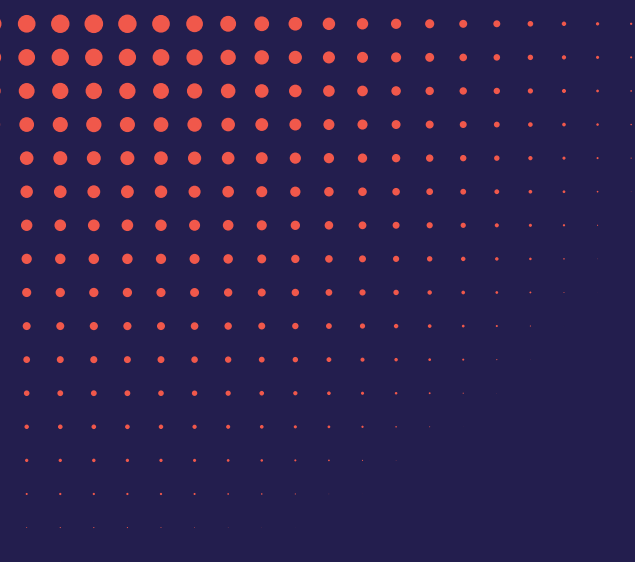




THE DEATH OF THE *TRADITIONAL PE CFO*

How leading Private Equity firms are redefining
CFO succession, performance, and value creation



STOIX



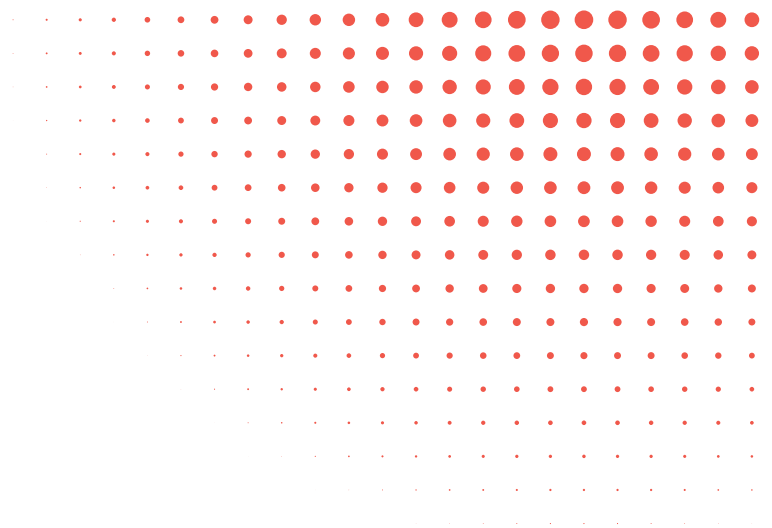


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THE CFO HAS BECOME THE *VALUE INFLECTION POINT*

Private equity used to treat the CFO as a financial operator. Someone who reported numbers accurately and kept the business controlled. That era is over.

Value is now created or destroyed by the CFO's ability to impact outcomes. Not just monitor them. The right CFO accelerates decisions, unlocks liquidity, and gives investors optionality. The wrong one slows everything down and quietly erodes returns.

That's why hiring the right CFO is so important.

However, most Private Equity hiring models still prioritise someone who's done it before rather than someone who can deliver the investment thesis in this environment. This report exists to fix that.

WHAT THIS REPORT GIVES YOU

- Why CFO mis-hires happen and how to avoid them
- The traits and behaviours of disruptive CFOs who drive real value creation
- The emerging Private Equity hiring models that outperform traditional search
- A playbook to assess CFOs based on judgment

HOW THIS REPORT WAS BUILT

- In-depth conversations with Ruby Biring and Maxwell Salazar
- Data and insight from CFO appointments across Private-Equity-backed portfolios
- Insights from The Chat CFO Podcast
- STOIX proprietary methodology and data
- With insights from external sources referenced at the end of the report



Ruby Biring

Head of Talent at
Livingbridge



Maxwell Salazar

Former SVP of Executive
Assessment at AlixPartners

Together, these perspectives provide a real-time view of how disruptive CFOs think, operate, and make decisions under pressure.

MARKET CONTEXT

LOOKING BACK AT 2025

Mid-market private equity is under mounting pressure. Exit timelines have lengthened, capital costs continue to rise, and leadership turnover has accelerated. Funds that once aimed for a six-year hold are now stretching to more than eight.

Liquidity is also evolving. A growing number of firms are using secondary transactions and partial exits, which adds layers of governance and reporting complexity. CFOs sit at the centre of these moves, managing investor expectations while dealing with the realities of incomplete exits.

Technology continues to reshape finance. Around two-thirds of Private-Equity-backed CFOs now use AI-driven forecasting and analytics, yet many lack the infrastructure or confidence to apply these tools consistently.

2.5 YEARS

AVERAGE PE-BACK CFO TENURE

5.6 YEARS

PUBLIC COMPANY CFO TENURE



OF PORTFOLIO-COMPANY CFOs ARE REPLACED DURING THE PE LIFECYCLE.

Leadership turnover is becoming another key challenge. Maxwell Salazar notes, “The CFO role in particular is where I’ve seen the heaviest churn” with average tenure at just 2.5 years.

The modern CFO now needs a mix of technical precision, stamina, and adaptability. Traits once considered a bonus but now a baseline. The 2025 mid-market environment leaves little room for error. These pressures explain why so many Private Equity CFO appointments falter and why investors must rethink how they evaluate and support financial leadership.



CFO success depends on **aligning with investor expectations** and the **rigour they bring**.

- Ruby Biring

WHY CFO HIRES *GO WRONG*

The problem isn't a lack of candidates; it's the gap between what investors expect and what portfolio companies actually need.

In STOIX's experience across mid-market funds, the same mistake appears again and again. There's too much emphasis on past success and too little on adaptability. Hiring teams often chase big-name CVs or previous exits, assuming these credentials will guarantee performance in new situations.

Maxwell Salazar explains, "I think a big reason is a lack of connective tissue with the CEO. That's why relationship skills and interpersonal skills are becoming more important for traditionally bean counter roles."



You need to know whether a CFO is going to be defensive in a board meeting or if they're going to be **overly tactical and not strategic**.

That's why you have to ask hard questions in interviews - and most people aren't".

| Maxwell Salazar

Nearly 50% of all newly-appointed Private-Equity-backed CFOs exit within the first 18 months.

Not because of capability, but because they were hired for the wrong value-creation context.

THE FOUR COMMON *FAILURE PATTERNS*



Archetype mismatch

Putting a steady-state controller into a turnaround or growth story slows progress and unsettles teams.



CFO-CEO misalignment

Different interpretations of strategy or pace erode trust and weaken board unity.



Speed over substance

Quick hires made under deal pressure reduce diligence and cause poor fit.



Narrow commercial view

CFOs with strong technical skills but limited strategic awareness struggle to adapt to changing priorities.

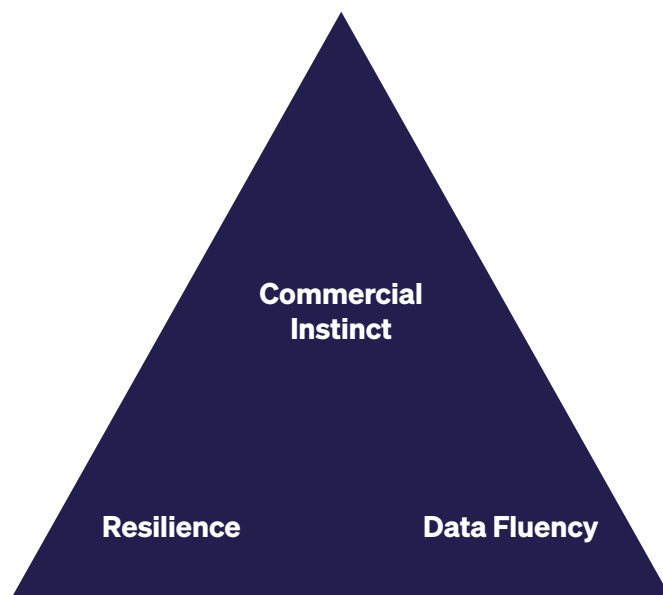
TRAITS OF THE MOST *MODERN CFOs IN PRIVATE EQUITY TODAY*

The most effective CFOs in private equity are catalysts for value creation. They bring commercial fluency, strategic resilience, and digital capability that transforms portfolio performance. They treat finance as an engine for growth, not a function of control.



The best CFOs have a full underpin of the financials so that they can **pivot the strategy quickly**, drive change, and remain agile.”

| Ruby Biring



*The Modern CFO Framework:
The 'Triangle' Model*

HOW THEY *THINK*

Disruptive CFOs approach decision-making as investors first, financial leaders second. They see how data and customer dynamics shape performance. They anticipate, question, and connect dots across operations, product, and capital strategy.

HOW THEY *OPERATE*

These CFOs execute with precision and adaptability. They embed digital tools and predictive analytics into daily operations. Under pressure, they stay grounded and maintain clarity for their teams, converting volatility into action rather than hesitation.

This shift is visible from the conversations we have had on the Chat CFO Podcast. CFOs are no longer waiting for permission to innovate, they're leading transformation and proving they're inseparable from product, customer, and data strategy. The challenge for investors is recognising and attracting this calibre of CFO early enough.

HOW PROGRESSIVE FIRMS *ARE HIRING TODAY*

The rise of the modern CFO has forced private equity firms to rethink how they access and evaluate finance leadership. Instead of recruiting only at moments of crisis or churn, progressive firms are treating CFO succession like capital allocation. It's now continuous, deliberate, and strategic. Rather than a single hiring path, three talent models are now emerging as the dominant playbook:

1

INTERIM-TO-PERMANENT

PROOF BEFORE COMMITMENT

This model gives investors evidence of impact before full appointment. Firms install an interim CFO immediately post-deal to stabilise reporting, validate internal capability, and assess cultural and pace fit before making a long-term decision.

2

FRACTIONAL MODEL

PORTFOLIO-LEVEL RESOURCING

Instead of searching reactively, progressive funds build a bench of known CFOs who can be deployed across multiple portfolio situations. This ensures speed of execution and protects value during transitions, refinancing, or carve-outs.

3

PHASE-FIT CFOS

MATCHING LEADERSHIP TO INVESTMENT THESIS

Not every CFO can scale, and not every CFO can exit. The most advanced firms now match the CFO archetype to the phase of the investment journey.

“

We purposefully **track and monitor high performing finance directors** in the market and build a pipeline of talent.

We're looking to see where we can put them into one of our assets to **make them a future CFO** within our portfolio.

| Ruby Biring

“

Often, the operator brought in to build the financial hygiene is not the right person to sell the business. They then need a good storyteller who can engage with people, build relationships across the business, and get people aligned on the opportunity for growth in the future. They're radically different archetypes.”

- Maxwell Salazar

ASSESSMENT THAT *PREDICTS PERFORMANCE*

Finding strong CFOs is no longer the problem. Proving they can deliver is.

Access to talent is not the same as confidence in a hiring decision. A CV shows what a CFO has done; assessment reveals how they think, and that is where value is won or lost.

This is how progressive Private Equity firms are shifting from evaluating experience to evaluating judgment.

JUDGMENT UNDER PRESSURE: *SCENARIO-BASED EVALUATION*

The most reliable predictor of performance is how a CFO thinks when stakes are high and information is incomplete.

The best screening processes include specific scenarios that mirror real portfolio challenges including liquidity crunches, lender negotiations, pricing strategy, and forecasting accuracy.

The goal is to observe:

- How the CFO prioritises decisions under pressure
- How commercial their instincts are
- Whether they default to reporting or problem-solving

REFERENCING AS EVIDENCE, *NOT REASSURANCE*

Referencing is your due diligence. The best PE firms treat referencing with the same rigour as a lender diligence pack.

Ruby Biring explains: “We do a full 360 reference check. We do a feedback session with them on their Hogan Assessment and on their 360 referencing and only then do we start thinking about their onboarding plan.”

Questions you need to be asking:

- What outcome was achieved?
- What was the CFO's role in that outcome?
- Under what conditions was that outcome achieved?
- Would you rehire them?

ALIGNMENT TO CONTEXT

A CFO can be exceptional and still be the wrong hire. Progress comes from matching capability to context.

STOIX's approach calibrates CFO capability against the value-creation thesis, the maturity of the business, and the pace of change required. When alignment is clear, confidence follows.

DIVERSITY & *PIPELINE REALITY*

Too often, PE firms want diversity, then design hiring processes that eliminate it.

We are regularly asked for CFOs who bring new thinking, different backgrounds, and varied experience. Yet internal selection criteria still defaults to prior PE experience, previous exits, time in a specific sector, or familiarity with board members.

Those requirements don't surface high-performing leaders. They surface familiar ones.

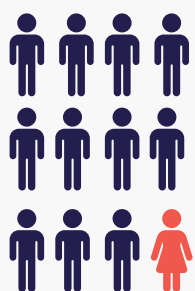
THE FILTER THAT *KILLS DIVERSITY*

That comfort is disguised as 'must have done it before, in our space, with our investors.' The result is that the same CFO archetype of a white, male, with traditional finance pedigree, and prior PE exit.

The myth is pipeline shortage. The reality is criteria designed around sameness.

“Achieving a stronger diversity balance, across every single category of diversity, is **one of the biggest challenges** of the last few years.”

| Ruby Biring



92% MEN
8% WOMEN

There is a 92% male, 8% female split across PE-backed CFO roles which is a striking indicator of how narrow the traditional pipeline remains.

85% OF PE-BACKED CFOS
IDENTIFY AS WHITE



PROVEN CAPABILITY EXISTS *BUT CRITERIA HIDES IT*

When firms put more emphasis on how an individual can demonstrate judgment under pressure, suddenly the pipeline changes.

STOIX's assessment framework removes familiarity bias by evaluating:

- How a CFO thinks
- How they make decisions under pressure
- Whether they can repeat value creation
- It rewards capability, not pedigree



WHAT PE MUST *STOP DOING*

- Filtering out candidates without prior PE experience
- Over-valuing pedigree and undervaluing resilience
- Confusing likeability with capability



WHAT *WORKS*

- Scenario assessment (proves judgment)
- Evidence referencing (proves repeatability)
- Phase-fit CFO matching (proves alignment)

THE INVESTOR *PLAYBOOK*

Private equity wins or loses value on one decision: whether the CFO can deliver the investment thesis. Instead of treating CFO hiring as a transaction, leading funds treat it like capital allocation. It's structured, evidence-driven, and sequenced.

1

Define the CFO against the value-creation thesis

Traditional job descriptions anchor on experience. Progressive PE firms anchor on outcomes. The role is defined by where value will be created and not where the CFO has worked.

Questions investors now open with:

- What must the CFO deliver in the next 12–24 months?
- What conditions make this hard?
- What evidence would prove they can do it?

2

Replace interviews with scenario-based evaluation

Scenarios show judgment. Instead of asking candidates to walk through their CV, investors place them into a live portfolio challenge and observe their decision path.

This exposes whether they think commercially or defensively.

3

Run evidence-based referencing (not opinion referencing)

Weak referencing asks what were they like and strong referencing asks what outcome did they create. Referencing becomes due diligence, not reassurance.

4

Build optionality into CFO succession

The most effective funds create options, not dependencies.

Optionality removes single points of failure:

- Interim to validate impact
- Fractional to stabilise
- Phase-fit CFO to scale or exit

5

Measure impact in the first 180 days

Appoint-and-forget has no place in modern PE. High-performing CFOs create early momentum with improvements in reporting clarity, forecast accuracy, lender confidence, and CEO alignment.

The best funds track:

- Proof of strategic alignment
- Time-to-impact
- Trust and influence with CEO and board

ABOUT *STOIX*

We're an international, agile, and modern CFO and finance leadership search partner. Our team has experience and networks across all sectors and ownership structures in EMEA, US and Asia.

Established in 2021, we take a rigorous approach, using personal judgement and trusted relationships underpinned by data and modern technology, to drive an efficient process. We have an industry leading completion rate working successfully for both high growth and established businesses.

To talk confidentially about CFO succession or to discuss the findings of this report, contact:
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- **Industry Sectors:** Consumer, Technology, Services
- **Geographies:** USA, UK, EU
- **Functional Specialisms:** CFO, M&A, FP&A, Commercial Finance, Controlling, Tax, Treasury, Finance Transformation

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Sources

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