

Deloitte Survey: A Majority of Global Private Companies Expect Revenue Growth to Increase Over Next 12 Months, Powering Optimism



Private businesses in the Americas are more confident in company success than their counterparts in other global regions

With disruption rewriting traditional business operations, private business leaders remain steadfast in their optimism about the year ahead. In its second report on this important market segment, “Global perspectives for private companies: Agility in changing markets,” Deloitte details that despite market challenges, three-quarters of private business leaders express high or extremely high confidence in the success of their private firm over the next 24 months.

In a survey of 2,550 private company leaders across 30 countries, Deloitte found that the majority of respondents anticipate growth in six of eight key business metrics in the next 12 months. The strongest growth is predicted for revenue, productivity and profits – with companies in the Americas taking the lead in terms of expected increases, compared to counterparts in the Europe, Middle East, Africa and Asia Pacific regions.

“Private business leaders don’t necessarily view today’s disruption as negative, but rather as offering new opportunities for growth,” said Jason Downing, vice chairman of Deloitte LLP and the U.S. Deloitte Private leader. “Despite some concern about trade policy and geopolitical uncertainty, the majority of executives we surveyed are highly optimistic about growth and truly have confidence in their company’s success in the year ahead.”

Proactivity is catalyzing productivity

Technology has brought business closer to its customers but it has also upended business models. It has driven efficiencies but also fostered uncertainties. To address these conditions, firms globally are not staying idle but considering (43%) and implementing (40%) new business models to navigate disruption.

In conjunction with exploring new business models, companies are also looking for ways to improve growth. Globally, the top two strategies for firms are increased productivity (29%) and new product/service development (24%). Interestingly, these same two categories rank as the top competitive advantages.

Talent as the differentiator

Despite advances in adoption and implementation of technology, private business leaders realize their employees can be the differentiator and are investing in them through the following initiatives: 39% are devoting assets to training programs, 35% are increasing the number of full-time employees and 33% are investing in leadership development.

In order to attract and retain employees, 4-in-10 firms plan to reimagine learning and development programs using experiential formats, develop strategies to build an inclusive workforce, and increase their focus on flexibility and well-being programs.

Social purpose fuels corporate profits

With the influence of social media and the rise of employee activism, the majority of private business executives recognize that having a strong company culture is not a “nice to have” but a “need to have.” More than three-quarters (77%) of survey respondents agree that culture is strategically important to the success of the business.

Culture encompasses much more than the activity happening within a business and private company leaders today recognize this new reality. Specifically, the concept of social responsibility is resonating with private firms worldwide, with 66% viewing it as a top or high priority for their organization. To make the most of these initiatives, organizations are focusing on corporate strategy as well as employee and customer branding to separate themselves farther from the competition.

Conducting business across borders

Regardless of business size or industry, technology has blurred borders and provides every company with the ability to be a global enterprise. In fact, the top driver cited for M&A activity over the next 12 months is the opportunity to enter new global markets (39%). The survey found that many private business executives expect to conduct an aggressive merger and acquisition strategy, with 42% believing it is likely or very likely they will participate in an acquisition in that timeframe.

This potential expansion comes in the face of uncertainties ignited by global trade tensions. While 24% of global respondents view trade barriers as a significant risk to growth, it is not at the expense of private business’ optimism: 15% of respondents cite entry into foreign markets as their company’s main growth strategy over the next 12 months.

“Despite some areas of uncertainty, private businesses remain the engine behind the global economy, fueled by their agility and ability to innovate,” Downing said.

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