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PARTNERS

The Right CEO *for the Moment*

What Private Equity Leaders Say
Separates CEO Success From Struggle

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A Note from Summit's Founder & CEO

Across our work with private equity firms, we are seeing more activity and scrutiny around the CEO seat than we have in years. Longer holds and stalled exits are extending leadership tenures beyond what many CEOs and sponsors originally expected, while AI and other shifts in the operating environment are changing what portfolio companies need from their leaders.

Summit works alongside sponsors and portfolio-company leaders throughout the life of an investment. That work gives us a direct view of how the CEO mandate changes as the business evolves and whether the leader is able to change with it.

For PE firms, the question is becoming harder to avoid: Is the CEO who was right for the business at the start of the investment still equipped to lead what the company has become?

We wanted to examine that question more closely and put numbers around the patterns we see every day.

The PE backed CEO role changes far more than a single hiring decision assumes. The capabilities that PE leaders prioritize most change across the investment lifecycle, from translating the thesis into an executable plan at diligence to operating discipline, team leadership, growth, and financial performance as the company moves toward exit.

Longer holds make those shifts harder to ignore. About half of the PE leaders we surveyed (52%) name the CEO role evolving, to the point where the leader may no longer fit the company's current stage, as one of the biggest challenges of a long hold.

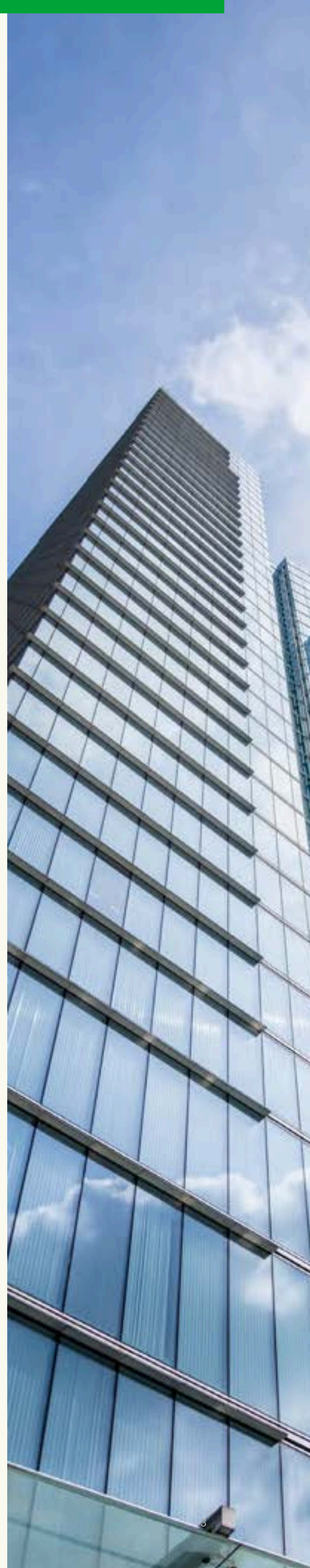
That points to a broader view of CEO excellence. Capabilities matter, but so do the mandate they need to serve, the environment surrounding the leader, and how both are likely to change. Selection is one important moment in that process, rather than the only one.

In this report, we explore how expectations of PE-backed CEOs change throughout ownership, where context can shape performance, and how firms can take a more dynamic approach to assessing and supporting leadership as the investment evolves.

Our goal is to offer a framework that better reflects the reality of the role: a CEO is leading a business that rarely stands still.



Sincerely,
Dan Hawkins, Founder & CEO



Report Overview

Summit's Right CEO for the Moment report surveyed 176 private equity partners. In-depth interviews were also conducted with six private equity partners and five PE-backed CEOs with numerous successful exits to their credit.

Key findings include:

Longer holds can change the CEO job enough to change the fit.

Nearly three in four PE leaders (73%) name at least one fit-related challenge of a 5+ year hold: the role evolving beyond the CEO, or the CEO's original strengths becoming less relevant.

There is no universal profile of a great PE-backed CEO.

The capability PE leaders cite most often shifts across the hold, moving from translating the thesis at diligence to operating discipline, team leadership, growth, and financial performance near exit. No capability draws more than 30% at any stage.

When PE leaders look back at what gets missed at hire, they point to the leader far more than the environment.

Nearly all (99%) name at least one CEO capability gap, while only two-thirds (67%) name any factor tied to the situation the CEO walks into.

Under pressure, PE leaders single out focus.

One-third of PE leaders say strong CEOs stay centered on the few priorities that move value, well ahead of any other tradeoff (14% or less).

Fit-related reasons are as common a reason to replace a CEO as missing the numbers.

Nearly two in three PE leaders (63%) point to fit, meaning the CEO couldn't scale with the company or wasn't right for exit. That's on par with the 59% who point to missed targets or failure to execute the plan.

AI is already becoming part of the CEO mandate, but execution is lagging.

Four in five PE leaders say AI is a core or primary value-creation lever, and about two-thirds formally evaluate a CEO's ability to lead AI execution. Yet only 31% say their CEOs are managing AI transformation very effectively. Nearly half (49%) say CEOs are running pilots that haven't scaled.

PE leaders see leadership as decisive in both directions.

62% say their most successful investment's success was driven mainly by CEO and leadership factors, and 54% say the same about their most challenging one.

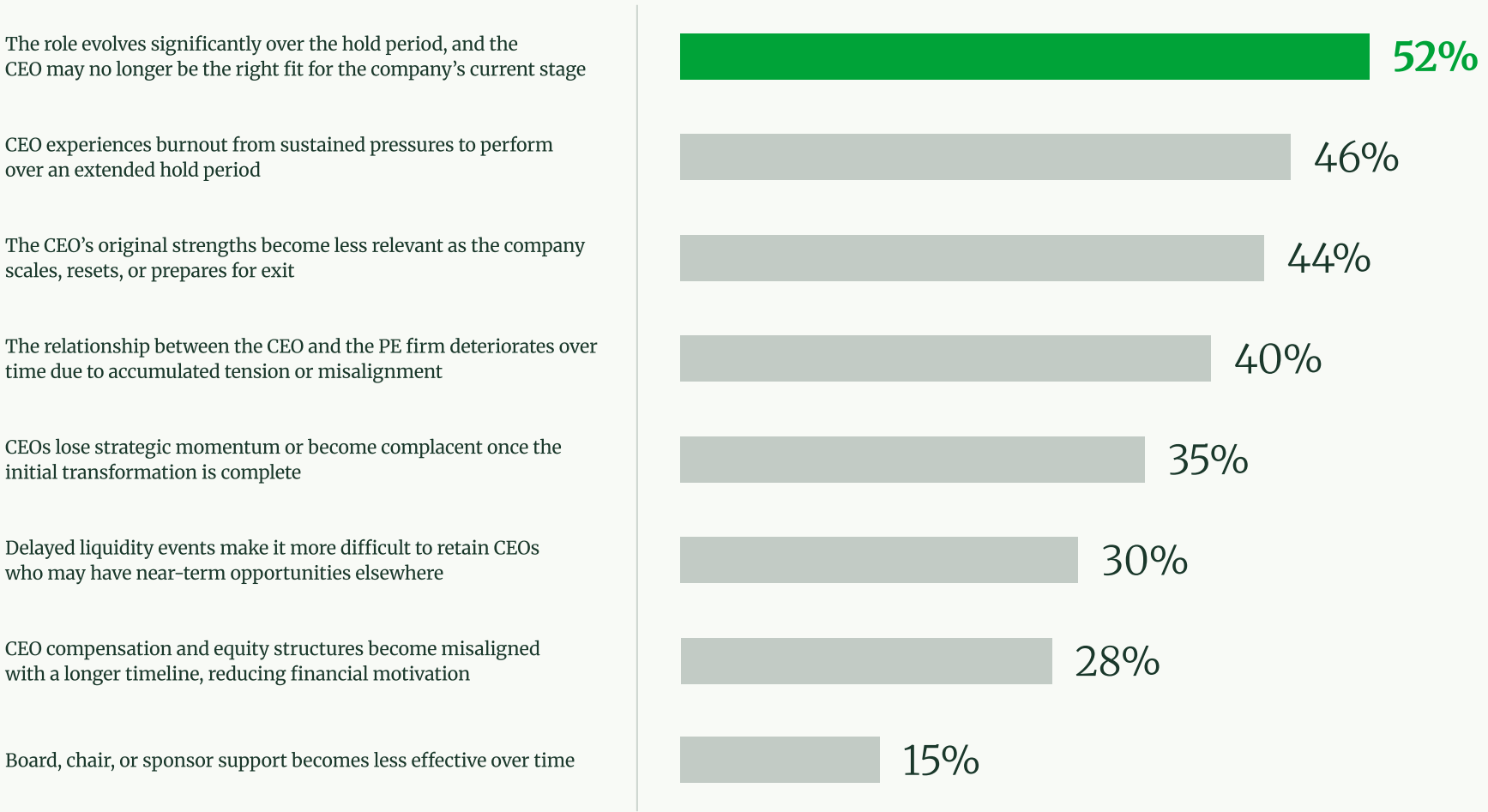
Unless otherwise noted, survey data in this report come from the Summit Leadership Partners PE-Backed CEO Survey, an online survey conducted for Summit by Rabin Roberts Research, an independent market research firm, in July–August 2026. Respondents were 176 private equity operating partners, talent partners, and deal partners with portfolio-company board or post-close involvement, referred to in this report as "PE leaders." Percentages are based on all 176 respondents unless a different group is noted. Figures are rounded, so totals may not equal 100%. Differences described in the text are statistically significant unless labeled directional; see Methodology.

The CEO Challenge Is Getting Harder

Longer hold periods expose portfolio-company CEOs to more stages of a company's development, and the leadership mandate can change substantially along the way as the investment evolves.

The most cited challenge is the CEO no longer fitting the role as it evolves (52%), with CEO burnout (46%) and fading relevance of the CEO's original strengths (44%) close behind. Two of the top three are about fit, and the third is about the toll of the job itself. That's a reminder that sustaining a CEO over a long hold is as much about active and ongoing support as it is about selection.

LEADERSHIP CHALLENGES CREATED BY LONGER (5+ YEARS) HOLD PERIODS



Multiple responses allowed. Differences among the three most-cited challenges are directional.

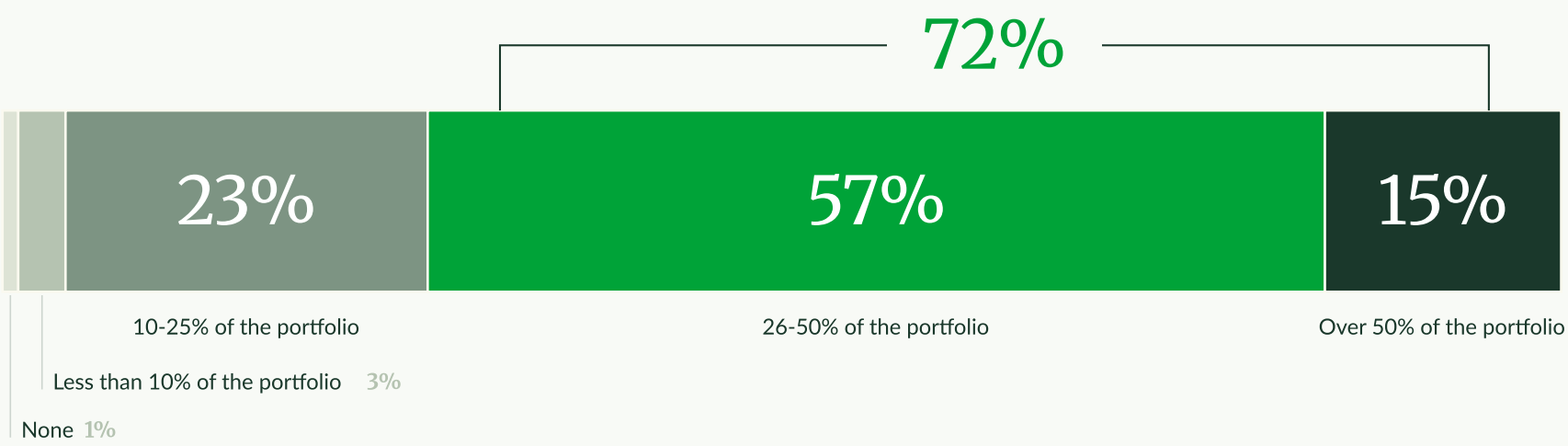
This shows why CEO fit can become harder to judge over time. A leader may still be capable of the original role, but the job around them may have changed. One PE leader described a CEO hired to drive an M&A-led growth strategy who could suddenly face an operational turnaround if the acquisition market dries up. The CEO may still be highly capable, but the company is now asking for different strengths.

Anticipating that shift means looking past the job in front of the CEO today. One PE leader looks several years ahead and asks what the value-creation plan will require from the CEO as the company grows, from strategy and scale to the amount of organizational change and the talent needed around the leader. The same question applies to a sitting CEO as much as to a candidate: How broad is this leader's range? Some CEOs succeed with one proven playbook. Others adapt, take feedback, and grow into what the next chapter requires. Knowing which one you have, early, gives the board more time to act.

CEO selection is only the beginning.

PE firms already revisit the leadership question frequently: 72% of PE leaders say their firm has replaced the CEO in more than a quarter of its portfolio companies at some point during the hold. One in five (20%) say that much change happens within the first year alone, underscoring how quickly the question of fit can re-emerge after the initial hire or transaction.

CEO REPLACEMENT ACROSS THE PORTFOLIO FROM INVESTMENT THROUGH EXIT



Respondent estimates of the share of their firm's portfolio companies in which the CEO has been replaced at any point during the hold.

Replacement alone does not explain what changed. A CEO may miss performance expectations, struggle to adapt as the business evolves, or reach a point where the company needs a different set of strengths. What matters is how often firms find themselves revisiting the CEO question over the course of the hold. That doesn't always end up in replacement. It can mean a reshaped mandate, added support, or a stronger team around the leader. Leadership should therefore remain an active part of managing the investment, with sponsors continually reevaluating how the role is changing and whether the CEO can change with it.

SUMMIT'S POV

In our work, the CEO question rarely ends with the initial hire or transaction. As companies scale and the investment evolves, we often see the mandate change enough that the board has to reassess what the business needs from its leader.

Portfolio leadership should remain an active value-creation priority throughout ownership. At or before the initial transaction or at selection, sponsors should get clear on the mandate in front of the CEO and how that mandate may change as the company scales and moves through the hold.

The same discipline should continue throughout the hold period and into exit. Boards and sponsors should revisit whether the CEO's capabilities still align with what the business requires, identify where support could help the leader adapt, and distinguish developmental gaps from a more fundamental fit problem.

Some gaps can be addressed by helping the CEO develop or strengthening the team and environment around them, while others may require a leadership change. Earlier recognition gives the firm more options and gives the CEO more time to respond before financial underperformance narrows the path forward.

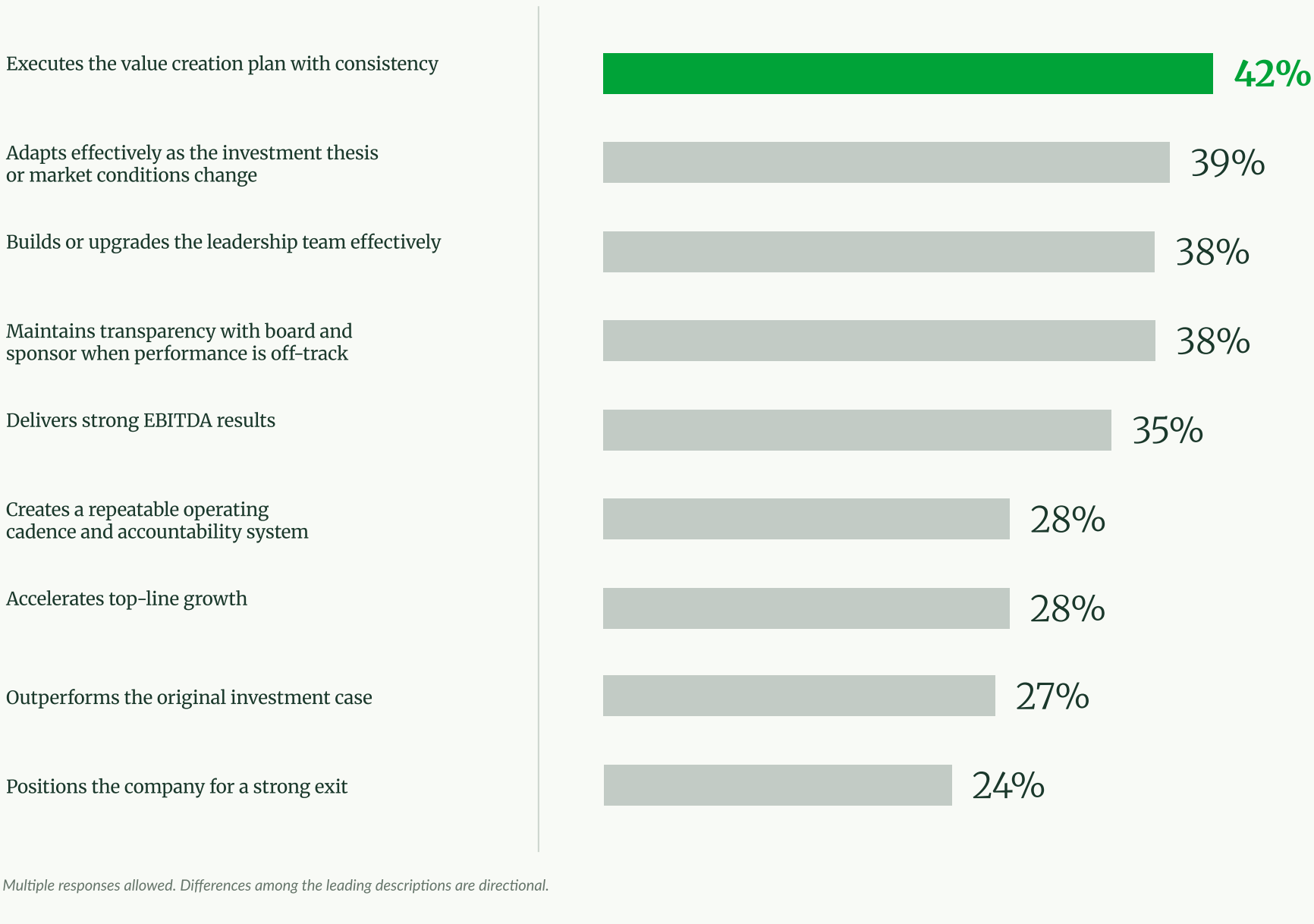
SECTION 2

There is No Universal PE-Backed CEO

If the CEO mandate changes across the hold, the definition of effective leadership has to move with it. The CEO who can translate an investment thesis into a credible plan may be exactly what a company needs at the start of a hold. A year later, board emphasis could shift more heavily to the team they have built and how well the business runs. Later still, growth or margin performance may matter more.

PE leaders value a broad mix of qualities in high performing CEOs, and no single quality claims a majority. The top answer, executing the value creation plan consistently, is named by 42%. The picture gets sharper when the question is tied to a specific stage of the hold.

HOW PE LEADERS DEFINE A HIGH-PERFORMING CEO



Multiple responses allowed. Differences among the leading descriptions are directional.

The work changes at every stage of the hold.

During diligence, the leading priority is translating the investment thesis into a plan the company can execute. In the first 100 days, operating cadence, metrics, and accountability narrowly edges out building the team. By the end of the first year, building or upgrading the executive team rises to the top. Mid-hold brings greater emphasis on growth and commercial execution. Near exit, financial discipline and margin performance take the lead.

That progression reflects how the work unfolds inside the company. One PE-backed CEO called the first 100 days a period of recalibration, using what they learned inside the business to adjust resources and priorities while staying aligned with the broader plan.

They also pointed to early leadership changes as some of the decisions that paid off most over the following years. A stronger operating foundation exposes where the leadership team needs to improve. The right team creates more capacity to pursue growth. As the company moves toward exit, the work narrows toward the financial performance buyers will ultimately evaluate.

Across the full hold, the most-cited priority moves from plan to cadence to team to growth to margin.

WHAT PE LEADERS PRIORITIZE IN A CEO CHANGES AT EVERY STAGE OF THE HOLD

	Diligence / Pre-Close	First 100 Days	First Year	Mid-Hold Value Creation	Exit Preparation
Translate thesis into executable plan	**30%**	16%	11%	14%	4%
Build / upgrade executive team	11%	19%	**24%**	10%	11%
Operating cadence, metrics & accountability	10%	**22%**	17%	11%	12%
Drive growth & commercial execution	11%	12%	17%	**23%**	10%
Financial discipline & margin	14%	10%	13%	15%	**22%**
Adapt / transform as thesis changes	11%	8%	8%	17%	9%
Board / sponsor alignment	12%	12%	10%	10%	18%
Not enough visibility	3%	0%	0%	0%	15%

Top priority at each stage

One choice per stage, including respondents without enough visibility; columns may not total 100% due to rounding.

Effective CEOs grow with the business.



This evolution in priorities doesn't mean PE firms need five different CEO archetypes. No leading capability drew more than 30% of respondents at any stage. PE leaders still value a broad leadership toolkit even as the emphasis shifts from one phase to the next.

For CEOs who stay in the seat, that puts a premium on adaptability because investment stage and company maturity can each reshape the leadership mandate in different ways. One PE-backed CEO stated the leadership profile needed in an early-stage company is "vastly different" from what a mid-growth or mature business requires. Leaders who span those phases successfully have to change what they bring to the role as the business evolves.

Sponsors therefore need to look beyond how well the CEO fits the work in front of them. They also need to understand whether the leader can grow toward what the company will require next, which gives the board more time to support development before a new phase exposes a gap.

The exit itself can demand a different leader. More than a third of PE leaders (36%) cite the company needing a different skillset to prepare for exit among their top reasons for replacing a CEO. That makes the approach to exit a natural point to revisit fit.

SUMMIT'S POV

CEO skillset and focus should move with the business. Our assessment work reinforces the importance of adaptability: the strongest CEO profiles tend to combine the ability to execute with the range to adjust as the mandate changes. Sponsors need to define what effective leadership looks like in the current phase while keeping the next major transition in view.

Revisiting those expectations throughout the hold helps the board see where a CEO needs to grow and where development or added support may help. It also creates a clearer basis for recognizing when the company's needs are beginning to move beyond the leader's strengths.

The investment stage tells sponsors what the CEO needs to accomplish. It does not tell them whether the conditions around that leader will make success more or less likely.

Assessing CEOs in Context

Knowing what the job requires does not fully answer whether a CEO will succeed in it. A leader also has to work within the company they inherit: its executive team, governance structure, decision rights, organizational maturity, and relationship with the sponsor.

When PE leaders look back at what gets missed at hire, they most frequently point to the CEO's own capabilities: operating at PE pace (34%), scaling into an enterprise role (34%), and working with the sponsor without getting defensive (31%). On average, each capability factor was named by 30% of PE leaders, compared with 21% for each contextual factor. One in three (33%) named no contextual factor at all.

ASKED WHAT GETS MISSED AT HIRE, PE LEADERS NAME CAPABILITIES FAR MORE OFTEN THAN THE CONTEXT

99%

named at least one skill the CEO brings

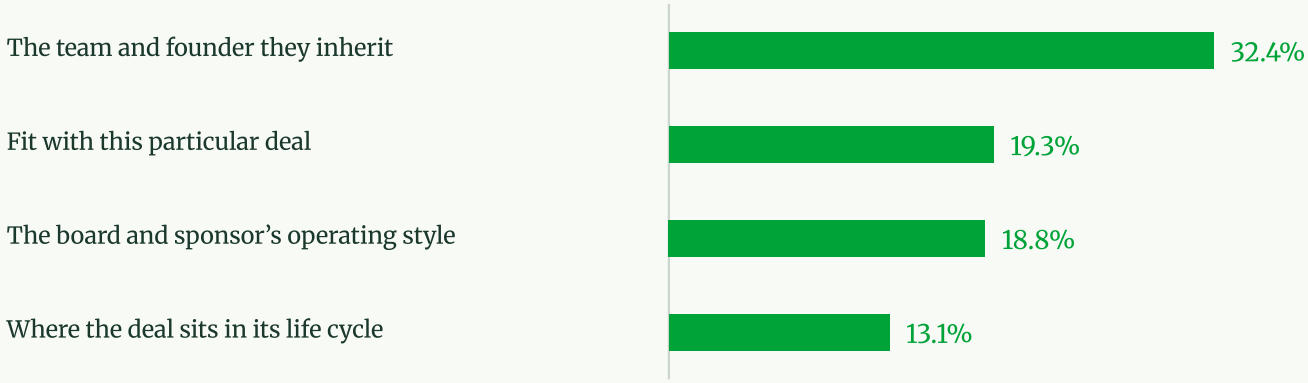
THE SKILLS THE CEO BRINGS



67%

named any factor tied to the situation

THE SITUATION THEY STEP INTO



Multiple responses allowed (up to three).

The context deserves the same scrutiny as the leader's capabilities.

The inherited leadership team is the exception. One in three PE leaders (32%) say the strength of the inherited executive team and founder dynamics is often missed at hire, on par with top capability gaps and well ahead of any contextual factor. That attention makes sense. A new CEO rarely starts with a blank slate, and the people already around them can accelerate or complicate the work ahead.

Governance can shape fit just as directly. PE firms develop their own ways of working with portfolio-company CEOs, including expectations around transparency, collaboration, and sponsor involvement. A leader who prefers greater independence may struggle in a model built around close partnership even if their experience otherwise matches the role.

The working relationship belongs in the definition of fit, as do the conditions that determine how easily a CEO can put their strengths to work.

> *"You really need to understand what your governance style is, and whether that CEO is going to do well in that style."*
>
> — PE LEADER



Capabilities and conditions need to be evaluated together.

Knowing what you want from a CEO doesn't mean looking harder at the situation they'll walk into. PE leaders who say a great CEO builds the team are no more likely than others to say the inherited team gets overlooked at hire (33% vs 32%). The same holds for executing the plan and turning it into a routine, adapting as the thesis changes and fit with the deal, and positioning for exit and the hold timeline. In all four tested areas, leaders who prioritize a CEO capability are no more likely than anyone else to check the conditions that govern it.

PE LEADERS WHO PRIZE A CEO SKILL ARE NO MORE LIKELY TO FLAG THE RELATED FACTOR AT HIRE

You might expect PE leaders who value a CEO skill to be more alert to the factor that shapes it. They aren't.

IF A PE LEADER SAYS A GREAT CEO...	...DO THEY ALSO SAY THIS IS OFTEN MISSED AT HIRE?	SHARE WHO SAY IT IS OFTEN MISSED AT HIRE	STATISTICALLY SIGNIFICANT?
Four separate base pairs. Compare the two bars within each pair, not across pairs.		■ Cited it as a CEO priority ■ Did not cite it as a CEO priority	
01 Builds and upgrades the team	→ The team and founder they inherit	33% 32%	No
02 Executes the plan consistently	→ Can turn the plan into a working routine	30% 29%	No
03 Adapts as the thesis changes	→ Fit with this particular deal	15% 22%	No
04 Positions the company for exit	→ Where the deal sits in its life cycle	9% 14%	No

N = 176 PE leaders. Each pair compares those who cited the capability as a CEO priority with those who did not (67 vs. 109; 74 vs. 102; 68 vs. 108; 43 vs. 133). Pairings defined by Summit. Up to three answers allowed per question. No difference shown is statistically significant.

One possible explanation is a practical blind spot. A firm may be clear on what they want a CEO to do while giving less attention to whether the surrounding environment gives that leader a workable path to do it. The distinction matters because some gaps can be addressed through governance, team changes, or clearer decision rights. Others may point to a deeper mismatch between the CEO and the context.

The pattern is shared across PE roles. Operating, talent, and deal leaders give contextual factors similar weight, as do investors with different levels of experience. Because this pattern is shared across seats rather than a gap in any one function, adding another reviewer won't close it. Closing it takes a deliberate step: evaluating the team, governance model, and decision rights with the same rigor applied to the leader.

Deal type does not settle the fit question.

We found no clear evidence that deal type changes which capabilities PE leaders prioritize. Deal type is, however, linked to where leaders place their success and struggle stories. Growth deals make up 36% of PE leaders' most successful examples but only 13% of their most challenging. Turnarounds (28% vs 14%) and carveouts (18% vs 5%) run the other way.

SUMMIT'S POV

CEO evaluations and assessments should examine the leader and the environment together. Sponsors need to understand whether a standing CEO or candidate can deliver what the value-creation plan requires, as well as the conditions that will help or hinder that leader's execution. For a new search, those conditions should be reflected in the mandate and scorecard from the outset.

In our work, that increasingly includes assessing how the CEO's working style aligns with the deal lead and governance model. Firms need to be equally candid about what they will require from the CEO.

That means bringing the inherited team, governance model, decision rights, and organizational maturity into the assessment early — and not treating them as fixed. As the business evolves, the CEO, with the board's backing, may need to strengthen the team, clarify roles and decision rights, or change how the organization operates to support execution.

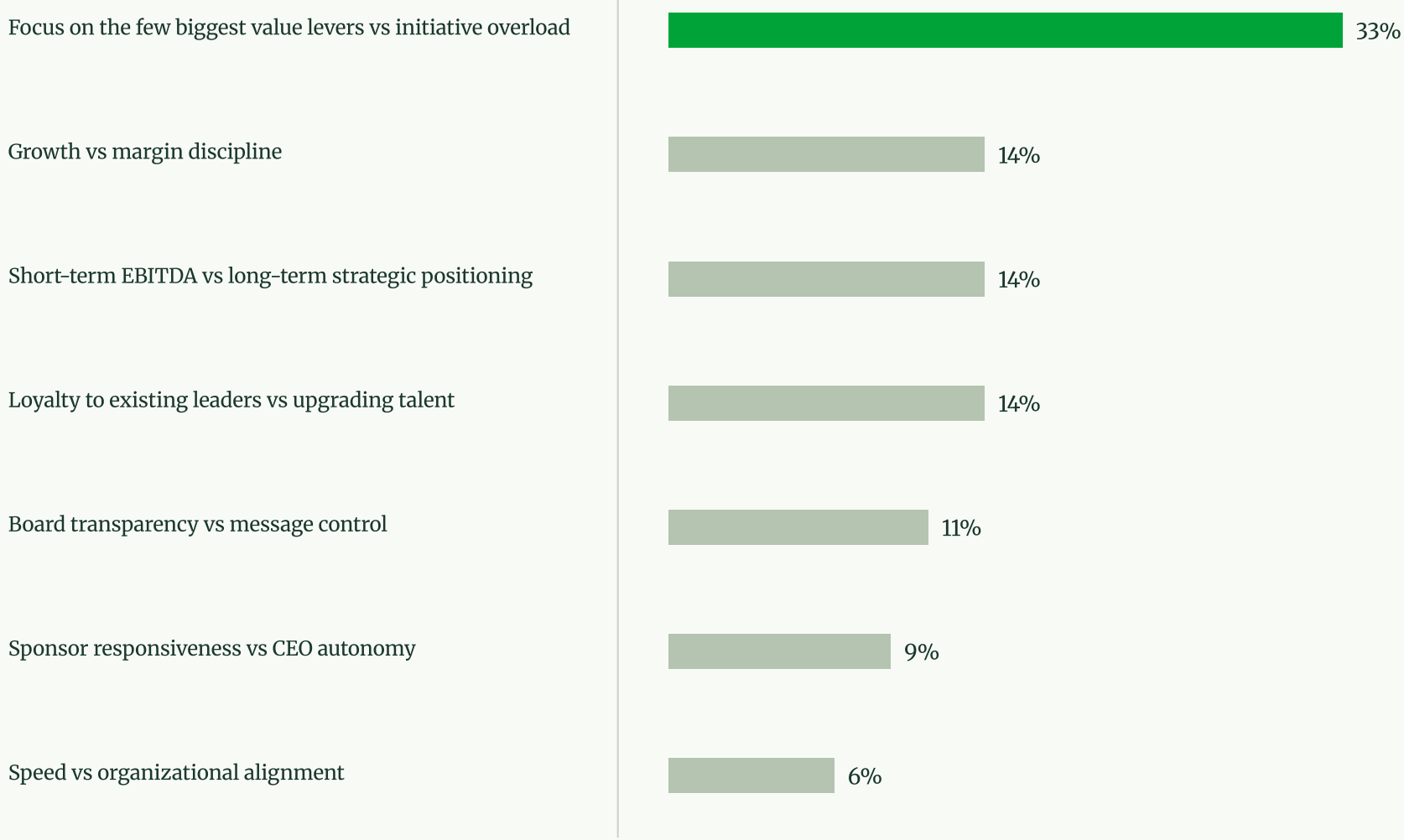
A fuller view of fit gives firms a better chance to identify execution risks before the CEO is already in the seat. Once the hire is made, those risks often surface first in how the company operates and communicates.

The First Warning Signs are in How the Business is Run

Financial results often confirm a leadership problem after it has already taken hold. The earlier signs tend to show up in how the CEO runs the business: what gets attention, how quickly decisions get made, and whether problems move toward resolution.

Under pressure, one discipline rises clearly above the rest. A third of PE leaders say CEOs with strong performance stay focused on the few priorities that move value, well ahead of any other tradeoff. The next several answers cluster closely together.

UNDER PRESSURE, FOCUS SEPARATES STRONG CEO PERFORMANCE FROM WEAK



One answer per respondent. The leading answer is significantly ahead of all others; differences among the remaining answers are directional.

A PE-backed CEO rarely lacks things to do, and the onboarding and reporting requirements from investors can be exhaustive. Growth targets compete with margin pressure. Talent issues demand attention while the strategy keeps moving. The board and sponsor bring their own priorities. All are real pressures and none clearly outranks the others. What sets strong CEOs apart is not how they resolve any one of these tensions, but whether they keep the organization centered on the few priorities that matter most. Under those conditions, focus becomes a management discipline: deciding what matters most and keeping the organization aligned around it.

SECTION 4

Trouble often shows up in the operating rhythm first.

CEO problems rarely announce themselves through a single early warning sign. Slow decisions, limited transparency, weak operating cadence, poor follow-through, and delayed talent moves all rank among the first signs that something is going off track. The most cited early signals are slow decisions (38%), weak cadence or follow through (34%), and slow talent moves (34%). Lack of transparency appears in 31% of leaders' top three and is the signal ranked first most often (15%), though not by a meaningful margin. Warning signs aren't only on the CEO's side: 69% put at least one sponsor side or governance issue in their top three such as unclear decision rights, no agreed top priorities, feedback that arrives too late, or a board too removed to help.

Boards can watch whether the CEO surfaces problems early, makes decisions, acts on feedback, and strengthens the team where needed.

Struggling CEOs can also start pulling inward. One PE leader observed that struggling CEOs often try to solve problems themselves rather than drawing on the board, sponsor, and leadership team. Slow action on a weak executive team often follows. Another pointed to a simpler warning sign: a problem that keeps returning without meaningful progress.

A portfolio company problem and a leadership problem can look similar at first. Strong CEOs will still encounter setbacks. The distinction is what happens next: whether the CEO makes a decision, asks for the right help, follows through, and changes course when the first answer does not work.

> *"The biggest red flag for me is when the same problem is on the table to be solved board meeting after board meeting."*
>
> — PE LEADER

SUMMIT'S POV

Early warning is a shared responsibility. Boards should track leadership indicators alongside financial KPIs, and sponsors should focus equally on their own side of the relationship: clear priorities, clear decision rights, and timely feedback. Decision speed, prioritization, follow-through, transparency, and talent action can show whether the business is moving in the right direction before the numbers settle the question.

Those signals should prompt earlier, more specific intervention. Clear feedback and targeted development can help a CEO adjust how they lead while there is still time to change the trajectory.

In our coaching work with CEOs, one of the most common development priorities is greater transparency with the board. New CEOs can feel pressure to keep proving themselves, but the more productive relationship is one where they surface what is not working early and ask for help when they need it.

Sponsors also need to protect the focus they expect from the CEO. When multiple stakeholders add priorities without a clear hierarchy, they can make it harder for the leadership team to stay centered on the few issues that matter most. Clear priorities and timely feedback give the CEO a better chance to respond before a recurring problem becomes a deeper fit issue.

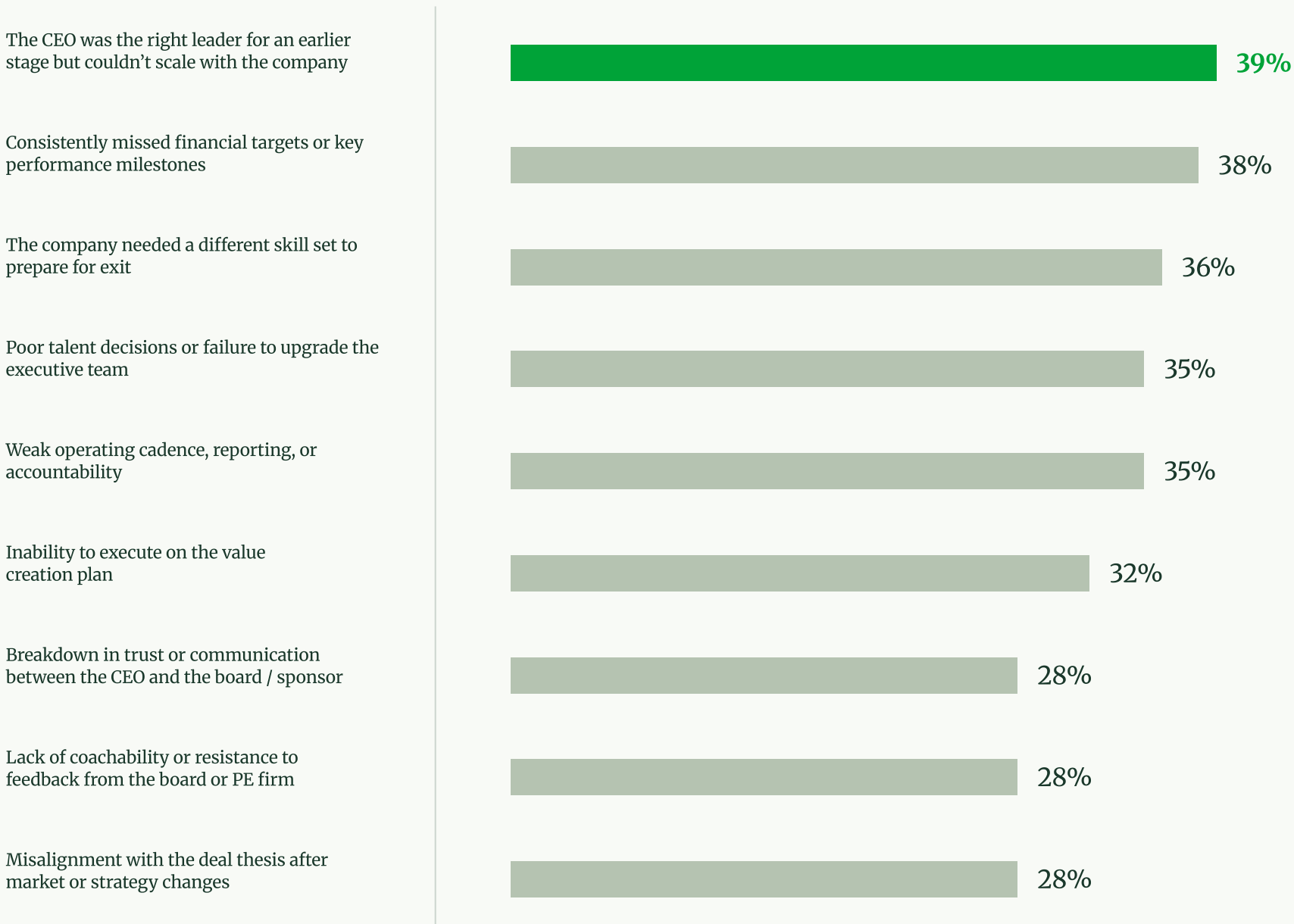
CEOs Have to Evolve with the Business

Once warning signs appear, boards face a harder judgment: whether the CEO is still growing into the role or whether the business has moved beyond the fit.

A strong CEO can become a poor fit as the company changes. The skills that carried a leader through one phase may matter less as the organization scales, the strategy shifts, or the investment moves toward exit.

PE firms replace CEOs for a mix of performance problems and changing fit. Missed targets, weak operating cadence, and talent decisions all matter. No single reason dominates. Nine reasons are each cited by 28–39% of PE leaders. But fit comes up as often as performance: 63% name at least one stage fit reason, compared with 59% who cite missed targets or failure to execute the plan.

WHY PE FIRMS REPLACE CEOS: FIT MATTERS AS MUCH AS PERFORMANCE



N = 175 respondents who identified replacement reasons. Respondents ranked up to three reasons; bars show the share including each reason in their top three. Differences between adjacent reasons are directional.

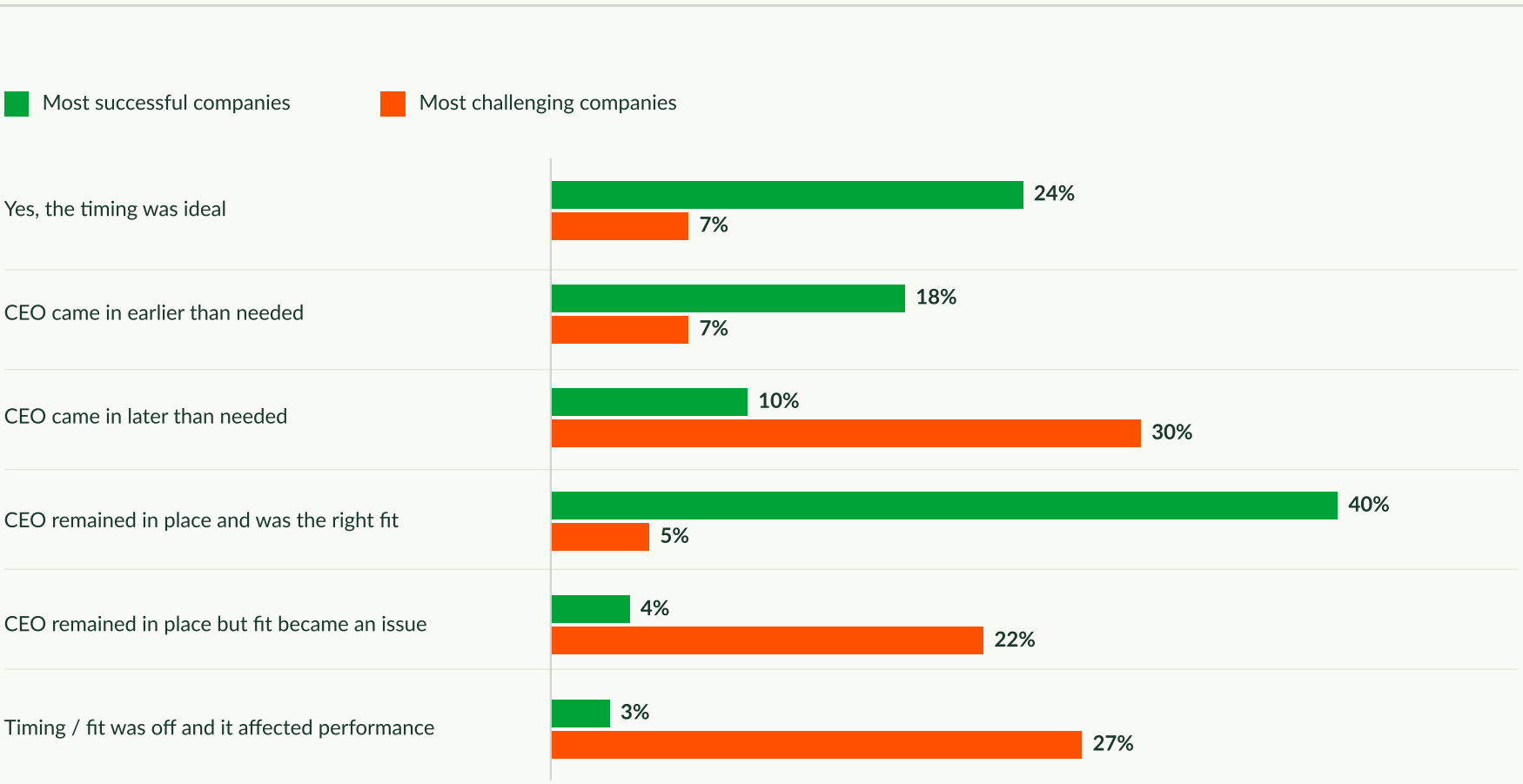
The business can outgrow the fit.

Boards sometimes know from the start that a CEO may be best suited to a particular chapter of the investment. One PE leader put it plainly:

> *"We will sometimes even hire people that we know we can't exit with, but they're the right person for this moment."*
>
> — PE LEADER

Fit becomes more consequential as the investment unfolds. In successful portfolio-company examples, 40% of PE leaders say the CEO remained in place and stayed the right fit. Only 5% say the same about their most challenging company. PE leaders' most challenging examples were far more likely to involve a CEO arriving later than needed, staying after fit became an issue, or having timing and fit affect performance.

CEO TRANSITION TIMING IN SUCCESSFUL VS. CHALLENGING PORTFOLIO COMPANIES



One answer per company. Respondents without enough visibility (1% successful, 2% challenging) not shown.

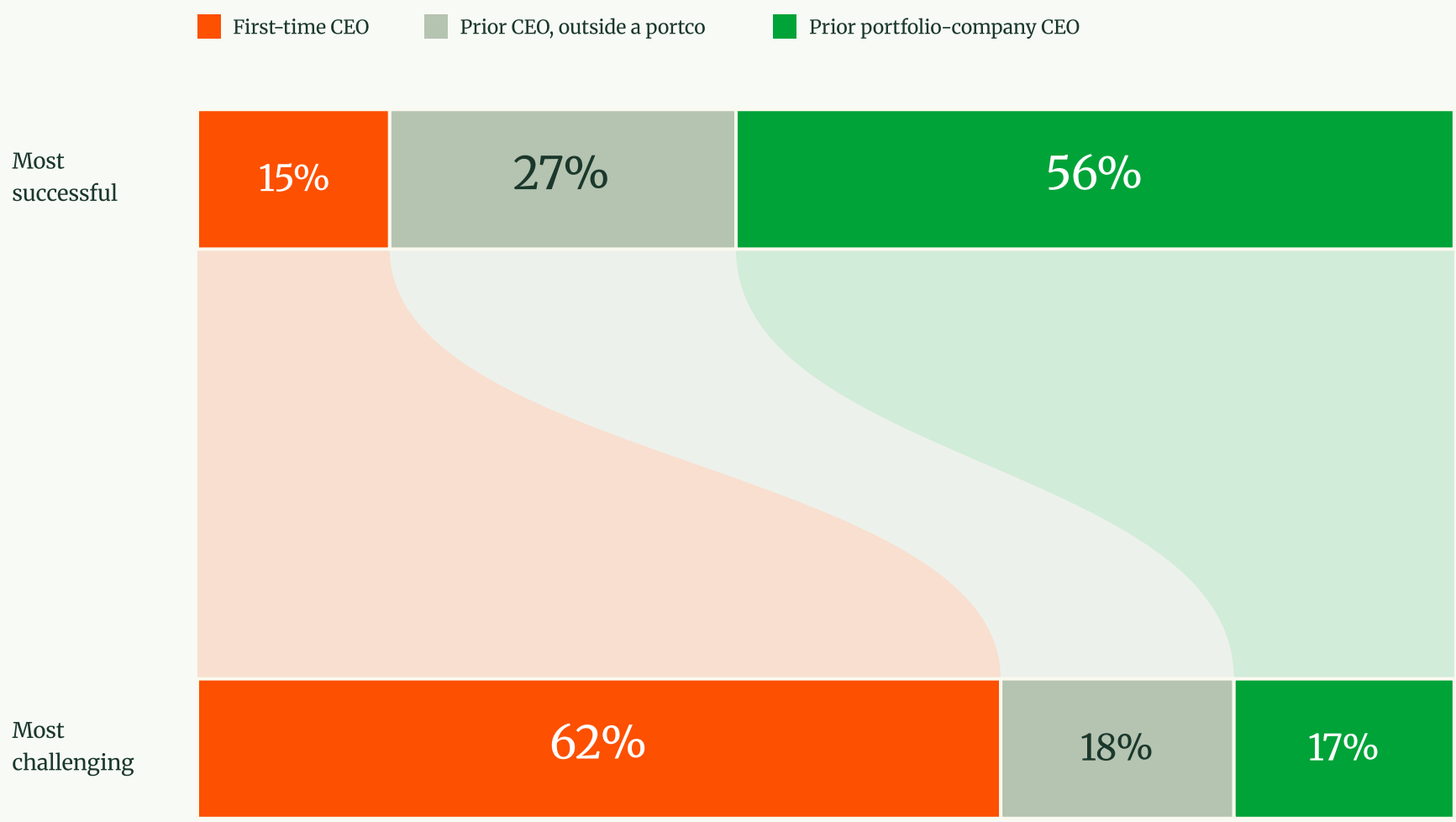
Major transitions in the hold therefore create a natural point to revisit the CEO mandate. The question is whether the leader's capabilities are developing with the business or whether the gap between the two is widening.

Prior PE experience is much more common in successful examples.

CEOs with prior portfolio-company experience appear in 56% of PE leaders' most successful examples, but only 17% of their most challenging. First-time CEOs show the reverse (15% vs 62%). It's PE experience specifically that stands out. CEO experience outside PE shows a much smaller gap (27% vs 18%). The pattern is clearest in growth deals, the largest group of success stories.

Experience isn't a shortcut, though. In PE leaders' most successful companies, CEOs with prior portfolio company experience were the most likely to take more than a year to operate at the level the thesis required (47%, compared to 22% of first-time CEOs). A track record can earn a CEO the seat, but what matters is how they respond to the company in front of them. One PE leader cautioned against repeat CEOs arriving with a familiar playbook and applying it too rigidly rather than adapting to the situation.

PRIOR CEO EXPERIENCE IN SUCCESSFUL VS. CHALLENGING PORTFOLIO COMPANIES



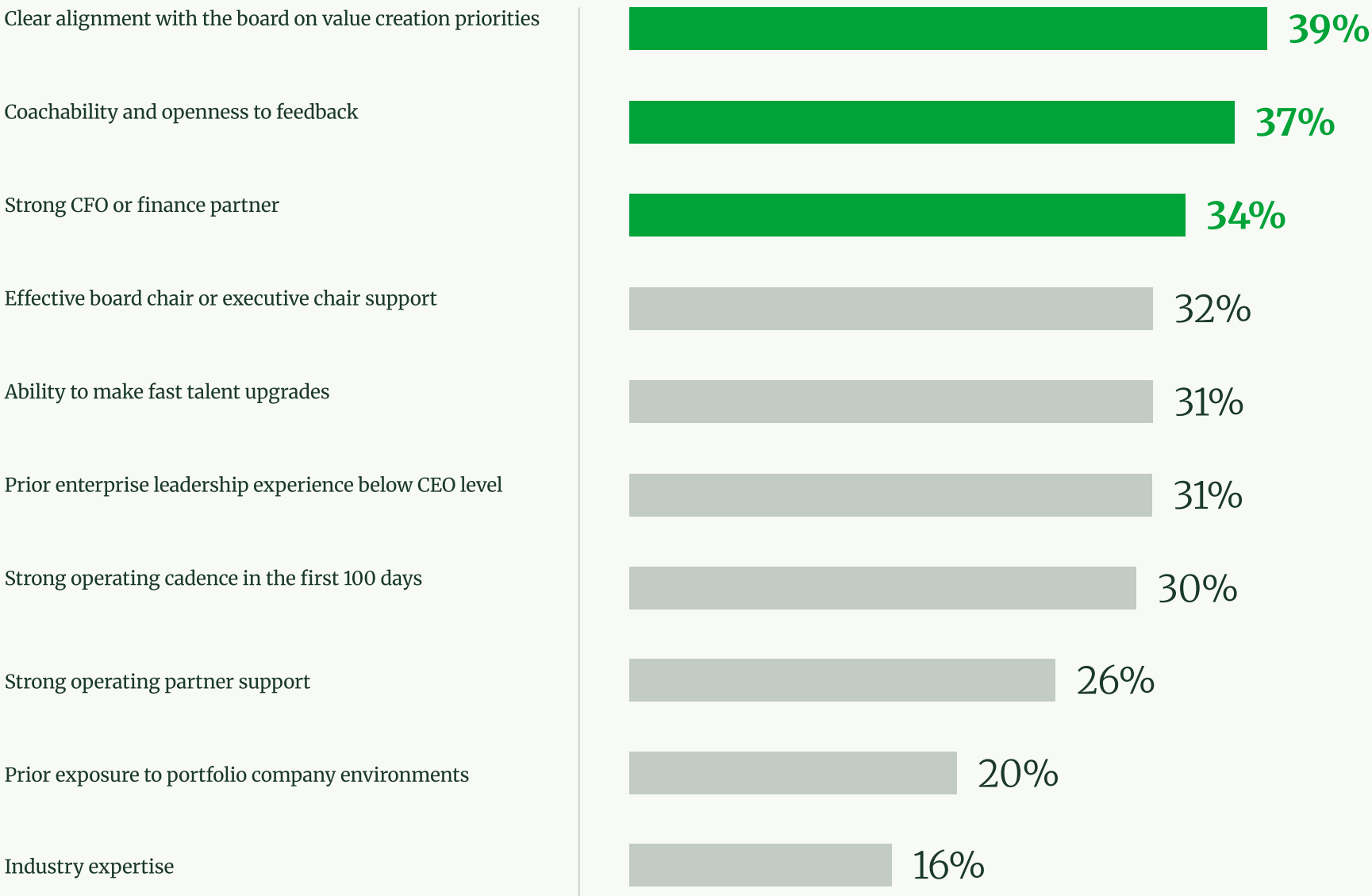
One answer per company; the survey required a different answer for each. Respondents who were not sure (2% for each company) not shown.

First-time CEOs benefit from a clearer support structure.

For first time PE-backed CEOs, the top factors are closely bunched: clear alignment with the board on priorities (39%), coachability (37%), and a strong finance partner (34%). Prior exposure to portfolio company environments ranks near the bottom (20%), even though experienced CEOs dominate success stories. For leaders without that experience, the support around them matters more than the background they bring.

As a result, clarity carries a premium early in the relationship. One experienced PE-backed CEO advised first-time leaders to align with sponsors on the value-creation plan and define what success should look like over the first quarter, half year, and full year.

WHAT IMPROVES THE ODDS FOR A FIRST-TIME PE-BACKED CEO



Multiple responses allowed. Differences among the top three factors are directional.

Clear expectations also give the board a better basis for judging progress. A difficult start means something different when the CEO is responding to feedback, strengthening the team, and closing gaps over time. Coachability is only half of it. The CEO also needs someone to coach them.

A slower ramp can still lead to success.

Speed is a weak signal. 31% of CEOs in PE leaders' most successful companies took more than a year to operate at the level the thesis required, close to the 27% in their most challenging companies. What separates them is whether the CEO got there at all: 14% of CEOs in challenging companies never did, compared with none in successful ones.

That makes trajectory more useful than speed alone. Boards need to see whether the CEO is absorbing feedback, building the capabilities the role requires, and making meaningful progress against the mandate.

SUMMIT'S POV

CEO fit should be revisited at major transition points in the hold, while there is still time to respond. Sponsors need to distinguish between a leader who is growing into the next phase and one whose strengths no longer match what the company requires. We see that challenge directly as companies scale: Leading a much larger business can require capabilities the original mandate never tested.

First-time CEOs may benefit from more deliberate support around board alignment, feedback, finance partnership, and operating cadence. In our work, dedicated coaching can give a new CEO room to work through those adjustments with someone outside the formal governance relationship. Ramp speed should be read alongside progress rather than treated as a verdict on its own.

Earlier recognition preserves more options. The board may be able to address a gap through targeted development, stronger support around the CEO, or changes to the leadership team. In other cases, the business may need a different leader for the next phase. Acting before performance forces the decision gives the company more room to manage that transition well.

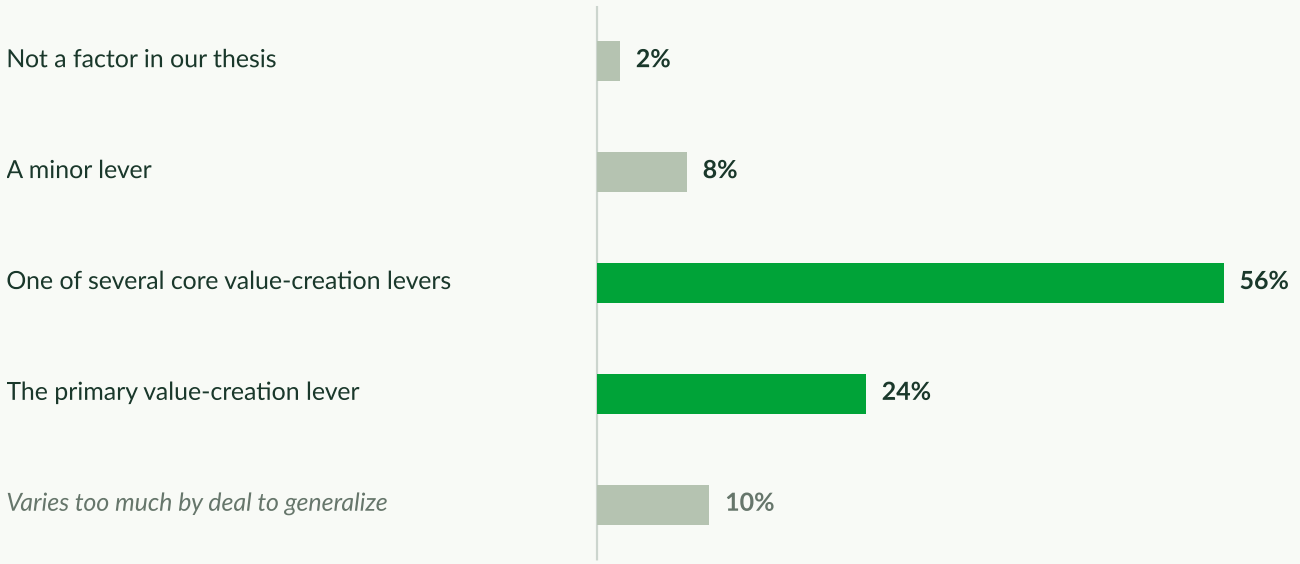
AI Is Becoming Part of the CEO Scorecard

AI offers a current example of how quickly the CEO mandate can change. As technology-enabled value creation moves deeper into the investment thesis, expectations of the CEO are moving with it.

Four in five PE leaders now describe AI as either one of several core value-creation levers or the primary lever in the investment thesis. Roughly two-thirds evaluate a CEO's ability to lead AI-enabled value creation through a structured assessment or formal selection criterion.

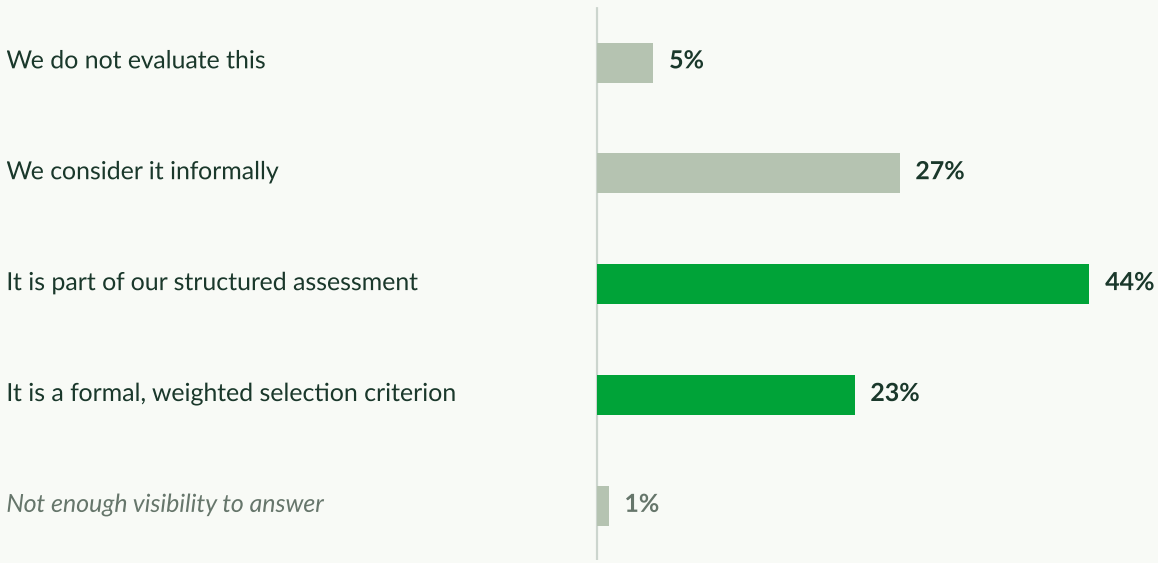
AI IS MOVING INTO BOTH THE INVESTMENT THESIS AND CEO ASSESSMENT

AI AS A VALUE-CREATION LEVER IN THE INVESTMENT THESIS



80% say AI is a core or the primary lever

HOW FIRMS EVALUATE A CEO'S ABILITY TO LEAD AI-ENABLED VALUE CREATION



67% use a structured assessment or formal criterion

One answer per question.

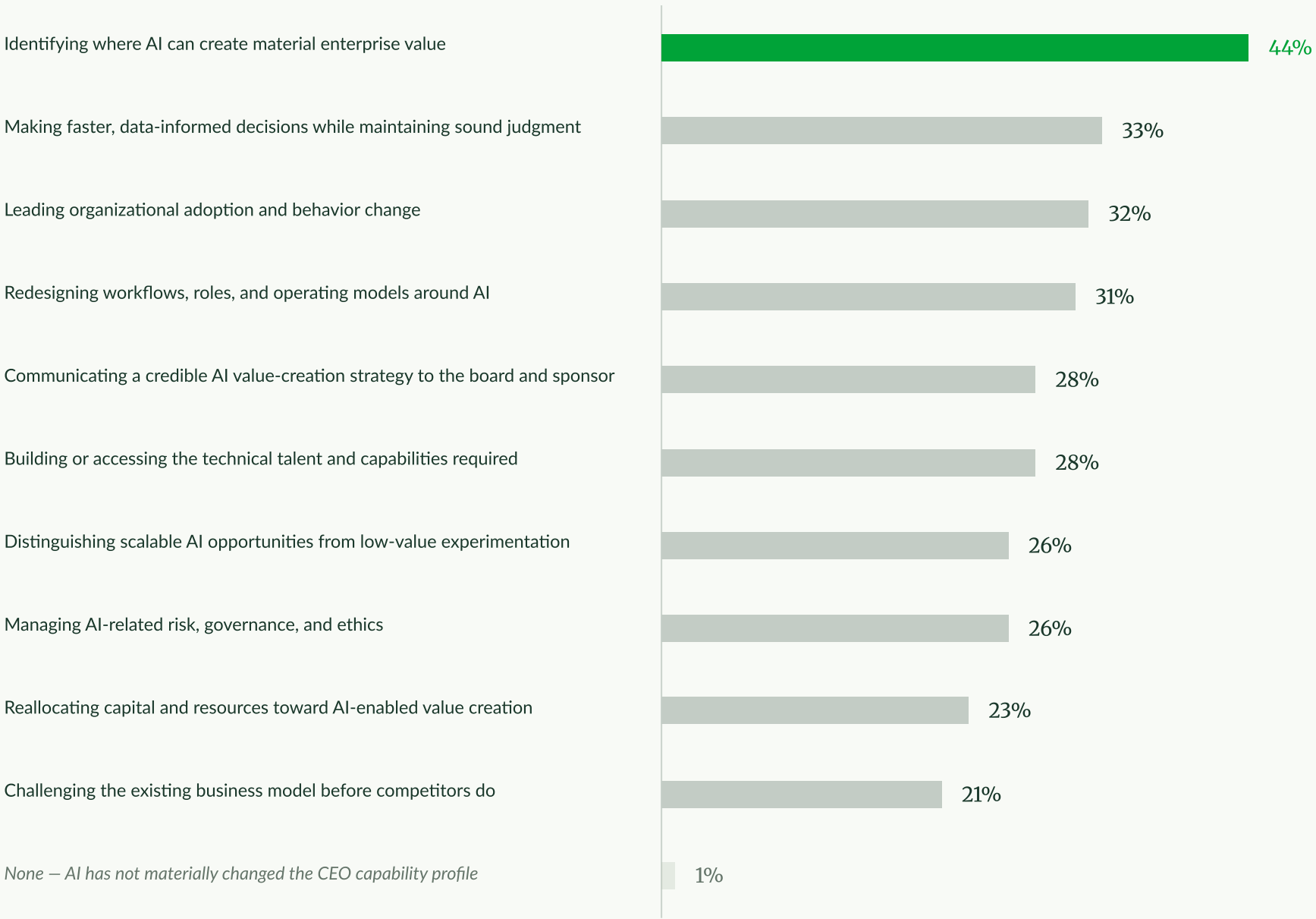
SECTION 6

AI leadership starts with enterprise value.

The emerging CEO mandate centers on identifying where AI can create material value and then moving the organization toward it. Doing so requires sound judgment about where to invest, faster use of data in decision-making, organizational adoption, and changes to how work gets done. Technical talent matters, but is just one part of a broader operating challenge.

CEOs therefore need to own the direction and the organizational change around AI, even when specialists handle much of the technical execution. In practice, this means putting resources behind priorities, holding leaders accountable for new behaviors, and making AI part of how the business operates.

CEO CAPABILITIES BECOMING MORE IMPORTANT BECAUSE OF AI



Multiple responses allowed. Differences among the leading capabilities are directional.

Experimentation has to produce measurable value.

Ambition is outrunning execution. Only 31% of PE leaders say their CEOs are managing AI transformations very effectively, with a clear strategy scaling to measurable ROI. Nearly half (49%) say CEOs are running pilots that haven't scaled, and 18% describe ad hoc adoption. Even among firms that call AI a core lever, about one in four evaluate a CEO's ability to lead it only informally or not at all.

That raises the leadership standard. CEOs have to separate scalable opportunities from low-value experimentation, direct resources toward the strongest use cases, and drive adoption far enough for the organization to capture the benefit. Day-to-day execution can sit with functional leaders while the CEO remains accountable for direction and results.

The definition of strong AI leadership is still developing. Firms are already formalizing how they assess it, while the practical test of which CEOs can consistently turn AI ambition into enterprise value will become clearer as more initiatives move from pilots into scaled execution.

> *"This isn't a technology transformation. It's a behavioral transformation."*
>
> — PE LEADER

SUMMIT'S POV

AI should sit within the core CEO assessment framework as part of the value-creation mandate. Boards should assess whether the CEO can identify material opportunities, set priorities, mobilize the organization, and hold the business accountable for outcomes.

In our work, AI is becoming another test of whether a CEO can learn quickly and lead through a mandate that is still taking shape. PE leaders already rank adapting as the thesis or market changes among the top definitions of a high performing CEO (39%). Sponsors should evaluate for it at selection and expect it throughout the hold.

Technical fluency alone is a narrow test. The stronger measure is whether the CEO can translate AI into operating change and measurable enterprise value. That may require changes to roles, workflows, decision-making, and how teams operate, not simply new technology. As that mandate develops, the scorecard should develop with it.

As AI becomes more central to value creation, CEO fit will increasingly depend on the ability to turn it into operating and financial impact.

From CEO Selection to CEO Fit Management

As an investment progresses, the company may scale, the strategy may shift, the leadership team may change, and new value-creation priorities may emerge. A strong selection and development process should account for the work in front of the CEO today and the transitions the business is likely to face next.

The same discipline should continue throughout the hold. Boards and sponsors can keep testing fit through the way the CEO makes decisions, builds the team, responds to feedback, and adapts as the mandate changes. Those signals give them a clearer view of whether the leader is developing with the business or whether the gap between the two is beginning to widen.

A changing mandate can often be met through CEO growth, targeted support, or changes to the team and environment around the leader. Doing so requires clarity about what the next phase demands and whether the current CEO can make that transition. Revisiting fit at key moments gives both the board and the CEO more room to act before performance forces the decision.

What this means in practice:

- **For sponsors:** Define the mandate for the current phase and the next one. Evaluate the context around the CEO with the same rigor as the leader. Revisit fit at major transitions, especially heading into exit, before performance forces the decision
- **For CEOs:** Align early on the few priorities and what success looks like. Build the team for the next phase, not just this one. Treat coachability and range as strategic assets, because the leaders who stay are the ones who grow with the business.

There may never be one profile of a great PE-backed CEO that works across companies, investment stages, and operating environments. **The more durable question is simpler: Is this still the right CEO for what the company needs next?**

Is your CEO equipped for what the business needs next?

To evaluate where your portfolio-company leadership stands today and where additional support may be needed, contact Summit Leadership Partners.

Methodology

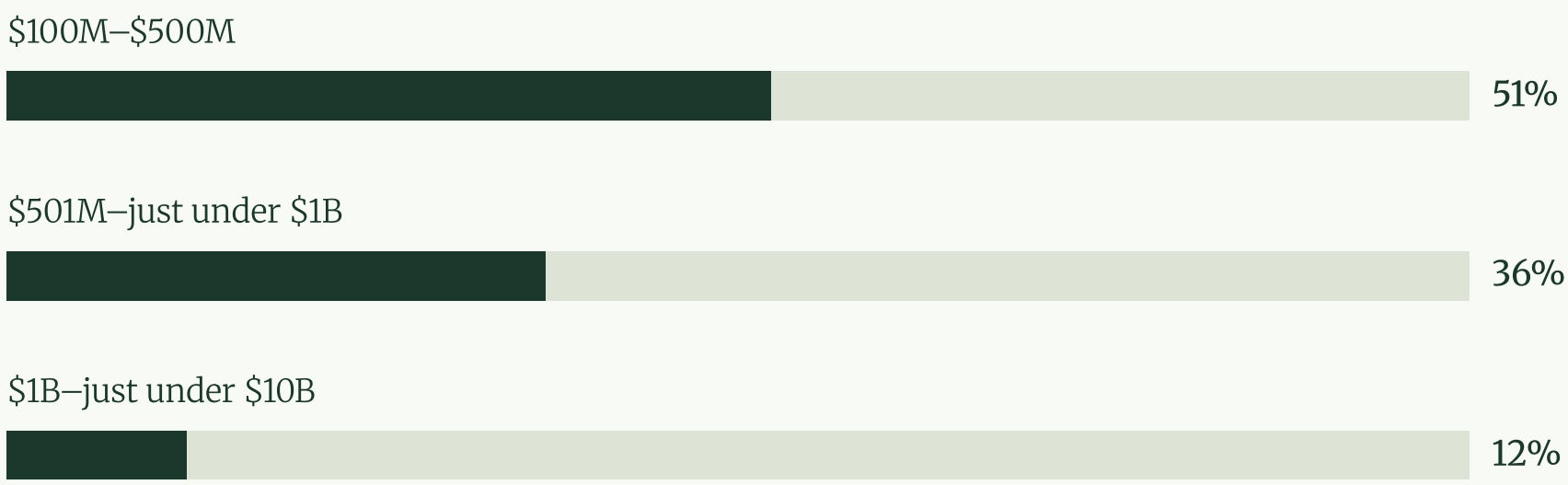
Summit's PE-backed CEO survey was fielded online in July and August 2026 by Rabin Roberts Research, an independent market research firm. The data include responses from 176 private equity partners. Respondents came from two independent research panels (150) and a list of contacts provided by Summit (26). All were screened to include only operating, talent, and deal partners with portfolio-company board or post-close involvement at private equity funds whose portfolio companies most commonly have $100 million to just under $10 billion in revenue at initial investment.

In September 2026, one-on-one interviews were also conducted with six private equity partners who had completed the survey and five current PE-backed CEOs. Interview insights are quoted anonymously and are not included in survey percentages.

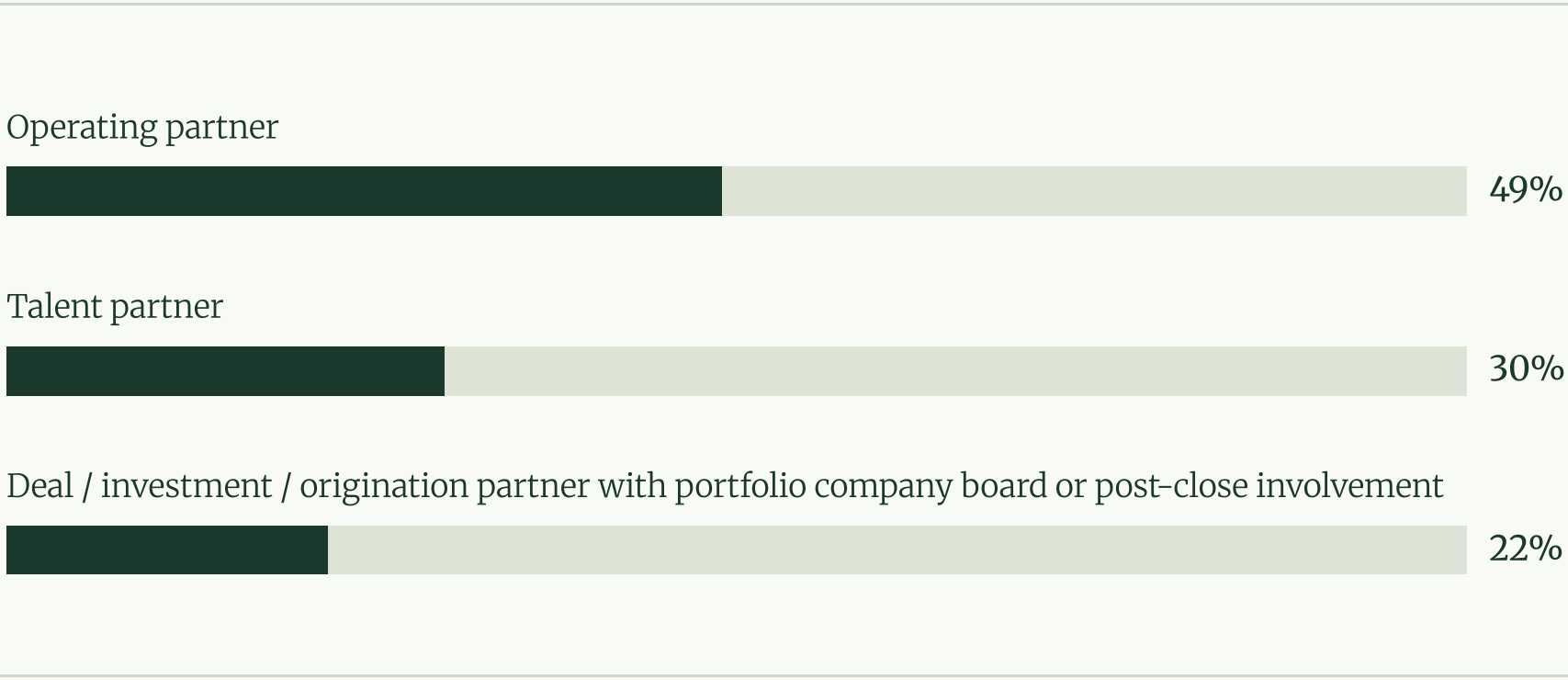
For a series of comparative questions, respondents were asked to think of one portfolio company they considered among their most successful and one they considered among their most challenging, based on their direct visibility. Success could include realized gains or strong progress against the investment case; respondents determined for themselves what constituted a challenging example. For two of these questions, the survey required a different answer for each company. These results describe the examples leaders chose, not success rates.

Differences described as meaningful were tested at the 95% confidence level, adjusting for multiple comparisons, with at least 30 respondents per group; other differences are described as directional. Because respondents were not randomly selected, results reflect the views of participating PE leaders, and no margin of error is reported. Findings are self-reported perceptions, including recall of past portfolio companies, and do not establish cause and effect. Several questions allowed up to three answers or a ranked top three, so percentages can exceed 100%; figures are rounded and may not total 100%.

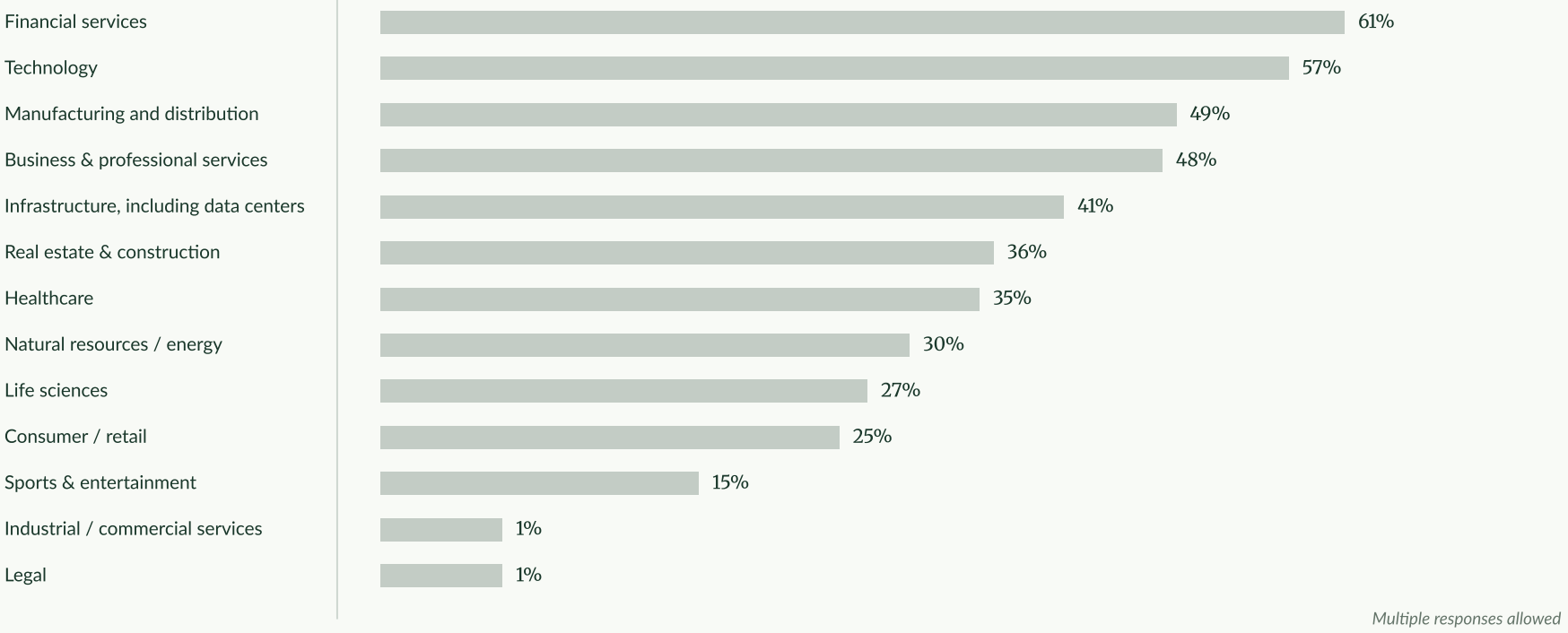
PORTCO AVERAGE ANNUAL REVENUE AT INITIAL INVESTMENT



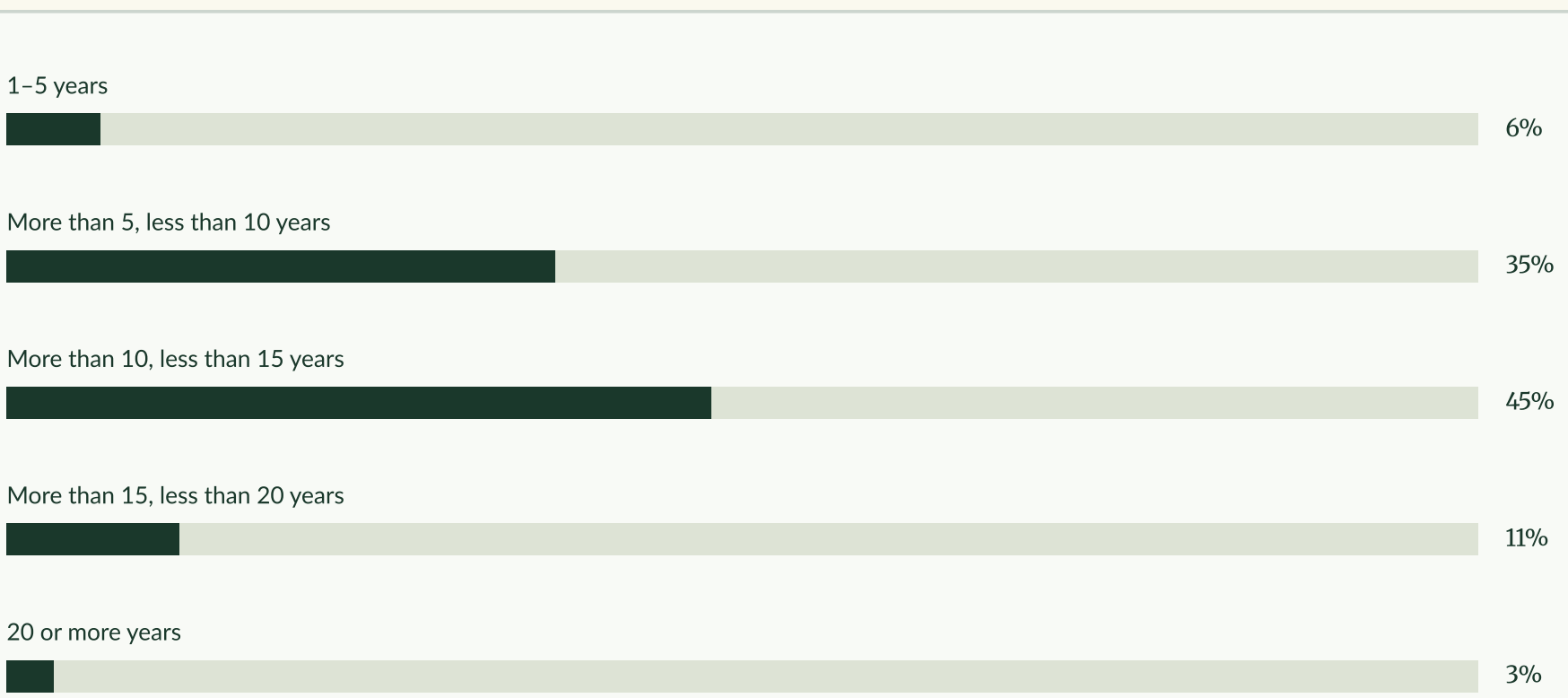
TITLE OR POSITION



INDUSTRIES



YEARS OF PE EXPERIENCE



Research acknowledgment: *This report was developed with research leadership from Liz Salib, PhD, Principal Consultant at Summit Leadership Partners, who served as principal investigator and worked closely with the project team throughout the study.*

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About Summit Leadership Partners, LLC

Summit Leadership Partners is a leadership advisory firm that helps private equity investors, CEOs, and executive teams accelerate performance and create enterprise value. Combining behavioral science, proprietary leadership data, and practical business expertise, Summit advises clients on talent assessment, executive coaching, leadership development, team effectiveness and organization performance. Summit has been recognized as one of America's Best Management Consulting Firms by Forbes for five consecutive years.

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