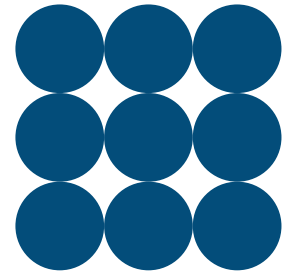


Esquai Survey 2025

"Leadership Performance in Private Equity"



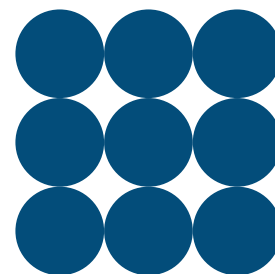
An analysis of the key value drivers, management levers and internal challenges in the private equity industry.

July-October 2025

Esquai Leadership Advisors GmbH

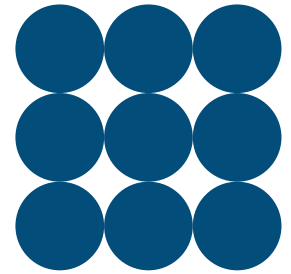
www.esquai.com

Executive Summary – Esquai Survey 2025 "Leadership Performance in Private Equity"



- 1** Leadership beats financials: Excellence in leadership and execution contributes far more to value creation in the private equity and venture capital organizations surveyed than financial engineering.
- 2** Professional leadership coaching and sparring are the levers of the future: Instead of replacement or interim management, the focus is clearly on the individual development of existing managers.
- 3** Soft factors determine the effectiveness and efficiency of collaboration: A culture of trust and clear communication influence sustainable collaboration far more than structures, tools or key figures.
- 4** Talent strategies remain patchwork: Only one sixth of the organizations surveyed have a stringent talent strategy. One-third have a strategy, but describe it as inconsistent. The other half have no strategy or do not know it.
- 5** The measurement of leadership performance is becoming more professional: 360° feedback and pulse checks tend to gain in importance, but are not yet fully applied.

Introduction



Leadership makes the difference – more than ever. At a time when private equity (PE) and venture capital (VC) are under increasing pressure to deliver sustainable value creation, factors that contribute to essential leadership performance are coming into focus.

The Esquai Leadership Survey 2025 sheds light on how important leadership factors actually are in PE/VC-driven organizations.

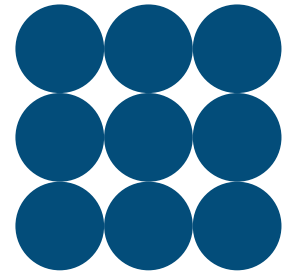
Our study is based on a quantitative survey of investors and executives in the PE and VC sector with 44 participants. It shows that the quality of leadership and its consistent development are more important for success today than classic financial levers. Not only new priorities are revealed, but also blind spots – especially in the talent strategy and the measurement of leadership competence.

Our analysis highlights key findings that are equally relevant for investment managers and operational leaders – especially with regard to the targeted development of leadership skills in the PE/VC context.

Due to the different value creation levels, the presentation of the results of this study was differentiated into

- A** Leadership-relevant topics in the portfolio companies (OpCos) and
- B** Management of Investment Companies (HoldCos).

A. Leadership-relevant topics in portfolio companies (OpCos) (1/4)

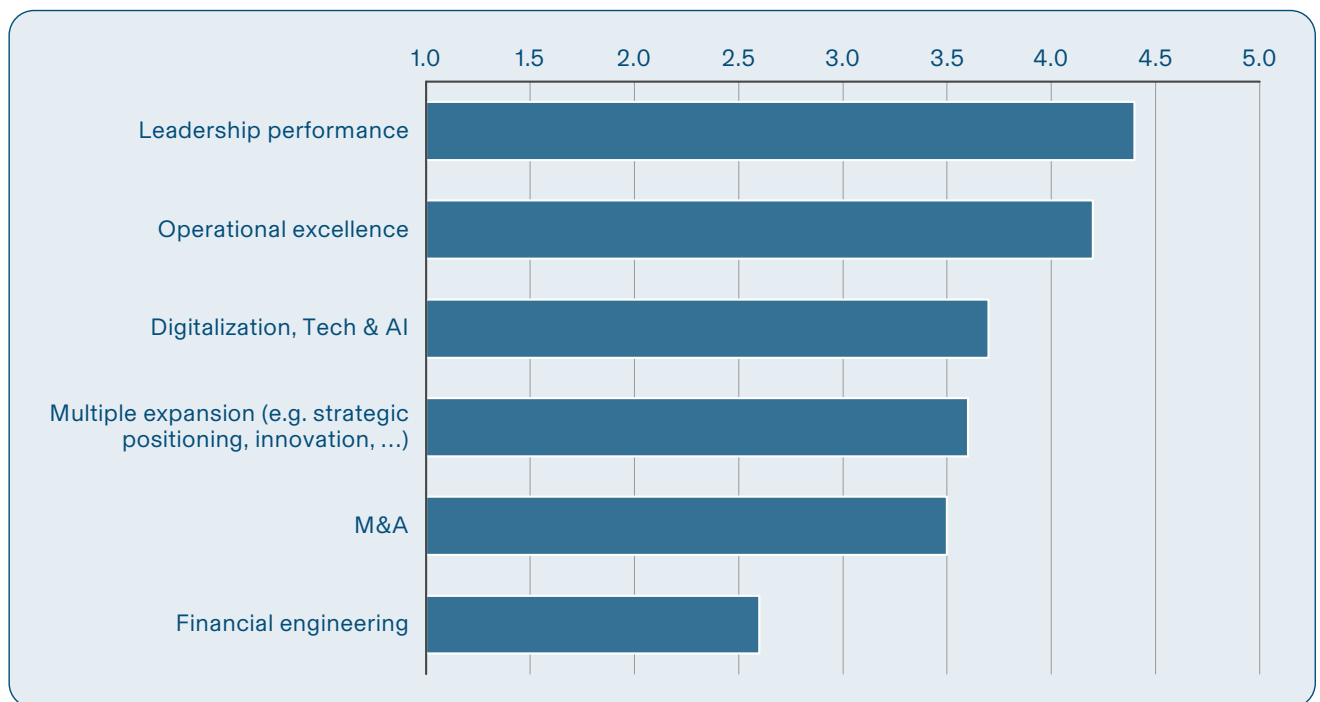


For portfolio companies, the study results clearly show that "soft" factors such as the use and development of leadership competencies and methods have replaced traditional financial levers as the primary value drivers.

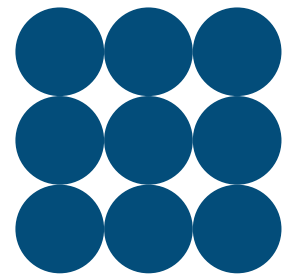
1 Leadership is the most important value driver in the portfolio

For the survey participants from portfolio companies (OpCo), leadership performance was cited as the biggest driver of growth and value. In second place is operational excellence. The value driver with the least importance is financial engineering.

Question: What are the most important growth and value drivers for your portfolio? Rating on a scale of 1-5



A. Leadership-relevant topics in portfolio companies (OpCos) (2/4)



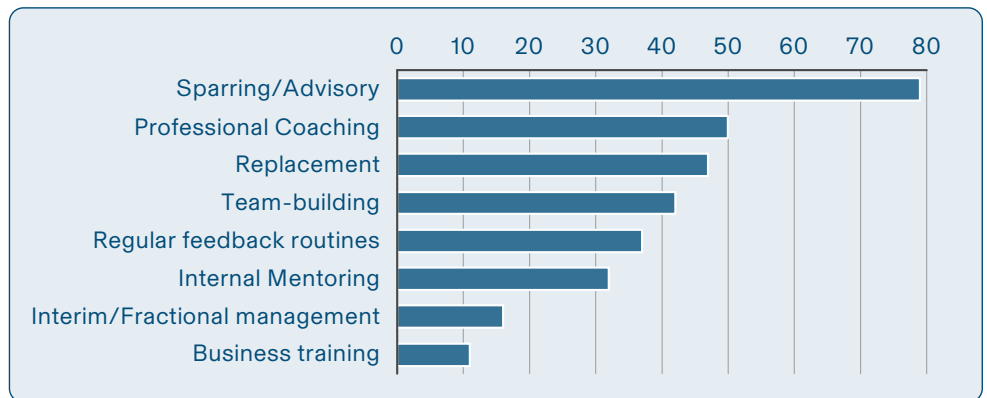
2

Individual measures to increase leadership performance on the rise

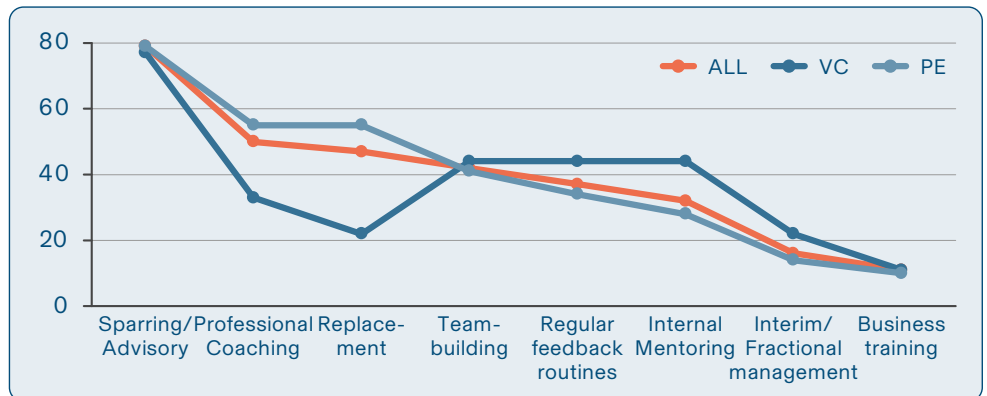
The 1:1 intervention sparring/advisory is by far the most commonly used leadership performance measure in the OpCos surveyed. Another trend is the use of individual coaching before the use of training. The rather low use of interim management is also remarkable.

This suggests the relevance of developing existing leaders and leveraging existing experience in OpCos.

Question: What levers have been systematically used in the past 12 months to improve leadership performance? Multiple answers possible, use of leverage by X% of participants



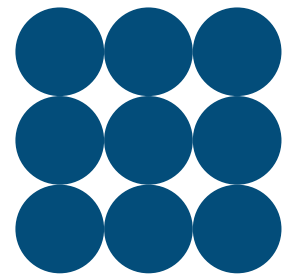
Question: What levers have been systematically used in the past 12 months to improve leadership performance? Differentiation of results according to PE and VC



If you look at the other levers used to increase leadership performance after sparring/advisory, differences between PE and VC can be seen.

In PE, coaching and replacement follow as frequently used measures. In VC team-building, feedback and internal mentoring follow as frequently used measures.

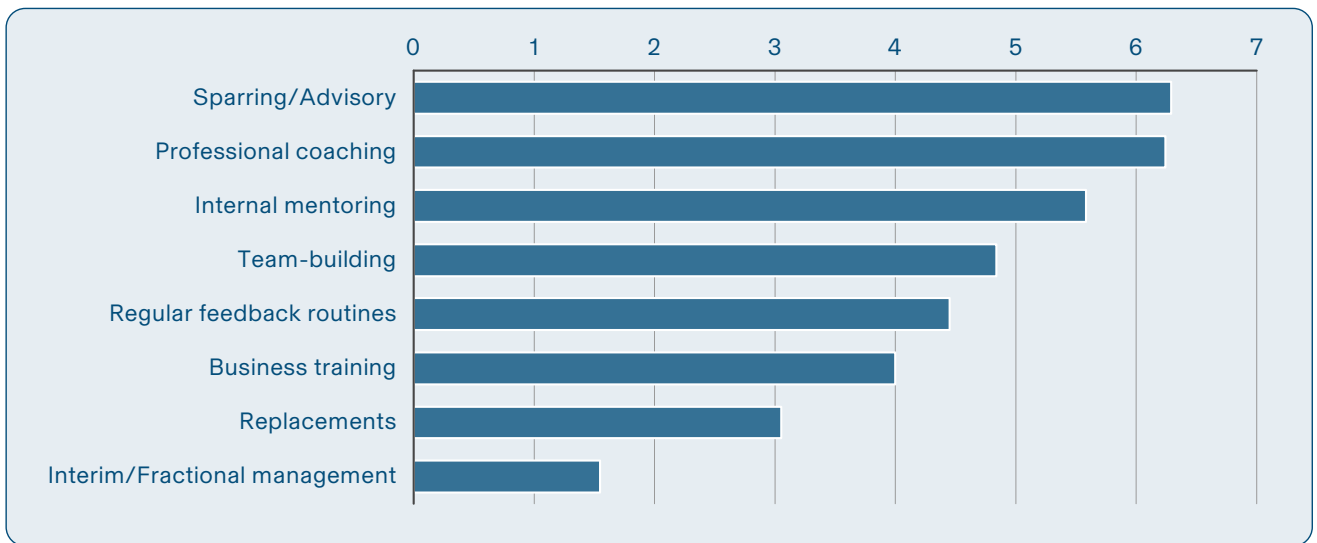
A. Leadership-relevant topics in portfolio companies (OpCos) (3/4)



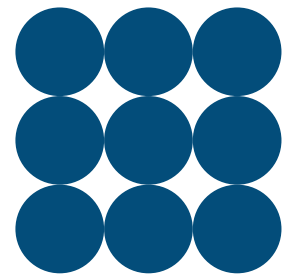
3 The future of performance improvement: Leadership development before replacement

A glimpse into the future also reflects the clearly recognizable trend described above: The industry is focusing on the further development of existing managers through individual 1:1 measures instead of the exchange of managers. Sparring/advisory and professional coaching are seen as the most effective levers for future success.

Question: Where do you see the greatest lever for increasing leadership performance in the future?
Weighted ranking



A. Leadership-relevant topics in portfolio companies (OpCos) (4/4)



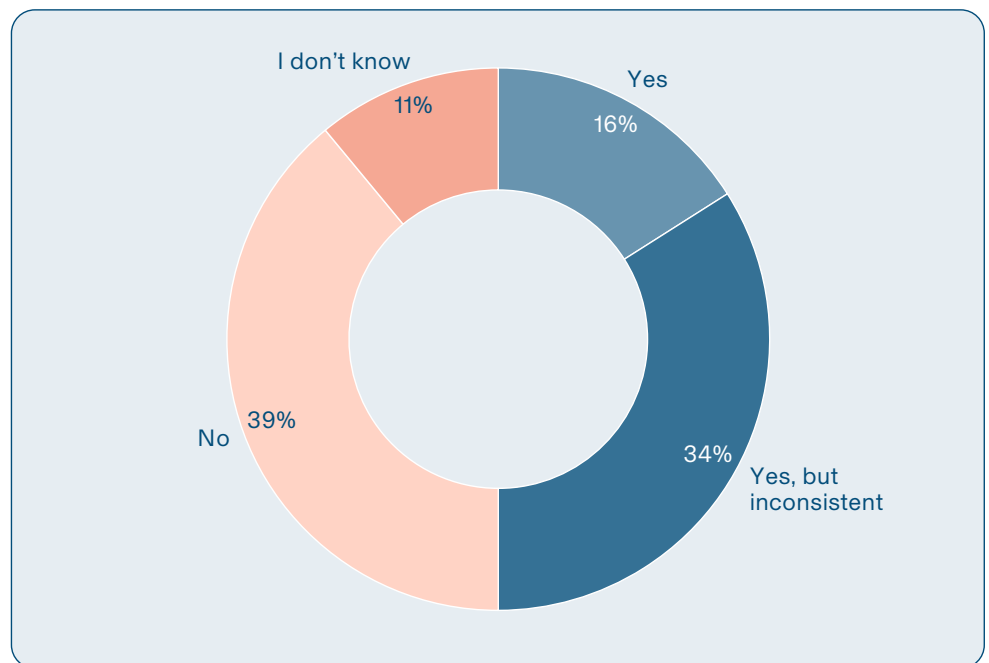
4

Talent strategy in OpCos with expansion potential

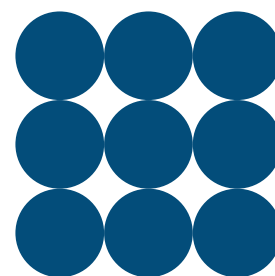
The trend towards the individual development of managers through the above-mentioned measures, which can be clearly seen from the results of the survey, is only partially underpinned by a talent strategy.

Half of the participants in the survey say they have a talent strategy. Two-thirds of them describe their strategy as existing but inconsistent.

Question: Do you have a talent strategy for your portfolio? Choice of 4 options



B. Management of investment companies (HoldCo) (1/5)



The following results of the survey refer to the investment organization including fundraising, investment team, value creation team, operations, support.

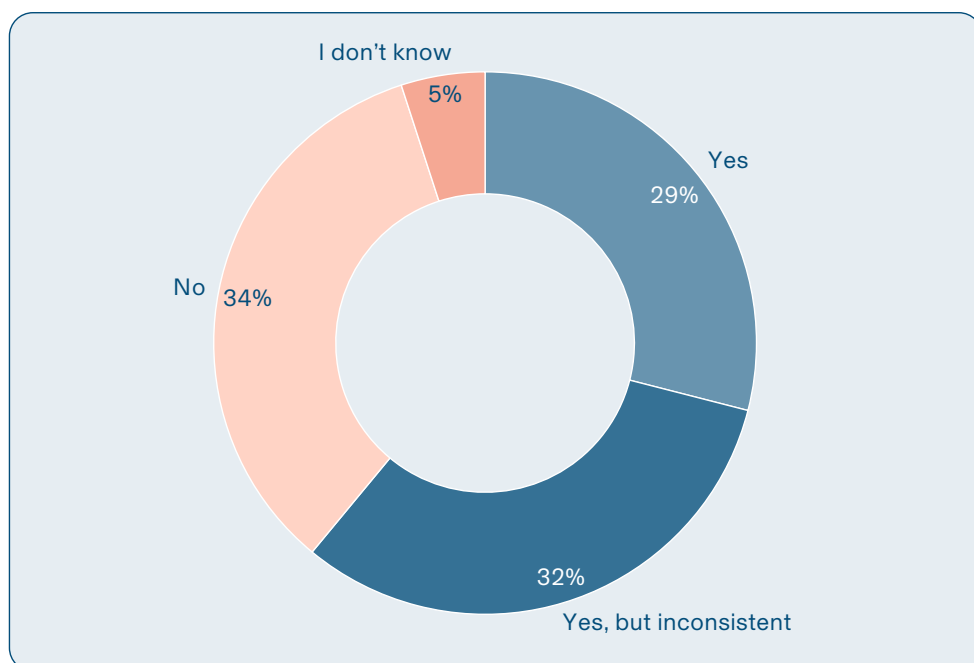
Internally, investment organizations are facing challenges. The allocation of resources for strategic talent development is inconsistent, and the measurement of leadership success is not yet universally established. The cooperation of internal teams is evaluated very critically, the most important levers for improvement here are the team culture and communication. The biggest challenge is described as the unclear formulation of goals, followed by overload, conflicts and a dysfunctional leadership style. These four challenges reinforce each other.

1 Internal resources for talent management of varying degrees

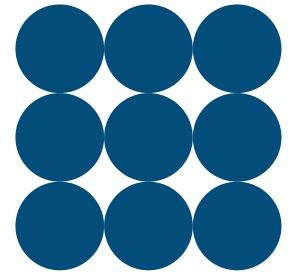
A third of the participants state that they do not have their own resources to implement a talent strategy. More than half use internal resources, but about half of those only inconsistently.

This suggests a very diversified level of development in talent management.

Question: Do you have dedicated resources for your talent strategy? E.g. roles such as Human Capital Partner or a management or leadership playbook (rules and methods); Choice of 4 options



B. Management of investment companies (HoldCo) (2/5)



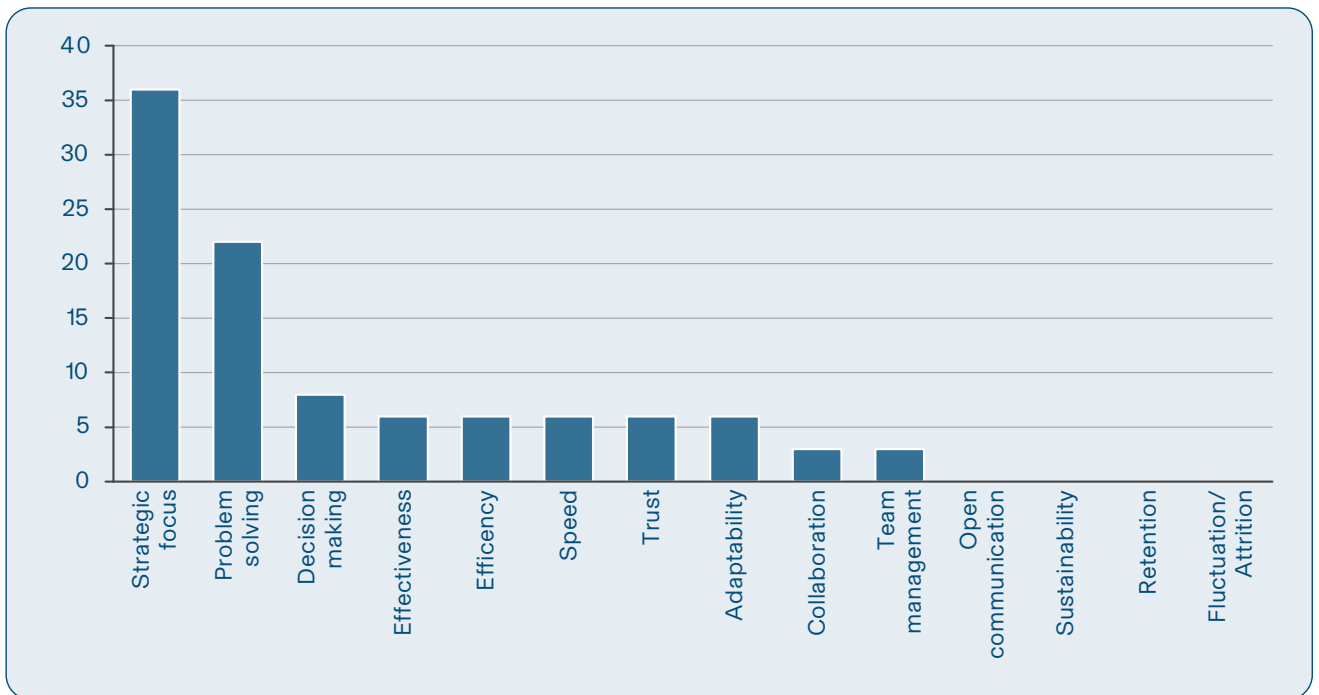
2

Strategic focus as the most important aspect for future leadership performance

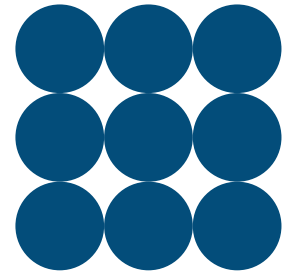
The top priority for future leadership performance of HoldCos is by far strategic focus, followed by the ability to solve problems.

Other factors such as decision-making, efficiency, collaboration, trust and speed are still important, but were not mentioned as a priority by the study participants.

Question: Which aspect of leadership performance will be the most important in the future? One aspect out of 14 to choose from as priority 1 [%]



B. Management of investment companies (HoldCo) (3/5)

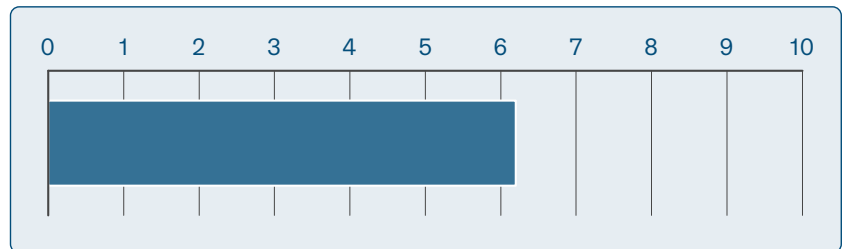


3

Quality of cooperation between internal teams has room for improvement

The cooperation between the internal teams (fundraising, investment team, value creation team, operations, support) is generally assessed rather critically by the study participants (6 out of 10). This, in turn, allows conclusions to be drawn about untapped potential for improvement in the leadership and cooperation of the teams.

Question: How good is the cooperation between the different teams in your investment company? (Fundraising, Investment Team, Value Creation Team, Operations, Support); Rating on a scale of 0 "extremely bad" to 10 "excellent"



4

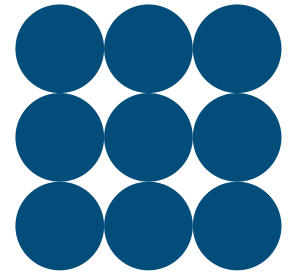
Team culture and communication as the basis for good collaboration

In the collaboration and cooperation between the internal HoldCo teams, the often so-called "soft" factors, such as team culture, clear communication, but also trust play an essential role. They can be described as the basis for good collaboration. Nevertheless, the structural, "hard" factors are also important: in addition to clear roles and responsibilities, clear goals and processes, leadership principles are also consistently rated as important. On the other hand, it is noticeable that collaboration tools are weighted the lowest.

Question: What are the most important prerequisites for good cooperation in the investment organization (fundraising, investment team, value creation team, operations, support)? 11 suggestions sorted by importance



B. Management of investment companies (HoldCo) (4/5)



5

Top challenges in leadership and collaboration

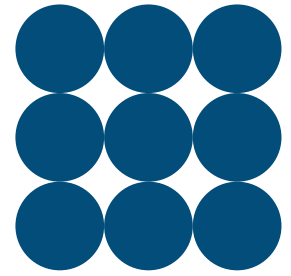
The study participants see five main challenges in terms of leadership and collaboration in the HoldCos: unclear goals, overload, dysfunctional leadership methods, conflicts and deficiencies in individual performance. This is where the above-mentioned improvement levers such as sparring and professional coaching can come in directly.

From an empirical point of view, it is striking that lack of psychological safety and lack of commitment and cooperation hardly play a role in the organizations represented by the participants or cannot be evaluated.

Question: What is the biggest challenge in terms of leadership and cooperation? One aspect out of 12 to choose from as priority 1 [%]



B. Management of investment companies (HoldCo) (5/5)



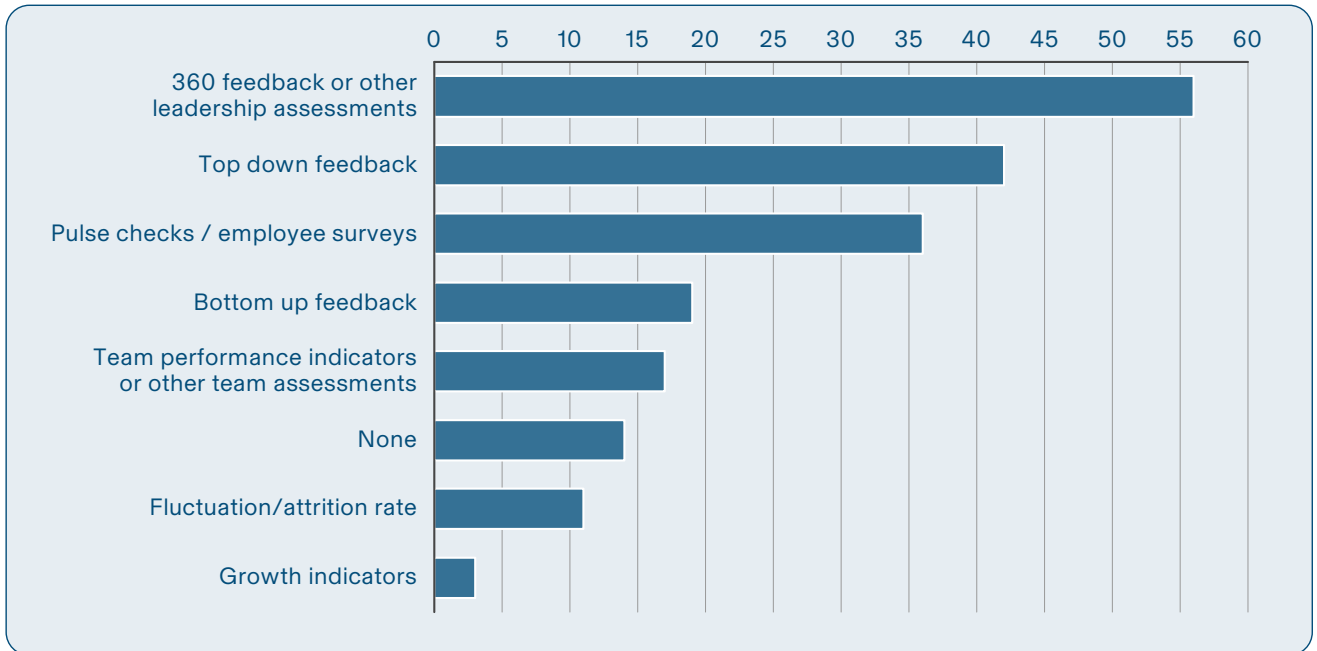
6

Measuring leadership performance

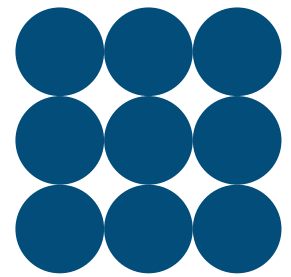
Finally, the leadership survey discusses the measurement of leadership performance. In general, there are signs of professionalization in this field. The most well-known and most used tools in the organizations surveyed are 360 feedback and top-down feedback. Other methods, such as pulse checks or employee surveys as well as team performance indicators, are used more sporadically.

Top-down feedback is used twice as often as bottom-up feedback. 15% of the study participants do not currently measure leadership performance.

Question: Do you use tools to make leadership performance measurable?
Multiple choice out of 8 to choose from [%]



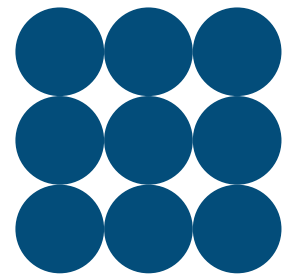
Esquai View / Expert Opinion



The study results confirm our observations from leadership advisory practice. The holding companies recognize that leadership issues have an enormous leverage effect on the success of the investment. The increasing trend towards the holding period of investments requires sustainable talent development in the OpCos, which is positively reflected in the company's valuation. Longer holding periods and dealing with the more difficult and complex "softer" factors of leadership pays off compared to short-term financial and personnel measures. We assume that in the future, the quality and professionally managed development of the leadership of the OpCos will become significantly more important.

We have learned from this study that internal collaboration between management, investment and operations teams is a very critical success factor. Naturally, there are different perspectives and challenges between the functions of a HoldCo. The importance of leadership performance and talent development within the HoldCos will continue to increase. In addition to the already very pronounced factual and rational assessment competence of deals and the economic performance of the OpCos, the often underestimated socio-emotional competence of the executives in the HoldCo will become more relevant. The "soft" factors of leadership are also increasingly measurable and can therefore also be developed in a more focused way.

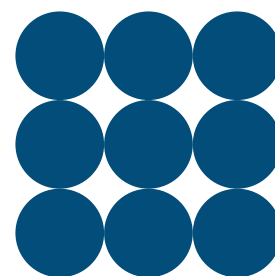
Service Portfolio within the Esquai Leadership Framework



The Esquai view of the leadership of an investment company or its portfolio companies repeatedly leads from the big picture via the responsible committees back to the individual as part of a system. From the overall organization to the team to the individual – and back. The Esquai Leadership Framework provides orientation and motivates people to ask "why" at all levels and to reconcile the answers.

“Ask why?” - Esquai.





Methodology

The Esquai Leadership Survey 2025 was conducted with the aim of drawing a differentiated picture of the leadership reality in PE and VC-driven organizations. The survey took place in the summer of 2025 and was aimed at decision-makers along the entire value chain – from investment professionals to operational executives.

Participant profile

Sample size: 44 participants, 42 of whom have complete information

Functions: More than half of respondents (52%) are in C-level positions, as managing directors or partners. Other groups include Directors, VPs, Team Leads, and members of Investment Committees, Operations, and Value Creation.

Organizational areas: The respondents mainly work in the areas of investment, value creation and general management.

Types of organizations: The majority are from small and mid-cap private equity firms, followed by large-cap PEs, VCs, and family offices.

Survey design

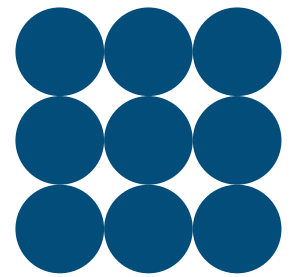
The survey included 19 structured questions, including both closed and scaled response formats (e.g., 5-point scales, rankings).

The main topics included the relevance of various value levers (e.g. leadership, financial engineering, M&A), development measures used, talent strategies, cooperation culture and the measurability of leadership.

The evaluation was quantitative.

The results provide a representative picture of the mood from practice and show which levers are currently at work in management – and which will be decisive in the future.

About Esquai



Esquai provides consulting, facilitation, and coaching to organizations, primarily their CEOs and board members. We are a premium boutique and implement tailor-made programs and interventions. As Leadership Advisors, we support our clients in improving their performance and ultimately the value of their system.

Our clients agree with us that good leadership creates value. Good leadership is both an individual skill and the decisive success factor of a performance-oriented system.

For us, Leadership Advisory is personal work with clients on an equal level. We focus on the individual and team-specific behavioral level, promote constructive reflection and motivation and always keep an eye on the systemic level.

Our typical customers are companies, board members and executives in special situations. Special situations arise, for example, due to strong growth, before or after a change of ownership or management, in crises and in transformation processes. We have particular expertise and experience in advising clients from private equity, family businesses, professional service firms, SMEs/medium-sized companies.

Your contacts for the Esquai Leadership Survey 2025



Dr. Philip Scherenberg
Partner

philip.scherenberg@esquai.com



Dr. Tim Zimmermann
Partner

tim.zimmermann@esquai.com



Inga G. Grieger
Network Member

inga.grieger@esquai.com



Dr. Carolina Kleebaur
Network Member

carolina.kleebaur@esquai.com

+ over 20 other Leadership Advisors from the Esquai Network: www.esquai.com

