

The Strategic Impact of Leadership Moves in European Private Equity



Following Russell Reynolds Associates' [research on senior investor departures and the rise of spinout funds in the United States \(US\)](#), European investors have asked for a comparable perspective.

This focus comes at a time when European private equity (PE) represents a significant and strategically important allocation for global investors. Assets under management have expanded to over €1.25 trillion, more than doubling over the past decade,¹ and capital deployment across Europe continues at scale despite slower fundraising and more selective deal activity.² In this environment, leadership continuity and having the right talent can directly influence investment strategies, fundraising outcomes, and platform credibility.

The European market, however, is structurally different from the US. It is characterized by fewer mega-platforms, smaller partnerships, and more concentrated decision-making at senior levels. As a result, while absolute leadership departures are fewer, their impact is often greater, as the exit of even one or two senior investors from a fund can have an outsized impact.

This paper analyzes senior investor moves across Europe and what it signals about platform evolution, competitive positioning, and perceived leadership risk in today's market.

Methodology

Russell Reynolds Associates analyzed 245 partner and managing director (MD) departures from 95 Europe-based PE firms managing funds of €2 billion or more between 2020 and 2025. For comparison, we draw on our previously published research examining 321 partner and MD departures during the same period across 158 US-based PE firms managing funds of \$2 billion or more.

Each move was categorized by destination: a lateral move to another established PE firm, new investment vehicle or spinout, individual investing, operating company or corporate role, retirement, other, or unannounced. For clarity, "new investment vehicle or spinout" refers to the establishment of a formal, capitalized investment platform intended to operate as an independent firm, whereas "individual investing" captures personal independent investment activity that does not involve the formation of a new institutional fund platform.

Senior PE leadership mobility in Europe

Senior investor turnover has been broad-based across European PE platforms of all sizes. Nearly all large-cap funds (above €10 billion) reported at least one senior investor departure during the period, compared to 81% of funds in the €5 billion to €10 billion range and 78% in the €2 billion to €5 billion range (Figure 1).

Figure 1: Proportion of funds who saw senior departures in Europe (2020 to 2025)

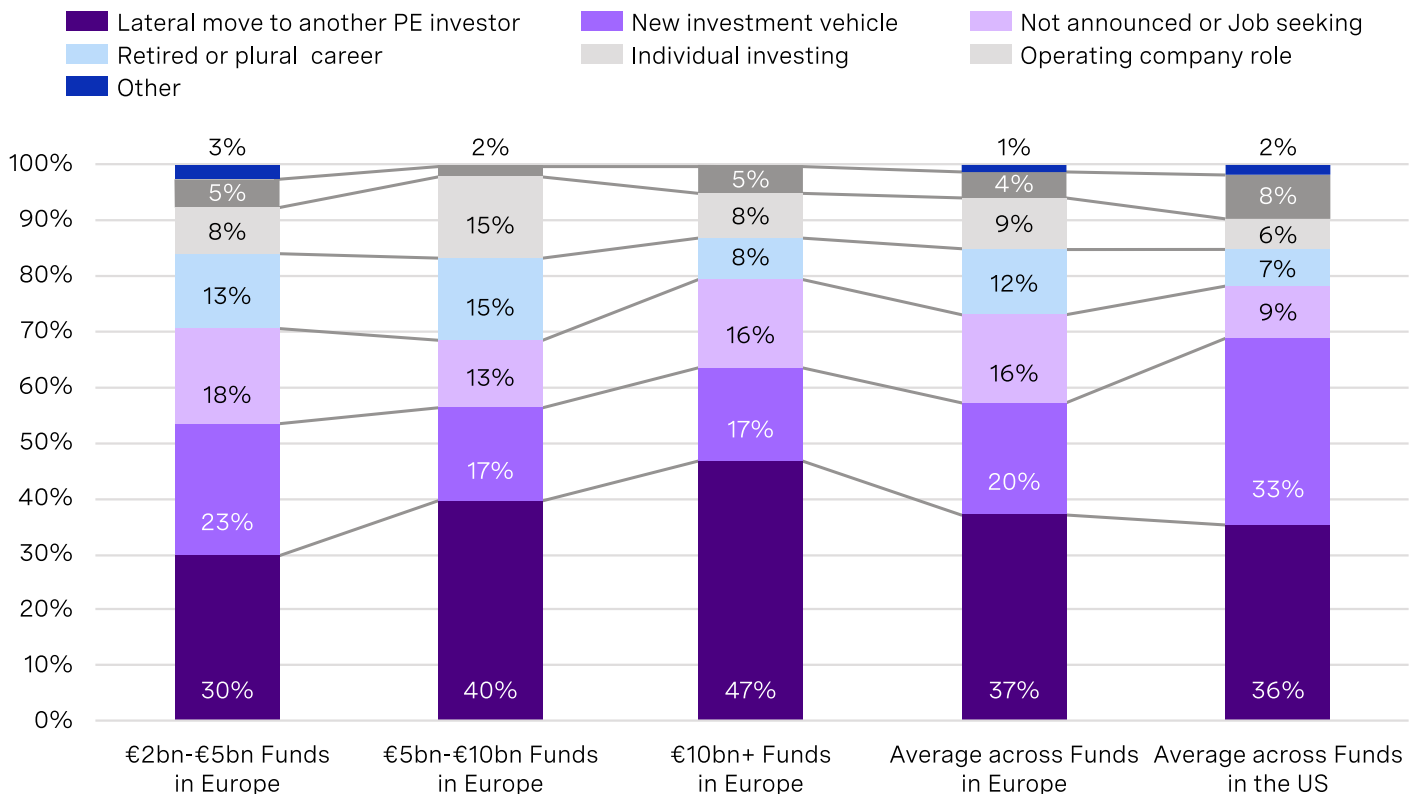


Source: Russell Reynolds Associates analysis, N = 245 senior leadership moves across 95 funds

In absolute terms, nearly half (120) of departures originated from smaller funds (€2 billion to €5 billion), reflecting the larger number of GPs operating in this segment. Almost one-third (77) came from firms managing more than €10 billion, underscoring meaningful leadership movement within larger, scaled platforms. The remaining 20% (48) occurred in the mid-cap segment (€5 billion to €10 billion).

Across all fund sizes, more than one-third (37%) of senior investors in Europe moved laterally to another PE firm (Figure 2). This pattern is even more pronounced among large-cap platforms, where nearly half (47%) of departures followed this path. By contrast, one in five departures resulted in the launch of a new investment vehicle, with a greater share of spinouts originating from investors departing smaller funds (€2 billion to €5 billion). While this reflects continued entrepreneurial activity, it remains materially below the US, where roughly one-third of comparable departures lead to spinouts.

Figure 2: Destination of departing senior PE leaders in Europe, by fund size, and comparison to the US (2020 to 2025)



Source: Russell Reynolds Associates analysis, N = 245 senior leadership moves across 95 funds in Europe and N = 321 senior leadership moves across 158 funds in the US. Percentages may not add up to 100% due to rounding.

What senior leadership mobility reveals about Europe's PE landscape

The key themes emerging from this analysis are as follows:

01 Fewer moves; greater strategic impact

Europe's lower senior turnover rates reflect the market's structure, rather than organizational stability. Smaller partnerships and more concentrated decision-making mean the departure of even a single senior investor can carry outsized strategic and fundraising consequences. By contrast, larger US firms are generally better positioned to absorb comparable transitions with reduced disruption.

02 Mobility as platform recalibration, rather than entrepreneurship

European senior investors are more likely to move laterally to established firms than to launch new investment vehicles. This reflects more conservative LP risk appetite in Europe compared with the US,³ more limited portability of individual track records, and the sub-scale economics that often constrain first-time platforms. Together, these factors create a strong pull toward mature firms with proven operating models and capital frameworks. The outcome is less industry fragmentation and greater talent redistribution, alongside rising retention pressure on firms with misaligned economics or unclear advancement pathways.

03 Leadership stability as a fundraising variable

In a more challenging fundraising environment, LPs are placing greater emphasis on leadership continuity as part of their underwriting process.⁴ Senior transitions during active or upcoming raises are increasingly viewed through a key-person and continuity-risk lens, raising questions around consistency of investment strategy, execution across fund cycles, and the depth of next-generation leadership. As LP governance standards rise, leadership stability is assessed as a due-diligence signal rather than a purely internal matter.

04 Generational transition as a structural driver

Many European buyout firms founded in the 1980s and '90s have recently undergone, or are currently undergoing, leadership transitions. Where succession pathways remain unclear and governance or economic alignment unresolved, senior departures are becoming a primary mechanism of change. As we noted in recent research, [succession planning has shifted from a long-term consideration to a near-term strategic imperative](#).

What's next for Europe's senior PE leaders?

While partner and managing director turnover in Europe remains lower than in the US, its impact is often disproportionate. In a market defined by concentrated leadership and smaller partnerships, each senior departure can materially influence investment strategy, fundraising outcomes, and governance effectiveness.

Therefore, leadership mobility in Europe provides a clear and actionable signal of how firms are navigating generational transition, capital constraints, and structural change in PE. These shifts will play a defining role in shaping the region's next phase of market evolution.



Authors

Emily Taylor co-leads Russell Reynolds Associates' Private Capital practice. She is based in New York and London.

Heather Hammond co-leads Russell Reynolds Associates' Private Capital practice. She is based in New York.

Rob Wootton is a member of Russell Reynolds Associates' Private Capital practice. He is based in London.

Courtney Byrne is a member of Russell Reynolds Associates' Private Capital Commercial Strategy & Insights team. She is based in London.

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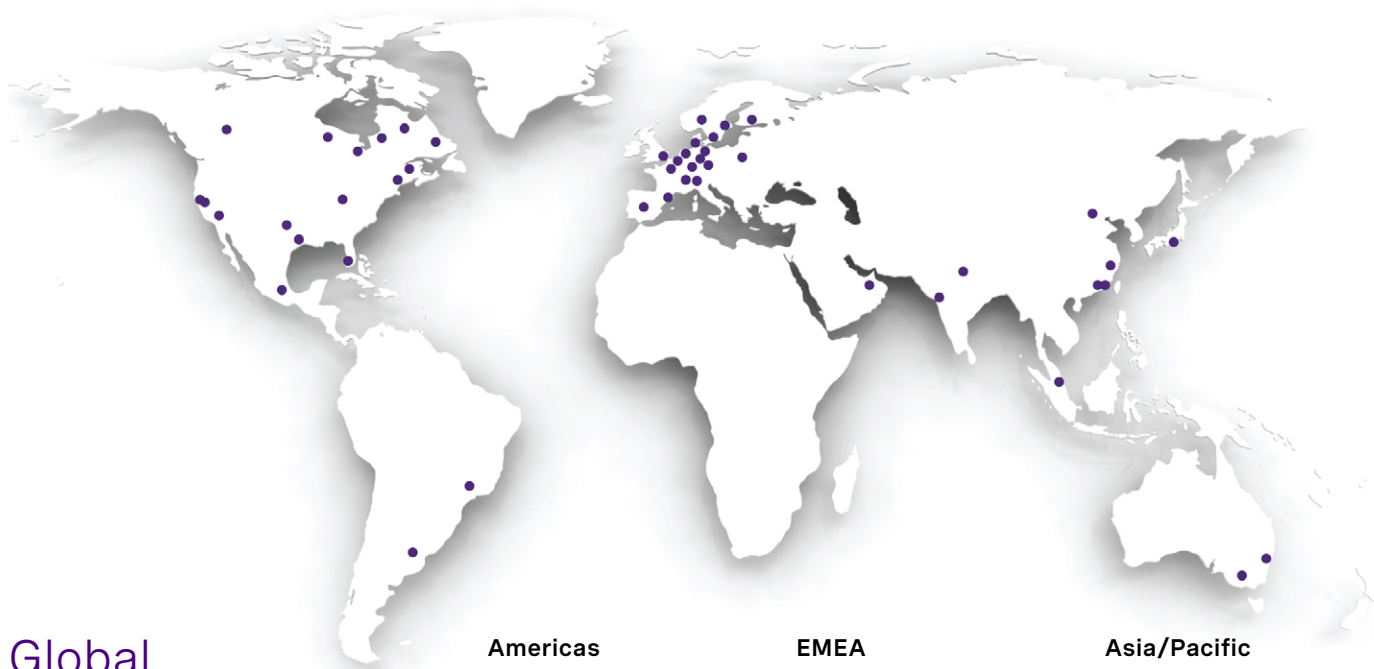
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⁴ Barnes & Thornburg, 2025 Investment Funds Outlook Report, July 2025, https://edge.sitecorecloud.io/barnesthornec91-btlawb18a-prod2e0c-5bea/media/files/2025_investment_funds_outlook_report.pdf

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