



Co-Executive Leadership: The New Model Powering PE Portfolios in the Energy Landscape



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Executive Summary

The global energy market stands at a pivotal inflection point. Trillions in capital are flowing into the energy transition, reshaping how private equity firms deploy resources, measure value, and manage risk. Yet amid opportunity, the landscape is growing more volatile, technologically, geopolitically, and operationally.

For firms investing in both traditional and renewable energy, the execution challenge has never been greater. Complex regulatory frameworks, fragmented value chains, and capital-intensive projects demand leadership that can translate strategy into action.

PhiCap's Co-Executive model represents a new form of leadership for this new energy era. Different from the consultant or "fractional" C-suite model, PhiCap's support embeds sector-specialized executives within portfolio companies while combining deep operational fluency with disciplined financial oversight. This relationship results in PhiCap being engaged in all functional levels – from ongoing finance and treasury activities, to operational and capital decisions, to long-term strategic planning alongside senior management – creating a true invested partnership.

In this paper, we explore:

1

The market dynamics reshaping energy investing

2

The execution and capability gaps that threaten portfolio performance

3

How PhiCap's Co-Executive model fills those gaps through hands-on partnership

4

Case studies and outcomes demonstrating measurable value creation

5

A practical framework for how PE firms can engage



Our thesis is simple: energy investing today requires a leadership model built for uncertainty and expert-led execution. The Co-Executive approach is that model.



The Opportunity in Today's Energy Landscape

Navigating an exciting, accelerating industry

Even just ten years ago, it would have been impossible to foresee how much the energy industry—and the investment opportunities within it—would evolve.

The energy transition is no longer a distant horizon, it's a defining investment frontier of the next decade. What was once an ideological shift has become an industrial one: the movement to decarbonize, digitize, and decentralize global energy systems now commands trillions in capital and the attention of every serious investor. And yet, even within a few years time and a single shift in governmental administration, the thrust of energy investments, both alternative and traditional, has become increasingly driven by intense demand for new technologies like artificial intelligence, and not just by efforts to decarbonize production.

But with that opportunity comes unprecedented complexity. The energy sector sits at the intersection of climate policy, national security, and technological innovation. It's a market where capital abundance collides with execution scarcity, where the ability to operationalize strategy determines who captures long-term value and who gets left behind.

“Innovative companies cannot rely on capital alone to advance creative projects forward. We need practical plans with visible milestones...and notably the executive support to carry them out.”

–Brian Begley, Co-Founder & Partner, PhiCap Advisors

Private equity is uniquely positioned to lead this transformation. By design, it thrives in environments where disciplined execution, creative structuring, and long-term vision intersect. But the modern energy landscape stretches the limits of traditional investment playbooks. Sponsors are being asked to navigate evolving regulatory frameworks, shifting subsidy regimes, infrastructure bottlenecks, and rapidly changing technology curves—all while delivering competitive returns to increasingly sophisticated LPs.

The next wave of value creation won't come from financial engineering alone. It will come from operational mastery. The ability to turn complex energy assets into scalable, investable platforms is where the opportunity lies, and where the leadership model behind the capital must evolve.



A sector in flux

To understand where this opportunity begins, it's important to look at the forces reshaping the market itself. Today's energy investment landscape is not a single story but a convergence of several: global investment surging toward cleaner systems, demand spikes fueled by digital expansion, and persistent volatility across supply chains and geopolitics. Each factor underscores the same truth, that the sector is transforming faster than traditional investment and management models can keep up.



>\$4.3 Trillion

of forecasted annual global investment in energy transition assets by 2030

Global investment in energy transition assets is projected to exceed \$4.3 trillion annually by 2030, encompassing renewables, grids, hydrogen, carbon capture, and critical infrastructure, according to KPMG's Energy Transition Outlook 2025¹. The International Energy Agency (IEA) estimates that meeting net-zero targets will require more than doubling annual energy investment by 2030, with private capital playing a decisive role².

Yet the energy market remains uniquely volatile. Policy shifts, permitting delays, commodity price swings, and supply chain bottlenecks continue to challenge even well-capitalized enterprises. Where public markets look for short-term yield, private capital must balance speed with sustainability, both financial *and* operational.

The AI demand surge

While these headwinds introduce friction, they also create fertile ground for innovation. Every disruption—policy, supply chain, or pricing—opens a new channel for investment and reinvention. Nowhere is this more evident than in the collision between the digital and physical economies. As emerging technologies scale at breakneck speed, their energy demands are reshaping the infrastructure beneath them.

Artificial intelligence has become an unexpected accelerant. Goldman Sachs projects that AI data center power demand could grow sixfold by 2030, consuming up to 8% of total U.S. electricity generation³. For energy producers, grid operators, and infrastructure developers, this is both opportunity and pressure, driving demand for new systems to adequately address a rapidly evolving world.

Energy transition and digital transformation are now intertwined. Capital efficiency, execution speed, and operational resilience define who wins.



Twin challenges facing the current PE model

As capital floods into the energy market and digital infrastructure booms, investors face a paradox: opportunity has never been greater, yet the execution risk has never been higher. The sophistication of today's deals far outpaces the internal capacity of many firms and their portfolio companies to operationalize them.

Behind every ambitious energy strategy lies a simple question: who will actually make it happen?

That question exposes two persistent challenges—the capability gap that limits how effectively capital can be deployed, and the cost trap that constrains how efficiently it can be managed.

The capability gap

While private equity firms excel at structuring capital, few possess the in-house operational depth required to navigate the complexities of energy. Deals are often underwritten by financial modeling and top-down strategy, but post-acquisition execution falters.

Portfolio management teams, meanwhile, face bandwidth constraints. Many are tasked with scaling organizations, managing compliance, and executing on capital plans simultaneously—without the right leadership density to sustain momentum. The result: a widening execution gap between capital deployment and value creation.

The cost trap

Traditional solutions, including consulting firms and full-time executive hires, are ill-suited to this new environment.

Consulting firms deliver reports, not results. Rate card studies from BTG show consulting markups of 30–60% over on-demand executive models, while leaving clients with little enduring operational capability.⁴

Full-time executive hires require months of recruitment and create fixed overhead that may outlast the business need.

Finally, interim or fractional executives provide temporary coverage but often lack alignment with long-term portfolio goals.



The PE Portfolio Problem: Where Things Commonly Fail

When strategy stalls, value follows

Even the strongest investment thesis can crumble under weak execution. Across the energy and infrastructure landscape, portfolio companies don't typically fail because the strategy was wrong, they fail because the strategy never fully left the page.

In today's environment, value creation depends less on how quickly capital is deployed and more on how effectively it is managed once deployed. Yet many portfolio companies face the same structural hurdles: under-resourced teams, leadership gaps at critical inflection points, and an overreliance on outside advisors who lack operational accountability.

For private equity sponsors, these breakdowns often come with undercover costs. Missed reporting deadlines, deferred integrations, and unfilled leadership roles quietly compound into stalled growth and delayed exits. Across PhiCap's experience working with energy and infrastructure portfolios, three recurring failure modes stand out as the primary culprits behind underperformance.



1. Execution gaps stall momentum

Many portfolio companies begin with bold ambitions and well-crafted financial models. But once the ink dries on the deal, operational reality sets in. The transition from acquisition to acceleration is where momentum most often dies.

Early-stage growth plans hinge on a few overextended leaders who are expected to juggle capital raises, reporting, compliance, and commercial execution simultaneously. The instinct to “stay lean” leads many teams to defer adding key leadership roles, fearing that fixed overhead will eat into short-term returns. In reality, this restraint often proves more expensive than action.

Without dedicated accountability for execution, high-value initiatives—such as ERP implementation, audit readiness, performance dashboards, new market entry, or supply chain upgrades—sit in limbo. Progress slows, investors lose visibility, and the organization begins to drift. Over time, what started as disciplined caution turns into strategic inertia.

The effect is silent but costly: capital can't compound when execution can't keep up.

2. The consultant dependency spiral

What happens when internal execution capacity runs thin? Portfolio companies often turn to consultants as a stopgap. On the surface, this makes sense—specialized expertise, recognizable logos, and fast mobilization. But in practice, it often replaces one problem with another.

Consultants tend to operate in recommendation mode rather than ownership mode. They produce comprehensive strategies and detailed decks, yet once the project ends, execution accountability evaporates. Internal teams—already stretched thin—are left to interpret and implement recommendations without the time, context, or capability to do so effectively.

The result is a widening disconnect between boardroom strategy and operational reality. Project timelines extend as decisions bounce between advisor and operator. Meanwhile, knowledge dissipates as consultants roll off, and costs balloon well beyond initial estimates.

Across PhiCap's experience, this “consultant dependency” not only drains cash but also stifles internal confidence. It cultivates a culture of deferral rather than delivery. What these companies need isn't more advice, it's more executional muscle.



3. The “vacancy tax”

Perhaps the most underestimated drag on portfolio performance is the invisible cost of unfilled leadership roles. Every unoccupied seat in the C-suite—whether CFO, COO, or CRO—represents lost alignment, delayed decisions, and unrealized value creation.

Hiring processes in specialized industries like energy and infrastructure can stretch for six or more, particularly for hybrid financial-operational roles. During that time, interim coverage is often pieced together among existing executives or consultants who lack the bandwidth or context to lead effectively.

The result is fractured accountability: financial data becomes reactive rather than strategic, forecasting loses precision, and communication between management and investors deteriorates. In capital-intensive sectors, where timing and transparency directly influence valuation, these delays translate into real financial loss.

We refer to this hidden burden as the vacancy tax—a silent erosion of enterprise value that compounds month over month. By the time the right candidate is hired, the company has often lost a full cycle of progress.

What’s the potential impact of the vacancy tax?

Let’s work through a hypothetical situation.

Imagine a \$100M energy infrastructure platform delayed its full-time CFO search for nine months following acquisition. During that period, inconsistent financial reporting and missed fundraising windows reduced its potential valuation.

By embedding a Co-Executive CFO and Controller within 60 days, PhiCap has the potential to help the company regain financial visibility and execute a successful capital raise within one quarter. Execution is the new alpha. Without embedded leadership, even the best investment thesis loses power.



The Revolutionary Co-Executive Leadership & Capital Strategy Model

A new leadership framework for today's energy investing environment

The breakdowns seen across today's energy portfolios point to a single root cause: a widening gap between ownership and execution. Traditional advisory models stop at strategy. Interim executives provide temporary relief. Full-time hires add rigidity and cost. None deliver the flexible, accountable leadership structure needed to meet the pace and complexity of the modern energy landscape.

PhiCap's Co-Executive model was built to close that gap.

It redefines what leadership looks like inside a private equity portfolio, embedding senior operators with deep sector expertise directly into the business to co-own outcomes rather than distantly advise on them. This approach fuses operational command with capital strategy, turning high-level plans into measurable performance.

What is PhiCap's Co-Executive model?

PhiCap's Co-Executive model is a flexible leadership framework that embeds seasoned financial and operational executives directly within portfolio companies to drive strategy, execution, and value creation from the inside out.

Each engagement is designed to flex: combining governance, financial operations, capital structuring, and M&A integration in a modular, on-demand framework.

The Co-Executive model is not consulting, not interim coverage, and not outsourced management. It is a strategic embedding of senior PhiCap operators—often serving as CFO, COO, or Head of Strategy—within portfolio companies. We bring deep sector fluency and hands-on operational discipline, backed by our broader capital strategy team. Rather than sit outside as external advisors, we operate as co-leaders that build systems, manage teams, and align financial and strategic outcomes with investor objectives.



Why it works

Co-Executives are observers operators

Every PhiCap executive brings hands-on experience running energy businesses, not just analyzing them.

It is lean and scalable

Cost-efficient versus Big-4 consulting or full-time headcount, with the ability to expand and contract as the business evolves.

Fewer handoffs

Embedded leadership means decisions and execution happen in the same room.

Aligned incentives

We act as true partners with skin in the game. Our success is measured by outcomes and not by how many hours we bill each month.

How it differs from traditional solutions

The Traditional Model

Consultants produce recommendations but rarely own execution.

Interim/fractional executives provide temporary coverage but limited continuity.

Full-time specialist hires create fixed cost without guaranteed scalability.

The Co-Executive Difference

PhiCap Co-Executives plan and deliver, building structure, systems, and results.

PhiCap Co-Executives pair long-term strategic alignment with flexible engagement.

PhiCap Co-Executives scale up or down based on need, lowering risk and cost.

In an environment where capital moves fast but execution often lags, the Co-Executive model delivers the missing link between strategy and results. By combining senior-level leadership, operational fluency, and capital expertise within a single embedded structure, PhiCap gives portfolio companies the discipline to scale and investors the confidence that value is actually being built in real time.



Success Beats the Status Quo

How embedded leadership turns ideas into investor returns

Of course, the strength of any model lies in its results. Across multiple portfolio engagements—spanning recycled fuels, sustainable infrastructure, energy asset management, and environmental remediation—PhiCap’s Co-Executive model has consistently translated strategy into measurable performance. These success stories demonstrate how embedded leadership accelerates growth, strengthens governance, and compounds value creation over time.

These are examples of PhiCap’s impact in action—real-world cases where the Co-Executive approach helped position companies for scalable, sustainable success.



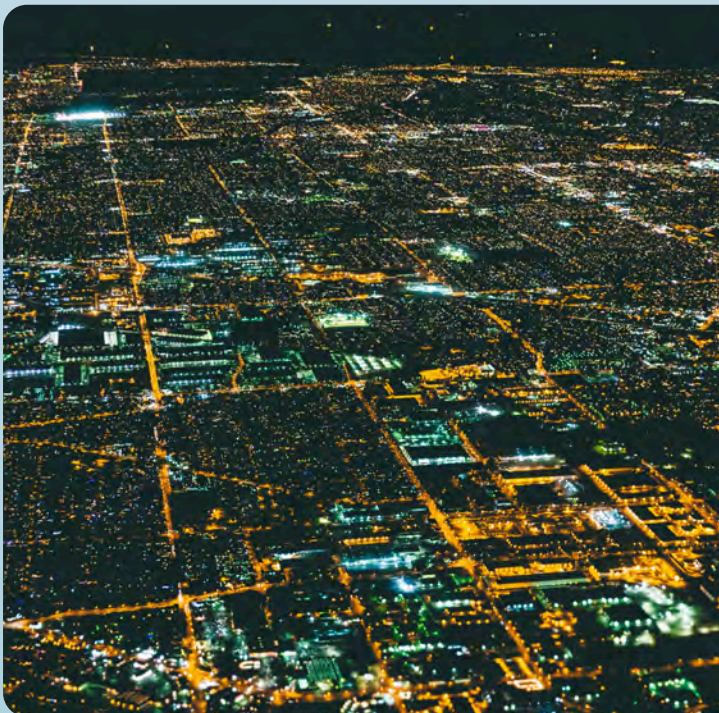
SquareOne — Building the first circular refinery

A pioneering recycled oil company sought to build the first U.S. facility capable of converting waste oils into clean fuels. Lacking internal financial structure and reporting systems, the firm partnered with PhiCap. Within six months, PhiCap Co-Executives secured development capital, implemented scalable governance, and positioned the company for expansion.

Results

- Secured Development Capital
- Established a Scalable Model
- Created Long-Term Investor Value
- Created FOAK Recycling Process



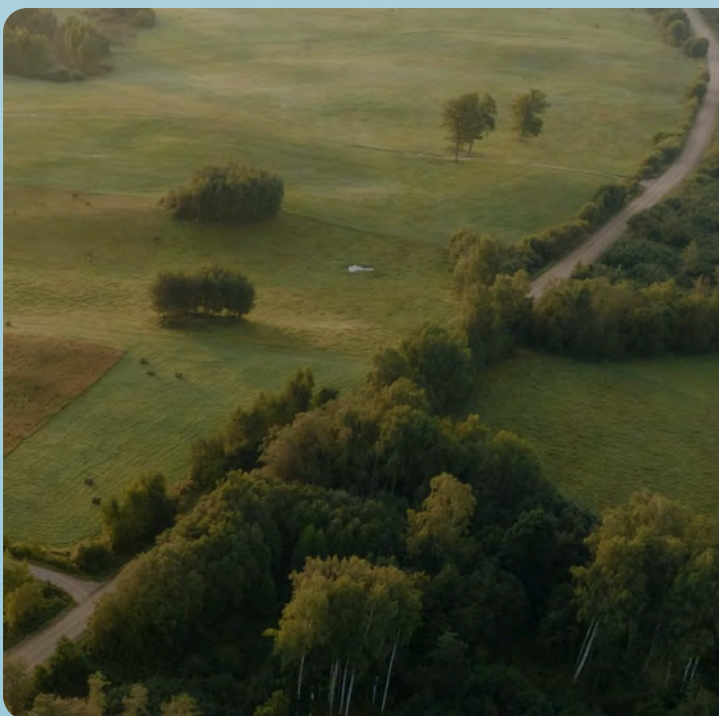


98six — Redefining sustainable infrastructure redevelopment

98six engaged PhiCap to establish both its capital framework and operational roadmap. PhiCap embedded as Co-CFO and strategic advisor, bridging the gap between investor expectations and on-the-ground execution.

Results

- Financial model institutionalized across multiple sites
- Reporting cadence and board governance standardized
- Positioned as sector leader within 18 months



WhiteHawk Energy — Scaling distributed asset acquisition

\$0 to \$500m+ in asset acquisitions

As a diversified energy investment platform, WhiteHawk needed governance and reporting systems to meet institutional investor expectations. PhiCap Co-Executives structured capital, enhanced visibility, and created repeatable acquisition processes.

Results

- Scaled from 0 to \$500m+ in assets
- Professionalized internal operations
- Created roadmap to acquiring \$1b+ in asset value



Translating the Co-Executive Model Across the Business Lifecycle

A flexible framework built to match every stage of the investment lifecycle

Every portfolio is different, but the challenges that slow growth and erode value are often the same. The Co-Executive model is designed to meet companies where they are, scaling its level of support to match each enterprise.

Whether launching a new platform, accelerating growth, or preparing for an exit, PhiCap tailors its engagement model to align capital strategy, operational execution, and leadership bandwidth.

Here's an overview of how PE sponsors and their portfolio companies can partner with PhiCap across the full business lifecycle.

Startup & Initiation

Laying the foundation for scale and investor confidence.

For early-stage ventures, carve-outs, or new platforms entering the energy transition, the difference between potential and performance lies in how well the business is structured from day one. The Co-Executive model provides that structure, embedding leadership early to build systems that can grow with the company

PhiCap Co-Executives partner with founders, investors, and boards to:

- 1 Define a credible strategic and financial roadmap that links mission to monetization.
- 2 Structure new entities to enable scalability and capital access from institutional investors.
- 3 Build early governance and reporting frameworks that establish discipline and transparency.
- 4 Apply deep energy-sector experience to refine business models and secure strategic partnerships.

By establishing a foundation of rigor and credibility, early-stage enterprises can accelerate investor confidence and avoid costly rework later.



Growth & Expansion

Turning operational focus into enterprise momentum.

As companies move from startup to scale-up, the complexity multiplies. More people, more data, more capital at stake. Growth often exposes weak processes and fragmented systems that once worked but no longer can. PhiCap embeds as Co-Executive partners at this stage to sustain momentum, professionalize execution, and manage expansion with discipline.

Typical focus areas include:

- 1 Embedding Co-Executives in key roles (CFO, COO, Strategy Lead) to oversee daily financial and operational performance.
- 2 Institutionalizing planning, forecasting, and reporting to create clarity for boards and investors.
- 3 Optimizing capital structure and aligning investor relations with near- and long-term goals.
- 4 Driving disciplined deal flow through M&A support, integration planning, and capital sourcing.

The outcome: scalable systems, measurable KPIs, and a leadership model that can stretch as the company grows.



Efficiency & Improvement

Unlocking trapped value and positioning for exit.

For mature or underperforming portfolio companies, incremental improvement is no longer enough. Transformation is required. PhiCap Co-Executives bring the objective perspective and operational precision needed to restore momentum and maximize valuation ahead of key liquidity events.

At this stage, the focus shifts to:

- 1 Conducting deep operational diagnostics to identify bottlenecks and inefficiencies.
- 2 Professionalizing core systems—from reporting and cash management to procurement and compliance.
- 3 Managing liquidity, debt, and working capital to strengthen financial resilience.
- 4 Preparing the business for M&A, refinancing, or exit, ensuring processes and governance can withstand investor scrutiny.
- 5 Enhancing valuation by aligning governance, growth narrative, and capital strategy into a coherent story for the market.

In practice, this phase often determines whether a portfolio delivers its target multiple or leaves value on the table.





Let's grow your enterprise together.

The energy transition rewards operators, not just investors. Success now depends on the ability to execute with precision, speed, and sector fluency.

The Co-Executive model provides a proven framework for doing exactly that.

PhiCap partners with PE firms and their portfolio companies to embed the leadership, systems, and capital strategy needed to unlock value at every stage of growth, without the fixed costs or delays of traditional models.

Discover how the Co-Executive approach can accelerate your next investment.

Schedule a discovery call at PhicapAdvisors.com

Sources Cited

1: [KPMG, Energy Transition Investment Outlook 2025](#)

2: [IEA, Net Zero by 2050 Report](#)

3: Goldman Sachs, [AI is poised to drive 160% increase in data center power demand](#)

4: Business Talent Group, [Consulting Costs and Value Analysis: On-Demand Talent vs. Traditional Firms](#)

About PhiCap

PhiCap helps energy transition and industrial asset companies manage and source capital, preparing them for growth, capital transactions, and society-changing impact on the world's energy.

