



Business Pulse Albania 2024

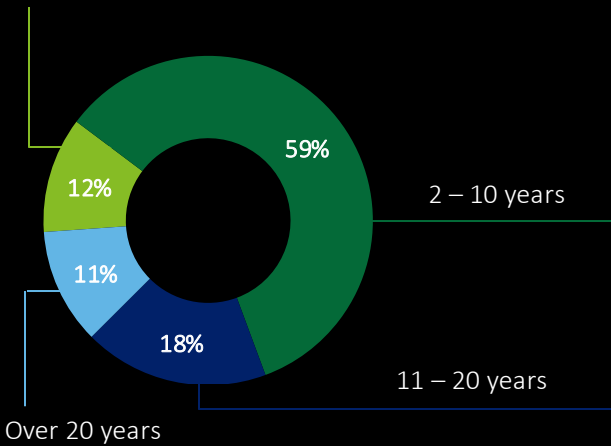
September 2024

This survey, involving around 100 respondents, was conducted to analyze market trends and the strategic vision of small to large businesses in Albania in the coming years.

Respondents' profiles

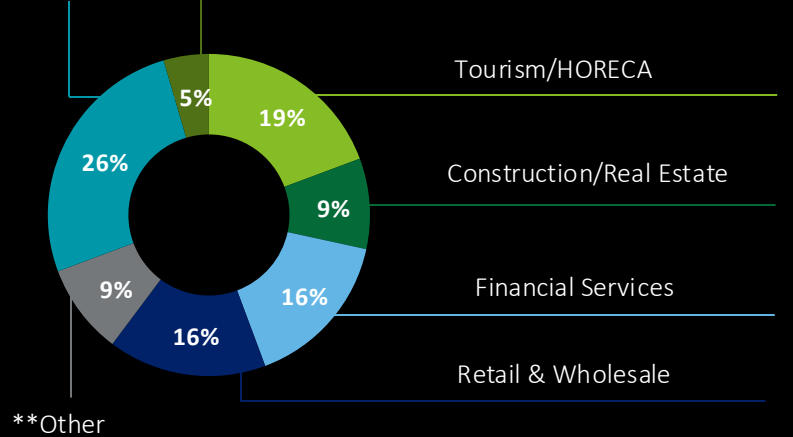
COMPANY AGE

Less than 2 years



COMPANY INDUSTRY

* Services Oil&Gas/Energy



**Other

* "Services" category is comprised of: IT Consulting/Hardware, Media/Marketing, Pharmaceuticals/Healthcare, Telecommunication, Transportation/Logistics, etc.

** "Other" category is comprised of: Agriculture & Agribusiness, Manufacturing, etc.

TOP PRIORITIES FOR THE BUSINESSES IN THE NEXT 3-5 YEARS

49%
Investment/improvement in technology

Primarily a key focus for companies operating in Oil&Gas/Energy and Construction/Real Estate

15%
Market exit (i.e. selling the company)

Mostly considered by companies within the Services sector



27%
Diversification/investment in other sectors

Mainly common for companies in the Financial Services sector

9%
Globalization (i.e. geographical expansion in the region or beyond)

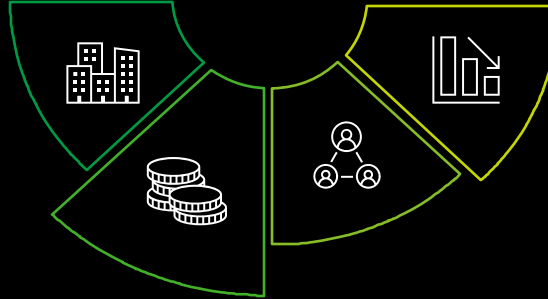
Observed as a strategic focus for companies operating in the Retail sector

KEY REASONS FOR CONSIDERING AN EXIT FROM THE MARKET (SELLING THE COMPANY)

32%

**Maximizing value:
Acquisition by large
foreign companies**

Primarily anticipated for
companies in expansion
and maturity stages



24%

**Market difficulties for
further development
in the country**

Mainly a reason for
companies in the
maturity and
restructuring stage

25%

**Business requirements for
financing and lack of funding**

Common reason for selling a
company in the start-up stage

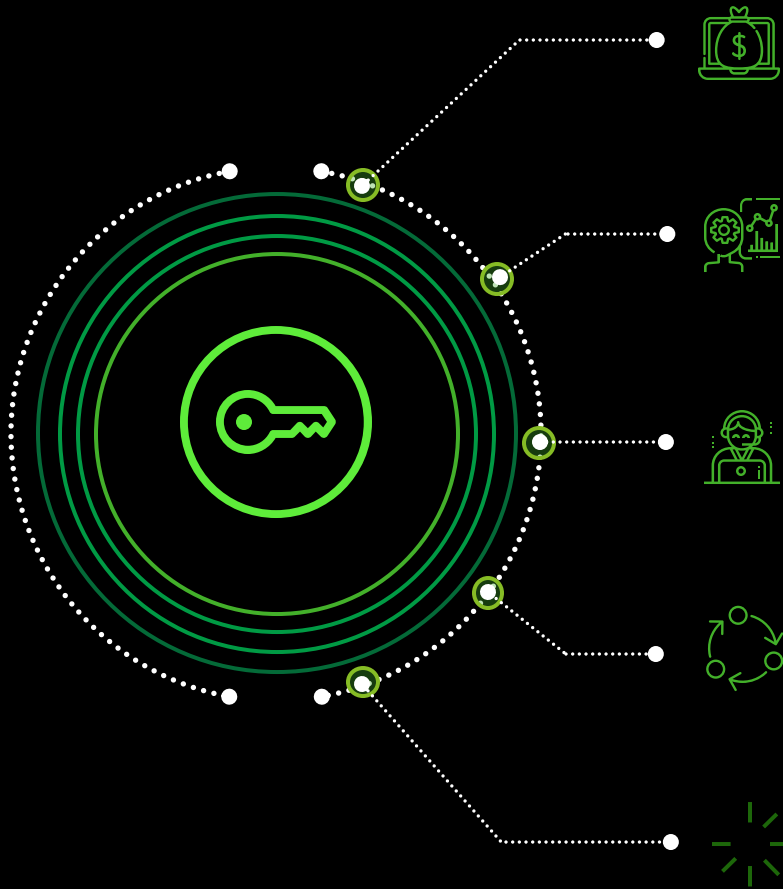
19%

**Family business and successors
have no interest in the business**

Particularly common among
companies in the restructuring
stage

Source: Deloitte survey

REASONS THAT LEAD BUSINESSES TO SELL/EXIT



Financial pressures

Lack of resources, high debt levels, cash flow issues etc.

Growth and scaling limitations

Capital needs for expansion, changing business environment, difficulty adapting to global competition, etc.

Retirement, succession, and exit strategy

Owner's desire to retire, health issues, succession challenges with different vision/priorities, etc.

Operational efficiency challenges

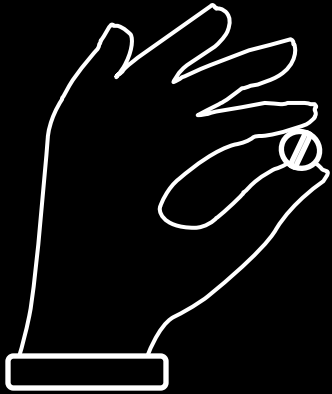
Supply chain inefficiency, high operational costs, labor shortages, etc.

Brand and market growth issues

Weakened brand recognition, lack of growth opportunities, limited international expertise and best practices, etc.

Source: Deloitte research

BENEFITS FROM SELLING A BUSINESS



Financial security and risk management: Increased resources and investments, diversified wealth, debt relief, mitigated risk, etc.

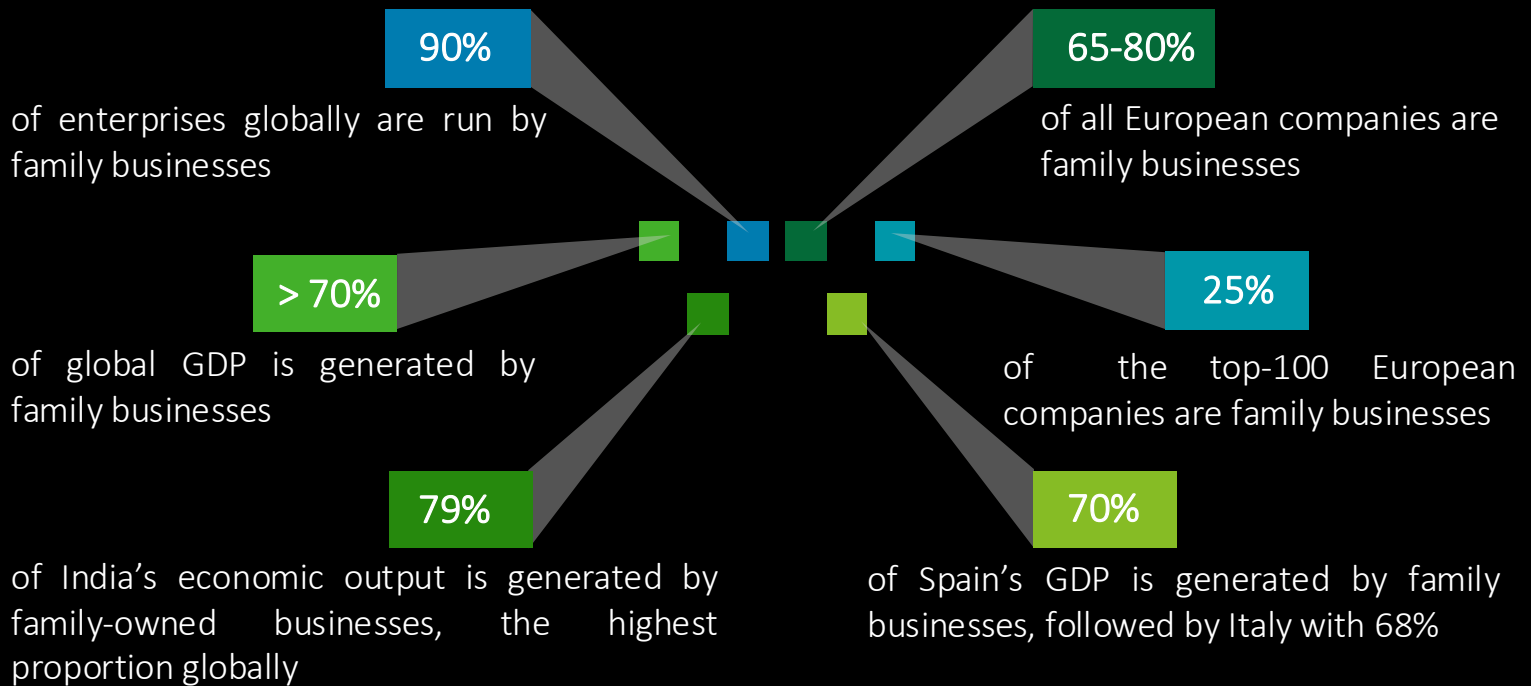
Operational efficiency and expertise: Economies of scale, enhanced distribution and logistics, access to expertise and best practices, etc.

Market expansion and growth opportunities: Broader market reach, strategic partnerships, etc.

Brand benefits: Improved brand recognition, continued business legacy, etc.

Source: Deloitte research

FAMILY-OWNED BUSINESS STATISTICS



Source: Visual Capitalist

One in five European companies currently face strong pressure to transform

Most founders continue to hold advisory or board positions after the sale of the company

Recent research shows family businesses generally outperform non-family businesses, mainly in shareholder returns

Source: Boston Consulting Group, PwC, McKinsey and Company

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