holding off on any major transformation, if possible. While most PE firms are being more cautious with hiring this year, they are still investing in key leadership and revenue-driving roles, reflected in Raines' own assignments in 2025.

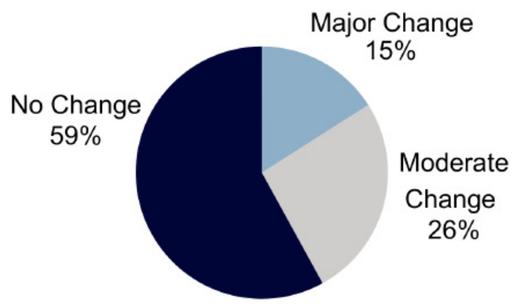
"If the theme of 2024 was control, the theme of 2025 is measured preparation," Bryan Burg, Head of Raines' Industrial Practice, explains. "Within our assignments, firms are displaying more proactivity than they were in 2024, looking ahead at hiring needs while keeping exits in mind." To this point, 41% of partners said they are still planning major or moderate hiring changes.

"There's definitely less panic and more planning right now," Maeve Foley, Head of Raines' Operating Group Practice, added. "More Private Equity firms are thinking about succession and the next leaders of their companies as opposed to only hiring when seats are vacant. Clients are starting searches six months before they need someone."

ABOUT THE SURVEY

This is Raines' third annual survey of PE partners on talent and hiring needs. 109 PE partners shared their greatest concerns and needs for their portfolio company C-suites.

Current Hiring Plans



Executive Summary

- PE partners are most concerned with replacing Chief Financial Officers, and there's a growing push for Chief Revenue/Sales/Marketing Officers, especially within companies growing via M&A.
- The biggest struggle in hiring is assessing leadership capabilities and potential under high-stress or growth-oriented conditions, as well as finding candidates with the necessary experience. More firms are seeking proven C-suite leaders and are less likely to be open to a step-up candidate, leading to a tighter market.
- To close the deal, PE firms say they are most willing to be flexible with equity, but it's vital to be transparent about what equity is from the start of the search. Many proven C-suite leaders have already come through astronomical exits and realistic expectations must be set.

The Three Most Critical Portfolio Company Roles in 2025

PE partners provided a very clear picture of the key roles at their portfolio companies. Not surprisingly in today's market, Chief Financial Officers were cited as the number one role partners were concerned about having to replace, followed by CEOs. In third, partners listed the revenue driver — Chief Revenue Officer, Chief Sales Officer, Chief Marketing Officer, or other Go-to-Market leader.

Why? While all roles in a portco's C-suite are vital to the company's success, these three functions presently have the most visibility, especially when thinking about getting to an exit. Below, we take a closer look at each of these key roles:

- **Chief Executive Officer:** The need to find the right CEO at the right time is always high, but even more so now. "Many clients are rejecting step-up candidates because of the pressure to get it right in a competitive and tight market," Burg said. "Especially within commercial services, clients are seeking sitting CEOs with experienced exits as firms create buy-and-build platforms." One option: If you aren't secure in your CEO's longevity but know your offer won't be competitive for a proven CEO, consider adding a Chief Operating Officer role to groom your next CEO post-exit. We are hearing a growing interest for the COO role as training ground.

- **Chief Financial Officer:** Finding a tried-and-tested PE CFO is difficult in today's market. While firms want CFOs who have already held the role at a PE-backed company, the talent pool of experienced PE CFOs willing to make a move isn't infinite. Shrinking that pool further? Geography-specific needs. Our top tips for a smoother hiring process include: define the process and decision-makers early on, deemphasize the focus on finding a perfect style match, think through flexibility on relocation, and align expectations for speed and pace. For more, read Raines' CFO report.

- **Revenue Leader:** This grouping of roles — Chief Sales, Revenue, Marketing, or Commercial leader — is gaining more attention. Growing topline while heading to an exit is key to finishing strong and getting the right deal.

PE PARTNERS ARE MOST CONCERNED ABOUT PORTCO:

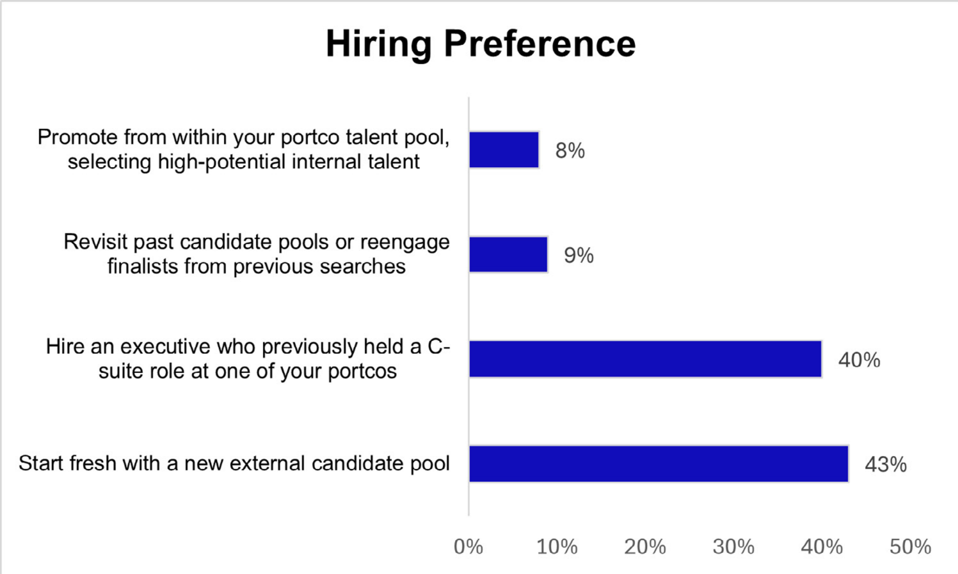
1. **CFO**
2. **CEO**
3. **Revenue Leader**
4. **COO**


Bryan Burg

"A multitude of companies are hiring senior commercial roles as companies formed through acquisitions are not gaining the synergies needed," Bryan Burg explains. "They need someone who can come in at the top, help with cross-selling initiatives, and formalize salesforce effectiveness processes. This is leading to a surge in hiring for a Revenue leader, whether it be a Chief Commercial, Sales, Marketing, or Revenue Officer — or even a new operating partner focusing on Commercial Excellence."

PE Firms Want Tested Talent and Worry about Finding Necessary Experience

When replacing a C-suite executive for a portfolio company, overwhelmingly PE partners said they didn't want to promote from within their existing talent pool. Instead, their top choice was to start fresh with a new external candidate pool (43%) followed closely by hiring an executive who previously held a C-suite role at one of the firm's portfolio companies (39%). Only 10% wanted to revisit past candidate pools or reengage finalists from previous searches and 8% preferred to promote high-potential internal talent.



Raines Recommends:
The results don't surprise us. With firms wanting an executive who's already held the role, they likely don't have a proven leader, much less multiple to choose from, on their bench. This trend is also driving more lateral moves as opposed to promotions within portfolio company C-suite. As a result, consider starting searches early to ensure your best opportunity in the market.

Biggest Struggles in Hiring

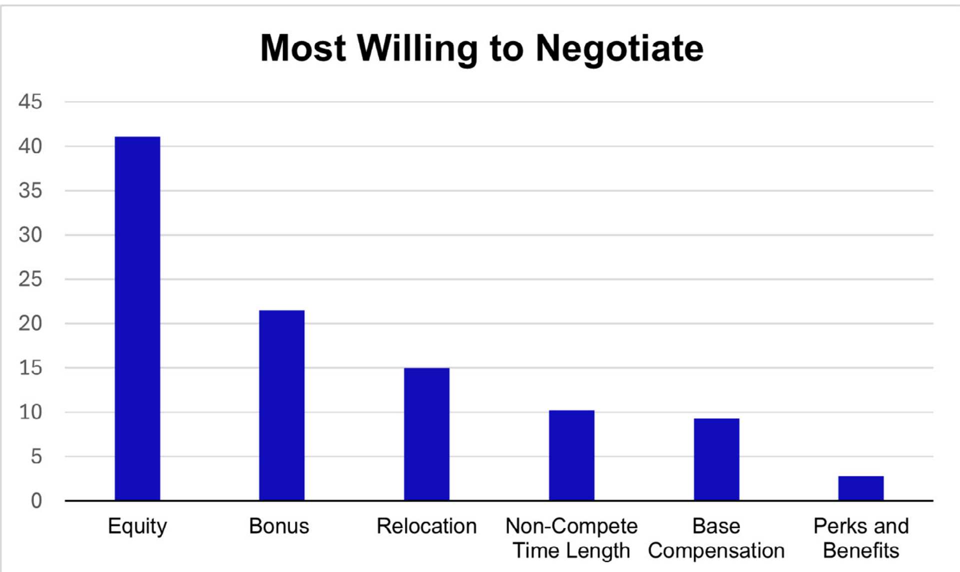
Nearly 2/3 of PE partners said the biggest struggle when hiring new C-suite executives for their portfolio companies is assessing leadership capabilities and potential under high-stress or growth-oriented conditions (32%) and finding candidates with the necessary experience (32%). Nearly a quarter (21%) said competing with other firms and less than 10% cited cultural fit.

Maeve Foley

"Clients want to know how candidates have actually changed the foundation of a business, external to macro conditions. They are focusing not just on the last three years of somebody's career, but the last 15 years in order to examine how candidates have handled recessionary times and enacted plans to manage economic stress and uncertainty. As a result, because a true, proven-under-stress leader is in high demand, many Private Equity firms are negotiating more for their ideal candidate, who is often receiving strong competing offers for other opportunities."

Equity is the Bargaining Chip

Across firms, regardless of size, when going to offer, partners are most willing to negotiate with equity (41%), then bonus (21%), then relocation (15%). We found that firms say they are less willing to negotiate noncompetes (10%), base (9%), and perks (3%).



Raines Recommends:
PE firms should be transparent and forthcoming about what is on the bargaining table. This information will make for a faster close for the finalist and allow other candidates to be deprioritized sooner. It's worth noting that while PE partners did say they are most willing to be flexible with equity, at the end of the day, there is still a fine line — it is easier to say, "We'll do what it takes to get the right person," than it is to break norms, so force the conversation early.

"If you want a proven CEO or CFO, knowing the equity valuation from day one will set us up for success in this competitive market," Burg said. "We need to know the valuation, including the base case scenario along with floor and ceiling opportunity. Multi-time exit CEOs may have lofty expectations, and we need to manage expectations appropriately."

Another theme this year is that cash is still important. "Wage inflation is still present even in Private Equity, and the push for competitive base and bonus remains," Burg added.

Hiring Diligence

We asked partners what talent-related due diligence they typically complete before investing in a new portfolio company. Half of respondents selected multiple answers, with more than 2/3 citing informal interviews throughout the due diligence process (70%). Nearly half (43%) complete formal interviews with the C-suite and about a quarter have a formal process or psychometric assessments (24%).

Likewise, most partners (62%) said they use informal feedback and performance reviews when assessing executive readiness and managing succession planning, and 27% said they have no consistent approach.

Raines Recommends:
"If investors are considering hiring for a new investment, starting the hiring process early on will help the executive search be more successful," Burg said. "CEOs, CFOs, and CMOs are more likely to be interested and engaged in an opportunity when brought in early."

"With effective due diligence, more firms are able to kick off searches before the investment closes, giving them more flexibility, a plan, and an element of control," Foley added. "Additionally, it allows the C-suite to be significantly more effective when they start on day one and have had a hand in the strategic value creation plan."

Top Skills in Need of Improvement

Tactical Skills: PE partners cite the top skills in need of improvement as strategic thinking and/or effective decision-making (39%), identification/development of top talent and high-performing teams (23%), and change management/culture (24%).

Raines Recommends:
Ensure you are leveraging operating partners. “A lot of firms are adding new operating partners in order to have a better sounding board for executives as they think through pivots to the business strategy,” Foley said. “Operating partners help keep the train on the tracks in terms of thinking big-picture and strategically.”

Interpersonal Skills: The most often cited interpersonal skill and leadership area in need of improvement was leading in a matrix/leading through complexity or disruption (32%), followed by effective communication (25%) and emotional intelligence (21%).

Other answers highlighted the importance of management — both managing up to PE sponsors and the board and managing down to teams — and strong decision-making, including the ability to take decisive action.

Raines Recommends:
Firms should evaluate how leaders manage and lead in a matrix at the same time as they consider communication. “Communication and leading in a matrix go hand-in-hand,” Foley said.

Final Thoughts

Look closely at each portfolio company’s three key functions — the CEO, CFO, and revenue driver (whether it be Marketing, Sales, Revenue, or Go-to-Market leader, based on your company) and ask yourself if you need an executive better suited for the next economic cycle. With the combination of a tight talent pool, evolving market conditions and demands, and the PE need for speed, finding the perfect candidate is challenging. As 2025 comes to a close, a careful review of portfolio company leadership and measured preparation will set firms up for success in 2026.

About us

Bryan Burg is a Managing Director at Raines International where he leads the Industrial Practice. Bryan's team places C-suite and direct reports for Industrial companies across all functions and specializes in areas including Aviation, Aerospace & Defense, Building Materials, Industrial Technology, Industrial Services & Distribution, and Manufacturing. Prior to Raines, Bryan was a top performer at Korn Ferry. Contact Bryan.

Maeve Foley is a Senior Vice President at Raines International. Based in Boston, she leads the Operating Group Practice and additionally supports the majority of Chief Executive Officer assignments. Maeve operates primarily in the Consumer, Business Services, and Industrial industries. Contact Maeve.

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