Deloitte.

Private company issues and opportunities: What to consider in 2016

A mid-market perspectives report

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Executive summary

Private companies understand that finding the right balance between immediate needs and longer-term goals can help them be successful. Lately, however, challenges and uncertainties in the marketplace have monopolized management focus, perhaps at the expense of future success. As we noted in our latest survey of the nation's middle market businesses, *America's economic engine: Tapping the brakes,* disappointing economic growth is leading many privately owned companies to take a more cautious approach to big decisions such as hiring or investing in new capital or technologies.[1]

At Deloitte, we believe private companies need to pay close attention to developments that stand to disrupt both their own businesses and the business ecosystem as a whole. Technology has been and will continue to be one of the most disruptive variables in the marketplace, and private companies that stay abreast of these developments stand to benefit as the technologies evolve and mature. The way people process information and interact with others is changing, and these changes could have seismic impacts on demand patterns, innovation, and the basis of competition going forward.

To that end, this report opens with three technology-centric trends with far-reaching implications for private companies of every size:

- **Behavioral economics**: A field of study that has gained more attention in recent years as the proliferation of data has yielded new insights about the ways we think and act in our work and personal lives.
- **The Internet of Things** (IoT): This phenomenon is quickly evolving as a source of innovation and advantage across a multitude of industries, with leading organizations already tapping the technology to combat chronic illness, use energy more efficiently, and better track raw materials and parts.
- **Mobility**: Car-sharing and autonomous driving are early indications that the mobility ecosystem is on the cusp of dramatic change, with massive implications for the ways in which we move people and cargo.

In addition to these longer-forming trends, there are also core elements of the complex business environment that private company leaders should address and prioritize in the near term. With that in mind, we asked a diverse group of experienced Deloitte practitioners to provide perspectives on 10 key business issues and opportunities.

For your consideration, we have categorized the topics covered into one or more of three strategic dimensions:
- Running your business
- Growing your business, and
- Positioning your business for the future.

The icons detailed at the bottom of this page are used throughout our report to identify which issues may align with these aspects of your business.

In this rapidly changing competitive environment, we believe that even companies with the most entrenched positions could be susceptible to misallocation of resources and outside forces. As a trusted advisor to private companies across the business spectrum, it is Deloitte's mission to uncover developments that could impact our clients and offer best practices to help them manage these challenges. We hope you find this report informative as you put the pieces in place for your company's next stage of growth.

Roger Nanney

Roger Nanney
National Managing Partner
Deloitte Growth Enterprise Services
Deloitte LLP

Running your business

Growing your business

Positioning your business for the future

Behavioral economics

Behavioral economics is driven by the proliferation of massive amounts of data

People are the lifeblood of any business. People also can be "predictably irrational," according to behavioral economist Dan Ariely.[2] More often than not, our decisions are informed by our own natural biases and tendencies in addition to the facts at hand. Where once organizations relied on fully rational, always-calculating employees, they are now turning to behavioral economics and newly available streams of data to point employees, customers and other stakeholders to desired outcomes.

A branch of study that blends economics with psychology, behavioral economics has gained prominence in recent years due to books such as Daniel Kahneman's *Thinking, Fast and Slow,* and the widespread sharing of success stories involving the application of behavioral economic theories. In many cases, it is the proliferation of massive amounts of data in recent years that has made these applications possible.

"Today, businesses are awash in information that helps explain the behavior of their customers, employers and other key stakeholders," says Tim Murphy, research manager with Deloitte Services LP.

Across a range of business disciplines — from inventory management to supply chain optimization to cyber security — private companies often spend a lot of money to get their processes just right but may neglect the people element. Humans have innate biases or proclivities that influence the decisions they make or the behaviors they exhibit on a daily basis. "Sometimes these tendencies can undermine even the most efficient processes," Murphy says.

One of the most entrenched human behaviors is the tendency to overweight the present state and fail to make changes that would boost competitiveness in the future. Without the right incentives, it can be difficult to get employees to break from the well-worn cognitive track of the status quo.[3] Aversion to loss contributes to this challenge, Murphy says. "Employees might worry that a change in business strategy or the adoption of a new technology solution will render their skills obsolete," he says.

How companies incentivize their employees to innovate is one telling example of how behavioral economics can inspire change. Truly innovative companies don't typically order their employees to innovate more. Even when companies pay workers more to innovate beyond their day jobs, such efforts may in fact be counterproductive as they crowd out those naturally interested in innovating. Behavioral economics reveals that non-monetary awards, such as simple recognition, can be far more influential for spurring innovation. Some of the most innovative companies in the world today have offered inducements such as innovation contests, achievement awards, and even failure awards that encourage employees to take risks.[4]

> "Businesses are awash in information that helps explain the behavior of their customers, employers and other key stakeholders."

Tim Murphy
Research manager,
Deloitte Services LP

Private company leaders can employ behavioral economics to address their own natural biases

Perhaps, one of the hardest things for many companies to do is to recognize human behaviors that are holding the business back. This may be a greater challenge for private companies that have fewer external stakeholders critiquing business leaders' decisions and generally pushing them to be better. While a lack of bureaucracy helps family-owned and other private companies be more nimble and responsive to changes in their respective markets, fewer checks and balances can contribute to strategy that looks decisive but could turn out to be impulsive and misguided because of the absence of careful deliberation.

The good news is that behavior is often easier to change at private companies once a problem has been identified. "While it might be tougher to detect bias or negative tendencies at such organizations, it's easier to engender behavioral change once they do," Murphy says. This advantage is as much about the ease with which private companies can change their policies as it is about how they are perceived by employees. Employees at private companies often feel that their contributions have a direct impact on their company's results and attainment of strategic objectives, and this makes them more receptive to changes in their routines.

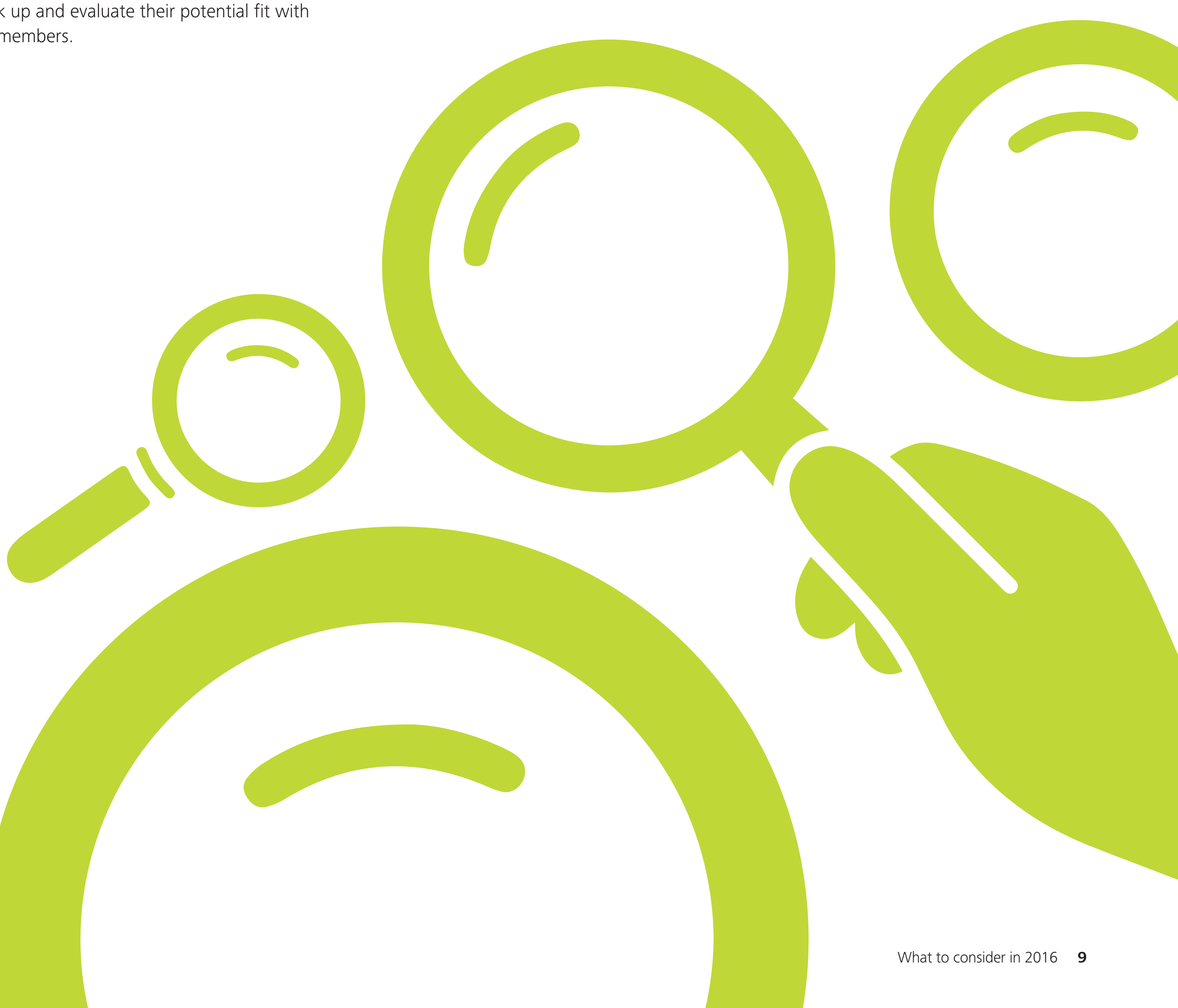
Sometimes, the smallest nudges can affect the greatest results. For instance, some government agencies in Europe, recognizing people's resistance to change, started asking citizens to opt out rather than opt in to organ donation programs.[5] US companies have used this same strategy to boost enrollment in 401(k) and other retirement plans that are underutilized when employees have to sign up on their own.[6]

Private company leaders can employ behavioral economics to address their own natural biases. One way is to resist the temptation to "trust their gut" by helping to ensure that every strategic decision, especially the seemingly obvious ones, receives adequate deliberation.[7] Murphy says some smaller companies can be vulnerable to confusing impulsiveness with nimbleness. "They may be able to act fast but sometimes it's not in their best interest to do so," he says.

While it might be tougher to detect bias or negative tendencies at private companies, it's easier to engender behavioral change once they do

Senior leaders should consider multiple options and making them real substitutes, not strawmen. Murphy suggests putting the decision on a timeline or calendar. “Before that date arrives, focus on deepening your understanding of the issue at hand rather than a simple ‘go/no-go’ decision,” he says.

Adopting such a deliberative mindset can be particularly useful when exploring a potential acquisition. The CFO and M&A team might look at many potential targets, considering their capabilities, corporate cultures and prices. Similarly, when facing a key hiring decision, a deliberative leader will weigh how all of the candidates’ experiences and skills stack up and evaluate their potential fit with current team members.



Internet of Things

For private companies, the IoT can transform conventional processes into a true competitive advantage

The Internet of Things (IoT) comprises a rapidly evolving suite of technologies to **monitor, compare and act** on insights across and within systems that previously operated in digital isolation. Devices now have growing capabilities to communicate with one another, fundamentally changing the way companies run their manufacturing plants, how energy utilities manage demand, and even how families keep their homes safe.

For private companies, the IoT can transform conventional processes, such as supply chain management, into a true competitive advantage. By arming a company's sourcing, manufacturing and logistics teams with more sophisticated data from IoT-enabled equipment, companies can prevent errors, correct missteps more quickly, identify and alleviate bottlenecks, and ensure they're not leaving valuable scraps on the factory floor.[8]

For B2B firms in particular, three trends within the universe of IoT appear most relevant. First, there is incremental opportunity to improve existing systems, such as embedding sensors in baggage and cargo carts at the world's busiest airports. Second, there is optimization, which can help seaports handle more cargo in a particular location, for instance. And finally, there are entirely new business models, such as the case of a major logistics provider that is looking at ways to confirm whether packaged medications already hold certification assurance, which would provide valuable intelligence to both regulators and drug manufacturers.

"It's very easy to get caught up in the hype of the Internet of Things — to chase new gadgets," said Ruben Gavieres, chief of staff at the Deloitte Center for Integrated Research, Deloitte Services LP. "Instead, we should think about how we actually create value — where should we play and how can we win?"

The IoT is revolutionizing the way companies think about information. The increasing arsenal of data on physical objects, employees, customers and other stakeholders can now travel across devices, influence the way people act, and enable a growing range of autonomous actions. While the value of these insights is clear to marketers and product developers, there are concerns regarding stewardship and transparency of the information. According to the University of Chicago economist Richard Thaler, "If a business collects data on consumers electronically, it should provide them with a version of that data that is easy to download and export to another website."[9]

Private companies looking at potential avenues for innovation within the IoT also need to stay abreast of privacy rules, as there are times when data cannot be shared at all. For example, the U.S. Health Insurance Portability and Accountability Act (HIPAA) offers protection of medical information collected by health professionals and insurers.[10]

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Chief of staff at the Deloitte Center for Integrated Research, Deloitte Services LP

IoT technologies can empower private companies to potentially change lives

More broadly, there are challenges in adapting certain ecosystems for an IoT-powered future.[11] For technology, media and telecommunications companies, the formerly standalone device is now a potential target for hackers.[12] Likewise, dropping sensors into existing systems such as utility meters may expose weak links within older systems with less robust security features. Instead of retrofitting, companies should consider how new technologies specifically equipped for IoT can avoid security lapses.

In addition, there still are no uniform standards governing security and enforcement within the IoT.[13] Therefore, it is largely up to business and technology leaders to develop rules to combat security risks in this emergent field.

Despite these concerns, IoT technologies can empower private companies to potentially change lives. The battle against chronic disease is one example. Consider that about half of American adults have one or more chronic health conditions, according to the Centers for Disease Control and Prevention.[14] Wearables, monitors and implantable devices can truly maximize their potential when patients and health care providers are able to interpret and use the information they extract from the technology. Potential benefits increase as this ecosystem expands to include payors, but with the trade-off of higher regulatory hurdles, potential risk, and barriers to adoption.

The IoT is helping people modify their own behaviors across a range of activities through social proof, where people feel more confident making decisions that mirror their peers. For instance, one Software-as-a-Service (SaaS) provider is partnering with utility companies to provide graphical- and emoticon-filled alerts on energy usage. Users can see how their consumption compares to that of their neighbors, and even get suggestions on how to cut back on energy costs.[15]

The IoT is also helping change behaviors in automotive-related industries. The typical car today has 70 computing systems and up to 100 million lines of code.[16] To use that data for the collective benefit of motorists, some insurance companies are capturing information and providing peer-to-peer driving comparisons that can ultimately affect premiums.[17]

The typical car today has 70 computing systems and up to 100 million lines of code

Yet another area for opportunity within the IoT is emerging through improvements in supply chain management.[18] For example, a large household appliance manufacturer switched to radio frequency identification (RFID) tags to help managers track parts in one of its factories, improving an earlier process that required workers to read paper tags. The company reported that the new system exceeded expectations for ROI through the reduction in cost of the paper tags alone. In another example, shipping companies, for instance, are arming their customers with real-time updates on orders. The tools monitor potential roadblocks such as postal strikes, route closures, natural disasters, and other incidents. Some of the tools can adjust the timing or mode of shipments to minimize the disruption from such events.[19]

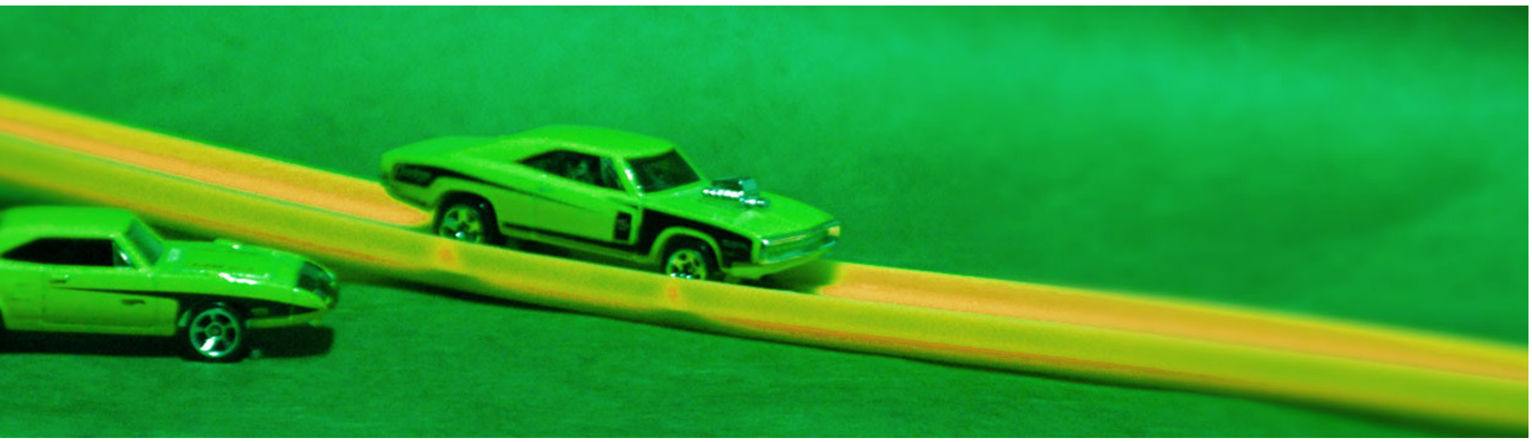
According to a global survey of business leaders, 74 percent of those who implemented initiatives such as sensor-based logistics saw increases in revenue, demonstrating how the IoT can improve efficiency and increase differentiation within supply chains. Some companies are using the sensor-based systems to get around delays, further evidence of the impact of the IoT.[20] Says Gavieres: "You can create value in IoT by enhancing the flow of information. You can capture value by controlling the flow of information."

In spite of apparent and often compelling benefits, understanding of the IoT remains uneven. For example, more than one in 10 adult Americans now owns a fitness tracker, demonstrating consumer eagerness to put the power of connected devices to use in their daily lives. However, more than half of U.S. consumers who have owned an activity tracker no longer use it.[21]

By itself, the IoT is no silver bullet. Private companies can play an important role in exploring how IoT-related technologies can transform the way we work, manage our communities, and play.

74 percent of business leaders who implemented initiatives such as sensor-based logistics saw increases in revenue

The future of mobility



A system that has been well established for a century is on the verge of a major transformation

There is a critically important dialogue going on across the extended global automotive industry about the future evolution of transportation and mobility, and it has **ramifications for companies across the economy**. The dialogue is being driven by the convergence of a series of industry-changing forces and mega-trends, including rapid advances in connected vehicles, shifts in mobility preferences toward pay-per-use mobility, and the emergence of autonomous vehicles.

All told, a system that has been well established for a century is on the verge of a major transformation that could result in the emergence of a new ecosystem of personal mobility.[22]

The focus of these discussions centers on whether the extended automotive industry will evolve incrementally toward some future mobility ecosystem, or whether change will occur at a more radical pace and in a highly disruptive manner. No one knows the full scope and magnitude of the changes that are to come, what they entail, or how they will evolve, yet these forces have the potential to alter current industry structures, business models, competitive dynamics, value creation, and customer value propositions.

"We may be on the threshold of change as substantial as any industry has ever seen," says Eamonn Kelly, director, Deloitte Consulting LLP, and chief marketing officer for Deloitte's Strategy & Operations practice. "Profound disruption could extend far past the automotive industry itself. Many other aspects of the modern economy that are based on the continuation of human-driven, personally owned vehicles could also be challenged."

Along with Scott Corwin, Joe Vitale and Elizabeth Cathles, Kelly co-authored a recent report for Deloitte University Press, "The Future of Mobility," explaining the dynamic forces set to reshape the mobility ecosystem that supports the movement of people and goods around the world.[23] Car-sharing and autonomous vehicles are just two developments they cite that promise to upend traditional business models in the automotive sector and countless others. Boundaries between vehicle manufacturers, technology companies, and other businesses are becoming blurred as the proliferation of data creates a new basis for competition and collaboration.[24]

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Eamonn Kelly
Director,
Deloitte Consulting LLP

Mobility innovation is a natural extension of the way business ecosystems are evolving

As a result, the authors see four potential future states for the mobility ecosystem:

1. Incremental change

This most conservative vision of the future puts heavy weight on the massive assets tied up in today's system and sees private vehicle ownership remaining the norm.

2. A world of carsharing

Shared access to vehicles continues to grow, driven by economies of scale, increased competition and passengers' preference for convenient point-to-point transportation.

3. The driverless revolution

Autonomous-drive technology proves to be viable, safe, convenient and economical, yet private ownership continues to prevail.

4. A new age of accessible autonomy

The autonomous and vehicle-sharing trends converge, giving rise to a community of mobility management companies that offer a range of passenger experiences to meet widely varied needs at different price points.

While forces such as regulations and social attitudes may impact the more ambitious scenarios, Kelly believes mobility innovation is a natural extension of the way business ecosystems are evolving in today's world. In many industries, companies and entrepreneurs, empowered by data and increasing connectivity, are joining together to deliver solutions that meet people's needs and desires.[25]

For example, Kelly points to parallels in the health care space, where technology advances and data availability are transforming patient care and disease prevention.

"Think of it as a shift towards delivering desired outcomes in systemic ways that were not previously possible. For example, we all probably want wellness, not necessarily arduous trips to the doctor, or pills or surgeries," Kelly says. "Today, you're seeing information created, shared and used in new ways that bridge the entire continuum of prevention and care — creating the potential for far better outcomes. Mobility will perhaps evolve the same way — enabling people to get what they really want – safe, convenient, comfortable and fast ways to move about when and where they want – in new ways."

Information is being shared and used in new ways that bridge the entire continuum of care

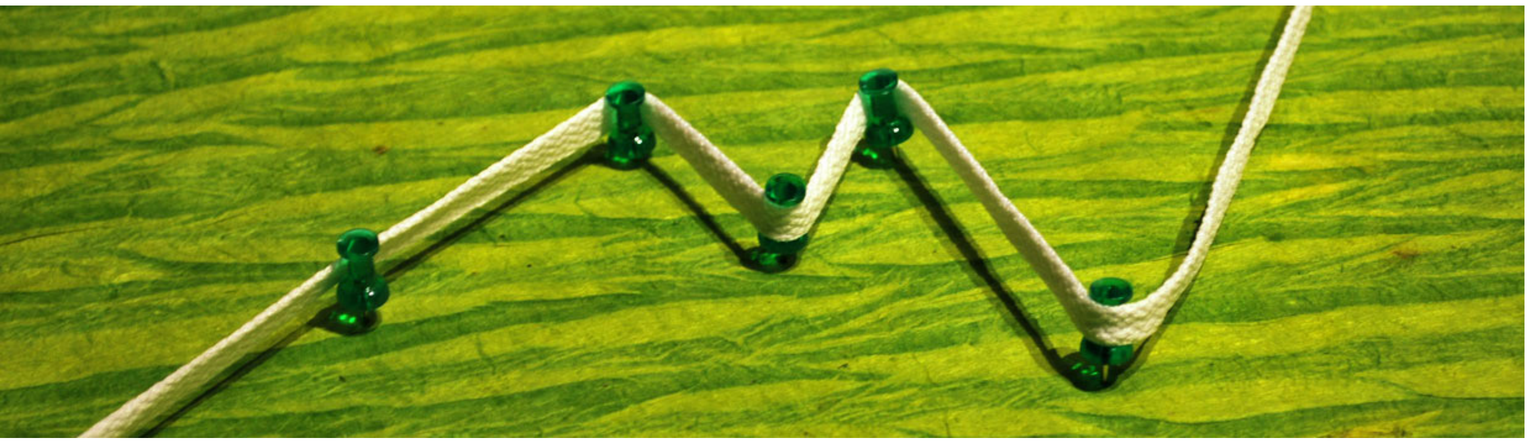
Those wants include getting products faster. After all, mobility is not just about the movement of people — it is about the movement of things. The future mobility ecosystem could dramatically transform the nature of distribution and logistics. Cargo delivery and long-haul trucking could benefit enormously — it's not too hard to imagine a future in which delivery times are cut and costs plummet with autonomous trucks that can operate over more extended time periods and cover longer distances.

Such changes would impact companies across the economy. Retailers could boost sales to seniors and other underserved segments through expanded home delivery options. Telecom companies could face increased bandwidth requirements due to increased demand for connectivity and reliability. Media companies stand to benefit as autonomous driving and shared mobility allow more time for the consumption of multimedia and information. And fewer auto-related accidents would put downward pressure on medical and legal costs. These value shifts could significantly impact the future of multiple industries.

Private company leaders should harness their natural entrepreneurial capabilities and start considering how changes to the mobility ecosystem may impact their resource needs, capital spending decisions, talent strategies, technology investments and, last but not least, competition. Because if you don't imagine the possibilities, you can bet that somebody else will.

The value shifts for industries could have a tremendous impact on revenues across the ecosystem

Analytics



As technology becomes more and more integrated into the world around us, companies have **access to an abundance of useful information** about customer needs, employee behaviors and business processes.

A problem is that many companies are unsure of how to use those insights to drive results. Investments in data analytics — technologies that help businesses measure, interpret and optimize the information in and around their organizations — hold the greatest promise for productivity gains, according to Deloitte's most recent technology survey of private companies.[26] Analytics technologies can, for example, help avert bottlenecks in fulfillment for e-commerce, anticipate and manage surges in customer demand on travel apps, and help retailers decide the best time to push digital coupons to individual shoppers. But it is no longer enough to use analytics solely for supply chain management, marketing or sales.[27] The challenge ahead for many private companies will likely be deploying analytics across the enterprise, so that leaders can make informed decisions at any point in time and at every location.

Issues

Building a data-proficient workforce is likely to be the most significant barrier for private companies looking to grow their analytics capabilities. Research firm International Data Corp. forecasts that US companies will need 181,000 professionals with deep analytical skills by 2018, plus five times that number of professionals with data management and interpretation skills.[28] Meanwhile, companies lament that colleges and universities can't produce data scientists fast enough to meet the demands of the changing marketplace.[29] Even the data science programs from leading institutions lack sufficient training in statistical analysis, insights, and strategy — the types of skills that allow students to apply scientific knowledge to real-world business scenarios.[30]

Analytics can help private businesses predict and identify certain behaviors among customers, clients and users

Opportunities

Though the talent crunch is one of the most pressing challenges for private companies in adopting analytics capabilities, there is in fact broad opportunity to apply data insights within the personnel function.[31] Human resources officers can use analytics in a number of capacities to better understand how to manage and retain their talent pool. For example, analytics programs can aggregate data from various sources such as performance, travel and timekeeping systems to help managers optimize work assignments. If a company can view those factors on a single dashboard, it can potentially manage workforce supply more efficiently and, in turn, control costs.

Finance officers also can use analytics to help their companies improve reporting and even improve their cash position. For instance, analytics can help companies brace for volatility in materials prices, currency fluctuations and labor costs. These types of insights can help finance leaders become data strategists capable of analyzing and predicting future behavior.[32]

Outside company walls, analytics can also help private businesses predict and identify certain behaviors among customers, clients and users.[33] One health plan organization is using analytics with learning capabilities to identify people who are more likely to choose certain disease management programs. The company has also used analytics to identify children with heightened risk of lead poisoning even before they've been screened. In both examples, the expertise of professionals combines with the power of analytics to offer life-enhancing insights.

Advances in sorting and interpreting unstructured data, which are now available as automated services, can help private companies deal with the complexities of data. "This level of data access and insight would have been prohibitively expensive just a few years ago," says Rajeev Ronanki, principal, Deloitte Consulting LLP. "Today, private companies can take advantage of more cost-effective data interpretation capabilities that are now available."

US companies will need 181,000 professionals with deep analytical skills by 2018, plus five times that number of professionals with data management and interpretation skills

Questions to consider

- How can analytics help you optimize your company's business intelligence and reporting needs?
- How can analytics help your company manage growing volumes of data?
- How can you build a team that has the capabilities to keep pace with the innovations in analytics?

Capital spending

Private companies face some **particular challenges** as they try to expand their businesses in today's slow-growth business environment.

While the US economy continues to expand at a moderate pace, slackening demand overseas threatens to ripple through global trade and increase uncertainty. In Deloitte's latest survey of private company executives, growth in capital spending slowed significantly as other business metrics such as profits and prices moderated.[34] That's raising the stakes for private company leaders when deploying capital and seeking to maximize the use of existing assets and resources.

Issues

In seeking growth opportunities, private companies should remain focused on efficient uses of their capital. In tight markets, companies look for ways to reduce their cost structures, and they may create too many initiatives that could overload their organization.

"Capital availability remains a challenge for many privately owned companies," says Charles Alsdorf, Capital Efficiency leader for Deloitte Advisory and a director at Deloitte Transactions and Business Analytics LLP. "Businesses that try to conduct too many projects simultaneously run the risk of being spread too thin."

At the same time, private companies also may compromise performance by cutting into capital programs that could compromise future growth. Sharper risk assessment to help them understand the long-term implications of capital spending decisions and managing the risk of implementing programs remains a challenge for many private companies.

Faced with limited capital options and tighter credit markets, some companies are tapping working capital credit lines for long-term investments and to fund operating losses. Finally, private companies may not have the people in place to accomplish their growth goals, and they may compound the problem by recruiting too soon or hiring people who lack the skills for the job.

Today’s rapidly changing business environment offers privately held companies an advantage over their larger, publicly traded counterparts

Opportunities

Private companies might avoid these growth hazards by targeting specific projects, building momentum behind them, and accelerating their completion. In selecting growth initiatives, companies should take a disciplined path that removes emotion from the process. Projects should be assessed on factors such as balance sheet effect, brand impact and other criteria, along with an evaluation of the resources required and the timeline for completion.

Cost reduction in the face of limited capital can be an important driver of performance, but companies should make sure the focus of each project under consideration is linked to the overall business strategy and financial goals. This will help executives identify initiatives with the potential to meet the company’s long-term circumstances.

In evaluating cost cuts, companies need efficient capital planning that weighs each possible outcome. This requires an environment in which managers and executives can speak freely, ask difficult questions and challenge assumptions to pull together input from a broad range of stakeholders. Just by focusing on good decision-making, private companies may be able to boost performance at relatively little cost.

Today’s rapidly changing business environment offers privately held companies an advantage over their larger, publicly traded counterparts. Because they tend to be smaller and more nimble, private companies can evaluate, develop, and implement projects more efficiently than their larger competitors. Seizing these opportunities can be critical to a company’s growth, but speed in decision-making is effective only if the company sets the desired priorities and maintains its focus.

Even if the correct strategy is selected, the company should have qualified people in place to implement it. While companies may look to recruit outsiders, they also should consider developing talent internally, which can reduce the drain on scarce resources and mitigate skills shortages in the available labor pool. Limited talent resources should compel private companies to focus intently on the projects that can provide value and engage the workforce behind them while putting other projects on hold.

Speed in decision-making is effective only if the company sets the desired priorities and maintains its focus

Questions to consider

- Have you properly aligned your growth initiatives with your long-term goals for the business? Are you setting the desired priorities for growth and capital investment?
- Do you have a system for evaluating projects dispassionately and confirming that capital is deployed effectively?
- Are you recruiting qualified people and do you have the proper practices in place to develop talent internally?
- Can you move efficiently enough to seize opportunities and enhance your competitive advantage without losing your focus on long-term goals?

Cloud computing

Cloud computing continues to **dominate the technology landscape** for many private companies.

By 2019, around 40 percent of the projected $141 billion in spending on public cloud services will originate from small and mid-sized firms.[35] For the third straight year, venture capitalists ranked cloud technologies as the hottest investment sector in Deloitte's most recent global survey of investor confidence.[36] Meanwhile, approximately two-thirds of chief information officers (CIOs) view cloud computing as a principal disruptive force in their businesses, according to a separate survey of technology leaders.[37] As growing numbers of organizations choose cloud-based solutions — for enterprise resource planning, data center support, and a host of other functions — the virtualization of IT is helping private companies go head-to-head with bigger competitors.

"The flexibility to pay as you go, the breadth of services you can manage in the virtual environment, that's what makes the cloud so attractive for private companies," says David Moore, principal and NetSuite practice leader, Deloitte Consulting LLP. "The debate's been settled. If I can enhance my operations through the cloud and not have my customers or teams notice even when there's a major upgrade, I can be much more prepared for battle with the competition."

Issues

Early adopters of cloud computing, which provides on-demand access to shared technology resources through the web, often viewed the innovation as a way to curb costs and free themselves from the restrictions of legacy software. But for pioneers and new converts alike, challenges remain. Cloud platforms typically enjoy a reputation of being ready-to-use, but the applications often must be integrated into existing technology across the enterprise. The technology also has to serve the company's mission — a cloud application that manages consumer data for a retailer may not fulfill the needs of a manufacturing company, for instance. As with any external provider, CIOs should be vigilant to confirm that cloud vendors uphold service-level agreements covering cost and service delivery.

Security and privacy also are paramount. Cloud platforms can help companies manage growth in the big data era, but not all information is alike. Patient data, banking details, and personnel records are just a few examples of information stored in the cloud, governed by discrete rules and regulations, and vulnerable to misuse if the information falls into the wrong hands.

For private companies, hybrid cloud technologies are emerging as a potent force within the IT infrastructure

Opportunities

For private companies, hybrid cloud technologies are emerging as a potent force within the IT infrastructure. By combining private cloud environments with public cloud resources, companies can manage services on a common dashboard, filter data based on security requirements — keeping sensitive information on private servers — and make software changes based on business needs. Gartner predicts hybrid cloud technology will give rise to a new generation of applications powered by lightning-fast analytics providing deep insight into customers and processes.[38]

Cloud computing also can help private companies shift their IT spending from capital expenses (CapEx) to operating expenses (OpEx). For instance, cloud-based enterprise resource planning (ERP) systems for functions such as finance, manufacturing, and supply chain management can eliminate long-term investments in favor of pay-as-you-go expenditures. The OpEx approach also affords a degree of flexibility — companies can scale up or scale down depending on business needs and free up cash for other investments.

Private companies on the hunt for acquisition targets may also have an opportunity to leverage cloud computing to complete deals with lower IT implementation costs. Transactions can benefit from cloud applications that allow the sellers' systems to integrate more quickly into the buyers' infrastructure. In divestitures, cloud computing can also provide an effective way to build a computing infrastructure without major disruptions to customers.

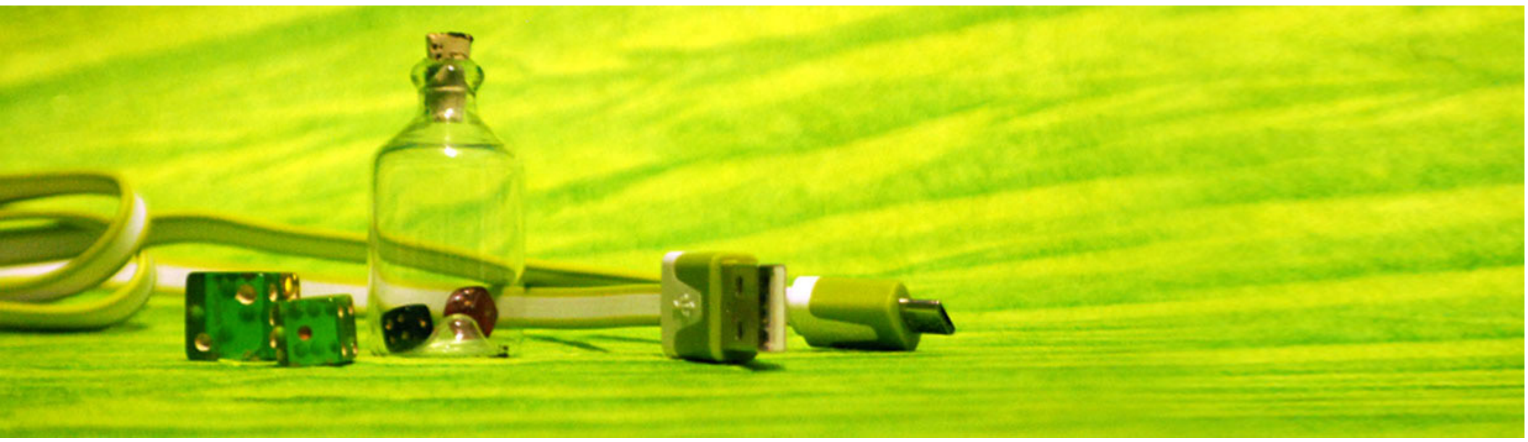
For companies that may not be completely cloud-ready, executives also should consider emerging models that permit integration of cloud solutions with legacy software. These Integration Platform as a Service (iPaaS) solutions allow companies to leverage the speed of the cloud while utilizing existing, on-premises applications.[39]

By 2019, around 40% of the projected $141 billion in spending on public cloud services will originate from small and mid-sized firms

Questions to consider

- How can you integrate leading cloud solutions to help create the optimum computing configuration for your company?
- How do you decide whether the effort — and money — required to modernize legacy systems could be better spent on cloud-based solutions?
- In which situations should you choose a two-tiered computing model that combines the power of the cloud and your existing, on-premises software?

Cyber risk



Private company leaders increasingly view technology as a strategic asset that can drive competitive advantage. But as businesses become more reliant on technology solutions to spur growth, they are also exposing themselves to **a new kind of risk**.

Cyber threats are more prolific than ever, with criminals pursuing a myriad of alternative paths to steal sensitive data or cause reputational harm. Many private company leaders may feel their cyber risk is lower than larger public firms, but inadequate detection and defenses may in fact make them more vulnerable. For these reasons, it is critical that companies embed monitoring capabilities into their organizations, act decisively when threats emerge, and hold leaders accountable for safeguarding data security.

Issues

In the past year, a number of high-profile data breaches brought new attention to the need for better cybersecurity capabilities. In Deloitte's latest technology survey of mid-market executives, respondents cited information security as the technology-related trend expected to have the biggest impact on their business in the coming year. But while public awareness of privacy is strengthening and companies are spending more to enhance their defenses, many businesses are still woefully unprepared. The survey found that only half of the executives polled believe their companies have the most up-to-date and robust security measures in place. And a majority of respondents said they don't encrypt sensitive information, exposing client and business data to potential threats.[40]

"It's time for private company leaders to treat cyber risk as a board-level issue," says Adnan Amjad, the Deloitte & Touche LLP partner who leads its Vigilant cyber threat risk management practice. "It's critical that they have processes in place to identify, protect, and monitor their company's most valuable information."

Those processes must increasingly account for the risk of individual employees or third-party partners being compromised, Amjad says. The Ponemon Institute labels workers with multiple mobile devices and commercial cloud apps to conduct their work as the leading threat to companies' cyber security.[41]

> “It’s time for private company leaders to treat cyber risk as a board-level issue.”

Adnan Amjad — Partner, Deloitte & Touche LLP

Opportunities

Companies often invest in monitoring tools that evaluate many sources of data, but such data overload can actually inhibit threat detection. Security teams can work with senior leaders to identify specific areas of concern most likely to cause disruption. Companies can then implement monitoring capabilities that prioritize alerts and leverage a balanced combination of automated threat data and hands-on threat research and analysis to enhance their threat detection and even inform their preventative controls.

The security operations team is usually at the center of collecting and interpreting threat information; but these days, the whole organization needs to be threat-intelligent. Technical and non-technical employees, customers and company partners are among the collaborators who benefit from such insight. A formal process for communicating this information can help integrate threat awareness into innovation initiatives, adjust security controls, and educate people across the enterprise to help defend the organization.

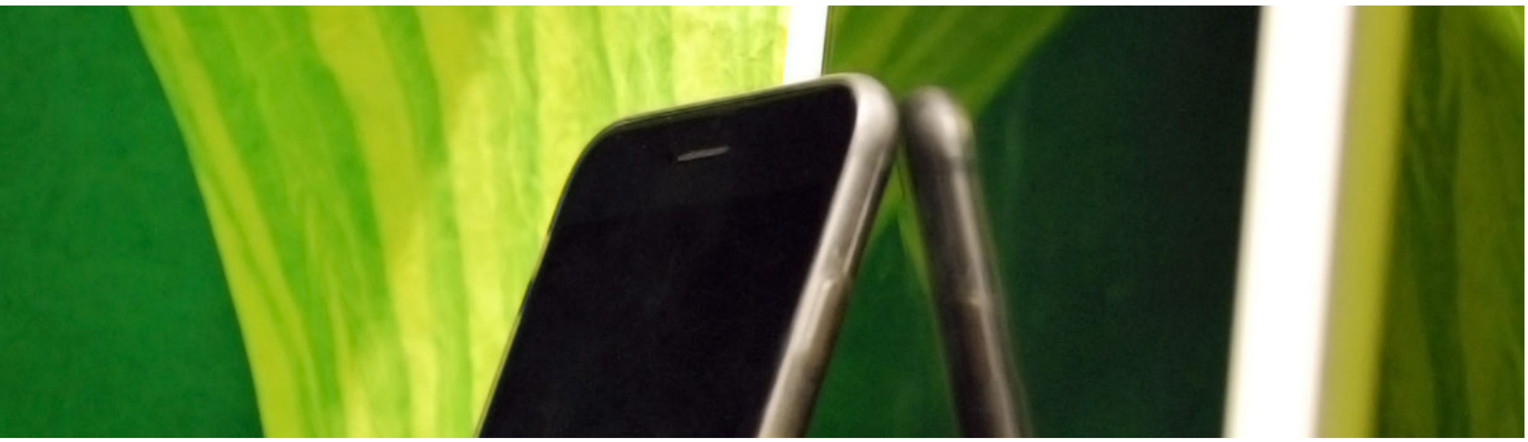
Boards can play an important role in building threat intelligence and helping their organization determine how to best respond to the new cyber threat landscape. For starters, they should challenge management to assess the organization’s cyber posture and critically review its cyber crisis management capabilities to devise a plan for managing future attacks. The plan should be regularly measured for effectiveness and should constantly evolve over time as the nature of cyber threats change. In some cases, subject matter experts may need to be called in by the board to serve as on-the-ground combatants when security is compromised.

Companies often invest in monitoring tools that evaluate many sources of data, but such data overload can actually inhibit threat detection

Questions to consider

- Are you confident that your monitoring tools are providing your organization with the kinds of intelligence you need to respond quickly to cyber incidents?
- What level of communication is taking place between your security operations team and the cybersecurity ecosystem of employees, senior executives, and third-party vendors?
- How active is your board of directors in setting the cybersecurity agenda and preparing your organization to manage future attacks?
- Do you have a plan in place in the event of a security breach?

Digital and social strategy



Companies use social media to recruit new talent, promote their products or services, and boost their executives' standing as industry thought leaders. The increasingly mobile-powered networks form part of a broader focus on technology that has **the potential to make strong companies excellent**, particularly when a clear digital strategy is in place.

In Deloitte's fourth annual research study with MIT Sloan Management Review, based on a survey of more than 4,800 executives and managers, 76 percent of respondents said digital technologies are important to their organizations today.[42]

Issues

Questions persist about how well private companies are employing digital technologies for business gain. In the MIT SMR and Deloitte study, only 15 percent of respondents from public and private companies in the early stages of digital maturity — where the digital agenda truly has transformed the business — say that their companies have a clear, coherent digital strategy. More than half of early stage companies overall cite the absence of a digital strategy as the biggest barrier to digital maturity.[43]

Competing priorities also get in the way of digital and social strategy and execution, particularly as companies move up the maturity curve and wrestle with concerns such as cyber threats.[44] A growing financial services firm may need to assign resources to fend off hacker attacks, but it cannot ignore the fact that many customers, particularly millennials, actually prefer to interact through social channels.[45] Talent is another area where companies that lack comprehensive digital strategies stand to lose out to competitors.

"Companies developing enterprise-level digital strategies are moving ahead, while those that aren't are struggling," says Doug Palmer, principal at Deloitte Consulting LLP. "Digitally maturing companies embrace innovation and collaboration, and have leaders who understand both technology and its potential impact on the business."

Companies should understand how to apply insights from data to their decision making

Opportunities

Revamping the customer experience through social and digital initiatives should be an important goal for companies. Banking, insurance, and travel represent just a few sectors that rely on a high volume of customer orders and inquiries. These industries can improve customer interactions by making digital communication a core component of those relationships. A passenger who has an unfavorable episode with an airline may not call to complain, but instead post their discontent on their social channels. Likewise, a happy client might share a positive experience with their social networks. This shift in power, in which customers can significantly impact a company's reputation, means brands have to take digital steps to manage the experience.[46]

Storytelling across social and digital channels is another practice that private companies should continuously hone in order to boost their competitive advantage. That includes internal efforts, such as the use of stories oriented to employees in order to promote company initiatives.[47]

MIT SMR and Deloitte's research also notes the efforts of a manufacturing company that partners with the University of Southern California to improve its storytelling capabilities for external audiences, creating the types of stories that will help customers better understand its innovations.

Companies also should understand how to apply insights from data to their decision making. In industries such as health care, for instance, data proficiency is changing the delivery of services, helping physicians and other medical staff secure a more informed view of health risks.

Finally, private companies also have an opportunity to win the war for talent if they can construct a company culture that demonstrates that it values, supports, and nurtures digital proficiency. In the MIT SMR and Deloitte survey, among respondents in age groups ranging from 22 to 60, an average of nearly 80 percent said they want to work for a digitally enabled company or a digitally focused leader.[48]

A passenger who has an unfavorable episode with an airline may not call to complain, but instead post their discontent on their social channels

Questions to consider

- Do you have a clear view of the digital technologies that are disrupting your industry?
- Do you have a digital strategy that goes deeper than implementing technologies currently on the market?
- Does your company encourage risk-taking and foster digital initiatives?
- Are you confident in your leaders' digital fluency? If not, how can you work to improve it?

Financing

Private companies have enjoyed **an attractive financing environment** for years, supported by historically low interest rates, balance sheets that have been bolstered by increased collateral values, and growing cash flows.

But the first Federal Reserve rate increase in nearly a decade, combined with reductions in cash reserves and concerns about the economic expansion's sustainability, have many private companies concerned about the credit outlook.

Issues

More private company leaders have concerns that higher rates could stall an economic recovery already restrained by modest growth and weak demand from abroad. In our latest survey of middle-market executives, which closed before the first rate hike, keeping interest rates low was viewed as the second most important step the government can take to support growth, nearly as high as reducing corporate tax rates.[49] In a related finding, fewer executives reported their company will be able to tap internal sources to meet their financing needs.

While the December 2015 increase in the federal funds rate still leaves borrowing costs low by historical standards, pricing has ticked up in recent months for term loans private companies typically use to fund their working capital needs, says John Deering, a managing director at Deloitte Corporate Finance LLC. Transactions may also take longer to close, he says, because lenders are taking more time to evaluate company credit metrics and the overall economic backdrop.

"Increasingly private companies are paying more at the margin and financing approvals are getting stretched out," Deering says. "But it's still a very active market and the environment is still healthy for most private companies seeking financing."

One issue that bears watching, Deering says, is the market for asset-based financing and secured loans — two debt options on the rise in Deloitte's latest mid-market survey.[50] Both forms of debt are backed by equipment and other collateral whose values may suffer if the economy slumps, Deering says.

The US economy is holding on for now, with growth rates exceeding many other developed and developing markets

Opportunities

Fortunately, the US economy is holding on for now, with growth rates exceeding many other developed and developing markets.[51] That means private companies, which tend to be focused on the domestic market, are likely still viewed by banks and other lenders as attractive places to earn a return, Deering says.

Private equity firms in particular have money to invest. The amount of uncommitted funds raised by buyout firms, or so-called "dry powder," hit a six-year high of $261.5 billion in December in North America.[52] "With so much uncertainty in overseas economies, US-focused businesses are the belles at the ball in the eyes of many PE sponsors and other creditors," says Deering.

Private company leaders can take steps to make themselves more attractive for financing, Deering notes. Would-be borrowers should ensure that they have established a track record of solid growth over the past few years, and that their historical financials exhibit positive trends. In addition, projections for future growth should be disciplined and well supported.

"There are a lot of assumptions that go into growth forecasts and lenders increasingly are taking the time to test their validity," Deering says. Private companies can help their case by confirming they have the internal controls and processes in place to allay these concerns, and that they are partnering with reputable third-party accountants.

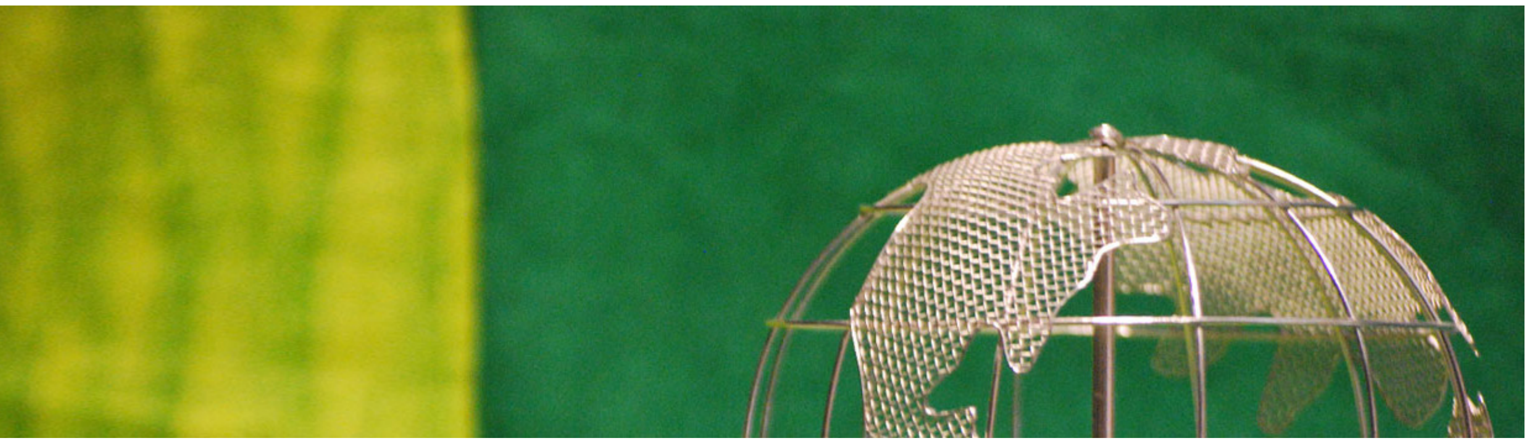
Finally, many private companies are making themselves more attractive to lenders by delegating more authority to their senior managers, helping financing parties view the company as more of a team rather than one person at the controls. "Lenders want to see there's a team in place, and that senior managers are just as engaged as the person at the top," Deering says.

US-focused businesses are the belles at the ball in the eyes of many PE sponsors and other creditors

Questions to consider

- Has your company established a solid track record of performance over the past few years?
- Are you able to access the level of funding needed to grow your business to its full potential?
- Are your projections for future earnings and cash flow validated by defensible assumptions?
- Do you have the proper internal controls needed to win fresh financing?

Globalization



Many privately held companies continued to pursue international business opportunities in 2015, despite **weakness in some key global markets** and a strong dollar that crimped international sales.

More than two-thirds of the executives in our latest mid-market survey said their company generated revenue overseas last year, and nearly a third said international markets accounted for more than 25 percent of their sales.[53]

Issues

One of the biggest challenges of expanding abroad is selecting the appropriate target market. There are myriad factors to consider, including physical location, currency volatility, tax and legal environments, economic outlook, availability of local labor, and more. In certain cases, private companies may not have the appropriate infrastructure and resources needed to perform extensive due diligence on international markets and account for variables that can make international investments unprofitable.

Expanding into foreign markets often means complying with rules and regulations that are different from, and in many cases less transparent than, those in the United States. There are also US regulations that could affect the success of a company's expansion efforts, particularly when it comes to taxes. Executives of private companies need to understand and consider all sides of the tax equation — both here at home and in the target market — in order to determine if international expansion is feasible.

"Global expansion can be an attractive prospect, but making it work means asking some tough questions," says Christy Wissemeier, senior manager and International Expansion Services leader at Deloitte Tax LLP. "Private companies may be able to move quickly to seize opportunities, but there are additional layers that need to be peeled back first."

One of the biggest challenges of expanding abroad is selecting the appropriate target market

Opportunities

For private companies willing to perform the due diligence necessary for a successful international expansion, the opportunities are vast. Expanding into global markets can offer companies access to new customers, new labor markets, and new sources for materials. An expanded customer base may provide opportunities to explore different products or service offerings. Entering a new labor market may open the door to a pool of resources that can enhance local market economies and help establish a company's reputation for supporting the local economy. Finally, identifying new sources for materials may lead to better efficiencies, less expensive manufacturing processes, and new supply chain options.

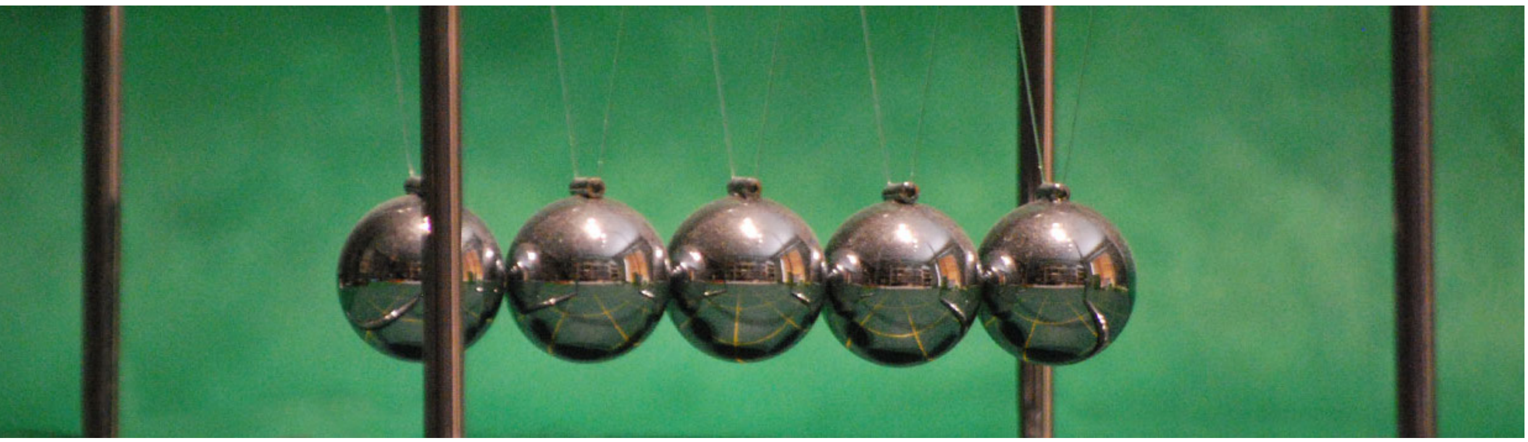
Privately held companies can also take steps to address the increasingly complex regulatory environment in key overseas markets. Tax leaders may be able to reduce their US and international tax exposure through efforts such as increasing the use of foreign tax credits, adopting tax-efficient financing strategies, and utilizing offshore cash. In addition, they should plan ahead to identify foreign initiatives that may impact certain important tax benefits. In some cases, private companies may want to consider restructuring their overseas operations to form more tax-efficient operating entities.

An expanded customer base may provide opportunities to explore different products or service offerings

Questions to consider

- What strategies are you using to educate yourself on new markets, and understand the objectives of key regulators and policymakers?
- How are you planning to handle the transfer of knowledge from development teams to the production floor in international markets?
- Is your tax reporting structure positioned to address enhanced scrutiny from outside regulators?

Governance and succession planning



It is often said that family-owned businesses and other closely held companies enjoy a number of advantages by staying private, including increased flexibility and less time spent on regulatory and compliance issues.

But often, this relative freedom can rob private company boards of a sense of urgency to set and update their strategy, assess emerging threats to the business, and identify opportunities in the marketplace. A formal governance structure — including a diverse and engaged board of internal and external directors that meets on a regular basis — is a common denominator among companies that excel in strategy and risk management.

Issues

The boards of privately held companies tend to be smaller and populated by inside executives or — in the case of family-owned businesses — relatives of the founders. While this can reinforce a sense of mission and purpose throughout the company, it may also compromise the ability to objectively assess risks, set and effectively monitor strategy, plan for succession, or adapt quickly to unexpected changes due to a variety of factors, such as changes in the marketplace, customer base or competition.

"Private companies tend to have less formalized governance practices and their boards are free to develop the agenda they want," says Maureen Bujno, director, Deloitte's Center for Corporate Governance, Deloitte LLP. "But putting more structure around the board may enhance the processes undertaken, agendas being set, and ultimately the boardroom discussion, particularly as it relates to strategy and risk."

Strategy and risk are two dimensions that may slip by the wayside when a formal structure for addressing them doesn't exist. Many private companies can get so caught up in execution that they feel they don't have time to take a step back and think about where they're going or about emerging threats to the business. In some cases, they may have adopted a strategic plan that made eminent sense two years ago that today may not reflect new market realities or risks.

Opportunities

As a starting point for strengthening oversight of the business, each private company should determine what type of board they need and what role it will play with regard to strategy, performance, succession, risk, and setting the tone at the top. Once decided, the company can determine which perspectives are important to add and how to organize them through committees.

When it comes to the former, boards should be structured to include independent, outside directors who bring skills

Strategy and risk are two dimensions that may slip by the wayside when a formal structure for addressing them doesn't exist

and experience that align with the company's strategy. For example, a business looking to grow through M&A or global expansion needs board members with sufficient expertise in these areas to provide oversight as well as insight and guidance.

Diversity is another key component in the director search, particularly for family-owned companies where different generations may be represented, but not other demographics. A diverse board can allow for varied perspectives and innovative discussion. Only one-fifth of the companies participating in our latest survey of the middle market reported that female and minority leaders comprise at least half of their board membership.[54]

As most private company boards are smaller, considering the need for certain committees and how to align the committee structure with the company's strategy is critical. Private company boards should consider that they are not over-committing their board members with service on too many committees. Some smaller private company boards may consider having only a separate audit committee, with other significant topics such as risk and succession planning addressed by the full board on a regular basis. In most cases, strategy discussions take place at the full board level anyway.

Staying private has a number of advantages, including fewer compliance requirements and lack of investor pressure and scrutiny with regard to performance as well as governance practices. But, outside pressure can often be helpful to companies when it comes to keeping their focus on emerging risks and competitive threats. For example, companies that don't have private equity investors should consider the governance practices of such structures — whereby they institute regular checkpoints to discuss their strategic objectives and ensure strategy is being implemented properly through the use of key performance metrics. While it may not be practical in every case, private companies may want to consider conducting strategic retreats, which allow for a more robust deep-dive on strategy with the board management together; such a process is considered a leading practice for private company boards.

In many instances, the full board of a private company also is the designated "risk committee." The board should consider understanding how enterprise-wide operational, financial, compliance and strategic risks are identified, assessed and continually monitored. The full board should consider discussing the most significant strategic risks to the enterprise. In some instances, private companies should consider bringing in outside expertise to help provide information and questions the board should ask of management with regard to a specific identified strategic risk. Cyber risk is one area where an outside perspective can be helpful to boards to understand leading practices when it comes to spotting vulnerabilities, protecting their most valued assets, and developing mitigation strategies.

Key person risk is another strategic risk. Boards should consider addressing how they will drive CEO succession planning as well as advising on other C-suite succession and development plans. Succession planning should be a continual process and the board should be instrumental in confirming that potential successors align with and can continue to drive the strategy that board has signed off on.

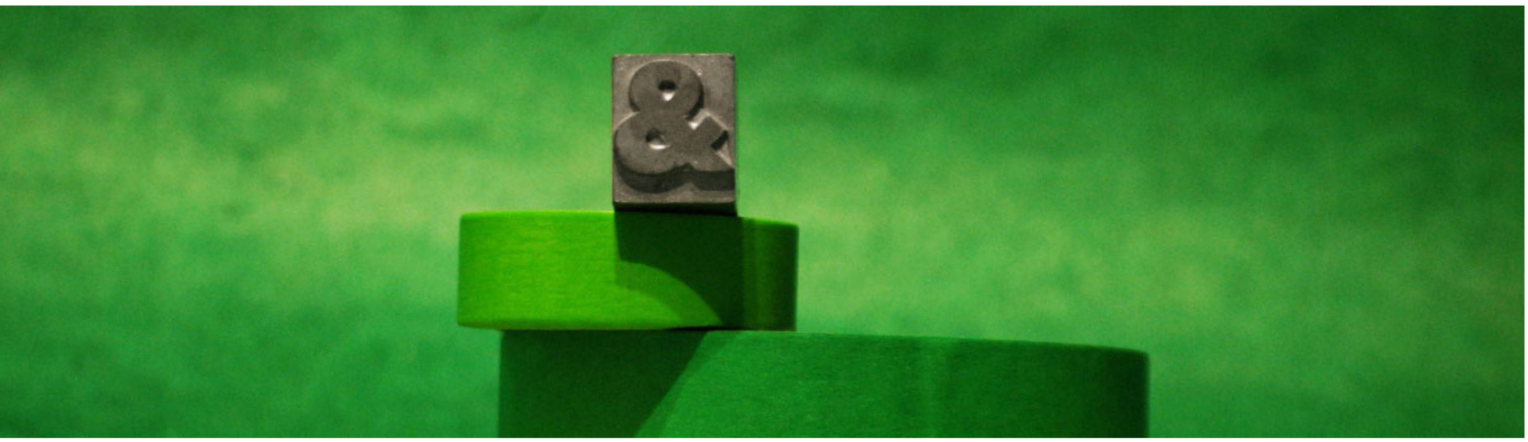
"The likelihood of successful leadership transitions is greatly enhanced when private company boards regularly revisit key executive succession plans," says Thomas Plaut, partner, Deloitte Tax LLP.

Each private company should determine what type of board they need and what role it will play with regard to strategy, performance, succession, risk, and setting the tone at the top

Questions to consider

- Does your board composition reflect your customer base and do you have the right balance of outside and internal directors in place?
- Do you need stronger metrics for developing, implementing, and monitoring strategy and are you giving enough emphasis to long-term planning?
- Do you have a good understanding of the enterprise–wide risks and how they were identified and continually monitored?
- Are you exposing yourself to the outside perspectives necessary to inform about strategic risks that could be, for example, threats to the business or changes in the operational environment that could affect your strategy?

M&A discipline



Mergers and acquisitions set **a global record** in 2015 but activity among private companies was not as robust as the year before.[55]

Completed deals among middle-market firms fell 200 transactions from 2014, and momentum was trending lower in the fourth quarter.[56] The declining appetite for deals was captured in Deloitte's latest survey of mid-market executives, in which only 8 percent cited M&A as their main growth strategy over the coming 12 months, down from 12 percent six months prior. Similarly, the number of executives who believed their company is likely or very likely to participate in a merger over the coming year also declined.[57]

Issues

The moderating interest in M&A may be a direct result of the surge in activity in recent years, which elevated acquisition prices and reduced the number of available targets, says Kevan Flanigan, national managing director, Deloitte Corporate Finance LLC. "However, it should be noted that, for many top-performing private companies, valuations and liquidity options remain strong by any historical comparison. The challenge in identifying attractive acquisition targets requires even greater vigilance in sourcing, screening, and vetting potential opportunities," Flanigan says.

That kind of due diligence could be a stretch for some private companies to perform on their own, as many lack the internal infrastructure and skills needed to make M&A a consistent and viable part of their strategy. Acquisitions require in-depth knowledge of the competitive landscape and a deep understanding of valuation and financing methods, especially during times when deal multiples are rising and buyers need to remain disciplined.

Acquisitions require in-depth knowledge of the competitive landscape

Opportunities

Family-owned and other privately held companies can take steps now so they are better prepared to evaluate potential targets. Most public companies make it an annual — if not more frequent — commitment to assess the landscape for potential merger and acquisition targets. Privately held companies would do well to emulate this practice in the current environment in order to increase their market awareness and put themselves in a good position to pounce if they identify an attractive candidate.

Closely held companies should also consider investing the time to build trusted relationships with investment bankers, private equity investors, or other outsiders who monitor and view their industry from a broader perspective. This deal infrastructure is critical for moving fast — again, an important factor in the currently active M&A market where candidates are growing scarce and are likely to field multiple offers.

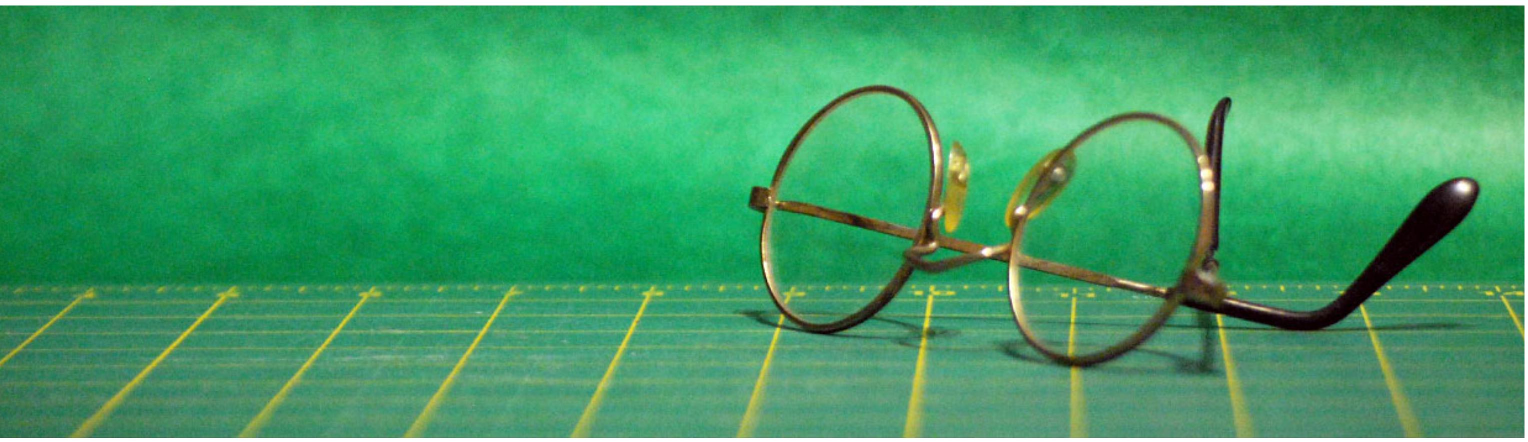
In addition, private company leaders could designate an individual or a small team to oversee and take responsibility for mergers and acquisitions. This dedicated team could help their company respond to acquisition opportunities, and also direct the integration process after deals are completed. This group could also oversee workforce stabilization and communications—to new and existing employees and to customers and suppliers—as well as implementing systems and processes to facilitate a smooth transition.

Most public companies make it an annual commitment to assess the landscape for potential merger and acquisition targets

Questions to consider

- Have you undertaken a recent analysis of the competitive landscape, with an eye toward identifying attractive merger or acquisition candidates?
- Do you have the outside relationships you would need to move quickly in the event of a transaction?
- Have you identified the right internal leaders or teams to oversee and take responsibility for mergers and acquisitions?

Talent



The labor market continues to be a bright spot in the US economic recovery, with unemployment falling to 5 percent at the end of 2015 from as high as 10 percent in the wake of the global recession.[58] Given such tight job market conditions, **it's getting harder for businesses** to find and compete for skilled talent.

Still, private companies have a number of qualities that jobseekers value, including access to leadership, more flexible work environments, and opportunities to connect across the entire company. Private company leaders will likely need to expand on these potential advantages in the months to come to secure the talent they need to grow.

Issues

After years of struggling to find work, today's job seekers finally have the upper hand: The number of unemployed persons per job opening in the United States was 1.5 in November 2015, down significantly from 6.8 in July 2009.[59] The shrinking talent pool is creating wage pressures for private employers; our latest survey of mid-market executives found that nearly two-thirds plan to combat skills shortages by offering increased compensation in the year ahead.[60]

With much of their focus on finding new employees with the right skills, private companies may be neglecting a key aspect of successful talent management: keeping the workers they already have. Job mobility is on the rise and with it the potential risk that key personnel who aren't sufficiently motivated or compensated may walk out the door. "The competition is tough when it comes to finding and keeping top talent," says Jeff Alderton, principal at Deloitte Consulting LLP. "Private companies clearly recognize the importance of worker retention to the future success of their businesses. They view talent as an investment, not a cost, and know that making a commitment to an individual's professional growth can have a high rate of return."

Training and development is one area where private companies can set themselves apart

Opportunities

Although they may be hard-pressed to outbid larger public companies in the war for talent, smaller private employers have some inherent advantages when it comes to attracting and retaining skilled workers. Without layers of bureaucracy to navigate, such firms typically offer closer access to company leaders and their vision for the future. That means they are less prone to issues stemming from culture and engagement, the number one challenge cited by global organizations in Deloitte's 2015 Human Capital Trends report.[61] The input from lower-level employees is also much more likely to result in organizational change, and they can often see the direct impact of their contributions on the company's success.

But with labor market conditions as tight as they are, that may not be enough to fill vacancies and keep existing employees from leaving. Training and development is one area where private companies can set themselves apart. Indeed, more than half of the respondents in our latest mid-market survey plan to make investment in training over the next 12 months.[62] Here, again, flatter organizations can potentially benefit by unleashing the power of their own experts, giving employees teaching roles rather than directing development programs from the HR suite. Leading employers are also creating on-demand learning opportunities by harnessing technology — including digital learning tools, video offerings, and new cloud-based training systems — to develop talent in a customized way.

In some cases, private companies may be able to turn to cognitive computing technologies to perform tasks once considered solely the domain of humans. Emerging solutions in speech recognition, computer visualization, and machine learnings are converging to redesign work, helping people redefine their roles and concentrate on higher-order tasks that add more value to their company's strategy.

As private companies work to fill new positions, they could benefit from cultivating a diverse workforce along with a skilled one. A recent survey of 454 global organizations published by Bersin by Deloitte found that employers who implement diversity and inclusion policies perform better than those that don't, earning as much as 2.3 times higher cash flow per employee.[63]

Nearly two-thirds of mid-market executives plan to combat skills shortages by offering increased compensation in the year ahead

Questions to consider

- Are you offering a competitive compensation and benefits package that will attract and retain the right talent?
- Are you allocating enough resources and energy to train and develop your existing employees and keep them motivated?
- Are you taking advantage of technology solutions to help train employees and free them up to focus on value-added tasks?
- Does your talent strategy include a specific focus on workplace diversity?

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