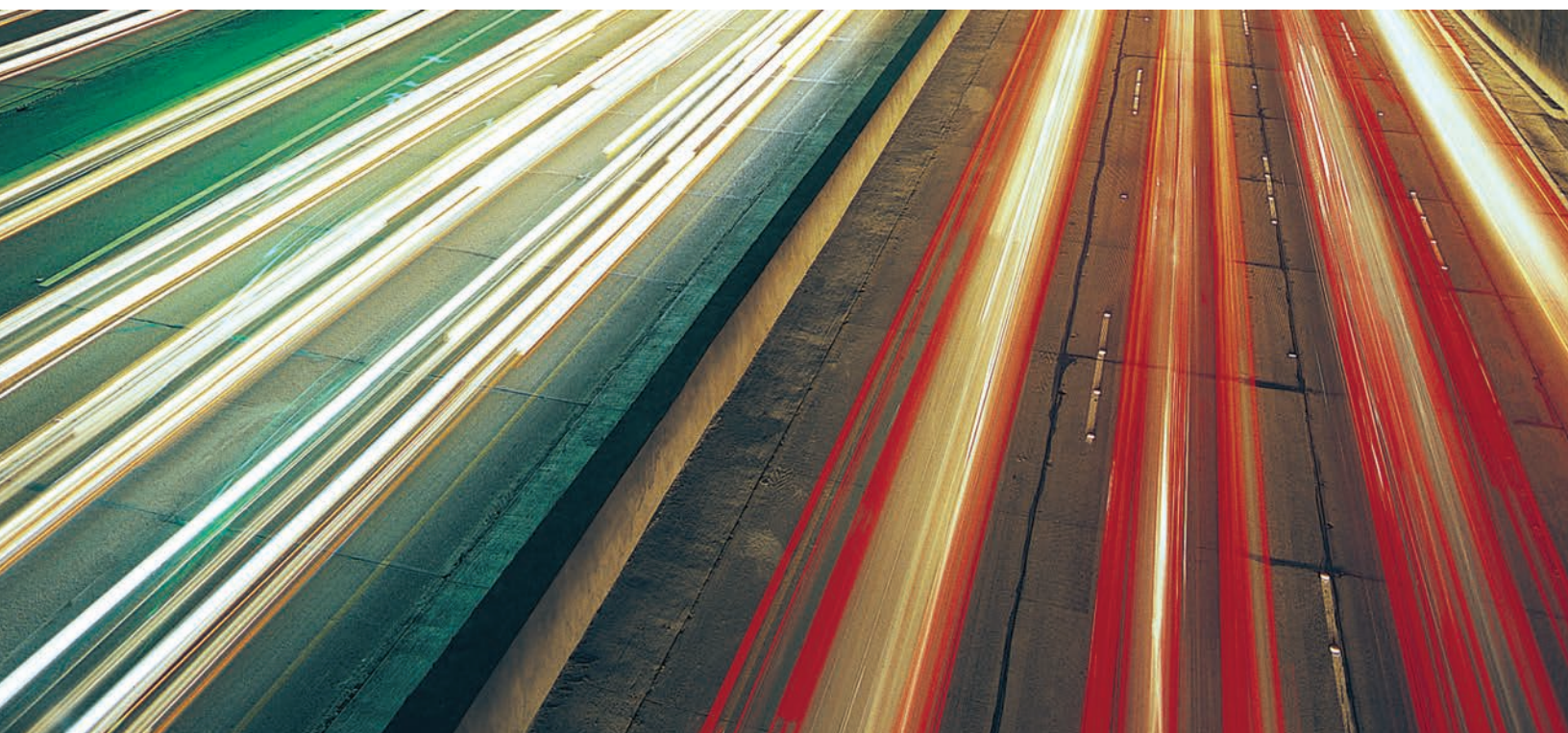




Appendix: full survey results

America's economic engine: Tapping the brakes



A mid-market perspectives report



Acknowledgment

We would like to thank all survey respondents and interviewees for their time and the insights they shared for this report, *America's economic engine: Tapping the brakes*.

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Tapping the brakes

About the survey

From October 22 to November 4, 2015, a Deloitte survey conducted by OnResearch, a market research firm, polled 522 executives at US mid-sized companies about their expectations, experiences and plans for becoming more competitive in the current economic environment. Respondents were limited to executives at mid-market companies with annual revenues between \$50 million and \$1 billion.

Eighty-one percent of the companies represented were privately held; 19 percent were public. Of the private companies, 33 percent were family-owned and 31 percent were closely (non-family) held; 33 percent were private-equity or VC-backed or had other ownership structures.

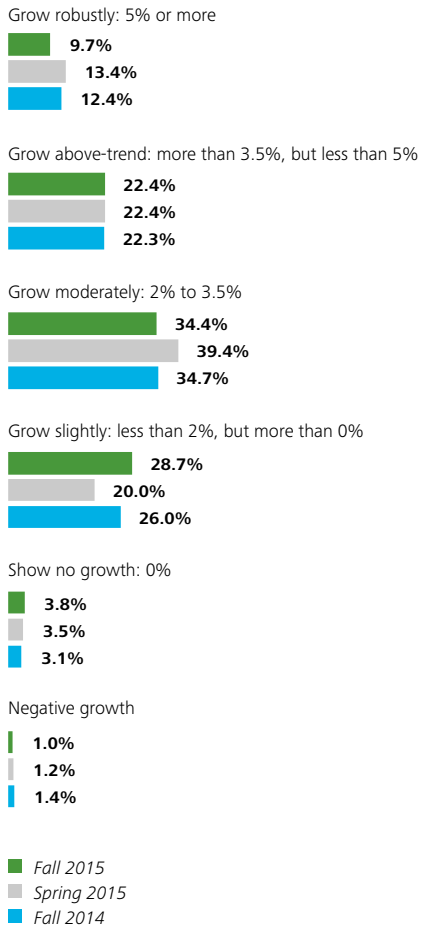
Half of the respondents were owners, board members, or C-suite executives; the remainder included vice-presidents, department or business line heads, or managers. Industries were diverse: those with the largest representation were consumer and industrial products; technology, media and telecommunications;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

The full survey results are included in this document; 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. All changes in survey results reported are statistically significant at the 95 percent confidence level.

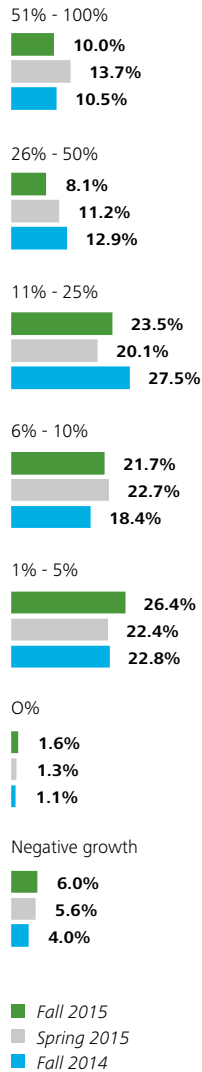
The report based on these survey findings,
America's economic engine: Tapping the brakes,
can be found on our website at
www.deloitte.com/us/dges/tappingthebrakes

Performance and growth

At what pace do you expect the U.S. economy to grow over the *next* 12 months?

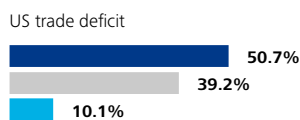
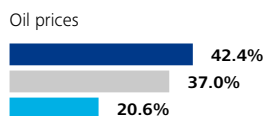
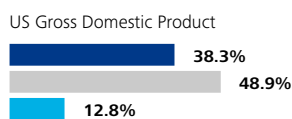
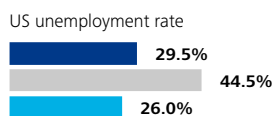
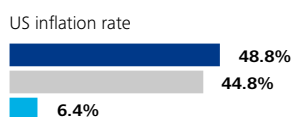
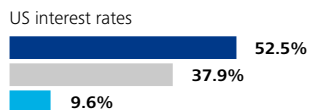


What would you estimate your business' revenue growth to be over the *next* 12 months?



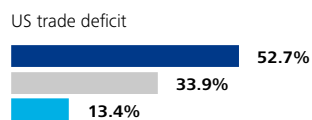
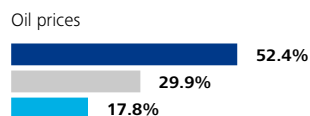
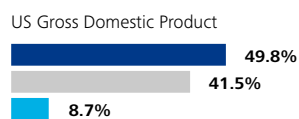
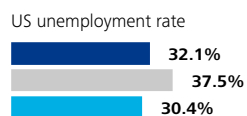
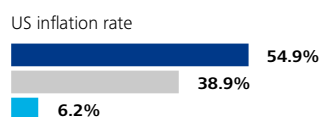
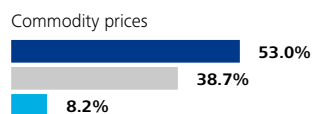
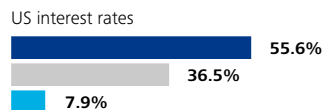
What do you believe is the most likely outlook for the following over the next 12 months?

Fall 2015



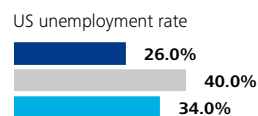
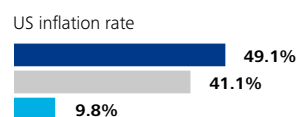
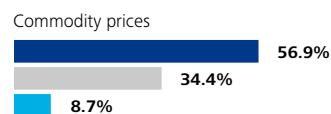
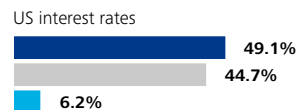
■ Higher
■ No change
■ Lower

Spring 2015



■ Higher
■ No change
■ Lower

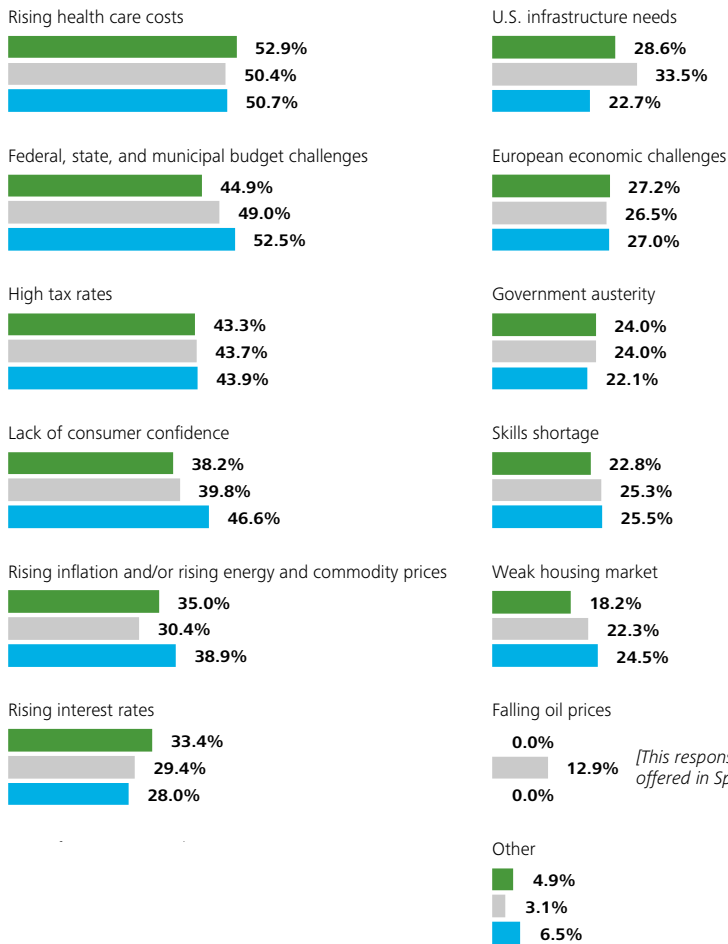
Fall 2014



■ Higher
■ No change
■ Lower

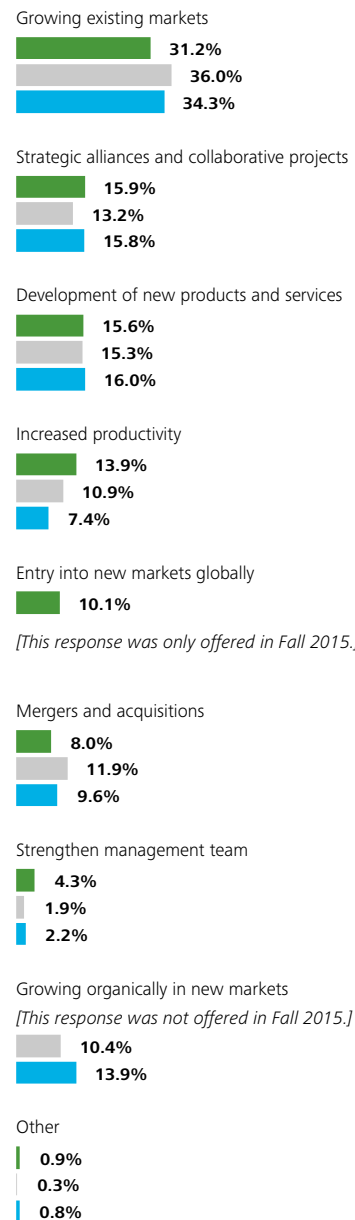
Performance and growth (continued)

Which of the following issues present the greatest obstacles to US growth over the *next* 12 months? (Please select all that apply.)



■ Fall 2015
 ■ Spring 2015
 ■ Fall 2014

What is your company's main growth strategy over the *next* 12 months? (Please select only one.)

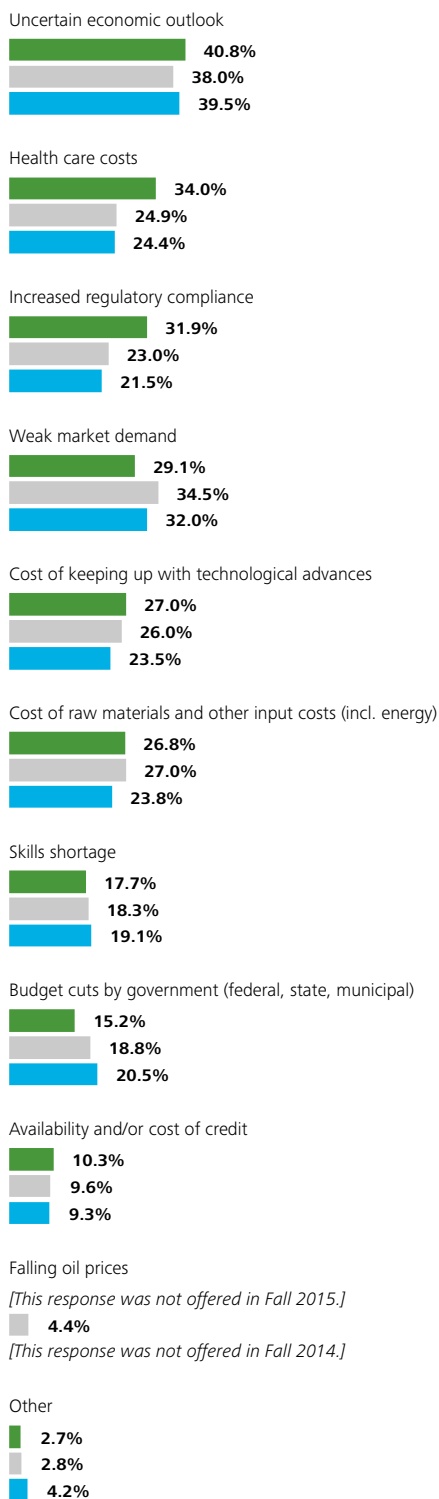


[This response was only offered in Fall 2015.]

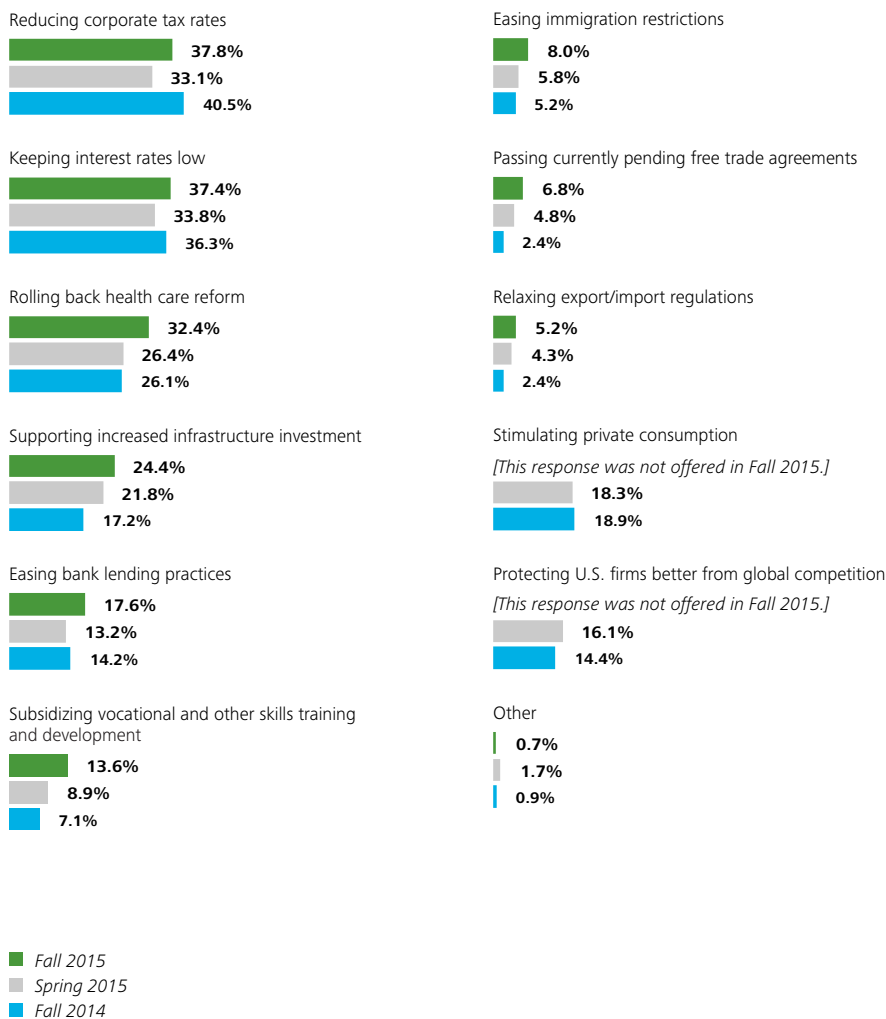
[This response was not offered in Fall 2015.]

■ Fall 2015
 ■ Spring 2015
 ■ Fall 2014

What are your company's main obstacles to growth? (Please choose up to three.)



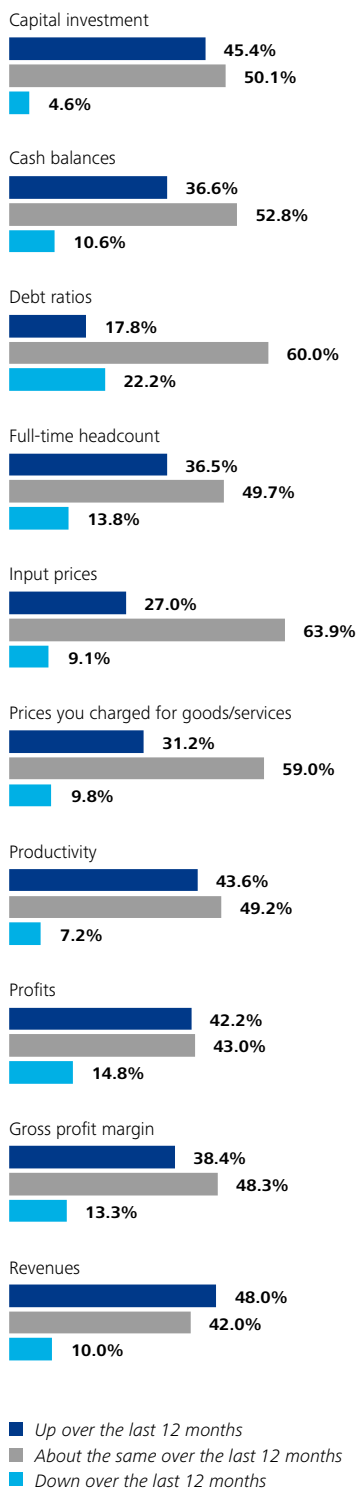
Which of the following measures by the US government would most help US mid-sized businesses to grow in the next year? (Please choose up to two.)



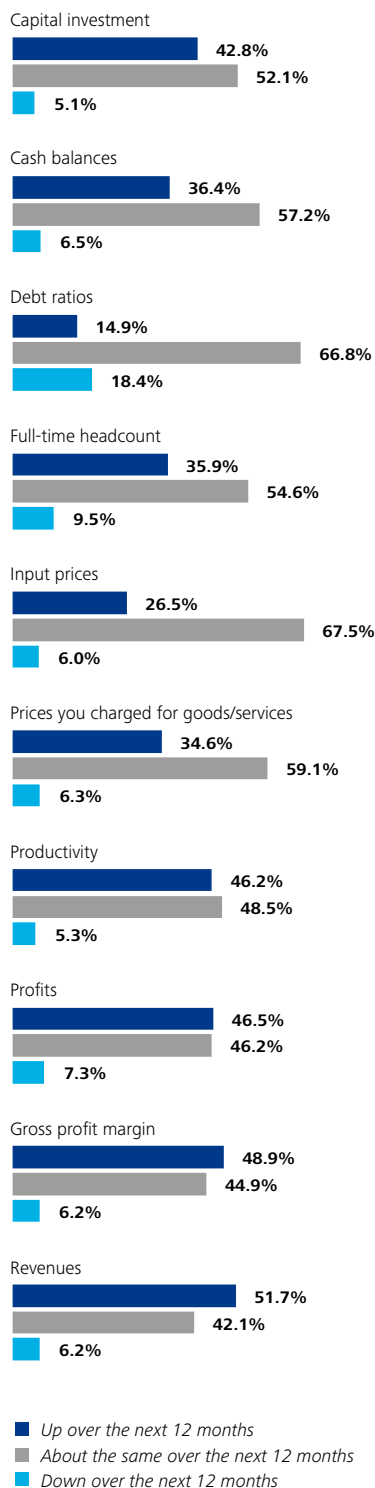
■ Fall 2015
 ■ Spring 2015
 ■ Fall 2014

Performance and growth (continued)

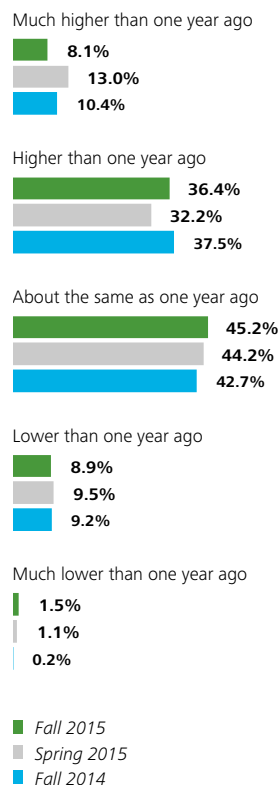
Are the following key metrics of your business up, about the same, or down over the last 12 months?



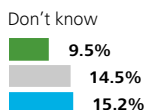
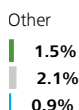
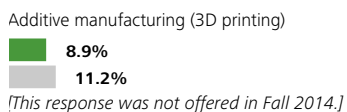
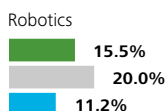
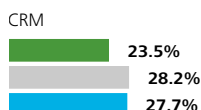
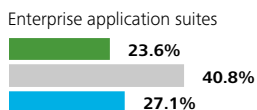
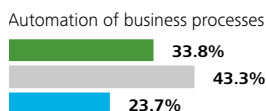
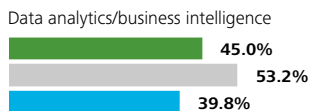
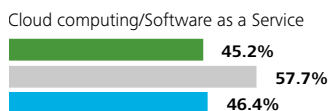
Do you expect these same key metrics of your business to go up, stay the same, or go down over the next 12 months?



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

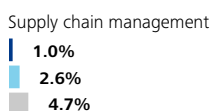
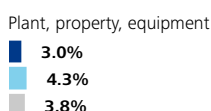
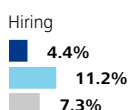
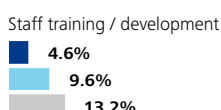
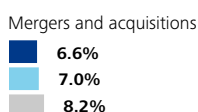
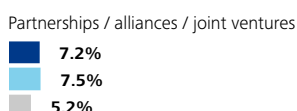
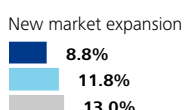
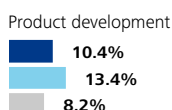
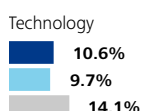
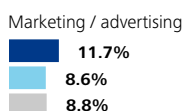


Which investment(s) in technology is your company most likely to make in the next 12 months? (Please choose up to three.)



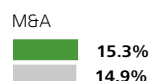
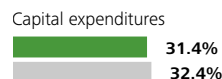
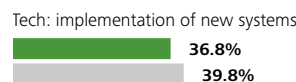
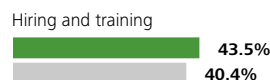
■ Fall 2015
■ Spring 2015
■ Fall 2014

Please rank (in order of importance) your top three priorities for the next 12 months in terms of business strategies.



■ Top
■ Second
■ Third

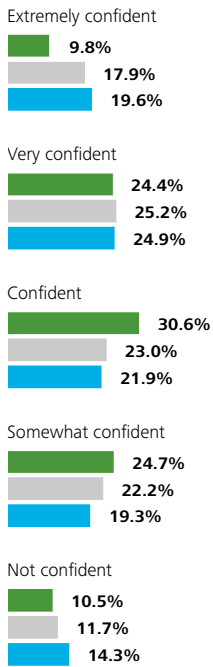
What are your company's top two investment priorities in the next 12 months? (Please select two.)



■ Fall 2015
■ Spring 2015

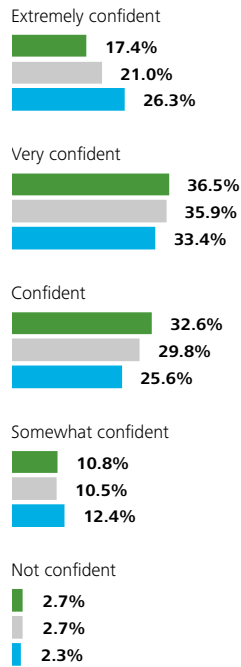
Performance and growth (continued)

What is your level of confidence that the US economy will continue to improve over the next 24 months?



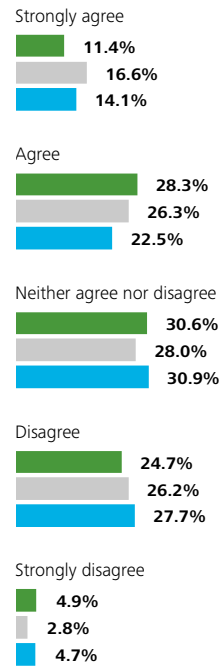
■ Fall 2015
■ Spring 2015
■ Fall 2014

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



■ Fall 2015
■ Spring 2015
■ Fall 2014

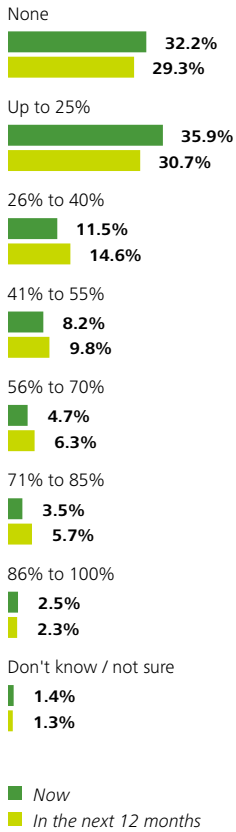
Please indicate your level of agreement with this statement: "We are deferring major investments due to the uncertainty in the current business environment."



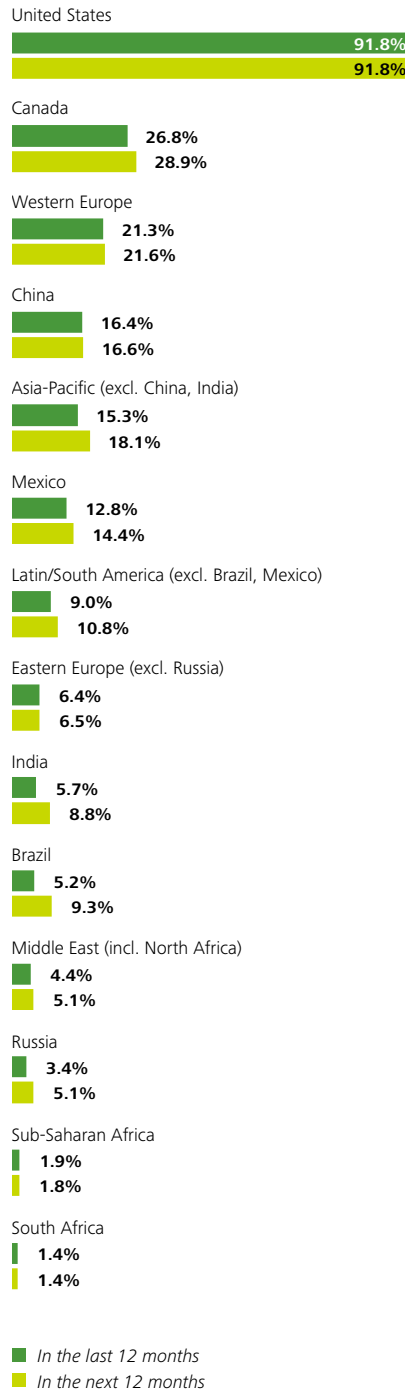
■ Fall 2015
■ Spring 2015
■ Fall 2014

Global and emerging markets

Please specify the proportion of your revenues that come from outside the United States, now and in the next 12 months.

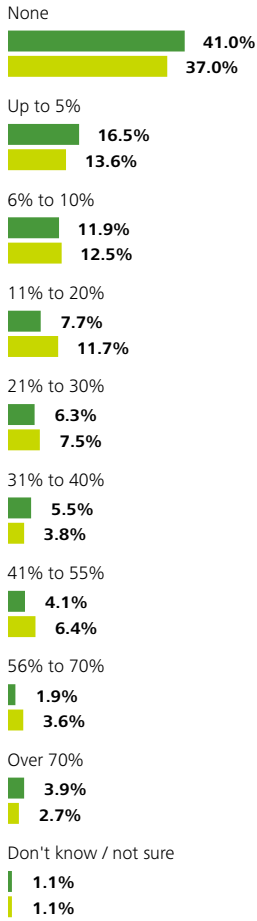


Please specify which geographic markets were the top contributors to your company's growth over the last 12 months, and which will be in the next 12 months.



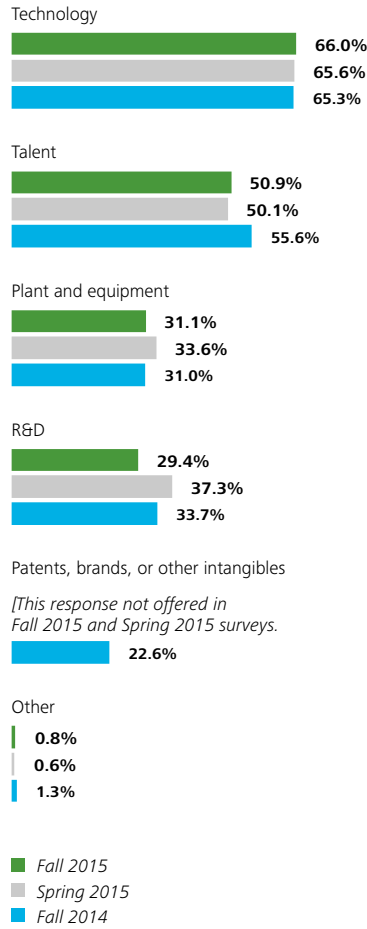
Talent

Please specify the percentage of your workforce based outside the United States, **now** and in the **next 12 months**.



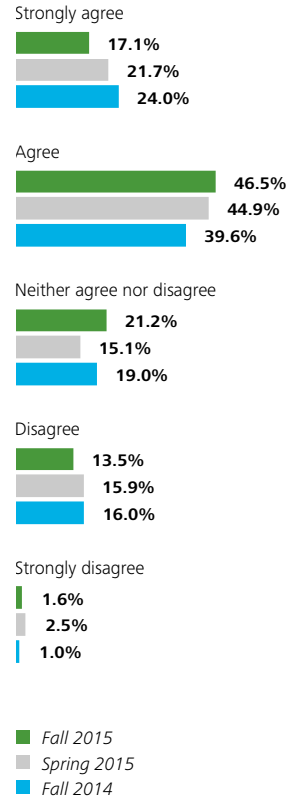
■ Now
■ In the next 12 months

Which investments offer the greatest potential for increasing productivity at your company? (Please select all that apply.)



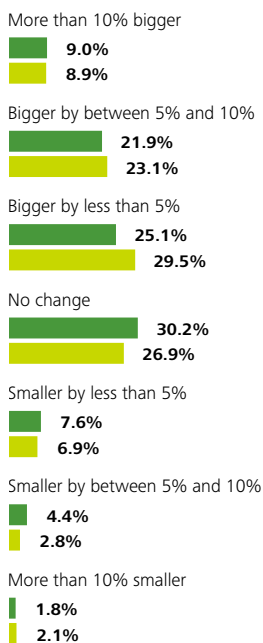
■ Fall 2015
■ Spring 2015
■ Fall 2014

Please indicate your level of agreement with this statement: "It is difficult for us to find new employees with the skills and education to meet the needs of our business."



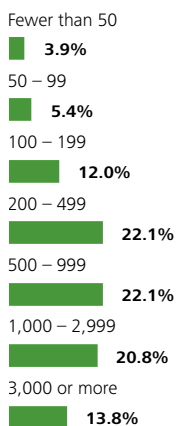
■ Fall 2015
■ Spring 2015
■ Fall 2014

How has the size of your full-time domestic workforce changed over the *last* 12 months, and what do you expect in the *next* 12 months?



■ Now
■ In the next 12 months

Approximately how many full-time staff are employed by your business?



Which investment(s) in talent is your company most likely to make in the *next* 12 months? (Please select up to two.)



■ Fall 2015
■ Spring 2015
■ Fall 2014

Financing

What types of financing do you expect your company to pursue in the *next* year? (Please select all that apply.)

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



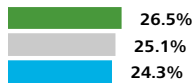
Cash-flow financing



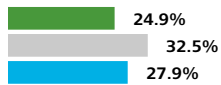
Private sources (e.g., private equity)



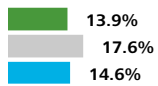
Secured loans



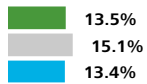
Internal sources



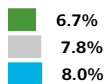
Leasing



Public (e.g., stock offering)



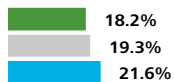
Unsecured loans



Other



We do not expect to use financing



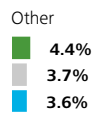
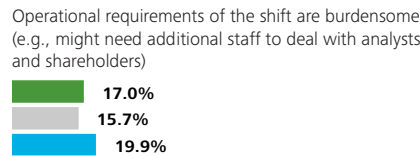
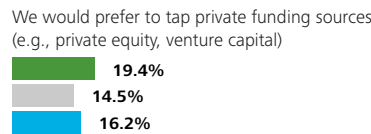
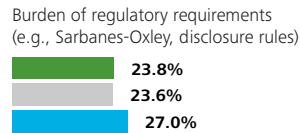
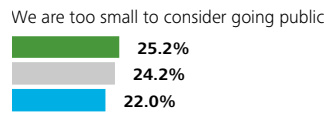
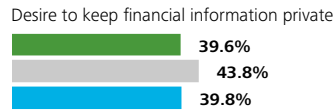
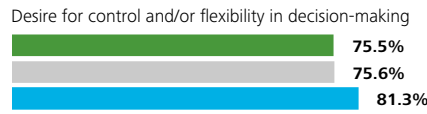
Public vs. private

Which of the following best describes your company's ownership status?



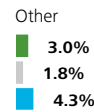
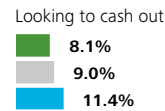
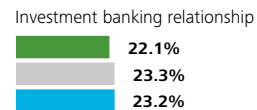
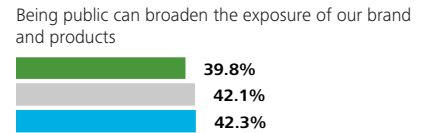
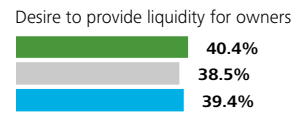
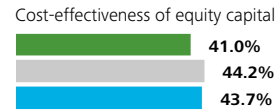
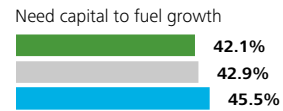
- Privately held, and unlikely to go public within the next 12 months: 60.2%
- Privately held, but likely to go public within the next 12 months: 14.6%
- Privately held, but likely to go public sometime after the next 12 months: 9.4%
- Public, but held by a small number of owners: 8.9%
- Public and broadly held: 6.8%

What factors influence your company's decision to remain private for now? Please select all that apply.



- Fall 2015
- Spring 2015
- Fall 2014

What factors influence your company's decision to be or go public? Please select all that apply.



- Fall 2015
- Spring 2015
- Fall 2014

Mergers and acquisitions

In the past 12 months, have you completed any mergers or acquisitions?



■ Yes: 27.8%
■ No: 72.2%

How many?

Fall 2015



■ One: 34.8%
■ Two: 29.7%
■ Three: 20.9%
■ More than three: 14.6%

Spring 2015



■ One: 24.9%
■ Two: 31.6%
■ Three: 28.9%
■ More than three: 14.5%

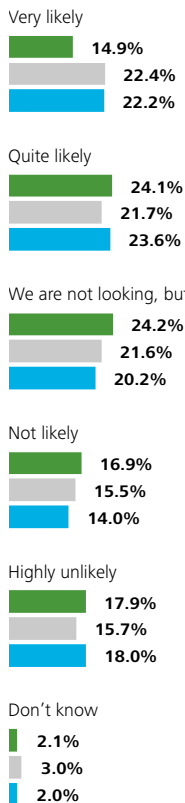
Fall 2014



■ One: 26.6%
■ Two: 36.0%
■ Three: 25.7%
■ More than three: 11.7%

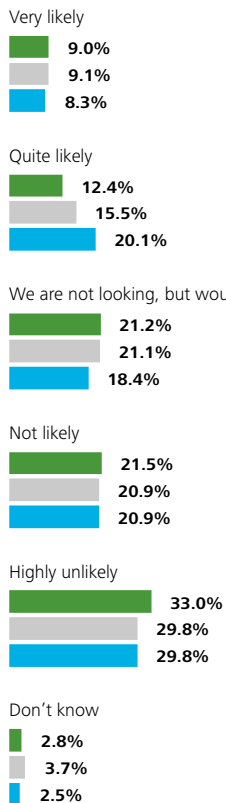
How likely is it that your company will participate in a merger or acquisition in the *next* 12 months...

...as an acquirer?



■ Fall 2015
■ Spring 2015
■ Fall 2014

...as a merger target?



■ Fall 2015
■ Spring 2015
■ Fall 2014

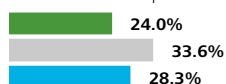
Mergers and acquisitions (continued)

If you participate in a merger or acquisition, which of the following entities is most likely to be the counter-party? (Please choose up to two.)

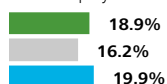
Direct competitor from the United States



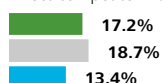
Domestic business partner



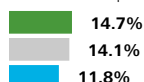
Private equity firm



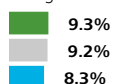
Direct competitor from overseas



Domestic company seeking to enter our business



Foreign business partner



Other private investor



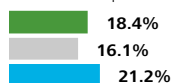
Foreign company seeking to enter our business



Other



We do not expect to be involved in a merger



Legend:
■ Fall 2015
■ Spring 2015
■ Fall 2014

What will be the main drivers of merger activity in your company's industry over the next 12 months? (Please choose up to two.)

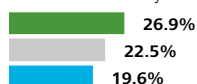
Consolidation to expand/diversify customer base



Consolidation to capture scale efficiencies



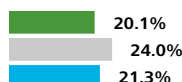
Increased availability of capital



Bargain-hunting for underpriced assets



Renewed confidence in the economy



Renewed risk appetite among investors



Pent-up demand among investors



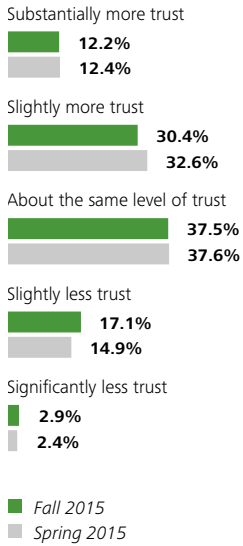
Other



Legend:
■ Fall 2015
■ Spring 2015
■ Fall 2014

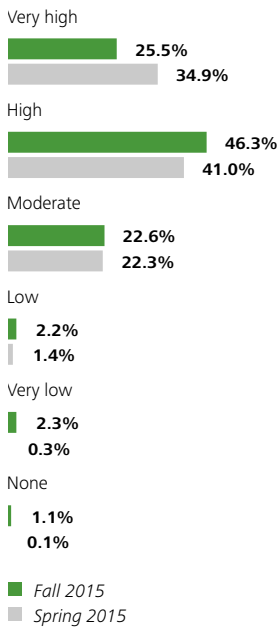
Trust

Among the general public, how would you define the level of trust in business (in general) compared to 24 months ago?

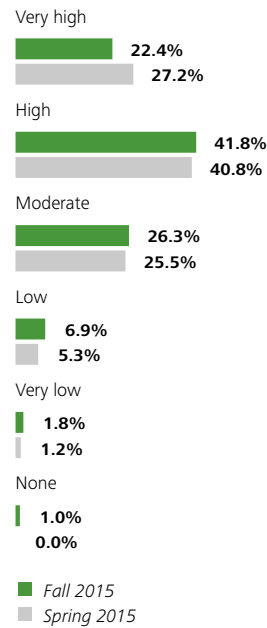


Please select the level of trust you believe each of the following stakeholder groups has in your organization:

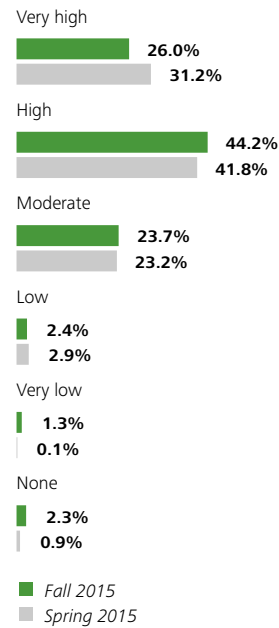
Customers



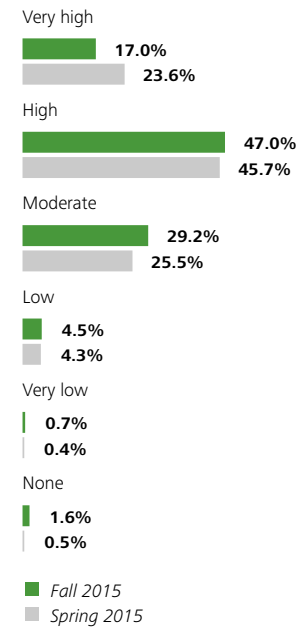
Employees



Investors / owners



Vendors, suppliers, other business partners



Trust (continued)

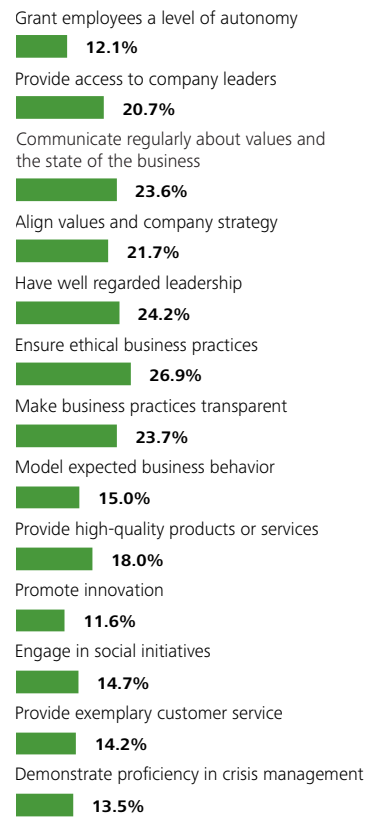
What are the most important actions an organization must take to build trust with employees? (Please choose up to three.)



What are the most important actions an organization must take to build trust with customers? (Please choose up to three.)

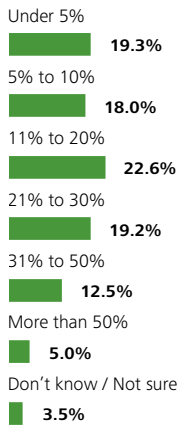


What are the most important actions an organization must take to build trust with other stakeholders (investors, suppliers, the general community, etc.)? (Please choose up to three.)

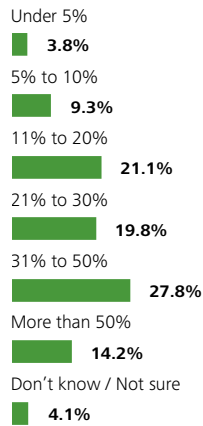


Women and minorities / diversity and inclusion

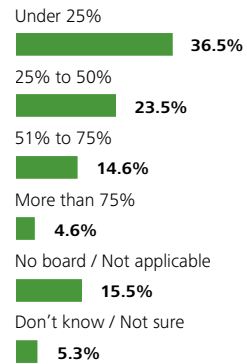
What percentage of your company's executive leadership positions (C-suite or senior management) are held by women and/or minorities?



What percentage of your total employee headcount represents women and/or minorities?



If your company has a board of directors, what percentage is made up of women and/or minorities?



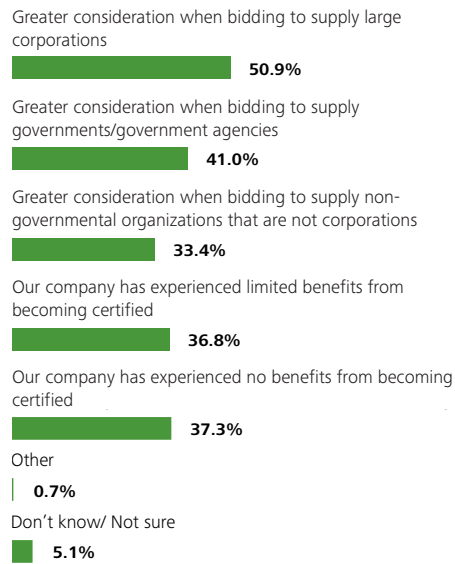
Women and minorities / diversity and inclusion (continued)

Is your company certified as a minority and/or woman-owned business (MWBE)?

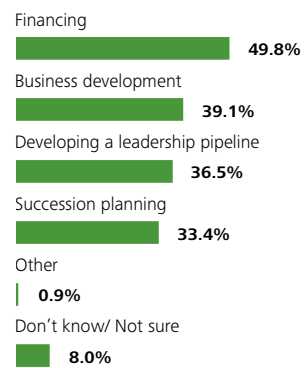


- Yes: 17.5%
- No: 71.2%
- Don't know / Not sure: 11.3%

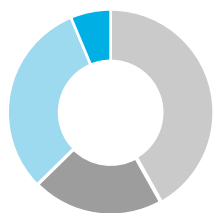
What benefits, if any, has your company received as a result of being certified as a MWBE (Minority or Women's Business Enterprise)? Please select all that apply.



What are the primary challenges your company faces as a minority and/or woman-owned business enterprise (MWBE)? Please select your TOP TWO.

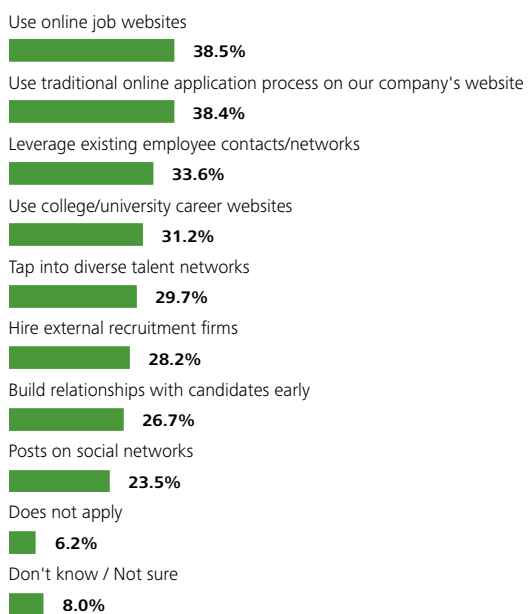


Please select the one response that most closely describes how your company fosters diversity and inclusion.



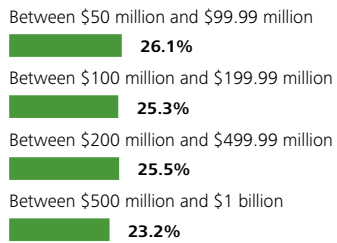
- We have a demonstrated commitment, with established programs in place (e.g., leadership development, mentoring, targeted recruiting and retention): 41.8%
- We are in the process of developing programs that focus on building a diverse and inclusive culture and workforce: 20.8%
- We comply with regulatory requirements, but don't have dedicated programs at this time: 31.0%
- Don't know / Not sure: 6.3%

What are the primary ways your company attracts women and/or minority candidates when recruiting new employees? Please select all that apply.

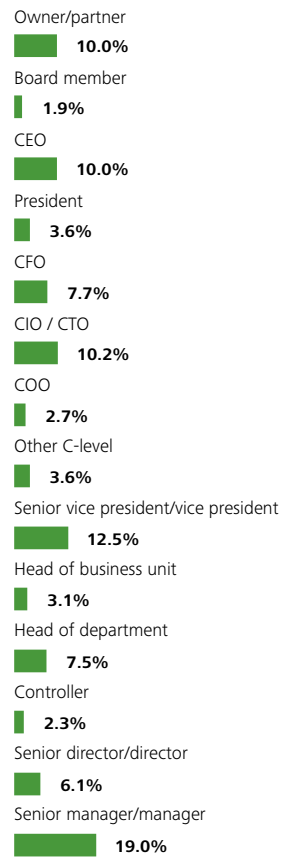


Survey respondent demographics

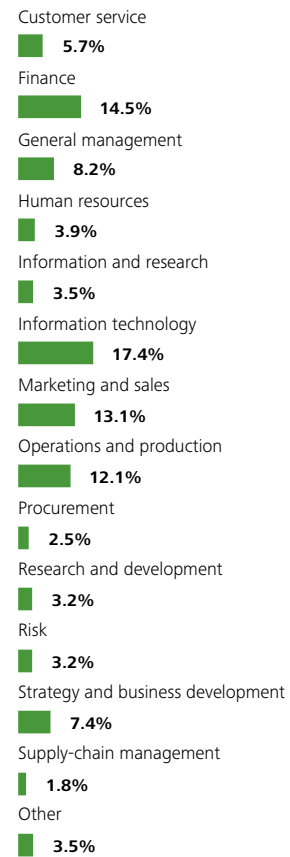
What was your company's 2014 annual revenue in U.S. dollars?



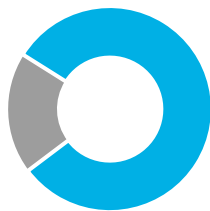
Which of the following best describes your title?



What is your main functional role?

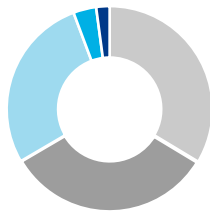


Is your company public or private?



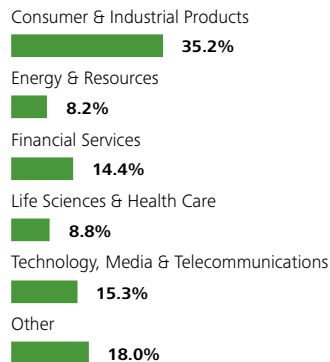
Public: 19.2%
Private: 80.8%

If private, which category best describes your company?

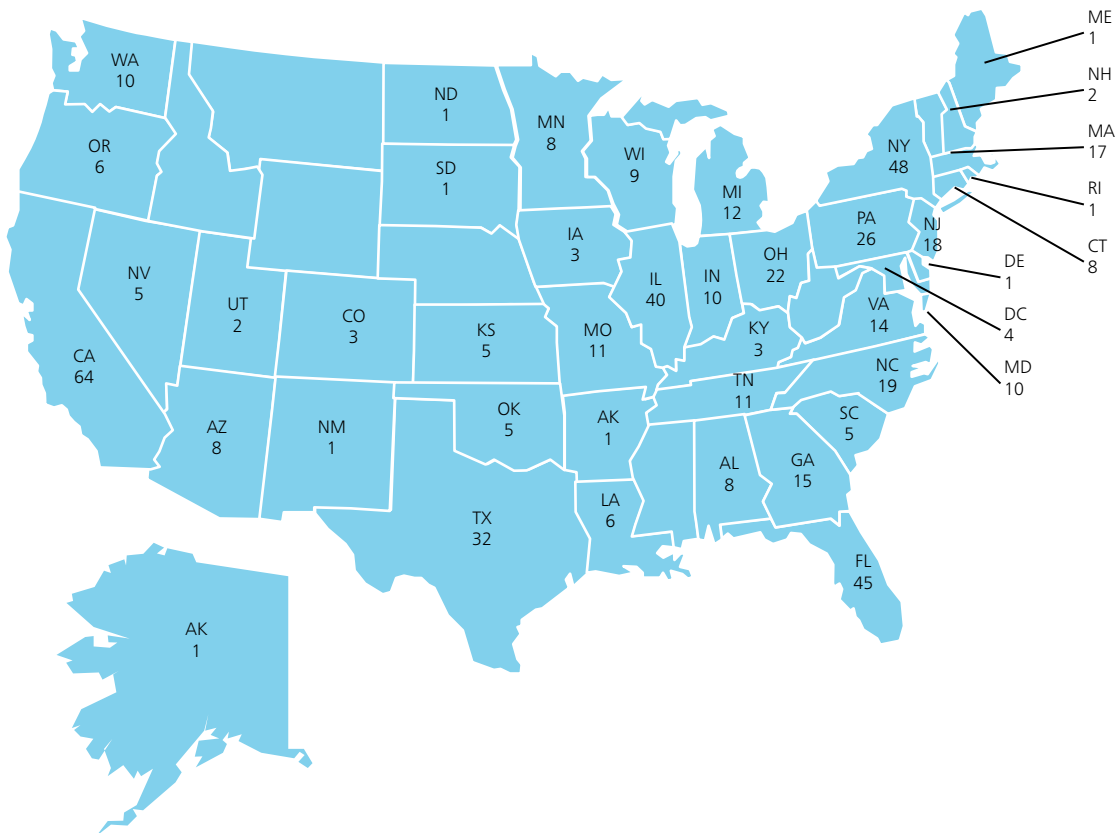


Family-owned: 33.6%
Closely held (excl. family-owned): 32.9%
Private equity owned: 27.7%
Venture capital backed: 3.6%
Other: 2.1%

In which sector does your company operate?



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



Perspectives

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