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Finding the right leaders for Australia's private equity–backed healthcare businesses

As private equity investment in Australian healthcare grows, investors need to get more precise about the leadership capabilities that matter—and where to find them.



Private equity (PE) investment in Australian healthcare continues to grow, with healthcare accounting for 75.8% of Australian PE deal value in the second quarter of 2026.[1] That growth is increasing demand for executives capable of leading the next generation of multisite healthcare businesses.

Yet Australia has a relatively small pool of leaders with the most obvious combination of healthcare, multisite, and CEO experience. At the same time, these businesses require a particular combination of capabilities: the commercial and operational discipline required to scale complex, multisite networks, alongside the empathy, credibility, and judgment to lead clinicians and support clinical autonomy.

In a constrained market, precision in the leadership brief is particularly important: which capabilities are essential, which experiences are genuinely transferable, and which responsibilities need to reside with the CEO versus elsewhere in the leadership team.

Drawing from our conversations with investors in Australia's PE-backed healthcare space, as well as our own expertise, this article explores four implications for investors and board members to consider when selecting PE healthcare leaders.

1. Healthcare needs retail-level discipline—but healthcare isn't retail

Retail discipline is critical to handling multisite businesses, many of which require the same capabilities as other distributed networks: consistent execution across sites, effective use of data and key performance indicators, labor and cost management, and the ability to build scalable operating models.

But achieving a commercial agenda with retail discipline mustn't come at the expense of clinical quality or autonomy. Clinicians have a distinct professional identity, and leaders need to understand what motivates them and guides their decision making.

Additionally, the specific skill set leaders require will vary depending on the specific healthcare model. In specialist-led businesses in fields such as oncology or radiology, leaders may need to work closely with a relatively small number of highly influential clinicians. Conversely, larger distributed networks—such as general practice, dental, or veterinary businesses—will require leaders to engage consistently with clinicians across many sites. And at the more consumer-facing end of the healthcare spectrum, stronger retail and consumer instincts will carry greater weight.

Regardless of the model, the most effective leaders are able to connect commercial and operational improvements to better access, quality, efficiency, and patient outcomes—making commercial and clinical objectives mutually reinforcing rather than competing agendas.

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"Multisite healthcare sits at an awkward intersection: you need retail-level operating discipline, but you're leading clinicians who absolutely do not see themselves as working in 'retail,'" said one senior PE investor in Australian healthcare. "The best CEOs can hold both truths at once."

According to investors, meeting commercial objectives while maintaining high-quality clinical delivery is, in part, about language: leaders need to frame change in terms that resonate with how clinicians think about care rather than rely primarily on financial targets. When CEOs engage with clinicians, conversations must focus on improving access for patients and enhancing quality and efficiency rather than on volume, price, and market positioning.

1 Miles Tam and Chris Paxton, *Australia Private Equity Quarterly Update – Q2 2026*, EY, August 31, 2026, ey.com.

Certainly, prior experience managing clinicians can help foster greater respect. But CEOs with high emotional intelligence (EQ) are best equipped to understand clinicians' perspectives, motives, and feelings; read group dynamics; and use that understanding to adapt their leadership style and decision making. The most impactful CEOs aren't just respectful of clinicians; they also understand what matters to clinicians, anticipate how different groups might respond to change, and adjust their language and approach accordingly. This adaptability can help leaders establish common ground, communicate effectively, and bring clinicians along on the journey.

2. Clearly identify what needs to be transferred

Investors need to be precise about which experiences are genuinely essential and which have traditionally been used as proxies for underlying capabilities.

That means looking beyond sector labels to the characteristics of the businesses the candidates have operated in and the capabilities they have developed. Experience leading complex multisite organizations, creating operating discipline across a network, and working with different stakeholder groups may be highly relevant, even if it comes from outside the sector. Indeed, Heidrick & Struggles research shows that 52% of CEO placements at PE-backed companies involve executives changing industries.

That's not to suggest sector context is unimportant. The specific operating model will determine which experiences and capabilities matter most. More consumer-facing healthcare businesses may benefit from stronger retail and consumer experience, while other models may place greater weight on healthcare-sector context and credibility with clinicians. Candidates coming from less conventional backgrounds still need the judgment and adaptability to understand the clinical environment and work effectively within it.

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Prior PE experience is another example of a credential that can be useful without necessarily being essential. As one senior PE investor in Australian healthcare told us: "The reality in this market is that some of the most interesting leaders for these roles have never worked in a PE-backed company before. You can teach them the ownership model; you can't teach curiosity, resilience, and judgment from scratch."

The task for investors is therefore not simply to find candidates whose prior experience aligns most closely with the role but to understand what that experience is intended to signal and whether the underlying capabilities have been demonstrated elsewhere.

3. Assess leaders for the next phase, not simply for what they have already achieved

By developing a full-potential plan, PE firms can more accurately assess the leadership characteristics needed to deliver the investment thesis and realize the full potential of the business. Leadership requirements, however, can change as the business moves through different phases of investment.

The early postacquisition period is a critical time to test leadership fit against the investment thesis. A leader who has successfully built or led a healthcare business to its current stage may not necessarily be the leader required for its next phase. Increasing scale, institutionalization, and operating discipline can materially change the leadership requirements—and with them the right configuration of the leadership team.

As a result, leadership assessment must be an ongoing process, beginning during diligence but continuing after investment. Scenario-based assessments can help investors test the capabilities that a conventional resume often signals and provide important evidence of leadership fit. One investor described case studies as particularly useful for distinguishing candidates who look strong on paper from those who actually perform well under pressure.

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"The interview is no longer enough," said a senior PE investor in Australian healthcare. "We routinely put CEO candidates through case studies and multiple conversations with the deal team. Some of our best appointments have been people with modest CVs who absolutely crush the real-world scenarios."

If it's discovered that the requirements of the business and the capabilities of the incumbent no longer align, investors need to act quickly rather than wait for performance problems to become entrenched.

4. Build the right leadership team, not just the right CEO

In today's tight labor market, the objective for PE firms is not simply to find the "perfect" CEO but to build the right leadership configuration for the business throughout each stage of its growth.

Rather than create an increasingly restrictive CEO specification, investors can first determine where the business sits on the healthcare–consumer spectrum and which capabilities are most important for that particular model.

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"No one candidate is going to tick every box," said a senior PE investor we spoke with who works within the Australian healthcare sector. "Our job is to understand where the business sits on the healthcare–retail spectrum and then build a leadership team that, together, has clinical credibility, consumer instincts, and financial discipline."

From there, PE firms can identify which of those capabilities must reside in the CEO and which can be supplied by others on the leadership team. Depending on the business, a CEO's relative gaps in healthcare experience, operational expertise, or particular operating abilities may be complemented through the broader leadership team. Collectively, the leadership team's capabilities and credibility enable the business to grow.

Building the right team is also critical to enabling the CEO to continue scaling alongside the business. As organizations grow, the strongest CEOs build capable leaders around them, give those leaders increasingly significant responsibilities, and create the capacity to operate at the next level.

Conclusion

Australia's constrained healthcare leadership market makes it particularly crucial that PE firms find the right leaders for their multisite healthcare companies—and finding the right leaders begins with clarity over what to look for. Rather than narrowing the field around an idealized combination of previous roles and experiences, investors need to be clear about what the business requires: which capabilities are essential, which experiences are genuinely transferable, and which credentials are simply proxies for the underlying capabilities they are meant to signal.

In a constrained market, widening the field does not mean lowering the bar. Instead, firms must be more precise about which capabilities they actually need and where to find candidates who possess them.

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Healthcare & Life Sciences Practice

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