

## KEYNOTE INTERVIEW

Unlocking tech value:  
The pivotal role of the CIO

*Portfolio company CIOs in PE-backed companies play a critical role in maximising value through the alignment of technology to the investment thesis, say Deloitte's Victoria Bovaird and Shalini Bhatia*

### Deloitte has conducted research on how PE portfolio company CIOs contribute to value creation.

#### Why did you choose this topic?

**Victoria Bovaird:** Our goal with this research was to share how CIOs can move beyond keeping the lights on to becoming strategic collaborators in value creation. In a performance-driven PE environment, technology can be a primary catalyst for the exit thesis, transforming traditional operations into scalable, data-rich assets that can command higher valuation multiples. The objective was to provide actionable insights for general partners on

how to better harness the potential of technology across their portfolios and deliver returns to limited partners.

**Shalini Bhatia:** While there is almost unanimous agreement across PE that technology is a critical lever for value creation, it is an area where specifics are under-researched. Conversations with operating partners from global PE houses consistently highlight that, while technology is an important enabler, there are many opportunities for

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technology to deliver tangible business outcomes, especially in the evolving age of AI. That is something we wanted to address with this research.

### How early in the investment process should tech be aligned to the exit thesis?

**SB:** Technology needs to be aligned with the value creation and exit thesis starting in the diligence phase. While tech transformations can be key to achieving the efficient, scalable operations required to support the future business, they can be very resource-consuming and have the potential to distract, so the business case should be clear.

As an added complexity (and opportunity), AI now brings greater optionality around if, when and how to transform. With these changing tides, it is important to be clear on the specific business outcomes and KPIs that these tech transformations generate.

**VB:** Digital strategy and business alignment are paramount. Discipline can prevent wasted spend and accelerate value creation by ensuring IT plans sit hand-in-glove with the broader value creation strategy, making technology a scalable foundation through to exit.

Through conversations, it was also found that digital product innovation and emerging technologies are key when growth and exit narratives depend on differentiated, customer-embedded products, allowing for higher pricing, reduced churn and a stronger market positioning.

Also, cybersecurity continues to be a baseline requirement for value preservation, as real-world threats may require a strengthened, AI-adapted defence.

### What are the most important characteristics for portfolio company CIOs?

**SB:** First and foremost, the CIO should be outcome focused, with defined metrics that are directly tied to the investment thesis.

The research identified three stand-out characteristics that enable this: firstly, deep digital technology skills is table stakes, especially given the fast-changing landscape of AI, data and cyber, and the associated investment and transformation choices. Deep skills enable better judgement on what is possible and helps avoid mis-scoped and 'shiny' investments that do not always translate into value.

**VB:** Secondly, a strategic mindset is important, because PE expects tech choices to align with the value creation plan. The CIO should prioritise business case delivery and prevent time and

money wastage on non-thesis passion projects.

And thirdly, the ability to lead change is important in a CIO, because transformation pace in PE is non-negotiable. CIOs should carry stakeholders, and they should reset teams and ways of working that are not fit for purpose.

### How does AI fit into this?

**SB:** AI is now (versus often) seen as a fundamental expectation – you simply cannot not adopt it. Most operating partners told us that AI in their portfolio companies is either 'developing', which for the purposes of this assessment was defined as multiple pilots and proof of concepts, or 'advanced', defined as having multiple use cases in production and delivery.

Despite these advancements, quantification of returns from these efforts varies considerably. While some operating partners are continuing to measure results through standard metrics, others are still not quantifying the results, and few have AI-specific means of measurement.

Operating partners are clear in their view that CIOs may need to be AI-first in their approach, and they need to embed AI in their tech stack and processes to help drive greater valuations.

**VB:** A common route to generating returns on AI investment is via cost takeout through workflow automation and specific back-office examples. Revenue-led measurement tends to be used where AI is embedded in products and commercial models.

The cost of not leveraging AI is clear: competitive disadvantage, leadership replacement risk for CIOs, and a weaker exit narrative and valuation.

### Why is collaboration between the CIO and other C-suite executives so key?

**SB:** Collaboration underpins a business-led value creation strategic mindset. The research also shows that outcomes and value framing dominate this mindset,

with most operating partners explicitly tying CIO relationships to measurable value, not just IT delivery.

**VB:** The PE context signals intense pace and change expectations, meaning CIOs should operate beyond the traditional IT function.

Boards are increasingly focused on how technology drives value creation, shifting discussions towards AI-led growth, data monetisation, risk and governance, and the evolving responsibilities of the CIO in delivering commercial outcomes. There appears to be a shift away from IT back-office framing, with many explicitly rejecting an implementation-only technology role.

### How can PE firms help CIOs succeed?

**SB:** The most cited reasons for CIO failure include an inability to deliver business results from tech or digital transformation, a lack of understanding of the need to create value, and an inability to manage stakeholders effectively. PE firms are lean and cost-conscious, so the CIO should justify their cost by contributing directly to business outcomes.

**VB:** PE firms can support CIOs to minimise turnover and promote success. The most cited interventions include regular alignment sessions with sponsors on the board, external specialist or professional adviser involvement, and formal development and networking programmes for technology leaders.

Advice for CIOs converges on tying everything to the value creation plan, being AI and data literate, and communicating effectively. Organisations have often not been through a PE-style transformation before, so the CIO may need coaching to understand the critical role that AI and technology can play in delivering the value thesis. ■

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