



Moving into Private Equity:

Finding the Right PE Opportunity

7 minute read

Private equity can offer senior executives a compelling next chapter: a clear mandate, capital to support growth, direct access to investors and a share in the value they help create. But the opportunity is about more than the role or its potential financial reward. Success depends on understanding the investment, what the business needs to achieve and whether your experience equips you to deliver it.

The market remains active but selective. Investors are placing greater emphasis on operational improvement, and leadership opportunities can emerge at different stages of an investment, not just when a deal is announced. For executives considering a move, understanding the market is the starting point. The real challenge is identifying the right investment situation and demonstrating that your leadership experience matches what the business needs next.

THE PRIVATE EQUITY MARKET IN 2026

The market presents a mixed picture. European private equity deal value fell 10.9% to €149.15bn in the third quarter of 2026, while exit value fell by around a quarter, according to PitchBook, pointing to a selective market. Investors are concentrating on businesses with resilient revenues and credible routes to value creation.

Deals involving US investors accounted for 45.7% of European deal value with nine of the ten largest deals in the quarter having a US sponsor. Public-to-private deals reached €52.8bn across Europe in the year to date, up 32% year on year.

Meanwhile the UK remains one of the most active private equity markets. PitchBook's August analysis found UK deal activity running at a record pace in the first half of the year, driven largely by a small number of very large transactions.

UK-managed private equity and venture capital funds have around £207bn of committed but uninvested capital, according to UK Private Capital, up from £190bn a year earlier, although this capital is not all earmarked for UK buyouts.

WHAT PRIVATE EQUITY LEADERSHIP ROLES OFFER

Private equity can offer executives a combination of autonomy, direct investor engagement, a clear business mandate and the opportunity to participate financially in the value they create.

Equity is a major attraction. UK management incentive plans often include "sweet" equity: shares bought at a low entry price that may rise in value after the investor receives its preferred return. Vardis's survey found sweet equity in 71% of UK and European plans. The average management pool was 8.9% of fully diluted equity, with mean allocations of 3.2% for CEOs and 1.2% for CFOs. In 54% of plans, full vesting depended on the investor achieving a 3-4x multiple of invested capital or an equivalent IRR.

At a successful exit, a stake of this kind can produce a capital sum that few corporate incentive schemes can match. However, the eventual value depends on the investment's performance, the terms of the equity plan and the proceeds available after debt and other claims have been settled.

Many leaders value the working environment just as highly. PE-backed executives typically operate with a clear mandate, a relatively small board able to make decisions quickly and direct access to the owners who fund the plan. Executives who have spent years navigating matrix structures often find that pace and clarity energising.

There is also the opportunity to lead a business through a significant period of change, whether that means scaling a successful company, transforming its operations or preparing it for sale. Delivering a successful exit can carry considerable weight in any future executive search, particularly when a leader can demonstrate the measurable value they helped create.

These opportunities extend beyond CEOs and CFOs. Depending on the investment plan, commercial, operational, technology and people leaders can all be central to delivery.

Grant Thornton's Private Equity Pulse 2026 reports that digital and technology upgrades are a priority for many firms.

The important distinction is that PE-backed leadership is not simply a different setting in which to perform an existing role. It requires executives to understand the investment objectives, prioritise the changes that will make the greatest difference and take responsibility for delivering measurable outcomes.

WHERE THE OPPORTUNITIES IN PRIVATE EQUITY LEADERSHIP LIE

Understanding where investors are directing their capital can help executives identify potential opportunities. However, an attractive sector is only the starting point: the more important question is what an individual business needs to achieve and how your experience could help it get there.

UK Private Capital's September 2026 Pulse survey asked investors which sectors they expect to be important in the next investment cycle. Some 84% named digital technology, including AI and software, 61% named defence and dual-use technology, and 59% named life sciences.

Grant Thornton's UK survey respondents identified financial services, technology and professional services as attractive areas for private equity in 2026. These sectors can offer opportunities for consolidation, recurring revenues or technology-led improvement, but the attractiveness of an individual business depends on its finances, customers, competitive position and scope for change.

Healthcare and essential services are also worth investigating. Underlying demand can be resilient, but regulation, service quality and operational complexity need close assessment. Growth should be supported by the capacity to deliver safe, reliable services, not simply by increasing demand or acquiring more businesses.

Technology investments require a similarly balanced assessment. AI and automation may improve productivity, but they can also weaken a target's pricing power, customer relationships or competitive position. Executives should test both sides of the investment case rather than assuming that exposure to a growing technology guarantees growth.

Buy-and-build remains an important strategy. PitchBook's Q2 2026 European PE Breakdown reports that add-on acquisitions stayed at a decade high in the first half of 2026, accounting for 57.7% of all European private equity deals.

For leadership teams, each acquisition brings work beyond completing the transaction. Systems must be integrated, talent retained, incentives aligned and separate businesses brought together into a coherent group. Revenue synergies need to be realised, operational overlaps addressed and the benefits of scale translated into improved performance.

Executives with experience of delivering this work may be well placed to contribute. Equally, a business that has grown through acquisition may need a different leadership profile from one focused on organic growth or operational recovery.

This is where executives can begin to connect their experience to the investment opportunity. Rather than targeting private equity in general, consider which business challenges you have successfully addressed and where those capabilities could make the greatest difference.

Look beyond newly announced deals

A new investment is not the only moment for leadership appointments. While acquisitions and newly announced deals attract attention, many opportunities arise well after a transaction has completed.

Existing portfolio companies may need different capabilities as they acquire competitors, outgrow their systems, refresh their strategy or prepare for sale. A business moved into a continuation vehicle may receive fresh capital and a renewed mandate while remaining under the same sponsor's ownership.

The leadership requirements can change significantly during the holding period. An executive brought in to establish the foundations for growth may not be the person best suited to lead a later international expansion or prepare the business for exit. Equally, a company that has achieved its initial growth objectives may need a leader with experience of operational improvement, integration or a more complex scale-up phase.

For executives, this means looking beyond sector headlines and deal announcements to understand the specific leadership challenge. Is the business pursuing international expansion, commercial acceleration, digital transformation, acquisition integration or performance recovery? Has its original plan changed, and what capabilities are now missing from the leadership team?

Identifying the answers can narrow the search considerably. It also provides a stronger basis for approaching investors and explaining why your experience is relevant to a particular business, rather than simply expressing an interest in moving into private equity.

THE PITFALLS OF PRIVATE EQUITY LEADERSHIP WORTH KNOWING ABOUT

Private equity can offer considerable opportunity, but it is an environment in which expectations, accountability and financial outcomes are closely connected to business performance.

Leadership change is a normal feature of private equity, but the frequency and reasons vary by business and sponsor. AlixPartners' 2026 Private Equity Leadership Survey found that 65% of PE firms replace a portfolio-company CEO during the holding period while 44% of portfolio leaders reported a higher perceived risk of losing top performers.

Equity also carries risk. Its value depends on the exit proceeds, the capital ranking ahead of it and the terms that apply if you leave early. A longer holding period, refinancing or a change in the business plan can delay or reduce a payout. Executives should understand the potential outcomes under different scenarios rather than relying on an illustrative headline valuation or an assumed exit multiple.

Tax deserves early attention too. Business Asset Disposal Relief may reduce tax to 18% on qualifying gains from 6 April 2026, but eligibility depends on the shares, the holding period and other statutory conditions. Many management stakes will not qualify.

Tax may be levied on other gains at 18% or 24%, depending on the individual's position. Independent legal and tax advice before signing is essential.

Executives arriving from larger organisations should look closely at the infrastructure beneath the role. Finance capability, data quality and management depth may need to be built, while decisions must be made with fewer layers of support and less time to establish certainty. Autonomy can come with close scrutiny: leaders need to prioritise, delegate, communicate emerging problems early and maintain investor confidence when circumstances change.

Understanding these demands is part of assessing whether a PE-backed role is right for you.

HOW TO SECURE THE RIGHT EXECUTIVE ROLE IN PRIVATE EQUITY

While first-time PE-backed CEOs are being appointed, including people without prior private equity experience, candidates need to show how their experience translates into the outcomes the investor requires.

This starts with understanding the value-creation plan. Investors are not simply looking for a successful executive career; they want evidence that a leader can address the specific challenges facing the business and deliver the results on which the investment case depends.

Strong candidates can identify the part of the plan they would deliver and evidence it with results: revenue growth, improved margins, cash released, acquisitions integrated or teams rebuilt. They should be able to explain not only what they achieved, but how they achieved it, what obstacles they overcame and how the results could translate to a different business. They should also be able to connect operational decisions to cash generation and profitability, because debt and exit requirements can make cash discipline central to the plan.

Relationships carry considerable weight. Operating partners, portfolio chairs and specialist search firms can influence appointments, and some roles are filled through these networks without ever being advertised. Building relationships with these individuals can help executives understand the challenges emerging across portfolios and identify opportunities that fit their experience.

Non-executive or advisory roles in PE-backed businesses, interim assignments and leadership of corporate carve-outs can also provide relevant experience for a future full-time appointment. These routes can help executives demonstrate their ability to work with investors, operate in a leaner environment and deliver change against a defined business plan.

What to ask before you commit

Due diligence should run in both directions. Just as the investor will assess your ability to deliver, you need to assess whether the business, its ownership and its investment plan provide the right conditions for success.

Before committing to an opportunity, establish:

- Why the appointment is being made now, and whether it supports growth, addresses underperformance, integrates acquisitions or prepares for an exit
- Where the investment sits in its ownership journey, what has been achieved and what remains outstanding
- How success will be measured over the first 12 to 24 months, and which operational outcomes matter most

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- How success will be measured over the first 12 to 24 months, and which financial and operational outcomes matter most
- What resources support the plan, including management depth, investment capacity, the quality of financial information and the constraints created by debt
- How the investor, chair and executive team work together and how disagreements are resolved
- What makes the equity valuable, including its structure, hurdles, dilution, leaver terms and likely exit routes

Asked well, these questions are not simply a means of identifying risk. They help establish whether the opportunity is one in which you can make a meaningful contribution, whether the expectations are realistic and whether the relationship with the investor is likely to work.

FINDING THE RIGHT FIT IN PRIVATE EQUITY

Private equity can offer senior executives a stretching and potentially financially rewarding next chapter. The leaders most likely to benefit are those who choose their investor as carefully as the company, understand what the plan requires and can show credible evidence that they can deliver it. They recognise that the attraction of private equity lies not just in the potential financial reward, but in the opportunity to make a measurable difference to a business over a defined period.

Our earlier insight on High-Stakes Pivots looks at how to time and manage a major career change of this kind.

If you would like to investigate whether private equity could form part of your next career move, contact Rialto for a confidential conversation.

FREQUENTLY ASKED QUESTIONS ABOUT MOVING INTO PRIVATE EQUITY LEADERSHIP

Do I need private equity experience to land a PE-backed role?

No. Investors do appoint first-time PE-backed CEOs, including people who have not previously worked with private equity. What matters is evidence that you can deliver the outcomes the investment plan depends on.

How much equity could I expect?

It varies by deal and role. Vardis reports an average management pool of 8.9% of fully diluted equity, with mean allocations of 3.2% for CEOs and 1.2% for CFOs.

What is sweet equity?

Sweet equity is a form of management equity bought at a low entry price alongside the investor's capital. Its value depends on the terms of the plan and what remains after the investor and other claims are paid. Vardis found it in 71% of surveyed UK and European plans.

How long might I be in the role?

The holding period varies by investment and sponsor. Some businesses are held longer as owners work on performance or explore alternative routes to liquidity. Leadership changes are also common: AlixPartners found that 65% of PE firms replace a portfolio-company CEO during the holding period.

Which sectors are attracting the most investment?

UK Private Capital's September 2026 survey found that 84% of respondents named digital technology, 61% defence and dual-use technology, and 59% life sciences. Grant Thornton's UK survey also points to interest in financial services, technology and professional services.

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