



**Global perspectives for private companies**  
Plans, priorities, and expectations

December 2017

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# About the survey

From August 14 to September 18, 2017, a Deloitte survey conducted by OnResearch, a market research firm, polled 1,882 executives at global, mid-sized companies about their expectations, experiences and plans for becoming more competitive in the current economic environment. Respondents were limited to executives at companies with annual revenues between \$10 million and \$1 billion.

Eighty-five percent of the companies represented were privately held; 15 percent were listed and traded on a public stock exchange. Among the private companies, 36 percent were private-equity owned, 21 percent were family-owned, 16 percent were closely held but not family-owned, and 6 percent were venture-capital backed, and 6 percent had other ownership structures.

Half of the respondents were owners, board members, or C-suite executives; the remainder included vice-presidents, department or business line heads, or managers. Industries were diverse: those with the largest representation were consumer and industrial products; technology; media and communications; financial services; energy and resources; and life sciences and health care.

Some percentages in the charts throughout this report may not add to 100 percent due to rounding, or for questions where survey participants had the option to choose multiple responses.

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## Executive summary

# Plans, priorities, and expectations



Mark Whitmore

Every day, private companies the world over evolve in important ways. They hire new people or promote promising leaders. They purchase new equipment or sign a new distribution deal. They introduce a new product or service. They acquire a competitor or win a fresh round of financing. And they make tough, strategic decisions that will ultimately set the course for their success or failure. Collectively, private companies are a growth engine for economies around the world.

As part of our commitment to this crucial segment, Deloitte Private conducted its first global business survey to better understand the dynamics of this important market segment by tracking the plans, priorities, and expectations of almost 1,900 private company leaders in 30 countries.

What we found is that private company leaders around the world have more in common than you might think. In fact, in many respects, they are very closely aligned across all three regions—the Americas; Europe, the Middle East, and Africa; and Asia Pacific. For example:

- Roughly two-thirds of the executives from each region are optimistic about the success of their company over the next 24 months.
- The majority of global respondents expect their revenues, profits, productivity, and capital investments to go up in the year ahead.
- Additionally, 45 percent expect to hire more full-time employees.

The world economy is experiencing a level of rare economic alignment, with countries growing in sync for the first time in years. As captured in the pages to come, the parallels private companies are exhibiting as a group cannot be explained by the economic cycle alone. Rather, the survey findings and company profiles in this report reinforce how business is more interconnected than ever before, thanks to trends such as globalization and digitization. What happens in Shanghai matters to workers in Silicon Valley, and what happens in Silicon Valley matters to workers in Stuttgart.

Global connectivity demands a global perspective, and we are proud of Deloitte's continued commitment to help private companies see the world through that lens.



Mennolt Beelen

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# Operating in sync

For the first time in a decade,  
the major economies of the world  
are moving as one.

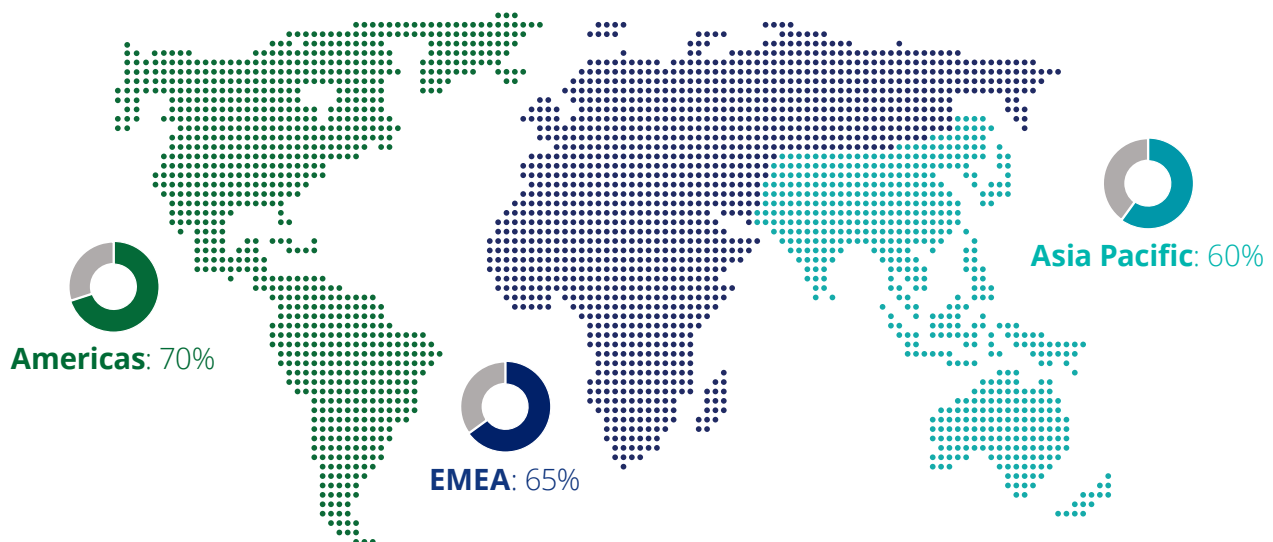
For the first time in a decade, the major economies of the world are moving as one. According to the Organization for Economic Cooperation and Development, all 45 of the countries it tracks are set to grow their economies this year. If it happens, it will be the first time since 2007 they have expanded in sync.<sup>1</sup> What is more, 28 of those nations are poised to grow faster than last year,<sup>2</sup> consistent with the International Monetary Fund's latest estimate of 3.6 percent global growth for 2017 and 3.7 percent for 2018.<sup>3</sup>

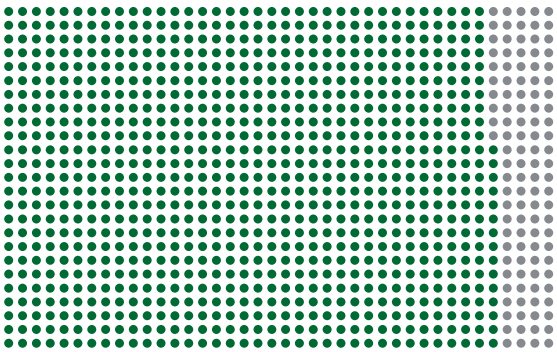
The relative alignment in the outlook is captured in this Deloitte Private global survey. Though many respondents are a world apart geographically, their expectations and investment plans are closely aligned. Executives from all three regions—the Americas, EMEA (Europe, Middle East, and Africa), and Asia Pacific—are similarly confident in the success of their company over the next 24 months.

This level of agreement appears to stem from their shared outlook for higher sales and earnings in the year ahead. The majority of respondents in every region expect their revenues, profits, productivity, and capital investments to go up in the year ahead. Those expectations are giving many of the executives reason to believe their companies will boost hiring and prices they charge for goods and services.

“Most global economies are stable or accelerating and the companies are all experiencing this, seeing improvement in the economic conditions in their home markets,” says Ira Kalish, chief global economist, Deloitte Touche Tohmatsu Limited. “Those exposed to the global economy are seeing strength reflected in their overseas sales as well.”

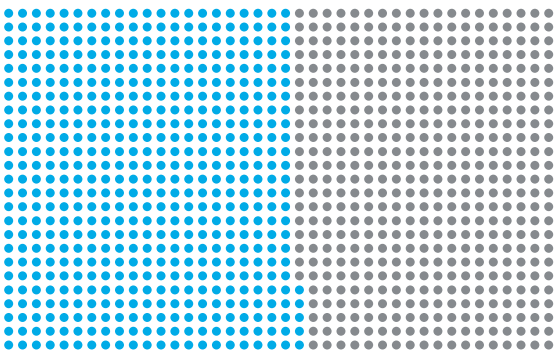
**About two-thirds of executives are “very confident” or “extremely confident” about the success of their company over the next 24 months**





89%

cited confidence in the success of their businesses over the next 24 months



53%

feel uncertainty is higher

Such strength is giving the executives the confidence to invest despite the fact that many of them believe that the level of uncertainty around their future business prospects is higher than this time last year. Fifty-three percent feel uncertainty is higher, compared to just 9 percent who believe there is less.

Interestingly, survey respondents expressed both a high degree of optimism and a high level of uncertainty. In fact, 89 percent cited confidence in the success of their businesses over the next 24 months, based on revenue, profitability, and growth.

There could be several explanations for this juxtaposition. The overarching reason may be that private companies can be more agile and have the ability to take a longer view. Or, like UK auto-leasing company Zenith, they are investing amid higher uncertainty to maintain their competitive position and keep rivals at bay (see sidebar on page 11).

#### Shared markets, supply chains

Foreign markets appear primed to contribute more revenue to private companies in the year ahead, as many survey respondents expect to boost sales overseas. Seventy-nine percent of the private companies already rely on international markets for a portion of their revenue, and 43 percent count on them for more than 25 percent of their revenue. This interconnectedness is likely to grow, as 27 percent expect the global share of their business to increase over the next 12 months.

International markets are not just important for sales. They are also increasingly vital to the survey companies' ability to source and produce products. More than half of the executives—57 percent—say that global trade is important to their supply chain, compared to just 16 percent who say it is not.



For many private companies, global production and supply chains translate into increased flexibility when striving to get products to market quickly. RECARO Aircraft Seating is one of them; headquartered in Germany, it has facilities in China, Poland, South Africa, and the United States. The seats it manufactures need to be ready as soon as the airlines need them, whether they are for new aircraft or for older planes in need of a retrofit.

"If aircrafts don't have seats they can't fly," says Klaus Steinmeyer, RECARO's vice president of strategy, products, and programs. The company's international footprint, he notes, "gives us the flexibility to share work over all of the sites and level out the peaks and valleys. We may acquire projects out of Asia Pacific, engineer them in Germany, and build them in the United States. Or vice versa. Whatever is needed."

Taken together, the survey findings suggest global trade may continue to rebound in the months ahead. In September, the World Trade Organization increased its forecast for global growth in trade to 3.6 percent from 2.4 percent.<sup>4</sup> If that rate of expansion holds, it would be a substantial improvement over the 1.3 percent growth of 2016.

79%

of private companies surveyed already rely on international markets for a portion of their revenue



### Risks to growth

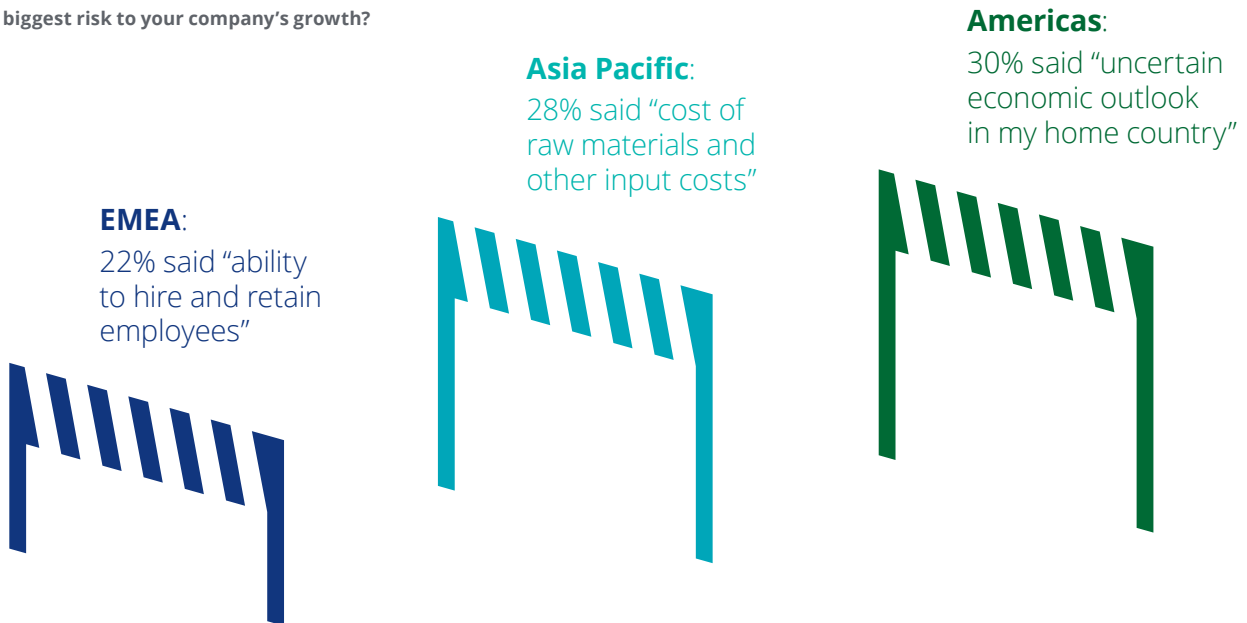
Given this momentum, it is perhaps not surprising that only 17 percent of private company leaders cited trade barriers as a significant risk to their company's growth.

What does worry them is a variety of other issues, which is where we begin to see regional differences. Those in the Americas are most concerned about the uncertain economic outlook in their home country, while respondents in Asia Pacific have the cost of raw materials and other input costs at the top of their list. Executives in the EMEA region say they are grappling the most with hiring and retaining employees.

One area of consistency in terms of top risks to growth is geopolitical uncertainty, which is cited across the regions. The past year has brought no shortage of developments with global implications, including Britain's vote to leave the European Union, changes in leadership in North America and Europe, an increase in military posturing by North Korea, and a new round of deadly terrorist attacks across the globe.

As a group, though, no single risk stands out. Rather, survey respondents are equally worried about a wide number of potential threats, with little separation between them. In addition to those cited above, these risks include competition from market disruptors, foreign exchange fluctuations, weaker domestic market demand, increased regulatory requirements, and the cost of keeping up with technological advances.

### What is the biggest risk to your company's growth?



# Zenith

## Brexit uncertainty will not stop drive to disrupt vehicle-leasing market

The surprise vote by British citizens to leave the European Union in June 2016 has left many companies that do business there wondering whether to go forward with key investments tied to their growth strategy. Zenith, a UK-based vehicle-leasing company, is not one of them. Despite Brexit-related uncertainty, Zenith is still hiring, innovating, acquiring companies, and taking market share from its rivals, according to Mark Phillips, the company's chief financial officer.

"We're not holding back on investment decisions," Phillips says. "We have that healthy kind of paranoia that forces us to keep investing in the business to keep the competition from catching up with us."

Zenith recently opened a new corporate headquarters in Leeds that it approved in early 2016 ahead of the referendum. In the months since then, it hasn't slowed down. The company launched a new apprenticeship program to address skills shortages. With support from its new private equity backer, Zenith recently purchased Contract Vehicles Limited Group, a lessor of trucks and other heavy goods vehicles. And the company has invested heavily to support a new type of leasing arrangement called "salary sacrifice," in which employees who don't get company cars can lease their own and have the payments deducted from their paychecks.

Zenith now controls a significant portion of the corporate vehicle leasing market in the United Kingdom and it was recently recognized as one of the fastest-growing, mid-sized private companies in the country.<sup>5</sup> "We have been very successful in growing the business over the last few years, mainly by taking market share from existing competitors," Phillips says. "And we still have plenty of the market left to go after."



We're not holding back on investment decisions... We have that healthy kind of paranoia that forces us to keep investing in the business to keep the competition from catching up with us.

Mark Phillips  
CFO, Zenith

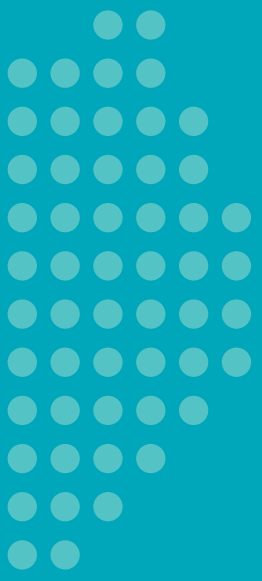
In addition, the company is looking to tap its expertise in corporate vehicle leasing to enter the consumer market. Phillips says Zenith is developing products that will streamline the process for consumers by offering a platform for finding, maintaining, and insuring leased vehicles. In exchange for a fixed monthly fee, Zenith will assume all of the risks attached to car ownership, including insurance, repairs, and changes in lease buyout values.

"We've observed the world moving more toward a subscription economy and we're uniquely positioned to take advantage of that," Phillips explains.



# Driving disruption

Digitization can undercut existing business models, and no industry is immune.



The constant flow of information across borders is likely another factor contributing to the alignment in the executives' expectations and plans. Technologies such as cloud computing and analytics have leveled the playing field for many private companies, giving them access to technology platforms that previously were unaffordable and making it possible to transform data into business insights. As a Deloitte paper on disruption summarized, "knowledge begets knowledge." Today's technologies are fueling and catalyzing each other's development, and the companies that are adopting them are disseminating this information to accelerate learning and innovation.<sup>6</sup>

"Technology is playing an important role in integrating companies within different economies," says Dr. Rumki Majumdar, an economist with Deloitte Services LP in Bengaluru, India. She points to data analytics as a technology fomenting interconnectedness. "Analytics, such as Big Data, are helping companies understand the world they work in, predict business outcomes, and plan strategies around them. Cloud-based technologies have made such analytics easy to access as well as affordable for companies that aspire to grow."

But digitization can also undercut existing business models. Private companies are themselves vulnerable to digital-driven disruption, and no industry is immune. Nearly half of the respondents believe disruption from non-traditional competitors is likely in the next two to three years. Business leaders from all five major sectors in the survey expect this to occur, but none more so than those from financial services firms, who are grappling with the potential transformation caused by innovations such as blockchain.<sup>7</sup>

Where questions about the overall outlook and business investment plans generated few differences between regions, perspectives on disruption vary widely across the globe. Among executives from the Asia Pacific region, 58 percent of respondents expect their companies to be disrupted by a non-traditional competitor within the next two to three years. Just over half (52 percent) of respondents from Europe, the Middle East and Africa say their organizations are due for disruption from a non-traditional competitor. Respondents in the Americas, meanwhile, view non-traditional competition as less of a reality than their global peers, with only 33 percent of respondents from the Americas saying their companies could face such threats in the near-term.

**Nearly half of the respondents believe disruption from non-traditional competitors is likely in the next two to three years.**



Anthony Stephan, national technology strategy and transformation leader, Deloitte Consulting LLP, issues a challenge for companies to examine their organizations from within to meet today's disruptive environment. "Change starts with self-awareness," Stephan says. "Companies have to be prepared to disrupt themselves and to be honest about what it takes to accomplish that."

Where will disruption have a positive impact?

**66%**  
Technology advances

**56%**  
Customer expectations

**51%**  
Access to content

**39%**  
Macroeconomic market

**35%**  
Regulations



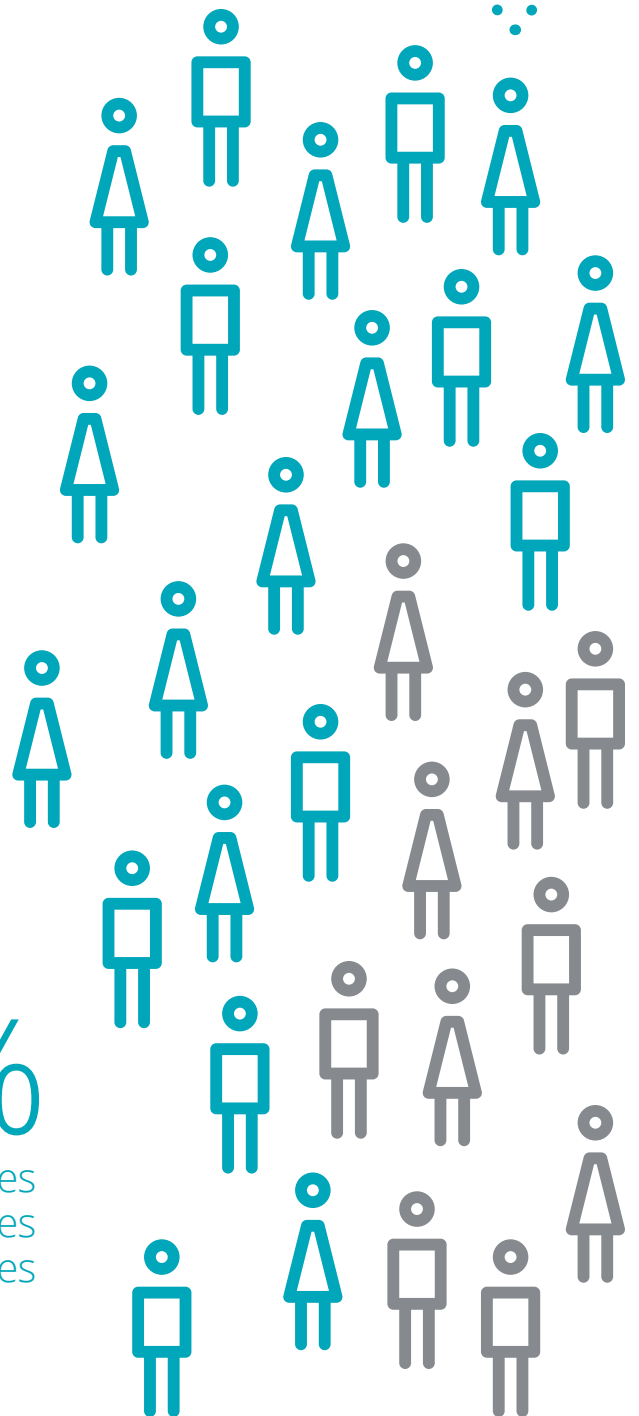
### Technology as enabler

Disruption can mean many things to a growing business, but many associate it with technological innovation. Two-thirds of the private company leaders see technology advances as creating new opportunities and positive outcomes. And they are more optimistic about the impact of other disruptive forces such as changes in customer expectations and preferences, and access to content through different platforms. Conversely, respondents did view some disruptions as having a more negative impact, such as potential regulatory changes or macroeconomic market shifts.

“The very definition of sectors as they exist today may not be here tomorrow,” says Stephan. “The disruptors are adopting emerging technologies more quickly and that is allowing to them serve customers in an accelerated, efficient way.”

RECARO, the aircraft seat maker, is a case in point. The German company has spent years focused on the materials and features that go into its products, and now it is turning to the world of data analytics to help its airline partners operate more efficient cabins. Soon sensors might be placed in the seats to reveal how often they are being reclined, enabling the companies to do preventive maintenance and avoid lost revenue. This could make it possible for airline crews to scan a monitor in the front of the aircraft to see which seatbacks and tray tables need to be adjusted ahead of takeoff and landing.

66%  
say technology advances  
will create new opportunities  
and positive outcomes



### Technology investments

When asked which technology trends were likely to have a significant impact on their respective businesses over the next 12 months, survey respondents ranked five top areas: cyber intelligence, analytics, cloud infrastructure, mobile devices, and big data.

In terms of investment priorities, 40 percent of the respondents put cloud computing/software as a service and customer relationship management at the top of the list, closely followed by data analytics/business intelligence and automation of business processes.

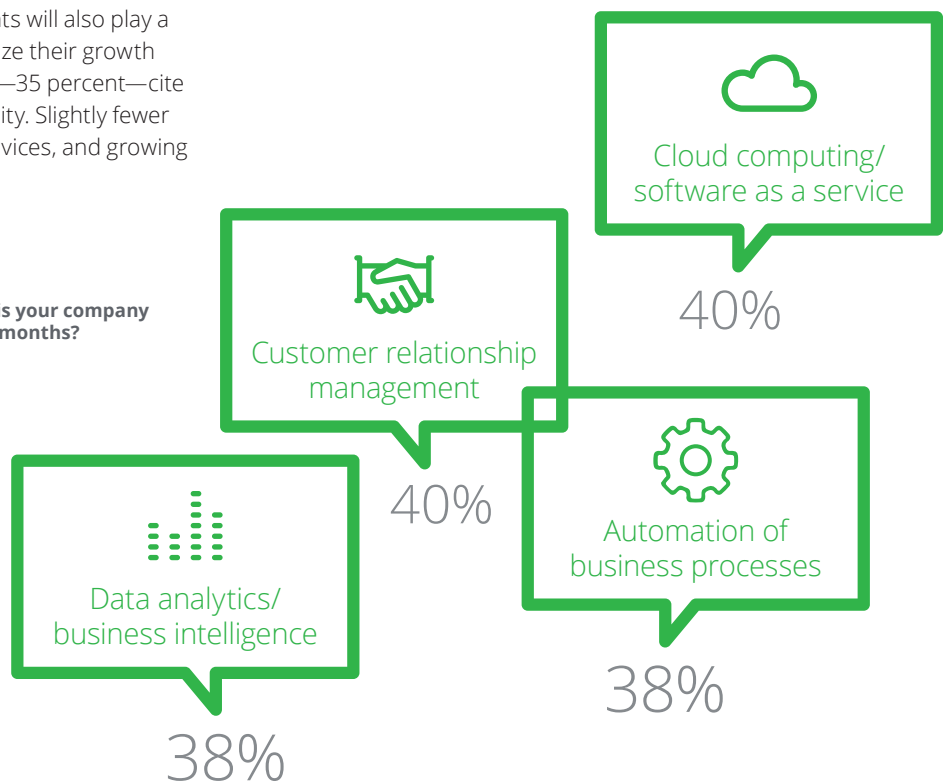
Those technologies will be put to use in a variety of ways. Customer service tops the list, followed by marketing, research and development, sales, and product/service delivery.

More likely than not, these technology investments will also play a pivotal role in helping the private companies realize their growth ambitions for the coming year. More than a third—35 percent—cite increased productivity as their top strategic priority. Slightly fewer are focused on developing new products and services, and growing existing markets.

TouchPal's entire business model is based on helping people be more productive. The Chinese company develops virtual keyboards and other apps that improve the usability of mobile phones. "Typing on a touch screen can be such a painful experience," says Michael Wong, TouchPal's co-founder and chief executive officer. "We saw an opportunity to improve what's out there."

TouchPal was named Global Champion of the GSMA Global Mobile Innovation Award from MWC in 2009, shortly after it was founded. Today, it makes one of the top-selling third-party keyboard apps and its software comes preloaded on many brand-name phones. Now it is turning its attention to machine learning and other artificial intelligence tools (see sidebar on page 17).

Which investments in technology is your company most likely to make in the next 12 months?





# TouchPal

## Making smart devices even smarter

Despite all of the amazing things smartphones can do, one common challenge experienced by a lot of smartphone users is autocorrect—the feature that changes words as you type to fix perceived misspellings or just finish your thought. Nearly a decade ago, three colleagues at a former employer saw a new business opportunity in improving on the capability—and TouchPal was born.

Today, TouchPal makes one of the top-selling third-party keyboard apps for mobile phones. A subsidiary of China's CooTek, TouchPal sells preloaded software to many well-known phone makers. More than 700 million users worldwide type away on the company's keyboards from 157 countries and in more than 120 languages.

But, as co-founder and CEO Michael Wong puts it, “the current technology has hit the ceiling and can't be improved further.” That is why the Chinese company is investing heavily in artificial intelligence (AI). TouchPal wants to use AI technology to improve its software's predictive abilities, so users have to type even less. Some of the deep learning technology it uses scours user forums, social media feeds, and other Internet sites to learn how humans are forming their phrases.

TouchPal is also exploring ways to make human-machine interactions touchless. Wong says the company is working to develop new ways for users to interact with their devices, such as voice recognition and software that responds to eye movements or arm gestures.

“We have been focused up until now on the keyboard because that is the main entry for users to interact with their machines,” Wong says. “But now we have reached a very important breakthrough point where those interactions are going to change.”

To develop these capabilities, TouchPal is working to hire more data scientists, principally in its Silicon Valley offices. It is a tall



...the mobile Internet is a place without barriers or boundaries. For us, the world is flatter.

Michael Wong  
CEO, TouchPal

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order—companies across the economic spectrum are looking for those specific skills to boost their efforts to reap more insights from information. But Wong says in addition to a very competitive starting salary, TouchPal offers something most companies cannot: access to data. “We have hundreds of millions of users generating data every day,” Wong says. “A data scientist can make their career here.”

Wong says the new US hires will work with a team of 40 engineers in Shanghai. The company is even pursuing a possible acquisition in Israel to help accelerate its AI research (see M&A section). This global team approach, where collaboration crosses borders, is an unbreakable feature of doing business in the Internet age, Wong says.

“There will always be those countries that seek to protect their domestic market,” he says. “But the mobile Internet is a place without barriers or boundaries. For us, the world is flatter.”

### Technology governance

The pace of change in today's digital world requires constant innovation. Stephan says companies need to be prepared to reset their priorities and take action at a moment's notice, or risk being upended by technology disruption rather than leveraging the benefits. And for that to happen, they have to be organized for success.

"Private companies are adopting technology, digital, cloud, and even machine learning," Stephan says. "But companies also need technology governance. That's where you see the return on investment, with technology creating value and delivering results."

Stephan offers a similar observation for the development of new products, which can fail to meet expectations without attentiveness to the customer relationship. "You can build as many products and services as you would like," Stephan says. "But if you don't focus on the customer experience and your customers are not engaged, you won't create a long-term, sustainable relationship."

As highlighted in Deloitte's *2018 Technology Trends* report, companies need to embrace a new level of coordination between IT and their individual businesses for this kind of alignment to occur. Business and IT need to be joint partners in the use of technology, whether it is being used to operate a company division or commercialize a product.<sup>8</sup>

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Anthony Stephan  
National technology strategy and transformation leader  
Deloitte Consulting LLP

# Bingo Industries

## Acquisitions and technology accelerate waste company's rapid evolution

In recent years, Bingo Industries, an Australian-based waste management company, has made a routine out of buying small, mom-and-pop recycling and transfer centers and giving them new life by bringing automation to the business of sorting waste such as building materials. It is a process that takes 12 to 24 months for each facility, but Chief Executive Officer Daniel Tartak says it is well worth the effort.

"Every facility we've acquired has undergone redevelopment or is undergoing it now," Tartak says. "Every plant we build is a better plant. Newer technology replaces older technology, or we add new processes to boost productivity. Right now, our facilities are about 80 percent automation and 20 percent labor, but we think we can do better than that."

In pursuit of that goal, Tartak regularly traverses the globe in search of new automation solutions and processes to make the company's recycling operations more efficient. It is a long way to go for a company with purely domestic growth aspirations, but Tartak says the reconnaissance trips have helped him identify new strategies for boosting productivity. During one trip to the United States four years ago, he visited a waste management company that used a system he had never seen before to support an integrated model of collections and recycling.

"They showed me that recycling large volumes of waste efficiently and productively was easier than it looked," Tartak says. Bingo Industries emulated parts of the process, and today it can handle significantly more recyclable waste a day at each facility.

Bingo Industries' evolution is a lot like many private companies—albeit it on a very fast track. The business was acquired by Tartak's parents for AUD\$1 million in 2005. Back then, it was strictly a waste collections business, with only four trucks. But the Tartaks saw an opportunity to bring improved customer service to the collections industry in Sydney, and won enough market share to grow their fleet to 158 trucks by December 2016.

The success of the company resulted in Bingo being one of the largest listings on the Australian Stock Exchange in 2017. A public



Every plant we build is a better plant. Newer technology replaces older technology, or we add new processes to boost productivity.

Daniel Tartak  
CEO, Bingo Industries

listing has allowed Tartak to pursue his vision of growing the business nationally, which has already seen the company fast track its entry into the fast-growing state of Victoria. This southern state is seeing an infrastructure boom, similar to NSW, which is ideal for Bingo's recycling efforts across building and demolition projects.

After about five years of operation, the company realized its growth would be limited by the declining capacity of the region's landfills. It also noted that the public was becoming more interested in sustainable ways of handling waste at a time when there was more of it, due to a growing population and the need to replace major infrastructure in Sydney and elsewhere.

Today, the company collects used building materials and other commercial waste and then sells it back in the form of mulch, sand, aggregate, and bricks. "It was a calculated gamble," Tartak says. "But now we're vertically integrated and our focus is on diverting as much waste as we can from landfills. It's a huge benefit to our customers, because they can say they're reusing their waste. It's a good story."



# Compressing the learning curve

Automation is changing the shape  
of much of the workforce.

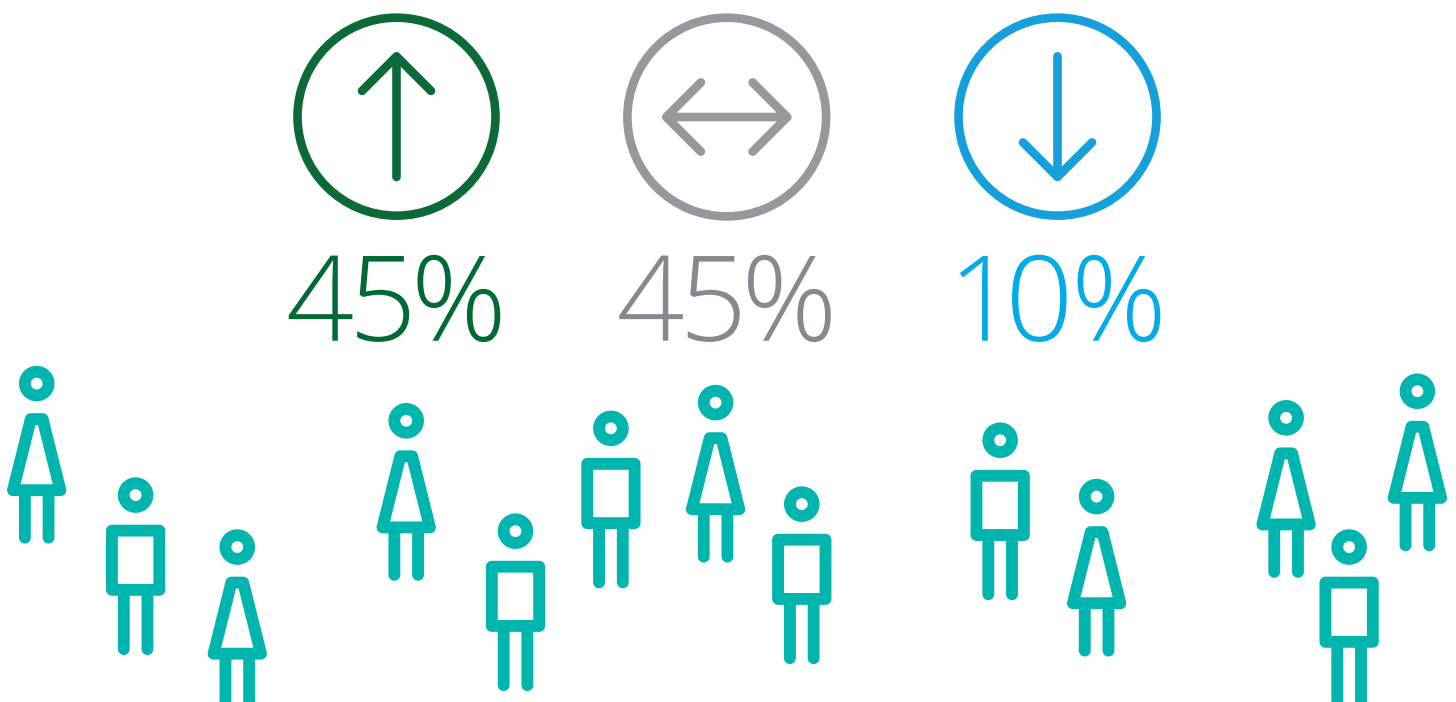
Automation is changing the shape of much of the workforce. Touch screens are replacing cashiers. Chat-bots are increasingly doing the job of customer service representatives. Machines are even sorting trash (see page 19). And now we stand on the cusp of a coming revolution in artificial intelligence applications.<sup>9</sup>

And yet, at least for now, robots' day of reckoning for most types of work remains in the future. For most industries, the Deloitte Private survey results suggest talent is still a prerequisite for growth. Forty-five percent of the executives surveyed expect to add to their full-time workforce in the year ahead, a sign that as far as technology has come, people are still critical for many business functions.

As noted in a recent *Deloitte Review* article about the future of work, "an expanding array of technologies, ranging from 3D printing to biosynthesis, are making productive tools accessible to smaller and smaller businesses, thereby eroding some of large companies' traditional advantages in developing and producing new products and services. This has the potential to create more viable job opportunities for workers in smaller enterprises over time."<sup>10</sup>

Today, the companies in our survey find themselves caught between two powerful trends both triggered by the resumption in global growth: the need to hire new workers to meet increasing demand and an intensifying battle for a shrinking pool of skilled workers.

**Do you expect full-time headcount at your business to go up, stay the same, or go down over the next 12 months?**



In this hunt, smaller private companies may appear disadvantaged to some extent. They may lack the big brand recognition of their larger public rivals. They might not have as much money or financial perks like stock options to offer job candidates. Private companies often are not as clustered in large metropolitan areas that can be big draws for younger workers.

However, private companies offer benefits to job seekers that larger, public companies cannot match. Many offer a better work/life balance, including flexible hours. Senior leaders are often more accessible at private companies, enabling employees to strengthen their networks and have opportunities to learn about more areas of the business. And their work is much more likely to have a direct impact, given the flatter organizations typical of many private companies.

Judging by the findings of Deloitte Private's global survey, many private companies are well aware of these game-changing attributes, and they are taking advantage of them to attract and retain key personnel.

In Australia, Bingo Industries has used its rapid growth to attract new software developers to the company. In eight years, its staff of full-time software operators has increased from one to eight. They initially helped develop an internal information platform called Bingo Live, which "basically runs the business," according to Chief Executive Officer Daniel Tartak. Now they are working on a customer-facing app that will help them track the location of trucks assigned to their waste collection, much like ride-sharing apps.

"It's definitely hard to find really good people these days, but we tend to attract good people because we're a fresh, innovative company that's growing fast," Tartak says. "They want to be a part of that success."

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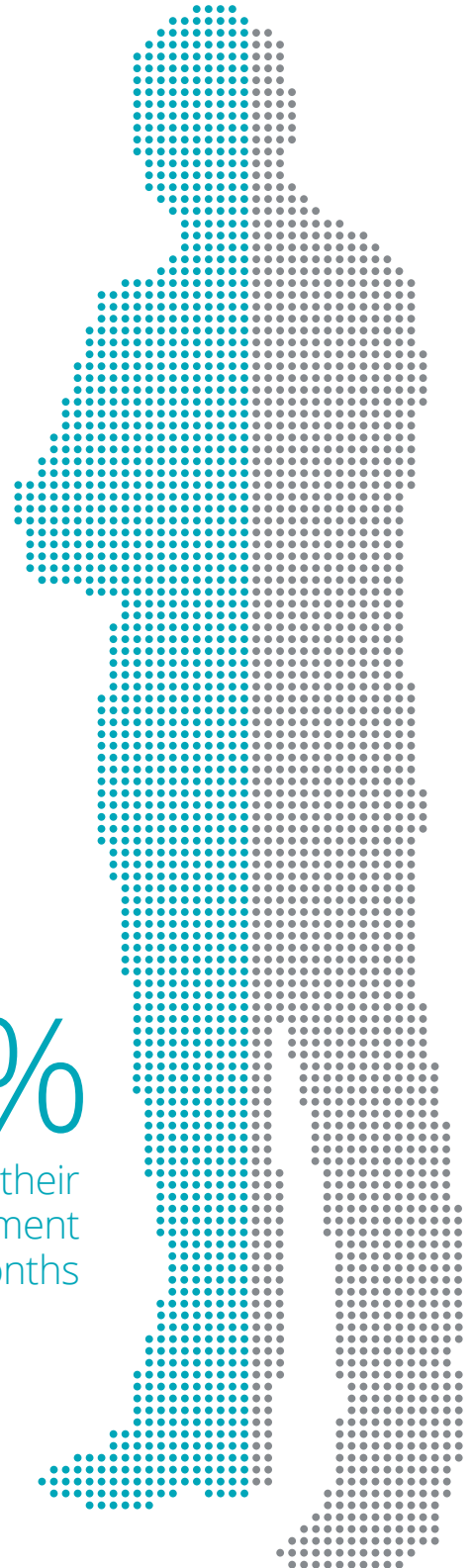
### Talent investment priorities

It is clear from the survey responses that private company leaders have a strategy for meeting their workforce needs, and it involves investment in talent: balancing new hires with cultivating the talent they already have in-house.

The top choice for planned talent investments is training, at 46 percent, and leadership development claimed the second spot at 33 percent. The fact that these priorities rated higher than hiring and recruiting new people shows that private companies are maturing in their approach to talent management, says Denise Moulton, who leads mid-market human resources and talent research for Bersin by Deloitte.

“At times like these, when business is consistently growing and there are no expectations of slowing, companies can fall into the trap of thinking they have to hire fast,” Moulton says. “But these companies are recognizing that often the answer is looking under the covers and developing the talent you already have.”

46%  
say training is their  
most likely talent investment  
in the next 12 months



### Training vs. learning

Private companies have another reason for focusing so much of their efforts on cultivating internal talent. As noted earlier, when companies were asked what their main growth strategy will be for the coming year, increased productivity claimed the top spot in the survey. Moulton says that as vital as new technology investments will be for realizing that ambition, talent will have a critical role to play in fostering and harnessing innovation.

“Technology is enabling smaller organizations to streamline and automate their processes, and in many cases, it’s freeing up valuable people resources to focus on other business initiatives,” Moulton says.

Whether employees can rise to the occasion may largely depend on the resources companies invest in training and leadership development. In the past, Moulton says, many companies had a fairly

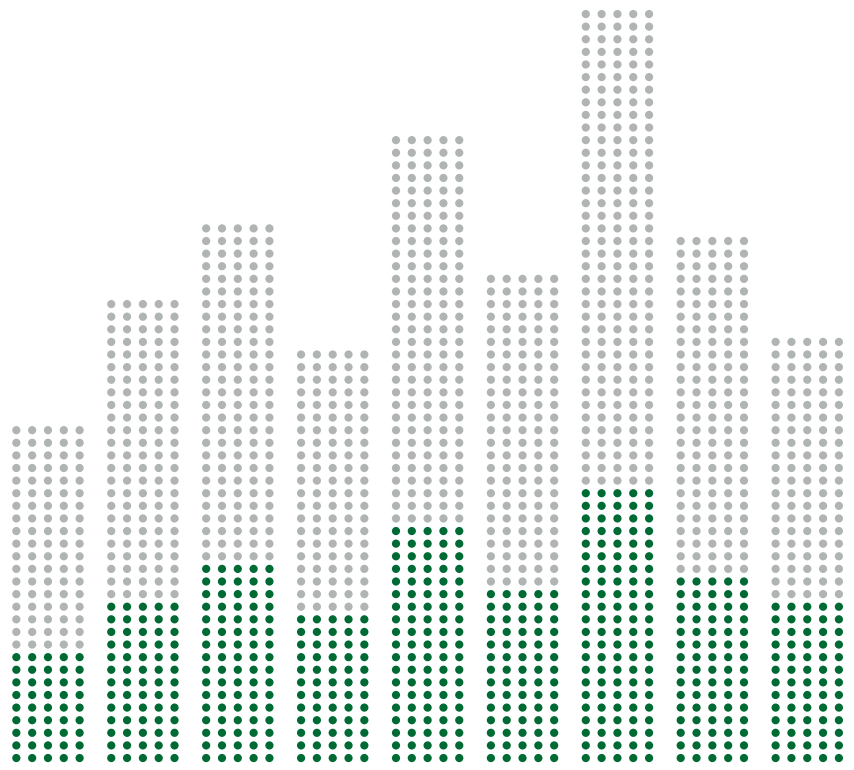
standard training offering which included instructor-led educational programs to acquire certain skills, such as how to use a new type of software, and obtain related certification.

These days, though, companies need to expand this definition to comprise an ongoing educational experience that exposes employees to different learning opportunities and encourages them to innovate around existing processes. Moulton says such experiences may be easier to cultivate at smaller, private companies since they tend to be familial and nimble.

“Training isn’t training anymore—it’s really learning,” Moulton says. “This maturing approach to learning is helping private companies meet their evolving needs and also retain and attract valuable employees. Through innovation, potential employees understand that a role in the organization is not just a job; it is a way to build a career.”

# 35%

say increased productivity will be their main growth strategy in the coming year





# RECARO Aircraft Seating

## Success comes from the inside

Change is a constant in many industries these days, and air travel is no different. In a market in which each airline is working with the same basic plane bodies, what goes inside can serve as a point of differentiation. For that reason, air carriers are constantly retooling their interiors, looking to add new amenities or claim a few extra inches of legroom.

That is where RECARO Aircraft Seating comes in. The German company, which traces its roots back to building cars in the early 20th century, is constantly innovating to bring new aircraft seats to market. RECARO's latest innovations have focused on using lightweight materials, which have helped bring its average seat weight down from 15 kilograms to 10 kilograms in economy class. They have also added new features such as amenity holders for mobile phones and eyeglasses, ergonomic headrests, and the ability for business class passengers to recline into a full-flat bed.

With so much flux in their product set, the last thing RECARO needs is upheaval in its employee ranks. That is why it spends so much time and effort ensuring its workers stay with the company and build their careers there. Every new employee goes through the company's training academy, but the hands-on learning does not stop there. Each worker is assigned an executive coach, who helps them understand RECARO's leadership principles and position them for promotions through individualized training programs.

"We're constantly telling them not just how they're performing, but where we see them growing in the future," says Klaus Steinmeyer, RECARO's vice president of strategy, products and programs, who has been with the company since 1995. "We do this for all of our management functions. Our preference is to fill open positions with internal candidates, and we've been very successful in that."



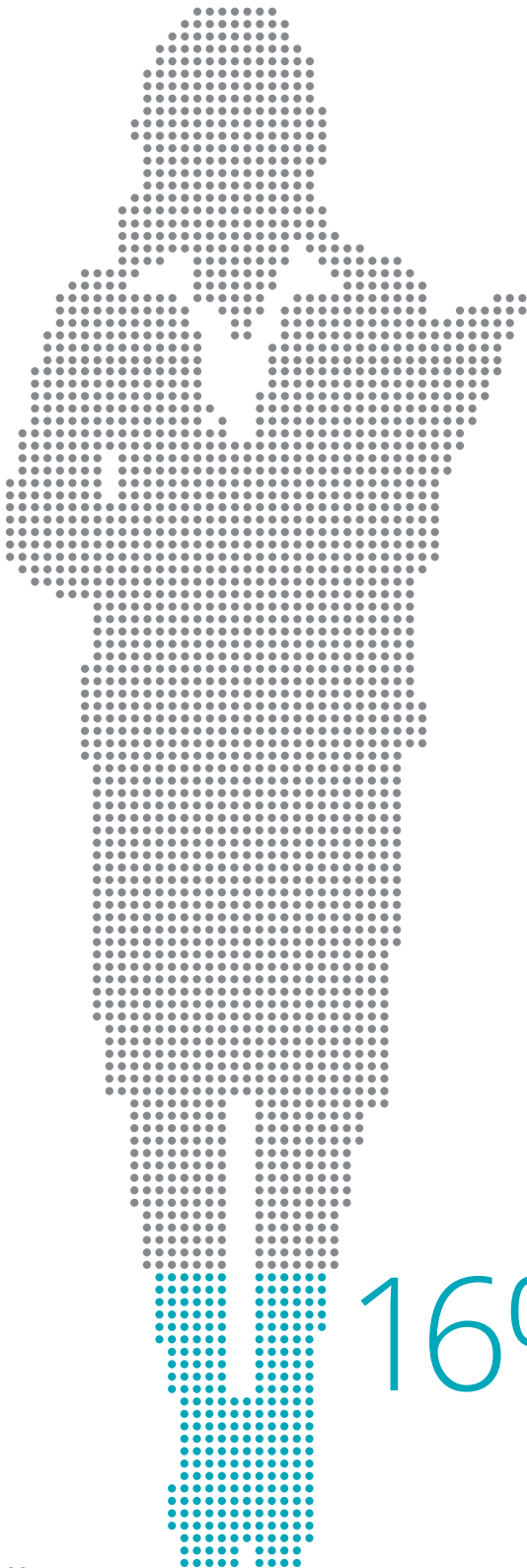
We're constantly telling them not just how they're performing, but where we see them growing in the future... Our preference is to fill open positions with internal candidates, and we've been very successful in that.

Klaus Steinmeyer  
Vice president of strategy, products and programs, RECARO

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One measure of success is the fact that many of RECARO's senior leaders made their careers at the company. Another comes from outside the company: RECARO was acknowledged by the Top Employers Institute as one of the world's best employers in several categories, including ongoing investment in employee development.<sup>11</sup>

Of course, growing companies cannot just promote—they have to add people as well. In 2016, RECARO expanded its worldwide workforce—divided among Germany, China, Poland, South Africa, and the United States—from 2,000 to 2,200. In addition to competitive pay, RECARO offers every new employee mobile working options. "We offer all our employees flexible working hours so they can work more or less depending on their life situation," Steinmeyer says. "We're really focused on offering a complete package. It allows us to be an attractive employer."



### Leadership development

Currently 16 percent of the respondents listed strengthening their management team as one of their top two growth strategies for the year, up against more traditional priorities such as developing new products and services and growing existing markets. Moulton says it is promising that private companies are beginning to focus on bolstering their leadership ranks because it shows a maturing approach.

“Middle market companies often struggle to collaborate effectively with HR leaders when working together on leadership growth activities,” she says. “And they tend to focus too much on the top, instead of in the middle ranks of the organization where future leaders can be developed.”

Moulton says that companies known for developing talent internally have senior leaders who devote a significant amount of time ensuring that their organization’s talent pipeline is fully stocked. They take a far-reaching view of succession planning, identifying workers for roles that are three or four steps up from their current position. And they give employees access to new experiences that expose them to a variety of functions within their organizations.

**16%** listed strengthening their management team as one of their top two growth strategies for the year

# Associa

## Bringing talent and technology together in a “relationship business”

Homeowner associations can be difficult organizations to manage, but not for Associa. The Dallas, Texas-based company has been providing homeowner association and property management services for nearly four decades. Today, Associa has more than 180 branch offices across the United States, Mexico and Canada, helping homeowner associations and communities of all sizes do everything from negotiating service contracts and collecting fees to managing rentals and neighborhood maintenance.

In recent years, Associa has invested in new technology capabilities to enhance its customer service. The company consolidated its accounting functions to better protect client funds and build out a state-of-the-art payment processing center. In October 2017, it partnered with a technology vendor to bring an innovative, user-friendly app, TownSq, to the properties it helps manage, allowing community members to communicate directly with their community management teams and board members, and connect with each other.

“Our business is one of relationships,” says Chairman and Chief Executive Officer John Carona. “So investing in our people is a critical component and value for our company.”

Associa currently has more than 100 internal training programs, ranging from short thought pieces offering guidance and best practices to fully executed programs on key competencies such as conflict resolution and community budgeting. In 2017, the company launched a paid volunteer program dubbed “The Great Giveback” to give its employees the chance to support their local community’s needs without having to sacrifice their time off. Associa also achieved a critical benchmark by earning a “Best Place to Work” certification based on the results of third-party surveys of employees.



“Our business is one of relationships, so investing in our people is a critical component and value for our company.”

John Carona  
Chairman and CEO, Associa

“Any company focused on success and growth recognizes that employers are in a global competition for talent,” Carona says. “So treating our employees right, supporting them, deploying their talents to build the future of the industry, and engaging them in service is critical to our recruitment and retention efforts.”

Carona is willing to go to great lengths to provide his employees with what they need to succeed. In 2017, he donned a disguise on the American television show “Undercover Boss” to go behind the scenes of his company by posing as a new employee.

“Since I started this company more than 37 years ago, I have done just about every job,” Carona says. “But you forget how physically and mentally demanding these jobs are. What impressed me was the dedication each of these employees brought to the job every day.”



# Maturing M&A motivations

A bounce-back  
may be in the offing.

As focused as global private companies have been on growing their business in recent years, many have shown a strong preference for doing it organically as opposed to acquiring or merging with others. Less than a third—29 percent—of the private company leaders say their company completed a merger or acquisition in the past 12 months.

That lack of activity is more or less consistent with the overall trend. The global markets for mergers and acquisitions (M&A) have cooled somewhat since the record-breaking cycle in 2015. That chartbusting year saw \$4.4 trillion in worldwide takeovers, followed by \$3.7 trillion in corporate combinations in 2016, and similar volume in 2017.<sup>12</sup>

#### Increasing appetites

But a bounce-back may be in the offing. In Deloitte's recently released M&A Trends report focused on the United States, a sizable majority of executives predicted they would close a higher number of transactions over the next 12 months.<sup>13</sup>

These same expectations are reflected in the findings of our Deloitte Private global survey. Forty-two percent of respondents anticipate that they are likely or very likely to acquire targets in the next 12 months. Meanwhile, 26 percent say they expect to be acquired. And notably, some private company executives view corporate combinations as one of their most potent tools to accelerate growth.

Patrick Shearer, a partner in the mergers, acquisitions and divestitures practice, Deloitte & Touche LLP, says the changing nature of competitive pressures for private companies is forcing companies to face tough questions about their path to growth in the global economy.

"You used to compete within certain boundaries, but if you're growth-oriented those boundaries may be different now," Shearer says. "Companies that may not have considered M&A in the past are more likely to consider acquisitions going forward as part of their growth strategy."



# 42%

say they are likely or very likely to acquire targets in the next 12 months



# 26%

say they expect to be acquired in the next 12 months

TouchPal's co-founder and Chief Executive Officer Michael Wong is one of them. His company has succeeded in growing its business through internal innovation and strategic partnerships since it was launched in 2008. But as it seeks to push its technology further, TouchPal is now looking to possible acquisitions to speed up its innovation efforts.

"We're looking at companies in Silicon Valley and Israel with AI technology," Wong says. "If we do make an acquisition, it will be to speed up or supplement our own research in that area."

#### New markets for scale

In an increasingly global marketplace, where competitors can undercut on price and technology lends a democratizing hand to consumers and businesses alike, the quickest route to growth might require a big geographic leap. Respondents in our survey say the main driver of M&A activity over the next year is the opportunity to enter new global markets, as cited by 33 percent of respondents. Another top deal driver is the opportunity to expand and diversify the client base, cited by 32 percent of respondents.

"There is pressure to grow, consolidate, and attain a level of scale that allows you to compete more effectively in the marketplace," Shearer says. On that note, almost one-quarter of respondents report efficiencies of scale as a driver for transactions.

To meet their M&A and other growth needs, respondents say they will rely on internal sources more than any other source of funding. One-third of respondents report they'll use retained earnings to fund their growth, while private sources such as private equity are being considered by 28 percent of respondents. Meanwhile, one-fifth of respondents are considering stock offerings.

Shearer says he will also be watching for owners who want to cash out of their businesses, taking resources from one venture to pursue others. That motivation is cited as the main driver of M&A activity by 13 percent of the private company leaders, either as a partial or total cash-out.

Whatever the motivation, Shearer says the increased appetite for deals suggests something else: a recognition among the executives that business rules are transforming and their private businesses need to evolve to continue to be successful.

"I'm encouraged that private companies are looking to do acquisitions in a global, complex environment," Shearer says. "To maximize the success of these transactions, firms have to consider how a potential transaction aligns with their strategy. They also need to consider the resources, internal and external, that may be needed to successfully execute cross-border deals—including integrating the target after the deal is done."

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There is pressure to grow, consolidate,  
and attain a level of scale that allows you to  
compete more effectively in the marketplace.

Patrick Shearer  
Partner  
Deloitte & Touche LLP

# Cooke Aquaculture

## Appetite for acquisitions reflects growing demand for seafood

For Cooke Aquaculture, Canada's leading salmon farmer and one of the nation's largest seafood producers, growth literally has meant fishing in new waters. A family business that hatched in 1985 from a single cage with 5,000 salmon has expanded into international operations with production and sales sites in the Americas, Europe, and Japan.

For the past 20 years, Cooke has expanded its global footprint through a series of acquisitions of hatcheries, distributors, and seafood industry firms. Its most recent deal, which is expected to close before the end of 2017, will add Houston-based Omega Protein to its family of companies in a deal worth nearly \$500 million.<sup>14</sup> Cooke groups acquisitions into two broad categories: integration-focused deals that fit into the company's current stream of products, and deals that diversify Cooke's products and operations.

"For years we grew the company, but it was one species, the same body of water that has the same weather issues," says Glenn Cooke, the company's co-founder and CEO. "We were looking for risk diversification. We also didn't want to move so far away from what we did so that it wasn't something that we didn't understand. We went into Spain. Sea bass and sea bream farming is very similar to the way we farm Atlantic salmon: the waters, the cages, the nets, and the feed. It gave us diversification of species and platform for growth."

Cooke is also using acquisitions to get ahead of surging demand for seafood around the world. Fish consumption recently topped 20 kilograms per person worldwide for the first time, according to the United Nations.<sup>15</sup> "Seafood is treated as a healthy product and the trends are very positive," Cooke says. Cooke's seafood business includes wild fish that are caught subject to seasonal peaks with some of it sold fresh and some frozen or canned, and later sold. By contrast, the company's farming sites follow hatching and feeding cycles, with salmon taking approximately 28 to 30 months from the egg stage to seawater and eventually to consumer markets, Cooke says.

One of the toughest challenges in the business is finding and holding onto people who keep the fish growing and flowing to market. In Atlantic Canada, many of the company's operations are based in rural coastal sites where Cooke says it has been difficult to attract and retain talent. While the head office for Cooke Aquaculture

We're making repetitive jobs more automated. That allows people to develop new skills as we drive our company forward.

Glenn Cooke  
Co-founder and CEO, Cooke Aquaculture

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remains in Charlotte County, the Cooke family also opened a global office in Saint John, New Brunswick, in part to attract workers to a more urban setting. There also are demographic realities to contend with, Cooke says.

"A lot of the rural coastline in Canada has an aging population," Cooke says. "Part of our work is making sure we can operate going forward." To address this, the company is investing in internal training, and has established programs with community colleges to provide potential employees with the skills needed to land jobs at the company.

Increasingly, those skills include the ability to work with emerging technologies. Cooke says his company is embracing the digital wave to modernize its logistics channels, ERP solutions, and hatcheries. One example: the company is investing in new hatchery facilities for growing larger smolt before they are transferred to marine farms. These hatcheries are equipped with recirculation systems that use water more efficiently to reduce the environmental impact of these land-based farming operations.

Digital transformation is creating a culture shift within the firm. Seawater operations are becoming office-based in some cases. Tasks that were formerly managed exclusively by employees on the farm, like feeding fish, can now be carried out by technicians in a shore-based office using automated tools. As Cooke explains, "we have video cameras at our cage sites, the fish are fed, and employees are sitting in a dry office 40 to 50 miles from where the fish are in the open water," Cooke says. "There's a different culture developing, of technology and IT in our farming operations. On our processing side, we're making repetitive jobs more automated. That allows people to develop new skills as we drive our company forward."





# Conclusion

## Tough questions

At a time of higher uncertainty, private companies around the world are exhibiting optimism and plowing ahead. The expectation of business growth is giving them the confidence to invest in new technologies and talent. Agility is an asset that helps these companies adapt as conditions warrant, allowing them to stay ahead of the competition by disrupting themselves before someone else does it for them.

Yet, complexity in business is as great as it has ever been, prompting the need for private companies to consider a number of tough questions across multiple dimensions of running their business:

- Do we have a rigorous process for weighing the merits of one capital investment over another?
- Are we doing enough to attract and retain the talent our organization needs to keep growing?
- Do we have a plan in place to develop and strengthen all levels of the management team?
- Have we fully accounted for the likely impact of disruption from changes in regulations or the macroeconomic environment?
- Are we being disrupted in our industry, or are we doing the disrupting?
- Do we understand how technologies such as the cloud and data analytics could help our company be more productive?
- Do we have sound risk management processes in place to address a broad range of risks in order to drive performance and growth?
- Are we staying apprised of M&A conditions in our industry sector?
- What steps could we take to make our company more attractive to potential investors?

For some, the answers to such questions might merely confirm their company is on the right path. But for others, they could also serve as a gentle nudge in a new direction, taking companies down a path toward greater efficiency, new markets, or business transformation.

# Notes

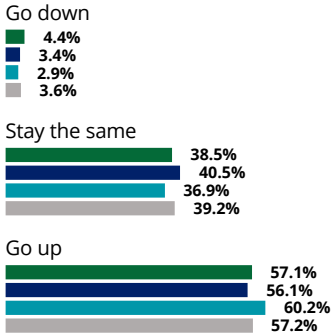
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# Full survey results

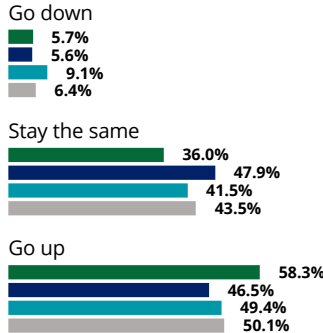
# Economic outlook

Do you expect the following key metrics of your business to go up, stay the same, or go down over the next 12 months?

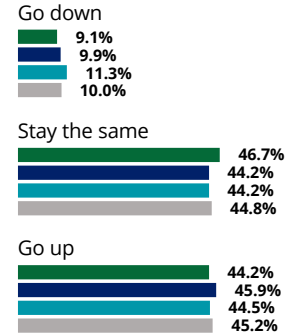
## Capital investment



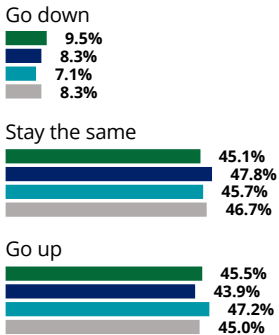
## Cash balances



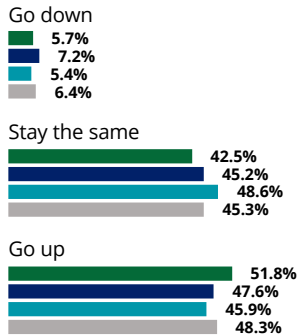
## Full-time headcount



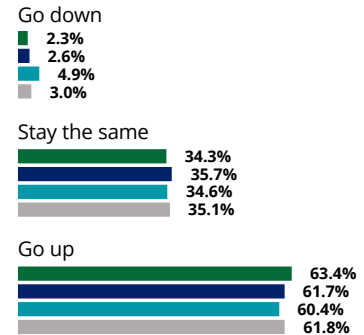
## Cost of raw materials & other input costs (incl. energy)



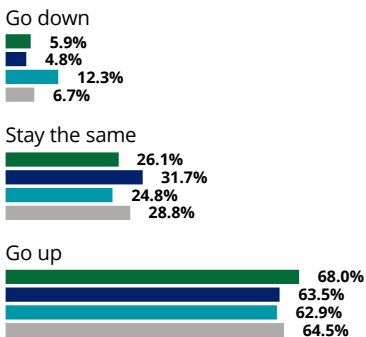
## Prices you charge for goods or services



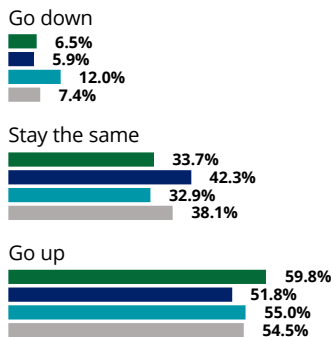
## Productivity



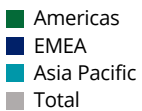
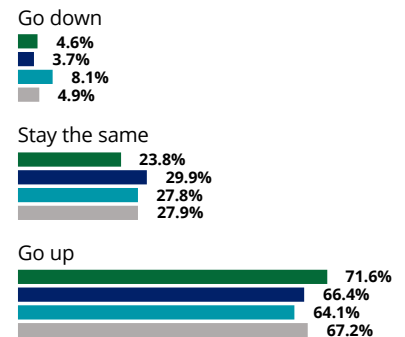
## Profits



## Gross profit margin

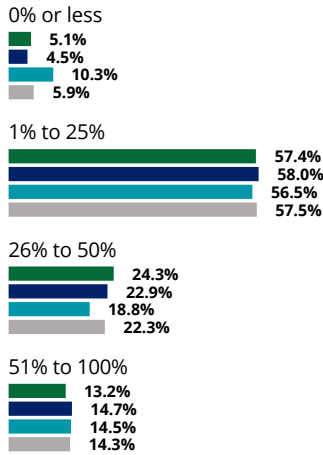


## Revenues

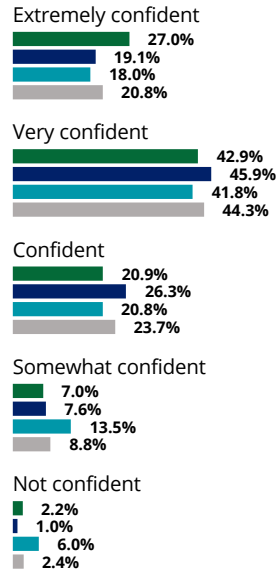


# Economic outlook (continued)

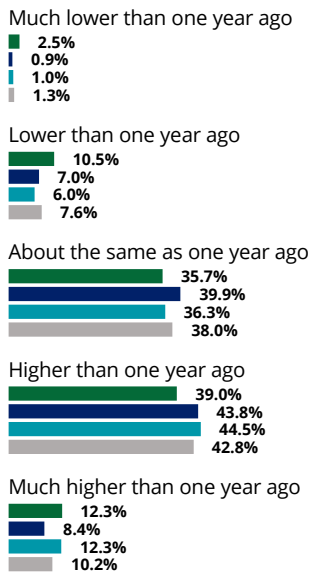
**What would you estimate your business' revenue growth to be over the next 12 months?**



**What is your level of confidence in the success of your company over the next 24 months (based on revenue, profitability, and growth)?**



**The level of uncertainty in terms of factors that drive future business prospects in my home country (e.g., taxes, regulations, credit availability, and the economic outlook) is...**

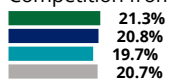


- Americas
- EMEA
- Asia Pacific
- Total

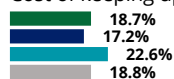
# Economic outlook (continued)

Which of the following, in your personal opinion, may present specific risk to your company's growth in the next 12 months?

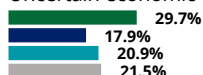
## Competition from market disruptors



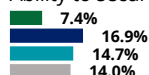
## Cost of keeping up with technological advances



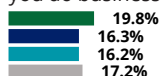
## Uncertain economic outlook in your home country



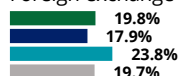
## Ability to secure financing



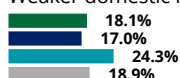
## Uncertain economic outlook in one or more of the countries you do business with



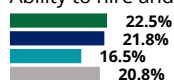
## Foreign exchange rate fluctuations



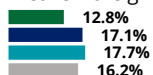
## Weaker domestic market demand



## Ability to hire and retain employees



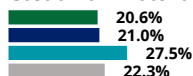
## Weaker foreign market demand



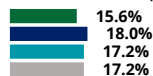
## Geopolitical uncertainty



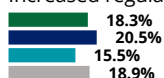
## Cost of raw materials and other input costs (incl. energy)



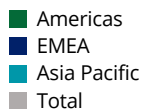
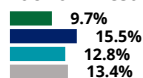
## Trade barriers (e.g., tariffs, duties)



## Increased regulatory requirements



## Lack of investment in innovation/research & development



# Economic outlook (continued)

**What are your company's main growth strategies over the next 12 months? (Select up to two.)**

**Increased productivity**



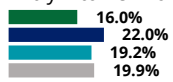
**Development of new products and services**



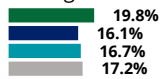
**Growing existing markets**



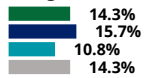
**Entry into new foreign markets**



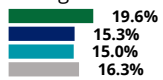
**Strategic alliances and collaborative projects**



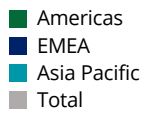
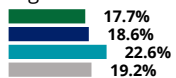
**Mergers and acquisitions**



**Strengthen management team**

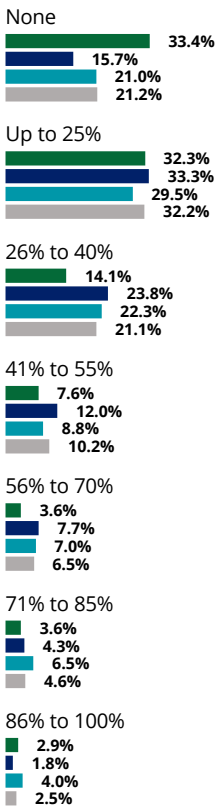


**Digital transformation**

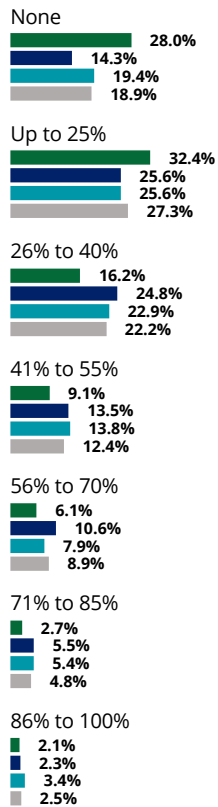


# Global trade

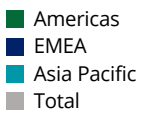
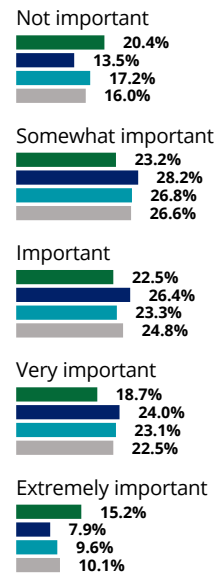
What portion of your company's current revenue comes from outside your home country?



In the next 12 months, what portion of your company's current revenue do you think will come from outside your home country?



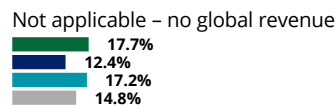
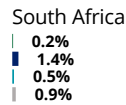
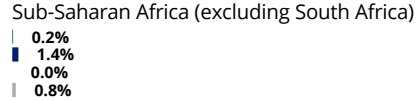
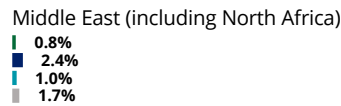
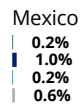
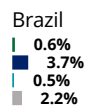
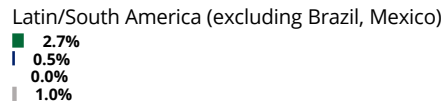
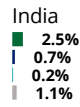
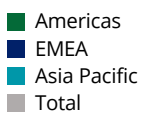
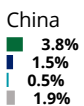
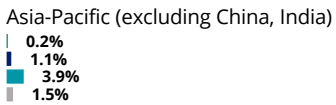
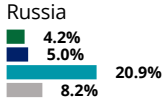
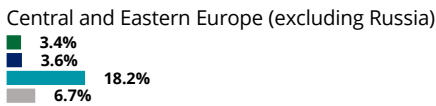
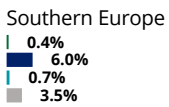
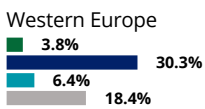
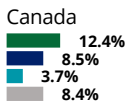
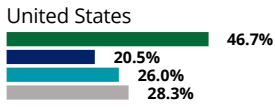
How important is global trade to your supply chain?





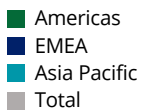
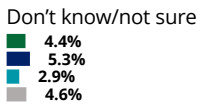
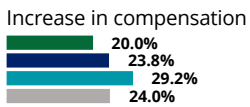
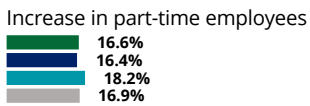
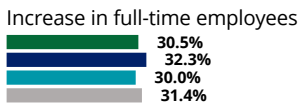
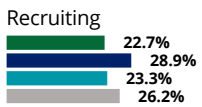
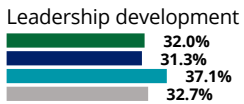
# Global trade (continued)

Which geographic markets (excluding your own country) do you expect will be the top contributors of revenue over the next 12 months? (Top rank shown.)



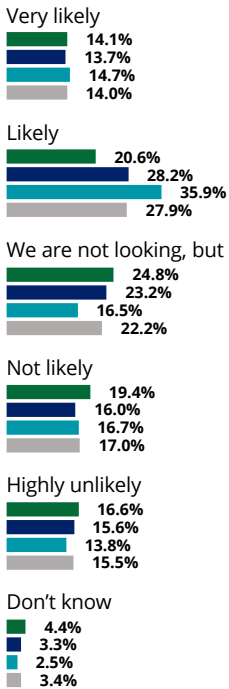
# Talent

Which investments in its employees is your company most likely to make in the next 12 months? (Select up to two.)

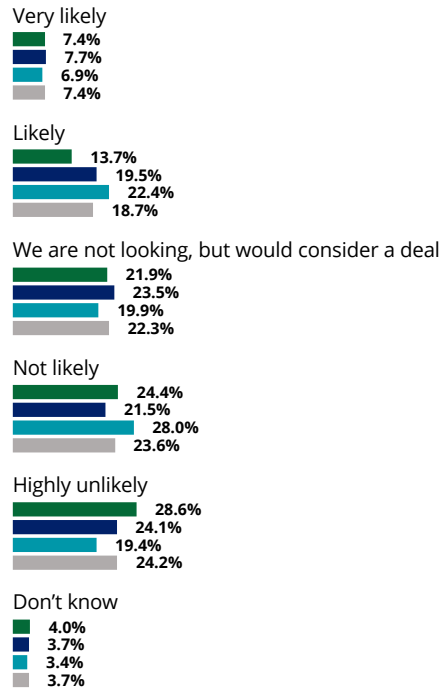


# Mergers & acquisitions / financing

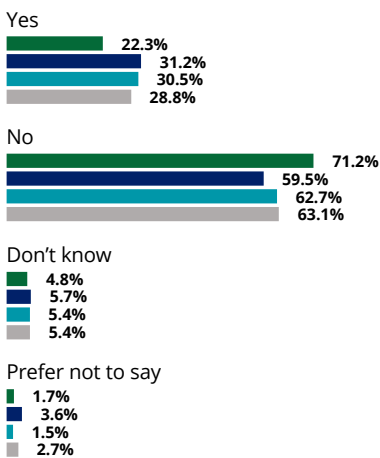
How likely do you believe it is, that your company will participate in a merger or acquisition as an *acquirer*?



How likely do you believe it is, that your company will participate in a merger or acquisition as a *merger target*?



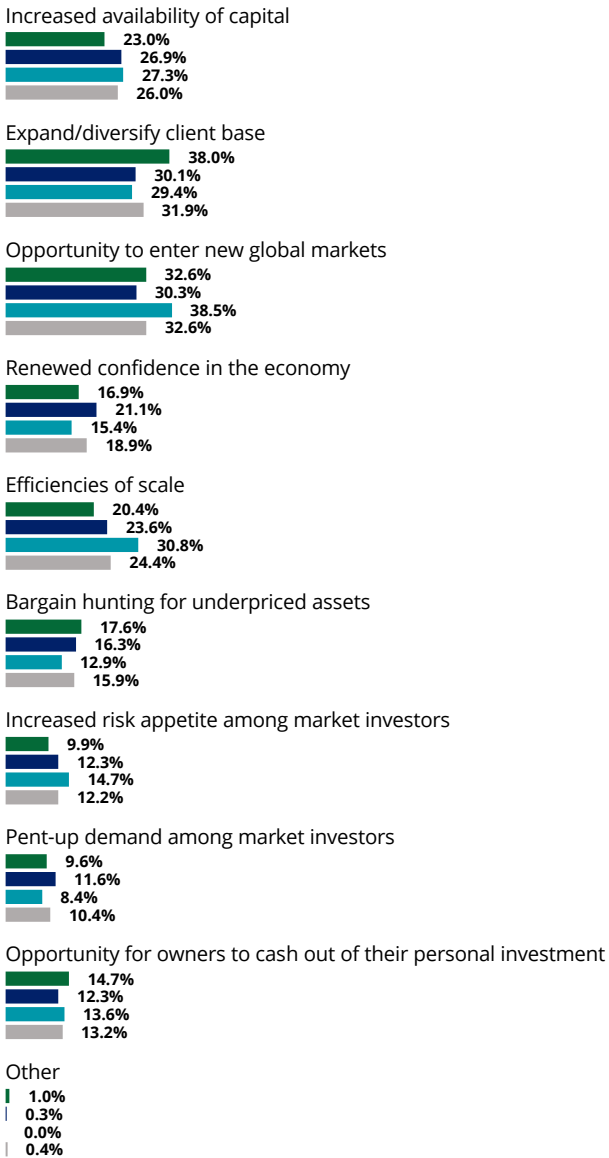
In the past 12 months, has your company completed any mergers or acquisitions?



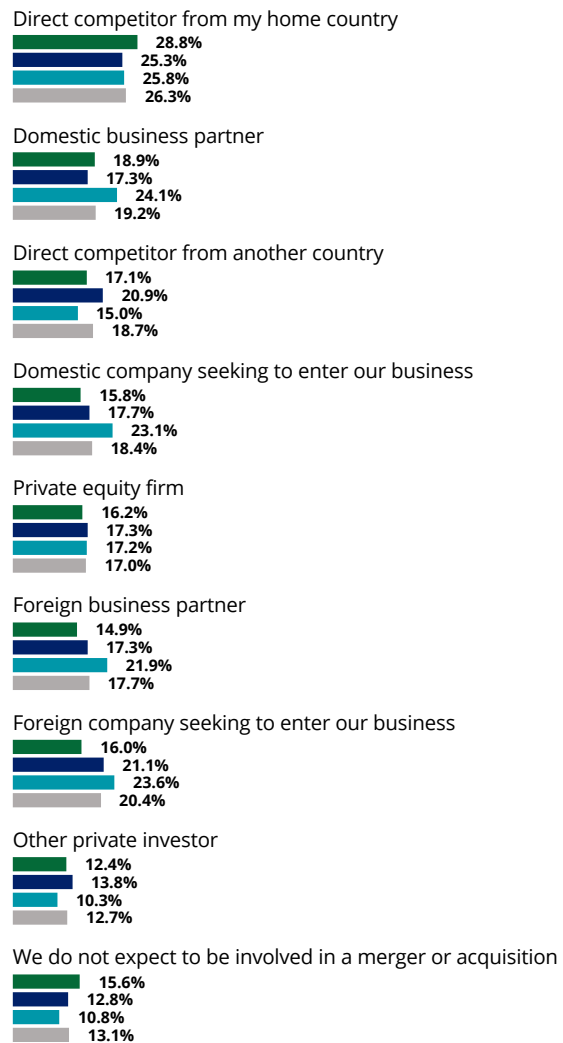
- Americas
- EMEA
- Asia Pacific
- Total

# Mergers & acquisitions / financing (continued)

**What would be the main drivers of merger and acquisition activity for your company in the next 12 months? (Select up to two.)**



**If your company were to participate in a merger or acquisition, which of the following entities would be the most likely counter-party, in your opinion? (Select up to two.)**



■ Americas  
 ■ EMEA  
 ■ Asia Pacific  
 ■ Total

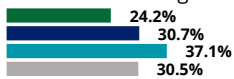
# Mergers & acquisitions / financing (continued)

What types of financing do you expect your company to pursue in the next 12 months? (Select all that apply.)

Asset-based financing (e.g., working capital lines)



Cash-flow financing



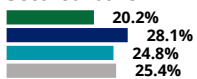
Internal sources (e.g., retained earnings)



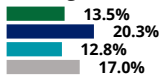
Private sources (e.g., private equity)



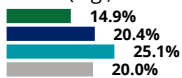
Secured loans



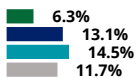
Leasing



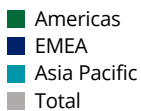
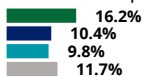
Public (e.g., stock offering)



Unsecured loans

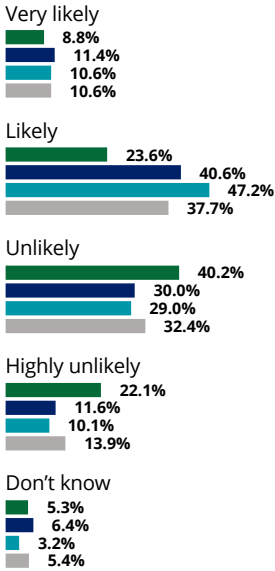


We do not expect to use financing



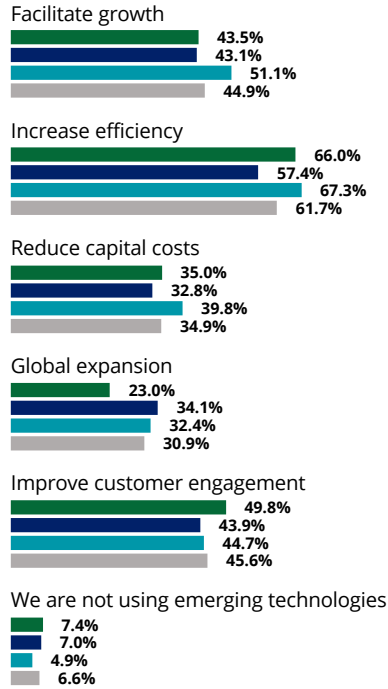
# Technology and disruption

How likely is it that your company will be disrupted by a non-traditional competitor over the next 2-3 years?



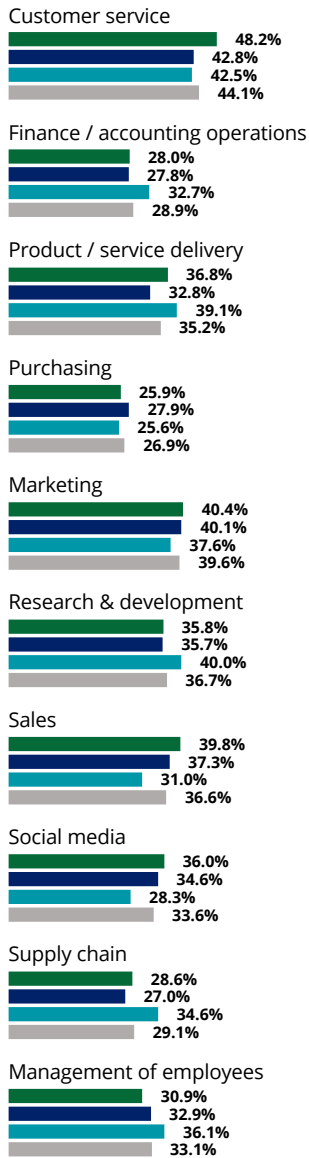
■ Americas  
■ EMEA  
■ Asia Pacific  
■ Total

How is your company using emerging technologies (e.g., cloud computing, predictive analytics)? (Select all that apply.)



# Technology and disruption (continued)

In which operational areas is your company using emerging technologies? (Select all that apply.)



■ Americas  
■ EMEA  
■ Asia Pacific  
■ Total

# Technology and disruption (continued)

Please rate the impact of each of the following drivers of change in your market.

## Technological advances

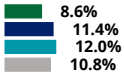
Significant negative impact



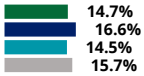
Moderate negative impact



A little negative impact



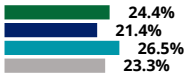
No impact



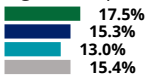
A little positive impact



Moderate positive impact



Significant positive impact

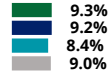


## Changes in customer expectations and preferences

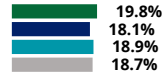
Significant negative impact



Moderate negative impact



A little negative impact



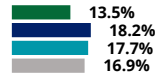
No impact



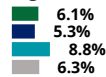
A little positive impact



Moderate positive impact



Significant positive impact

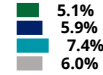


## Access to content through different platforms

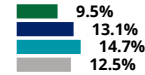
Significant negative impact



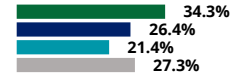
Moderate negative impact



A little negative impact



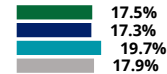
No impact



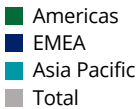
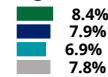
A little positive impact



Moderate positive impact



Significant positive impact





# Technology and disruption (continued)

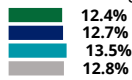
Please rate the impact of each of the following drivers of change in your market. (Continued)

## Macroeconomic market changes

Significant negative impact



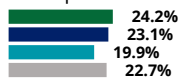
Moderate negative impact



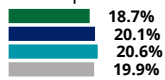
A little negative impact



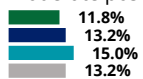
No impact



A little positive impact



Moderate positive impact



Significant positive impact

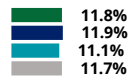


## Shift in regulations

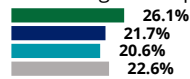
Significant negative impact



Moderate negative impact



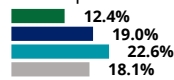
A little negative impact



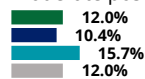
No impact



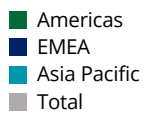
A little positive impact



Moderate positive impact



Significant positive impact



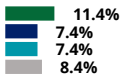
# Technology and disruption (continued)

Which of the following technology-related trends do you believe will have the most significant impact on your business in the next 12 months? (Top rank shown.)

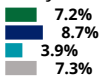
## Social business/social media



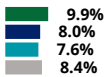
## Mobile devices



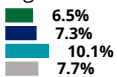
## Analytics



## Information security (cyber intelligence)



## Big data



## 3D printing (additive manufacturing)



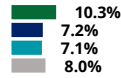
## Wearable technologies



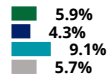
## Machine intelligence (hardware/device-based artificial intelligence)



## Cloud infrastructure



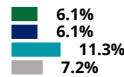
## Cloud Enterprise Resource Planning (ERP) or hybrid cloud applications



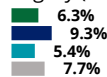
## Cloud integration (cloud-to-cloud package integration)



## Internet of Things (IoT)



## Legacy (core) system modernization



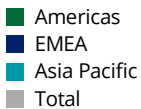
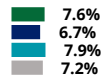
## Artificial intelligence (AI)



## Mixed reality (virtual and augmented reality combined with IoT)



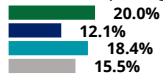
## None of the above



# Technology and disruption (continued)

Which investment(s) in technology is your company most likely to make in the next 12 months? (Top rank shown.)

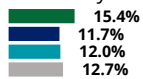
## Cloud computing/Software as a Service



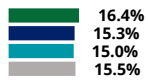
## Enterprise application suites



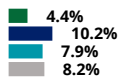
## Data analytics/Business intelligence



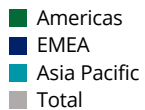
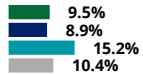
## Customer Relationship Management (CRM)



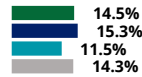
## Robotics



## Internet of Things (IoT)



## Automation of business processes



## 3D printing (additive manufacturing)



## Augmented reality



## Virtual reality



## Blockchain (distributed ledger)



## Other

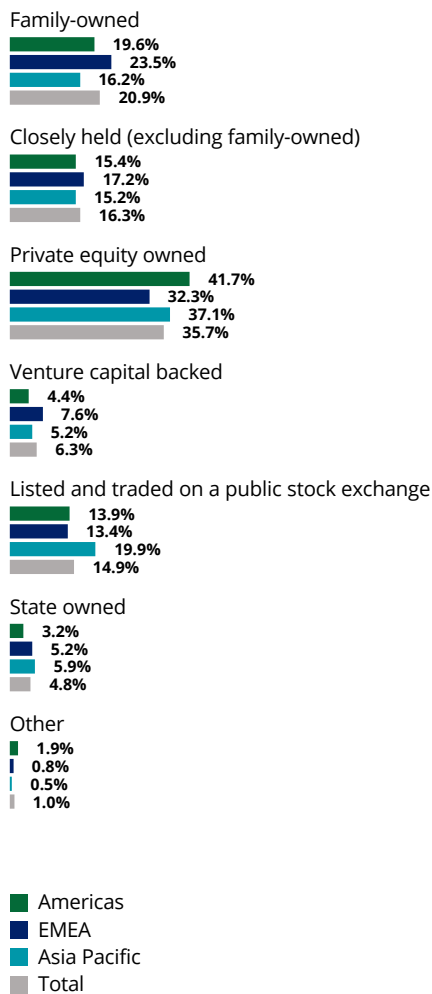


# Demographics

## In which country is your company's headquarters located? (Number of respondents shown.)

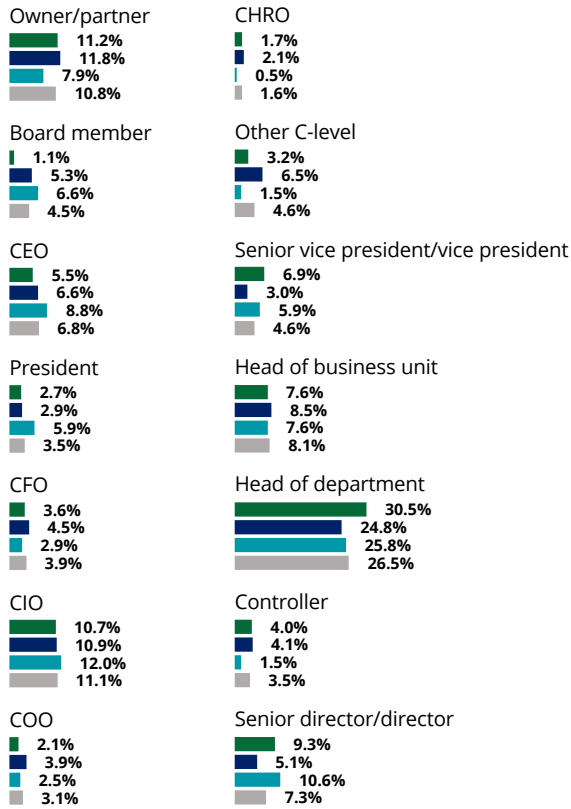
Australia	55
Austria	75
Belgium	71
Brazil	49
Canada	113
Chile	22
China	93
Denmark	22
France	67
Germany	126
Hungary	20
India	60
Ireland	46
Italy	95
Japan	103
Luxembourg	6
Mexico	42
Netherlands	72
New Zealand	49
Norway	19
Poland	11
Portugal	40
Saudi Arabia	16
Singapore	32
South Africa	45
Spain	45
Sweden	26
UAE (United Arab Emirates)	37
UK (United Kingdom)	110
USA (United States of America)	312

## Which category best describes your company's ownership type?

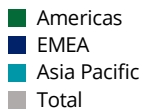
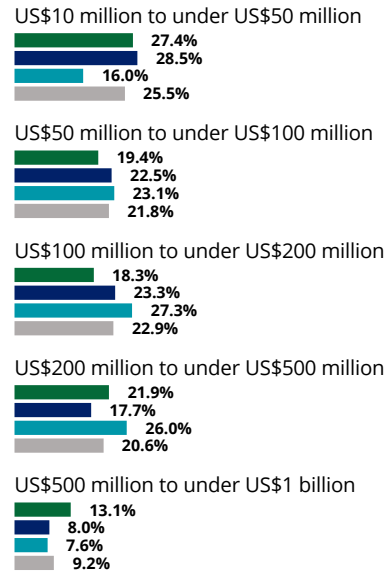


# Demographics (continued)

## Which of the following best describes your title?



## What was your company's 2016 annual revenue?



# Demographics (continued)

## In which industry/sector does your company operate?

### Consumer & Industrial Products



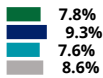
### Automotive



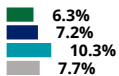
### Chemicals & Specialty Materials



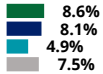
### Consumer Products



### Industrial Products and Services



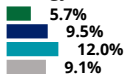
### Retail, Wholesale & Distribution



### Travel, Hospitality & Services



### Energy & Resources



### Mining



### Oil & Gas



### Power & Utilities



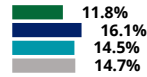
### Shipping & Ports



### Water



### Financial Services



### Banking & Securities



### Insurance



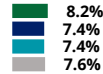
### Investment Management



### Real Estate & Construction



### Life Sciences & Health Care



### Life Sciences



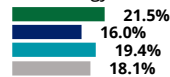
### Health Care



### Technology, Media & Telecommunications



### Technology



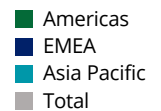
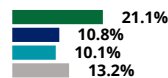
### Media



### Telecommunications



### Other





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