SURVEY REPORT 2025

The sta
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CFO
relationship

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PE
sponsors to

portfolio CFOs:

"YOU'RE NOT MEETING THE VALUE CREATION MOMENT."

Three-quarters of sponsors say their portfolio company CFOs are underperforming. It's an alarming stat, but consistent with findings from our previous surveys.

This year, however, the reasons behind this underperformance have shifted dramatically.

PE sponsors do not feel that their portfolio CFOs are driving the kind of value creation and protection required by a constrained multiples environment that's now been further upended by tariff uncertainty and recessionary fears.

74%

of sponsors

say their portfolio company CFOs aren't meeting expectations

Download the full report.

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3 reasons CFOs aren't meeting expectations

1.

CFOs are floundering on finance fundamentals

2.

CFOs aren't prioritizing equity performance

3.

CFOs haven't realized the urgency to get exit ready

THE PROBLEM:

CFOs know they're not meeting sponsor expecta-tions. They believe they're falling down on the more forward-leaning finance responsibilities, like dynamic

THE MESSAGE TO CFOS:

Double-down on the fundamental pillars. You can leverage all the predicative analytics and variable forecasting you want, but if an elongated close is still forecasting and the integration of financial and operational data. They're wrong. In a volatile market filled with tariff uncertainty and recessionary warnings, sponsors want CFOs to get better at the table stakes: close quickly, translate financial data effectively, and integrate transactions.

costing the company revenue, you're not going to get credit for the fancier finance functionalities.

JUMP TO SECTION

THE BFD:

Top ten takeaways

1. CFOs are not meeting their sponsors' expectations: 74% of sponsors say their portfolio CFOs are underperforming generally as stewards of the finance function, and 72% say they are underperforming

5. As for digital levers, they are expected to yield broader dividends beyond individual company returns. For fundraising, sponsors say it's more important than ever to communicate to LPs the value creation

specifically in their ability to drive value creation.

2. When it comes to value creation, all stakeholders in the PE party agree that, because companies can no longer rely on expanding multiples, PE- backed CFOs must fixate on performance.
3. However, before they can pull the real needle-moving value creation levers, sponsors need their portfolio CFOs to focus on getting the fundamentals right, especially given the potential of reduced revenue from a tariff-induced recession. Those fundamentals include leading an efficient close process, leveraging traditional financial data to drive value, and integrating transactions.
4. Once the fundamentals are in place, when it comes to pulling greater value levers they are pulling across their portfolio—especially as it relates to technology.
6. Speaking of LPs, both sponsors and CFOs recognize that, given the historic lack of dealmaking, many portfolio companies will seek an accelerated pathway to (opportunistically) exit to make up for years of limited investor returns.
7. However, sponsors are concerned their CFOs are not sell-side ready.
8. This concern is warranted, given that CFOs are not operating as though their company is always for sale.
9. The concern is further justified by CFOs' focus on year-end performance. Sponsors want them to instead prioritize driving equity value, even if it comes at the cost of short-term gains.
10. Given unmet

creation levers, sponsors want their CFOs to focus on the operational, process, and digital levers at their disposal. Operational levers will be particularly critical for tariff mitigation.

expectations, it's no surprise that 77% of CFOs continue to be concerned about job security.

01

The fundamentals

CFOs are not meeting the "minimal safe altitude" for piloting the finance function at PE-backed companies (and they know it).

> **"PE-backed CFOs are not meeting sponsor expectations."**

SPONSORS

CFOS

What they don’t seem to understand is why. CFOs believe they are perceived to be falling down on the “plus” parts of the position—the responsibilities that extend into a more strategic and tech-enabled definition of the role. And while these “plus” parts may be lacking, they are not the CFOs’ fundamental flaw—that flaw is foundational.

How are CFOs underperforming?

Sponsors say they're not

01 Leading an effective close process

02 Leveraging traditional financial data to create actionable insights to drive value

03 Effectively integrating acquisitions

CFOs say they're not

01 Effectively using dynamic/variable forecasting to navigate economic volatility

02 Effectively integrating operational and financial data to identify insights and drive growth

03 Driving enterprise-wide value creation through working capital improvements/ cash optimization/ liquidity enhancement

WHY IT MATTERS

This "focus on the fundamentals" theme extends to what PE-backed CFOs should consider their finance function priorities for 2025. Sponsors say that in this era of constrained multiples and recessionary fears, they need their CFOs to drive and protect value using PE's primary levers: improved working capital and reduced costs.

What should CFOs be

focused on in 2025?

CFOs say

01 Improving working capital
02 Optimizing the capital structure
03 Accounting

Sponsors say

01 Improving working capital
02 Cost reduction
03 Tech enablement

Given all the unmet expectations, it should come as no surprise that roughly 8 in 10 CFOs continue to be concerned about job security.

77%

of portfolio CFOs

are concerned about job security

EXPERT ANALYSIS

The role of the PE-backed CFO has always been a volatile one: the rate of turnover on the position has hovered around 75%-80%. Couple that stat with the fact that the average tenure of corporate CFOs is now on the downswing, and PE-backed CFOs have a right to be concerned about their job. In fact, one PE partner anecdotally noted that not a single one of his portfolio companies had retained their CFO post-deal.

But it's important to point out that while 77% of CFOs are concerned about job security, that number has decreased from 87% in our 2021 survey and (a record) 91% in our 2023 survey.

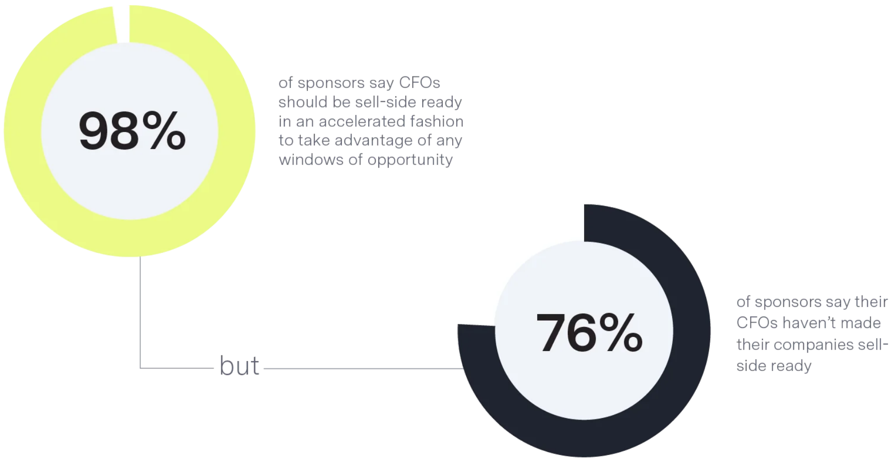
What's changed? First, we appear to be inching back to the default baseline from the pre-COVID era, (in our 2019 survey, 66% of CFOs reported concern about job security). Second, more CFOs seem to understand that demand for competent, experienced finance executives is outstripping supply. The tight job market is being exacerbated by delayed portfolio company exits, early retirements and cash-outs, a lack of younger accounting professionals to act as ready successors, and the growing availability of opportunities for CFOs beyond the finance function.

02

Performance

Here's what everyone knows: Performance is critical when multiples stop expanding. However, sponsors believe CFOs aren't as focused on the value creation horizon as they need to be.

Message from sponsors: improve value creation



That's a concerning, if perhaps overly generalized, stat that would benefit from more detailed investigation into where CFOs are falling short.

There are, broadly, five

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Sponsors believe that their portfolio CFOs have been somewhat effective at driving value through digital, working capital, and liquidity lenses. Going forward, particularly given the tariff landscape and recession fears, they

doubling-down on digital.

On which value creation levers should CFOs focus?

Sponsors say		CFOs say	
01	Operational levers	01	Operational levers
02	Process levers	02	Organizational levers
03	Digital levers	03	Process levers

WHY IT MATTERS

But let's be clear, identifying and pulling these independent value creation levers is about more than just individual portfolio company performance, as is the sponsor focus on the digital lens. It's also about fundraising. In a market marked by limited returns to investors, funds are finding it more important than ever to communicate to LPs what value creation levers they will pull in order to accelerate returns.

When their portfolio CFOs are implementing emerging digital measures (like AI), it makes for not only improved performance, but a great, buzzword-heavy LP pitch.

95%

of sponsors

say

that it’s more important than ever before to communicate to LPs the value creation levers being pulled across their portfolio

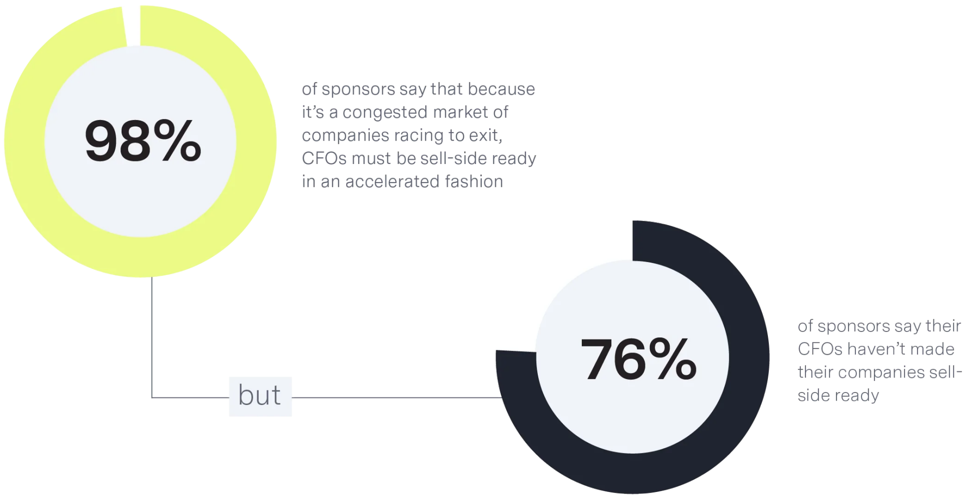
Exit readiness

03

Waiting for the perfect time to sell a PE-owned company is over. LP patience for returns is wearing thin, and sponsors' coffers are full of dry powder. Sponsors are also ready to divest non-core assets to gain additional liquidity to weather any recessionary storms ahead. What does that mean for the market? We are likely to soon emerge from a period of record-low deal activity into a buyer's market with a logjam of assets in play—even if conditions aren't ideal.

But while the market may dictate an early landing, CFOs have not necessarily located the exit door.

Message from sponsors: Get exit ready



CFOs have not effectively developed a more holistic sell-side readiness program to get their not-necessarily-primetime-ready company prepped for sale on an accelerated schedule. Holistic exit readiness would require that CFOs engage in activities beyond traditional sell-side programs. And that's something CFOs have not been particularly effective at doing.

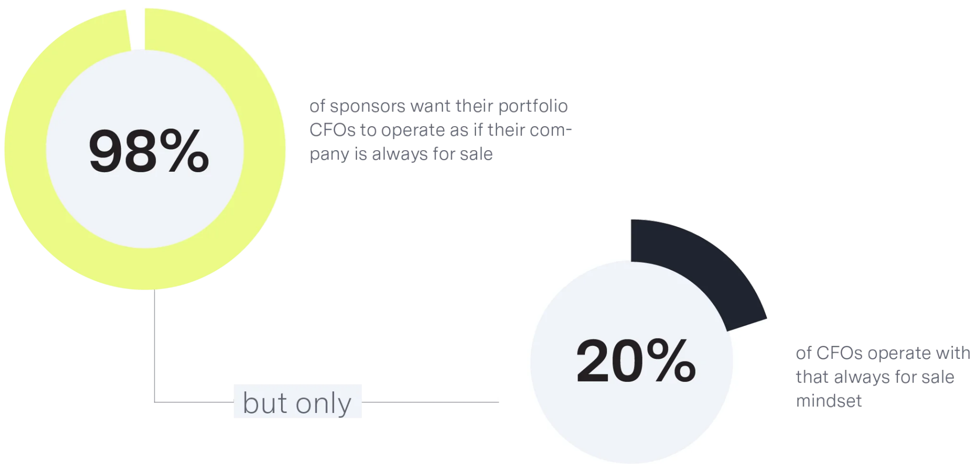
Why do sponsors say portfolio CFOs are not exit ready?

1. They’re too focused on revenue growth, not focused enough on acquisition integration
2. They focus on value creation at the expense of sell-side readiness, leading to rushed preparation
3. They have not rationalized tech platforms effectively, leaving disparate systems unoptimized
4. They haven’t created a roadmap for future buyer value creation with in-play initiatives
5. They haven’t harmonized finance and operational metrics to craft an equity story

WHY IT MATTERS

The root cause of this exit-unreadiness is a mindset misalignment. Given the urgency for exit, and the need to take deal opportunities when they come, sponsors want their CFOs to focus on holistic exit readiness throughout their tenure. They want them to operate as if the company is always for sale. CFOs, on the other hand, have been trained to think in terms of 3–5-year hold periods. As such, they aren't necessarily ready to think about the end at the beginning of their tenure.

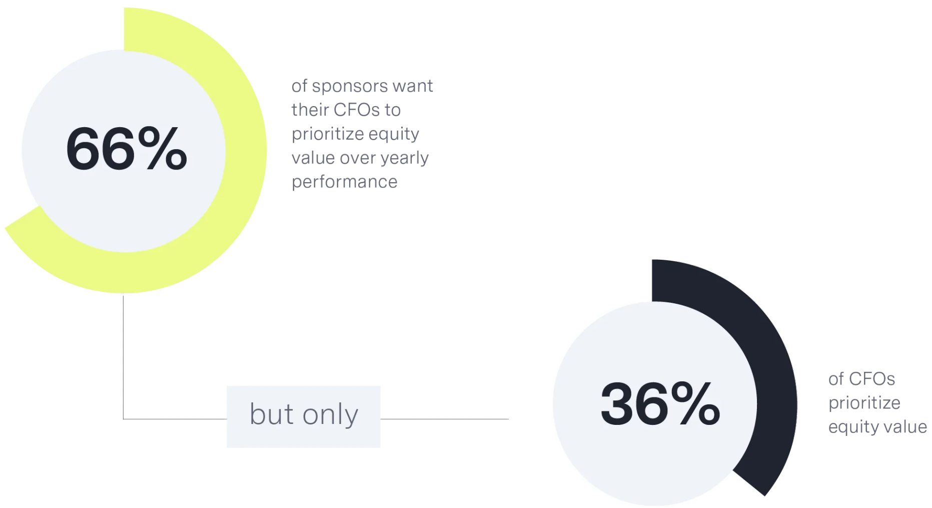
Message from sponsors: Stay exit ready



There's also a second area of misalignment around what exactly should serve as the CFO's north star.

CFOs believe that their sponsors want them to focus on meeting year- end performance metrics above all else. But that's not what sponsors want—they would prefer that their portfolio CFOs prioritize equity value, even if it means sacrificing yearly budget-meeting magic.

Message from sponsors: Prioritize equity value



EXPERT ANALYSIS

The role of the PE-backed CFO is more complex than ever. But at the end of the day, sponsors will measure CFO success by their ability to meet the target for exit as quickly as possible. That will often mean trading short-term profitability for long-term gains. And it will almost always mean getting comfortable spending some sizable money.

Good CFOs will act on equity-driving investments when prompted by their sponsor. Great CFOs will be proactive, identifying and championing those equity-driving initiatives they believe are critical (whether through organic growth or M&A), and pushing their sponsor to align with and prioritize them. While spending money might seem heretical to a CFO who lives by a cost control mantra, PE-backed CFOs must remember they're a different breed. Their job is to make the investments that will have a high ROI and pay returns by exit (not year-end).

THE BFD:

The 2025 sponsor-CFO flight plan

Private equity firms are in a very different market than they've been in during previous iterations of this survey—one in which they can no longer rely on ever-expanding multiples.

It's therefore no surprise that sponsors are demanding their portfolio CFOs start fixating on performance. They want their CFOs to identify every hidden value creation opportunity. Of course, this includes the real needle-moving levers, like tech-enabling the function, leveraging predictive analytics, and marrying operational and financial data for more dynamic forecasting. But sponsors also know that to reach those needle-moving levers, their CFOs need to perfect the basics.

CFOs haven't perfected these basics or met the moment.

They haven't (yet) looked under every nook and cranny of every process and workflow to unlock the kind of hidden EBITDA that will drive valuation (or protect value if recessionary fears prove true). It's time for PE-backed CFOs to relentlessly pursue cost optimization and margin expansion. Doing so effectively will mean clawing back all the money left on the table from elongated close processes and other inefficient FP&A workstreams. It will mean thinking beyond macroeconomic drivers and using all the financial, organizational, process-centric, and digital levers at their disposal to uncover each and every pocket of buried value. Finally, it will also mean leaning into operational levers that have not traditionally been under the CFO's jurisdiction in order to mitigate the impact of tariffs.

Given these unmet expectations, we hope this survey report can serve as a 2025 "flight plan" for both PE sponsors and their portfolio CFOs. The plan encourages CFOs to use the next few months to proactively articulate their value creation strategies for unearthing hidden EBITDA, while tackling sell-side readiness initiatives in tandem with pulling performance enhancement levers.

For sponsors, the flight plan encourages them to give their portfolio CFOs permission—and perhaps even compensatory reinforcement— to make equity value their ultimate north star. And for both parties, it provides the insights they need to bridge misalignment, navigate tariff and recessionary turbulence, and build a lasting partnership to drive value creation.

Ready to rise to the value creation moment?

We are uniquely focused on helping private equity-backed portfolio companies drive value through their finance function.

TELL US WHERE YOU NEED HELP

Accordion

Accordion sits at the heart of private equity—where sponsors and CFOs meet. Through financial consulting rooted in data, technology, and AI, we help clients drive value. Our services support the Office of the CFO across all stages of the investment lifecycle—including foundational accounting, strategic financial planning and analysis enhancement, CFO-led performance, transaction support, and turnaround and restructuring solutions. Accordion is headquartered in New York with ten offices around the globe.

Methodology

The State of the PE Sponsor & CFO Relationship survey was conducted by Accordion, in conjunction with Wakefield Research, among 400 total participants—including 200 private equity (PE) sponsors (senior executives) and 200 chief financial officers (CFOs) at private equity-backed companies with $50 million or more in annual revenue. The CFO and PE sponsor samples were collected/finalized in April 2025, using an email invitation and an online survey. for clients, with services supporting the Office of the CFO across all stages of the investment lifecycle

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