

## Opportunities and Challenges in Private Equity Recruiting



Private equity firms are saying that talent is the most important factor in driving growth. While financial engineering, inorganic growth, and market expansion remain important tools in the private equity toolbox, talent continues to emerge as key to growing companies and achieving the investment thesis, according to a report from **Bespoke Partners**. Yet unlike strategic assets, intellectual property, or other resources that fuel growth, talent can be notoriously difficult to optimize.

In fact, the biggest challenge for the PE sector is getting talent right, according to Nat Schiffer, managing partner at **The Christopher Group**. "PE firms often compete with other financial services firms, technology companies, start-ups, and other industries for the limited pool of qualified talent with the necessary skill-sets and experience for the PE industry," he said. "The intense competition for top talent can make it challenging to attract and retain qualified candidates who may have multiple options."

### Skill Sets

"PE firms require candidates with a specific blend of financial acumen, operational experience, and industry knowledge to drive value creation in their portfolio companies," he said. "Finding candidates with the right mix of skills and expertise, particularly in specialized industries or niche markets, can be challenging, as these candidates may be in high demand and have limited availability." Identifying and attracting talent with the specific industry-specific expertise required by the PE firm's investment strategies can pose a unique challenge in the recruitment process. "These two challenges — competition for top talent and the need for industry-specific expertise — are unique to the PE space and require strategic and focused efforts in the recruitment process to successfully identify and secure the right candidates for PE firms," he said.

When looking to diversity, equity, and inclusion, private equity firms can take several measures to improve their hiring practices, according to Mr. Schiffer. "This includes setting clear DEI goals, implementing diverse candidate sourcing strategies, reviewing and improving hiring processes, providing diversity training to hiring managers, fostering an inclusive culture and environment, and most importantly holding leadership accountable for DEI initiatives," he said. "By proactively addressing bias, promoting inclusivity, and creating a diverse workforce, PE firms can enhance their ability to attract, hire, and retain top talent from diverse backgrounds. This can result in improved innovation, creativity, and performance, ultimately driving better investment outcomes for their portfolio companies."

### BY THE NUMBERS

#### Linking Talent to Growth

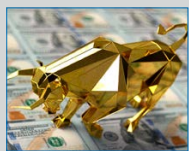
**92%** of PE dealmakers say top talent is directly correlated to their ability to hit growth targets.

Source: Hunt Scanlon Media PE Survey

Mr. Schiffer says that executive recruiters should, and often do, play an outsized role in assisting PE and VC firms in securing talent. "Our sector is essential to their investment process, as they require top talent to drive growth and value creation within their portfolio companies," he said. "Partnering with executive search firms provides access to broader pools of top executive talent, allowing them to leverage specialized expertise in specific industries or functions, streamlines the recruitment process, maintain confidentiality, and provide new market intelligence. Furthermore, as PE and VC firms continue to expand their portfolio and invest in new industries and geographies, they require a network of executive search firms to support their talent acquisition needs."

Within the PE sector, deal activity is down, but funding is still active within specific segments and markets, according to Bernard Layton, managing director and CEO of **Comhar Partners**. "We believe that private equity is entering a mature stage as an alternative investment category because the cost of capital will dictate that there will be a secondary review of allocation by all the investors and the limited partners," he said. "The deal activity will remain high; the new investment activity will slow down. What that means is the deals are going to move private equity to private equity. (cont'd. to page 2)

## IN THE NEWS

**True Launches Private Equity Practice**

Global talent provider **True** has launched a private equity practice and named managing director Matt Goldstein as its leader. “Matt’s expertise in PE coupled with his CFO Rolodex and business-building track record makes him the natural choice to lead this critical growth area,”

said Jon Mackey, co-general manager, Americas. “He’s galvanizing a team our PE clients can rely on to build EBITA-centric leadership teams that can deliver on profitable growth and adapt as macroeconomic conditions change. Matt will organize our private equity effort across all True industry practices including climate tech, fintech and financial services, healthcare and life sciences, enterprise and consumer.”

They’re going to trade companies back and forth to better fit them into their portfolio of companies, which is more of a mature stage for that business. The cost of capital has to go down, and the economy has to catch fire even more. Current family owners or private owners are looking for valuations that still need to be more realistic, so those valuations must come down. Ultimately, this impact makes it harder and harder to attract talent to this space because the return on the executive’s time gets harder and harder to justify because the likelihood of the deal being successful or achieving a 7x return gets less and less and less.”

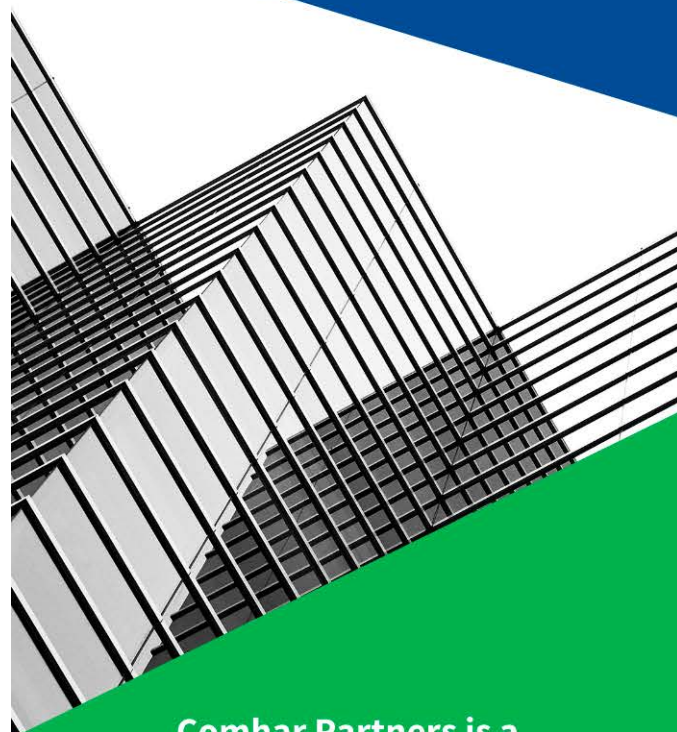
Macro conditions are negatively impacting exit opportunities for PE firms, resulting in slower deal activity, according to Anthony Keizner, managing partner at **Odyssey Search Partners**. “High inflation and geopolitical tensions are hurting the economy, and interest rate increases are concerning, as they drive up the cost of borrowing for PE firms,” he said. “Despite these macroeconomic pressures, we’re not seeing panic in the PE space. Lower company valuations are creating opportunities, and during the fundraising boom of recent years, PE firms have built up ample dry powder, which they have yet to deploy. Additionally, despite economic and public market volatility in 2022, there remains strong investor interest in alternative investments and in money managers that have produced consistent alpha. Many PE firms also have in-house credit capabilities, to help with financing and distressed investing, which is a source of comfort in uncertain times. Thus, PE firms continue to retain and hire top talent.”

**DEI Initiatives**

Most PE firms and their LPs prioritize diversity among investment professionals. In Odyssey’s most recent PE compensation survey, 93 percent of PE investment professionals mentioned that their firm has ongoing DEI initiatives. Unfortunately, according to the firm’s data, little progress has been made in actually increasing gender and ethnic diversity within PE. There remains less than one female investment professional for every five males. More specifically, in 2019, 18 percent of Odyssey’s PE survey respondents were female, while in late 2022 17 percent of respondents were female. Progress among ethnic diversity also has not been evident. In 2019, 2.5 percent of survey respondents identified as African American/Black compared to 2.4 percent in 2022, and four percent as Latino/Hispanic compared to 4.2 percent in 2022. *(cont’d. to page 4)*



In the spirit of collaborating, connecting and cultivating, we differentiate ourselves by building synergistic, flexible and transparent relationships with our clients – being their partner every step of the way.



**Comhar Partners is a  
recognized national leader in:**

Retained Executive Search  
Professional Recruiting  
Talent Advisory Services

Learn more about Comhar Partners at:  
[www.comharparters.com](http://www.comharparters.com)

## Hunt Scanlon PE Recruiting Power 100

Acertitude Rick DeRose/Kevin O'Neill, Managing Partners Amity Search Partners Susanna Nichols, Partner	New York, NY	JM Search * John Marshall, CEO JSB Partners * Joseph Barr, Managing Partner	King of Prussia, PA New York, NY
Arris Partners Brian McMerty, Managing Partner	Wilmington, NC	K&A Partners Executive Search Gary Krauthamer/Todd Dorfman, Founder/Principal	Bethesda, MD
Artico Search Mercedes Chatfield Taylor/Matt Comyns, CEO/President	New York, NY	Kensington International Rick George, Practice Lead	Oak Brook, IL
Assembly Carissa Clark, Founding Partner	Austin, TX	Kincannon & Reed David Turner, President	Phoenix, AZ
Bauer Harris Bradley Bauer/Jeff Harris, Founding Partners	Newburyport, MA	Kingsley Gate Partners Raj Kapoor/Alison Woodhead, Senior Partners	New York, NY/Los Angeles, CA
Bay Street Advisors LLC Kevin Mahoney, Partner/Head of PE	New York, NY	Korn Ferry Joseph Healey, Sr. Client Partner PE Practice	New York, NY
Beecher Reagan Clark Beecher, Managing Partner	Houston, TX	The Lancer Group Scott Dunklee, Partner	La Jolla, CA
Bellcast Partners* Alison Bellino Johnston, Managing Partner	New York, NY	Lancor Scott Estill, Partner	New York, NY
Bespoke Partners* Eric Walczykowski, CEO	San Diego, CA	Lapham Group Craig Lapham, Managing Partner	New York, NY
Blue Rock Search Ruben Moreno, Founder & Managing Partner	Sarasota, FL	Leathwaite Paul Groce, Partner	New York, NY
Boston Search Group Clark Waterfall, Managing Director	Boston, MA	Long Ridge Partners Michael Goodman, Managing Partner	New York, NY
BrainWorks Andy Miller, President & CEO	New Providence, NJ	McDermott + Bull Chris Bull/Paul Gibbons, Managing Partners	Irvine, CA
BridgeStreet Partners Matt Pierce, Managing Director	Dallas, TX	Morgan Samuels Bert Hensley, CEO	San Francisco, CA
Caldwell Paul Heller, Managing Partner	New York, NY	N2Growth Kelli Vukelic, CEO	Philadelphia, PA
Calibre One Tom Barnes, Managing Partner	San Francisco, CA	NGS Global David Nosal, Managing Partner	San Ramon, CA
Cameron Carmichael Rich Campbell, Managing Director	Charlotte, NC	Notch Partners LLC * Andrew Thompson, Managing Partner	New York, NY
CarterBaldwin Executive Search David Clapp, Managing Partner	Atlanta, GA	Oggers Berndtson Kennon Kincaid, CEO	New York, NY
CBIZ Private Equity Advisory Seth Goldblum, Sr. Managing Director	Philadelphia, PA	Odyssey Search Partners * Adam Kahn/Anthony Keizner, Managing Partners	New York, NY
Charles Aris Jim Etling, SVP PE & Accounting	Greensboro, NC	ONPartners Jeff Hocking, Partner	San Francisco, CA
Chasm Partners Matt Dumas, Managing Partner	Rowayton, CT	Options Group Michael Karp, CEO	New York, NY
The Christopher Group Nathaniel Schiffer, President & Managing Director	Cleveland, OH	The Oxbridge Group Nina Swift, President	New York, NY
CIO Partners Joe Gross, President & Managing Partner	Marietta, GA	PierceGray * Matt Hamlin/Demi Haupt, Managing Partners	Chicago, IL
Comhar Partners Bernard Layton, Managing Director	Chicago, IL	Prais + Barnette Sonia Prais/David Barnette, Managing Partners	Atlanta, GA
Corsica Partners Dan Veitkus, CEO	Boston, MA	Presidio Search Group LLC Belinda Yan, Founder	San Francisco, CA
Cowen Partners Executive Search Shawn Cole, President	Seattle, WA	Ratio Advisors Vedica Jain Qalbani, Managing Partner	New York, NY
Daversa Partners Paul Daversa, CEO	New York, NY	Resource Management Group (RMG) Denis LaPolice, Managing Partner	Stamford, CT
David Barrett Partners David Barrett, Managing Partner	New York, NY	Russell Reynolds Associates Jeffrey Warren, Managing Director	New York, NY/Los Angeles, CA
DHR Global Keith Giarman, Global Practice Leader	Chicago, IL	SearchOne Advisors * Michael Garmisa, Founder & CEO	New York, NY
Direct Recruiters Dan Charney, President & CEO	Solon, OH	SG Partners Sheri Gellman, Founder	New York, NY
Diversified Search Group Aileen Alexander, CEO	Philadelphia, PA	Sheer Velocity Debra Young, Managing Partner	Denver, CO
DMC Partners David McCormack, Managing Partner	New York, NY	Sheffield Haworth Simon Worthington, Managing Director	New York, NY
Dynamic Search Partners* Keith Mann, Founder	New York, NY	Signal Partners Kit Cooper, CEO	Santa Monica, CA
Eastward Partners Joe Carbone, Founder & CEO	New York, NY	Slayton Search Partners John Nimesheim, Managing Partner	Chicago, IL
ECA Partners Ken Kanara, CEO & President	Santa Monica, CA	Smooch Unplugged Smooch Repovich Rosenberg, CEO	Pasadena, CA
Egon Zehnder Claude Shaw/Kenna Baudin, Global Practice Lead/US Practice Lead	New York, NY	Sockwell Partners * Bob Sherill, CEO & Partner	Charlotte, NC
EMA Partners Chris Pantelidis, Managing Partner	New York, NY	Solomon Page Scott Page/Lloyd Solomon, Managing Directors	New York, NY
Falcon Rob Huxtable, Managing Partner	New York, NY	Spectrum Search Partners * Tom Shahnazarian, President	Denver, CO
Focus Search Partners Paul Frankenberg, Managing Partner	Nashville, TN	Spencer Stuart Jordan Brugg, Global Head of PE	New York, NY
Frederickson Partners/Gallagher Executive Search Valerie Frederickson, CEO	Menlo Park, CA	Spire Search Partners * Dennis Grady, Director	Larchmont, NY
Furst Group/Salveson Stetson Bob Clarke, Co-Founder & CEO	Rockford, IL	SPMB Dean Nacey/Bianca Moreno, Partners	San Francisco, CA
Glocap Annette Krasner/Adam Zoia, CEO/Chairman	New York, NY	StevenDouglas Matthew Shore, President	Sunrise, FL
GoBuyside Cameron Boland, President	New York, NY	TalentRISE Peter Petrella, Managing Director	Chicago, IL
GQR Global Markets Hugo Sugden/Steven Talbot, Co-Founders	New York, NY	Tatum/Randstad Dominic Levesque, President	Montreal, Canada
Hanold Associates Executive Search Jason Hanold, Managing Partner	Evanston, IL	The Tolan Group Tim Tolan, Managing Partner	St. Augustine, FL
Heidrick & Struggles Todd Monti/Jonathan Goldstein, Global Managing Directors	New York, NY	TouchPoint Search* Steve Crane, Managing Partner	Daniel Island, CA
Henkel Search Partners * Eleni Henkel, Founder & CEO	New York, NY	True Search Matthew Goldstein, Managing Director, Private Equity	Boston, MA
Herbert Mines Associates Brenda Malloy, President	New York, NY	Vardis John Hoagland, Partner	New York, NY
Hudson Gate Partners Dana Feller, Founder	New York, NY	Z3 Talent Steven Ziegler, Founder	Denver, CO
HW Anderson Peter Henry, Managing Director	New York, NY	ZRG Partners Larry Hartmann, CEO	Rochelle Park, NJ

Note: \*denotes the firm works primarily in the Private Equity sector

© Hunt Scanlon Media, Copyright 2023, All Rights Reserved.



# ODYSSEY SEARCH PARTNERS

*Your compass to top talent in the  
alternative investment industry*



*18 full-time search professionals*

*125+ years of combined industry experience*

*Over 1,000 investment professional  
placements since 2010*

**Specializing in the private equity,  
growth equity, venture capital, hedge  
fund, family office, and credit sectors,  
we are recognized as innovators in  
diversity hiring and as thought leaders  
in the financial services search world**

*Finding the right talent is an  
Odyssey, we are here to help*

[Learn More](#)

“We cannot generalize these findings to the entire population of PE investment professionals, but with a sample size of over 1,300 PE investment professionals in 2022, it’s reasonable to conclude that the widespread emphasis on diversity hiring in PE is yet to have a considerable impact,” said Mr. Keizner. “Positive numbers have been reported but it’s important to assess underlying data in these figures. Diversity statistics in PE tend to conceal that there is greater gender and ethnic diversity in the non-investing and support functions of PE firms compared to deal teams. One implication of the current lack of current diverse PE investment professionals means it is difficult for firms to hire lateral senior, diverse talent. To improve gender representation throughout the mid and senior levels, firms are reevaluating cultural practices. Others are examining retention policies and providing flexible remote working arrangements, particularly valued by working parents.”

PE firms can see immediate results in diversifying their workforce by hiring at the junior level, according to Mr. Keizner. “The proportion of gender and ethnically-diverse candidates seeking investing roles is higher out of college, resulting in a broader talent pool. Hiring private equity analysts is thus becoming more popular; however, unless firms have the resources to train entry-level professionals, hiring from college and building candidates’ quantitative and professional foundation from the ground up may be challenging. Additionally, retaining analysts may be challenging, as associate retention in investing roles tends to be difficult as is.”

Mr. Keizner also notes that for PE firms looking to hire associates, consulting firms and investment banking analysts are major feeder pools. “However, the pool of diverse candidates is still not substantial here,” he said. “The strongest, and thus most competitively positioned, diverse candidates tend to receive multiple offers in the recruiting process. Once they are out of the recruiting market, PE firms will then look to other qualified candidates for open positions, resulting in minimally unchanged diversity statistics across the board. Though this is a complex cycle to break out of, it is positive that many PE firms (large and small) are focusing on diversity initiatives.”

One of the biggest concerns for the venture capital and private equity sector is the impact of inflation, says Jens Friedrich, CEO of **SpenglerFox**. “As inflation rises, the cost of doing business increases, which can make it more difficult for start-ups to secure the funding they need to grow,” he said. “Additionally, inflation can lead to higher interest rates, which can make it more expensive for companies to borrow money. The ongoing pandemic is also playing a significant role in the sector. While some companies have thrived during the pandemic, others have struggled to adapt to the new normal. Investors are becoming more risk-averse and are focusing on companies that have a proven track record of success.”

#### **What is Concerning Investors**

“The war in Ukraine and other geopolitical events continue to cause concern among investors,” Mr. Friedrich said. “Instability in the global economy has had a ripple effect on the VC/PE sector as investors are becoming more cautious and are seeking out investments that are less exposed to geopolitical (cont’d. to page 5)

risk. Overall, the current events are creating a lot of uncertainty for the sector. While some investors are still willing to take risks, others are becoming more cautious and selective in their investments. The biggest concern is the impact of inflation and the cost of financing.”

Mr. Friedrich also notes that recruiting talent for any sector right now is a challenge, and recruiting for the PE sector specifically is no exception. “It is 100 percent a candidate driven market out there,” he said. “Companies that fail to deliver an outstanding and compelling value proposition and do so in a very short space of time, will simply lose the interest of people applying for jobs with them. In addition, demand for talent continues to exceed supply of talent, and candidates know that. They can invariably choose between opportunities and will go for the most attractive offer any time. Companies who were traditionally able to attract talent simply because of their brand and not having to pay a premium because of that, are no longer able to attract talent without outbidding and outperforming companies competing for the same talent.”

---

*“Whether you are in growth venture or private equity, there is a level of scrutiny around the alignment of the overarching business and talent strategies to growth initiatives related to current working capital and confidence to access cash for the execution runway.”*

---

As we move into 2023, Mr. Friedrich says that the PE sector is experiencing several trends that are changing the industry. “AI is a game-changer for the private equity sector,” he said. “Private equity firms are using AI-powered technologies to identify potential investment opportunities, analyze market trends, and evaluate portfolio performance. AI algorithms are becoming more sophisticated, enabling private equity firms to generate insights faster and with greater accuracy than ever before. As AI continues to evolve, we can expect private equity firms to become more data-driven and analytical, making more informed investment decisions.”

“ESG investing is another trend that is transforming private equity,” Mr. Friedrich said. “Investors are increasingly focused on companies that demonstrate strong environmental, social, and governance practices. PE firms are responding to this demand by incorporating ESG factors into their investment decisions. Companies that prioritize sustainability and social responsibility are more attractive to investors, and private equity firms are taking note. As ESG becomes a more critical factor in investment decisions, private equity firms that prioritize ESG considerations will be better positioned to attract capital.”

“Finally, increased competition for deals is transforming the private equity landscape,” said Mr. Friedrich. “With more firms entering the market and established firms expanding their reach, there is intense competition for attractive investment opportunities. PE firms are responding by becoming more creative in their deal-making. For example, some firms are partnering with *(cont’d. to page 7)*



**Mind. Set.**  
**All great changes start with the right people. We call them The Agilists.**

**SpenglerFox™**  
**The Agilists**

**GLOBAL EXECUTIVE SEARCH,  
 RPO, LEADERSHIP ADVISORY**

# Hunt Scanlon

## PE London Power 50

**Alphaskill**

Vivek Batra, Managing Partner

**Altus Partners**

Charlie Wilmerding, CEO

**Arkesden**

Jamie Sterling/Ross Lumsden, Partners

**The Barton Partnership**

Nicholas Barton, Founder &amp; CEO

**Blackwood Group**

Amanda Smithson, Managing Partner

**Calibre One**

James Brocket, Managing Partner

**Dartmouth Partners**

Stuart Wilson, Executive Director, Private Equity

**DHR Global**

Keith Giarman, Global Practice Leader

**Drax Executive**

Matthew Cuthbertson, Managing Director

**Egon Zehnder**

Claude Shaw/Kenna Baudin, Global Practice Leader

**Green Park**

Raj Tulsaini, Founder &amp; CEO

**Harvey Nash**

Nigel Parslow, Managing Director

**Heidrick & Struggles**

Todd Monti/Jonathan Goldstein, Global Managing Directors

**HI Executive Consulting**

Ed Fanshawe, Managing Partner

**HW Anderson**

Jordan Wilkie, Managing Director

**Kea Consultants**

Kadeem Houson, CEO

**Kingsley Gate Partners/Omerita Group**

Chris Harrison, Managing Director

**Korn Ferry**

Joseph Healey, Sr. Client Partner PE Practice

**La Fosse Associates**

Jack Denison, Global Head of Exec Search

**Lancor**

Simon Buirski, Managing Partner

**Leathwaite**

Martin Phillips, Founding Partner

**March Consultants**

Charles Peck/Mark Maynard, Managing Directors

**Marlin Hawk**

John-Claude Hesketh, CEO

**The MBS Group**

Elliott Goldstein, Managing Partner

**MontaRosa**

Kelvin Thompson, Founding Managing Partner

**Nordbridge Group**

Sita Kolossa, CEO &amp; Founder

**Norman Broadbent**

Kevin Davidson, CEO

**Odgers Berndtson UK**

Kester Scrope, CEO

**Options Group**

David Korn, President

**Per Ardua**

Simon Hearn, Chairman

**Private Equity Recruitment (PER)**

Gail McManus, Managing Director

**Raw Selection**

Alex Rawlings, Founder &amp; Managing Partner

**Redgrave Partners**

Brian Hamill, Chairman

**Renaissance Leadership**

Tony Willis, Founder &amp; Chairman

**Russell Reynolds Associates**

Heather Hammond, Global Practice Leader

**Sainty Hird & Partners**

Ralph Grayson/Rupert Mathieu, Partners

**Savannah Group**

Simon Gough, Managing Partner

**Sheffield Haworth**

Paul Gillespie, Managing Director

**Sousou Partners**

Ghada Sousou, CEO

**Spencer Stuart**

Jordan Brugg, Global Head of PE

**Spengler Fox**

Jens Friedrich, CEO

**SRI**

Jim Chaplin, CEO

**Stanton Chase**

Cagri Alkaya, Managing Partner

**The Up Group**

Clare Johnston, CEO &amp; Founder

**TritonExec**

Ben Graham/Jonathan Morris, Partners

**Tyzack Partners**

David Dumeresque, Partner

**Wilkinson Partners**

Thomas Wilkinson, Managing Partner

**WilsonHCG**

Andrew Oliver, EVP, Executive Search

**Wilton & Bain**

David Heron, CEO

**ZRG Partners**

Larry Hartmann, CEO

THE  
**CHRISTOPHER**  
GROUP

**EXPERIENCE  
AWARD WINNING  
AGILE HR BUSINESS  
SOLUTIONS**

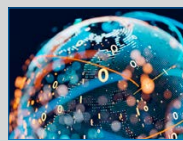
- ✓ HR Executive Search
- ✓ Interim HR Contractors
- ✓ Fractional CHROs
- ✓ Bench Builders
- ✓ Expert HR Consulting

SCHEDULE A FREE  
CONSULTATION



**IN THE NEWS**

**Caldwell Recruits Chief Technology Officer for Accelsius**



Jim Bethmann of Toronto-based **Caldwell** recently placed Richard Bonner as the new chief technology officer for Accelsius, which is working to remove the thermal constraints in computing. Mr. Bonner most recently served as vice president of R&D at Advanced Cooling Technologies (ACT).

Led by a team of seasoned industry veterans, Accelsius has developed disruptive thermal cooling technology. The company is funded by Inventure, an investment firm that is in the business of identifying, funding and commercializing disruptive technology invented by large multi-national partners. Accelsius technology is engineered to deliver unprecedented densification, efficiency, scalability, and sustainability.

strategic investors to make joint investments or pooling resources with other private equity firms to compete for larger deals. As competition increases, private equity firms must be strategic and agile in their approach to deal-making.”

“In recent months, we have noticed that many private equity sector firms are trading more cautiously in the face of macro-economic changes,” said Karen Swystun, CEO of **Waterford Global**. “Not only are PE firms looking for creative sources of financing, including the use of more private debt sources to finance transactions, but they are also actively pursuing more middle-market deals. It appears to us that PE organizations have increased their focus on recruiting individuals possessing the specific skill-sets they are looking for to increase efficiency, combat uncertainty, and drive growth for each stage of their investment life cycle.”

“The work we have been doing with our PE clients highlights the increased competition for talent and expertise that PE firms now face, as they compete with, not only other traditional funds, but also new non-traditional players that have entered the talent space,” she said. “In addition to enhancing their compensation and benefits offerings, PE firms have had to respond with strong training, mentoring, and career pathing programs, transparent DEI policies, and advanced ESG programs.”

Given the number of new organizations entering the PE and VC space, and the talent competition that PE organizations face from both traditional and non-traditional players, PE organizations sometimes find it difficult to access an adequate-sized pool of individuals having the skills and experience that they require, according to Ms. Swystun. “At the same time, portcos are looking to drive efficiencies in the form of digital upgrades/transformations and the centralization of shared services,” she said. “They are also looking more at sourcing talent from industries, and job functions within such industries, that have been relatively unexplored by the PE industry in the past.”

Ms. Swystun notes that PE companies are renewing interest in COO positions for their portfolio companies, focusing on candidates that have the ability to close the gaps and optimize the linkages between the production, research, marketing, and finance functions to maximize and sustain the portco’s

*(cont'd. to page 8)*

market impact. “Because portcos are operating in an inflationary environment, there is also an increased interest in filling senior finance roles to ensure that portcos stay sustainable,” she said.

“We anticipate that PE organizations will continue to invest in improving their attractiveness as a talent destination, in enhancing transparency and communicating more around their DEI and ESG initiatives, and in fortifying their digital capabilities and other activities that help drive operational efficiencies across their portfolio companies,” said Ms. Swystun.

Given the dependence upon cash in the sector, it is impossible to say that current events do not shape decision-making, says Tim Frischmon, principal at **Furst Group & NuBrick Partners**. “However, some circumstances, such as the Silicon Valley Bank crisis and rising interest rates, have a direct and significant impact more so than broader world events may,” he said. “Recent events have impacted access to cash, affecting short- and long-term decision-making and the day-to-day operations of private equity and venture capital firms as well as their portfolio companies.”

### Shaking Things Up

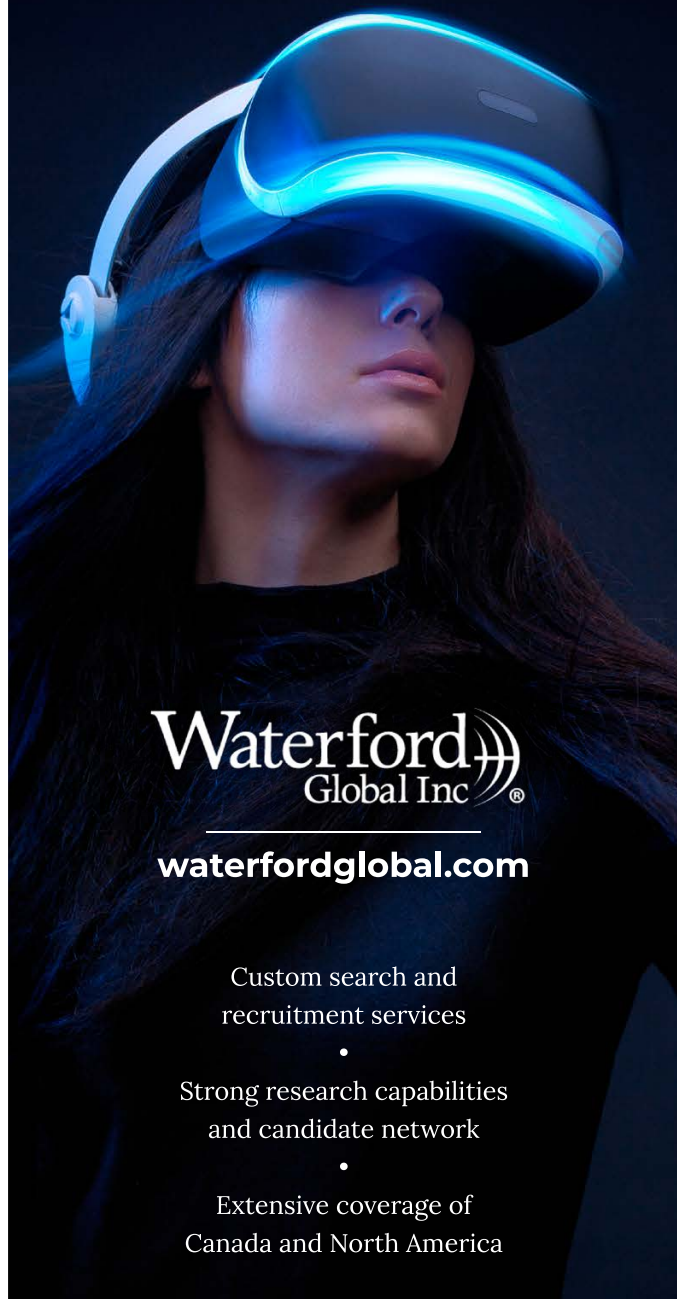
Mr. Frischmon says that all this change is good for the search industry. “Excluding catastrophic events, change shakes things up and creates opportunity,” he said. “In this instance, the question becomes — do they have the working capital to fill open positions while growing the business, expanding products/services, and entering new markets? As in any sector faced with financial constraints, focus is honed, and operations pivot toward running lean. So, while this can affect executive search when you consider key roles — CEO, CFO, chief growth officer, COO, etc. — the need for top-tier talent is not impacted. However, attracting talent can become more challenging when you factor in potential slowdowns to new market entry or investment realization and exit events.”

Inevitably during times of economic constraint, the biggest challenge for recruiting talent into private equity and venture capital portfolio companies comes in the attraction phase of the search, Mr. Frischmon says. “Talent who may otherwise be willing to consider these roles may not engage because they perceive higher risk and anticipate longer liquidity or payout timelines,” he said. “This means we may spend more time trying to attract viable executive candidates in a time-pressured environment where the client needs top talent in a role that is critical for making its next move and realizing the investment thesis. Additionally, if access to cash is restricted, execution runways may be extended. It then becomes increasingly difficult for private equity and venture-backed companies to retain current executives. This creates the potential for both opportunities and challenges. An influx of talent into the market could mean greater access to a deeper pool of talent. On the other hand, if your client loses a key executive, the role’s appeal to leaders in the market may suffer.”

Mr. Frischmon also notes that all private equity and venture capital firms are looking at the strategic plans across their portfolios and assessing the various levels of cash and investment needs associated with those plans. “Investments are slowing down,” he said. “So, whether you are in growth *(cont’d. to page 9)*

# Level up your talent

Maximizing the likelihood of big wins for you and your portfolio firms.



**Waterford**  
Global Inc<sup>®</sup>

[waterfordglobal.com](http://waterfordglobal.com)

- Custom search and recruitment services
- Strong research capabilities and candidate network
- Extensive coverage of Canada and North America



Advancing organizations across all facets of healthcare and life sciences through meaningful, collaborative partnerships. Ranked in Top 10 by *Modern Healthcare* and as a Top Executive Search Firm by *Forbes*.

**FurstGroup**

Healthcare Executive Search

[furstgroup.com](http://furstgroup.com)

Transforming organizations through a systemic, holistic approach to leadership effectiveness that provides a competitive edge by developing high-performing executive leaders and teams.



**NuBrickPartners**

Leadership Development

[nubrickpartners.com](http://nubrickpartners.com)

Creating meaningful client partnerships for more than 25 years – supporting multi-industry C-Suite talent with specialty practices in HR, Finance, Non-profit, Pharmaceuticals and Biotechnology. Ranked as a Top Executive Search Firm by *Forbes*.

**salveson  
stetson** Group

Retained Executive Search

[ssgsearch.com](http://ssgsearch.com)

venture or private equity, there is a level of scrutiny around the alignment of the overarching business and talent strategies to growth initiatives related to current working capital and confidence to access cash for the execution runway. Depending on where the portfolio companies are in their fundraising cycle and how much cash is available, PE and VC firms are recalibrating hiring needs to match that confidence level around access to net working capital."

"We work in an environment where our first order of business is to keep our heads down and not let the outside noise affect our ability to deliver for our clients," said Jay Lane, partner at **Spectrum Search Partners**. "With this said, we've certainly seen a variety of current events factor into the decision-making of our clients and potential executives that we recruit. Let's face it, rising interest rates and inflation affects all of us both as a business and as a consumer. I've noticed a slowing in buy-side deals, especially from sponsors that tend to utilize leverage to execute their thesis. With this said, private equity firms that have great track records bring a sense of trust and comfort. What concerns me the most is companies that are unwilling to adapt to the necessary changes required to continually attract and keep talented executives with whom they want to work."

Today, there are multiple challenges in the searches that recruiters conduct for their clients, according to Mr. Lane. "For one, there is a general assumption that the competitive environment of recruiting talented executives has gone away," he said. "As of now, it's still prevalent and the market for talent is fierce. Candidates with a track record of scale and success are highly sought after. From a persuasion perspective, candidates are less likely to make a move if a deal/situation seems riskier than their current environment – no matter how good the story sounds. Creating a buy-and-sell concept through the recruiting process is a challenge. PE firms, their portfolio companies, and their search partners must have the reasons why a candidate should join them reiterated throughout their recruitment process and while paying attention to the speed at which their search processes operate. The candidate experience, for example, the timeline and pace at which a candidate experiences their interview process, tends to move the needle in their desire to join. PE firms that show their attention to talent are winning these competitive battles for great talent."

"We have seen investment in professional services firms into which executive search or other recruiting would fall into," Mr. Lane said. "At the end of the day, the right executive search partner is critical in their ability to get at-bats with talent. Our job is to identify, persuade, and evaluate talent that can fuel their growth thesis. We have a number of clients that we've supported over a long period of time, and not only have they seen the hire at the start, but, they've also seen the effect those people have been on their exit process and ROIC."

"Looking ahead, it seems as if the market for deals continues to remain competitive," said Mr. Lane. "I'd imagine that these firms will be paying closer attention to closing on the right deals that mitigate their investment risk. From the talent side, I see PE firms paying much closer attention to the performance of their CFO and CHRO/CPO in their portfolios."

## SPOTLIGHT

## Delivering Exceptional Talent to Private Equity



*Smooch Repovich Rosenberg is the founder and CEO of **Smooch Unplugged**. She brings strategic investor relations officer search consulting focus to the PE arena as a means to helping firms realize their portfolio company valuations as these entities contemplate entering the public markets. Her 30-plus year collaborating with pre-IPO companies across industry sectors is one of the most unique search consulting strategies in the marketplace. Working with PE firms' portfolio companies and other pre-IPO companies across North America, Europe, and Asia has been a brand enhancer for her as an expert in the capital markets and the deep and broad investor relations officer search work she and her team conduct.*

*Ms. Repovich Rosenberg recently sat down with **Hunt Scanlon Media** to discuss the current state of the PE market, what she sees looking ahead and how her firm is finding talented leaders in the sector.*

#### **Smooch, what are you seeing for the PE sector in 2023 and going forward?**

The PE sector is suffering mightily right now as a result of the state of our financial markets. Decisions about recruiting are being slowed or delayed, management teams at the portfolio company level are contemplating which positions they can forgo hiring into for one or two quarters while still advancing their businesses, all the while still attempting to consider preparing their organizations for a potential IPO...the latter being "when," not "if."

#### **Is this sector less prone to a downturn if we fall into a recession?**

Well, while we may not be in a classically defined recession, I think the really smart PE firm leaders have already begun to tap into their recession strategy headsets and are girding for the balance of the year to be recessionary. I do not believe that the PE sector is less prone to the pain of a recession with the exception of having to slow pre-IPO portfolio companies in their slide into the public markets for that particular transaction. The end result – primarily a postponement of getting the valuation PE firms hope to achieve with current portfolio companies.

#### **What areas and positions have been keeping your firm busy within the PE sector?**

Our firm is affected in a very narrow manner and that is directly connected to the pre-IPO situations given that our specialty focus is the investor relations officer and chief communications officer executive search niche. However, when you consider that already-public companies of all sizes continue to seek strategic IROs and CCOs to help them navigate during uncertain times like we are experiencing now, I think we will begin to see PE firm portfolio companies have an earlier "breakout" moment in order to recruit high

octane professionals into these functions. The rocket pace trajectory of all companies upleveling the importance of these two functions during, and post-pandemic, has continued steadily. Finally, PE firm deal teams need to remember that investor relations officers are the key to preparing portfolio companies for the path forward – IROs strategically make the rough times better through their wisdom and counsel. So, if we are headed directly into a recession, one consideration that we advise leadership teams to think about is recruiting an IRO, sooner as opposed to later, so that delays into the public markets will not be so far into the future – don't wait for an impending recession to manifest itself – prepare early so that you are ready to launch quickly!

---

*"Investing in talent is the single most important investment that any company can make because it ensures superb strategic execution of business plans, which ultimately translates into success."*

---

#### **Are these searches more confidential and where do you start when looking for candidates for PE outfits?**

When we partner with PE firms and their portfolio companies, each situation is different as far as whether we navigate a confidential search process or not. That said, in every situation we sign an NDA so that we can dive deep into the portfolio company strategy, its business, and the key drivers that will aid success but also will create a compelling situation to attract exceptional talent. We collaborate and design a search strategy that is customized to each company situation and depending on management's thoughts and insights, we then decide together as partners whether the search should be operated as confidential.

#### **From what you have seen, what are PE firms looking to invest in?**

One of the characteristics that is always apparent in working with a PE firm is the intense intellectual abilities their teams bring to all conversations and situations. And one of the many aspects of working with these firms is the premium they place in recruiting exceptional talent – they simply do not compromise which I appreciate as it aligns perfectly with our mindset that every entity should have the exact right talent in leadership positions. In part, the effects of the pandemic affected CEOs' and boards' strategic thinking about talent, which I believe is a significant advantage to being prepared for a multitude of situations that can arise with little warning. Investing in talent is the single most important investment that any company can make because it ensures superb strategic execution of business plans, which ultimately translates into success.

## SPOTLIGHT

## Why Talent Matters Most During Uncertain Times



*Bespoke Partners is an executive search and leadership advisory firm dedicated to partnering with top private equity firms, including Francisco Partners, Clearlake Capital, WCAS, Insight Partners, GI Partners, General Atlantic, CVC Capital Partners, and TA Associates, among many*

*others, to recruit software talent and assess and evaluate teams at every stage of the investment lifecycle, from growth equity to buyout.*

*Eric Walczykowski is CEO of Bespoke Partners. As a proven growth executive, he has served as CEO, president, board member, investor and advisor for technology companies that achieved over \$4.5 billion in successful exits. Mr. Walczykowski recently sat down with **Hunt Scanlon Media** to discuss what is affecting venture capital and private equity firms today.*

**Eric, how are current events – the bank failures, the war in Ukraine, what is left of the pandemic, and inflation in particular – affecting the VC/PE space? What concerns you the most?**

We specialize in PE firm executive search for software and SaaS companies and have definitely seen some changes because of the economic headwinds and market disruptions. Certainly deal flow has been in a trough since the record high of late 2021. But there are still deals being done and leaders being recruited and we see signs that activity is starting to heat back up. The main changes from market conditions have more to do with what sort of leaders investors are looking for. They specifically want leaders who can drive capital-efficient growth. We detailed this extensively in the latest edition of our [Private Equity Talent Benchmark](#) report. This trend is especially true of many companies in the venture sector, where a “grow at all costs” strategy has been the norm. Now these companies are pivoting to focus on profitable growth that makes efficient use of capital. The PE sector has largely focused on this for many years so we see a lot of leaders with PE experience being drawn into VC opportunities.

**What do you see as the biggest challenges for recruiting talent for the sector?**

It has been an incredibly tight market for seasoned executives who are proven in private equity. That tightness continues and we really see no signs that it is changing, particularly as our clients are seeking the top decile, proven executives. Our Private Equity Talent Benchmark Report shows that average cash compensation has risen almost 20 percent since 2018 and that’s a direct result of upward pressure on salaries because it is a seller’s market. Salaries are staying at this level and we also see that executive turnover is back on the rise after a dip in the fourth quarter of 2022. These are signs of the market tightness continuing and we expect it to be a seller’s market for some time, especially as deal volume picks back up. This puts a significant onus on working with experienced recruiters with a proven track record that can get the top decile

executives to take a call. Additionally, the experienced recruiters can help portfolio companies expand the scorecard for consideration of step-ups, public executives and subsector adjacencies.

**What roles have private equity firms been hiring for within their portfolio companies?**

A very interesting trend in private equity recruiting is the rise of the chief people officer. The CPO elevates the human resources function in a portfolio company to a new strategic level and reflects the importance of talent and corporate culture for executing on the value creation plan and achieving the investment thesis. This in turn mirrors a broader trend in private equity itself, that talent is the chief lever of value creation these days. It used to be that private equity firms could base an investment thesis on proprietary deal flow and financial engineering. But the market has become so crowded that exclusive access to deals is next to impossible to achieve. And financial engineering is table stakes. Everyone does it. So now the primary way to achieve outsized returns is talent. We help our clients do that with their C-level leadership and then the CPO in the portfolio company executes on that same strategy to maximize the impact of talent throughout the rest of the organization.

---

*“Once we see that valuations have truly stabilized in light of the increased interest rates, we will start to see more deals consummated in private equity.”*

---

**Is the executive search/recruiting sector desirable for PE and VC firms?**

The executive search industry has been going through changes over the last several years. These changes in some instances have been brought on by market inefficiencies noticed by PE firms. I do anticipate that other firms may show some interest in the market. But it is still a services business predicated on a rate times and people-time-hours to drive the financial metrics and the resulting multiples. That said, we are thoroughly enjoying our partnership with AEA Growth, which Hunt Scanlon helped to orchestrate. We have rolled out multiple new innovations with the help of these great PE partners, such as our new strategic resourcing group providing curated executive network access services and our new private equity client services program that tailors talent enhancement programs tightly to client needs.

**What trends do you see for PE/VC firms moving ahead in 2023?**

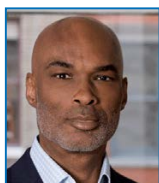
We see signs that the second half of the year is going to see a surge in deal flow. It’s always risky to predict the future like this but there are masses of dry powder out there to put to work. Once we see that valuations have truly stabilized in light of the increased interest rates, we will start to see more deals consummated in private equity.

## SPOTLIGHT

## How PE/VC Outfits Are Keeping Recruiters Busy



Julia Dashuta



Rob Crawford

*PierceGray is a specialized, retained executive search firm focused on building leadership teams in investor-back environments. The firm is functionally-focused, hiring executives and building teams*

*in the following disciplines: operations and supply chain, sales and marketing, finance and transformation, and general management. PierceGray's clients include private equity firms and portfolio companies as well as publicly-held companies across North America.*

*Julia Dashuta is a managing director with **PierceGray** in the Chicago office and specializes in recruiting senior executives into private equity-backed environments. Rob Crawford is a managing director with **PierceGray** in the New York office. He has invested several years partnering with private equity-backed and public companies to recruit C-suite executives, senior management, and board members.*

*Ms. Dashuta and Mr. Crawford recently sat down with **Hunt Scanlon Media** to share their perspectives on what is happening in the PE/VC sectors today.*

#### **Rob, what do you see as the biggest challenges for recruiting talent for the sector?**

**Crawford:** Attracting and retaining top talent is a challenge given the specialized skills and experience required to be successful in a private equity-backed portfolio company. When seeking potential talent for leadership positions, PE firms are laser-focused on finding specific domains and industry expertise to fit the unique culture and environment of their investments. On top of background and sector knowledge, identifying candidates with demonstrated flexibility and adaptability to operate in a fast-paced and dynamic environment shrinks an already limited pool of talent. While past success can often predict future success in this sector, the number of potential candidates with previous successful private equity experience and expertise is even more constrained, creating a highly competitive search for top talent. Organizations and PE firms often face challenges in retaining talent due to factors including limited career advancement opportunities, lack of work-life balance, or inadequate compensation. Identifying the right candidate poses its own unique challenges; however, retaining talent is just as important as recruiting talent.

#### **Julia, what are some trends you are seeing in the PE/VC space?**

**Dashuta:** Coming off the historic highs of PE deals, exits, and fundraising that we saw in 2021 and 2022, so far this year PE and VC firms have continued to see a sharp decline in activity that started in the latter half of 2022 in response to rising interest rates

and global economic uncertainty. The overall decline in activity is expected to persist through the medium term, with unpredictable and uncertain macro forces in play such as inflation, the war in Ukraine, growing conflict with China, and rising interest rates. With more limited deal activity, private equity and venture capital firms are placing greater emphasis on creating value within their existing portfolio companies, both through operational improvements and strategic initiatives.

#### **What about from a talent perspective?**

**Dashuta:** We have seen a shift in the types of roles that are currently in demand and expect these trends to continue through 2023. We've seen an uptick in demand for private equity operations roles at the fund level as PE firms look to invest in resources that will drive cost out of their portfolio companies as growth may be more constrained in this challenging environment. Many of the "operating partner" and other cross-portfolio executive roles have skewed toward functions with cost-out impact, such as procurement and operational excellence as opposed to growth-oriented roles in past years. At the portfolio company level, we've seen an increase in demand for supply chain and procurement leadership talent as companies continue to work through the supply challenges from the pandemic and increase their focus on driving cost savings and operational excellence in this uncertain market. In spite of the current market uncertainty, there is reason to be hopeful for the future of PE/VC in both the medium and long term. The private equity market is resilient, and dry powder is at an all-time high, with PE firms ready to invest when market conditions improve. Many of our private equity clients are optimistic about a turnaround expected in late 2023 and into next year.

#### **Why is it more challenging for PE firms to find talent**

**Crawford:** Organizations and PE firms often face challenges in retaining talent due to factors including limited career advancement opportunities, lack of work-life balance, or inadequate compensation. Identifying the right candidate poses its own unique challenges; however, retaining talent is just as important as recruiting talent. High turnover rates can disrupt operations and lead to increased recruitment costs. Given private equity's notoriety for its demanding work hours and high-pressure environments, both current employees, as well as potential candidates, may be hesitant to stick through the investment horizon due to concerns about work-life balance. While these positions can be highly coveted due to compensation packages and lucrative equity participation, search firms are no strangers to unrealistic salary expectations set by both candidates as well as other firms competing for proven experts in the field. Overcoming these challenges requires a strategic talent acquisition approach that can key in on the specific motivation behind a potential candidate's desire to make a change. Finding the right candidate is no easy task in today's competitive environment.

## SPOTLIGHT

## Seeking Life Sciences/Healthcare Leaders in the PE Space



*With a focus on helping PE and VC backed healthcare organizations, Tim Russell, managing partner of **The Tolan Group**, oversees the business development and recruitment activities for private equity and venture capital clients. Mr. Russell recently shared his views on the current state of recruiting for PE outfits in the life sciences / healthcare sector with **Hunt Scanlon Media**.*

**Tim, what types of companies within the life sciences/healthcare sector are PE outfits looking to invest in?**

The area of healthcare services remains an active sector for investors. PE firm clients have kept us busy looking for C-suite execs and VPs for multi-site, multi-state MSOs in various specialties. We have helped PE-backed portfolio companies find executives in specialties such as: Ophthalmology, cardiology, rehab, gastroenterology, plastic surgery, fertility/women's health and many more. Behavioral health, home health and hospice all remain very active investment sectors as well.

**Within these types of companies which positions have kept Tolan Group busy?**

The role of CFO is by far the most requested role we are asked to help our PE clients find for their portfolio companies. A close second is the role of CEO. Both of these positions have seen significant changes in the job requirements and characteristics of the ideal candidate. We are also seeing a fair amount of VP level searches in areas of finance and operations in particular.

**After placing executive leaders, how does your team help the leadership team build out the next layer of management?**

Our recruitment approach involves understanding the complete hiring plan even before initiating the first search. We want to understand what will be needed in both senior and mid-level management roles even if the organization isn't ready to initiate a search immediately for those positions. Knowing what the comprehensive hiring plans are, helps us keep our eyes and ears open as we procure talent for the search we are conducting. It's not uncommon for us to encounter a husband and wife team or candidates with colleagues that they can bring with them to a new assignment.

**Can you explain how you maintain relationships with candidates and clients?**

Our firm has developed a refined "account management sequence" that is a predetermined set of activities designed to keep in touch with both clients and newly hired candidates. At certain time milestones, we reach out to maintain rapport and inquire about any upcoming changes at the organization that we might assist with. Certain steps in the sequence involve check-in phone calls, email correspondence, in person meetings and zoom calls involving planning sessions and brainstorming around the subject of talent

management and future hiring. Our job isn't over just because the placement has been made. We want to be seen as an ongoing partner for any future endeavors at the organization.

**What is your outlook on the PE sector for the remainder of 2023 and beyond?**

Healthcare will remain a very active investment sector. We are seeing MSOs grow exponentially as more and more specialties are being found to be conducive to a PE MSO model. In the early stages of PE healthcare investment, certain specialties were thought to be a better option for management service organization contracts than others. Now that the evidence exists that the model can be successful in various specialties, the investment in PPOs will remain steady for the balance of 2023 and beyond. When considering executive talent, PE firms are beginning to understand the need of talent upgrades in different stages of the holding period. As an example, the CFO of a current \$10 million portfolio company may be instrumental in steering the organization to \$40 million, but beyond that, they might struggle to scale to the \$100M mark. Given nuances of salary expectations and career successes, PE investors will continue to grapple with the dynamic of having to upgrade senior leaders during the holding period rather than having the C-suite executive that will be in the seat at deal inception and ride the investment from beginning to exit. This is a dynamic that we feel will remain constant in 2023 and throughout the foreseeable future.

**What have you seen in as far as what PE outfits are looking to spend dry powder on? Does life sciences/healthcare fall into this category and if so why?**

Though the areas of Life Sciences and healthcare are two very broad categories, there is significant investment interest in both sectors. Tech enabled reporting within life sciences companies is appealing. As data continues to lead the success of big pharma and population health, investors remain bullish on tech companies that serve the Life Sciences ecosystem. Clinical trial reporting and case study outcome analytics technology is of particular interest. The dollars are in the data, so tech enabled platforms that can record and easily disseminate information are high demand plays for investors. In healthcare, there is robust interest in behavioral health, hospice and home-based treatments. Sadly, the need for mental health services shows no sign of slowing down. With opioid addiction treatment being needed in all areas of the country and the increased rate of youth depression, behavioral health services are needed at all levels. Hospice and memory care are also active investment areas. Seniors are living longer these days compared to previous years, so health services and treatment regimens for this fragile group of society will continue to be needed in large numbers. Opportunities abound for investors to invest in companies that enable patients and clinical care teams to compile information about treatment and health management remotely.

## How the Private Equity CIO Drives Value and Transformation

The demand for superior chief information officers in private equity backed organizations has increased in recent years due to the need for strong technical leadership to help drive value creation and transformation. Management teams and fund partners view CIOs as an integral part of their C-suites today and are recruiting these strategic executives at a rapid pace, even within their smaller organizations. Partnering with CFOs in particular, CIOs provide valuable input across organizations' strategic planning process, mergers and acquisitions strategy, commercial strategy and operations planning processes, to name just a few areas of influence. Their role has clearly evolved in recent years, and successful hires have dictated much higher returns for private equity owners.

In a new report, **DHR Global's** Ted Yemm, principal, and Sal DiFranco, managing partner, break down the value of the private equity CIO, tapping the firm's experience working with technology and private equity leaders to outline the key skills that CIOs need to be successful in the current business climate.

### Value Creation

Historically, value creation in a portfolio company has been driven by strong CEOs and CFOs with complementary skills in their leadership teams across sales and operations, said DHR Global. "In today's world, a private equity CIO must be savvier than ever, not only in terms of leading an information technology organization, but in terms of aligning with business goals," said the report. "The CIO must understand a variety of strategies from M&A to enabling commercial organization, through rationalization and cost control around a business."

*"Historically, value creation in a portfolio company has been driven by strong CEOs and CFOs with complementary skills in their leadership teams across sales and operations."*

CIOs are making decisions that not only affect the current state of the organization, but the future valuation of a potential buyer. Operating partners and CEOs are looking for CIOs who know when and where to invest (but also when not to invest) in IT, based on the future value they are looking to create.

### Transformation

Transformation in portfolio companies comes in many forms. "A chief information officer may be asked to be a part of a roll-up strategy, a digital transformation, or even driving centralization of IT and business assets from a previous owner," said the report. "Due to companies being transacted in this space every four to six years, there is a need to understand technical debt and what transformational efforts are priorities that will impact the business during the next hold period." *(cont'd. to page 15)*

It becomes a  
small world  
when you are  
connected to  
the right people.

A global firm with award-winning service and culture, DHR helps best-in-class organizations hire and develop top talent through executive search, emerging leader search and leadership consulting services.

Always Connected.

**DHR** **JOBPLEX**  
GLOBAL A DHR COMPANY

dhrglobal.com jobplex.com



**Inc. Best  
Workplaces**

**AMERICA'S BEST  
EXECUTIVE  
RECRUITING FIRMS**  
**Forbes  
2022**  
POWERED BY STATISTICA

# We Know Private Equity

Leading PE firms trust CIO Partners to deliver transformative full-time, interim, and fractional technology executives for their portfolio organizations.

# CIO

---

## PARTNERS

[ciopartners.com](http://ciopartners.com)

A CIO will need to work as an effective business partner with a strategic-thinking CFO who may be optimizing or upgrading IT infrastructure to enable the FP&A function to acquire data to analyze the business. This may be for product line profitability, customer profitability, margin analysis or inventory management tied to working capital. “We see data and analytics at the forefront of many private equity sponsored transformation efforts,” said DHR Global. “This includes digitizing business functions through systems to bridge the gap between commercial organizations (customer acquisition) and operations organizations (supply chain visibility and access). Having experience digitizing a business and making data readily available to the business is a critical skill-set for CIOs in the private equity environment.”

### At the Fund Level

“We are also seeing an increase in CIOs being recruited into the private equity funds themselves as advisors and operating executives,” said the report. “This trend has increased due to the need for smart, technical business executives to evaluate potential acquisitions of IT organizations, understand the challenges they may face during their holding period and help to increase value within the IT organization.” These leaders tend to have broad exposure to a variety of industries and multiple turns as a CIO to be prepared for any situation they may face within the portfolio.

---

*“Successful chief information officers at private equity backed organizations operate strategically yet are hands-on, acting as more of a ‘do-er’ than a delegator.”*

---

“The role of the CIO in PE-funded companies has become more critical,” said DHR’s Keith Giarman, managing partner, global private equity practice. “This is particularly true in mid-market companies professionalizing their operations where the CEO, and especially the CFO, are chartered with driving cost efficiencies in production and customer acquisition, margin expansion with an eye on costs tied to pricing, better supply chain visibility while managing working capital and other areas.”

DHR Global says it sees different private equity backed holding companies needing a variety of different skills from search-to-search based on the situation they are in. Some require deep ERP expertise to fix a failed implementation, while others may be looking for a CIO with proven M&A or divestiture expertise, said the report. When searching for a CIO, it is important that there is a common strategy and key selection criteria to measure the type of skills needed.

“Successful CIOs at private equity backed organizations operate strategically yet are hands-on, acting as more of a ‘do-er’ than a delegator,” says DHR partner Steve Godwin. “They are driven to add value with a laser focus on results. Not only that, but they must be skilled communicators—they must be able to justify the investments they make in technology and ensure that the CEO and board understand the impact.”

## A Look at the Private Equity Sector in Canada

Like in many other regions, the private equity sector in Canada is expressing a mixed forecast for the rest of this year. While some firms are experiencing healthy fund raising and deal activity, others are curtailing targets and managing LP liquidity concerns, given the 20-year low in equity financings to date in 2023, according to Bill Vlaad, CEO and managing partner of Toronto-based **Vlaad and Company**. “Many PE firms operating in Canada have diversified their offerings in recent years to include investment opportunities beyond our domestic border, investing into geographies and sectors appealing to a larger LP pool. Additionally, the relative size of the average Canadian PE fund keeps it out of direct competition from many global players and in writing smaller cheques allows for a nimbler GP than many larger shops.”


Vlaad and Company’s activity in direct investment/PE recruiting has evolved over the years. The firm started with a focus on investment bankers which evolved to include investment professionals within private equity firms. “Our success in hiring internally for our PE clients led us to partnerships for C-suite professionals within their portfolio companies,” said Mr. Vlaad. “Our understanding of the GPs investment style, philosophy and culture meant we held valuable institutional knowledge usable to find C-Suite hires whom would work well with the PE firm’s operating style.”

*“Many PE firms operating in Canada have diversified their offerings in recent years to include investment opportunities beyond our domestic border, investing into geographies and sectors appealing to a larger LP pool.”*

When looking to invest Mr. Vlaad explains that if there is a good business case, PE firms are interested. “The recruitment industry ticks a lot of boxes for private equity firms,” he said. “The highly fragmented industry boasts high margins, a diverse and dedicated client base, with a scalable product offering. In theory, the appetite should be there for private equity investment.”

Mr. Vlaad also notes that what recruitment firm owners need to answer for a possible PE investor is: “How do you manage the introduction of new technologies, how repeatable is past success, and how can financial or operational leverage be applied to increase cash flow from the business.” Unfortunately, he says that many firms miss out on PE opportunities because they fail to see value from the prospective of the buyer.

“While the forecasted recruitment numbers are softening for the remainder of the year, this is coming off two extremely good and arguably unsustainable years,” Mr. Vlaad said. “We believe recruitment for the remainder of 2023 and into 2024 will reflect reasonable growth rates conducive of a well-supported market with active managers constantly screening their teams to ensure top-level performance.”



### RESULTS AT PRIVATE EQUITY SPEED.



#### WHY PARTNER WITH US?




**98%**  
Private  
Equity  
Focus




**99%**  
Successful  
Fill  
Rate



**425+** Port Co  
Placements



**14+** Years Placing  
C-Suite Talent +  
Functional Leaders



**120+** Proven Partner to  
120+ Private  
Equity Firms

**THE RIGHT EXPERIENCE MATTERS.**

Denver | Miami | Seattle  
[spectrumsearchpartners.com](https://spectrumsearchpartners.com)



**TSI** Group Inc.

# Your Executive Search Partner

Scalable and Unique Hiring Solutions

Innovative AI Assessment Tools

Comprehensive Client Relationships

**33**

Years in Business

**50+**

Cities Serviced  
Throughout North America

**3300+**

Successful Placements

## We'll Build Your Winning Leadership Team

**TSI**

Building Relationships, Securing Success  
Since 1990

[tsigroup.com](http://tsigroup.com) | [pamela@tsigroup.com](mailto:pamela@tsigroup.com)  
Pamela Ruebusch, CEO | 905.629.3701 ext.223

## Hot Searches in the PE Sector...

### ON Partners Recruits CFO for Investors Management Corp.



Tim Conti of **ON Partners** assisted in the recruitment of Jennifer Moses as CFO of Investors Management Corp. (IMC) in Raleigh, NC. Ms. Moses was most recently CFO of G1 Therapeutics.

In this position, she was responsible for SEC reporting, financing planning and analysis, and treasury. Previously, Ms. Moses was a partner at Rankin McKenzie LLC, where she served as acting chief financial officer and controller for venture-backed companies. In her new position, Ms. Moses focuses on various aspects of Investors Management Corp.'s finance and operations. Established in 1971, Investors Management Corp. is a private equity investment firm. The firm focuses on companies in the automotive aftermarket, food and beverage, healthcare, and building materials and lumber industries.

### The Lancer Group Recruits CEO in Residence of Symphony Incubator

**The Lancer Group** recruited Eshwar Belani as CEO in residence of Symphony Incubator, a technology incubator set up to drive innovation and invest in solutions that infuse large markets with cutting-edge breakthroughs in AI and



analytics. Symphony Incubator is the technology incubator arm of Symphony Technology Group (STG), a 14-year old private equity firm comprising of 23 companies, with a combined revenue of \$3.5 billion and 18,000 employees. Mr. Belani most recently drove products and alliances at Rubrik, a platform for backup disaster recovery. The Lancer Group, established in 1998, serves private equity firms, their portfolio companies, and public corporations in their talent acquisition needs. The firm specializes in board-driven search mandates including CEOs, CFOs, C-suite executives, and board directors as well as private equity investment professionals and operating partners.

### True Search Recruits CEO for ProGlove



Global talent provider **True** has assisted in the recruitment of Stefan Lampa as the new chief executive officer of ProGlove, a global provider of wearable scanner solutions in Munich, Germany. The company is backed

by Nordic Capital, a private equity investor with a commitment to creating stronger, sustainable businesses through operational improvement and transformative growth. Focus sectors are health-care, technology and payments, financial services, and selectively, industrial and business services. Since inception in 1989, Nordic Capital has invested EURO 22 billion in over 130 investments. Mr. Lampa has a background in mechanical engineering and gained experience in the areas of digitalization and industry 4.0. Both became a focus of his leadership. Mr. Lampa most recently served as president at Cargotec Corp.

## ...More Top Searches Making News

### Artico Search Recruits General Partner of USVP



Mercedes Chatfield-Taylor of **Artico Search** recently assisted in the recruitment of Matt Garratt as general partner of U.S. Venture Partners (USVP), a Silicon Valley venture capital firm with a focus on cybersecurity,

enterprise software, consumer, and healthcare. “Matt brings a wealth of relevant experience to support our ongoing work in the enterprise sector,” said Dafina Toncheva, general partner, USVP. “His expertise and broad network provide a unique value proposition to entrepreneurs building market-leading enterprise software companies.” Mr. Garratt formerly served as a senior vice president and managing partner of Salesforce Ventures. He joined Salesforce in 2013 and spent eight years building and running the largest corporate venture arm in the tech industry. While at Salesforce Ventures, Mr. Garratt led investments in market leaders such as Anaplan, Gainsight, Mulesoft, nCino, Snowflake, ThousandEyes, Twilio, and Zoom.

### The Tolan Group Recruits CEO for Riverside Oral Surgery

**The Tolan Group (TTG)** recently assisted in the placement of Butch Marino as the new CEO of Riverside Oral Surgery, a portfolio company of MedEquity Capital and RF Investments. Rachel Gauthier,



managing partner, and Mallory Schmidt, senior search consultant, led the assignment. Mr. Marino is an entrepreneurial and relational executive with over three decades of healthcare experience, including corporate development and senior leadership within multi-state, multi-location settings. The Tolan Group is a Hunt Scanlon Top 50 healthcare and life sciences executive search firm. It provides recruiting services for clients and candidates serving the private equity market, focused on placing leadership for healthcare services, healthcare technology, and behavioral health.

### Salveson Stetson Group Recruits CEO for PPR Capital Management



Radnor, PA-based **Salveson Stetson Group** has assisted in the recruitment of Stephen Meyer as the new CEO for PPR Capital Management in Berwyn, PA. He will succeed co-founder Dave Van Horn and

assume all CEO related responsibilities immediately. Mr. Van Horn will be continuing on with the firm as executive chairman of the board, as well as assist the company in both marketing and fundraising capacities. “Steve will be an invaluable addition to the PPR team, helping us in many areas, including technology, reporting, and operations,” said Mr. Van Horn. “Above all, Steve shares in our core values, and I believe he’ll be a perfect cultural fit for the PPR family.” PPR Capital Management is a private real estate investment firm, specializing in institutional mortgages and commercial real estate.

# H.I.E.C

Delivering the  
transformational  
leaders of  
tomorrow,  
today.

Contact:

Stacey Mainiero, CEO  
[s.mainiero@hiec.com](mailto:s.mainiero@hiec.com)

Or visit [www.hiec.com](http://www.hiec.com)  
for further information