Finatal

Building the Value Creation Function

When and how mid-market private equity funds organize, resource and deploy value creation capability.

Foreword

The question of how to build and resource operating capability comes up increasingly in our conversations with private equity funds.

Alongside the search for individual talent, there's an appetite for a clearer view of how peers organize their value creation functions, when they invest in dedicated teams and how they bring specialist expertise into their portfolios. This research grew out of those conversations and requests for a more informed benchmark.

At Finatal, we work with private capital investors and their portfolio companies across executive search, interim hiring and advisory. That gives us a close view of the people and capability decisions behind value creation and prompted us to commission this new research with Censuswide. Drawing on responses from 109 US and European mid-market private equity funds, it brings together questions about team establishment, operating models and resourcing that are often considered separately.

We hope the findings provide a useful reference point, whether you're making your first operating appointment or developing an established function. Alongside the data, we share perspectives from our work in the market to help frame the choices ahead. Our aim is to support better conversations about the capability funds need and the people who will help them deliver.



Mark Sattin
North America CEO



Charlie Linacre
Managing Director,
Private Capital

Introduction

Building the Value Creation Function

An investment plan sets out what a fund wants to achieve. Building the operating capability to help deliver it brings a different set of decisions: which expertise to retain within the fund, how operators should work with portfolio management, and when to bring in additional support. Those choices shape the people a fund hires, the responsibilities they hold and how their experience reaches the businesses that need it.

Finatal commissioned this research to explore how mid-market private equity firms design, organize and resource their Operating Partner and value creation functions. Our aim is to connect the structure of those functions with the practical talent decisions behind them, giving funds a clearer view of how their peers approach the task and a useful reference point for their own plans.

The research draws on responses from 109 US and European mid-market private equity funds, gathered by Censuswide from professionals responsible for, or overseeing, value creation within their portfolios. It examines when dedicated teams are established, how different kinds of expertise fit together, and how funds expect their capability requirements to develop.

The people behind the operating model

Throughout this report, operating capability means the expertise and capacity funds draw on to help portfolio companies deliver their value creation plans. That can include strengthening finance, accelerating commercial growth, integrating acquisitions, developing leadership or implementing technology.

We explore three broad categories of operating talent:

Generalists

Work across a range of portfolio priorities, often bringing consulting, transformation or portfolio operations experience.

Functional Specialists

Bring depth in areas such as finance, technology, data, commercial performance or talent.

Industry Specialists

Bring sector knowledge and operating leadership experience, including former CEOs and COOs.

These capabilities frequently sit alongside one another. In our sample, 87% of funds have at least two of the three categories in-house. Understanding how their responsibilities fit together is therefore central to understanding the operating model.

How funds access capability

Alongside the people involved, the research explores four ways funds access the capability they need:

BUILD

Develop existing capacity
Develop capability internally through existing teams, processes and playbooks

BUY

Hire permanent talent
Recruit permanent employees into the fund

BORROW

Access external expertise
Bring in interim or third-party capability

EMBED

Portfolio placed capability
Deploy fund capability into a portfolio company for a set period

Funds also combine routes across different functions. Seventy-seven percent of those surveyed use at least three different primary access routes across the nine functions examined. A fund might develop its existing commercial capability, hire a permanent finance specialist and engage an interim technology operator.

Three decisions at the heart of the report

The findings are organized around three questions:

- When to establish a dedicated team
- How to organize the operating model
- How to resource the capability

Fund III emerges as the most common point of team establishment, but the decisions continue well beyond that first milestone as portfolio requirements change and new priorities emerge.

At Finatal, our work with PE funds across executive search, interim hiring and advisory gives us a practical interest in those decisions. With this brand new research, we aim to help funds assess their existing approach, define the capabilities they need next and give the people they appoint a clear mandate to contribute.

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Section 1

The Decision to Build a Value Creation Team

The Decision to Build a Value Creation Team

We begin with when funds establish dedicated value creation teams and what prompts them to establish or expand the function.

What support will the portfolio need, and when does that requirement justify a permanent function?

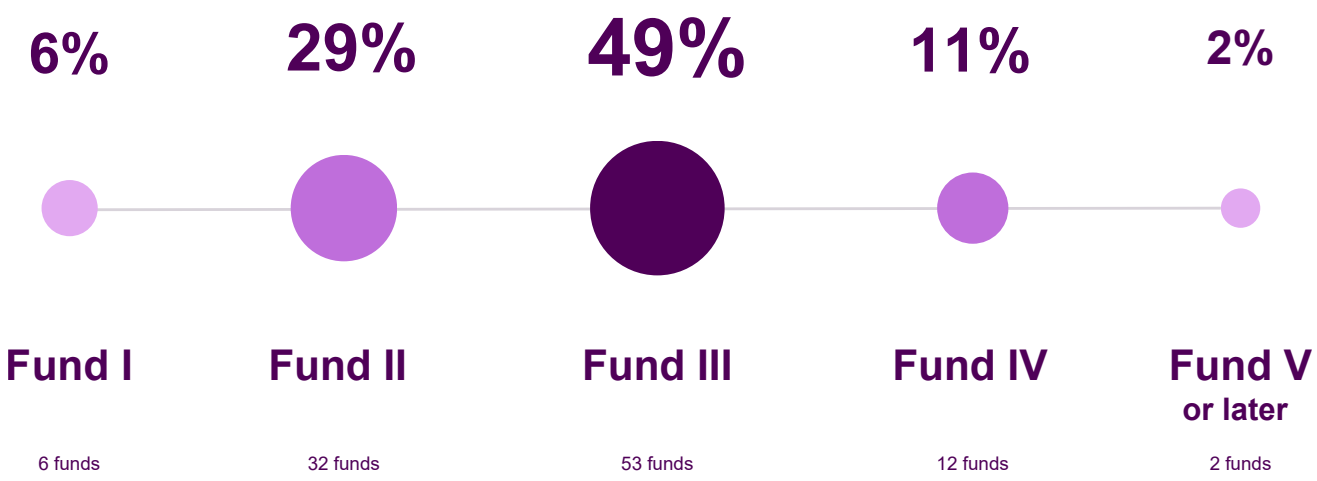
Our research identifies Fund III as the most common starting point, with leadership appointments, buy-and-build strategies and portfolio needs all influencing establishment or expansion. Understanding those considerations helps funds give the function a clear purpose from the outset.

Fund III is the most common starting point

For almost half of the funds in our research, Fund III was the point at which the fund established a dedicated value creation team. Some 49% established their team at that stage, following 29% at Fund II and 6% at Fund I. It's a useful benchmark for firms considering their next step.

The practical decision starts with the work ahead. Which needs recur across the portfolio? Where would a dedicated operator give management teams more support or help the fund move faster? Answering those questions gives the first appointment a clear purpose and a remit around which the function can grow.

Chart 1.1 | When dedicated teams were established

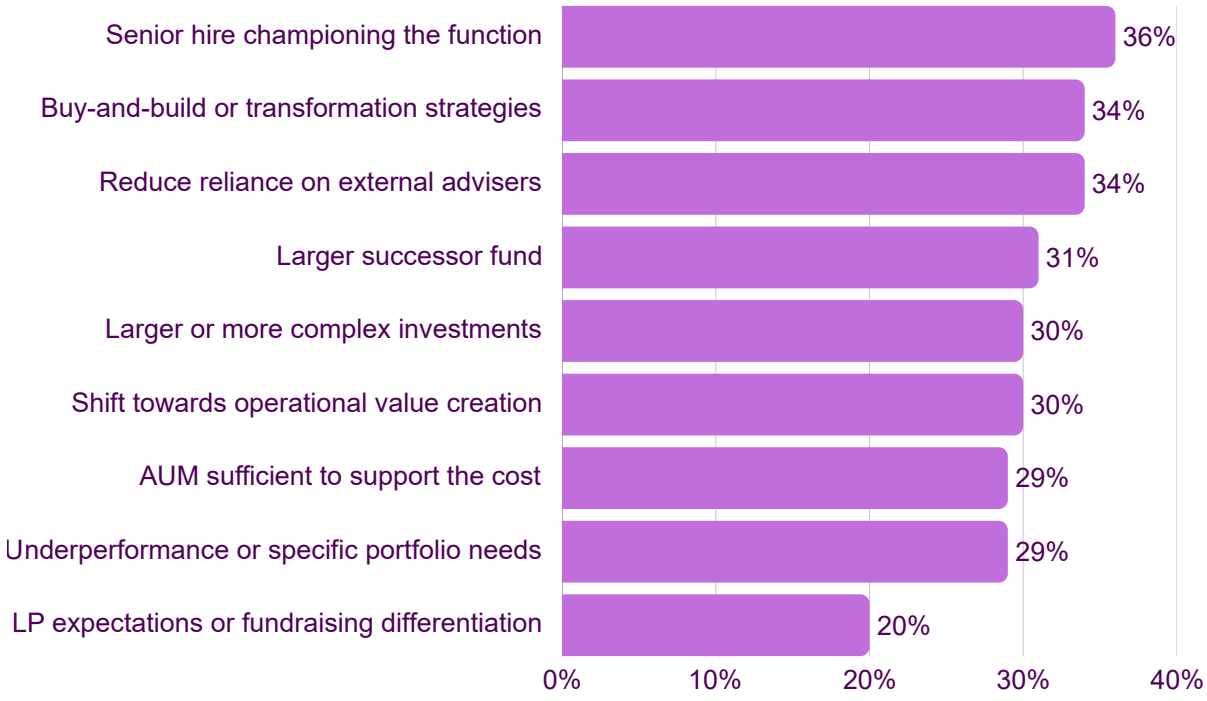


The right person can help build the function

A senior hire championing the function is the most frequently cited catalyst for establishing or expanding a team, selected by 36% of eligible funds. Buy-and-build or transformation strategies and reducing reliance on external advisers follow closely, both at 34%. Leadership and a clear operating requirement feature prominently in the decision.

That makes the first senior appointment particularly consequential. Alongside their own expertise, this person may help define the mandate, establish relationships with deal teams and management, and identify the capabilities to add next. For a fund preparing to invest in its operating function, there is real value in agreeing how much of the job is delivery and how much is building the team itself.

Chart 1.2 | What prompted establishment or expansion



Practitioner view:

"Last year, Quad-C decided to hire the firm's first operating professional, focused on finance and accounting transformation – the area where support is needed most frequently for the portfolio companies."

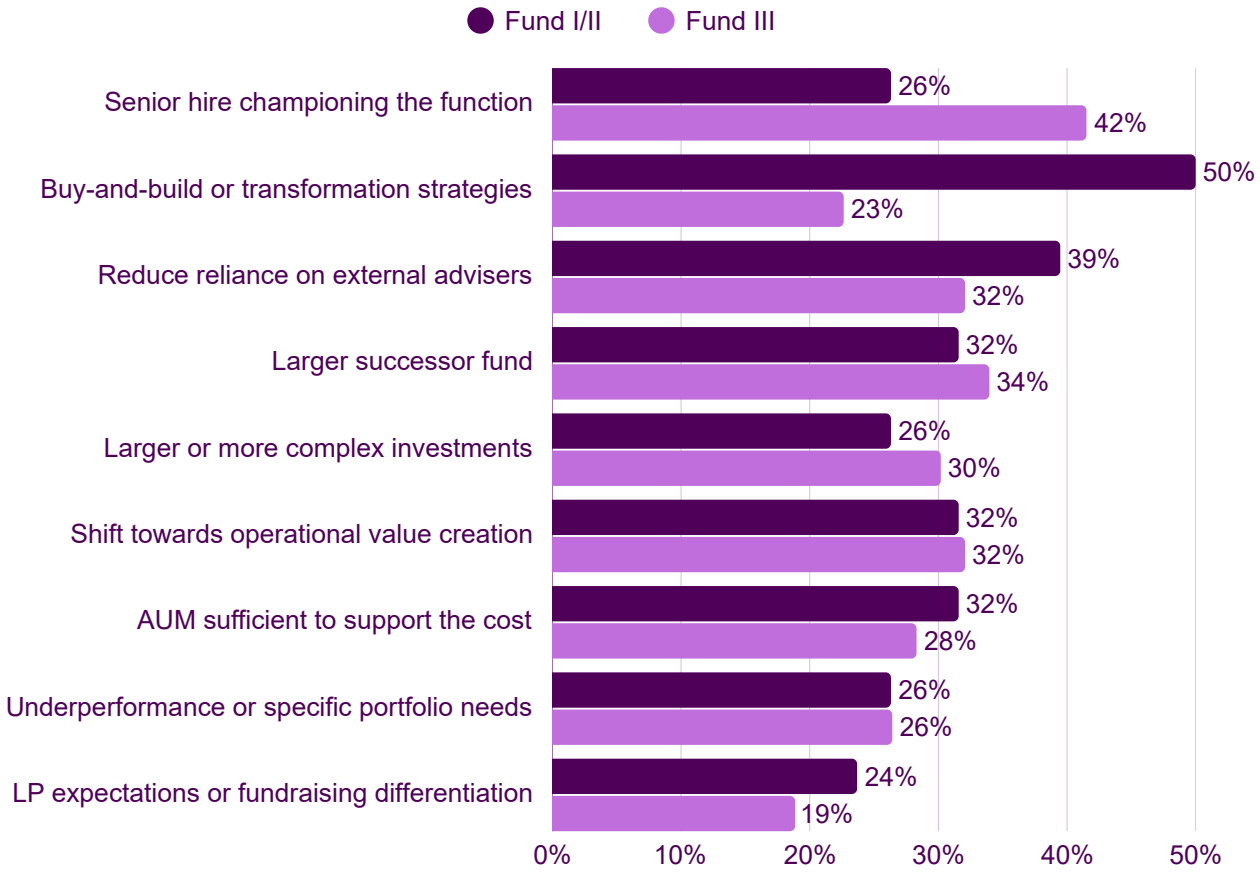
Joe April - Managing Director, Portfolio Optimization, Quad-C

Investment strategy helps shape the starting point

Among funds that established teams at Fund I or II, 50% cite buy-and-build or transformation strategies as a reason for establishment or expansion, compared with 23% of those establishing at Fund III. A senior hire championing the function is more prominent in the Fund III group, at 42% versus 26%.

For funds weighing an early appointment, this puts the investment strategy at the center of the conversation. A portfolio built around acquisitions and integration may call for a different first operator from one focused on commercial growth or functional improvement. The opportunity is to define that requirement early enough to bring the right experience into the team.

Chart 1.3 | How triggers differ by establishment stage



Practitioner view:

"The most important aspect was aligning with the needs of the kinds of businesses and founders we invest in and supporting them."

Chris Kozina - Head of Value Creation and Operating Partner, Garnett Station Partners

The Finatal Perspective

Build around the demands of the portfolio

The decision to establish a dedicated value creation team often gathers momentum as several pressures converge.

The portfolio grows, investment ambitions increase and the same operational challenges start appearing across multiple businesses. Meanwhile, earlier investments still need attention as the fund prepares them for exit. The demands on operating capability accumulate.

Fund III emerging as the most common starting point in this research makes sense in that context. By then, firms often have a clearer understanding of where operating support makes a difference, alongside the scale and fee income to support permanent appointments.

But some funds are building this capability at Fund I, even before acquiring their first portfolio company.

In our conversations, we see operating expertise becoming part of the proposition to prospective investments: a tangible demonstration of the support a fund can bring to a management team. For these firms, the operating team is part of how they intend to compete from the outset.

“For some funds, the operating team is part of the proposition before the first investment is made.”

Our view is that the investment strategy should shape both the timing and the first appointment. A software investor pursuing commercial growth may prioritize go-to-market expertise. An industrials investor may have a more immediate need for procurement, supply chain or finance capability. The useful question is: which challenges recur, or are likely to recur, often enough to warrant dedicated expertise?

That gives funds a practical starting point. Look at where management teams need support, what the investment strategy demands and how those requirements will develop with the next fund. A clear picture creates a stronger hiring brief and a more compelling case for investing in the function.

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Section 2

Choosing and Organizing the Operating Model

Choosing and Organizing the Operating Model

Once dedicated capability is in place, the next decision is how to combine expertise, allocate responsibility and prepare for future portfolio priorities.

Generalists, functional specialists and industry operators offer different kinds of experience, and most funds in our research combine them.

Making that combination effective means agreeing who owns what, how operators work with management and where deeper expertise is needed. As priorities evolve, particularly around AI, funds also need to consider how today's team will support tomorrow's value creation agenda.

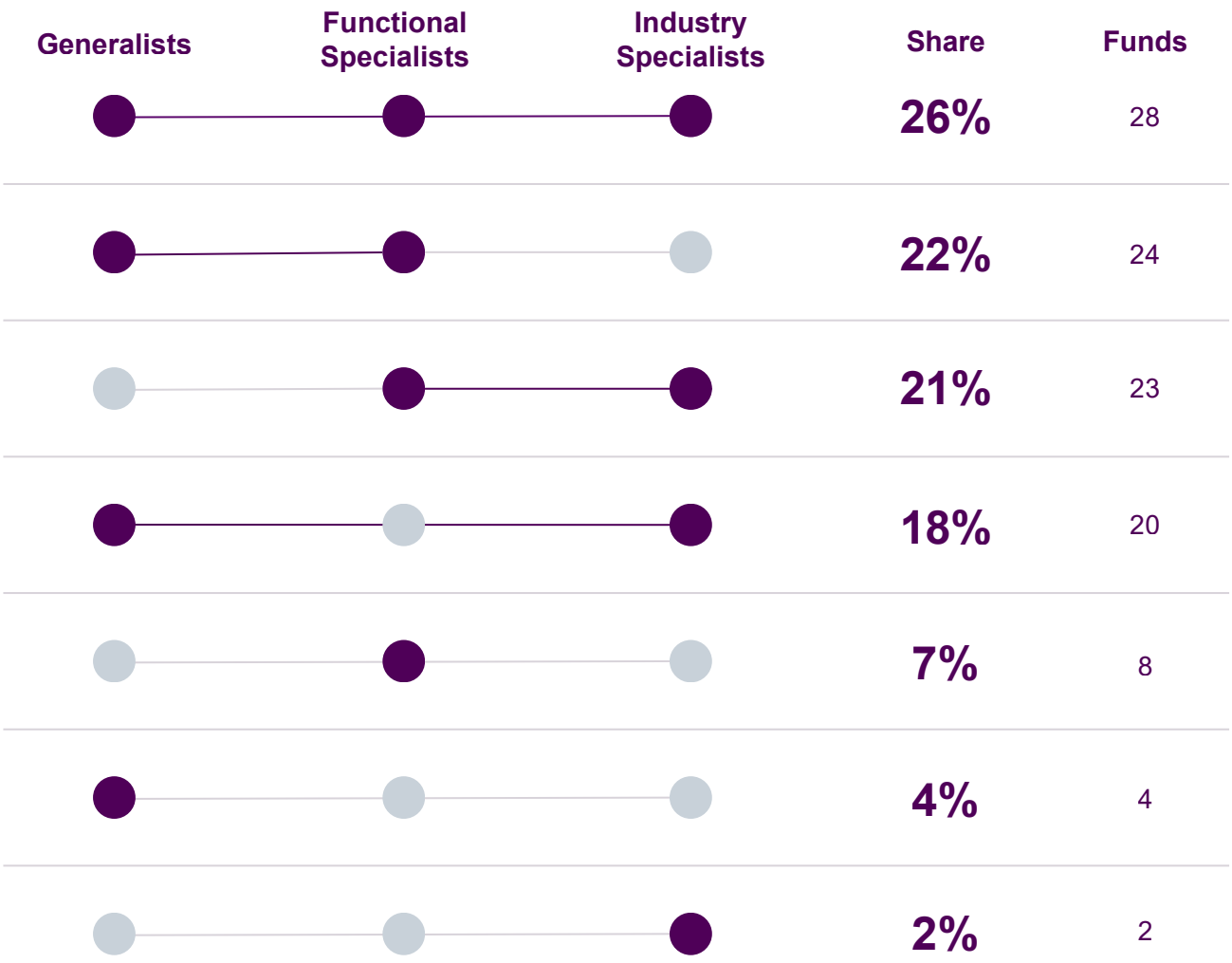
Build a team whose strengths work together

Combining operating talent is already the norm among the funds surveyed. Eighty-seven percent have at least two of the three main categories - generalists, functional specialists and industry specialists - and 26% have all three.

The hiring challenge is therefore about how the next person strengthens the group.

A generalist can connect priorities across the portfolio; a functional specialist can bring depth to a particular challenge; an industry operator can contribute experience of leading a business through it. A clear brief explains where those strengths will be used and how the new appointment will work with the people already in place.

Chart 2.1 | The combinations of operating talent funds have



Practitioner view:

"We started with a couple of generalists who could turn their hands to many things. We've now evolved to a senior group of specialists: that's the model that works for us."

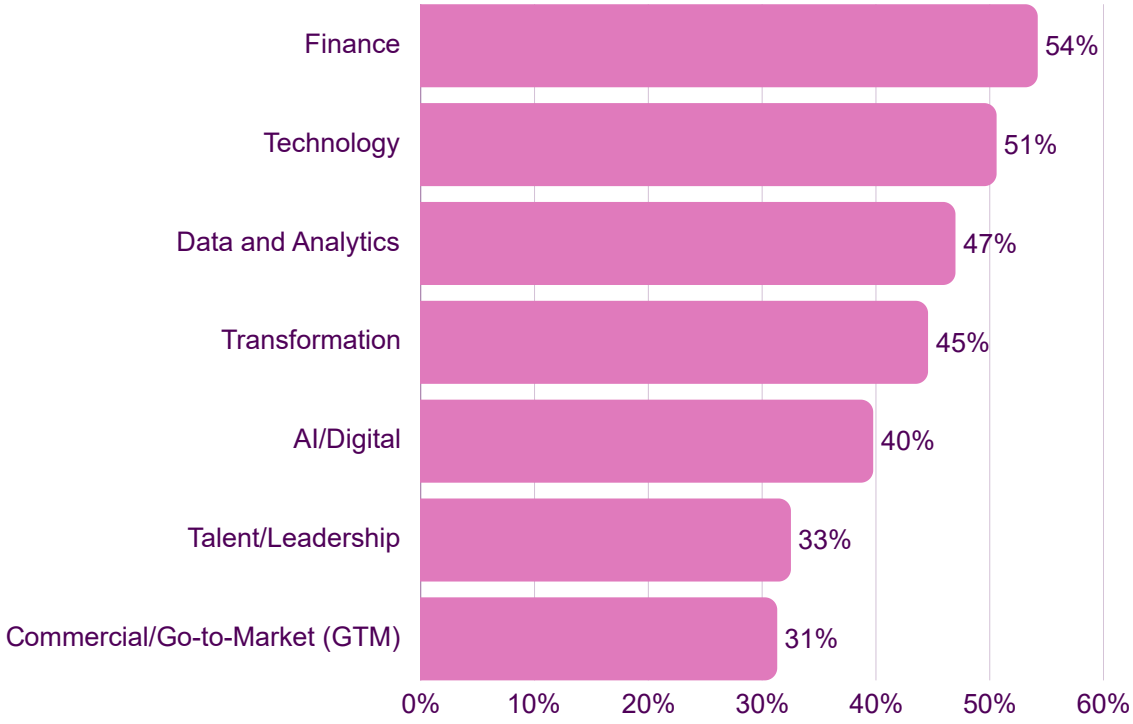
Rob Hetherington - Head of Milestone Performance Partners, Bregal Milestone

Finance and technology provide a strong specialist base

Finance and Technology are the most common in-house specialisms among the 83 funds with functional specialists, at 54% and 51% respectively. Data and Analytics follows at 47%, with Transformation at 45% and AI/Digital at 40%. These capabilities give funds expertise to draw on across a broad range of portfolio requirements.

For a specialist appointment, technical depth is the starting point. The brief also needs to capture how that expertise will be applied across businesses with different management teams, systems and priorities. Someone who can make a complex issue understandable, build trust with the executive team and help turn a recommendation into action brings a valuable combination to the role.

Chart 2.2 | Which specialist capabilities sit in-house

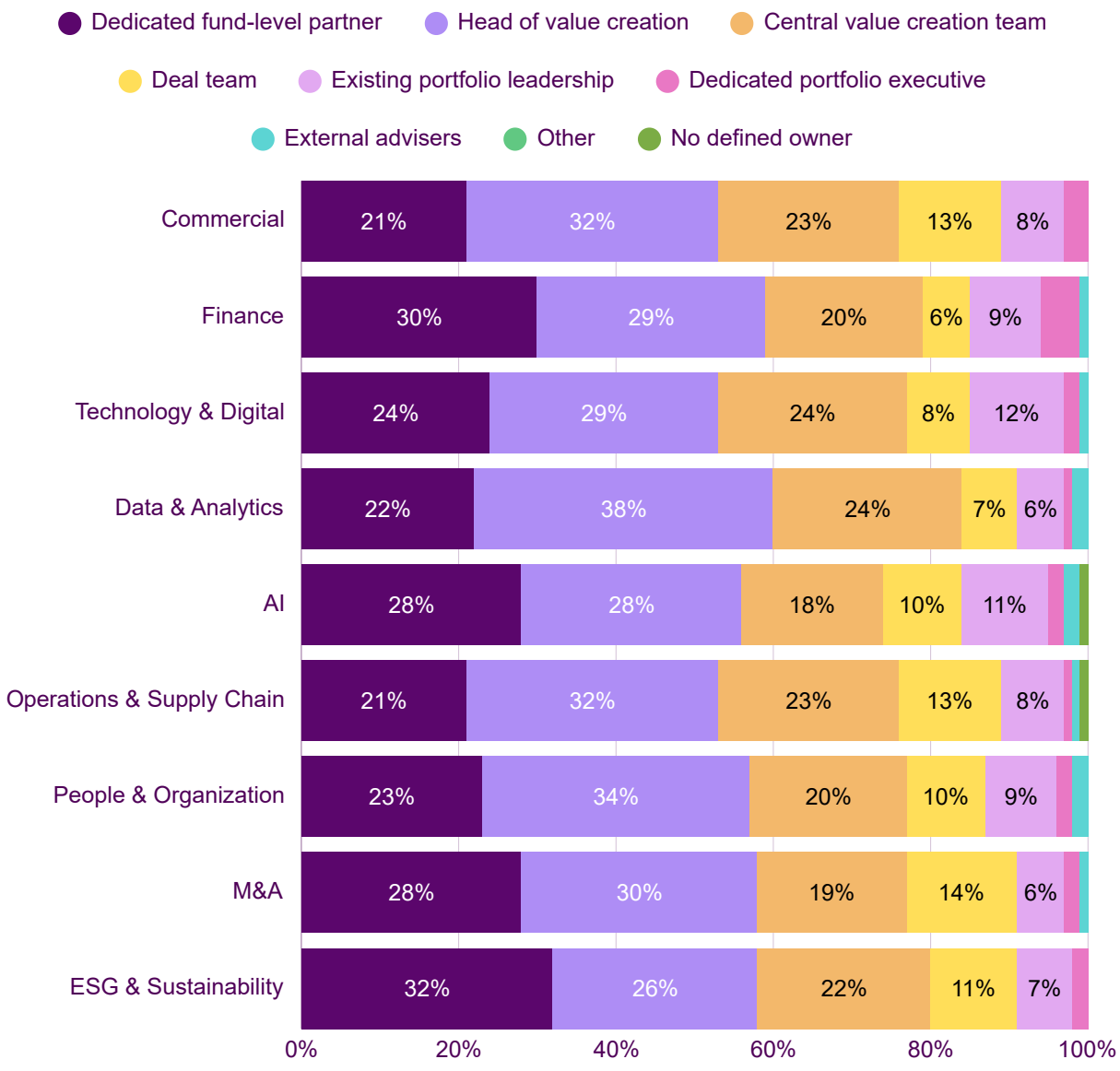


Give expertise a clear mandate

Across the functions surveyed, leadership responsibility is concentrated in dedicated fund-level partners, heads of value creation and central value creation teams. The balance varies: 38% assign Data and Analytics to the head of value creation, while 32% assign ESG and Sustainability to a dedicated fund-level partner.

For the person taking on that responsibility, clarity matters from day one. What can they decide? What do they own alongside the deal team? How will they work with portfolio leadership? Settling these questions helps give an operator the authority and relationships to put their expertise to work. It also gives candidates a much clearer picture of the opportunity they're joining.

Chart 2.3 | Where leadership responsibility sits



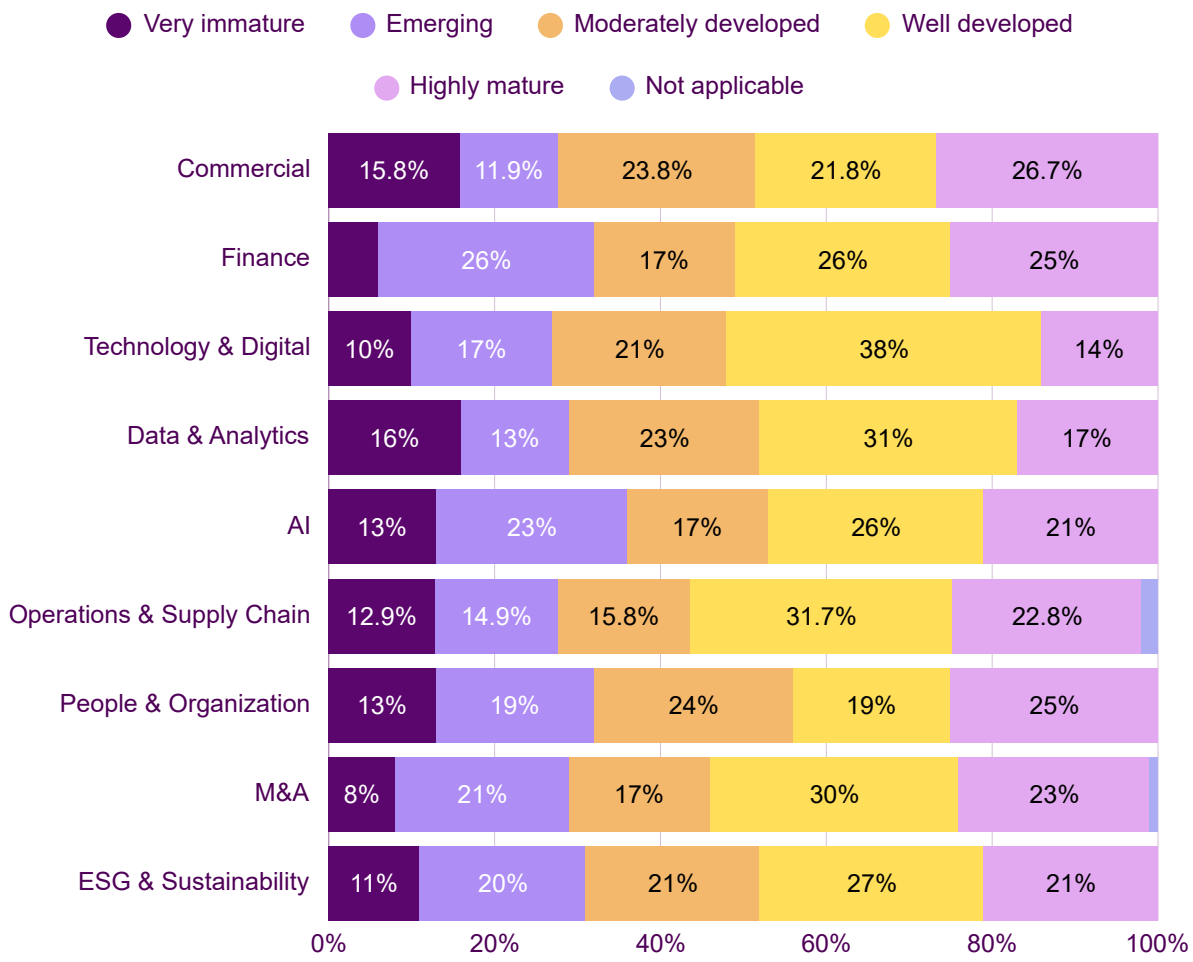
The next opportunity is to make capability repeatable

Alongside team composition and ownership, we asked funds how developed their capabilities are across each function.

Across the nine functions, the proportion of funds rating their capability as well developed or highly mature ranges from 44% to 55%. Operations and Supply Chain sits at the top of that range, while People and Organization sits at the lower end. Across all nine functions, there is a substantial group with established capability to build on.

For an operating team, the next step may involve capturing what works, sharing it across companies and developing the people who will carry it forward. This broadens the hiring conversation beyond an individual's technical track record. Their ability to coach management, develop colleagues and leave useful processes behind can become an important part of the mandate.

Chart 2.4 | How developed capabilities are



AI moves to the top of the future value creation agenda

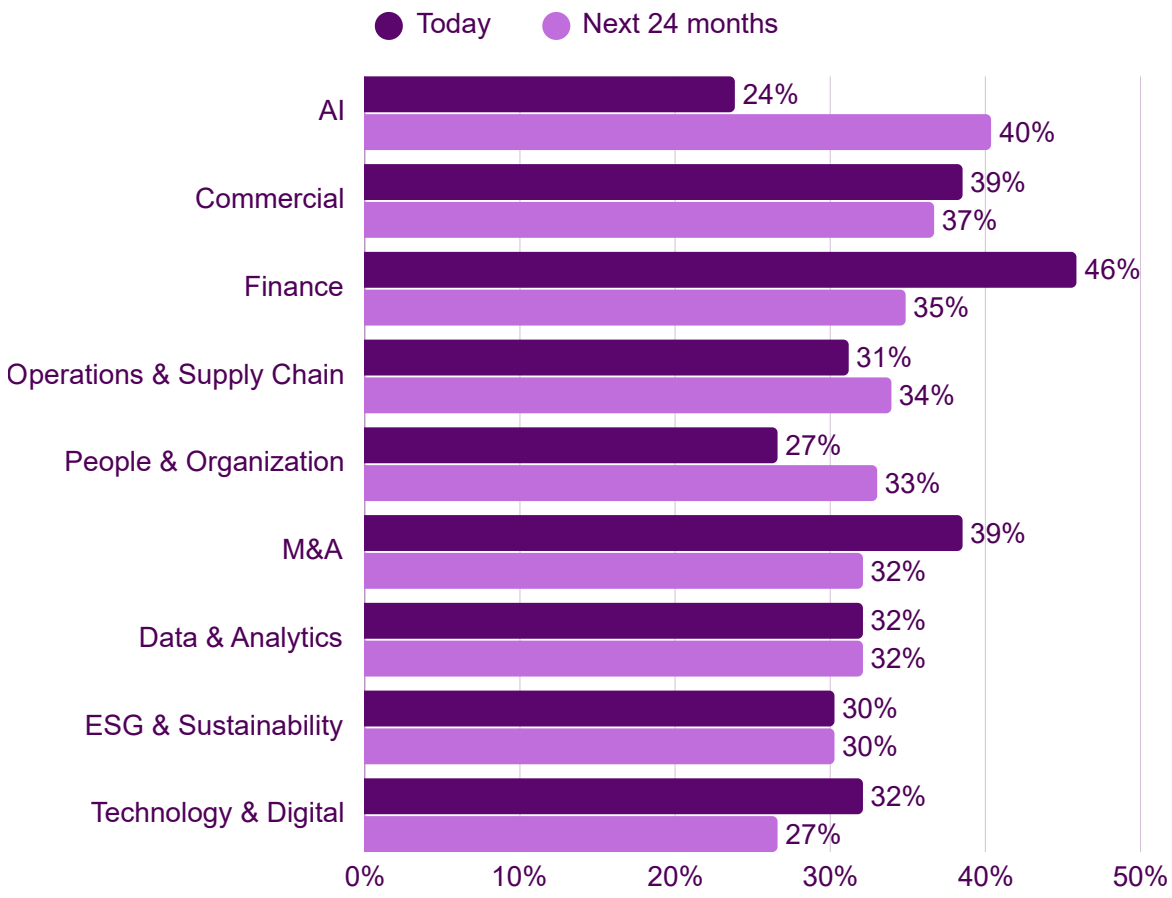
To put these structures in context, we also asked which capabilities contribute most today and which funds expect to lead over the next two years.

Finance leads the current picture, selected by 46% of funds as one of the areas contributing most to value creation, followed by M&A and Commercial at 39% each. Looking ahead, AI takes the leading position: 40% expect it to be among the biggest contributors over the next 24 months, compared with 24% today. That is the largest increase across the areas surveyed.

The wider pattern is one of changing emphasis across a broad operating agenda. Commercial remains near the top at 37%, while People and Organization rises from 27% to 33% and Operations and Supply Chain from 31% to 34%. Finance remains prominent at 35%. For operating teams, the challenge is to make room for emerging priorities while maintaining capability across the work already supporting the portfolio.

These changing priorities raise a further question: how developed are the capabilities funds expect to rely on next?

Chart 2.5 | Leading contributors to value creation today and over the next 24 months



The Finatal Perspective

Put delivery experience at the center of the model

One of the clearest shifts we see in operating talent searches is the emphasis on personal delivery. Funds want to understand what someone's implemented, the decisions they owned and how they worked with management teams to achieve a result.

The question increasingly becomes: who actually held the pen?

That changes how funds assess talent. Seniority and sector knowledge remain valuable, but the brief increasingly calls for people who can translate an investment thesis into practical action. Whether the requirement is finance transformation, commercial improvement or technology implementation, credibility comes from having worked through the detail and delivered change.

It also has implications for team design. A head of value creation can provide direction and coordinate portfolio priorities, while functional specialists bring depth in the areas that matter most to the investment strategy. A sector-focused fund may find the same expertise relevant across many investments; a generalist fund may need a permanent core supported by specialists whose involvement changes with the portfolio.

"An Operating Partner's most important credential is what they have personally delivered."

Assessing delivery experience also requires judgment. In emerging areas such as AI, candidates may never have held the precise role a fund is creating. The search needs to identify relevant achievements, transferable expertise and the ability to apply them in a new setting. Insisting on an identical previous mandate can narrow the field before the fund has understood where the right talent might come from.

For us, the starting point is a precise account of what the individual will be expected to deliver. "Operating Partner" can describe very different mandates. Clarifying the work, the relationship with portfolio leadership and the level of hands-on involvement makes it easier to identify the right experience and gives the appointment a stronger platform to succeed.

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Section 3

Resourcing the Capability

Resourcing the Capability

This section examines what prompts further capability investment, how funds resource it, and the talent and funding constraints they encounter.

Funds have several ways to respond: develop capability through existing people and processes, recruit additional permanent talent, access external expertise or place dedicated support within portfolio companies.

Our research explores these resourcing choices alongside plans for in-house expansion and greater interim or fractional use. The practical task is to match the expertise, capacity and funding to the work ahead.

Additional capability follows opportunity as well as need

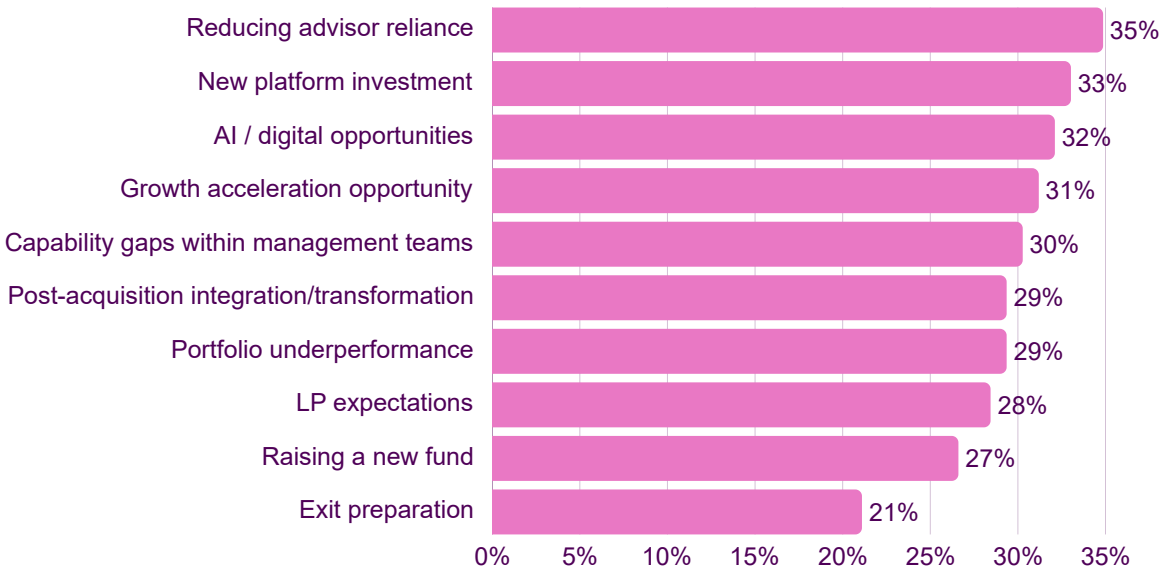
Reducing reliance on advisers is the most frequently selected trigger for additional investment in value creation capability, at 35%. New platform investments follow at 33%, AI/digital opportunities at 32% and growth acceleration at 31%. Portfolio underperformance is cited by 29%. The range shows capability investment supporting new opportunities as well as addressing existing challenges.

Several of the leading triggers concern how the fund prepares to deliver its plans. A new platform can add operating requirements; a growth opportunity can call for expertise beyond the existing team; reducing adviser reliance can prompt a review of the capability the fund wants to retain internally.

Each creates a different starting point for deciding what to add and where it should sit.

The next step is to connect those requirements across the portfolio. Where several businesses need similar support, there may be a case for shared capability and repeatable processes. Where the requirement is concentrated in one asset or program, dedicated support may be more appropriate. This is a useful bridge between the investment opportunity and the resourcing choices explored in the following charts.

Chart 3.1 | What prompts investment in additional value creation capability



Investment plans span all three types of operating talent

The appetite to invest extends across all three types of operating talent. Over the next 24 months, 63% of funds expect to invest in functional specialists, 61% in portfolio operations generalists and 60% in industry specialists. The findings point to a broad set of opportunities for experienced operators.

For funds planning several additions, sequencing deserves attention. The first appointment can help define what follows, while the existing team may need extra capacity to support a new specialist. A hiring plan that connects each role to the work it will own makes those choices easier and gives candidates a credible view of how the function is developing.

Investment plans span all three talent types

Percentage of funds planning to invest in each type of operating talent

63% Functional Specialists

61% Generalists

60% Industry Specialists

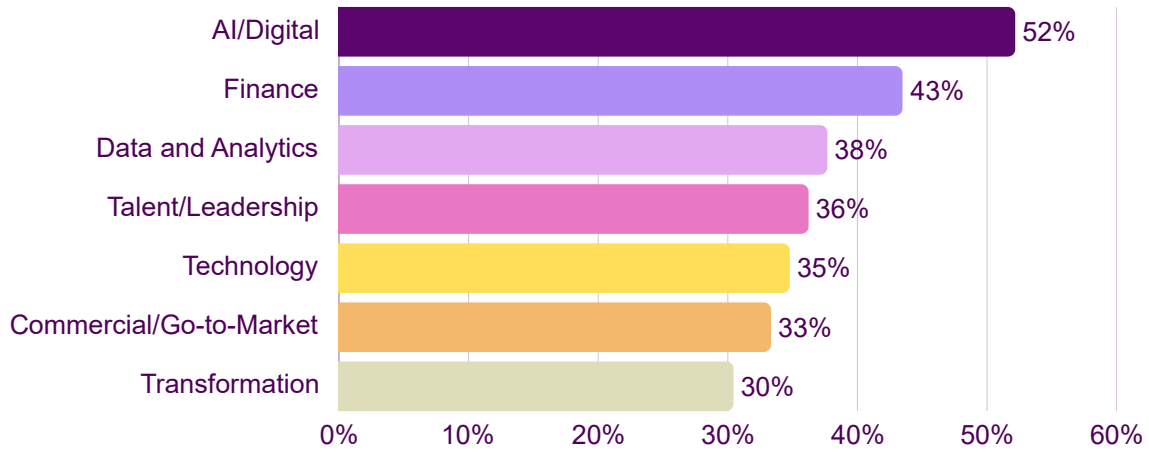
AI ambition needs a clear hiring brief

AI & Digital leads the specialist investment agenda. Among the 69 funds planning to invest in functional specialists, 52% select this area, ahead of Finance at 43% and Data and Analytics at 38%. It's a clear priority for the next phase of capability development.

Turning that ambition into an appointment requires a more precise brief.

Identifying valuable use cases, improving data readiness, implementing technology and helping teams adopt it can demand different experience. For Finatal, this is where the talent conversation should start: agree the commercial or operational outcome, then define the expertise and authority needed to deliver it. That gives both the fund and the candidate something concrete to work towards.

Chart 3.2 | Investment priorities: specialist functions



How funds access operating capability today and over the next two years

Funds have several ways to bring operating expertise into their portfolios. They can develop existing capability (Build), recruit permanent talent (Buy), access external expertise (Borrow), and place dedicated capability within portfolio companies (Embed). Build refers to developing existing teams, processes and playbooks; Buy refers to adding permanent talent through recruitment. For each function, the chart on the opposite page shows the primary route funds use today alongside the route they expect to use over the next 24 months.

Permanent hiring is the most frequently selected current route in eight of the nine functions, reaching 43% in Data & Analytics and 41% in ESG & Sustainability. AI has a more even balance, with development of existing capability slightly ahead of permanent hiring and external support. Across the sample, 77% of funds use at least three different primary access routes across their functions, illustrating how varied the mix can be within a single fund.

Looking ahead, the balance changes most visibly in several specialist areas. Expected use of external expertise rises in Finance, Technology & Digital, and Data & Analytics, while Commercial shows greater emphasis on developing existing capability. Embedding capability within portfolio companies also becomes more prominent in some functions, including Finance and M&A.

For funds reviewing their operating model, this puts the individual capability requirement at the center of the decision. Recurring needs across several assets may justify developing existing teams and playbooks, recruiting permanent specialists, or combining the two. A specific program may benefit from external expertise, while work requiring close, sustained involvement with management may call for dedicated capability within the portfolio company. These choices can sit alongside one another within the same resourcing plan.

Practitioner view:

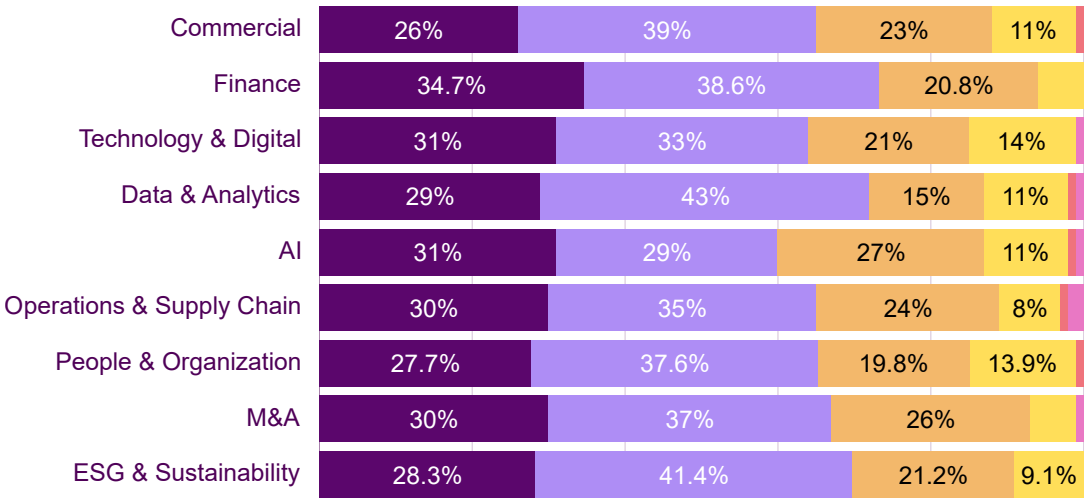
"It starts with the value creation plan. You look at which roles are critical and whether the current team can deliver fast enough."

Merche Del Valle - Chief Talent Officer, Kingswood Capital Management

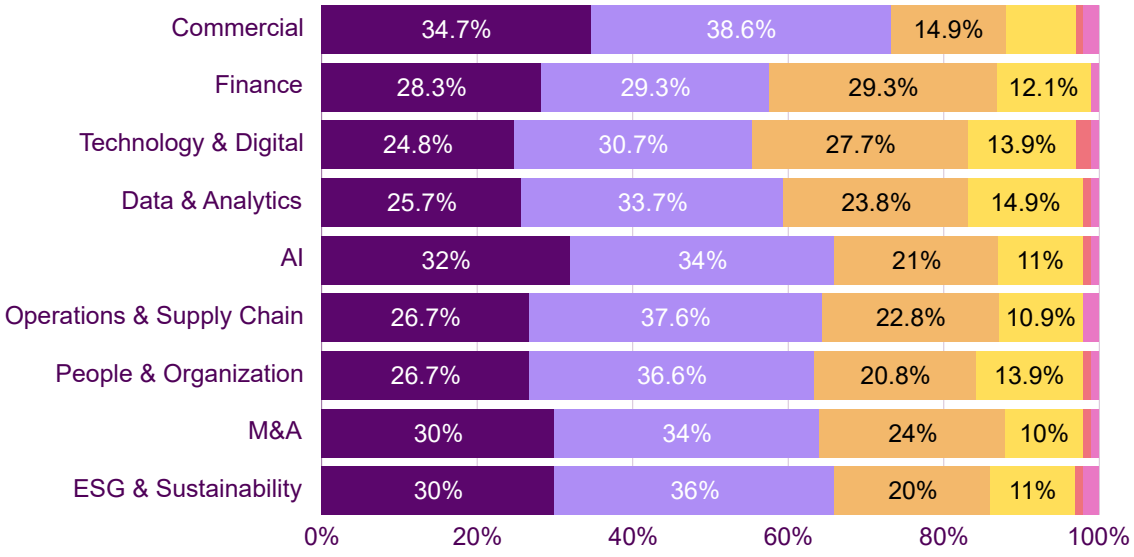
Chart 3.3 | How funds access operating capability

- **Build:** Develop existing capability
- **Buy:** Hire permanent talent
- **Borrow:** Access external expertise
- **Embed:** Capability in portfolio companies
- Other
- N/A

Today:



Next 24 months:



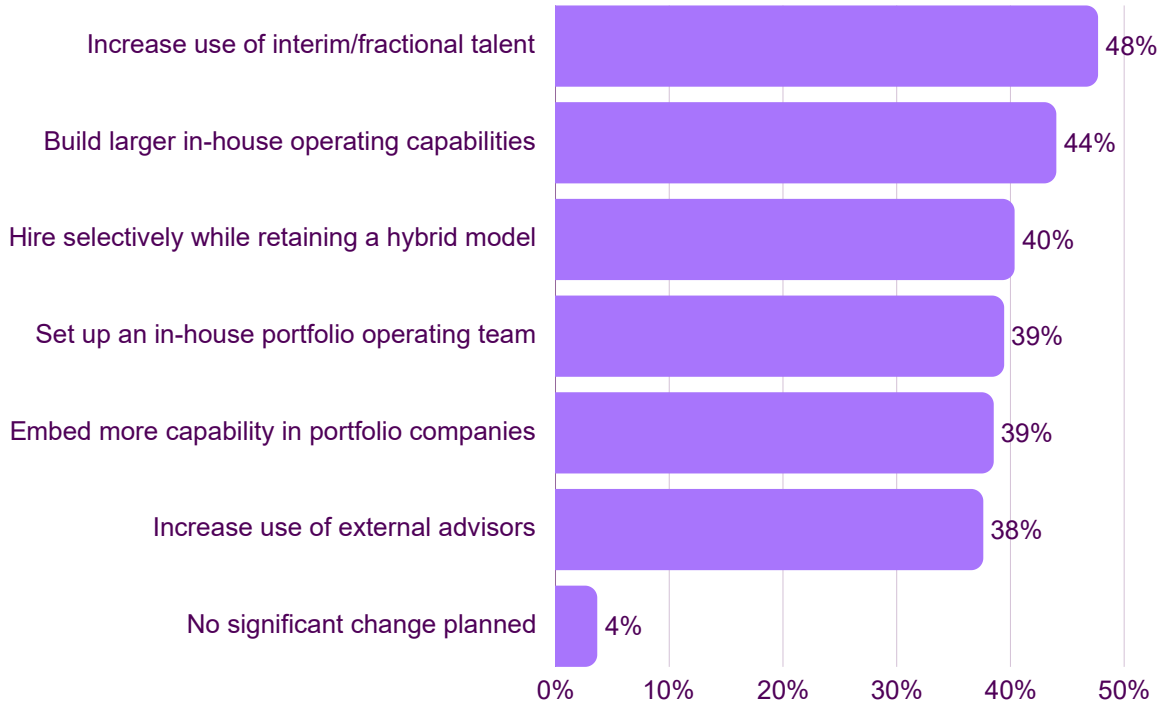
Grow the core and add flexibility

Increasing interim or fractional talent use is the most frequently selected resourcing plan, at 48%, followed by building larger in-house operating capabilities at 44%. Forty percent expect to hire selectively while retaining a hybrid model. Nineteen funds, or 17%, plan both larger in-house capability and greater interim or fractional use.

Interim typically means a time-limited assignment, often full-time; fractional means part-time access to an experienced operator. The survey considers them together.

That combination creates room for continuity and additional expertise. A permanent team can retain knowledge and relationships across the portfolio, while interim or fractional support can bring focused capacity to a particular requirement. Finatal's combination of executive search and interim hiring is relevant to this decision: the brief should lead to the arrangement best suited to the work.

Chart 3.4 | How funds plan to expand their resources



Expansion plans take more than one form

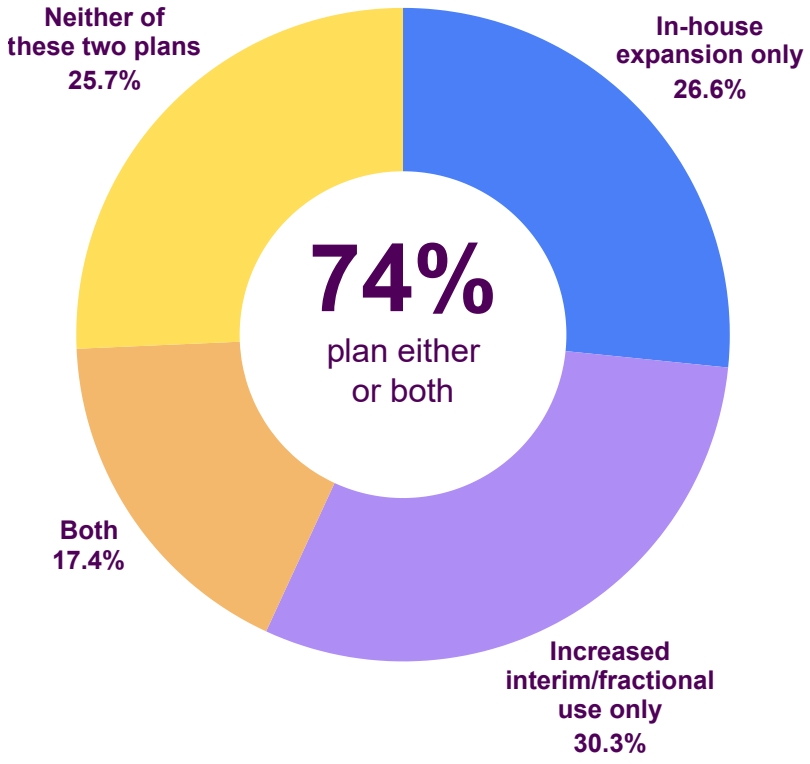
The previous chart shows individual resourcing priorities; looking at the responses together reveals how many funds plan to combine in-house expansion with greater interim or fractional use.

Seventy-four percent of funds plan to expand in-house operating capability, increase interim or fractional use, or do both over the next 24 months. Looking at the responses together reveals three distinct groups: 27% select in-house expansion without increased interim/fractional use, 30% select increased interim/fractional use without in-house expansion, and 17% select both. The remaining 26% select neither of these two plans.

The combined group is particularly useful to the operating-model discussion. These 19 funds intend to strengthen internal capability while also increasing flexible support. That creates scope to build continuing ownership within the fund and draw on additional capacity or specialist expertise as requirements arise.

The broader picture gives funds several approaches to consider when reviewing capacity. Which work needs ongoing ownership? Where would additional delivery capacity help? Which requirements vary most between assets or over time? Discussing those questions together makes it easier to decide how permanent and flexible resources should fit within the same operating plan.

Chart 3.5 | How in-house expansion and increased interim or fractional use overlap

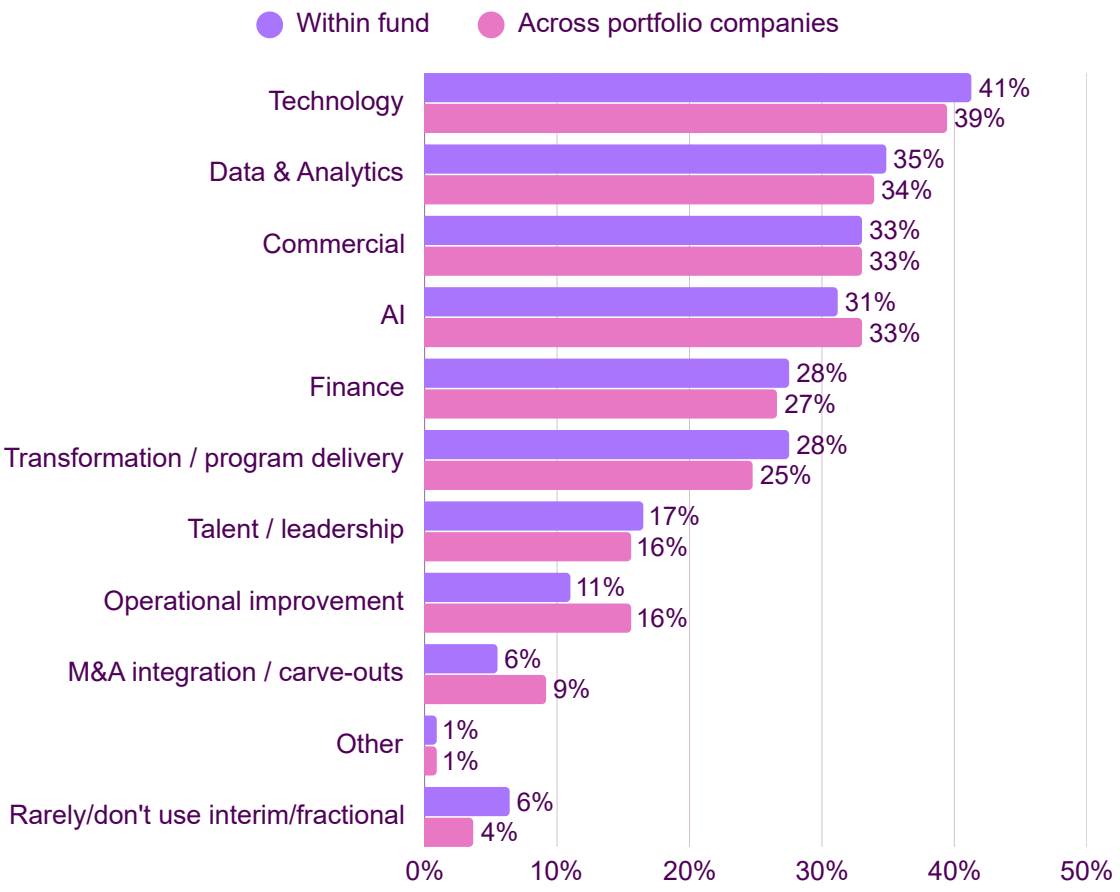


Flexible talent has a clear place in technology and change

Technology leads the areas in which funds are most likely to use interim or fractional talent, at 41% within funds and 39% across portfolio companies. Data and Analytics follows at 35% and 34%. Commercial and AI also feature prominently in both settings.

These are useful areas in which to explore the shape of an assignment. A program may need an interim leader with the capacity to drive delivery, while a business developing its approach may benefit from experienced fractional input. In either case, agreeing the time commitment, access to management and intended handover makes the opportunity clearer for everyone involved.

Chart 3.6 | Where interim and fractional talent are most likely to be used

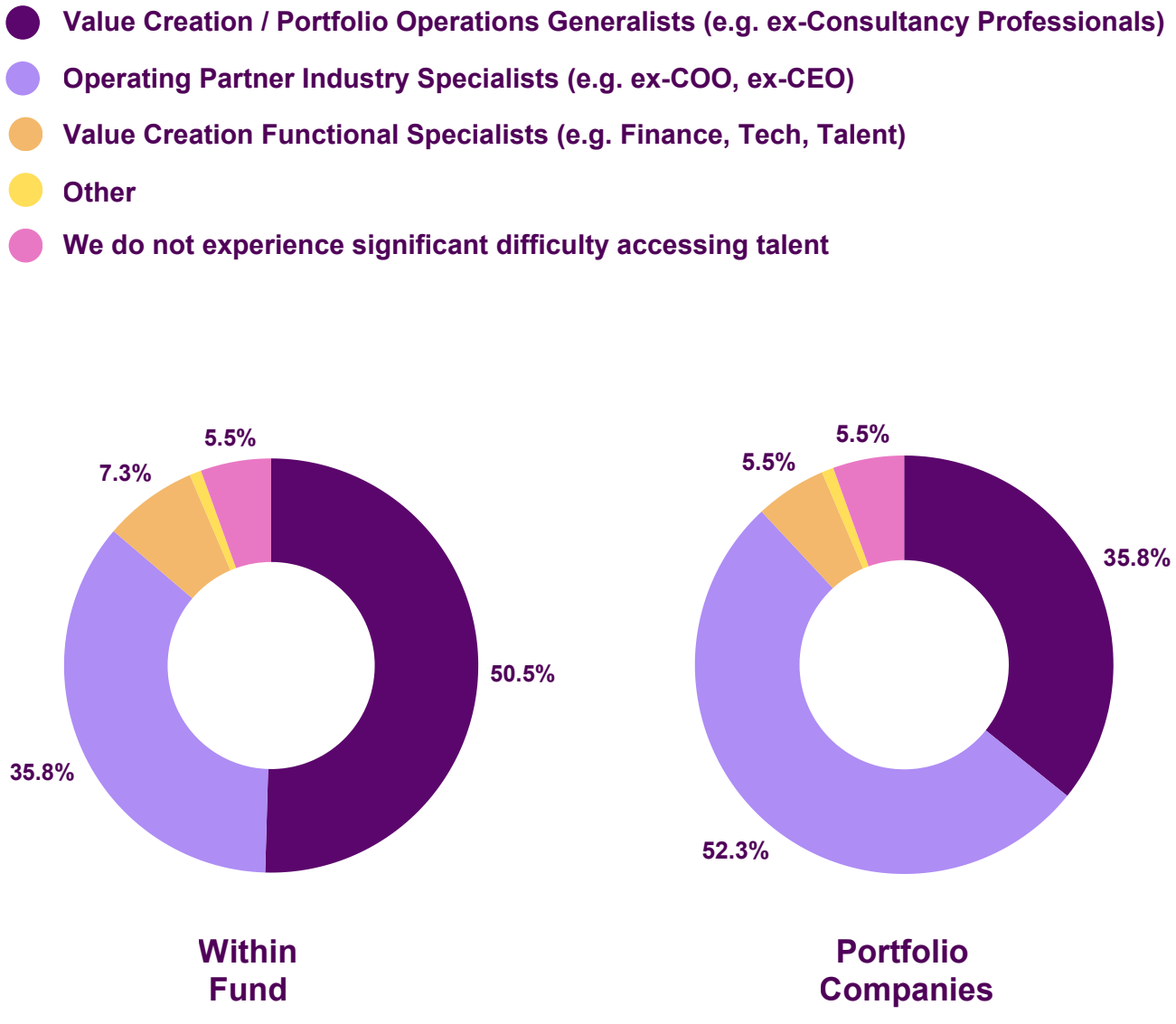


The brief changes between fund and portfolio

Generalists are the talent most frequently described as hardest to access within funds, selected by 50%. In portfolio companies, industry specialists lead at 52%. The distinction is a useful reminder of how much the context of an operating role matters.

Working across several investments calls for an ability to prioritize, influence and adapt. Working closely with a particular business may place greater weight on sector knowledge and experience of leading a similar operation. A search brief needs to make those expectations explicit. That helps identify relevant candidates and gives them a clearer understanding of where they can contribute most.

Chart 3.7 | Which talent is hardest to access

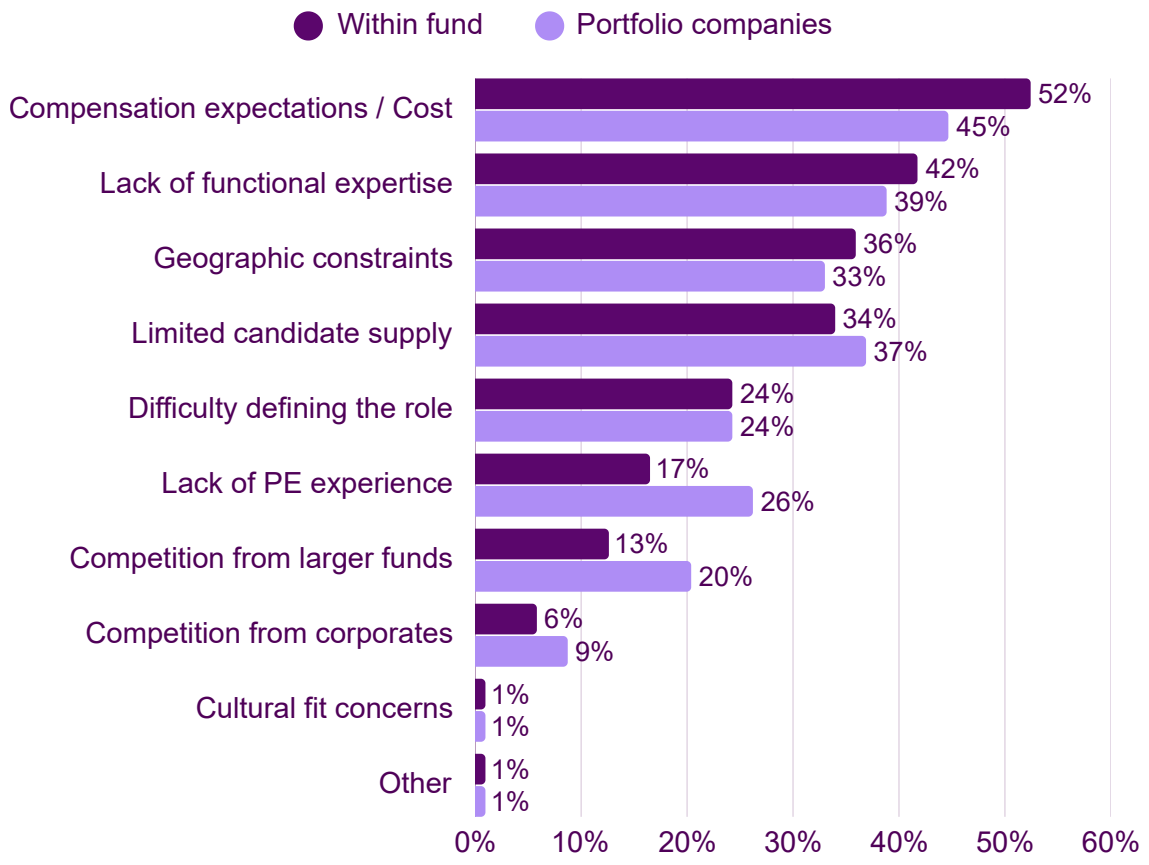


A compelling opportunity starts with a well-defined role

Compensation expectations or cost is the leading barrier among funds reporting talent-access difficulties, cited by 52% within funds and 45% across portfolio companies. Lack of functional expertise follows at 42% and 39%. Finding the experience required, at an affordable cost, is a central part of the challenge.

There is also work to do on the role itself: 24% in each setting cite difficulty defining it. A strong proposition gives candidates a clear mandate, realistic priorities and a credible route to making an impact. That helps a fund explain the opportunity fully and assess where it can be flexible on background, location or the shape of the engagement.

Chart 3.8 | What makes talent difficult to access

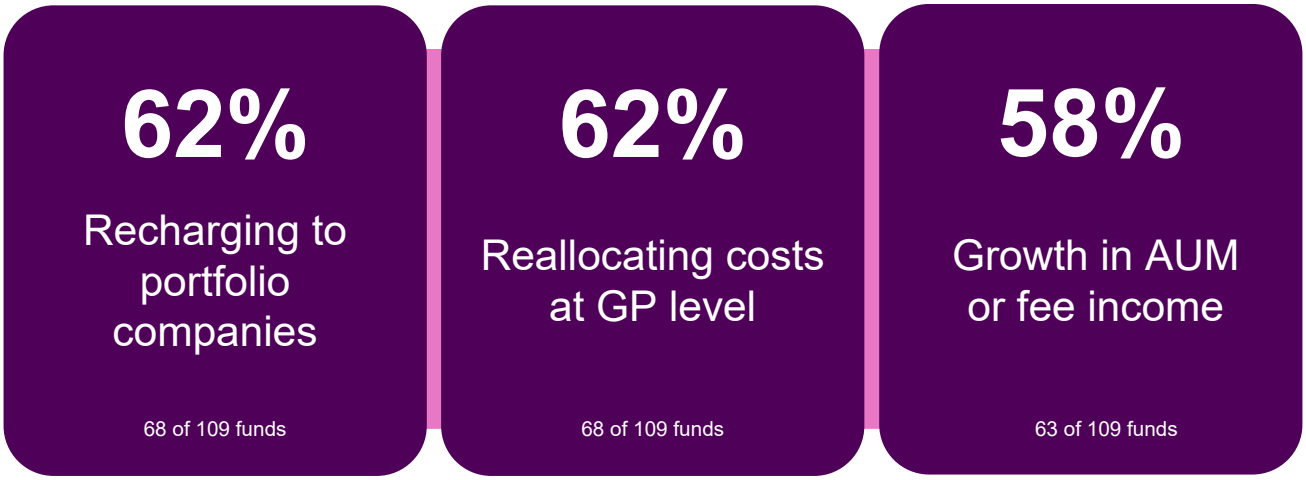


Build the funding decision into the talent plan

Portfolio company recharges and reallocating costs at general partner level are each selected by 62% of funds as ways of funding past or future growth in operating capability. Growth in assets under management or fees is selected by 58%. Funds are drawing on several approaches to support their operating ambitions.

The funding conversation belongs alongside the role brief. Agreeing who pays, who benefits and how priorities will be set helps create a workable mandate before someone arrives. It also gives the operator a stronger foundation for the relationships ahead, particularly where their time and expertise will be shared across several businesses.

How funds pay for operating capability



The Finatal Perspective

Use flexible expertise to sharpen the long-term plan

Funds don't always have a fully formed brief when a new capability need emerges. They may know that a portfolio company needs help, but still be working out the scope of the challenge, the expertise required and whether the demand will justify a permanent appointment. Interim and fractional operators can be particularly valuable at that stage.

We see this clearly in AI, where the hiring challenge runs in both directions. Funds are defining what an AI leader should own, while the pool of candidates who have delivered the same mandate repeatedly within private equity is still developing. Some of these jobs are being created for the first time. A longer search will not necessarily produce someone who's already done exactly what the fund has in mind.

A defined interim engagement offers a practical way forward: establish priorities, deliver against an initial brief and use that experience to shape the longer-term requirement. There's a place for "try before you buy" here, giving both the fund and the operator an opportunity to assess the mandate and the relationship before committing to a permanent appointment.

Fractional capability also has an enduring role. A fund may need specialist expertise across one or two investments without having enough work to justify a full-time position. Part-time access to an experienced operator can meet that need while allowing the fund to adjust the commitment as the portfolio evolves.

"Sometimes the first step towards the right permanent hire is an interim appointment that helps define the job."

The economics are attractive, but the talent proposition needs equal attention.

Funds can access expertise without immediately committing to a permanent remuneration and benefits package. However, experienced operators will weigh fees and flexibility against the security and potential long-term upside of a permanent role. Where carry participation is absent, funds need to think deliberately about how they attract the right person and align incentives with the work.

The strongest resourcing plans connect the requirement, the engagement and the reward. That discipline matters whether the expertise comes from a permanent hire, an interim or fractional operator, or a consultancy.

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Conclusion

Making Operating Capability a Lasting Commitment

What this means for the next talent decision

The next operating appointment is an opportunity to strengthen how a fund delivers its investment plans.

The research shows firms combining different types of talent, investing across their teams and using several routes to access expertise.

For the people leading these decisions, there's considerable scope to shape a function around the portfolio's needs.

For Finatal, the practical starting point is a clear connection between the value creation requirement and the person being asked to deliver it. Five questions help make that connection:

- What recurring portfolio requirement justifies additional capability?
- Who should own the mandate, and who will deliver the work?
- Which combination of generalist, functional and industry expertise is needed?
- Can existing people and processes meet the requirement, or is additional talent needed and through which route?
- How will the capability be funded and its contribution assessed?

The Finatal Perspective

Make operating capability a lasting commitment

The economics of private equity sharpen the case for operational value creation. When borrowing costs rise, financing places greater demands on portfolio performance. Funds need the capability to improve earnings, strengthen businesses and prepare assets for successful exits. Those ambitions depend on people who can deliver change.

Our view is that operating capability should be an enduring part of the fund's investment model. It risks being treated as marketing budgets sometimes are: dialed up or down according to prevailing conditions. Yet the work of improving a business extends across the cycle, and the need for experienced operational support can become more pressing when conditions are difficult.

That calls for a function with standing, resources and a long-term plan alongside the investment team. Its composition will evolve as the portfolio changes. A lasting commitment can accommodate permanent expertise, fractional specialists and focused interim assignments, with each contributing to a clear delivery agenda.

The choices explored in this report provide a practical starting point. Build around the demands of the investment strategy. Prioritize people who can demonstrate delivery. Use flexible expertise deliberately, including where a new requirement needs to be tested and defined.

"Operating capability deserves a permanent place in the investment model, even when the people and resources delivering it change."

There's also a balance to strike between repeatability and experimentation. Established playbooks help funds apply experience across investments. New opportunities, particularly AI, require space to refine mandates and develop expertise through delivery. A strong operating model makes room for both.

At Finatal, our role is to help translate those ambitions into clear mandates and the people who can deliver them. Across permanent and interim appointments, that means understanding the investment context, identifying the experience that matters and matching capability to the work ahead.

For each fund, the closing question is straightforward: looking at the value you intend to create across your portfolio, do you have the people, capacity and expertise to deliver it? The answer should shape the talent decisions you make today.

Practitioner view:

"Value creation is operational now. It's not about financial engineering, it's about execution, and that means funds need people who have been there and done that, with real-world, functional expertise."

James Hayward
Senior Finance Operating Partner, H.I.G. Capital

Appendix

About this research

About the research

Finatal commissioned Censuswide to explore how mid-market private equity funds establish, organize and resource their Operating Partner and value creation functions.

The survey covered 109 private equity funds across the US and Europe, with responses provided by professionals responsible for, or overseeing, value creation within their funds' portfolio companies. Fieldwork took place between August 10 and September 7, 2026.

How the findings are presented

Unless otherwise stated, percentages are based on all 109 funds. Some questions were asked only of eligible respondents, such as funds with functional specialists or those reporting difficulties accessing talent.

Several questions allowed multiple responses, sometimes subject to a maximum number of selections. Percentages for these questions may therefore total more than 100%. Percentages are largely rounded to whole numbers for presentation, so totals may also differ slightly from 100% due to rounding.

Practitioner views

Selected quotations are drawn from interviews previously published in Finatal's Operating Partner Playbook, second edition, February 2026. Those interviews took place during 2025, before this survey was conducted.

The quotations provide practitioner context and were not responses to the research findings. They do not imply that the interviewees or their firms participated in the survey. Roles and organizations are stated as presented in the Playbook, and quotations reflect the interviewees' views at the time of interview.

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