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Raising the game

Private equity operating partners and chief financial officers team up to help drive value creation in the digital era

Deloitte Private Equity

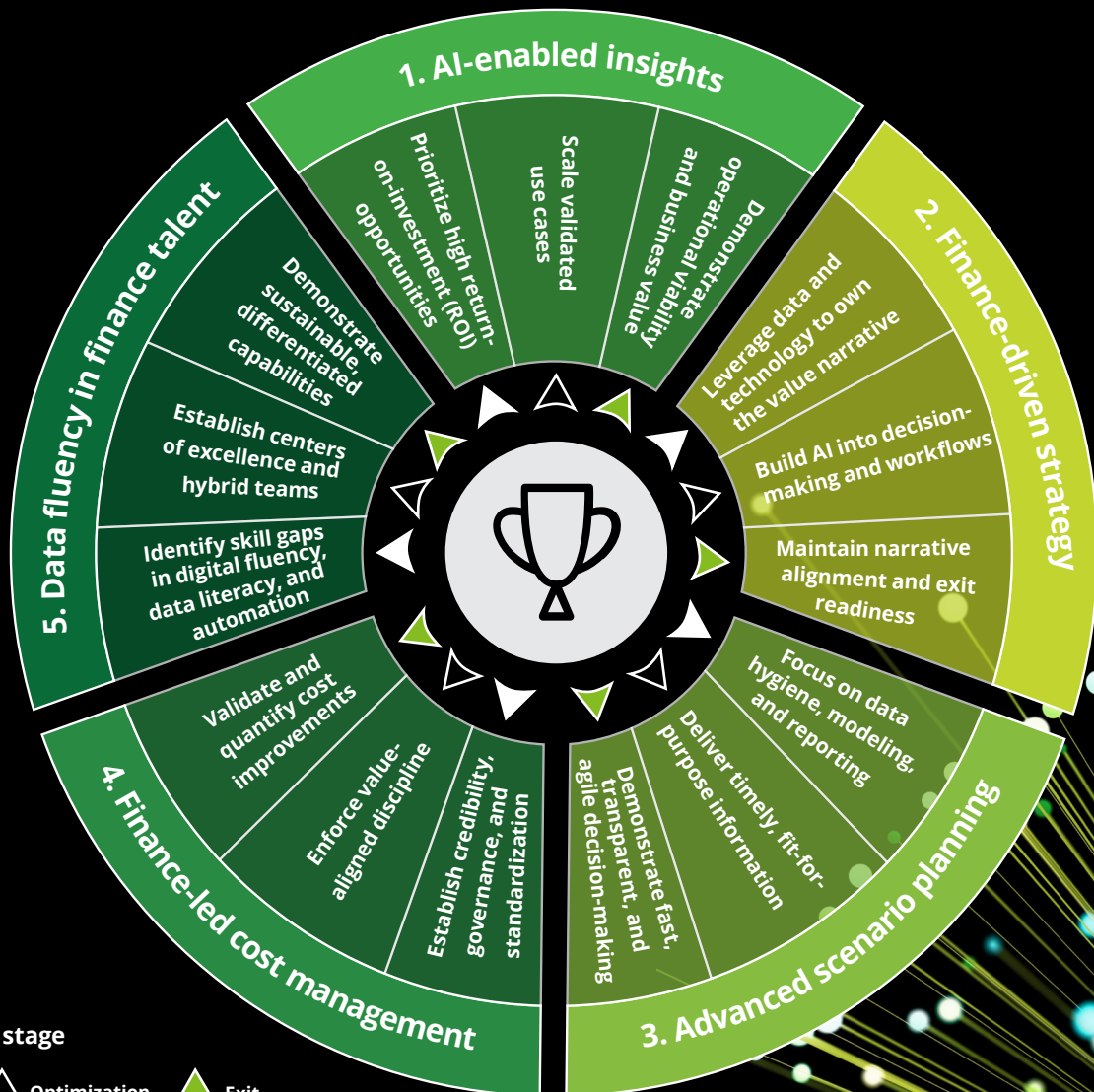
Executive summary

Private equity (PE) firms and their portfolio company chief financial officers (CFOs) are facing stiff competition for private capital and deep due diligence scrutiny. In today's investment environment, it's not enough to simply maintain the status quo. The finance leaders driving portfolio company value creation are using new technologies and skills to transform their role from scorekeeper to strategic architect. They're shaping value narratives, accelerating decision cycles, and demonstrating the operational discipline that buyers demand.

In a recent Deloitte survey of PE professionals, a significant number of respondents agreed that the positive impact of the CFO can influence the value realized on exit by 20% or more, reflecting the key role of the finance function in providing data-driven insight to drive better, faster decision-making and evidence a compelling equity story.¹

This publication explores five trends identified in Deloitte's 2026 Finance Trends survey,² viewed through a private equity value creation lens—from initial investment through optimization and exit. It reveals that when CFOs and PE operating partners team up to focus on a clear set of priorities and strategic agility for the digital era, they drive value throughout the investment lifecycle and realize greater levels of return.

Elevating the role of Finance in PE value creation



Introduction

The role of PE portfolio company finance leaders has grown far beyond routine financial stewardship. Today's highest-performing finance leaders are building the data foundations and operational rhythms that help speed decision-making and sustain credibility. These structures have become especially important as financial due diligence timelines lengthen, nearly doubling the average of a decade ago,³ and the complexity of the growth environment rises.⁴ Meanwhile, PE operating partners and portfolio company CFOs anticipate a surge of exits in the next few years.⁵ By changing how they contribute to enterprise value, finance teams can evolve from support function to proactive driver of the investment thesis.

The themes highlighted in the Deloitte Insights 2026 Finance Trends survey⁶ play an important role in Deloitte's work with PE firms and portfolio companies at every stage of investment. While each portfolio company faces individual challenges and opportunities, the more successful ones tend to have finance organizations that are anchored in both technology and talent, and that create capabilities buyers can validate and trust. This keeps the focus on practical execution, not finance function transformation programs.

Read on to explore these trends, understand why they matter, and learn how to build capabilities that drive value at each investment stage.

"A great CFO can make a business — and a bad CFO can break a business."

PE investor

Exit readiness: The time is now

60% of PE investors expect more than half of their portfolio to exit within two years.⁷



Trend 1: AI-enabled insights

Many finance teams embrace AI, but ROI and Agentic AI implementations often lag.

Why it matters for portfolio company CFOs and PE operating partners

Many portfolio company finance teams are still in experimentation mode with AI tools and agents.⁸ The next step: Identify opportunities to operationalize these pilots and deliver measurable ROI across the portfolio.

Considerations by investment stage

New stage

- Recognize that many portfolio companies receive leadership mandates to “use AI,” but **don’t yet have practical AI capabilities**.
- Encourage finance teams to experiment with and learn about AI. Low-risk personal productivity and validation use cases, such as reconciliation checks and variance reviews, can help **build AI fluency** and **surface high-ROI opportunities**.
- Prioritize **use of validated AI capabilities embedded in existing finance platforms** to help deliver quick wins (such as standards enforcement) as part of early cost and control initiatives.
- Confirm **data quality** and **integration readiness** before deploying AI models or finance automation at scale.
- Focus on a small number of **high-ROI AI use cases** in forecasting, cash management, anomaly detection, and pricing.
- Establish **ROI tracking** early. Prioritize, scale, or terminate initiatives as results dictate, mitigating prolonged investment in hype-driven or experimental initiatives.

Optimization stage

- **Be realistic**. Understand that most finance teams are still in experimentation mode with AI. Tools such as generative copilots can offer incremental help, though they’re not yet transforming core workflows.
- Strengthen data foundations and analytics teams to support **repeatable model performance**.
- Prioritize **value-first over novelty-first initiatives**, mitigating strategic drift into experimentation.
- Expand AI use cases that **demonstrate measurable ROI**.
- Embed AI into **finance workflows and decision triggers** where ROI is proven, reducing manual intervention and accelerating execution.

- Integrate **AI-driven key performance indicators (KPIs)** into CFO dashboards and board reporting.
- Adopt the **“fast follower”** mindset common in PE. Reuse validated AI use cases across the portfolio, but don’t scale frontier use cases without evidence of manageable risk and effective Agentic AI governance.

Exit stage

- Mitigate isolated pilots. Demonstrate **business-ready, fully integrated AI workflows** that are embedded in finance operations.
- Show **realized ROI** from AI investments, using concrete metrics that can stand up to buyer diligence.
- Position AI-enabled **forecasting, automation, and anomaly detection** as durable contributors to the equity value narrative and valuation case.

“Companies don’t need more AI use cases. They need *used* cases.”

PE advisor

AI steps to the forefront

87% of CFOs predict that AI will be extremely important or very important to their finance department’s operations in 2026.⁹

Moving beyond agentic pilots

63% of global finance leaders are actively using AI in finance. Of these, only 21% have seen clear, measurable value, and just 14% have fully integrated AI agents into the finance function.¹⁰

Trend 2: Finance-driven strategy

Finance leaders are strategy leaders — especially when they embrace advanced AI and cloud.

Why it matters for portfolio company CFOs and PE operating partners

Finance leaders are becoming strategy drivers. Advanced transformation, AI, cloud tools, and decision-ready insights give them the power to own the equity value narrative and support execution.

Considerations by investment stage

New stage

- Own the **equity value narrative** underpinning the deal thesis. Run diagnostics to help identify system and reporting gaps that constrain strategic decision-making or sponsor alignment.
- Identify **fragmented, manual, and outdated systems**, common matters in even mature organizations.
- Assess the ability to **segment and explain performance drivers** including organic versus inorganic growth, price/mix, and recurring revenue.
- Design a **data foundation** that supports benchmarking, forecasting, acquisition integration, and KPI consistency.
- Consolidate **disparate systems** early, enabling clean, defensible data and KPIs.
- Consider **modular enterprise resource planning (ERP)** and **cloud tools** where legacy systems impede consolidation, close, or reporting.
- Design **AI-native systems**, with workflows and data structures built to support embedded AI from the start.
- Establish **agile governance**, supporting data alignment and value narratives across teams, finance, and sponsors.

Optimization stage

- Continue shaping the value narrative while **actively governing changes**, reflecting performance gaps, market shifts, business changes, or evolving exit timing.
- Drive efforts that **free up finance and business teams** to focus on analytics and insights that support and prove the value narrative.
- Support faster, more confident management decisions by tying long-range planning, annual planning, and monthly forecasting together in a connected, **driver-based budgeting model**.
- Mitigate hype-driven initiatives. Apply **AI-enabled workflows** in areas where their value is proven, such as forecasting acceleration and anomaly detection.
- Strengthen **data integration** to help produce a defensible performance narrative.
- Advance **cloud modernization** and adopt **fit-for-purpose systems**. Select tools that align with

operational needs and scalability, rather than making brand-driven choices.

- Use **modular talent and operating models**, including offshoring and rightsizing, to help drive productivity and scalability.

Exit stage

- Keep the **growth or equity value narrative** consistent across materials and advisors. Inconsistent messaging can erode both credibility and valuation.
- Showcase the **impact of digital finance transformation investments**, including faster close, cleaner data, and improved insight.
- Quantify **valuation uplift** from automation, forecasting accuracy, and decision agility.
- Support late-stage capital allocation and growth tradeoffs with **scenario-driven insight**, balancing exit optics and long-term value.
- Help enable the alignment of **historicals, KPIs, and valuation assumptions** across advisors and materials.
- Eliminate **late-breaking data concerns** that commonly erode valuation.
- Prepare early for exit, ensuring **decision-ready insight and consistent data** for buyer diligence.
- Maintain a **common data model and quality of earnings (QoE)-ready monthly reporting**. Remember that a minority of companies sustain true exit readiness.

“As the asset grows, the transaction becomes more data driven. That’s why it’s important to have a clear equity story supported by accurate data.”

Portfolio company CEO

Data prowess proves value

97% of PE investors, **85%** of CFOs, and **89%** of CEOs say that the most important aspect of the CFO’s role in maximizing exit value is detailed knowledge of the business, financials, management information (MI), and KPIs.¹¹

Trend 3: Advanced scenario planning

When speed is the priority, advanced scenario planning and agile governance can help leaders navigate uncertainty.

Why it matters for portfolio company CFOs and PE operating partners

Volatile conditions can call for fast, confident decision-making. Timely insights, data-fueled scenario planning, and fit-for-purpose reporting enable portfolio companies to anticipate risk and adapt quickly.

Considerations by investment stage

New stage

- Strengthen financial scenario planning by organizing the processes, commercial and operational drivers, and tools needed to help simulate **the impacts of market, cost, foreign exchange (FX), and acquisitions** on financial and management reporting. Take into account earnings sensitivity, pricing mix, volume volatility, and capital expense trade-offs (EBITDA).
- Identify gaps where the organization lacks **a single source of truth** for drivers, KPIs, and models. Diagnose matters across annual recurring revenue, bookings, billings, and financial systems.
- Establish immediate **cash visibility** and **liquidity modeling** capabilities to forecast multiple cash positions. These are important in carve-outs and transition environments, where incomplete systems and uncertainties can elevate liquidity risk.
- Prepare early for **heavy, complex financial due diligence requests from PE sponsors**, which may require strong data hygiene and modeling flexibility from day one.

Optimization stage

- Deliver timely financial information **to the right people at the right time**. Shift from monthly board-focused reports to front-line insight aligned with decision cycles.
- Embed **rolling scenario planning and sensitivity modeling** tied to real business drivers.
- Strengthen **forecast credibility** by ensuring that assumptions reconcile cleanly with historical performance and operational metrics.
- Improve predictability and decision-making by transitioning from early cash modeling to a **formal 13-week cash flow process** that incorporates cash and liquidity insights into operational and commercial scenarios.
- Implement **continuous forecasting and unified KPI definitions** in finance, sales operations, and IT.

Exit stage

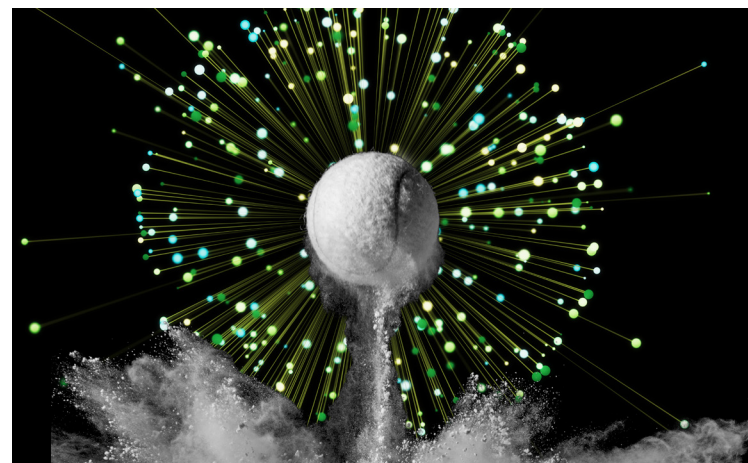
- Begin **exit readiness** well in advance of the exit window. **Pressure-test models, reporting, and controls**, identifying gaps and prioritizing key ERP and reporting system upgrades.
- Provide **current operational and financial performance data** during exits. This helps improve transparency and speed for buyers and stakeholders, reducing diligence friction.
- Demonstrate **agile decision-making** and scenario stewardship during buyer diligence.

“Organized portfolio companies don’t scramble under pressure. They start aligning numbers, systems, and advisors on day one.”

PE advisor

The readiness imperative

More than half of CFOs—and **67%** of CEOs—believe that exit planning should begin immediately after acquisition.¹²



Trend 4: Finance-led cost management

Focus. Precision. Discipline. Finance-led cost management helps drive measurable value.

Why it matters for portfolio company CFOs and PE operating partners

Financial discipline remains the most direct path to EBITDA improvement and cash optimization. Operating partners and company CFOs are setting the standard for their organizations by applying rigorous focus, precision, and governance to financial processes.

Considerations by investment stage

New stage

- Support immediate action by establishing **credible cost and working capital baselines** across cost of goods sold and selling, general, and administrative expenses.
- Translate the deal model into a **finance-led 100-day value capture plan** that prioritizes and tracks cost, margin, and revenue synergies.
- Enforce **tight budget governance** and define **minimum viable finance standards**. This can help drive discipline and mitigate underinvestment that can increase the likelihood of costly exit-stage remediation.
- Help cross-functional teams identify and execute **near-term arbitrage opportunities** such as offshoring, alternate service providers, shared services, and operating model rightsizing.
- Support efforts to reduce cost to serve, leveraging **scale, centralization, and process standardization** across functions, geographies, and customer segments.
- Apply **finance-led rigor to revenue and pricing initiatives** such as bundling, cross-selling, account expansion, and pricing actions, supporting measurable and realized benefits.
- Balance **near-term EBITDA gains** with **long-term system, data, and reporting needs**, prioritizing timely, decision-ready management reporting over perfect accuracy.
- Embed **repeatable governance** and disciplined cost management processes that buyers can trust in the operating model.

Exit stage

- Demonstrate **margin expansion** and **sustainable cost performance** backed by clear KPIs.
- Highlight validated, data-backed **cost improvements** as part of the equity value narrative.
- Quantify **cleanup costs** arising from earlier underinvestment in finance maturity.
- Translate AI-enabled controls into **risk reduction and transparency** for buyers.

Optimization stage

- **Simplify and centralize the operating model** through shared services, standardized processes, and disciplined sourcing, reducing cost to serve and preventing headcount and spend creep.
- Enforce **pricing, product, portfolio, and spend discipline** by applying hurdle rates, average selling price rigor, and strategic sourcing. Exit underperforming offerings and control nonlabor spend.
- Apply **driver-based forecasting or selective zero-based budgeting**, aligning spend with value drivers and reinforcing enterprise-wide cost discipline.
- Use **analytics and targeted AI use cases** (such as anomaly detection and spend categorization) to identify incremental savings, prevent leakage, and track realized benefits.

“While strategy is key to value creation, don’t underestimate the importance of controls and governance. A good CFO will ensure that the internal control environment is fit for purpose. It’s a lot easier to work with a business that’s built on firm foundations.”

PE investor

“Internal audit and controls is something we’ve had to bulk up on. Our acquisitions and growth have been so fast that it’s become a challenge to work with so many legacy systems across the business.”

Portfolio company CFO

Trend 5: Data fluency in finance

Infusing tech talent into finance: Where data scientists and accountants meet.

Why it matters for portfolio company CFOs and PE operating partners

Finance teams don't necessarily need PhD-level data science skills, but they should have well-developed capabilities in data fluency, practical analytics, and storytelling. Hybrid skill sets—analytical, digital, and operational—can help them meet today's PE timelines and expectations.

Considerations by investment stage

New stage

- Assess **digital fluency, data literacy, and automation capabilities** across finance roles.
- Identify gaps in hybrid finance skills, including the **visualization, analytics, and data storytelling** required to translate accounting and finance data into decision-ready insights.
- Evaluate whether the finance team can **execute at PE speed** to support business changes, integrations, performance management, and consistent KPI delivery.
- Identify **unclear ownership of responsibility** in finance, sales operations, and IT—a major driver of inconsistent metrics and reporting delays.
- To meet PE and sponsor timelines, evaluate opportunities to **outsource or complement operating functions** to third-party providers or advisors.

Optimization stage

- Harmonize **roles, processes, and data stewardship** across functions, supporting consistent enterprisewide metrics.
- Establish **finance centers of excellence** to scale governance, analytics, AI models, and process discipline.
- Build **hybrid teams** of human employees and AI agents, blending finance experience with data, technology, and process knowledge.
- Help enable hybrid finance talent, to preserve **accounting integrity and clean historicals** while leveraging **automation, analytics, and AI** during periods of integration, transformation, or rapid growth.
- Strengthen **data visualization and storytelling capabilities**, using software to help deliver clear, decision-ready insights and support strategic narratives.
- Encourage finance leaders to participate in **portfolio-wide peer forums** where they can share leading practices, accelerate learning, pressure-test exit strategies, and standardize successes across companies.

Exit stage

- Demonstrate a finance organization in which **accounting discipline, analytics, insights, and technology** are integrated and sustainable post-close.
- Highlight **bench strength and succession depth** across finance roles, reducing key-person risk and supporting continuity after exit.
- Demonstrate the team's ability to consistently produce **clean, reconciled, decision-ready KPIs** that align with the equity value narrative under buyer diligence.
- Position **embedded analytics and data-driven capabilities** as tangible diligence differentiators, not one-off or pilot solutions.

"Upskilling on AI and analytics isn't optional. The gap between 'reporting the numbers' and 'explaining the numbers' is widening fast."

PE advisor

Infusing experience

64% of global finance leaders plan to boost technical skills in their function in the coming year.¹³

Insight needed

PE investors and portfolio executives consider driving visibility and decision-making with data and management information (MI) to be the function most important to maximizing valuation—and also their own biggest capability gap.¹⁴

Conclusion

Whether you're in the first 100 days of private capital ownership or preparing for an exit window, the question is the same: Are your finance capabilities strengthening your investment thesis, or eroding it? The CFOs and PE operating partners driving portfolio company value creation are building systems and processes defined by precision, focus and discipline. Finance teams are leveraging advanced AI and cloud technologies, hybrid skills, and data-driven decision-making, positioning their organizations to demonstrate credibility under diligence and command premium valuations at exit.

The Deloitte Private Equity team is here to discuss how these trends may affect your business. Learn more at <https://www.deloitte.com/privateequityofficeofthecfo>.

Explore further

Read Deloitte's Insights survey report, [Finance Trends 2026: Navigating the expanded scope of finance](#).



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Endnotes

- ¹ Deloitte United Kingdom, Catching the wave: The role of PE portfolio CFOs in maximizing value on exit, 2025, pp. 6, 19.
- ² Deloitte Insights, Finance Trends 2026: Navigating the expanded scope of finance, 2025.
- ³ Deloitte United Kingdom, Catching the wave, p. 10
- ⁴ Deloitte Insights, Finance Trends 2026, p. 14.
- ⁵ Ibid., p. 9.
- ⁶ Ibid.
- ⁷ Deloitte United Kingdom, Catching the wave, p. 9.
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- ¹¹ Deloitte United Kingdom, Catching the wave, p. 20.
- ¹² Ibid., p.19.
- ¹³ Deloitte Insights, Finance Trends 2026, p. 14.
- ¹⁴ Deloitte United Kingdom, Catching the wave, p. 13.

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