



Unlocking Alpha: A technology
and data-centric strategy for private
market resilience and value creation

Executive summary

US private market participants—including venture capital, private credit, real estate, and infrastructure managers—are undergoing a profound technology transformation.

The shift from fragmented, spreadsheet-based workflows to unified, intelligent technology infrastructures is central to fostering private market growth, enhancing investor confidence, and preparing for an artificial intelligence (AI)-driven future. Strategic investments in next-generation investor portals, a robust data strategy, automation, AI-scaled operations, and robust cybersecurity are enabling firms to deliver real-time portfolio insights, improve transparency, and scale operations efficiently. Managed services are increasingly leveraged to access advanced technology without proportional increases in internal resources, supporting operational resilience amid ongoing economic and market uncertainties.

This transformation is taking place within a context of heightened regulatory expectations, an evolving competitive landscape, and shifting investor demographics. A particularly important dimension is the move toward democratization and broader accessibility, as private market managers seek to engage both institutional and a growing cadre of retail and digitally native investors via user-centric technology platforms. The challenge is multilayered requiring not only technical upgrades but also new strategies for data governance, risk management, and ongoing operational agility in the face of potential risks such as cyberthreats and market volatility.



The problem:

A house of cards built on spreadsheets

The current private markets technology environment consists of fragmented point solutions, manual procedures, and legacy systems. At the same time, there is growing pressure to provide tailored solutions and services—such as reporting for large limited partners (LPs)—which has led to a collection of custom processes that lack scalability. This architecture, or lack thereof, creates a fundamental set of challenges that are no longer tenable for a rapidly maturing asset class.

- 1 Data silos and inconsistency:** Information resides in a multitude of systems—customer relationship management (CRM), fund accounting software, spreadsheets, and document repositories. This can lead to fragmented, often contradictory, views of a single investment, making it nearly impossible to gain a real-time, holistic understanding of a portfolio's performance and risk.
- 2 Operational inefficiency:** Manual tasks—from data entry and document processing to reporting and capital call management—are the norm. This not only consumes enormous amounts of time and resources, but it can also introduce a high risk of human error, which can have significant financial and reputational consequences.
- 3 Lack of transparency:** For investors, particularly the growing number of individual and family office participants, the opaque nature of private markets is a major deterrent. The inability to access real-time performance data, automated reporting, and a clear view of their capital at work can erode trust and hinder the industry's growth.

4 Inability to scale: The current operational model is not built for scale. As firms add more funds, more investors, and more assets, the linear increase in manual work becomes unsustainable. This bottleneck could limit a firm's ability to grow without a commensurate, and costly, increase in headcount.

5 Achieve profitable growth: As private market firms expand and customize their platforms, the pressure on fee-related earnings (FRE) intensifies. Achieving profitable growth in this context requires strategic investment in technology and operational excellence. This not only safeguards FRE, but also enhances firm valuation.

The private markets sector is experiencing a point of decisive transition to address state-of-the-union challenges from legacy, siloed systems to integrated, cloud-based platforms that unify data, automate processes, and enable real-time analytics. This modernization is driven by several imperatives: the need for operational efficiency, regulatory compliance, and the growing demand for transparency from both institutional and retail investors.

Key drivers of technology investment in private markets

Driver	Description
Operational efficiency	Automating workflows, reducing manual input
Regulatory compliance	Meeting evolving SEC and global standards, transparency
Investor experience	Next-gen portals
Growth and scale	Real-time analytics, cloud-based scalability
Cybersecurity	Zero trust, AI-powered, managed risk frameworks
Cost and resource efficiency	Managed services, outsourcing non-core IT

In addition to improving efficiency and access, these unified infrastructures support more responsive compliance with complex industry regulations—including new SEC rules mandating enhanced disclosure and reporting obligations for private funds. The result is a measurable uptick in investor trust, higher user satisfaction metrics, and greater operational resilience during times of market stress, as evidenced by recent performance during periods of elevated credit and liquidity concern.

Simultaneously, the integration of AI and automation is accelerating across the investment life cycle, from deal sourcing and due diligence to portfolio management and valuation. Firms are experimenting and exploring use of AI-driven tools to enable more frequent and dynamic portfolio valuations, supporting compliance with evolving regulatory requirements and mitigating risks such as the denominator effect in asset allocation.

However, the desire to spend and invest in innovation is accompanied by heightened cybersecurity risks, including AI-enabled threats and data privacy concerns. As a result, firms are aware and are embedding cybersecurity as a core component of their technology strategy, adopting zero trust architectures, AI-powered threat detection, and managed security services to safeguard sensitive data and maintain investor trust.

While all things are equal, firms definitely see value in technology and data investments now and are demonstrating an uptick in investments, while managed services are emerging as a critical enabler, allowing private market firms—especially in private credit and smaller organizations—to access sophisticated technology solutions without the need for extensive internal IT resources. This approach supports operational scalability, cost efficiency, and rapid adoption of new capabilities, which are essential in a landscape marked by economic uncertainty, credit quality concerns, and liquidity challenges.

Segment	2024 global spend	2030 projected spend	CAGR (2024–2030)	Main spend drivers
Private equity	\$6B–\$7.5B	\$13B–\$15B	~11%–13%	• Data and analytics (30%–35%) • Portfolio management (20%–25%) • Cybersecurity (15%–20%) • Reporting (15%)
Venture capital	\$2B–\$2.7B	\$4.5B–\$6B	~12%–15%	• Deal sourcing/CRM (35%–40%) • Analytics (20%) • Portfolio support (20%)
Private debt/credit	\$1.2B–\$2B	\$3B–\$4B	~13%–15%	• Origination/monitoring (40%) • Risk/analytics (25%) • Compliance (20%)
Real assets (Real estate/infrastructure)	\$2B–\$2.7B	\$5B–\$7B	~12%–14%	• Protech/asset management (30%) • ESG reporting (20%) • IoT/data integration (20%) • Reporting (15%)
Secondaries/Fund of funds	\$0.5B–\$1B	\$1B–\$2B	~10%–13%	• Exchange/trading tech (35%) • Reporting/compliance (25%) • LP dashboards (20%)

Deloitte-calculated 2030 spend projections based on topline market sizing and segmentation trends drawn from: Global Private Equity Report (2024), Preqin Future of Alternatives (2024), PitchBook Global PE/VC Reports (2024), CB Insights VC Funding Report (2024), INREV Real Estate Fund Manager Survey (2024), and additional input from private debt investor and industry analyst commentary. Deloitte analysis applied compound annual growth rates (CAGR) cited in these reports to 2024 baselines, with category allocation assumptions triangulated from industry sources and vendor market share studies (IDC, Gartner, Forrester, 2023–2024).

Strategic implications

The transition to unified, intelligent technology infrastructures is not merely a technical upgrade but a strategic imperative for private market participants. By consolidating disparate data sources into centralized, cloud-based platforms, firms achieve a single source of truth that enables real-time analytics, automated workflows, and more responsive decision-making. This modernization directly supports growth by reducing operational inefficiencies, minimizing manual errors, and accelerating reporting cycles. It can also enhance investor confidence by providing transparent, timely, and accurate portfolio insights, which are increasingly demanded by both regulators and investors.

The move to unified platforms also enables private market firms to move beyond legacy infrastructure, supporting larger pools of digital assets, more complex fund structures, and integration with emerging investment channels such as evergreen private credit funds and AI-enabled secondary market platforms. A robust technology stack can support operational scalability even as product offerings become increasingly sophisticated and international.

As such, **four distinct imperatives** and technology choices are available for private market clients to consider while developing their technology strategy.

Enhancing transparency and user experience

Next-generation investor portals are transforming the investor experience in private markets. These tools offer dynamic access to portfolio data, automate communications, and support real-time performance tracking, all within secure and user-friendly interfaces. Enhanced transparency and ease of use foster stronger investor relationships and differentiate firms in a competitive market.

These portals increasingly incorporate AI-driven interfaces, rich data visualizations, and self-service tools for on-demand reporting and document delivery, moving investor interactions from static PDFs or periodic statements to interactive, always-available dashboards. The trend toward fractionalized and alternative assets, highlighted by platforms enabling investment in unique asset classes like luxury vehicles and collectibles, further demonstrates how investor portals are democratizing access and improving confidence in a diverse private asset market.

Modern investor portals have streamlined communications and reporting in private markets with real-time dashboards, secure document-sharing, and customizable analytics. CRM systems are widely used to manage relationships and communication. Sustainability analytics modules are commonly integrated, supporting responsible investment and regulatory compliance.



Preparing for AI-driven capabilities

AI and automation are rapidly becoming integral to private market operations. Firms are deploying AI for deal sourcing, due diligence, portfolio monitoring, and valuation, enabling more frequent and nuanced insights into asset performance. The adoption of AI-driven analytics and automation not only can improve efficiency, but also can position firms to capitalize on emerging opportunities and respond proactively to market shifts. However, successful AI integration requires high-quality, unified data and governance frameworks to manage risks related to model accuracy, bias, and regulatory compliance.

Uniquely, AI is enabling retrospective and predictive scenario modeling across large volumes of both structured and unstructured data, including alternative data feeds and news analytics, for more robust performance and risk forecasting. Successful deployment in valuation and reporting processes also appeals to regulators and institutional investors by reducing the lag between underlying asset performance and reported fund NAVs. Nonetheless, early adoption results show the importance of human-in-the-loop oversight. While AI accelerates cycles, human experience and validation are pivotal for model tuning and regulatory assurance.

Firms that aspire to advance their AI capabilities are prioritizing the establishment of a strong data foundation and governance as the essential first step. The following areas are central to this approach:

Enterprise data platforms

Investing in cloud-native data lakes and data warehouses enables organizations to centralize both structured and unstructured data. This centralized repository is fundamental to supporting AI and machine learning (ML) use cases, as it helps ensure data is accessible, scalable, and ready for advanced analytics.

AI/ML toolkits

Adoption of AI/ML platforms provides scalable environments for the development, deployment, and monitoring of AI and machine learning models. These toolkits streamline the entire life cycle of model creation and operation, making it easier for firms to implement AI-driven solutions effectively.

Data governance solutions

The implementation of data governance tools can help ensure that data cataloging, lineage tracking, and quality management are properly maintained. These measures guarantee that AI models are built on trusted and reliable data, supporting accuracy and compliance throughout business processes.

AI use cases and potential benefits for private markets

Use case	Primary benefit
Portfolio valuations	Greater frequency, transparency
Deal sourcing/due diligence	Faster, data-driven decisions
Risk and scenario modeling	Real-time insight, compliance
Investor reporting	Automation, accuracy, speed

Artificial intelligence is increasingly integrated into deal sourcing, due diligence, and portfolio monitoring processes. General partners (GPs) employ platforms to automate deal flow, while natural language processing solutions facilitate document analysis and risk assessment.

Balancing innovation with cybersecurity

As technology stacks become more interconnected and data-driven, cybersecurity emerges as a nonnegotiable priority. The proliferation of AI-enabled threats, regulatory scrutiny, and the sensitive nature of private market data necessitate a holistic approach to security. Firms are investing in zero trust architectures, AI-powered threat detection, and managed security services to protect digital assets and ensure operational continuity. Embedding cybersecurity into the earliest stages of technology development and maintaining continuous monitoring are essential to sustaining investor trust and meeting compliance obligations.

A significant trend is the integration of AI both for defensive (threat detection, response automation) and offensive tools (AI-enabled ransomware), requiring firms to adopt dynamic, adaptive security postures capable of rapid threat identification and mitigation. The increased use of managed security services provides smaller and midsize private market participants with enterprise-level protection, extending to supply chain and third-party risk with real-time monitoring. Firms are also responding to regulatory calls for documented cybersecurity plans, incident response protocols, and regular audits—key for investor and counterparty confidence in a rapidly evolving digital risk landscape.

Use of zero trust architectures along with AI-driven threat detection solutions and automated vendor risk assessment platforms are defining industry standards. Organizations are dedicating resources to ongoing employee training initiatives and comprehensive incident response planning.

Leveraging managed services for scalability

Managed services are increasingly adopted to bridge the gap between technology ambition and internal resource constraints. By outsourcing IT management, cybersecurity, and data integration to specialized providers, private market firms can access advanced capabilities, ensure compliance, and scale operations efficiently. This model is particularly valuable for private credit managers and smaller firms, enabling them to compete with larger players without incurring prohibitive costs or complexity.

Managed service platforms increasingly bundle infrastructure, data management, reporting, and cybersecurity, delivering ongoing technology refresh and operational support with measurable cost predictability. This strategy aligns with market trends—such as the need to pivot quickly between investment products, enter new verticals, or respond to regulatory events—without being constrained by IT staffing, migration, or capital budgeting hurdles. Moreover, managed services are now recognized as strategic partners, supporting continuous improvement in technology maturity and innovation, and significantly emerging as a financial opportunity for GPs to charge back LPs based on investments and growth areas.

Managed service providers (MSPs) offer robust cloud infrastructure, continuous monitoring, and automated IT support through platforms. With the integration of artificial intelligence, MSPs are now equipped to anticipate and address potential issues proactively, ensuring minimal disruption to business operations.



Demonstrated impact

While general partners capture the direct financial benefits of technology and data transformation—such as increased EBITDA and operational efficiency—limited partners gain through improved fund performance, enhanced transparency, and reduced risk. In many cases, GPs can share these benefits by lowering management fees, capping fund expenses, or providing superior investor services, further aligning interests and strengthening long-term partnerships.



For general partners**Direct EBITDA uplift:**

The majority of EBITDA improvement from tech and data transformation accrues to the general partners (GPs) own P&L. This includes:

- Lower operating costs (IT, back office, compliance);
- Faster deal cycles and improved hit rates (leading to higher management fees and carried interest);
- Reduced risk and insurance premiums; and
- Enhanced investor retention (supporting stable or growing AUM).

For example, if a GP implements an AI-powered diligence platform and automates reporting, the cost savings and efficiency gains directly increase their fee-related earnings and EBITDA.

For limited partners/clients**Indirect financial benefits:**

Limited partners (LPs) don't see EBITDA uplift on the GP's books, but they benefit through:

- Lower fund expenses (if operational savings are passed on);
- Improved performance (faster, smarter deals can lead to better returns);
- Reduced risk of loss (from better cybersecurity and compliance); and
- Enhanced transparency and reporting (supporting their own oversight and decision-making).

For example, LPs may see lower management fees or better net internal rate of return (IRR) if the GP's operational improvements translate to fund-level efficiencies.

Metric/benefit	Direct to general partner	Indirect to limited partner	Shared/passed-through examples
EBITDA/FRE margin	Cost savings, efficiency, retention	Not direct, but may see lower fees	Lower management fees, expense caps
Deal cycle time	Faster sourcing, diligence, execution	Quicker capital deployment, faster returns	Faster capital calls/distributions
Fund performance	Improved hit rates, portfolio monitoring	Higher net returns, lower risk	Better IRR, more frequent distributions
Investor experience	Lower support costs, higher retention	Enhanced reporting, transparency	Self-service portals, tailored dashboards
Cybersecurity	Lower breach risk, insurance savings	Safer personal/investment data	Joint incident response, shared best practices
Compliance/audit costs	Fewer errors, faster audits, lower costs	Confidence in fund integrity	Reduced fund-level expenses

Risk and mitigation

The modernization of technology stacks in private markets introduces several risks that must be proactively managed. Data integration projects can be complex, with challenges related to data quality, interoperability, and change management. AI adoption brings risks of model inaccuracy, bias, and regulatory noncompliance, necessitating robust governance and human oversight. Cybersecurity threats are escalating in sophistication, requiring continuous investment in defense mechanisms and incident response capabilities. Additionally, reliance on managed services introduces third-party risk, making vendor due diligence and ongoing monitoring critical.

The complexity of integrating legacy systems, particularly in multi-cloud or hybrid environments, can increase the potential for technical debt, unexpected outages, or data leakage, demanding strategic change management and rigorous data governance strategies. Model drift and data set bias in AI systems must be managed by regularly retraining models, validating outputs, and supplementing automated insights with human subject-matter expertise. Finally, vendor management frameworks—diligently monitoring service levels, compliance, and incident response protocols—are essential to mitigate third-party and supply chain cyber risks while ensuring that outsourced partners meet evolving industry standards.

To help mitigate these risks, firms should consider:

- Developing clear data governance and integration strategies, ensuring data quality and interoperability across platforms.
- Establishing AI governance frameworks that include transparency, explainability, and compliance checks.
- Embedding cybersecurity considerations into all technology initiatives, adopting zero trust models and continuous monitoring.
- Conducting thorough due diligence on managed service providers and implementing robust third-party risk management protocols.
- Fostering a culture of continuous learning and adaptation to keep pace with technological and regulatory changes.

Principal risk factors and mitigation strategies

Risk area	Key risks	Mitigation approaches
Data integration	Data quality, silos	Centralized governance, interoperability
AI adoption	Model risk, bias, compliance	AI governance, human oversight, regular validation
Cybersecurity	Sophisticated threats	Zero trust, AI-driven defense, 24/7 monitoring
Managed services	Vendor/third-party risk	Due diligence, service level agreements, regular vendor reviews

In conclusion:

Turning tech investment into competitive advantage

For US private market participants, technology investment is a strategic lever for growth, resilience, and competitive differentiation. The shift from fragmented, spreadsheet-based systems to unified, intelligent infrastructures is enabling firms to deliver real-time insights, automate operations, and enhance transparency—key drivers of investor confidence and market expansion. Next-generation investor portals are redefining user experience, while robust cybersecurity and managed services ensure operational integrity and scalability. As the industry navigates ongoing economic and market uncertainties, those who invest strategically in modern technology stacks will be better positioned to capture emerging opportunities, manage risks, and sustain long-term success in the evolving private markets landscape.

This evolution further supports broader industry objectives—advancing financial inclusivity, improving reporting quality, safeguarding sensitive information, and enabling future-ready operating models that can adapt dynamically in a volatile market environment. Private market firms that prioritize technology modernization, transparency, and operational scalability will likely define industry leadership in the years ahead.

The velocity of technological change and risk evolution is accelerating, and the window for proactive leadership is narrowing. As digital-first competitors redefine the standards for speed, transparency, and security, the cost of delay grows steeper by the day. The firms that embrace change today will not only keep pace, but set the standard for operational excellence, investor trust, and sustainable profitability in private markets.

The winners in private markets will be those who treat tech and data as strategic assets—delivering not just operational efficiency, but sustainable, differentiated value for every stakeholder.

Authors

Pinaki Dhal

US Investment Management
Private Markets Technology
and Data Leader
Deloitte Consulting LLP
pdhal@deloitte.com

Rhys Butler

US Investment Management
Private Markets leader
Deloitte Consulting LLP
rhybutler@deloitte.com

Special thanks to Jeff Stakel, Principal, Deloitte Consulting LLP; Caryn Bacchiocchi, Senior Manager, Deloitte Consulting LLP, and, Ciprian Vilcu, Specialist Leader, Deloitte Consulting LLP, for their contributions to this report.



This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.