



2024 Scale-Ups

Confidence Survey

April 2024 - Report Belgium

Contents

Foreword	3
1. Executive Summary	4
2. Setting the Scene: Respondent Details	6
3. Business Growth: Looking Back	9
4. Business Growth: Looking Ahead	12
5. Funding & Liquidity Management	18
6. Talent & Organisation	24
7. Technology Scalability & Security	26
8. Digital Operations	27
9. Conclusion: Scale-Ups Confidence	29

Foreword

Once again, the global market faced a turbulent year. However, what sets 2023 apart is its impact on the tech scene with a noticeable slowdown. The current landscape presents a unique set of ingredients: inflation reached its peak, interest rates were on the rise, valuations dropped, sales pipelines are under pressure, and the minting of unicorns has diminished. On top of that, the total amount of money raised declined after two record-breaking years.

This does not mean that we have to change the recipe. On the contrary, the following promising signs show the ecosystem is maturing and we have arrived at a next chapter in the cycle:

- There is still a lot of dry powder, with the biggest pool of investors ever, which actually makes access to capital more favourable than before. In addition, investors are actively diversifying their portfolios.
- Early-stage investments demonstrate stability, boosted by the support of serial investors, often also referred to as seasoned entrepreneurs.
- The tech scene is bringing solutions for some of the most pressing issues in today's landscape such as health, sustainability, and climate change.
- The ground-breaking technology of AI is starting to make its mark.

To keep pace with these evolving trends, we launched our annual pulse survey, now in its fifth edition. This year we expanded our geographical reach, with Deloitte Netherlands, Germany, Switzerland, and the United Kingdom also conducting their respective surveys. The findings from this collaborative effort will be detailed in the cross-regional version of our report, which will be released in May 2024.

For now, we invite you to delve into this report to discover how the maturity of the ecosystem unfolds in Belgium. Despite the challenges, Belgium remains, according to the Financial Times, the most resilient within the Eurozone, a testament to the strength and resilience of its entrepreneurial spirit.



Anaïs De Boulle

Scale-Ups Ecosystem Leader Belgium
adeboulle@deloitte.com



1. Executive Summary

Most prominent findings within the Scale-Ups Ecosystem 2024

 Life Sciences & Health Care and Mobility scale-ups achieved the highest growth in 2023	In 2023, Life Sciences & Health Care scale-ups achieved the highest average revenue growth (104%) due to their progression beyond the proof-of-concept stage and revenue generation, which is particularly driven by HealthTech and MedTech companies. Secondly, Mobility scale-ups experienced a 96% growth, attributed to sustainability initiatives by governments and corporates, as well as rising consumer demand for affordable transportation.
 Scale-ups increasingly struggle with cash flow, liquidity, and funding. Changing regulations is among the top concerns for the first time	While lower/delayed new business and customer signings remains the number 1 challenge, this year 39% of Belgian scale-ups indicated cash flow, liquidity and funding issues as the second challenge, which surpassed finding the right talent (36%). The regulatory landscape pushes changing regulations in the top 10 for the first time since our survey launched.
 Economic uncertainty pushes talent acquisition and retention down in list of priorities. Finding new customers remains top focus for scale-ups	As indicated by 82% of respondents, scale-ups continue to prioritise new customer acquisition as their main strategy for realising their growth ambitions, while talent acquisition and retention has witnessed a drop of 8 percentage points compared to last year, which may be influenced by the current economic conditions and uncertainty.
 Scale-ups remain conservative regarding their workforce growth. Finding the right technology and commercial talent remains a considerable challenge	While scale-ups increased their total FTEs by 11% in 2023, 30% of the companies expect to continue a hiring freeze or reduction in workforce, an increase of 8 percentage points compared to last year's survey. Simultaneously, scale-ups continue to struggle with finding the right talent, such as STEM profiles, technical and engineering FTEs, but also salespeople.
 66% report impact on valuation, and scale-ups are increasingly turning to equity funding from new investors rather than government grants and subsidies	This year, 66% of scale-ups reported a negative impact on their valuation (compared to 62% last year). Additionally, there is a noticeable trend toward relying more on equity funding from new investors (56%) rather than opting for government grants and subsidies (43%).
 (Highly) confident companies are dropping slightly, driven by the difficult market conditions of last year	Overall, 66% of respondents stated that they are (highly) confident to continue or accelerate their growth trajectory. This is a decrease of 10 percentage points compared to last year, while the overall confidence score has also dropped from 7.9 to 7.7.

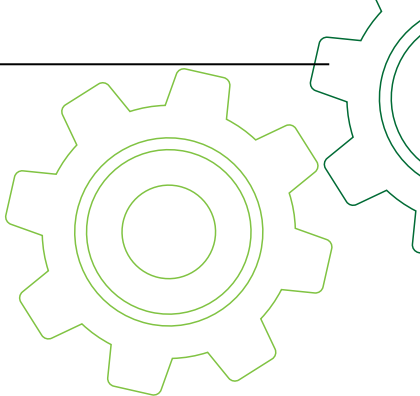
Evolution of the biggest challenges throughout the Confidence Survey^{1,2}

Deloitte Confidence Survey March 2022			Deloitte Confidence Survey March 2023			Deloitte Confidence Survey March 2024		
Position	Challenge	Score	Position	Challenge	Score	Position	Challenge	Score
1	Lower/delayed new business and customer signings	51%	1 ▲ 1	Lower/delayed new business and customer signings	54%	1	Lower/delayed new business and customer signings	50%
2	Finding the right talent	49%	2	Finding the right talent	40%	2 ▲ 1	Cash flow/liquidity/funding issues	39%
3	Operational challenges	25%	3 ▲ 5	Cash flow/ liquidity/funding issues	36%	3 ▼ 1	Finding the right talent	36%
4	Sourcing/supply chain issues	14%	4 ▼ 1	Operational challenges	25%	4	Operational challenges	26%
5	Travel limitations	14%	5 ▲ 1	Loss/delay of existing business	23%	5	Loss/delay of existing business	23%
6	Loss/delay of existing business	16%	6 ▼ 2	Sourcing/supply chain issues	22%	6 ▲ 2	Delay in product development	18%
7	Delay in product development	16%	7	Inflation*	21%	7	Inflation	13%
8	Cash flow/liquidity/funding issues	16%	8 ▼ 1	Delay in product development	17%	8	Other	8%
9	Retaining talent	12%	9	Retaining talent	12%	9 ▲ 3	Changing regulations	7%
10	Other	12%	10	Energy price increases*	10%	10 ▼ 4	Sourcing/supply chain issues	7%

(1) Source: Deloitte Confidence Survey, March 2022, N = 172; Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191

(2) * = not an option in 2022 Confidence Survey



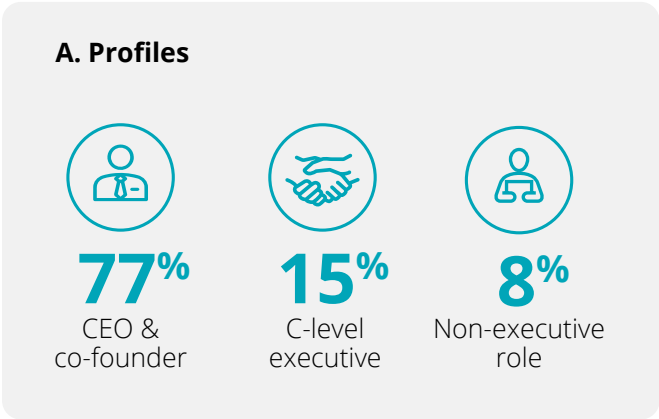


2. Setting the Scene: Respondent Details

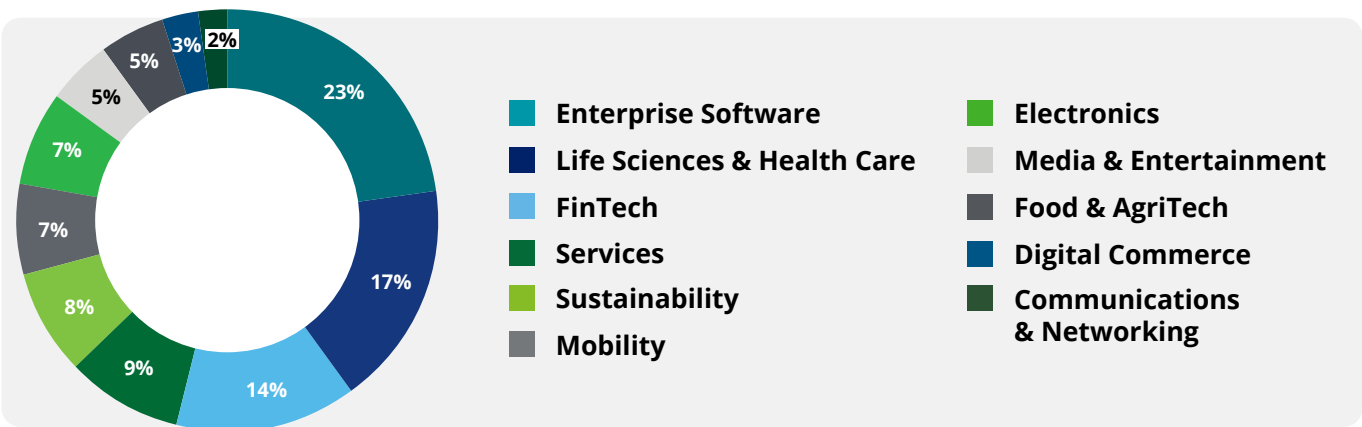
Deloitte's 2024 Confidence Survey reached over 200 Belgian scale-ups. Around 77% of the respondents are CEO or co-founder in their respective organisations.

The survey reflects insights across various segments, with Enterprise Software, Life Sciences & Health Care and FinTech representing yet again the top three.

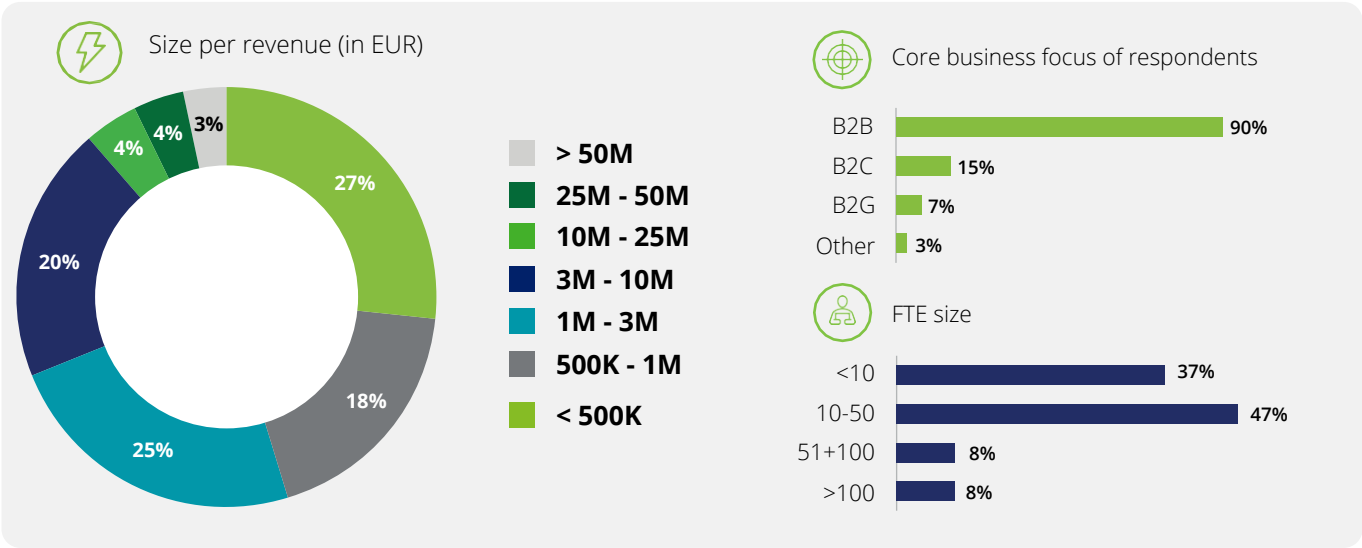
Finally, the majority of the respondents operate within a B2B context, with a workforce of 10-50 full-time employees and revenues below €1m.



B. Segments



C. Core Business Focus & Size



2. Setting the Scene: Expert Opinions

In our survey, we have also gone beyond quantitative data to capture qualitative insights from a diverse range of experts. For this, we have discussed our results with selected scale-up leaders and ecosystem experts, and we have integrated these insights in our commentary. By incorporating this multi-faceted approach, we aim to showcase the different angles of the ecosystem based on different expertise and viewpoints.



Omar Mohout
Partner & Head of Digital
Nova Reperta



Jan Hollez
Co-founder
Deliverect



Roald Borré
Group Manager Venture Capital
PMV



Jannes Valkeneers
Co-founder
Bullswap



Boris Bogaert
Co-founder and Investor
Pitchdrive



Tom Libbrecht
VP Finance
Silverfin



Katrin Geyskens
Managing Partner
Capricorn Partners

“Scale-ups increasingly struggle with cash flow, liquidity and funding. Changing regulations is among top challenges for the first time.”



3. Business Growth: Looking Back

Whilst we notice a drop from 55% to 50% relative to last year's results, the main challenge for scale-ups in realising their growth ambition remains **lower or delayed new business and customer signings**.

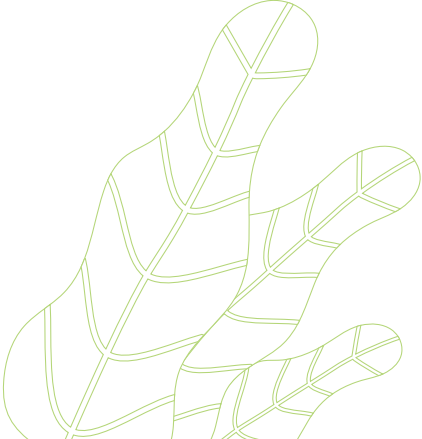
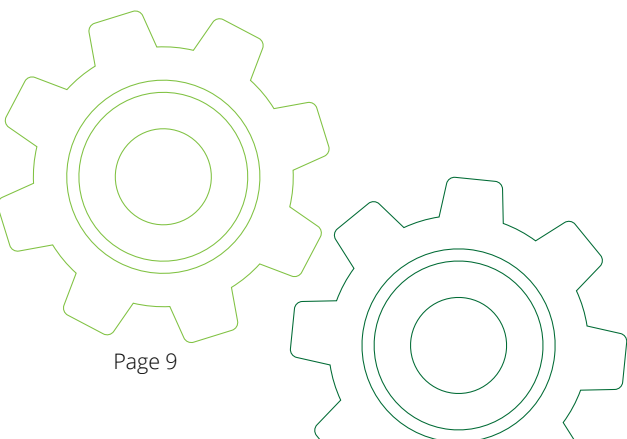
An important change from the previous year is the rise of **cash flow, liquidity, and funding issues** to the second position (39% of respondents), overtaking the difficulty in **finding the right talent** which fell to third place (36% of respondents).

Additionally, there is a drop noticeable in **sourcing and supply chain issues**, as well as **inflation**, which represented 22% and 21% of respondents respectively in last year's survey.

Looking back at 2023, what were the biggest challenges to reach your growth ambition?³



(3) Source: Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191
(4) New option in 2024 Confidence Survey



For the first time since conducting the Scale-Ups Confidence Survey, **changing regulations** rises among the top 10 challenges. This shift can be attributed to several factors.

Firstly, the **Tax Reform** sparked extensive discussion last year as fiscal advantages came under scrutiny and showcased the disruptive potential of regulation within the ecosystem. Consequently, this raised quite some concerns among both founders and investors. Secondly, start- and scale-ups

indicated that the **volume of regulations** also causes challenges, particularly considering the EU's Data Strategy and its 2030 roadmap, which is influenced by various EU legislations, such as the AI Act, the Data Governance Act, the Digital Services Act, and the Digital Markets Act, in addition to GDPR compliance. Especially the past year, legislation has accelerated at the European level, thus creating more impact on the ecosystem.

Furthermore, the translation of EU directives into **local legislation**

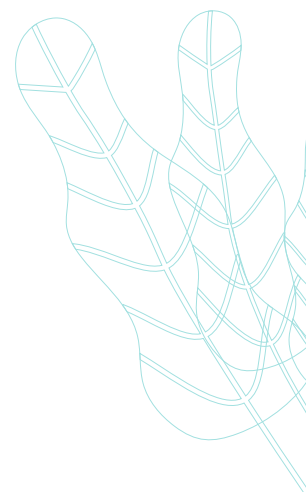
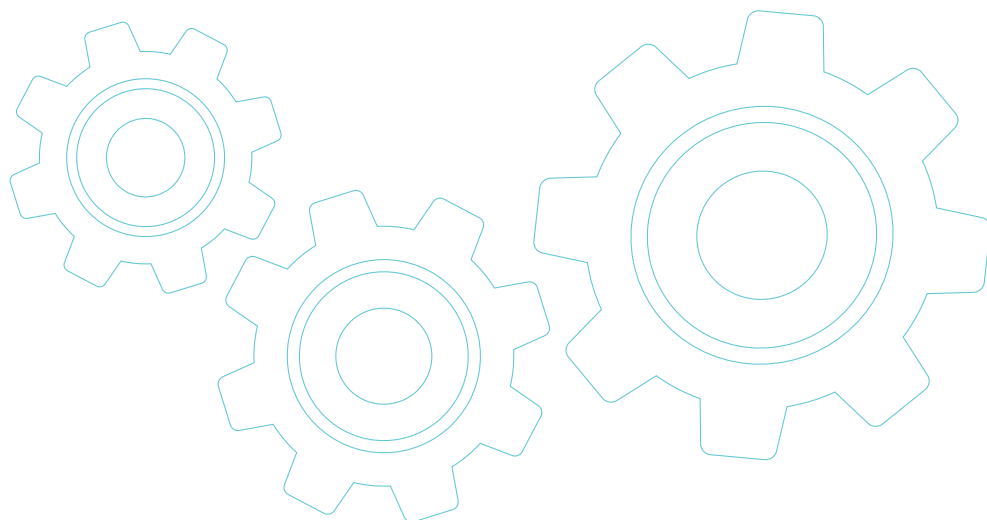
can also result in varieties among EU countries, causing additional challenges for scale-ups seeking to expand internationally (e.g., the Anti-Money Laundering Directive which was converted to national legislation by every member state).

On the other hand, a lot of scale-ups see opportunities in the increased regulation and are building their USP around it, mainly within the Sustainability and Mobility sectors.

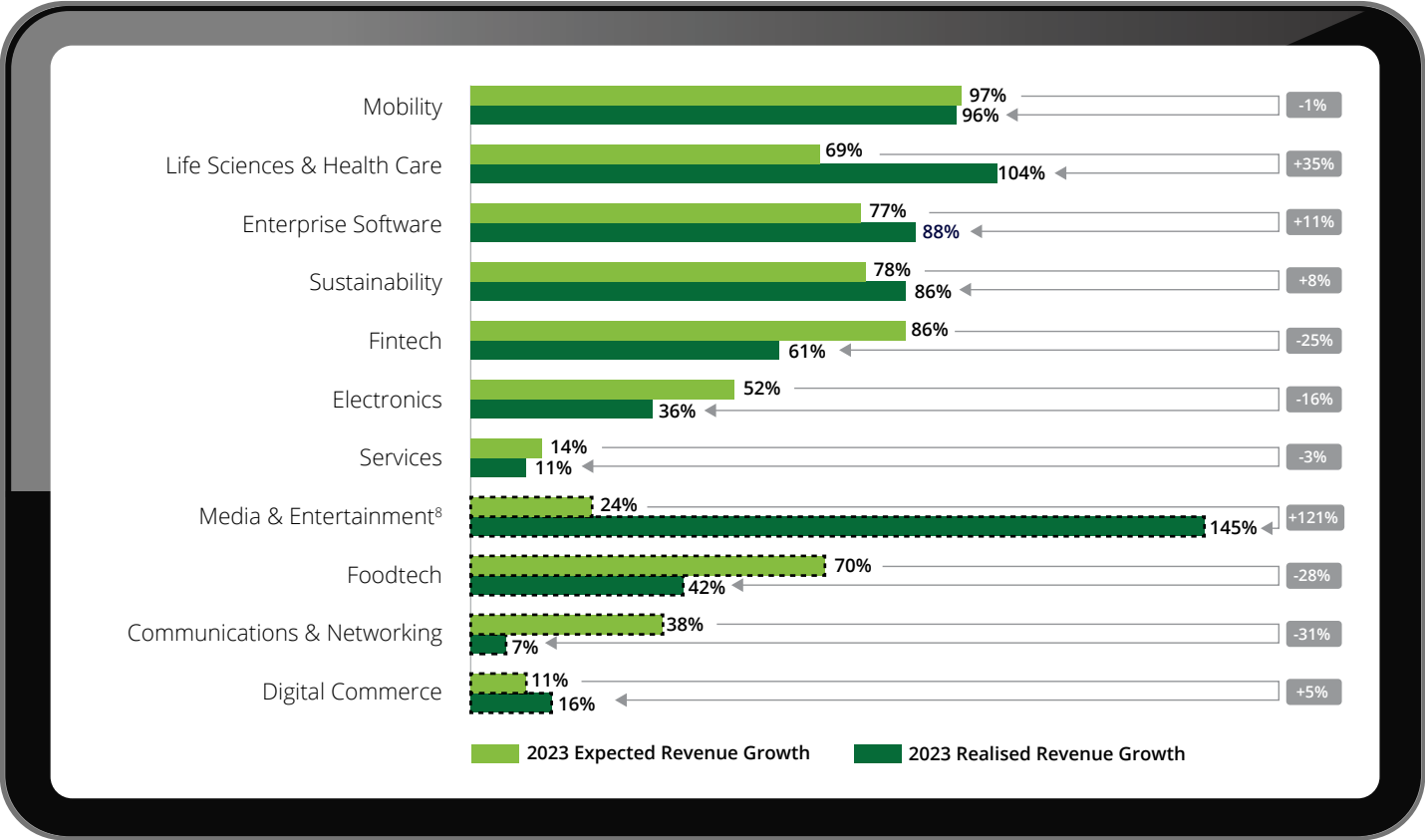
In my opinion, navigating regulatory requirements has become increasingly challenging for scale-ups, as new regulations emerge. An example we have encountered is with the Digital Operational Regulations Act (DORA), which regulates the ICT risk requirements for financials and ICT service providers. In general, the rapid influx of regulations may potentially hinder founders in starting or scaling their ventures as they require time and investment to become compliant. We also notice how regulations, even if they are necessary, make the process for foreign investors more complex and time-consuming.



Expert opinion: Roald Borré, Group Manager Venture Capital PMV



Average growth % per segment⁷



When we look back at the top growing sectors, **Life Sciences & Health Care** scale-ups show the highest average realised growth in 2023. This can be attributed to early-stage ventures in the Health and MedTech segment progressing past the proof-of-concept stage. Consequently, these scale-ups have transitioned past the pre-revenue phase into the commercialisation phase, allowing them to generate revenue by introducing products to the market⁶. This trend emphasises the growing and maturing state of the Life Sciences & Health Care scale-ups, mainly driven by HealthTech and MedTech scale-ups (incl. supporting partners) active in the segment.

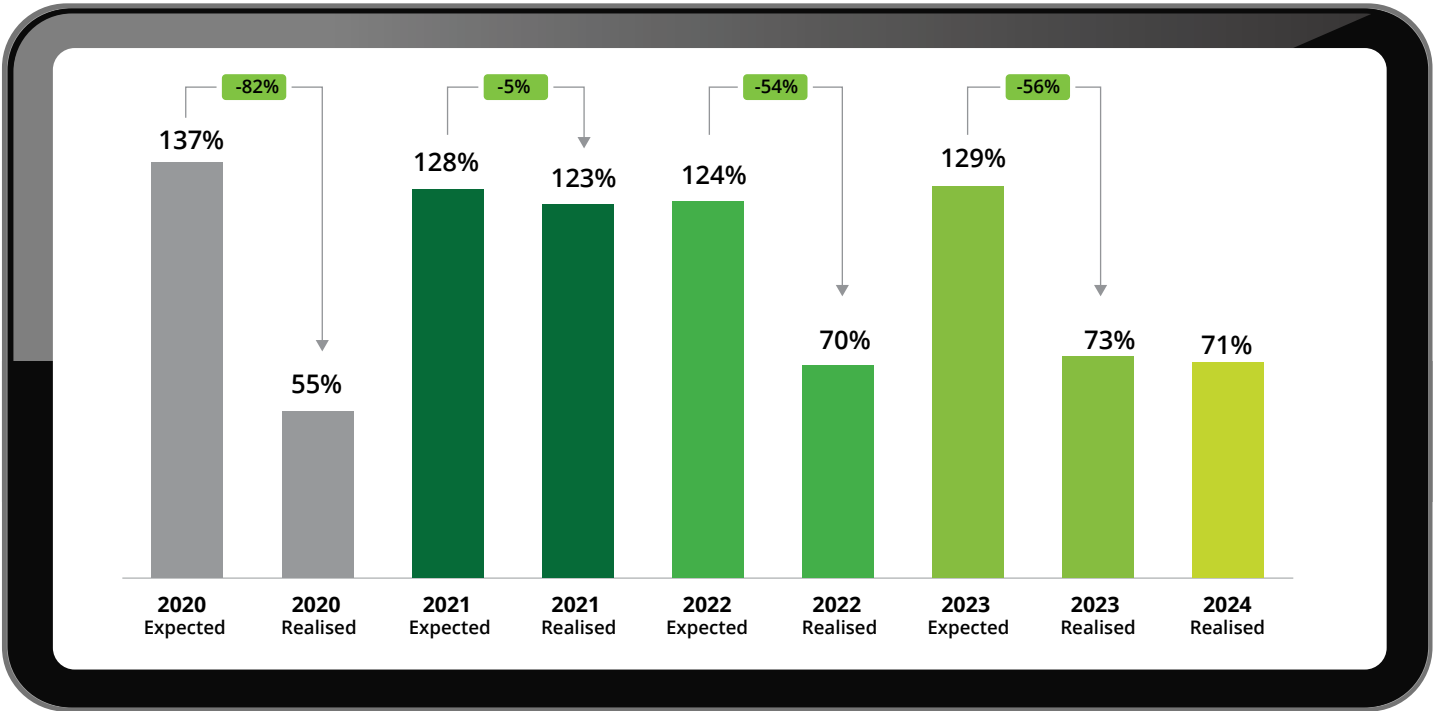
Mobility scale-ups have experienced significant growth driven by two key factors. Firstly, there is a surge in sustainability initiatives driven by both government regulations and corporate commitments to greener transportation solutions. Secondly, there is a growing challenge regarding consumer affordability given increases in fuel prices and the macro- nomic environment. Mobility ventures are bringing innovative technologies such as connected and shared mobility platforms in order to leverage these trends and drive continued growth.

(6) Source:Biotech-in-a-Box
(7) Sample size for FoodTech & AgriTech, Communications & Networking, Media & Entertainment and Digital Commerce too limited for representative results
(8) Results after removal outlier



4. Business Growth: Looking Ahead

Average expected versus realised growth through the years^{9,10}

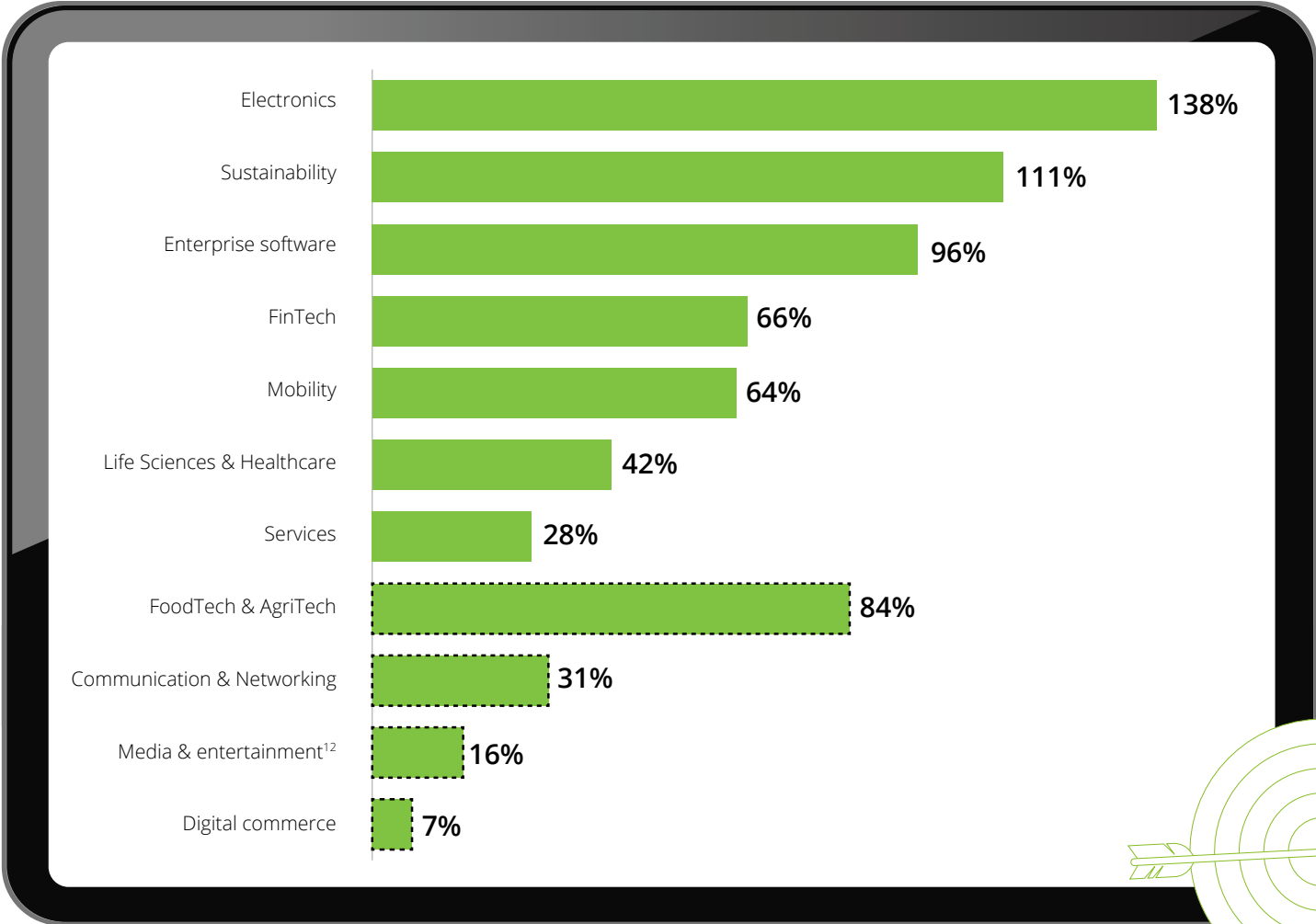


As Deloitte’s Confidence Survey has been conducted for the fifth time this year, our findings reveal how scale-ups generally express optimistic growth expectations despite difficult socio-economic circumstances. Even though there is usually a difference between expected and realised growth, Belgian scale-ups are more realistic this year with an expected growth of 71% for 2024.

(9) Source: Deloitte COVID-19 Scale-ups Survey, April 2020, N = 70; Deloitte Confidence Survey, March 2021, N = 125; Deloitte Confidence Survey, March 2022, N = 172; Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191
(10) Results 2024 after removing outlier



Average expected revenue growth rate per segment¹¹



Looking ahead, the **Electronics** and **Sustainability** segments expect to have the highest average growth rates in 2024, with 138% and 111%, respectively.

Electronics scale-ups expect to realise the highest growth in 2024, driven by rising demand for electronic devices and technologies, and the ongoing advancements in the electronics industry in general. This growth is supported by the **EU Chips Act**, which was introduced in 2023 as part of a comprehensive strategy to enhance the EU's semiconductor ecosystem¹³. The Act aims to ensure the resilience

of supply chains and reduce external dependencies and is considered as a key step for the EU's technological sovereignty. Additionally, the Act also promotes hardware production, providing additional momentum for high-tech companies specialising in AI, edge computing, and related fields.

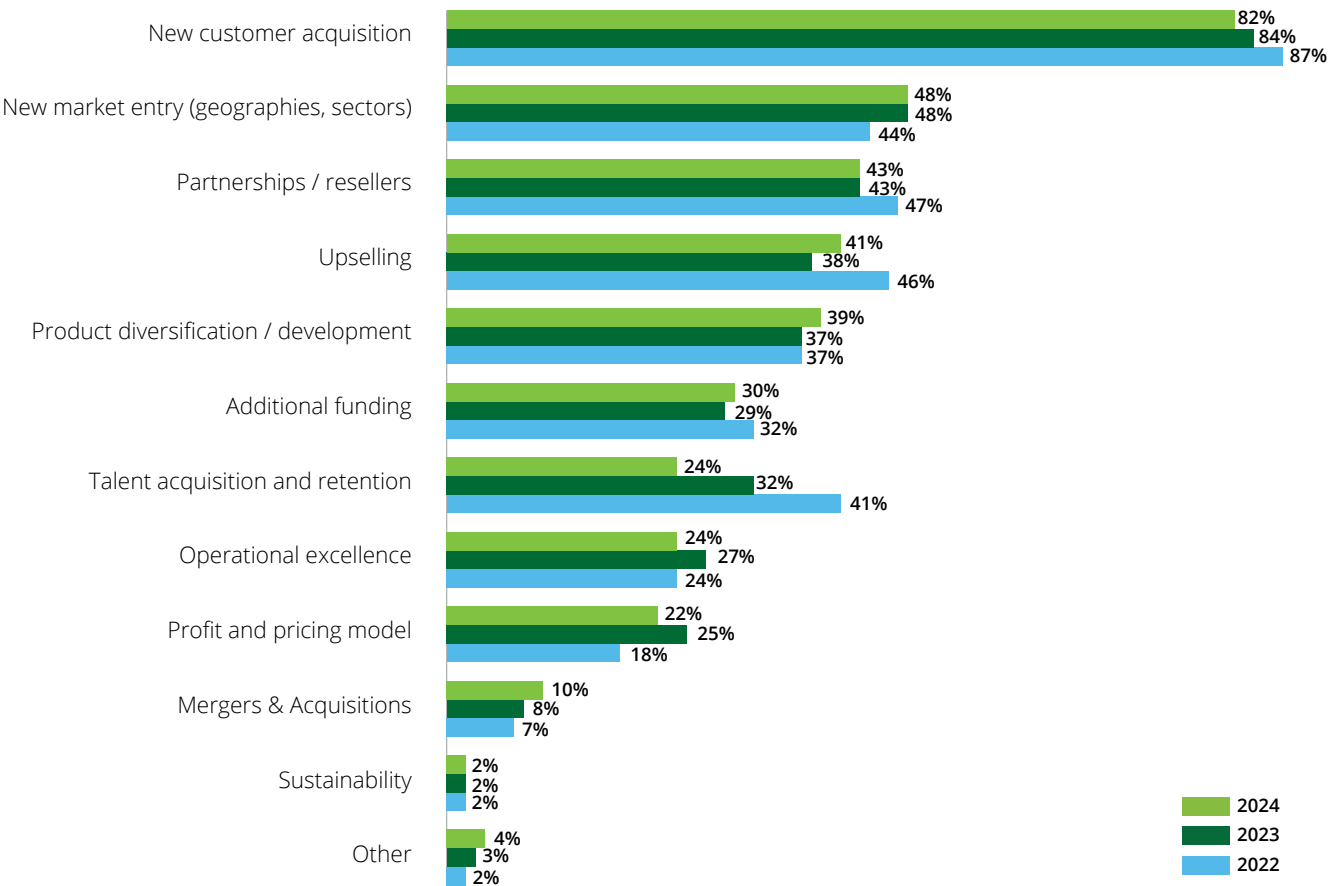
Similar to last year, **sustainability** remains as one of the top segments in which scale-ups expect to grow, with an average of 111%, influenced by an increasing global focus on environmental concerns, rising demand for sustainable products, and generally a

growing consumer awareness.

Additionally, legislation remains one of the largest drivers for sustainability start- and scale-ups. **As regulatory changes** take place, many new ventures are being created to support new legal frameworks. For instance, carbon reporting and taxation are more prominent than before, leading to the creation of many start- and scale-ups in this field. A similar trend is noticeable with electric vehicles, which are promoted by the European Union as part of its efforts to reduce greenhouse gas emissions, leading to the surge of numerous new ventures.

(11) Sample size for FoodTech & AgriTech, Communications & Networking, Media & Entertainment and Digital Commerce too limited for representative results
(12) Results after removal outlier
(13) Source: European Commission

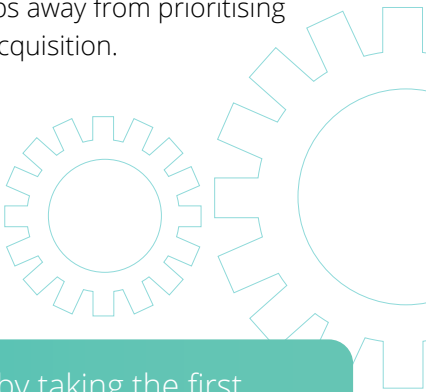
What will be your primary areas of focus in 2024 to realise your growth aspirations?¹⁴



Similar to last year, the top three primary areas of focus to achieve growth remain **new customer acquisition** (indicated by 82% of respondents), followed by new **market entry** (48% of respondents), and **partnerships and resellers** (43% of respondents).

While talent acquisition has historically been a significant focus area for scale-ups, there has been a noticeable decline in both challenges faced and areas of focus for 2024. **Talent acquisition** and retention has namely dropped with 8 percentage points compared to the 2023 Confidence Survey.

This suggests a collective shift among scale-ups away from prioritising talent acquisition.



"In entrepreneurship, it is crucial to be bold and open to change. Start by taking the first step and be ready to adjust your plans when needed. Don't keep your ideas to yourself: the real product test comes when you start engaging with customers. By listening to them and adapting based on their feedback, you can refine your business successfully."

Jannes Valkeneers – Co-founder Bullswap

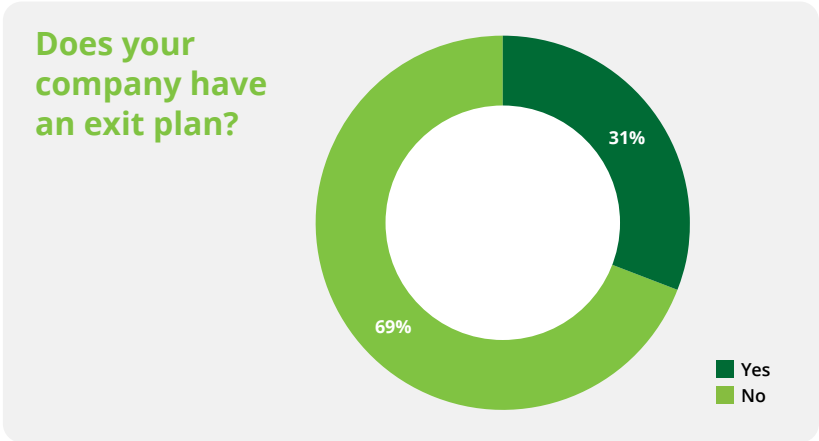
(14) Source: Deloitte Confidence Survey, March 2022, N = 172; Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191

What are the top countries/geographies where you intend to expand your company?

Almost 50% of Belgian scale-up plan to expand their operations geographically, with in the top three mainly Belgium and neighbouring countries. US remains a top destination this year as well, closely followed by the UK.



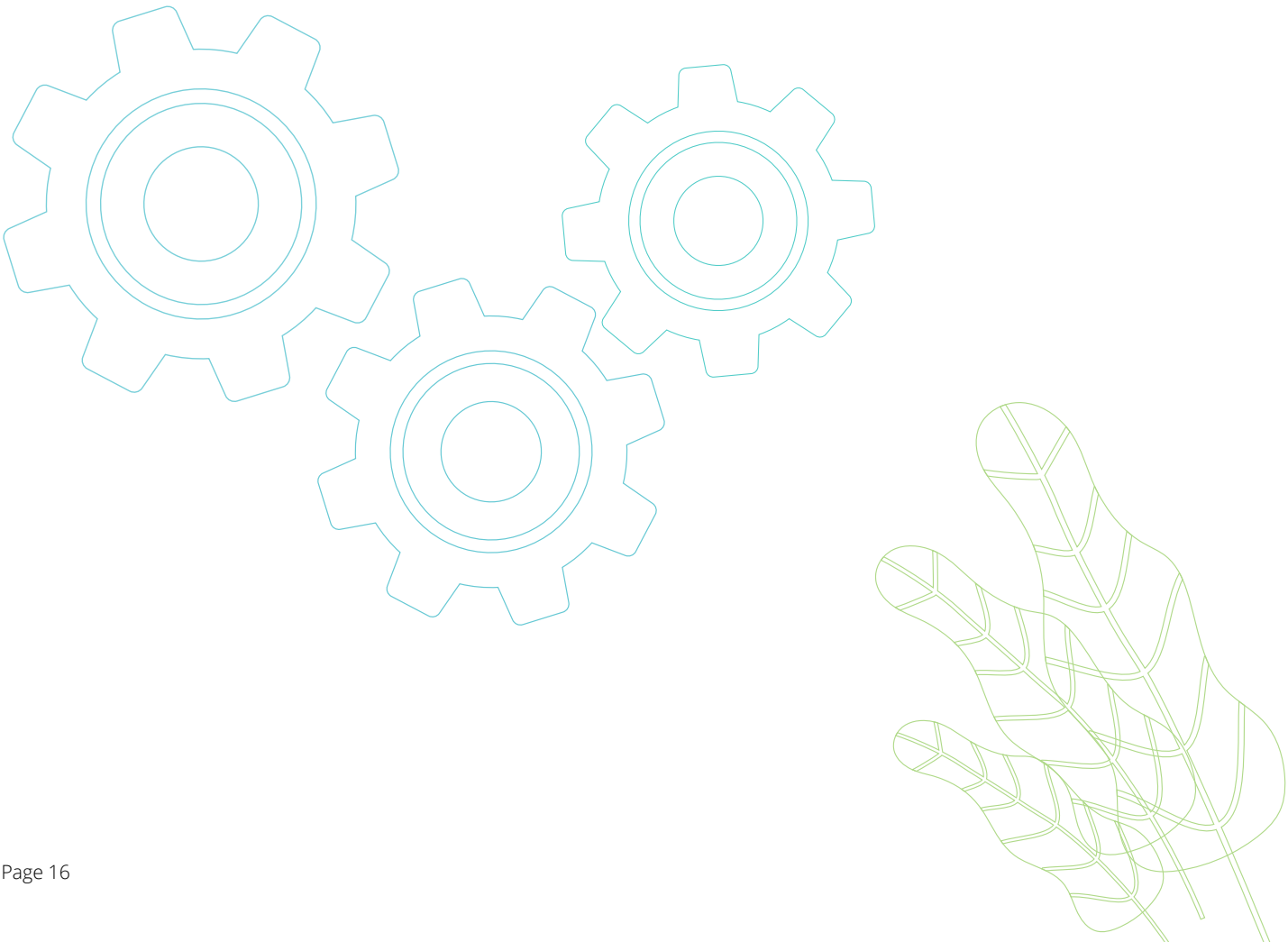
For the 2024 Scale-Ups Confidence Survey, we also asked the companies whether they have an exit plan. Our findings indicate that 31% of respondents have an exit plan in place, which predominantly revolves around strategies related to mergers and acquisitions (M&A). To delve deeper into this topic, we reached out to Silverfin regarding its sale to Visma, one of the largest M&A deals of this year. This is what they had to say:



“The 2023 sale of Silverfin to Visma illustrates that a thought-through exit plan is an essential part of the growth journey for scale-ups. Adding this question in the Confidence Survey rightly underscores that, I encourage scale-ups to think strategically about their exit strategies in time, as part of the long-term value optimisation.”



Tom Libbrecht – VP Finance Silverfin



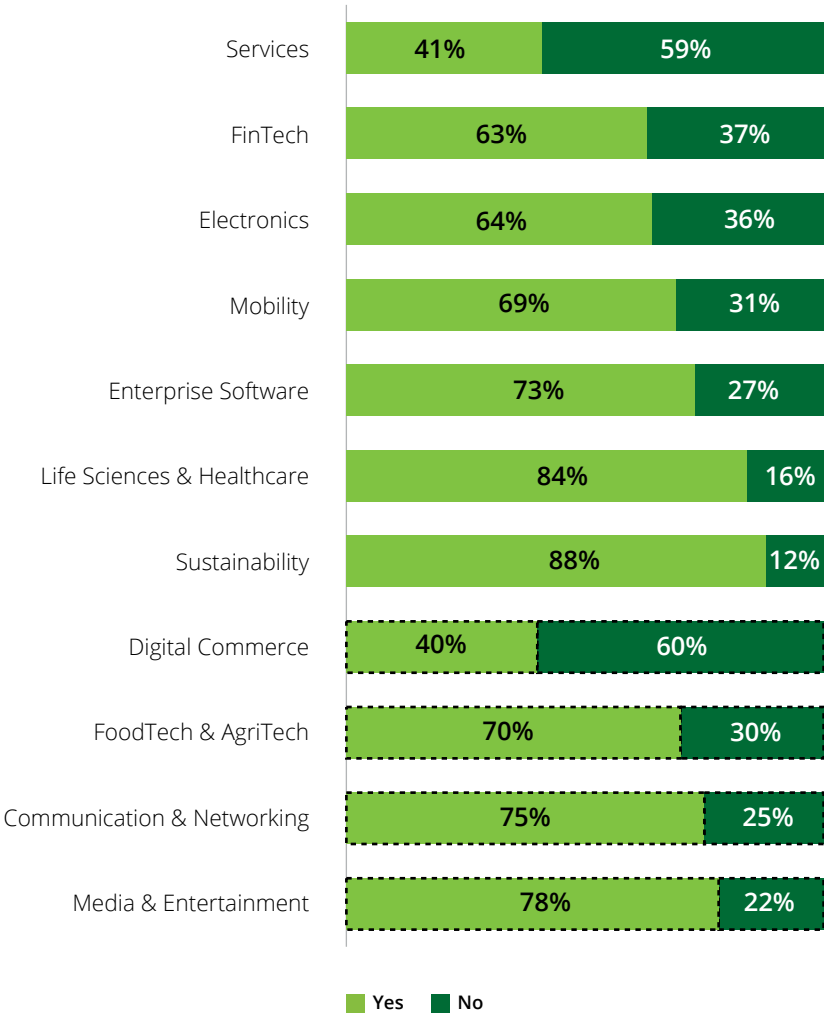
“66% report a negative impact on valuation, and scale-ups are increasingly turning to equity funding from new investors rather than government grants and subsidies.”



5. Funding & Liquidity Management

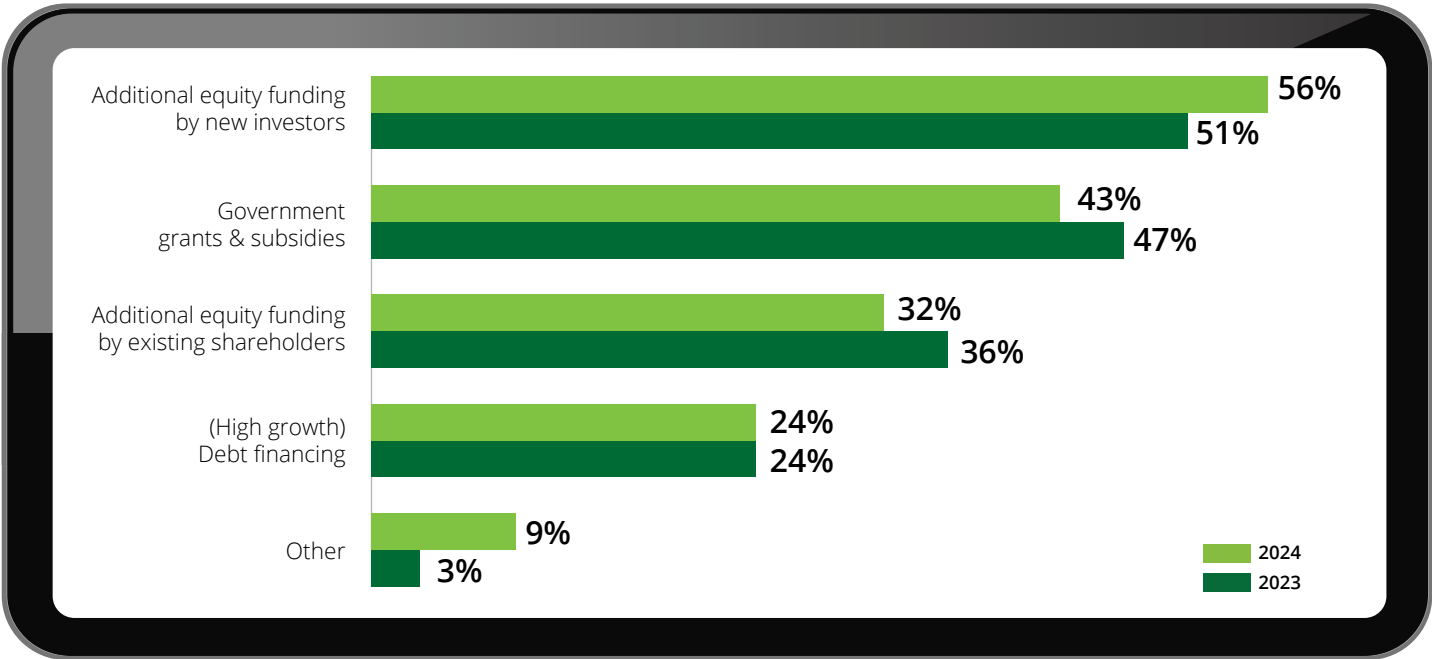


By segment¹⁵



(15) Sample size for FoodTech & AgriTech, Communications & Networking, Media & Entertainment and Digital Commerce too limited for representative results

What types of funding do you consider to fuel your growth trajectory?¹⁶



The top three types of funding considered remain **additional equity funding by new investors** (56%), **government grants and subsidies** (43%), and **additional equity funding by existing shareholders** (32%). Interesting to note is that scale-ups are increasingly looking for equity funding from new investors, while government grants and subsidies have declined.

Regarding **subsidies**, there are currently strict and complex rules. Additionally, the reporting after receiving subsidies is also quite strict, making it harder for scale-ups to consider applying for subsidies. Founders typically seek the fastest route to funding, which is inherent in the dynamic world of start-ups and scale-ups. There is also a prevailing perception that government funding comes slower, with no certainty of actually receiving the subsidy, causing less incentive to apply in the first place.

However, important for scale-ups to keep in mind is that one form of funding does not exclude another: combining equity with subsidies is possible, and they can even leverage each other. In some cases, having equity is necessary to obtain a subsidy, but once acquired, it can facilitate faster access to government funds and thus more capital. Timing is key, and diversifying funding sources remains an optimal approach for founders.



Founder insights:
Jan Hollez, Co-founder Deliverect

Securing capital is increasingly complex, but Belgium's entrepreneurial landscape has undergone a remarkable evolution. Today, there is a lot more support and a network to go to for advice on how to raise capital. The active participation of experienced entrepreneurs reinvesting in the ecosystem has contributed a lot to the progression of the landscape over the galaxy. When you think bigger, and you inspire people for these things, you can achieve a lot more.

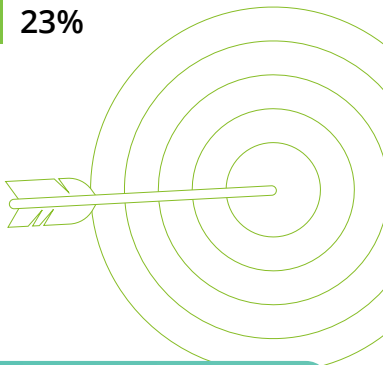
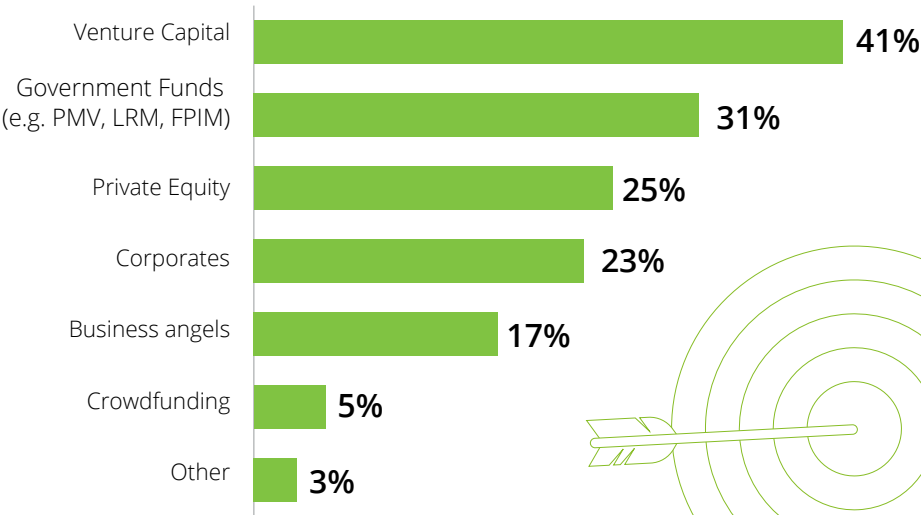
Nevertheless, there are still challenges of course, especially for ventures aiming for larger funding rounds such as Series C, as investors tend to favour familiar entities over newcomers. Despite the great network with inspiring founders and experts being around, what we still really need is stability in the Belgian ecosystem regarding regulations and laws which could be fostered by politicians.

If there is one piece of advice I could give founders on how to raise capital, it is that you need an inspiring story. It is easy to scale rapidly in tech, so dare to think big. I never tell my team we are going to take over the world, I tell them we will take over the galaxy. When you think bigger, and you inspire people for these things, you can achieve a lot more.

(16) Source: Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 189

Which types of new investors are you considering?¹⁷

Among scale-ups seeking additional equity funding from new investors, our latest findings are in line with the previous year's survey. **Venture capital** remains the top choice (41%), particularly favoured within the Life Sciences & Health Care and Sustainability sectors, followed closely by **government funds** (31%) and **private equity** (25%). Overall confidence levels regarding obtaining necessary funding have remained relatively stable, although there has been a slight increase in the percentage of respondents expressing concern, rising from 3% to 7%.



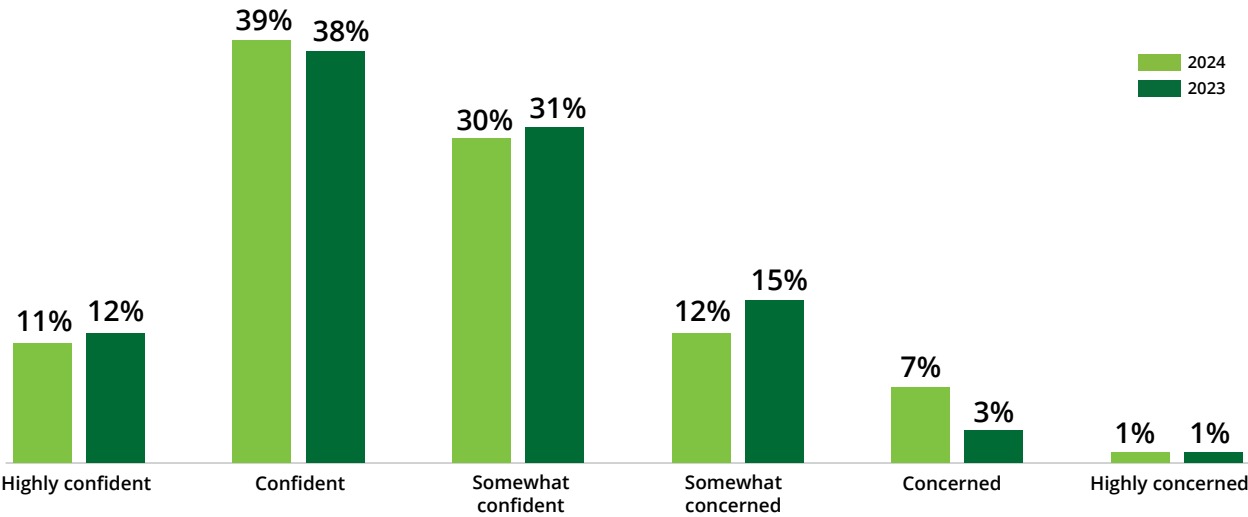
Expert opinion: Boris Bogaert, Co-founder and Investor Pitchdrive

I notice VC money gravitating toward more early-stage and as a result, smaller tickets are more easily found. Such early-stage investments are mainly driven by serial entrepreneurs reinvesting in the ecosystem, and thus giving back in a way similar to the US pay-it-forward principle in Silicon Valley. This in return attracts larger funds that want to follow the trend and find top deals early on. The struggles in raising money therefore lies more with the bigger tickets, in my opinion.

For larger deals, we see VCs starting to adopt PE tendencies and investing in more mature and stable companies. Hence, genuine VC money is limited for larger deals and companies.

In general, we also need more serial entrepreneurs here in Belgium. The top founders already have experience in launching successful ventures, which increases their chance of success in new adventures and consequently their potential to reinvest in the ecosystem. I also believe founders need to know when to exit. While skilled at launching and scaling companies, not all are naturally suited to lead mature organisations as CEOs; it's not part of their DNA.

How confident are you that you will obtain the required funding?¹⁷



(17) Source: Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191



Expert opinion: Omar Mohout, Partner & Head of Digital Nova Reperta

Funding levels in Belgium have significantly decreased, nearly reverting to the levels seen a decade ago. Despite this downturn, new funding sources and funds continue to emerge. However, there's a notable gap between the capital available and the funds accessible to start-ups and scale-ups from venture capitalists. This situation raises concerns about the potential impacts on the ecosystem and how it will respond. Currently, the market exhibits considerable caution and general stagnation. The regression to funding levels from ten years ago is particularly concerning, considering the substantial time and effort invested in developing and nurturing the ecosystem. A severe downturn in funding could lead to fewer business exits, less capital being raised, and potentially fewer new start-ups and scale-ups. This would ultimately slow down growth and innovation in Belgium.

Money naturally gravitates toward growth, and the technology sector, in particular, also promises growth. However, given the gap between available funds and capital raised, the following question arises: where exactly are these funds flowing to?

The technology sector typically generates a Pareto effect, where money often flows to the same areas or companies with proven success. As a result, emerging or less established start- or scale-ups may struggle to secure funding, despite having innovative ideas or

promising potential. However, it's important to note a significant distinction between Belgium and foreign markets, particularly the US. In the US, major players remain active, and funds are allocated more quickly, making capital raising generally easier than in Belgium.

There are several best practices that start-ups and scale-ups can adopt to navigate the current challenging funding environment effectively. First, maintaining a focus on profitability is crucial. Sustainable growth often hinges on profitability, which is a key metric for investors today. Second, instead of striving to create perfect products immediately, start-ups should concentrate on delivering their value proposition to the market promptly. Success tends to follow when businesses address real needs and connect with their target audience. Third, it's vital to invest adequately in sales and marketing. Ideally, for every euro spent on development, two euros should be invested in sales and marketing efforts.

Lastly, it's important for investors to remember that venture capital inherently involves risk—a fact that seems to have been overlooked recently. Limited Partners (LPs) often seek certainty in uncertain times; however, embracing this uncertainty is crucial for returning to the core principles of the venture capital ecosystem. For those investors willing to continue taking risks, numerous opportunities still exist.

Top tip for founders:

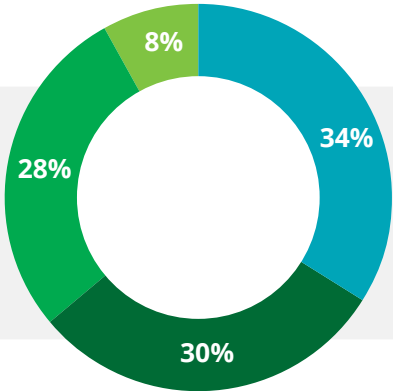
1. **Maintaining a focus on profitability is crucial.**
2. **Try not to build or invent perfect products right away.**
3. **It's vital to invest adequately in sales and marketing.**

Top tip for investors:

It's important for investors to remember that venture capital inherently involves risk, embracing this uncertainty is crucial.

How has the valuation of your company been impacted by the current economic situation?

- No impact
- Limited impact
- Significant impact
- Very significant impact



According to the survey results, **66%** of scale-ups indicated that their **company's valuation has been negatively impacted** by the current economic situation, which is an increase of 4 percentage points compared to the 2023 Confidence Survey.

While the negative impact on

valuation is a trend seen across various sectors, the **Life Sciences & Health Care scale-ups** reported the most significant impact (16% of the respondents stated their valuation has undergone a very significant impact).

The **Services** scale-ups appear to be more resilient, with 76% of

respondents stating no impact, which could be explained by the nature of these companies. Services scale-ups are typically less capital intensive as they may not need significant investments in equipment or infrastructure, meaning they may have less exposure to financial risks during economic downturns or difficult market conditions.



Expert opinion: Boris Bogaert, Co-founder and Investor Pitchdrive

The valuations of the previous years were estimated too high, and the market is now correcting itself to return to a more realistic level. Additionally, top founders won't fail either way, as they possess the adaptability to pivot and innovate continuously, with higher chances of raising capital despite the impact on valuations. As a result, I believe that conventional scale-ups will be sifted out, where the top innovative ventures will succeed, which makes the ecosystem here in Belgium almost a machine for innovation.



Expert opinion: Katrin Geyskens, Managing Partner Capricorn Partners

We are coming from years where money was cheap and easily accessible with lots of venture capital available from numerous players. Meanwhile, interest rates have increased, and geopolitical and economic uncertainty is top of mind. This all has led to uncertainty on the VC side and investors being much more prudent in investing.

This does not imply that investors are not looking for investments anymore. The caution will continue for a while longer, but soon we will see real external funding rounds on the market again. There was a certain valuation bubble in the market, which is now deflating and the market is correcting itself. The easy years are over, which also means some companies will unfortunately not make it to attract further financing. With this correction in the market, we will soon move towards a normal fundraising climate for innovative companies under normal terms & conditions. What is different, however, is that investors are increasingly looking into a healthy cash flow, where investments based on pure growth (potential) are no longer a focus.

Specifically for the HealthTech companies, I notice a shift as well. The use of AI is booming, and the sector is becoming more accepting of technological advancements. This also means that we finally see some companies where revenue growth is starting to pick up. Additionally, there is a shift towards more value-based health including a higher focus on prevention and monitoring. The mindset is starting to evolve in Belgium with steps towards change due to different stakeholders, where the techscale-upshave definitely contributed as well.

"Scale-ups remain conservative regarding their workforce growth. Finding the right technology and commercial talent remains a considerable challenge."

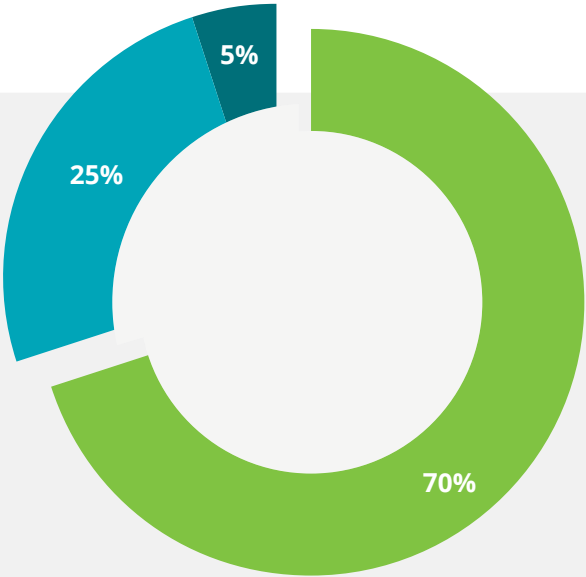
#Fast50BE



6. Talent & Organisation

How do you see the evolution of your workforce?

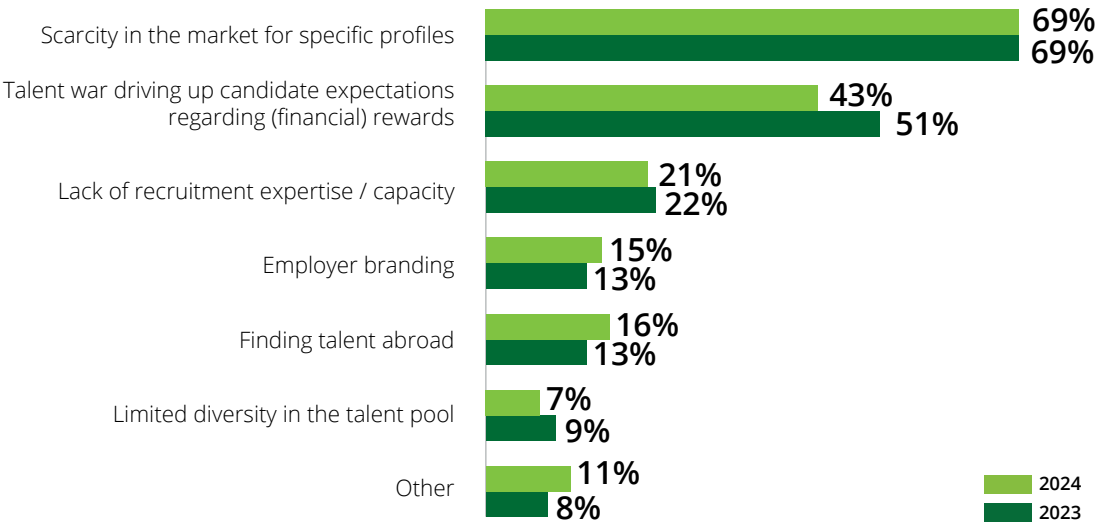
- Headcount growth
- Hiring freeze/no headcount growth
- Headcount reduction/right-sizing



 **30%** of scale-ups are expecting either a hiring freeze, no growth in headcount, or even a reduction in headcount, marking an 8 percentage point increase compared to the 22% reported last year. The decision to hire less among scale-ups can be attributed to their main challenges, i.e., economic uncertainty, finding new customers, cash flow or liquidity constraints, and finding the right talent.

 **70%** of scale-up companies are projecting an expansion of their workforce. Notably, the Enterprise Software, Services, and Mobility sectors display a particularly positive outlook, with numerous scale-ups in these industry sectors planning to increase their employee numbers.

What do you see as the main hurdles in attracting and retaining talent?¹⁸



The results of the 2024 Confidence Survey reveal that the main obstacle for scale-ups in attracting and retaining talent remains the **scarcity in the market for specific profiles**, which was reported by 69% of respondents. These sought-after profiles typically fall within STEM fields, engineering, development and sales, which are in high demand across companies of all sizes. Additionally, there is also a slight increase in **finding talent abroad** (17%). This suggests that Belgian scale-ups are increasingly looking for talent in diverse geographical regions.

While **high candidate expectations** remains the second largest hurdle, there is a noticeable decline compared to last year's results, reflecting the current difficult economic realities. Candidates are adjusting their expectations amidst the challenging economic climate.

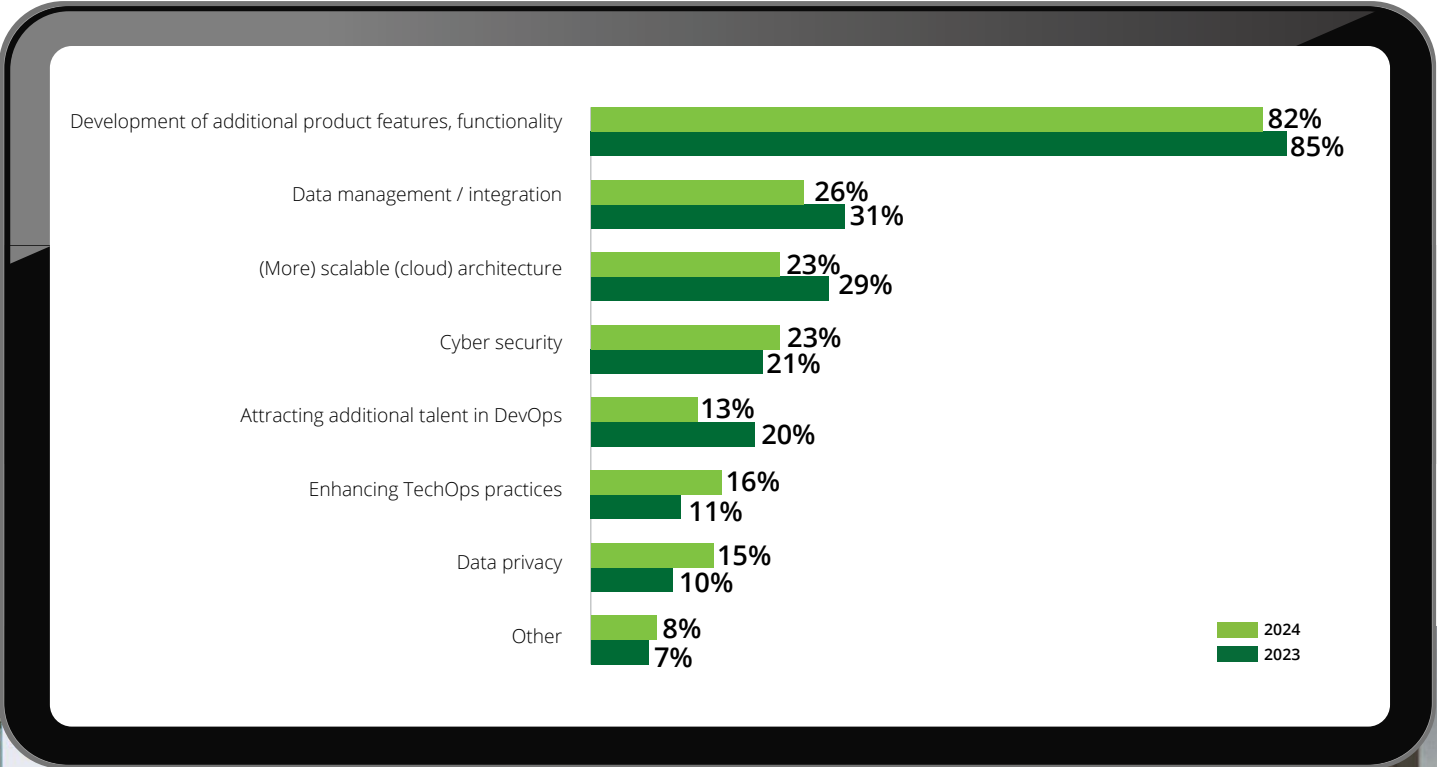
(18 Source: Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191)

7. Technology Scalability & Security

Similar to previous year’s findings, the results of our 2024 Confidence Survey reaffirm that scale-ups are maintaining their focus on technology investment, which is primarily the **development of additional features or functionalities** (82%). This consistent focus could be a response to the main challenge scale-ups face concerning delays or acquiring new business customers.

Additionally, scale-ups prioritise **data management and integration** (26%), and **(more) scalable (cloud) architecture** (23%). This suggests that scale-ups are recognising the importance of efficiently managing and integrating data within their operations, as well as adopting scalable technology infrastructures, such as cloud-based systems, to support their growth and development.

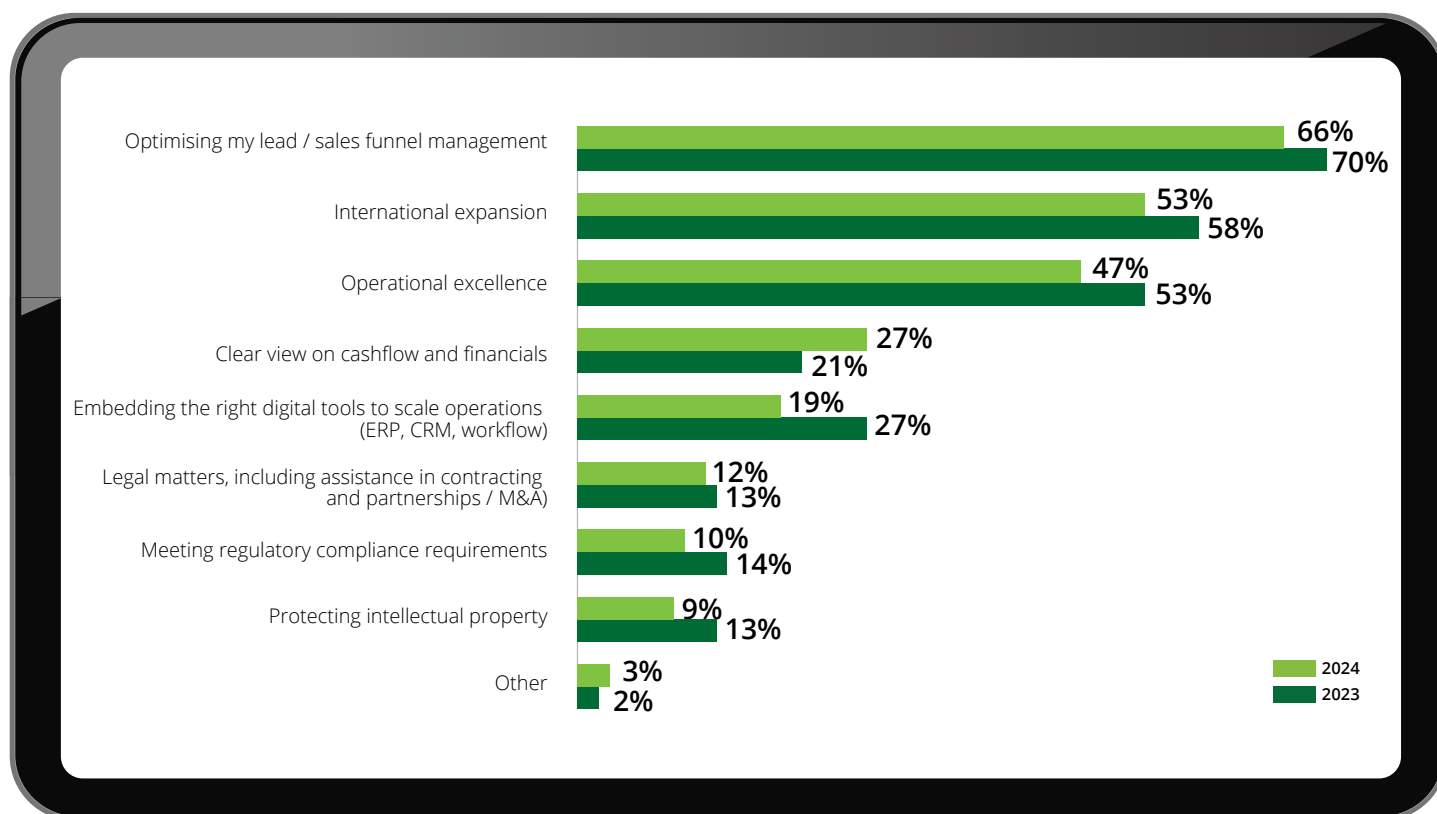
What are the technology investment priorities for your company?¹⁹



(19) Source: Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191

8. Digital Operations

For which of the below items do you see most improvement potential within your company?²⁰



Based on our survey findings, the top three areas with the most improvement potential for scale-ups are again **optimising lead/sales funnel management** (66%), **international expansion** (53%) and **operational excellence** (47%), showing little deviation from the previous year's results.

Looking into the digital operations of scale-ups, today many ventures lack a back-office system that can **scale internationally**. In the early stages, most start-ups tend to be conservative due to limited financial resources, often opting for short-term solutions. However, it is crucial to think long-term and seek advice on systems that align with future strategies and ambitions, especially in the context of internationalisation. Initially, this requires more investment from companies, but it ultimately saves costs and facilitates effective (international) growth.

Specifically for **lead and sales funnel optimisation**, there is a wide range of possible systems available (both from Belgian and international players). However, the key message remains to carefully consider which insights and functionalities are useful beforehand. The essence lies in having the right view of your pipeline through the right processes and ensuring proper follow-up. When the necessary criteria are well-defined upfront, the choice of the best-suited systems becomes easier.

Finally, interesting to note is that all areas have declined in significance for scale-ups, except for the importance of having a **clear understanding of cash flow and financials**. For this however, having the right expert who can derive insights with proper advice can sometimes be more important than the tool itself.

(20) Source: Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 191

“While scale-ups remain rather confident, the changing market conditions have negatively impacted their future growth ambitions and optimism.”



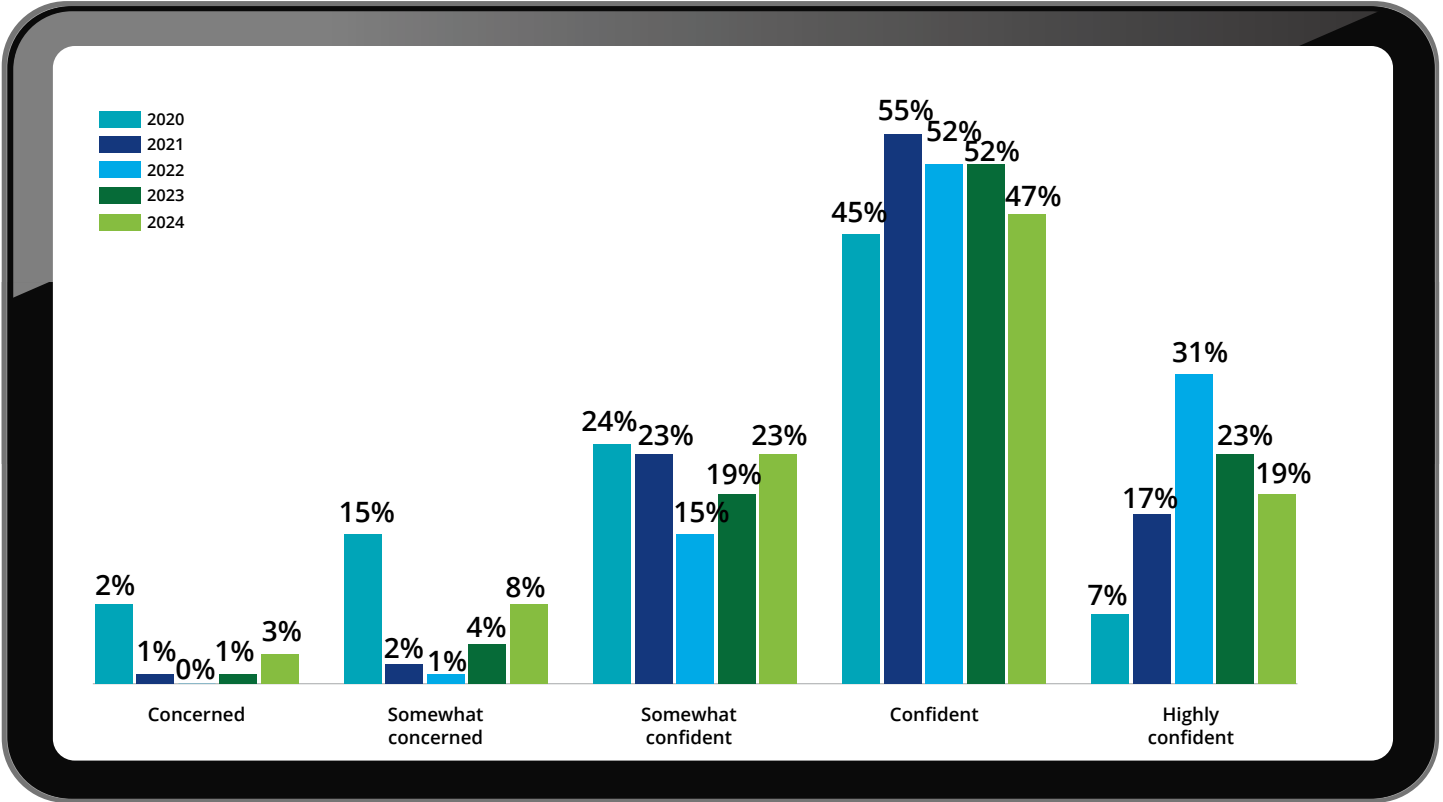
9. Scale-Ups Confidence



2024 Confidence Score → 7.7

2020 → 6.9/10 2021 → 7.9/10 2022 → 8.4/10 2023 → 7.9/10

How confident are you that your business can continue or even accelerate its growth trajectory?²¹



The confidence level of scale-ups to continue or accelerate their growth trajectory remains high, with 66% of respondents indicating they are (highly) confident. Comparing to the results of last year, confidence among scale-ups has decreased slightly (9 percentage points). Simultaneously, the confidence score dropped to 7.7.

In conclusion, while the evolving market conditions have certainly made an impact, scale-ups maintain a high level of optimism and confidence in their growth trajectory.

Additionally, there are many signs that the ecosystem is maturing, with conventional scale-ups being

sifted out. This makes Belgium an ideal incubator and accelerator for start- and scale-ups, characterised by a high-quality threshold and a drive for innovation.



(21) Source: Deloitte COVID-19 Scale-ups Survey, April 2020, N = 70; Deloitte Confidence Survey, March 2021, N = 125; Deloitte Confidence Survey, March 2022, N = 172; Deloitte Confidence Survey, March 2023, N = 214; Deloitte Confidence Survey, March 2024, N = 186

Sector experts



Jan Corstens

*Electronic Devices, Hardware
& Semiconductor*
jcorstens@deloitte.com



Willem-Jan Cosemans

Media & Entertainment
wcosemans@deloitte.com



Ellen De Bruyne

Human Capital Mgt
edebruyne@deloitte.com



Arne Devriendt

Supply Chain & ERP
adevriendt@deloitte.com



Pieter-Jan Van Durme

Life Sciences & Health Care
pvandurme@deloitte.com



Nele Verbieren

Communication & Networking
nverbieren@deloitte.com



Zeina El-hage

PropTech
zel-hage@deloitte.com



Eline van Havenbergh

FinTech
Evanhavenbergh@deloitte.com



Johan Vlamincx

Services
jovlamincx@deloitte.com



Maarten Dubois

Circular Economy
mdubois@deloitte.com



Vincent Debusschere

CRM
vdebusschere@deloitte.com



Jan Vanhaecht

Cyber Security
jvanhaecht@deloitte.com



Kjell Backeljauw

Accounting, Tax & Reporting
kbackeljauw@deloitte.com



Christoph Michiels

LegalTech
cmichiels@deloitte.com



Aled Walker

Mobility
alewalker@deloitte.com



Tim Paridaens

FoodTech
tparidaens@deloitte.com



Roy Gys

Climate & EnergyTech
rgys@deloitte.com

Topic experts



Frederik Van Mol
Accounting, Tax and Assurance
fvanmol@deloitte.com



Anaïs De Boule
Legal, Risk & Compliance
adeboule@deloitte.com



Michele Gabriël
Growth
micgabriel@deloitte.com



Cliff Verschueren
Digital Operations
cverschueren@deloitte.com



Pieter Spincemaille
Funding & Liquidity
pspincemaille@deloitte.com



Evelien Smeyers
Talent & Organization
esmeyers@deloitte.com



Koen Desseyn
Technology Scalability & Security
kdesseyn@deloitte.com

Contacts



Anaïs De Boulle

Scale-Ups Ecosystem Leader Belgium

adeboulle@deloitte.com



Deloitte in Belgium With more than 6,000 employees and 11 offices in Belgium, Deloitte is the largest organisation in the field of auditing, accounting, legal and tax advice, consulting, financial advice and risk management advice. Deloitte Belgium serves the largest national and international companies as well as SMEs, the public sector and non-profit organisations. Deloitte Belgium is an independent and autonomous organisation and a member firm of Deloitte Touche Tohmatsu Limited. For the fiscal year 2022, a turnover of €704 million was achieved. Deloitte Belgium SRL is the Belgian subsidiary of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, which strives for the highest quality of professional services and advice. Its services are based on a global strategy covering more than 150 countries. To this end, the expertise of more than 415,000 professionals is available on every continent. In fiscal year 2022, Deloitte Touche Tohmatsu Limited's group revenue was more than USD 59.3 billion. Deloitte refers to a Deloitte member firm, one or more associated firms, or Deloitte Touche Tohmatsu Limited, which is a private limited company in the United Kingdom ("DTTL"). DTTL and its member firms are each legally separate and independent entities. DTTL (also known as "Deloitte Global") does not provide services to clients. Please visit <http://www.deloitte.com/about> for a more detailed description of the legal structure of DTTL and its member firms.