



WittKieffer

Enhancing Value Creation Through Impactful Leadership

Strategies for Building High-Performing Teams in Private Equity

By Michael S. Castleman and Tjai M. Nielsen, Ph.D.

2025

“Oh, how times have changed!”

we often hear as private equity (PE) markets adapt to the new realities of a more restrictive funding environment, higher cost of capital, and fewer exit paths. Value creation once again relies squarely on proven principles that are cyclically agnostic – organic growth and operational excellence.

Impactful leadership – which we define as the right people operating as a high-performing executive team and fostering an enterprise culture of constructive performance – drives the organic growth and operational excellence that create value. While we believe this to be a fundamental truth, it is starkly evident in challenging times. Investors and their portfolio companies must adopt an integrated strategy to ensure impactful leadership is present throughout the investment lifecycle. An impactful leadership strategy accelerates time to value creation, enhances the probability of value creation, and increases the magnitude of value achieved.

PE firms operate across various industries, each presenting unique challenges and opportunities. By aligning investment firms’ focus with the specific needs of portfolio companies, investors maximize operational efficiency and strategic growth. In the healthcare and life sciences markets, which present distinctive hurdles and unparalleled opportunities to create value across financial, social, and quality-of-life metrics, unleashing impactful leadership is particularly urgent. Whether investing in specialty providers, behavioral health, urgent care, women’s health, advanced therapeutics, medical devices, or clinical services, PE investors must take a proactive approach to shaping leadership composition and structures that drive performance.

Value Through Impactful Leadership



Accelerate **Time** to Value Creation

Identify strengths and gaps, key indicators, and plans to fill.



Improve **Probability** of Value Creation

Better capabilities, alignment, and effectiveness.



Increase **Magnitude** of Value Creation

Higher performance, greater runway, strategic flexibility.

Given the essential relationship between impactful leadership and value creation in these markets, PE investors and their portfolio companies deserve a leadership playbook as robust as their operational and financial playbooks. Such a playbook directly unites value creation objectives and execution plans with the critical leadership capabilities required to deliver value. The leadership playbook enables investors and portfolio companies to act decisively.

This article outlines the steps needed to create and execute this core management discipline.



CREATING AND LEVERAGING THE PLAYBOOK

Ensuring that the right executives and teams are in place to drive performance presents a multi-layered challenge. It requires understanding how strategic objectives translate to business and talent needs, how to assess leaders against those specific needs, and how to find or develop leaders who can perform across an inevitably dynamic investment period.

Define What You Need: The Leadership Scorecard

PE firms should follow a structured process to ensure consistent and measurable results. First, they must clearly define their leadership needs by translating strategy and value objectives into specific talent requirements.

Upon transaction completion, rapidly optimizing leadership and team effectiveness is crucial. But this work should start before transaction completion, side-by-side with developing the core principles of the strategic and operational elements of the value creation plan. An important first step is building an organizational scorecard that captures the essential deliverables necessary to achieve the value creation plan, while also informing preliminary threshold questions for leadership diligence. The gold standard is to refine and extend these scorecards to each leadership team role, identifying what great looks like, incorporate them as part of the onboarding of portfolio company leadership to new ownership, and set the groundwork for future assessments of incumbents or candidates.

Aligning Leadership with Strategic Growth at a PE-Backed CDMO

One PE firm we worked with was investing in a contract development and manufacturing organization (CDMO) to support rapid growth fueled by market uptake of a certain new class of therapeutics. Critical elements of the value creation strategy required operational scaling across geographies, quality control at high volume, advanced sales, and active account management. In turn, these outcomes required a unique set of leadership experiences, behaviors, and mindsets from the CEO. Without these capabilities, the CEO would not be able to deliver the business performance required in the PE firm's required timeframe. By mapping business objectives directly to executive experience and behaviors, we provided a leadership scorecard communicating the essential deliverables. Not only did this provide clarity to the board, but it also fostered alignment – much like an operational or financial scorecard does.

The assessment process identified gaps in the current CEO's ability to deliver against the scorecard. As a result, the board quickly turned to an interim leader whose abilities were better aligned with business needs, accelerating strategy execution while a new long-term CEO was identified.

Understand What You Have: Individual and Team Assessment

Having defined what great looks like, objectively measure it. Expert-led, deep-dive executive assessments objectively measure leadership potential and alignment against the leadership scorecard specific to the company and the role. This process ensures that leaders are not only capable of executing strategic priorities but also possess the agility, decision-making skills, and cultural alignment required for long-term success and value creation.

An effective assessment process combines behavioral and competency-based evaluations, peer benchmarking, psychometrics, and scenario-based leadership testing. These insights help investors and boards make data-driven decisions on executive placements, team structures, and talent development. Identifying high-potential leaders early allows investors and boards to proactively shape leadership succession and mitigate the risks of leadership gaps that could constrain value creation.

Beyond ensuring leadership effectiveness, executive assessments provide critical insights into an executive's ability to align with the company's strategic vision, to navigate complex operational challenges, and to foster a high-performance culture. Leadership gaps in fast-moving industries such as healthcare and life sciences can lead to costly mistakes, inefficiency, and missed opportunities. A comprehensive executive assessment process mitigates these risks by identifying leadership strengths, uncovering potential blind spots, equipping executives with the necessary tools for success, and equipping boards with the understanding of what to watch for and a plan to adjust when circumstances demand.

Team assessments of portfolio company leadership further enhance value creation by fostering alignment with sponsors and building top team performance. A strong team assessment process builds

on individual leadership assessments by integrating confidential peer feedback, team-related interview topics, and team alignment sessions. Insights from team assessments lead to customized recommendations, preparing leadership teams to execute strategic plans effectively and help sponsors understand the unique nuances of their portfolio company leadership teams and organizations, significantly reducing the learning curve during the initial months of a new investment. Where possible, conducting a team assessment pre-close provides a data-driven picture of the top team and the organization, consistently uncovering key factors that could accelerate or slow value creation. In-depth understanding and appreciation for the capability, alignment, and culture of the top leadership team provide a differentiated advantage.

By incorporating assessments as a foundational element of the deal strategy, PE firms can build resilient, high-performing leadership teams that accelerate value creation and drive sustainable growth.

Accelerate Impact: Unleash Potential

Beyond ensuring the right people are in key roles and aligned to the performance needs of those roles, developing capabilities through executive and team coaching allows investor-backed companies to build resilience and adaptability within their organizations. Cultural alignment is equally vital. A strong, high-performance culture fosters collaboration and strategic execution. Such a culture is achieved through top team alignment, culture development, and structured change management. PE firms can mitigate risks and enhance performance by fostering a culture of trust and accountability.

Nobody is perfect. Executive coaching, especially after assessment against a specific leadership scorecard, enables executives to leverage their strengths to accelerate performance.

Scaling for Success at a Healthcare Technology Company

A PE firm was evaluating a majority investment in a founder-led healthcare technology company experiencing rapid growth. The value creation strategy centered on scaling operations while maintaining innovation and market leadership. Success required the executive team to demonstrate change management capabilities, strategic vision, and the ability to transition from a founder-led to an institutionalized culture.

Through comprehensive success profiles and leadership assessments, we created a framework for evaluating the team's readiness to execute the investment thesis. The assessment process, incorporating behavioral interviews, psychometrics, and 360-degree feedback, revealed significant gaps between the current leadership team's capabilities and scaling requirements.

While the founder had built a successful business to the current state, the PE firm determined that the existing team structure was not aligned with growth targets. The firm postponed the investment to allow time for strengthening leadership infrastructure. The company leveraged the assessment insights to implement targeted development initiatives, including executive coaching and team effectiveness programs. This proactive approach led to renewed investment, demonstrating the value of thorough talent diligence in investment decisions.

Regular coaching sessions – typically held every two to three weeks over a six-month engagement – offer a structured and psychologically safe environment for reflection, skill-building, and problem-solving. Coaching helps leaders enhance their decision-making capabilities and cultivate stronger relationships with investors, board members, and their teams by focusing on high-impact areas such as emotional intelligence, conflict resolution, and executive presence.

Sometimes, an assessment process reveals not only individual strength but also executive team opportunity. Providing an intentional approach to improving team dynamics and removing obstacles that hinder performance can unlock a team's full potential. In PE-backed healthcare and life sciences companies – where collaboration among clinical, commercial, and operational leaders is critical – misalignment can be debilitating to performance and patient safety. Developing the team bridges these gaps by facilitating open dialogue, improving communication, and aligning leadership with strategic objectives.

A valuable starting point is in-depth interviews of team members to analyze leadership styles, communication preferences, and potential sources of friction. Subsequent facilitated team sessions can help leadership teams identify pain points, build trust, and establish a unified vision to drive operational excellence.

Psychological safety is another crucial element of team development, particularly in high-stakes healthcare environments where clear communication can impact patient outcomes. Fostering a culture where executives feel comfortable voicing concerns, challenging assumptions, and collaborating on solutions is critical to ensuring optimal outcomes. Ultimately, concentrating on developing portfolio company leadership teams enhances collaboration, optimizes leadership alignment, and eliminates performance roadblocks, positioning portfolio companies for sustained success.

Executing the Playbook: Discipline and Agility

Having set the foundation for an impactful leadership team – the performance scorecard, a deep understanding of leaders individually and as a team, and individual and team development plans – the critical next step is, of course, execution. Success is rarely, if ever, linear. Being prepared for challenges or opportunities and acting decisively are essential to maximizing time, probability, and magnitude of value. We believe strong leadership playbook execution entails the following:

- Continuous monitoring of executive performance against the leadership scorecard is as essential as monitoring financial, sales, and operational metrics. Embed this monitoring as part of investment oversight and board processes.
- Actively provide executives with feedback on leadership performance, not just financial or operational performance, along with offering constructive support for development.
- Establish timelines for remediation and action when early warning signs are triggered.
- Engage leadership talent partners early in understanding the market for talent and benchmarking leaders and leadership teams. Move to search quickly when warranted.
- Deploy interim and on-demand leaders to enhance capacity and skills to deliver on critical initiatives and projects that are essential to the value creation path. Interim leaders may be sourced from a PE firm's operating advisor network or through an independent interim leadership partner.

Any plan is only as good as the disciplined and agile execution that accompanies it. The same is true for the leadership playbook.

Transforming Team Dynamics in a VC-Backed Biotech Company

At a VC-backed pre-commercial biotech company pioneering engineered cell and gene therapies, a highly experienced clinician and physician stepped into the role of CEO. While the executive leadership team (ELT) demonstrated strong functional expertise, they operated in silos rather than as a cohesive unit at the enterprise level. Team interactions were limited to information sharing, lacking collaborative problem-solving and mutual support.

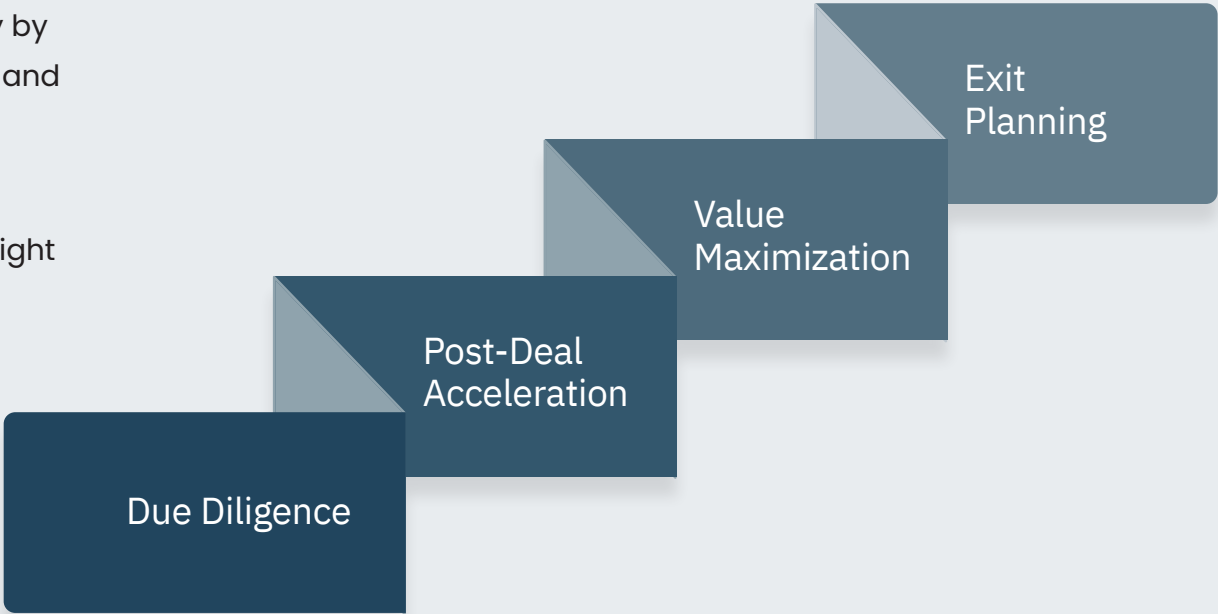
We partnered with the CEO to transform team dynamics through a structured approach. We first established the team's fundamental purpose (the "why") and defined clear objectives for the next 6-9 months (the "what"). During facilitated sessions, we helped the team develop shared understanding and create team norms (the "how") to foster positive interactions.

The engagement included individual feedback sessions with team members for the CEO to gain insight into his leadership impact, followed by aligning his development initiatives with team expectations. The ELT developed stronger cohesion and began operating with an enterprise-wide perspective. The team successfully implemented and maintained their new norms, unified around common goals, and broadened their thinking to consider multiple stakeholder perspectives.

SPECIAL CONSIDERATION: PREPARING FOR A PROFITABLE EXIT

A well-structured exit strategy is essential for maximizing returns on investment. The playbook process described above can and should be revisited in this context, with a focus on executive succession. Executive succession planning ensures leadership continuity by defining strategic priorities, identifying potential successors, and implementing targeted development plans.

For companies preparing for an IPO, leadership readiness is paramount. Ensuring the right executives, defining mission-right capabilities, understanding of public investor expectations, transitioning board composition, establishing new board engagement models with leadership, and implementing strong public company governance can significantly impact public market performance. In essence, the leadership performance scorecard needs to change to ensure public market success. The objective of revisiting the playbook process is not to prevent embedded leadership from enjoying the public market fruits of their efforts. Rather it re-orientes leadership to the entirely new context in which they must operate individually and as a team. It identifies new development paths and change triggers that help to ensure companies meet the demands of this new context.



Fundamental Leadership Needs

Three fundamental leadership needs across all phases of the investment lifecycle:

- Do you have the **right people** to define and lead the value creation plan?
- Do they have the **necessary capabilities** to execute that plan?
- Is there leadership **alignment and culture** that brings out the best in the organization?

Examples of Actionable Leadership Scenarios

To drive success in life sciences and healthcare investments, consider these actionable leadership scenarios.

- Align leadership to streamline operations and accelerate growth for a PE-backed behavioral health provider navigating industry consolidation.
- Secure a leadership team with scaling experience to expand an urgent care network into new markets while maintaining quality patient care.
- Appoint leaders who can drive technology adoption and maintain patient care standards for a specialty urgent care provider undergoing digital transformation.
- Evaluate the leadership team’s expertise in consumer engagement models and service differentiation for a PE-backed digital health company struggling with customer retention.
- Use assessments to determine regional leader retention or transition after acquiring a chain of specialty medical practices.
- Leverage on-demand leadership to assess clinical operations and propose a tech-enabled strategy for quality at scale during rapid healthcare services expansion.
- Implement team coaching to unify leadership perspectives and establish a cohesive vision for a women’s health network experiencing cultural misalignment post-acquisition.

CONCLUDING REMARKS

In the competitive PE landscape, investment success hinges on more than just capital – it requires strong leadership, cohesive teams, and a high-performance culture. Particularly in the healthcare and life sciences sector, where regulatory complexity and operational challenges are high, PE firms should take a strategic approach to leadership selection, development, and alignment. Through executive and team assessments, targeted coaching, and structured post-deal acceleration, PE firms can unlock the full potential of their portfolio companies. By building a comprehensive impactful leadership playbook, investors accelerate value creation, reduce risk, and maximize returns. A disciplined approach to due diligence, leadership optimization, and cultural alignment ensures that companies are well-positioned for sustainable growth, successful exits, and long-term impact.

Our approach is both deeply informed by our extensive experience and individually tailored to each client-ensuring we deliver quality, integrity, and excellence across every solution.

ABOUT THE AUTHORS

Michael S. Castleman serves as Chief Business Officer and Executive Partner in Global Life Sciences, Investor-Backed Healthcare, and Interim Leadership at WittKieffer. With deep expertise in organizational transformation and strategic leadership, Michael guides investors, boards, and executive teams through complex decision-making processes to enhance value creation.

Michael can be reached at mcastleman@wittkieffer.com

Tjai M. Nielsen, Ph.D., is a Senior Partner in Global Leadership Advisory at WittKieffer, advising private equity firms, venture capital investors, and Fortune 500 senior executives on critical leadership challenges, including CEO succession, M&A, talent assessment and development, and organizational performance optimization.

Tjai can be reached at tjnielsen@wittkieffer.com

Improving Quality of Life Through Impactful Leadership.

About WittKieffer

WittKieffer is the premier executive search and leadership advisory firm developing impactful leadership teams for organizations that improve quality of life. We work exclusively with organizations in healthcare, science, and education – the Quality of Life Ecosystem – and provide essential knowledge, analysis, and perspective that produce effective leaders and inclusive cultures. Through our executive search, interim leadership, and leadership advisory solutions, we strengthen organizations that make the world better. WittKieffer is proud to be 100 percent employee-owned.

Visit wittkieffer.com to learn more.

WittKieffer

OUR DIFFERENTIATORS

Extensive Market Expertise:

We offer unique insights and a deep understanding of disruptive trends affecting the healthcare and life sciences industries.

Access to Exceptional Talent:

We cultivate strong relationships with exceptional talent across the converging Quality of Life Ecosystem, including life sciences, healthcare, and academic medicine.

Agility at Scale:

We deliver the agility and personalized attention of a boutique advisory firm, complemented by robust systems, infrastructure, and global reach.

Integrated Leadership Solutions:

We bring precisely crafted solutions to address each client’s business objectives and corresponding leadership needs.

Physician Leadership:

Our dedicated physician leadership experts uniquely attract and develop physician executives as key strategic members of leadership teams.

Shared Purpose:

Together with our clients, we pave the way to impactful leadership that delivers on the promise of better health through prevention, diagnosis, management, and treatment.

SERVING INVESTOR-BACKED HEALTHCARE

At WittKieffer, we partner on a global scale with healthcare organizations backed by institutional, private, public, and corporate capital. We form lasting relationships based on a deep understanding of our clients’ value creation objectives and the complex environment they must navigate.

Recognizing the unique requirements of investor-backed companies in terms of speed, agility, and talent, we assembled a purpose-built team with expertise in meeting these needs. We base our approach on data-driven market insights that inform the building and development of impactful leadership teams.

KEY SECTORS:

- Independent primary care and specialty providers
- Consumer health and wellness
- Private equity and venture capital
- Tech-enabled healthcare and value-based care enablement
- Retail healthcare
- Health services (billing, diagnostic, infusion, specialty pharmacy, imaging)
- Payers, reimbursement, and managed care

SERVING GLOBAL LIFE SCIENCES

WittKieffer’s Global Life Sciences team brings a tailored approach to building impactful leadership for pharmaceutical, biotechnology, pharmaceutical services, diagnostics, medical technology, and animal health companies. Our expertise spans critical functions, from corporate to R&D to clinical to technical to regulatory to commercial and operations. We work across established and emerging therapeutic areas (e.g., neuroscience, rare disease, immunology) and cutting-edge innovations (e.g., cell and gene therapy, AI).

Supported by unparalleled connections to sources of innovation and validation in academic medicine, we bring a uniquely integrated approach to leadership in life sciences, operating seamlessly as a global team to deliver lasting impact.

KEY SECTORS:

- Pharmaceuticals
- Biotechnology
- Pharmaceutical services, including CDMOs and CROs
- Digital health and AI
- Diagnostics and development tools
- Medical technology and devices
- Consumer health
- Animal & one health
- Biomedical research
- Private equity and venture capital

A PURPOSE-BUILT, INTEGRATED TEAM

Shelly Carolan
Philadelphia, PA
Investor-Backed Healthcare

Lisa Casper
Chicago, IL
Investor-Backed Healthcare

Michael Castleman
Palm Beach Gardens, FL
Investor-Backed Healthcare

Julie Chavey
Atlanta, GA
Investor-Backed Healthcare

Lynn Foster
Bordentown, NJ
Leadership Advisory

Megan Lynagh
New York, NY
Investor-Backed Healthcare

Lisa Mooney
St. Louis, MO
Investor-Backed Healthcare

Demarcus Thornton
Dallas-Ft. Worth, TX
Investor-Backed Healthcare

Shannon Wallace
Philadelphia, PA
Investor-Backed Healthcare

Julia Anderson
Edinburgh, UK
Life Sciences

Momodou Balajo
Manchester, UK
Life Sciences

Philippe Arnal
Paris, France
Life Sciences

Jennifer Borrer
Lausanne, Switzerland
Life Sciences

Jennifer Braverman
Greenwich, CT
Life Sciences

Stephen Brengle
Philadelphia, PA
Life Sciences

Natalie Derry
Edinburgh, UK
Life Sciences

Luigi Frezza
London, UK
Life Sciences

Peter Gay
London, UK
Life Sciences

Joe Kennedy
London, UK
Life Sciences

Evan Markou
New York, NY
Life Sciences

David Molén
London, UK
Life Sciences

Morten Nielsen
Cleveland, OH
Life Sciences

Mindy Steiger
Cleveland, OH
Life Sciences

Eleanor Mason
London, UK
Life Sciences

Rowan Smith
Edinburgh, UK
Life Sciences

Ayesha Price
San Diego, CA
Life Sciences

Connie Mudge
Wilmington, NC
Interim Leadership

Robert Nickey
New York, NY
Interim Leadership

Ysette Witteveen
Los Angeles, CA
Interim Leadership

George Quinn
Chicago, IL
Interim Leadership

David Xie
New York, NY
Interim Leadership

Megan Hay
Cary, IL
Leadership Advisory

Tjai Nielsen, Ph.D
Greensboro, NC
Leadership Advisory

Alok Sawhney, PsyD
Jacksonville, FL
Leadership Advisory

Susan Snyder
New York, NY
Leadership Advisory

