



Private Company Outlook Business Investment

April 2025



Deloitte Private asked **100 private company leaders** about their approach to business investment currently and in the next 12 months.

METHODOLOGY

Deloitte Private's pulse survey, "**Private Company Outlook**," gauges private company leaders' perspectives on opportunities and risks to business now and in the future.

The survey of 100 private company leaders was conducted online by an independent research company between February and 21, 2025. Respondents represented C-level, president, board member, partner/owner roles at private companies in the US with annual revenues of US\$100 million to US\$1 billion+.

Executive summary

Revenue growth is the #1 business priority.

Half of private company leaders surveyed (50%) said revenue growth is their organization's main business priority, and strategic partnerships or joint ventures (38%) would be the primary source to fund growth initiatives over the next year.

Private company leaders are setting their sights on organic growth.

While 62% of respondents said that strategic alliances or joint ventures will be part of their M&A strategy over the next year, more than half (56%) said their organization would focus on organic growth instead of M&A in the next 12 months.

Private companies with higher revenue plan to leverage upskilling and reskilling, and compensation/rewards.

Respondents from companies with annual revenues of \$500 million and above are more likely to focus on upskilling and reskilling (78%) compared with respondents from companies earning under \$500 million (46%) to meet talent needs. The respondents from higher-revenue companies are more than twice as likely (56%) to increase or significantly increase compensation/rewards.

Digital investments are expected to yield higher customer growth and impact.

Survey respondents expect that their digital investments, including AI, will grow their customer base (95%) and enhance customer experience (88%) in the year ahead. Cybersecurity risk (86%) and budget constraints (84%) were cited as the biggest barriers to implementing new technologies.

Private company outlook: Business Investment

Half of private company executives surveyed (50%) indicated that **revenue growth** is the #1 business priority for their organization in the next 12 months.

What are the main priorities for your business over the next 12 months?

(Select up to three.)

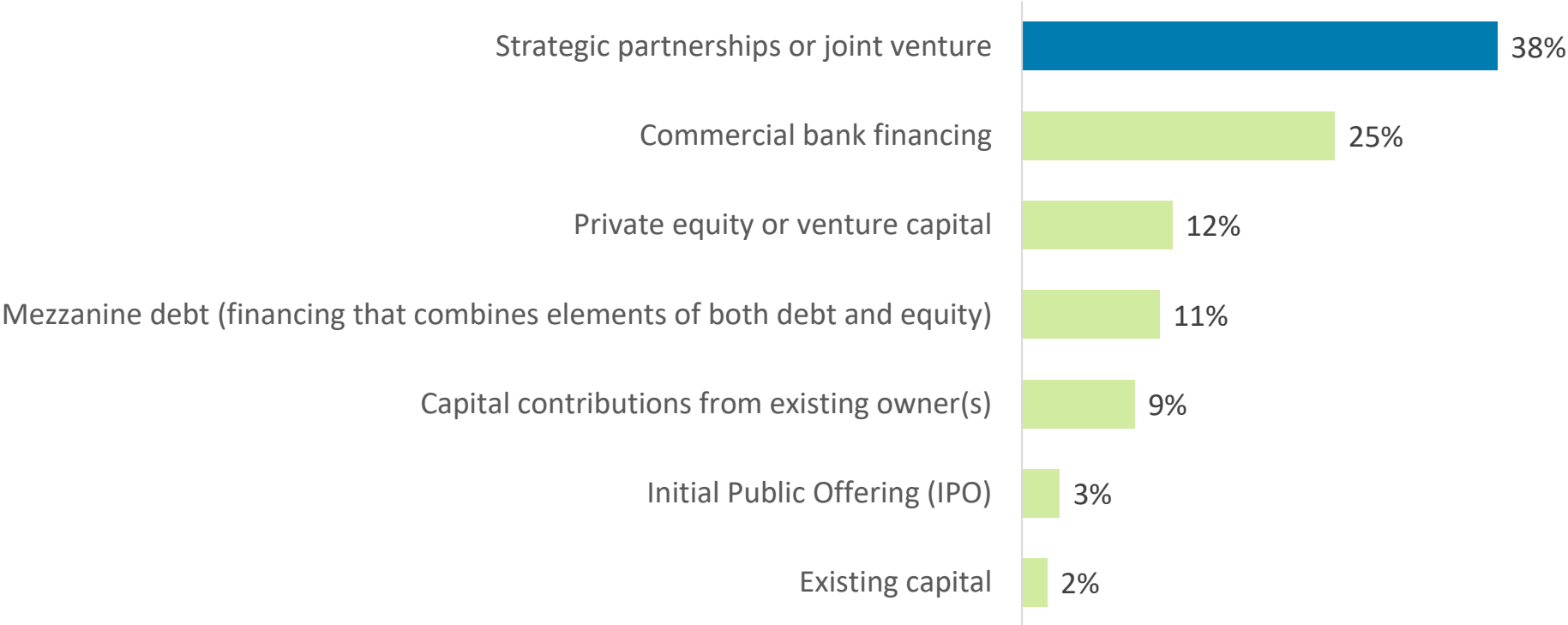


Private company outlook: Business Investment

Private company leaders surveyed indicated that **strategic partnerships or joint ventures** would be the primary source to fund growth initiatives in the year ahead.

What is the primary source of funding your organization plans to use for growth initiatives over the next 12 months?

(Select one.)

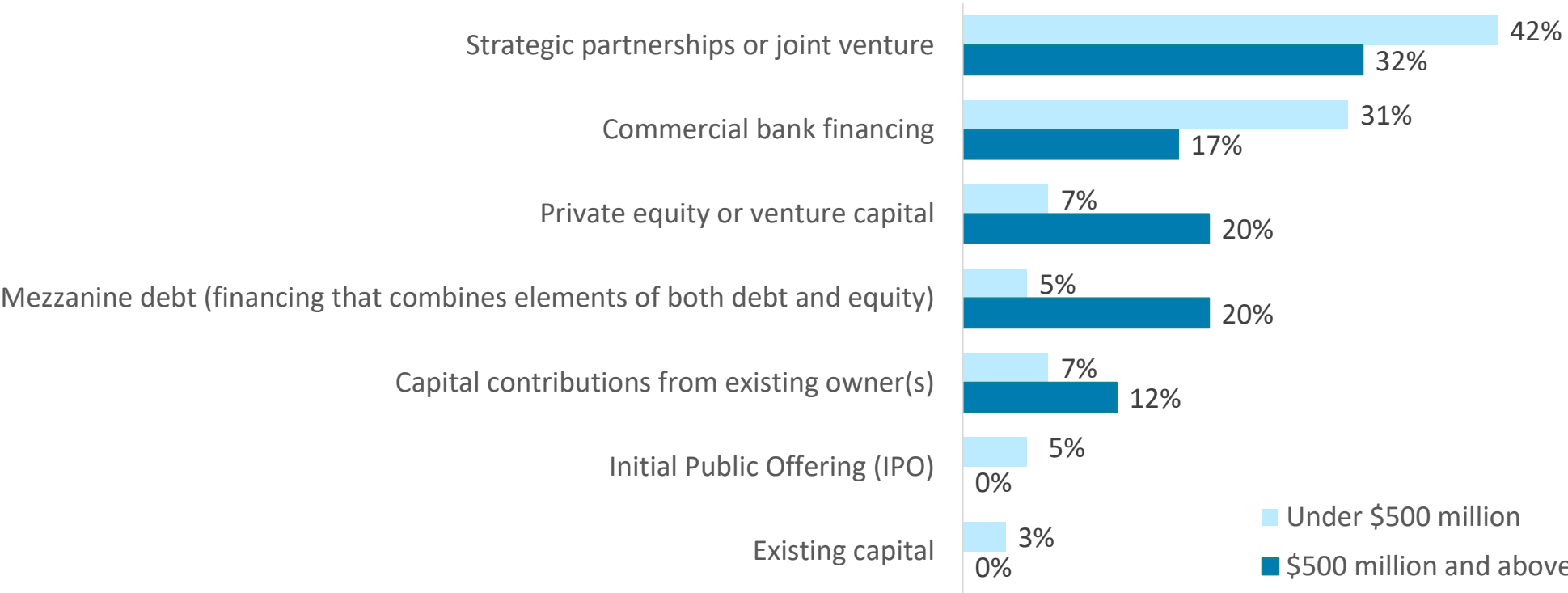


Private company outlook: Business Investment

After strategic partnerships or joint ventures, private companies with **under \$500 million** in annual revenue are likely to opt for **commercial bank financing** to fund growth initiatives in the next 12 months, according to respondents. Survey respondents from private companies earning **\$500 million or more** lean toward a mix of **mezzanine debt and private equity or venture capital**.

What is the primary source of funding your organization plans to use for growth initiatives over the next 12 months?

(Select all that apply.)

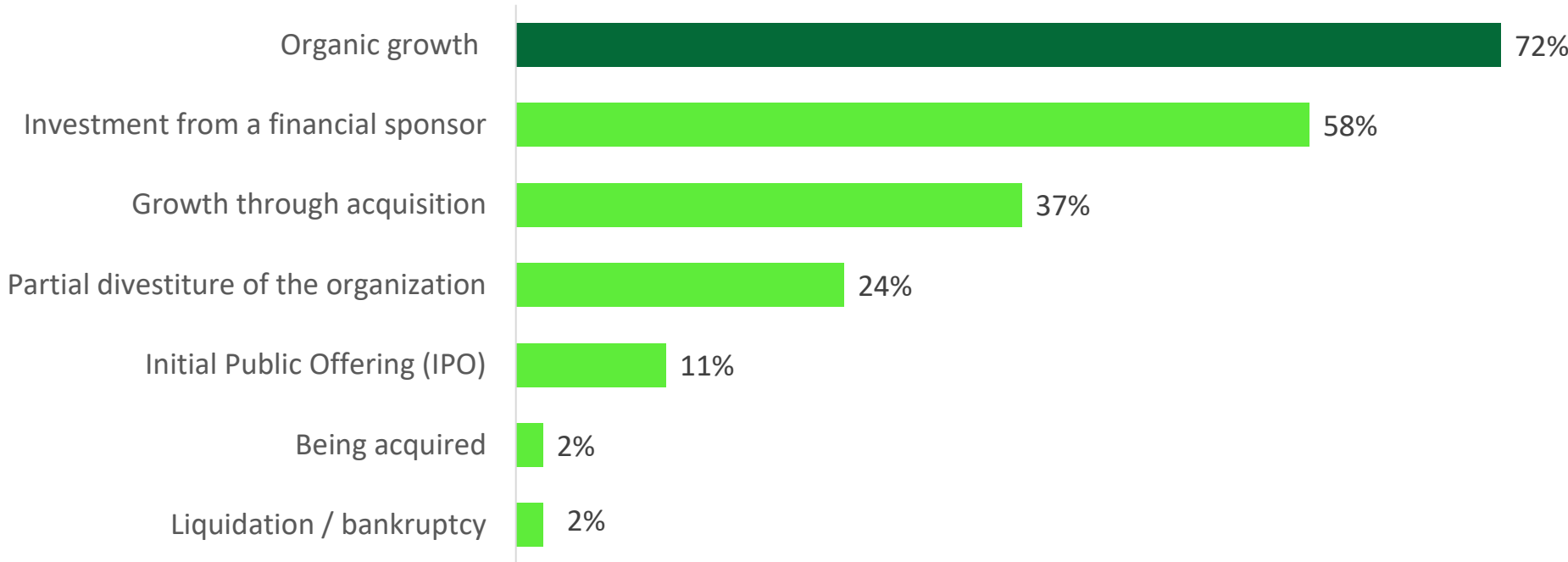


Private company outlook: Business Investment

Organizations are most likely to pursue **organic growth** and **investment from a financial sponsor** in the next five years. Respondents indicate a lower likelihood of pursuing an IPO, being acquired, or liquidation/bankruptcy.

What is the likelihood that your organization will pursue the following initiatives in the next five years?

(Percentage responding “high likelihood” and “very high likelihood”.)

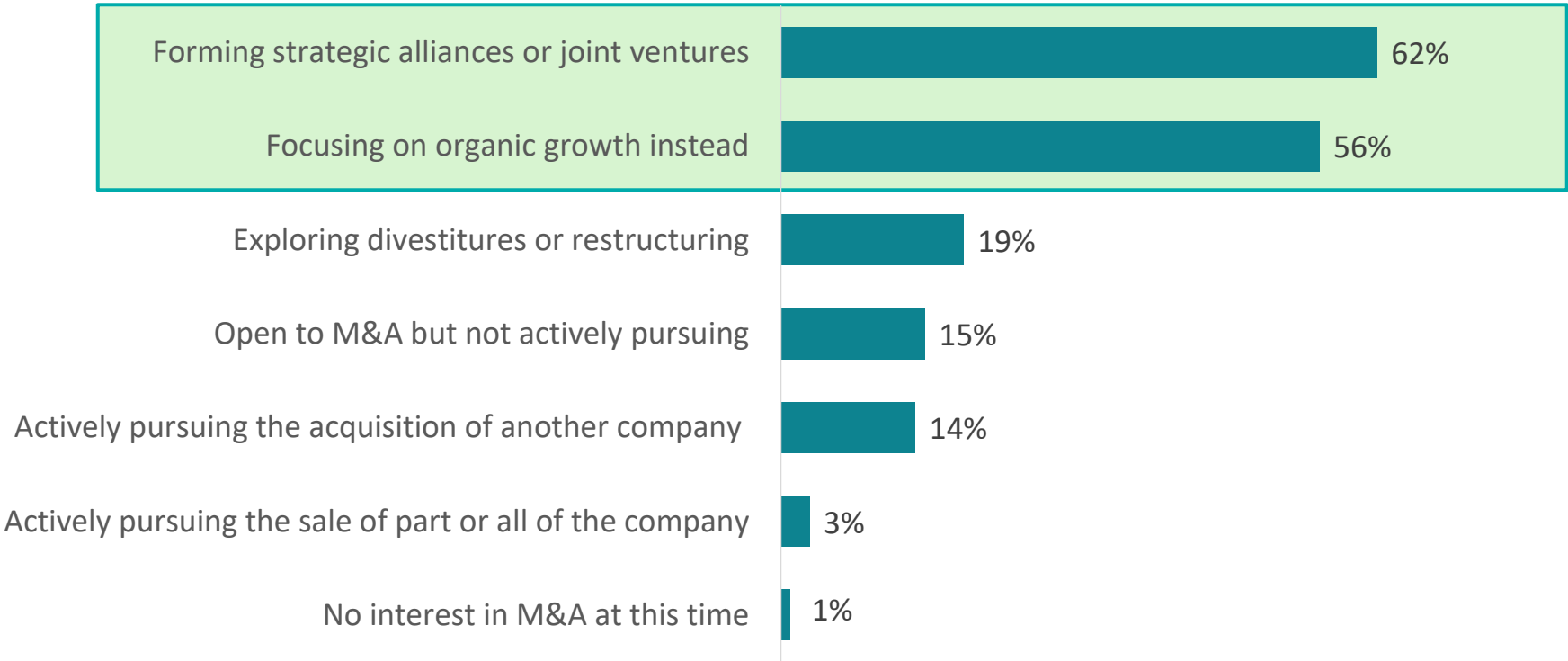


Private company outlook: Business Investment

The majority of respondents (62%) anticipated that their organizations would **approach M&A by forming alliances or joint ventures**. Over half (56%) indicated that they would be focusing on organic growth instead in the next 12 months.

What do you anticipate your organization’s approach to mergers and acquisitions (M&A) will be in the next twelve months?

(Select all that apply.)

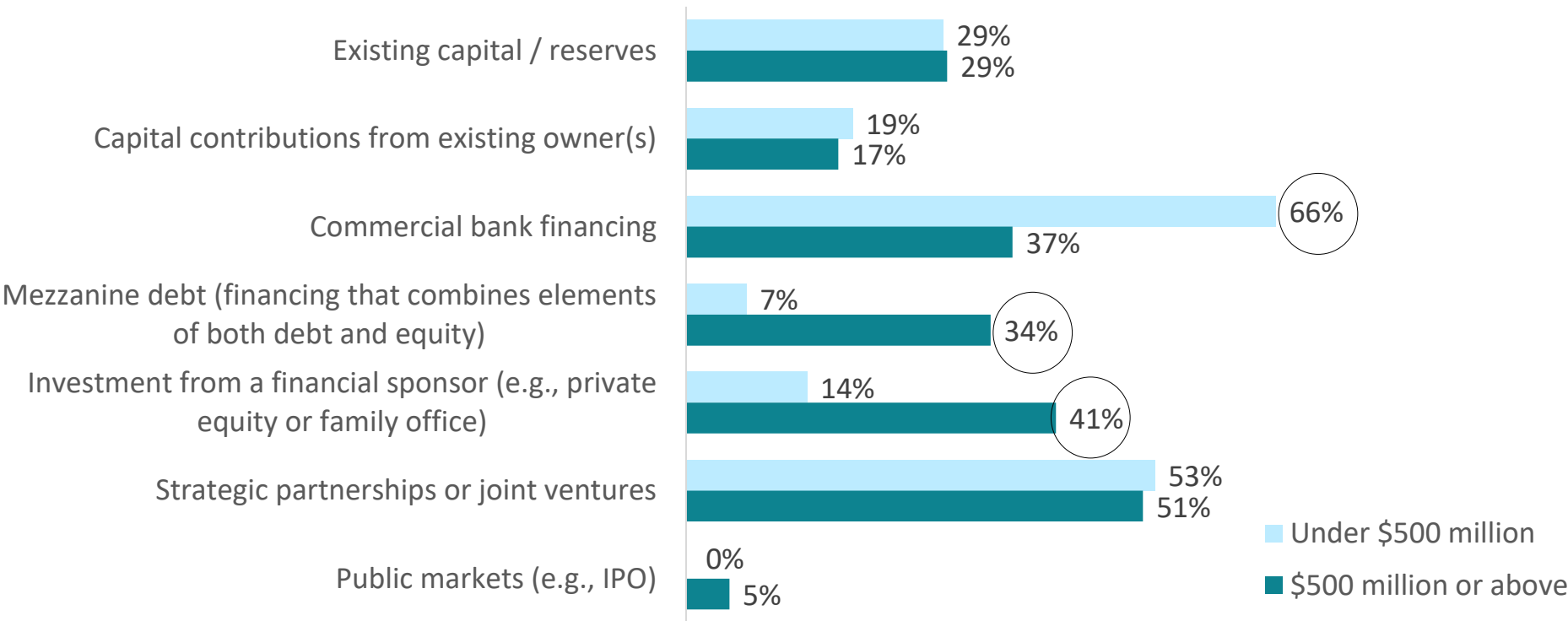


Private company outlook: Business Investment

Looking ahead to future M&A transactions, private companies with **under \$500 million** in annual revenue are more likely to opt for **commercial bank financing**, according to respondents. Companies with **\$500 million or more** in annual revenue are almost five times more likely to consider **mezzanine debt** and nearly three times as likely to seek **investment from a financial sponsor**.

Which funding strategies is your private company most likely to consider for a future M&A transaction?

(Select all that apply.)

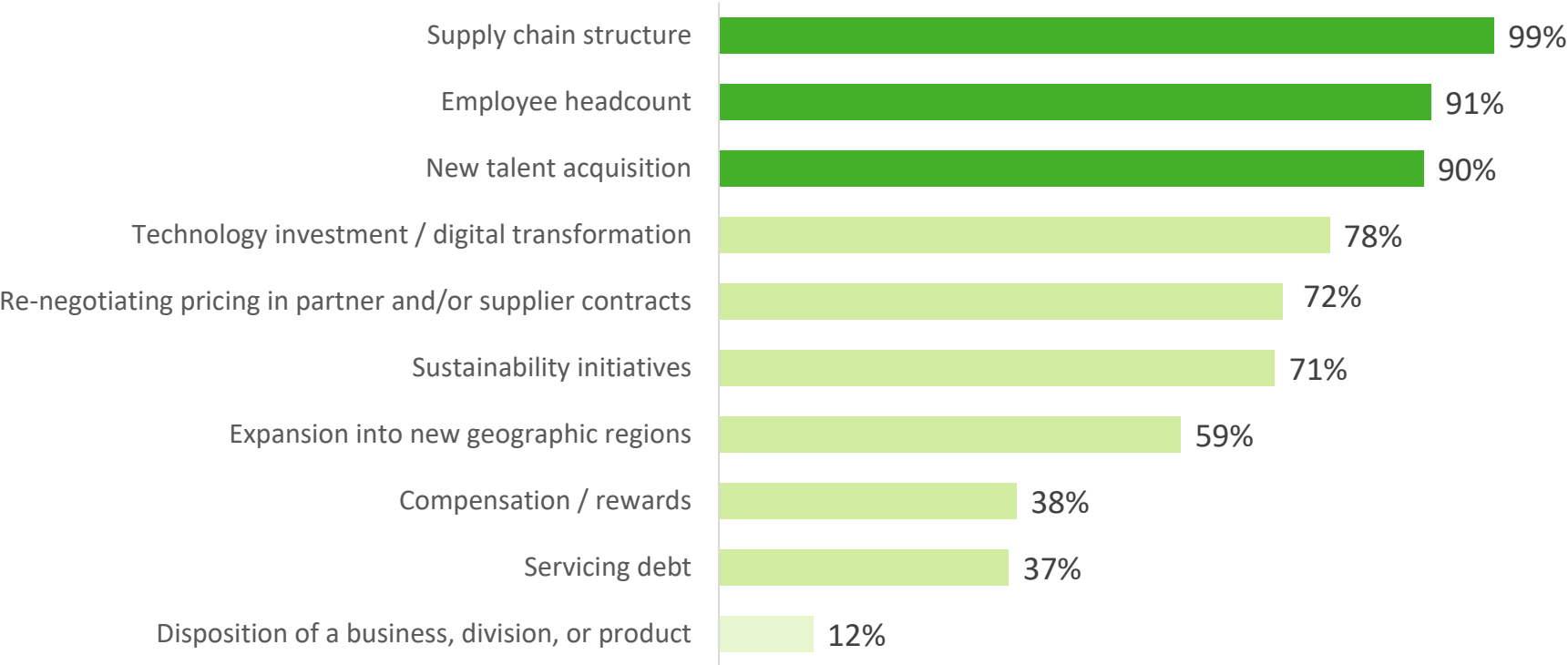


Private company outlook: Business Investment

Nearly all (99%) of respondents say their organization is planning to **increase or significantly increase their supply chain structure**, followed by **growing employee headcount** (91%) and **acquiring new talent** (90%), to improve business performance.

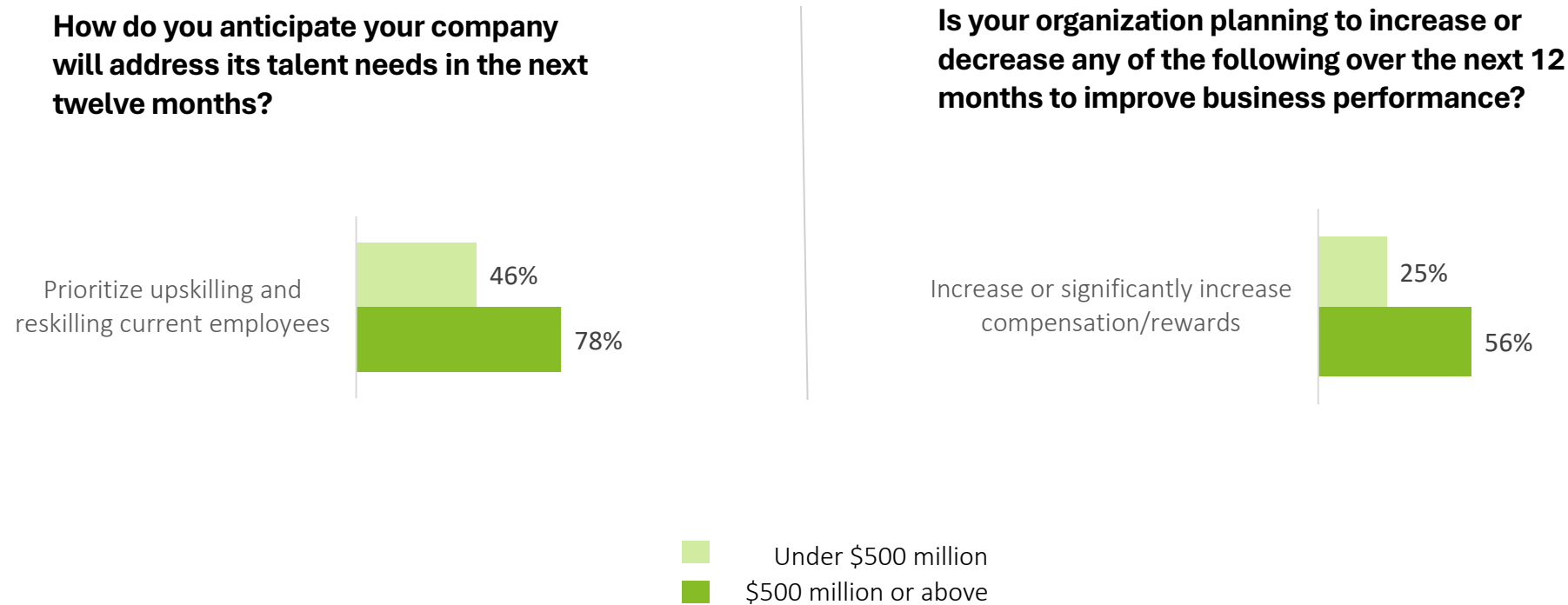
Is your organization planning to increase or decrease any of the following over the next 12 months to improve business performance?

(Percentage responding “increase” and “significantly increase”.)



Private company outlook: Business Investment

Companies with **\$500 million or more in annual revenue** are more likely to **prioritize upskilling and reskilling** in the next 12 months than those earning under \$500 million, and more than twice as likely to increase or significantly compensation/rewards.



Respondents anticipate that their organization’s digital investments are most likely to help **grow their customer base, optimize supply chains** and **enhance the customer experience**. Automating mundane/repetitive tasks appears lowest on the list.

Where do you anticipate the most impact from your organization’s digital investments (including AI) in the year ahead?

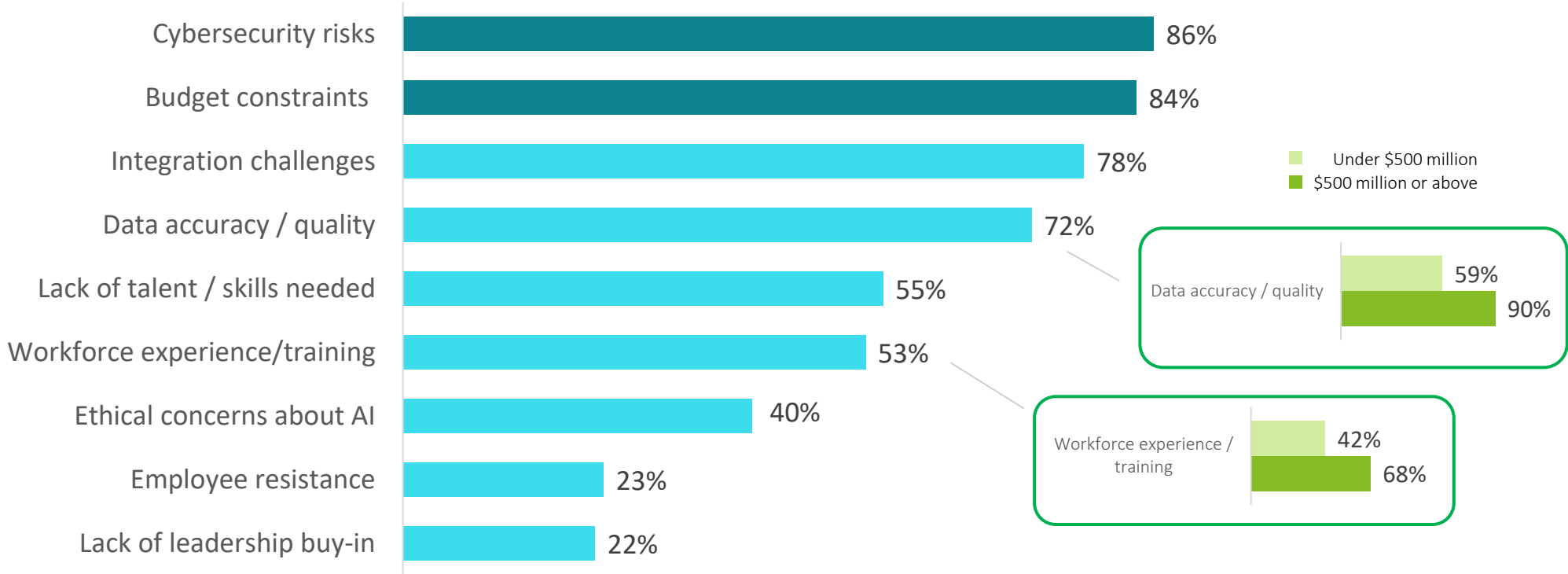
(Percentage responding “high impact” and “very high impact”.)



Cybersecurity risks and budget constraints are seen as the **highest barriers to implementing new technologies**, according to survey respondents. Employee resistance and lack of leadership buy-in are not considered high barriers.

Please rate the barriers to implementing new technologies in your organization:

(Percentage responding “high barrier” and “very high barrier”.)



Private company outlook: Business Investment

When asked about enterprise risks facing their organization, private company leaders surveyed cited **cybersecurity**, **strategic** and **financial risks** among the highest risks.

Please evaluate the following enterprise risks to your organization over the next twelve months...

(Percentage responding “high risk” and “very high risk”.)

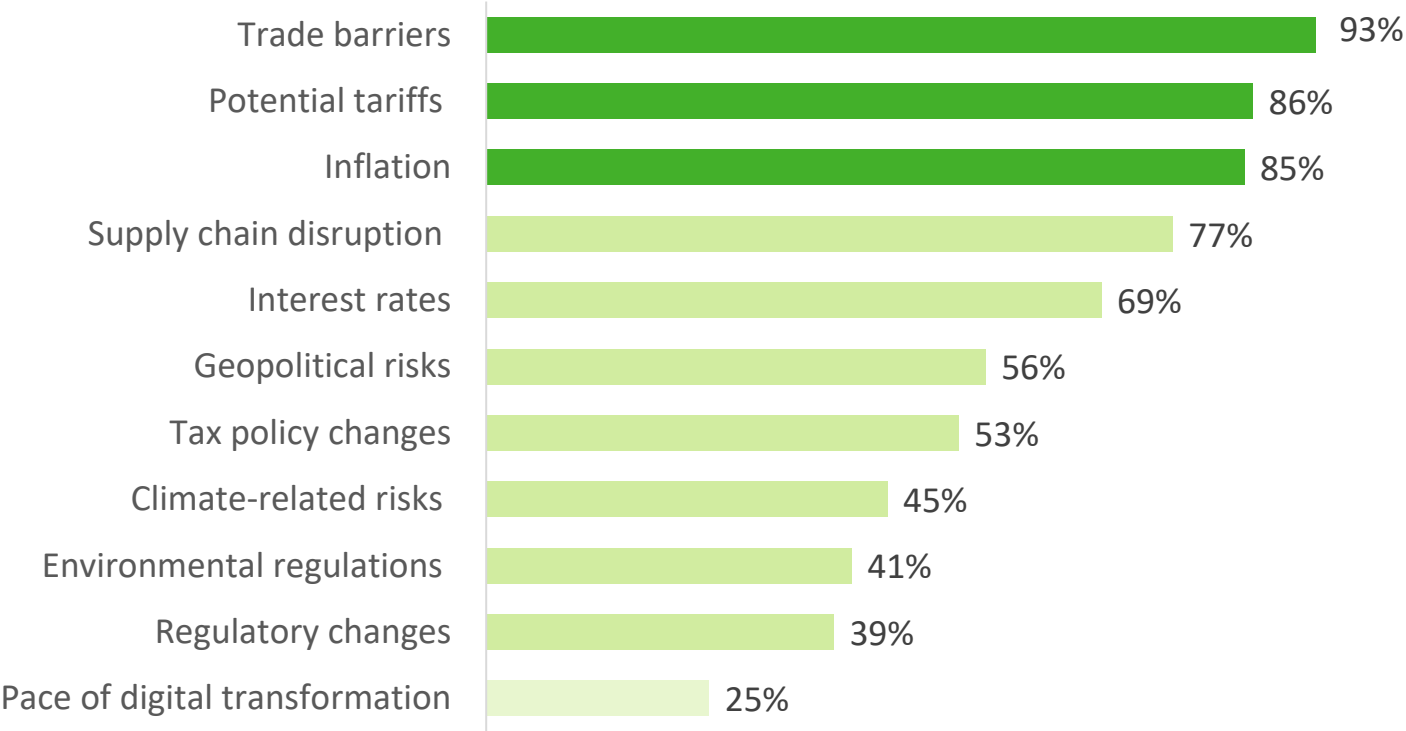


Private company outlook: Business Investment

Private company leaders surveyed cited **trade barriers, potential tariffs** and **inflation** as the highest **macro risks** to their organization in the next 12 months. The **pace of digital transformation** was **lowest on the list**.

Please evaluate the following macro risks to your organization over the next twelve months:

(Percentage responding “high risk” and “very high risk”.)





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