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IRELAND BEST MANAGED COMPANIES

Annual Survey 2025

In collaboration with UCD Michael Smurfit Graduate Business School

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Introduction

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PARTNER LEAD
IRELAND'S BEST MANAGED COMPANIES

As Partner Lead of the Ireland's Best Managed Companies programme, I'm delighted to share this year's annual survey findings with you. This year's report surveyed the 115 Ireland's Best Managed companies and was created in collaboration with our programme academic partners UCD Michael Smurfit Graduate Business School.

The findings paint a clear picture of how Ireland's best managed companies are navigating a rapidly changing business landscape. Our research shows that Irish indigenous businesses are embracing growth, with 65% focusing on developing new products and over half looking to expand internationally or through mergers and acquisitions. It's clear that innovation is high on the agenda, with 62% of companies already adopting artificial intelligence—mainly to improve efficiency and support their teams.

Despite the challenges of limited resources and ongoing uncertainty, the 115 Best Managed companies are doubling down on good governance, building strong partnerships, and developing their internal capabilities. It's encouraging to see that most are committed to sustainability reporting, and that employee engagement and professional development remain high on the agenda. There's also positive momentum around diversity in leadership. Overall, this report highlights the resilience, ambition, and adaptability that set Ireland's Best Managed Companies apart.

Survey summary

Organisations prioritise growth via product development and global expansion, leveraging Artificial Intelligence and talent retention to sustain performance. Limited resources and market uncertainty drive a focus on governance, partnerships, and internal capabilities to meet emerging priorities.

Strategic growth levers

- Across all industries, developing new products and services is the foremost growth strategy for the next five years. TMT (Technology, Media, Communications) organisations are also prioritising international expansion and pursuing mergers and acquisitions as key initiatives.
- TMT companies primarily focus on expanding market share to strengthen their competitive position, while ER&I (Energy, Resources & Industrial) and Private-Equity (PE) backed organisations emphasise revenue growth.

Innovation and artificial intelligence

- For 55% of companies, improving operational processes is the top priority. However, limited resources and market uncertainties are constraining investment in research and development and entry into new markets, despite strong interest in innovation.
- AI adoption is growing steadily at 62%, with most organisations utilising Artificial Intelligence (AI) primarily to support employees and enhance internal productivity.

Emerging priorities

- Managing business costs and retaining talent are core priorities, highlighting companies' focus on workforce investment and sustained performance.
- Companies are prioritising investment in governance, partnerships, and internal capabilities to address competition, economic shifts, regulatory changes, and talent shortages, thereby supporting sustainable growth.

Talent attraction and retention

- Nearly all organisations are focusing on employee engagement and professional development, with most implementing targeted programmes to drive retention and long-term performance.
- Over half of the organisations are seeking skilled talent for operations roles, signalling growth opportunities. 16% report strong gender diversity in C-suite leadership, reflecting potential for broader inclusion.

Sustainability reporting

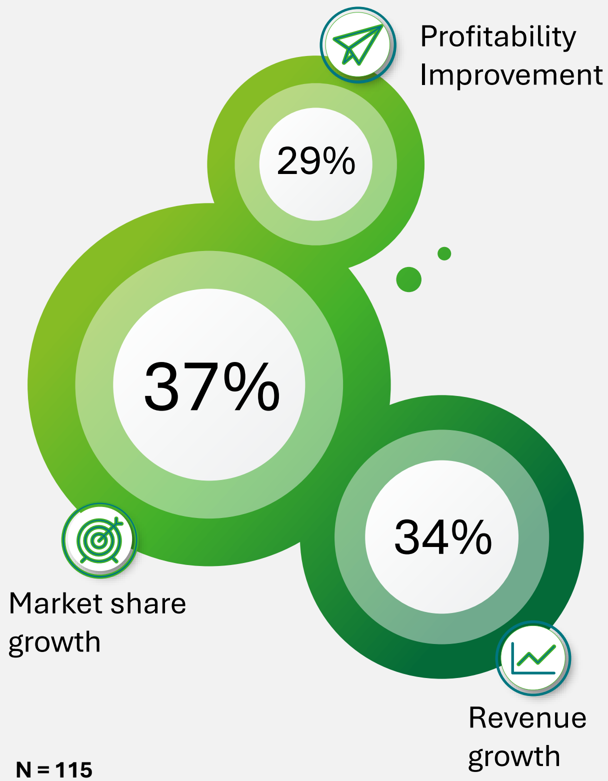
- 84% of companies plan to advance sustainability initiatives.
- Technology adoption for sustainability reporting has reached 67%, with organisations deploying carbon and emissions reporting tools, sensors, IoT, and smart metering—demonstrating a proactive approach to digital solutions for better sustainable impact and operational transparency.

Strategic growth levers

Success | Pragmatic and tailored strategies

Industries measure success differently: Technology, Media, Telecommunications (TMT) values market share (53%), Energy, Resource & Industrials (ER&I) focuses on revenue (41%). Different funding types define success differently also: PE-backed companies prioritise revenue (60%), whereas companies without private equity backing focus on market share.

Organic growth and market share expansion



N = 115

Market share as a marker of ambition and competitive strength

- 53% of the TMT companies are especially focused on market share growth, reflecting a strong drive for aggressive expansion, innovation, and maintaining a competitive edge within their fast-evolving sector.
- 39% of family businesses prioritise market share growth, signaling their ambition to outpace competitors and achieve industry leadership.

Revenue growth as a core indicator of success

- 41% of ER&I companies view revenue growth as their key success metric, likely driven by operational improvements and rising demand.
- 60% of PE-backed companies prioritise revenue growth, focusing on efficiency and market opportunities.

Balanced success being achieved by integrating growth and efficiency

- Consumer and Life Sciences & Health Care (LSHC) companies take a balanced approach to success, emphasising market share growth, revenue generation, and profitability equally.
- This distribution reflects a mature, holistic outlook that values both expansion and operational efficiency.

Growth strategies | Navigating new offerings in development, expansion, and M&A

Despite differing success metrics, companies collectively emphasise growth through new product development (65%), M&A (55%), and international expansion (52%). These approaches support varied success metrics, strengthening competitiveness in evolving markets.

Development of new products and services: 65%

2024: 77% ▼ 12%

Mergers and acquisitions: 55%

2024: 55% ▶ 0%

International expansion: 52%

2024: 56% ▼ 4%

Increasing headcount: 52%

2024: 63% ▼ 11%

Third-party debt: 9%

2024: 8% ▲ 1%

Note: Percentage totals may exceed 100% in some cases as respondents could choose more than one option

Development of new products and services

- Developing new products and services is the primary growth strategy for 65% of companies, especially in the Consumer (64%) and Life Sciences & Healthcare (LSHC) industries.
- Additionally, family-owned businesses favour organic, asset-based growth through new offerings and facility enhancements.

Strategic mergers and acquistions

- 76% of TMT companies identify M&A as a central strategy for accelerating growth and capturing new market opportunities.
- Similarly, 83% of PE-backed companies prioritise this approach as a primary driver of rapid growth.

International expansion

- TMT companies are actively pursuing global expansion, with 71% allocating resources to this goal. In LSHC, 38% of companies focus on both expansion and internationalisation.
- Private equity-backed businesses are also prioritising international growth, with 57% of PE backed companies identifying overseas expansion as a key strategic focus.

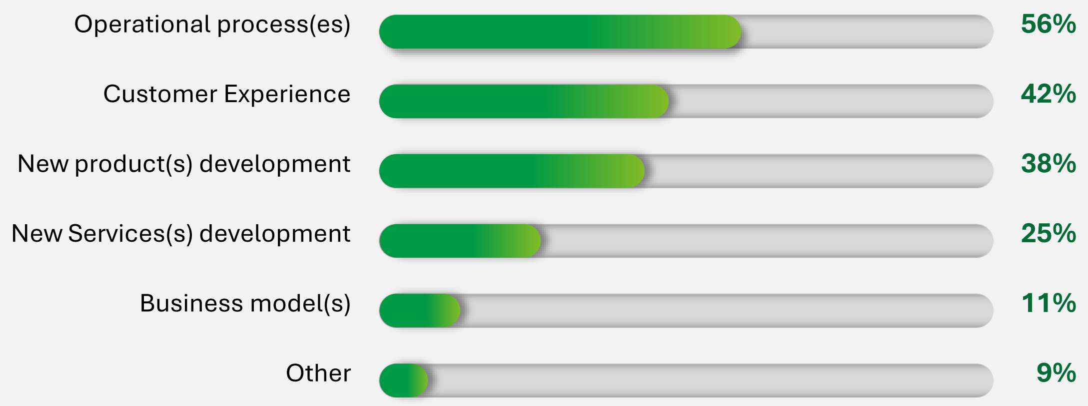
The majority of companies (63%), are unlikely to seek external funding, compared to 48% last year. General expansion is the most cited use for funding at 41%, followed by internationalisation, particularly within TMT industry and PE-backed companies.

Innovation and artificial intelligence

Innovation and artificial intelligence | Pragmatic innovation amidst mainstream AI

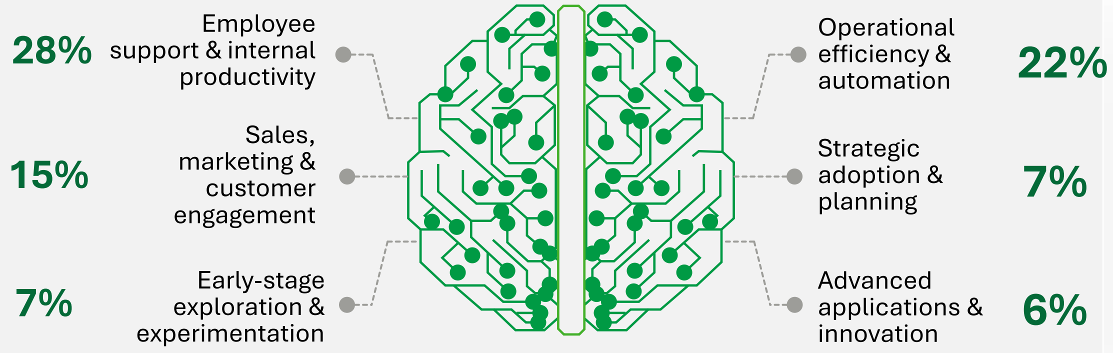
62% of companies are implementing AI to drive efficiency and automation, primarily focusing on employee support and internal productivity. The majority of companies are choosing to focus innovation on improving operational processes and customer experience.

Key innovation areas



Note: Percentage totals may exceed 100% in some cases as respondents could choose more than one option

Artificial intelligence



Note: 15% of respondents indicated that they use AI, but did not specify any use cases or areas of application

Operational process improvements (56%) are the leading priority within the overall cohort.

- Within TMT, 47% of companies balance customer experience with new service development.
- Financial and market barriers (30%) are the main obstacles to innovation, while talent and organisational challenges are most pressing for Consumer, ER&I, and TMT industries.

Limited resources and market uncertainties hinder companies’ ability to invest in R&D, scale new offerings, and enter new markets, despite strong interest in innovation.

62% of companies have adopted AI, with TMT leading at 94% and ER&I trailing at 48%.

- The leading use case of AI adoption is improving internal productivity and employee support (28%). 27% of private equity-backed companies are focused on employee support and retention. Family businesses balance investments between productivity and customer-facing functions (23% each).
- AI maturity is uneven; most organisations remain in early or exploratory stages, with adoption advancing more rapidly in technology-driven sectors than in traditional industries.

Rapidly growing companies are deploying AI to enhance operational efficiency and automate processes, supporting both scalability and innovation.

"With 62% of organisations adopting AI to drive operational efficiency and 56% prioritising innovation in operational process improvements, AI is becoming a critical catalyst for sustainable growth—empowering employees, enhancing productivity, and enabling businesses to navigate market uncertainties with agility."

Martin Mannion
Partner | Technology & Transformation
Deloitte Ireland

“As might be expected, the best managed companies are looking to AI to help improve the efficiencies of running their business. It will be interesting to see if they can translate ambition into bottom-line impact.”

Joe Peppard
Professor & Academic Director
UCD Michael Smurfit Graduate Business School

Priorities

Priorities | Emerging focus areas

Addressing rising costs (33%) has emerged as the top challenge for BMCs; while talent retention and acquisition (28%), and geopolitical risks (25%) are emerging as their foremost ‘barriers to growth’.

Top of the mind challenges

33% Cost of doing business

23% Talent acquisition and retention

16% Other*

*Other includes increased market competitiveness, global economic uncertainty, tariffs, regulatory changes, evolving compliance demands, and retailer pressures

Growth barriers

28% Talent acquisition and retention

25% Geopolitical and regulatory challenges

13% Economic and market uncertainty

13% Scaling operations and capacity

Managing business costs is a priority: The cost of doing business is a strategic focus and foremost challenge for 33% of organisations.

- 51% of companies in the consumer industry see expense control as a priority, likely due to tight margins and limited pricing flexibility.
- 44% of family-owned businesses also view expense control as crucial, indicating similar margin and pricing challenges drive their focus.

Talent acquisition and retention: Talent acquisition and retention is the leading ‘barrier to growth’ among the BMCs at 28% and was cited as the biggest challenge for 23% of companies.

- 32% of ER&I companies, 12% of TMT companies, and 29% of LSHC companies report this as their leading barrier to growth.
- Similarly, 42% of the PE-backed companies also consider this as their leading barrier to growth.

Geopolitical and regulatory focus: A key area of focus with 25% of companies reporting it as their most significant growth barrier.

- In the Consumer industry, 26% cite this issue, likely due to global supply chain exposure and regulatory shifts.
- Among family-owned businesses, 28% are concerned, reflecting their long-term focus and sensitivity to local policy changes.

"It is unsurprising that 25% of the best managed companies' cohort have cited geopolitical challenges as a growth barrier, and many have referenced tariffs and global economic uncertainty as a challenge.

Many of these businesses export goods to the US and therefore have faced uncertainty and increased costs over the last number of months. There are tariff mitigation strategies which should be explored, and it is important that businesses take actions to enhance the resilience of their overall supply chain to withstand future challenges".

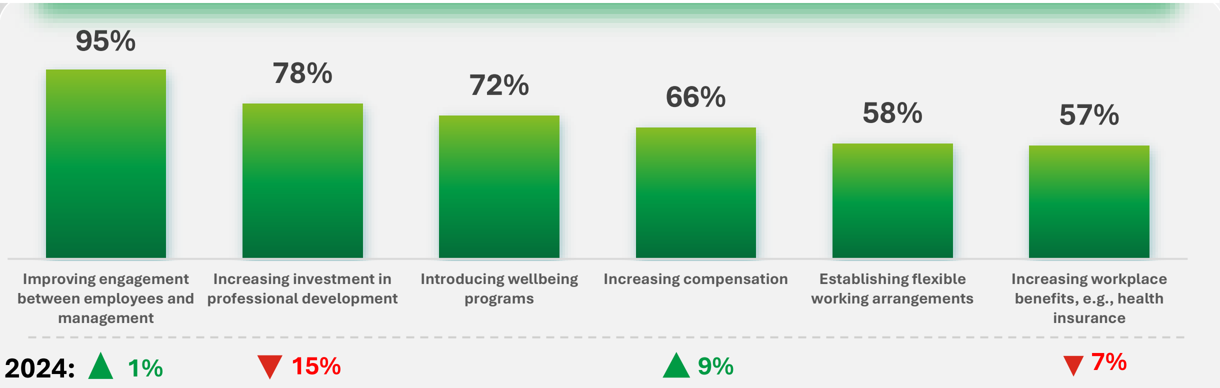
Louise Kelly
Head of Global Trade Strategy
Partner | Tax & Legal
Deloitte Ireland

Employee strategy

Employee strategy | Retention and engagement

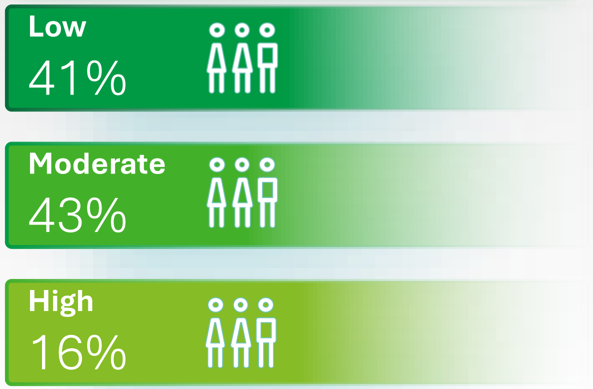
Companies are widely investing in retention strategies like engagement (95%) and professional development (78%), while prioritising recruitment for operational (52%) and management (58%) roles, strengthening leadership pipelines and operational stability.

Retention strategies



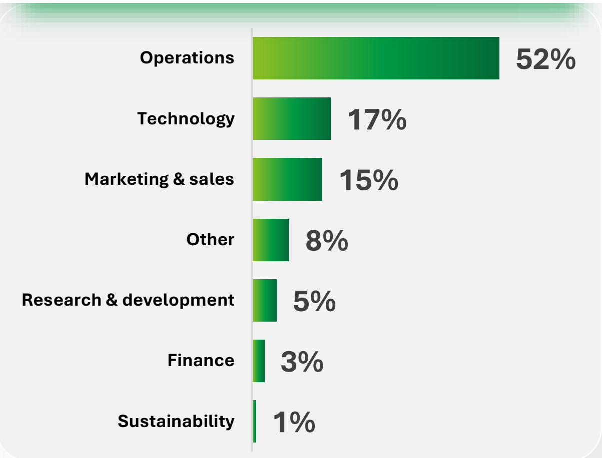
Note: Percentage totals may exceed 100% in some cases as respondents could choose more than one option

Gender diversity



Classification Thresholds: Low: ≤ 19%; Moderate: 20% – 49%; High: ≥ 50%

Talent gaps



Leaders are prioritising employee engagement (95%) and professional development (78%) to address retention.

- Operational (52%) and managerial roles (58%) were cited as the most challenging roles to fill among the BMCs.
- 72% of companies are investing in well-being programmes to foster flexibility and long-term value.

Gender diversity in leadership:

57% of companies in the cohort have reported female representation at C-Suite level of 20% or higher; with 16% of companies reporting female representation at C-Suite level as 50% or more.

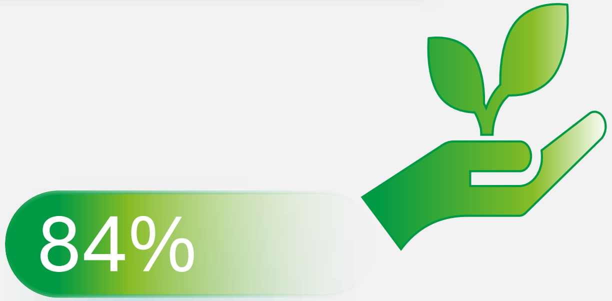
- The Consumer Industry leads in female C-suite presence, while ER&I and TMT industries are behind with over half of the companies having fewer than 20% female executives, showing more work is needed in STEM sectors.

Sustainability strategy

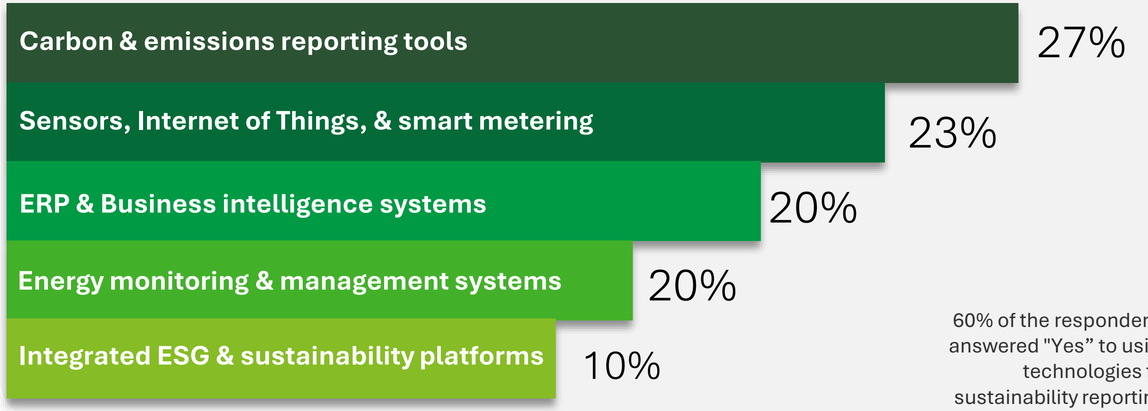
Sustainability strategy | Compliance vs. Commitment

84% of companies commit to sustainability reporting, broad adoption of carbon emissions tools and rising interest in sensors, Internet of Things (IoT), and smart metering signal a shift to innovative sustainability technologies.

Commitment to sustainability reporting



Utilisation of technology for sustainability reporting



60% of the respondents answered "Yes" to using technologies for sustainability reporting,

Sustainability reporting momentum - 84% of companies intend to advance sustainability reporting, signaling robust commitment beyond compliance. The Consumer and ER&I industries lead with 89% intent, while TMT follow at 71% and LSHC at 57%.

Technology adoption in reporting - Digital solutions are prevalent, with 60% of companies utilising technology for sustainability reporting. Adoption is of these digital solutions is higher among private equity-backed companies (67%). Carbon emissions platforms predominate, followed by sensors, IoT, and smart metering—particularly within the ER&I Industry and private equity-backed organisations.

'The strategic adoption of technology and data systems—particularly sensors and metering—demonstrates that organisations recognize measurement as the foundation of effective management. Companies are leveraging these insights to unlock sustainable value creation and accelerate decarbonization efforts, moving beyond compliance to drive operational transformation. However, businesses are taking a measured approach—prioritizing strategic value generation over expanding regulatory reporting requirements.'

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