

# **MASTERING PE- BACKED CFO LEADERSHIP**

**INSIGHTS,  
COMPETENCIES, AND  
TAILORED SCORECARDS**

# Executive Summary

**CFOs in Private Equity-backed companies have a pivotal role that extends beyond traditional finance. They are strategic leaders capable of driving significant growth under high pressure, navigating complex challenges, and ensuring financial stability.**

By analysing exclusive talent data from 24 PE-backed CFOs and comparing it with over 500 other C-level leaders, we uncovered key traits that differentiate these CFOs and identified specific areas where they excel and where there is room for growth.

## Key takeaways

### **CFOs Tend to be More Risk-Averse**

CFOs generally exhibit heightened sensitivity to stress and a preference for maintaining the status quo, reflecting their responsibility for financial stability. This is evidenced by higher scores in emotional range and a lower inclination for seeking challenges.

### **Analytical and Detail-Oriented Decision Makers**

CFOs show a strong preference for thorough analysis and comprehensive information gathering, supporting a methodical decision-making process. This is evidenced by superior analytical thinking and attention to detail.

### **Collaborative and Responsible Leadership**

With higher levels of agreeableness and a commitment to accountability, CFOs foster teamwork and ensure responsibilities are clearly defined and met. This is evidenced by elevated agreeableness and strong performance in ensuring accountability.

### **Custodians of Corporate Tradition**

CFOs exhibit a pronounced respect for established practices and regulatory compliance, which is vital in their role as financial guardians. This is evidenced by higher valuations of tradition and conformity.

### **Enhancing Customer Engagement**

There is room for CFOs to develop a more customer-centric approach, aligning financial strategies with customer needs to drive better market outcomes.

### **Organisational Navigation**

Support in understanding and influencing the broader organisational dynamics could further empower CFOs to extend their impact within the company.

# Intro

**This whitepaper, grounded in insights from the Wisnio platform, compares the competencies, personality traits, and values of 24 PE-backed CFOs with a broader pool of 595 C-level peers. It offers a detailed blueprint for identifying and nurturing the CFOs who lead companies to success.**

Our analysis reveals what sets successful PE-backed CFOs apart, emphasising not only their financial acumen but also their strategic vision, adaptability, and deep understanding of the business landscape.

Using the insights from our research, we introduce three bespoke hiring scorecards tailored for the different stages (Integration, Growth, Value Optimizer) of a PE-backed company's lifecycle.

These scorecards translate complex talent data into actionable evaluation criteria. Enabling PE firms to systematically assess candidates against specific demands. Ensuring they are well-equipped to meet the unique challenges of the PE environment head-on.

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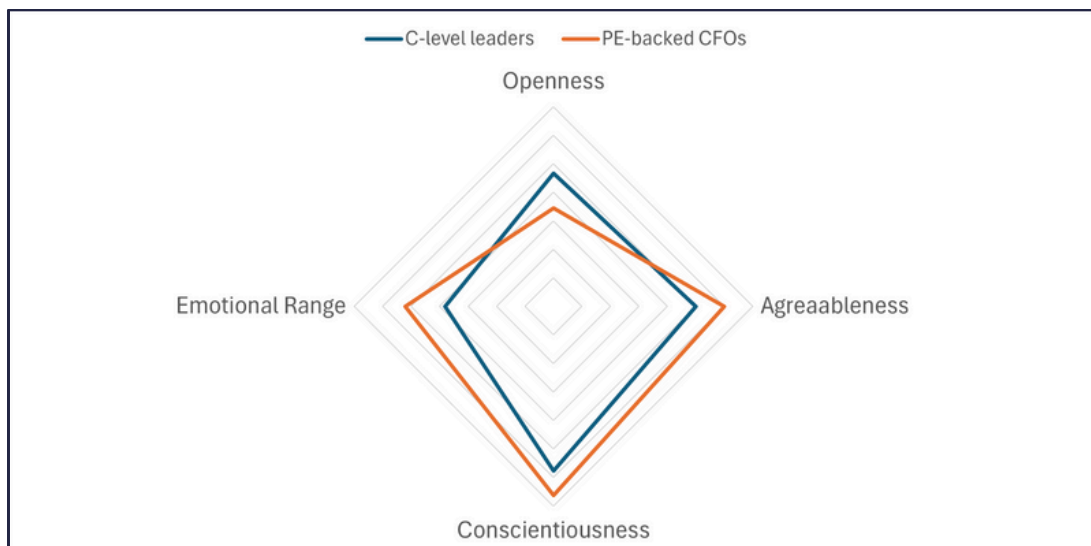
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# Personality

**The Wisnio Personality Assessment reveals a profile of a person with high emotional awareness and strong team cooperation, essential for leading in volatile markets and enhancing collaboration.**

However, a potentially less open approach to new ideas may suggest a preference for established methods. Being meticulous in risk-averse settings is beneficial, but a balance with openness to innovation is crucial for long-term success.

When comparing these results with results from other PE-backed C-level leaders, CFOs show similar emotional control but are less open to new concepts. Understanding these traits is key to supporting their growth and maximising their impact on organisational success.



## Emotional Range

CFOs display significantly higher scores in emotional range, indicating heightened sensitivity to stress or emotional volatility. It suggests that CFOs may experience more stress or have stronger emotional responses due to the demands and responsibilities of their role.

## Importance

Vital during integration phases of mergers and acquisitions, where emotional intelligence aids in effective change management.

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- Provide access to executive coaching focused on stress management techniques.
  - Encourage a supportive work culture that values emotional well-being.

## Agreeableness

CFOs score notably higher in agreeableness, suggesting they are more cooperative, compassionate, and friendly in their interactions. This trait could be advantageous in negotiations, team management, and building professional relationships.

## Importance

Enhances negotiations and stakeholder relationships during the Value Optimization phase, positively impacting company valuation.

- 
- Facilitate team-building activities to leverage their cooperative nature.
  - Encourage a culture of openness where feedback is welcomed and shared regularly.

## Conscientiousness

CFOs demonstrate higher levels of conscientiousness, indicating a strong sense of duty, reliability, and an organised approach to work. These traits are critical for effective financial management and strategic planning.

## Importance

Supports execution of expansion strategies during the Growth phase, ensuring sustainable growth with balanced risk management.

- Set clear, prioritised goals to leverage their organisational skills.
- Encourage long-term strategic thinking to balance detail-orientation with innovation.

## Openness

CFOs score lower in openness, indicating less interest in new experiences and ideas compared to their peers. This could suggest a more conservative or pragmatic approach to risk and innovation, aligning with the cautious and analytical nature required in financial roles.

## Importance

Ensures calculated expansion during the Growth phase, balancing innovation with financial stability.

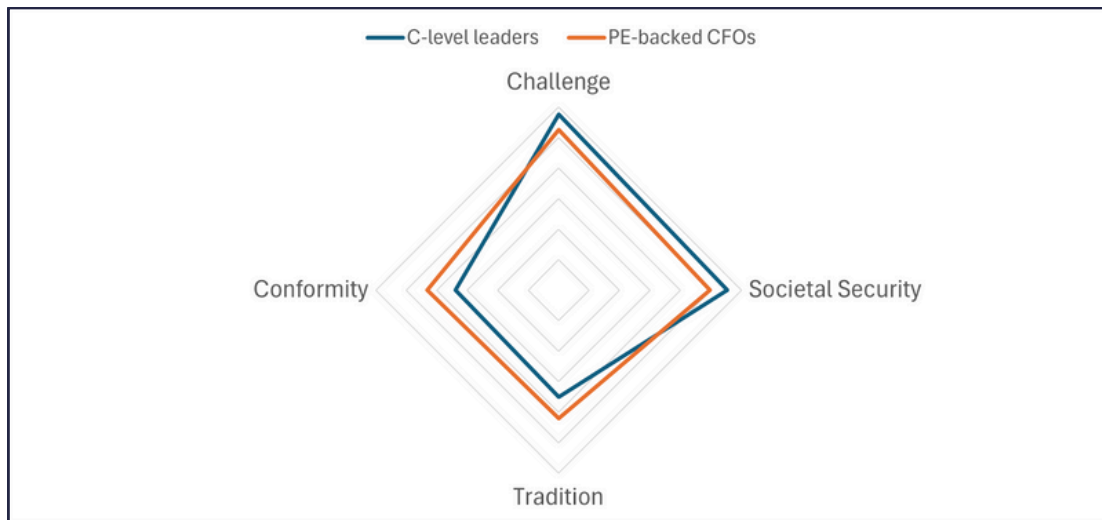
- Create an environment where exploring new ideas is encouraged and valued.
- Encourage participation in industry conferences and events that showcase emerging trends and technologies.

# Values

Values serve as the guiding principles for decision-making, and for PE-backed CFOs, a strong emphasis on tradition and adherence to regulations (conformity) is evident. This focus ensures ethical conduct and compliance with established protocols, a cornerstone in the finance industry.

However, the ability to adapt and embrace innovation is becoming increasingly important. Mastering this delicate balance between upholding time-tested practices and navigating the currents of contemporary business demands will be a key challenge for PE-backed CFOs.

Interestingly, PE-backed CFOs place a greater emphasis on tradition compared to other C-level leaders, while still valuing achievement and self-direction to a similar degree.



## Challenge

CFOs score lower on valuing challenges, indicating a preference for familiar routines over new challenges. This may align with a risk-averse mindset typical in financial management roles.

## Importance

Lower scores in valuing challenges are particularly relevant during the Value Optimization phase. Their preference for established routines supports refining and perfecting financial operations and strategies for exit readiness.

- Provide opportunities for CFOs to engage in low-risk innovative projects to gradually build confidence in tackling new challenges.
- Offer training programs that focus on strategic risk management and adaptive leadership.

## Societal Security

CFOs also score lower in societal security, suggesting they may place less emphasis on societal stability and security as a guiding value. Possibly due to a focus on organisational rather than societal issues.

## Importance

During the Growth phase, a lower emphasis on societal stability allows CFOs to concentrate on organisational ambitions and growth opportunities, aligning resources and strategies for scalable expansion.

- Encourage CFOs to consider the broader societal implications of their strategic decisions as part of corporate social responsibility (CSR) initiatives.
- Foster an understanding of how societal stability can indirectly benefit organisational growth and long-term success.



## Tradition

CFOs score higher on tradition, which indicates a higher regard for customs and a tendency to follow tried-and-true practices. This can be beneficial for preserving stability and reliability in financial strategies.

## Importance

High regard for tradition is most beneficial during the Integration phase. It ensures stability and adherence to proven financial practices and systems as companies navigate the complexities of merging entities and cultures.

- Utilise established financial practices and systems to maintain stability during change.
- Incorporate innovative approaches that respect and build upon traditional practices to ensure adaptability.

## Conformity

The higher score in conformity for CFOs suggests a stronger adherence to rules, standards, and regulations. This trait is critical in finance to ensure compliance and ethical conduct in financial operations.

## Importance

Higher conformity is pivotal during the Integration and Value Optimization phases. Strict adherence to financial regulations and ethical standards ensures operational integrity and positions the company favourably for future transactions.

- Provide ongoing education on the latest financial regulations and ethical standards.
- Encourage a culture of ethical behaviour and integrity in all financial operations.

# Competencies

The competency assessment paints a picture of a CFO with a robust skillset. Exceptional analytical thinking, strong business acumen, and meticulous information management form the building blocks of their expertise.

These competencies translate into the ability to construct resilient financial strategies and infrastructures, crucial for navigating the complexities of financial management. As the CFO role expands to encompass strategic influence and innovation, the need to develop organisational awareness and a strong customer focus is becoming increasingly important.

Crucially, our insights reveal an area ripe for enhancement: cultivating a broader customer focus. An element that, while currently less pronounced, stands as a cornerstone for sustainable expansion and stakeholder satisfaction.

By addressing this, CFOs can further elevate their strategic impact, ensuring their approach not only secures the present but also ingeniously architects the financial future of their firms.



## Analytical Thinking

CFOs score significantly higher in analytical thinking, reflecting their ability to understand complex problems and identify patterns, an essential skill for financial analysis and strategy.

### Importance

Extremely valuable during the Integration phase. Analytical thinking enables CFOs to manage the multifaceted challenges of merging companies, ensuring strategic decisions are well-informed and optimal for seamless integration.

- 
- Invest in advanced data analytics training to strengthen this competency.
  - Utilise sophisticated financial modelling and simulation tools to support decision-making.

## Attention to Detail

The higher score in attention to detail shows CFOs' capability to manage information meticulously, a valuable trait for ensuring accuracy in financial reporting.

### Importance

Critical in the Value Optimization phase. A keen attention to detail supports precision in financial audits, valuations, and reports, influencing a company's market valuation during sale or acquisition negotiations.

- 
- Establish detailed checking and validation procedures for financial reports.
  - Encourage meticulousness in all financial operations to uphold reporting accuracy.

## Business Acumen

CFOs display strong business acumen, indicating a deep understanding of the business environment and the ability to apply knowledge effectively, which is crucial for driving financial performance.

## Importance

Essential during the Growth phase. Business acumen enables CFOs to spearhead expansion strategies, recognize viable market opportunities, and navigate scalability challenges, fueling strategic growth and competitive advantage.

- 
- Regularly engage in industry events and workshops to keep abreast of market dynamics.
  - Facilitate learning opportunities across different business functions to enhance strategic understanding.

## Information Seeking

CFOs are proactive in seeking information, suggesting thoroughness in research and preparation for informed decision-making.

## Importance

Indispensable during the Integration phase. Rigorous information seeking gives CFOs a comprehensive overview of both entities involved in a merger or acquisition, fostering decisions that enhance operational cohesiveness and strategic synergy.

- 
- Invest in the latest research and information-gathering tools.
  - Promote a culture of ongoing knowledge acquisition and curiosity.

## Ensuring Accountability

The competency of ensuring accountability is strong among CFOs, indicating they are effective in setting performance standards and holding individuals and teams accountable.

### Importance

Essential in the Growth phase. Their commitment to accountability drives the achievement of ambitious growth objectives and sustains scalable operational excellence.

- 
- Design and implement robust performance measurement systems.
  - Reinforce a culture where team members are accountable for their performance.

## Organisational Awareness

Scoring lower in organisational awareness suggests CFOs may have less understanding of or focus on the internal dynamics and power structures within the organisation.

### Importance

Enhancing this competency is impactful during the Integration phase. Understanding the nuances of merged entities can facilitate a seamless and synergistic integration process.

- 
- Foster relationships across all levels of the organisation to enhance awareness of internal dynamics.
  - Offer training focused on understanding organisational structures and cultures.

## Customer Focus

The lower score in customer focus indicates that CFOs may not prioritise customer needs as highly as other strategic or financial concerns, which could be a reflection of the inward-looking nature of their role.

## Importance

Critical in the Growth phase. A strong customer focus guides strategic initiatives and innovation to meet customer needs, driving market-centric growth.

- 
- Provide training on customer relationship management and market-oriented strategies.
  - Encourage CFOs to participate in customer feedback sessions to better understand customer needs and preferences.

# Methodology

**The above insights are based on unique and valuable talent data collected on the Wisnio platform from 24 private equity-backed CFOs and 595 other C-level leaders in PE-backed companies.**

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The talent data consisted of assessment results from workplace competencies, personality traits, and values, providing a deeper understanding of the specific leadership profile that drives success

- **Personality**

Wisnio uses the updated IPIP NEO framework of the Big 5 Personality framework\*, measuring six facets or dimensions for Extraversion, Conscientiousness, Emotional Range (ER), Agreeableness, and Openness.

- **Values**

Adapted from Schwartz's universal values model\*\*, Wisnio's values survey identifies core motivators and attitude-drivers, as well as the type of work environments individuals would thrive in.

- **Competencies**

Based on Spencer and Spencer (1993)\*\*\* research, Wisnio's Competency Survey asks users to select and rank nine out of a total of twenty validated professional competencies.

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\* McCrae, R. R., & John, O. P. (1992). An introduction to the five-factor model and its applications. *Journal of personality*, 60(2), 175-215.

\*\* Schwartz, S. H., et al. (2012). Refining the Theory of Basic Individual Values. *Journal of personality and social psychology*.

\*\*\* Spencer, L.M., & Spencer, S.M. (1993). "Competence at Work: Model for superior Performance", *Human Resource Development Quarterly* Vol. 5, Issue 4, pp 391-395.

# Scorecards

**Building on the solid foundation laid by our comprehensive research, we now shift our focus to a pivotal tool that encapsulates the essence of our findings: the three bespoke hiring scorecards designed for the distinct phases of a private equity-backed company's lifecycle.**

The scorecards transform complex data into actionable evaluation criteria. Enabling PE firms to systematically assess candidates against the specific demands of their company's current phase. Thus enhancing their likelihood of achieving strategic objectives and driving exceptional growth.

## Integration

Following a PE firm's investment, the spotlight is on aligning the company's operations and financial frameworks with new strategic imperatives. The Integration scorecard focuses on identifying CFOs who can:

- Merge the PE firm's vision with the company's existing structures;
- Ensure smooth operational continuity;
- Steer towards accelerated value realisation.

## Growth

At this stage, the emphasis shifts to scaling the company. The Growth scorecard targets CFOs with the ability to:

- Balance financial controls with aggressive expansion strategies;
- Drive rapid development and manage working capital efficiently;
- Embed a culture of financial discipline that propels sustainable growth.

## Value Optimization

In preparation for a successful transition—whether an exit, merger, or IPO—the Value Optimization scorecard prioritises CFOs who can:

- Lead strategic exit planning and financial optimisation;
- Communicate effectively with stakeholders;
- Ensure robust financial systems and meticulously manage stakeholder expectations to maximize value.



# Scorecard - Integration

## Strategic Objective

The CFO must ensure seamless integration of financial systems from recent acquisitions, conduct comprehensive assessments of financial health, and develop strong stakeholder relationships. Leadership during change management initiatives, aimed at aligning team efforts with strategic pivots, is essential for the success of integration efforts.

## Focus Area

The integration phase demands expertise in financial systems integration, financial health, and operational efficiency analysis. These aspects are vital for building a solid financial and operational foundation post-investment.

## Example

### Key Objective

Seamless integration of financial systems and processes from recent acquisitions with the existing portfolio, ensuring operational continuity and laying a solid groundwork for financial stability.

### Position Requirement

**Financial Systems Integration Expertise:** Proven track record in the seamless integration of financial systems and processes post-acquisition. Demonstrating the ability to maintain operational continuity and establish a foundation for financial stability.

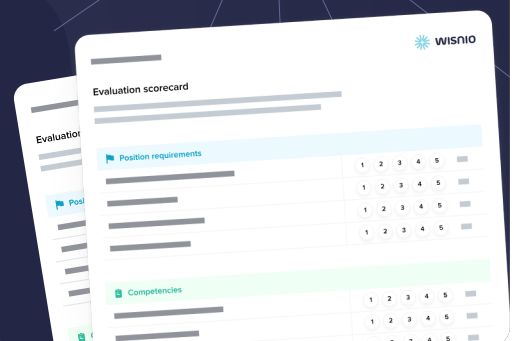
### Competency

**Strategic Thinking:** Uses industry trends to anticipate future scenarios and develop effective strategies. Essential for envisioning the integrated financial framework that aligns with long-term company goals and PE firm objectives.

## Get the full scorecard

Download the full scorecard with all the key objectives, position requirements, and job-related competencies along with job-based interview questions and more.

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# Scorecard - Growth

## Strategic Objective

The CFO is expected to develop and implement robust growth strategies, optimally manage working capital, and establish a culture of financial discipline. Achieving strategic financial milestones ahead of schedule is a testament to the CFO's effectiveness in guiding the company towards its long-term financial goals.

## Focus Area

During the growth phase, mastery of financial controls, working capital management, and strategic growth development are highlighted. The CFO plays a crucial role in steering the company through significant expansion and strategic realignment.

## Example

### Key Objective

The CFO co-develops and implements robust growth strategies, contributing to sustained revenue growth that resonates with strategic initiatives.

### Position Requirement

**Strategic Growth Development:** Demonstrated ability to co-develop and implement growth strategies in partnership with CEOs and leadership teams, with a history of contributions to sustained revenue growth and alignment with broader business targets.

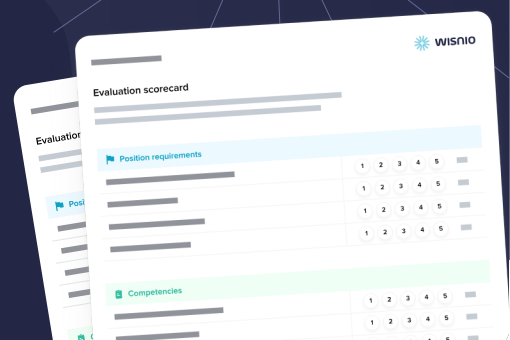
### Competency

**Leading Teams:** Demonstrates a desire to lead and build a strong team identity, crucial for rallying the finance team and the wider organisation behind growth strategies and overcoming the challenges of scaling the business.

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# Scorecard - Value Optimizer

## Strategic Objective

The CFO must lead in optimising financial reporting systems, collaborate on exit strategy development, and engage effectively with potential buyers or investors. Maintaining resilience under pressure and demonstrating experience in exit planning are deemed pivotal.

## Focus Area

The value optimizer phase stresses strategic exit planning, financial systems optimization, and stakeholder engagement. These elements are critical in preparing the company for a successful transition through sale, merger, or IPO.

## Example

### Key Objective

Ensure financial reporting and systems are meticulously optimised for accuracy, facilitating an efficient valuation process by potential buyers.

### Position Requirement

**Expertise in Financial Systems Optimisation:** Demonstrated experience in overhauling and optimising financial systems and reporting processes to ensure accuracy, transparency, and efficiency.

### Competency

**Influencing Others:** Capable of expressing views in a convincing manner, uses compelling arguments to gain stakeholder support, especially beneficial when engaging with potential buyers or investors to maximise valuation at exit.

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