

## Press release

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### **Belgian private companies inadequately prepared for disruption**

Sixty-six percent are confident about the success of their company over the coming 24 months

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From the findings of Deloitte Private's inaugural report [Global perspectives for private companies](#), it seems that Belgian private companies are inadequately prepared for disruption in the market from nontraditional competitors in the coming two to three years. The study, conducted by 1,900 leaders of private companies in 30 countries, also underlines the bottle necks in terms of talent acquisition such as retention, technological disruption and increasing workforce needs and how these companies intend to deal with them.

#### **Belgian private companies inadequately prepared for disruption**

While almost 70 percent of private companies in the Netherlands think that nontraditional competitors will disrupt their market in the next two to three years, 55 percent of Belgian companies predict the same. This is significant in comparison to other countries in Western Europe, such as France, United Kingdom and Germany, where less than 50 percent of private companies predict that non traditional competitors will disrupt the market. This shows that Belgian private companies need to be more self-aware and examine their organisations from within to fully assess today's disruptive environment.

*"Unlike their Dutch counterparts, private companies in Belgium do not predict that they will be disrupted by nontraditional companies in the near future. This should be a wake-up call for private companies in Belgium," said Nikolaas Tahon, Deloitte Private Leader Belgium. "Private companies are vulnerable to digital-driven disruption, and no industry is immune. Change starts with self-awareness. You cannot start to change if you do not critically examine your organisation. Companies must be prepared to disrupt themselves and to be honest about what it will take to accomplish that."*

These positive future perspectives reflect the expectations that executives have regarding their company's performance. The majority of respondents expect their revenues, profits, productivity, and capital investments to go up in the year ahead.

In Belgium, 66 percent are "very confident" or "extremely confident" about the success of their company over the coming 24 months. Additionally, 40 percent of Belgian respondents, compared to 45 percent globally, expect to hire more full-time employees. Despite these expectations, 53 percent of respondents

globally and 54 percent of respondents in Belgium perceive a greater level of uncertainty around their future business prospects.

## **Game-changing talent investments**

As technology streamlines processes and frees up employees' capacity, private companies are sharpening their focus on talent investment. To overcome growing talent acquisition bottle necks, meet their growing workforce needs, and boost retention, 46 percent of private companies plan to invest in training their employees and 33 percent are investing in leadership development programmes, compared to 40 percent and 32 percent respectively in Belgium.

Training programmes are being reimagined as continuous learning opportunities for employees to spur further innovation. Furthermore, 16 percent of respondents identify strengthening their management team as a top growth strategy as private companies stock their talent pipelines with a view to sustained growth in the future. In Belgium, this is a priority for 20% percent of respondents.

## **Countering disruption with technology**

Against the backdrop of rapid technological development, private companies are embracing digital disruption for competitive gains. Two-thirds of respondents associate tech advances with new opportunities and positive outcomes.

Emerging technologies are integral to private companies' playbooks, accelerating innovation and driving business results. Among the primary objectives for deployment, 62 percent of companies aim to increase efficiency, 46 percent are using technology to improve customer engagement, 45 percent strive to facilitate growth, and 37 percent are using emerging technologies for research and development. Others cite data analytics/business intelligence and automation of business processes to realise growth ambitions.

In the coming twelve months, private companies are most likely to make technology investments to improve customer service (44 percent), finance/accounting operations (36 percent), marketing and communications (36 percent), sales (33 percent) or talent management (28 percent).

While many view disruption through an optimistic lens, there are some negative impacts that come with it as well. Changes in customer expectations (31 percent), macroeconomic market changes (38 percent), and shifts in regulations (39 percent) are all cited as negative disruptors.

## **Growing appetite for mergers and acquisitions**

In a ever globalising economy Belgian private companies realise that they can't stay limited within the Belgian market. 30% of these companies admit that the possibility to play in new global markets is the most important reason for mergers and acquisitions in the year ahead.

*"Private companies have the confidence to invest," concludes Tahon. "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. Only 21 percent of Belgian private company leaders say their company completed a merger or acquisition in the past 12 months. Despite the limited access to mergers and acquisitions for growth in the last year, the study signals a potential bounce back for M&A as a tool for strategic growth. Technology advances are seen as the main source of new opportunities and positive outcomes."*



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