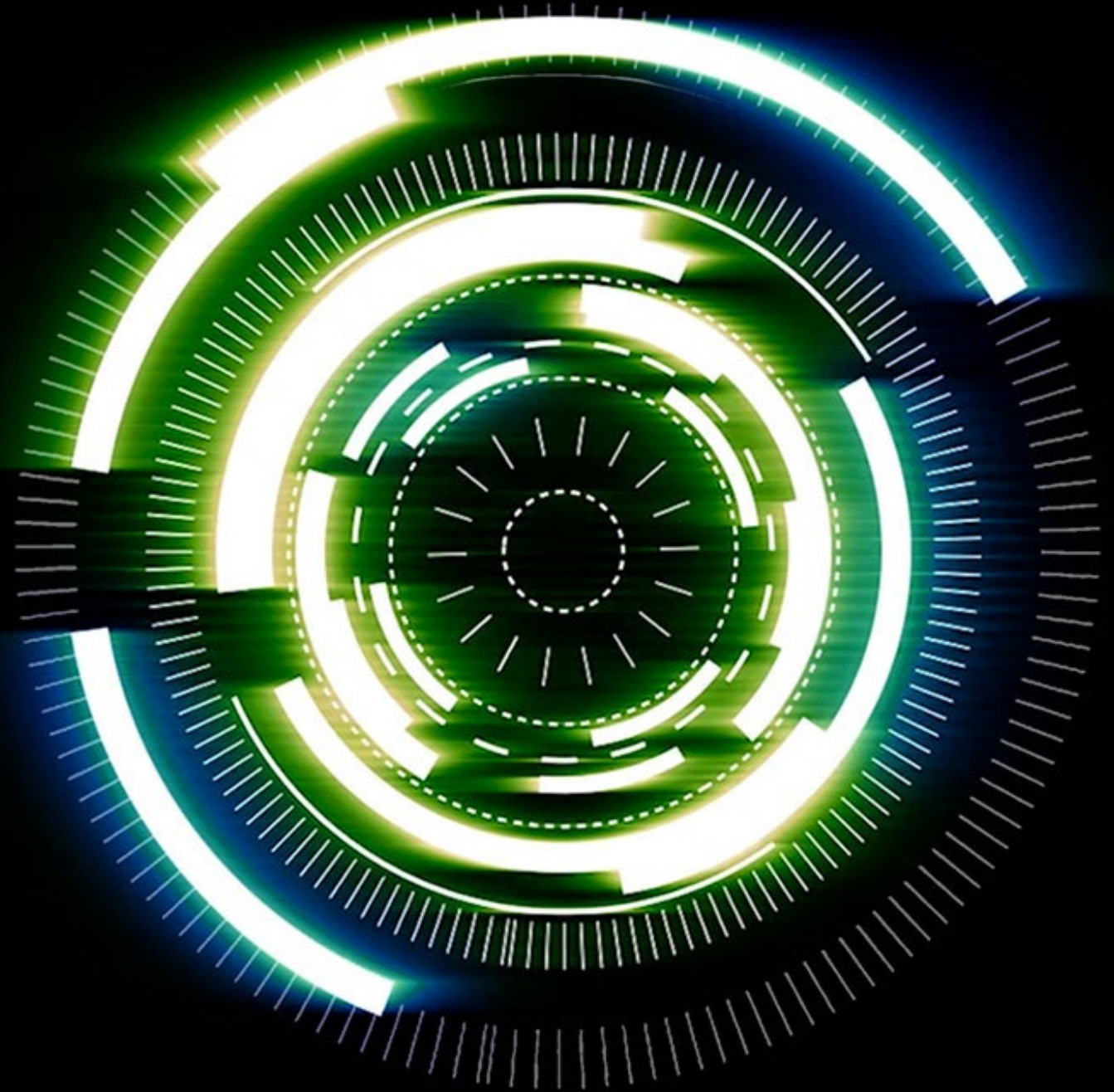


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Private company outlook:
Governance

July 2024



Deloitte asked **100 C-level private business leaders** about their outlook regarding business priorities, corporate governance, AI and business risks in the next 12 months.

OBJECTIVE

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

AUDIENCE

The survey of 100 private company leaders was conducted online by an independent research company between June 13 and 18, 2024. Respondents represented C-level, president, board member, partner/owner roles at private companies in the US with annual revenues of US\$100 million to US\$1 billion+.



Private company leaders and boards are prioritizing AI use and investments in tech over the next 12 months.

Increasing AI use across the organization (43%) and investments in technology (37%) are top leadership priorities among C-suite executives surveyed.

Talent (51%), digital transformation (46%) and emerging tech/AI (44%) are most often on quarterly board meeting agenda. However, 61% of respondents believe their board should spend more time on hiring/retaining talent.



Emerging tech/AI is cited as the #1 competency needed to strengthen the organization's board.

Nearly 8 in 10 respondents say their organizations (79%) are either actively using GenAI or are beginning to pilot it.

Survey respondents agree that emerging technology/AI (43%) is the most important competency to strengthen their organization's board.



Private company C-suite executives perceive climate as a greater risk over the next 12 months than market competition.

Two-thirds of respondents (66%) indicate that climate is a high or very high macro risk to their organization, ahead of market competition (52%).

While half (50%) believe their board is spending an adequate amount of time on these two issues, more respondents feel their board should spend additional time on issues like inflation (64%) and regulatory changes (61%).



Reputational and cyber risks are chief concerns over the next 12 months among private company leaders.

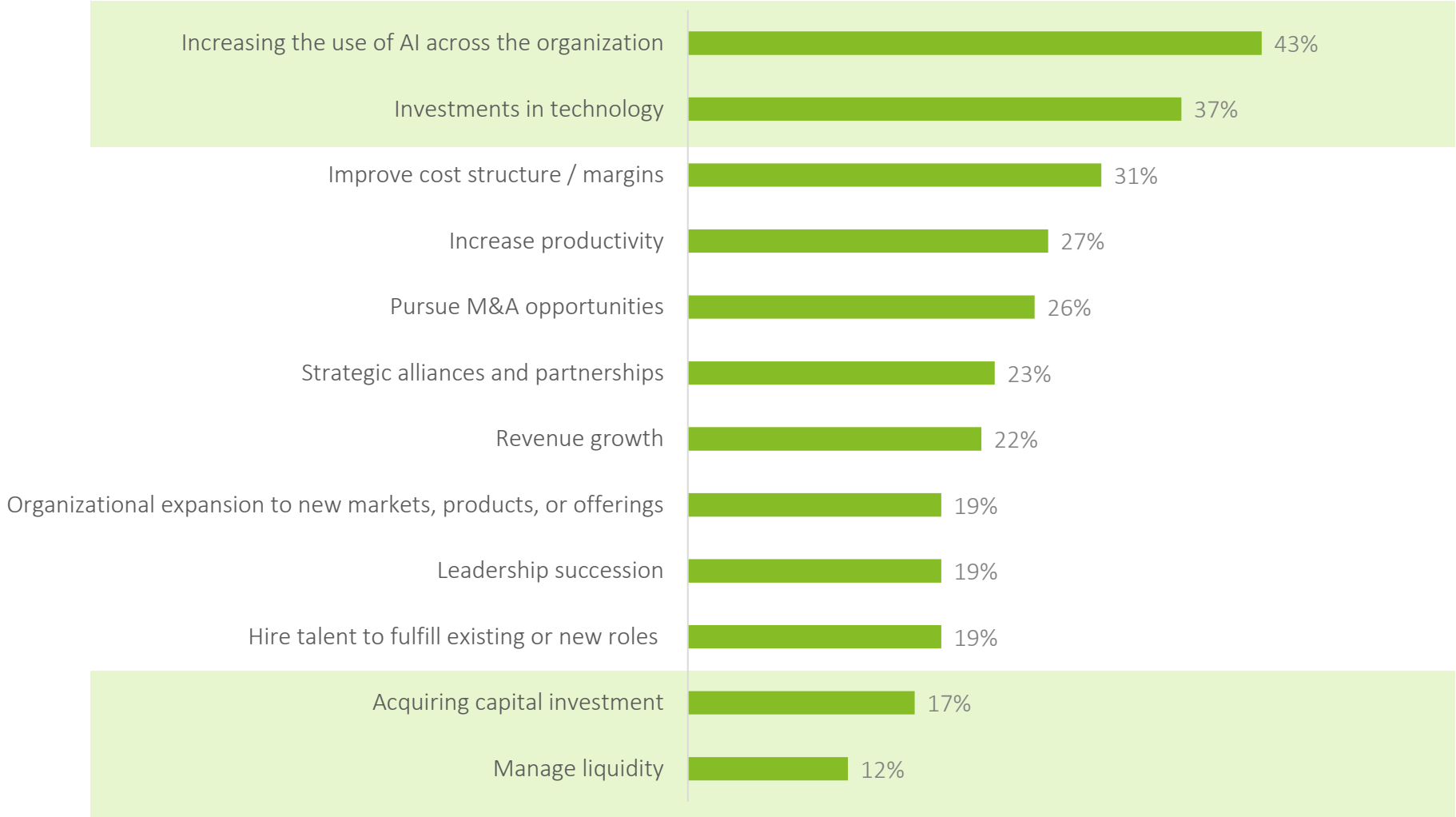
More than half of respondents consider reputational risk (54%) and cyber threats (51%) a high or very high enterprise risk. While nearly half (48%) feel the organization's board is spending an adequate time on these topics, strategic risk (62%) is the primary area respondents feel their boards should spend more time.

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Private company C-suite executives surveyed say the use of AI across the organization (43%) and investments in technology (37%) are the top leadership priorities in the next 12 months.

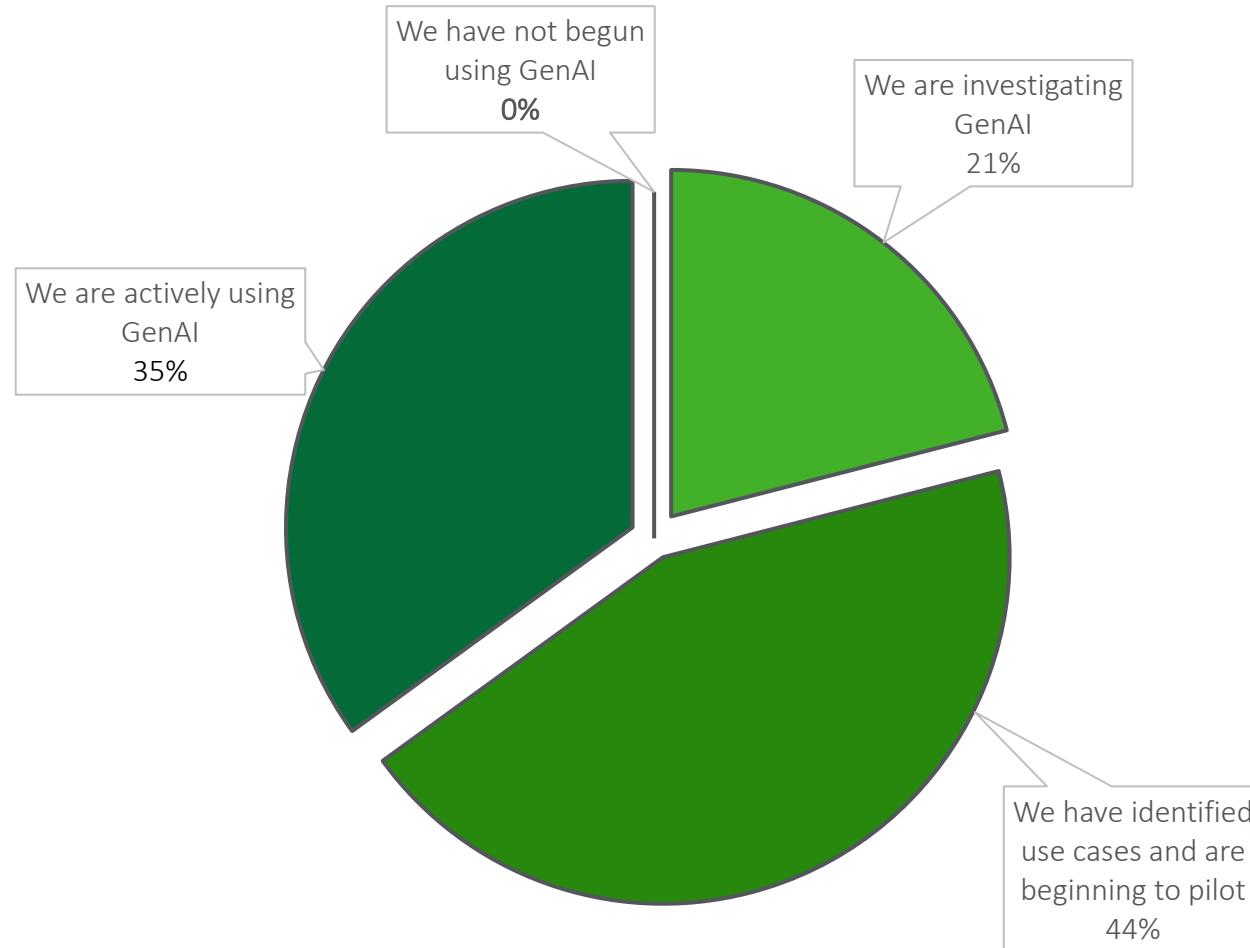
What are the main priorities for your business over the next 12 months

(Select up to three.)



Nearly 8 in 10 respondents (79%) say their organization is either **actively using GenAI** or are **beginning to pilot it**.

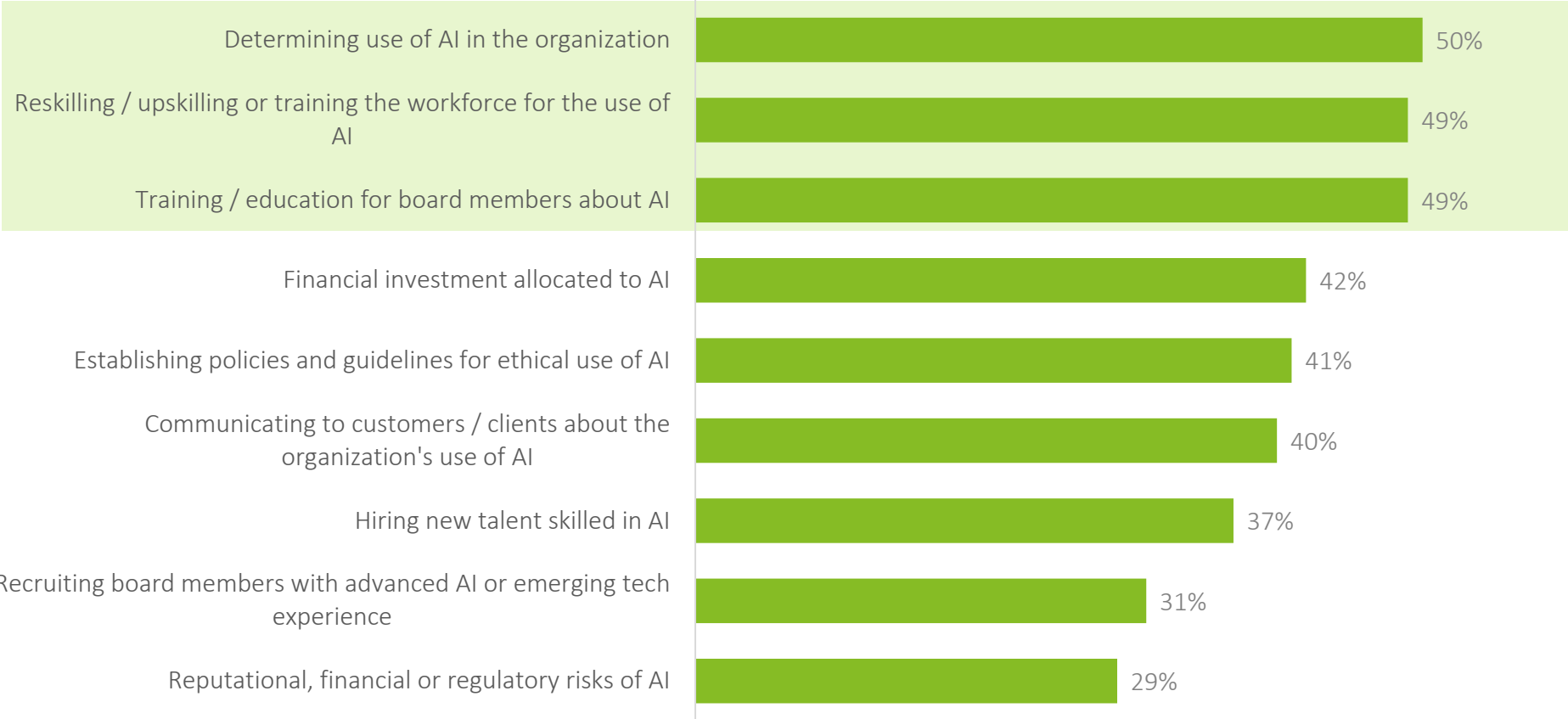
Where is your organization on its Generative AI (GenAI) journey?



When it comes to AI as a leadership priority, respondents said **training/education for board members about AI** is a high or very high priority within the organization – on par with determining AI use and reskilling/upskilling or training the workforce.

Rate the following AI-related leadership priorities in the next 12 months.

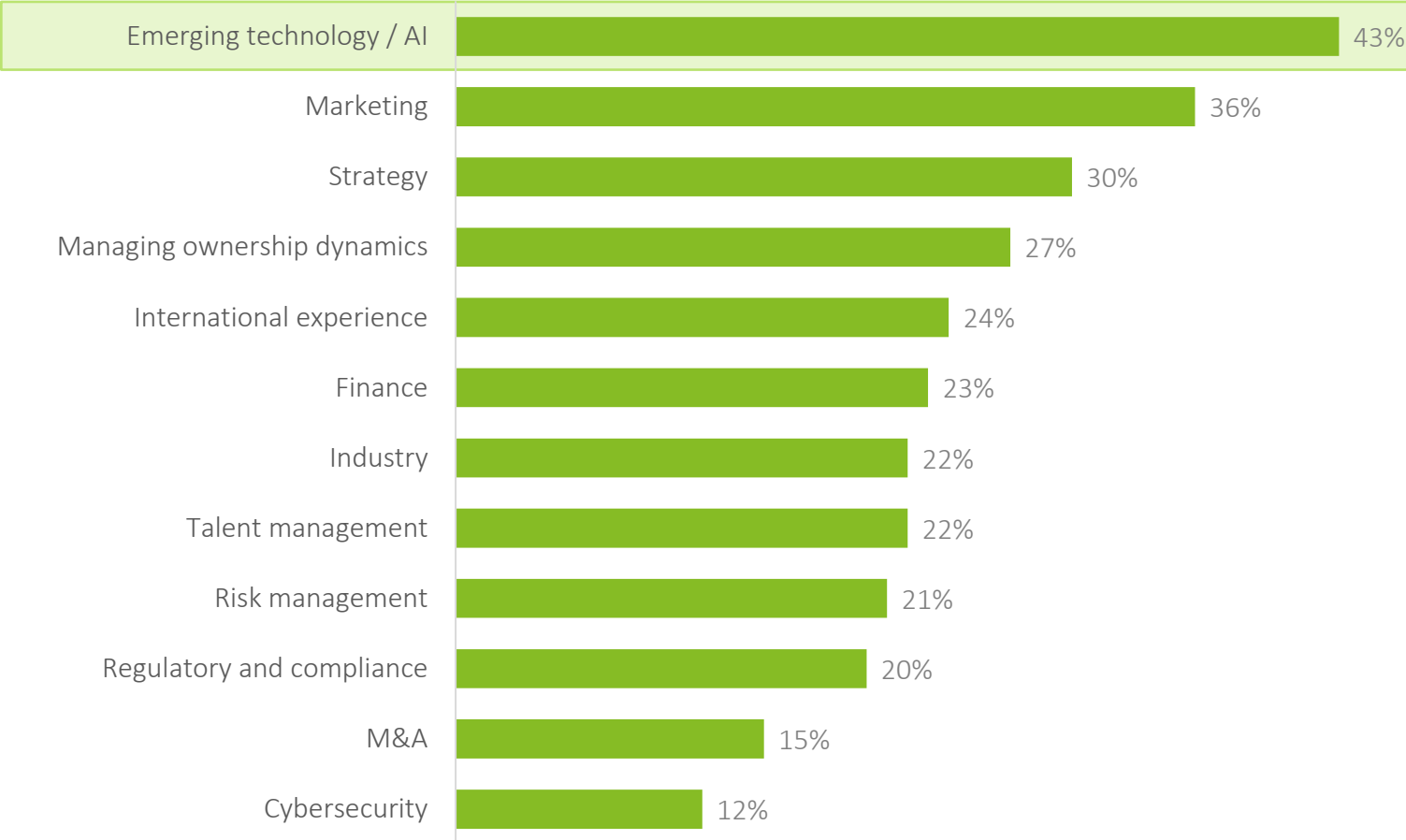
(Percentage responding high/very high priorities.)



Survey respondents believe emerging technology/AI (43%) is the most important competency to strengthen their organization's board.

What do you believe are the most important competencies needed to strengthen your organization's board?

(Select up to three.)

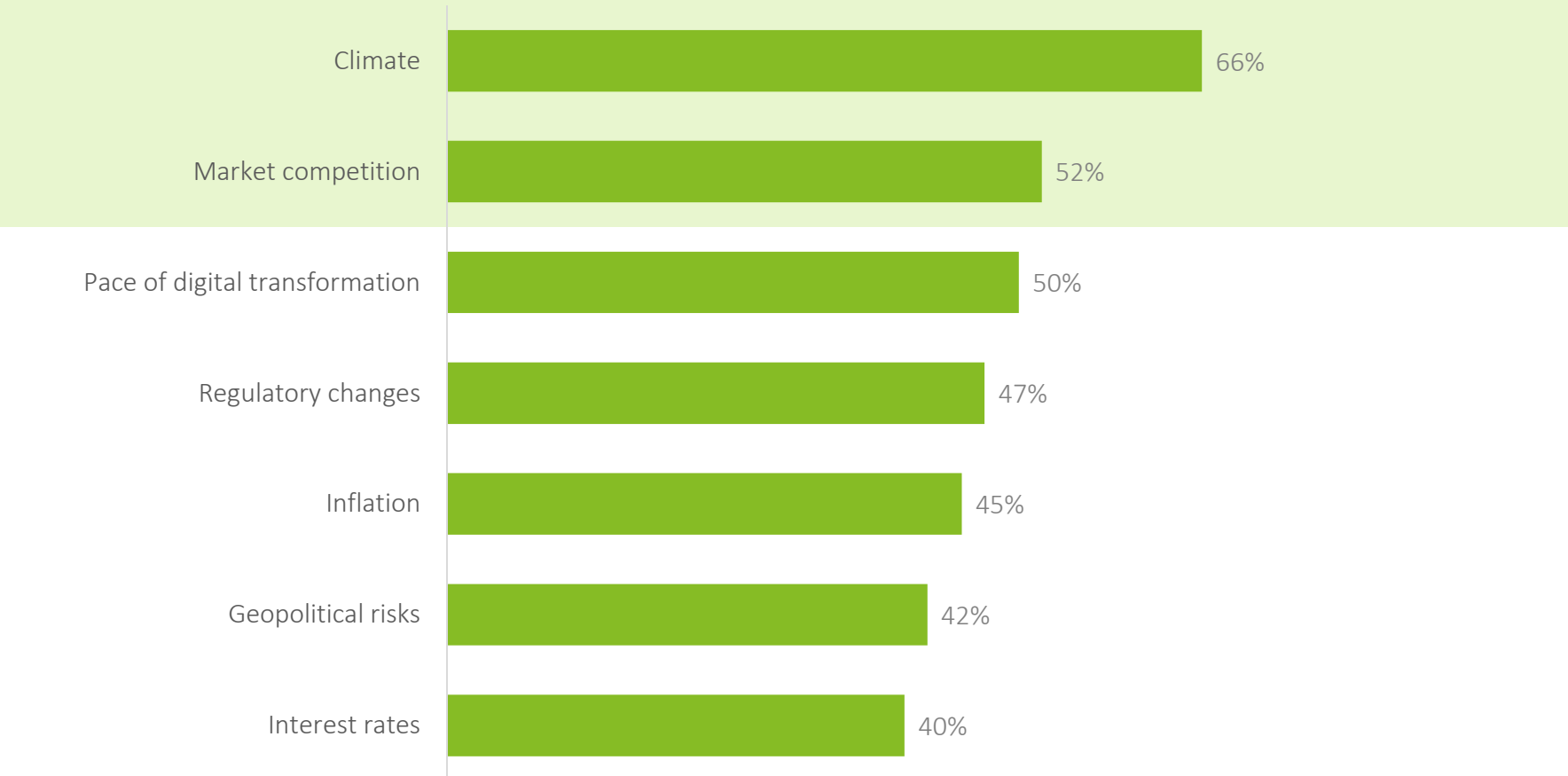


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Two-thirds of respondents (66%) indicated that **climate** is a high or very high macro risk to their organization, followed by roughly half who said **market competition** (52%).

Please evaluate the following macro risks to your organization over the next 12 months.

(Percentage ranking risks as high/very high risks.)

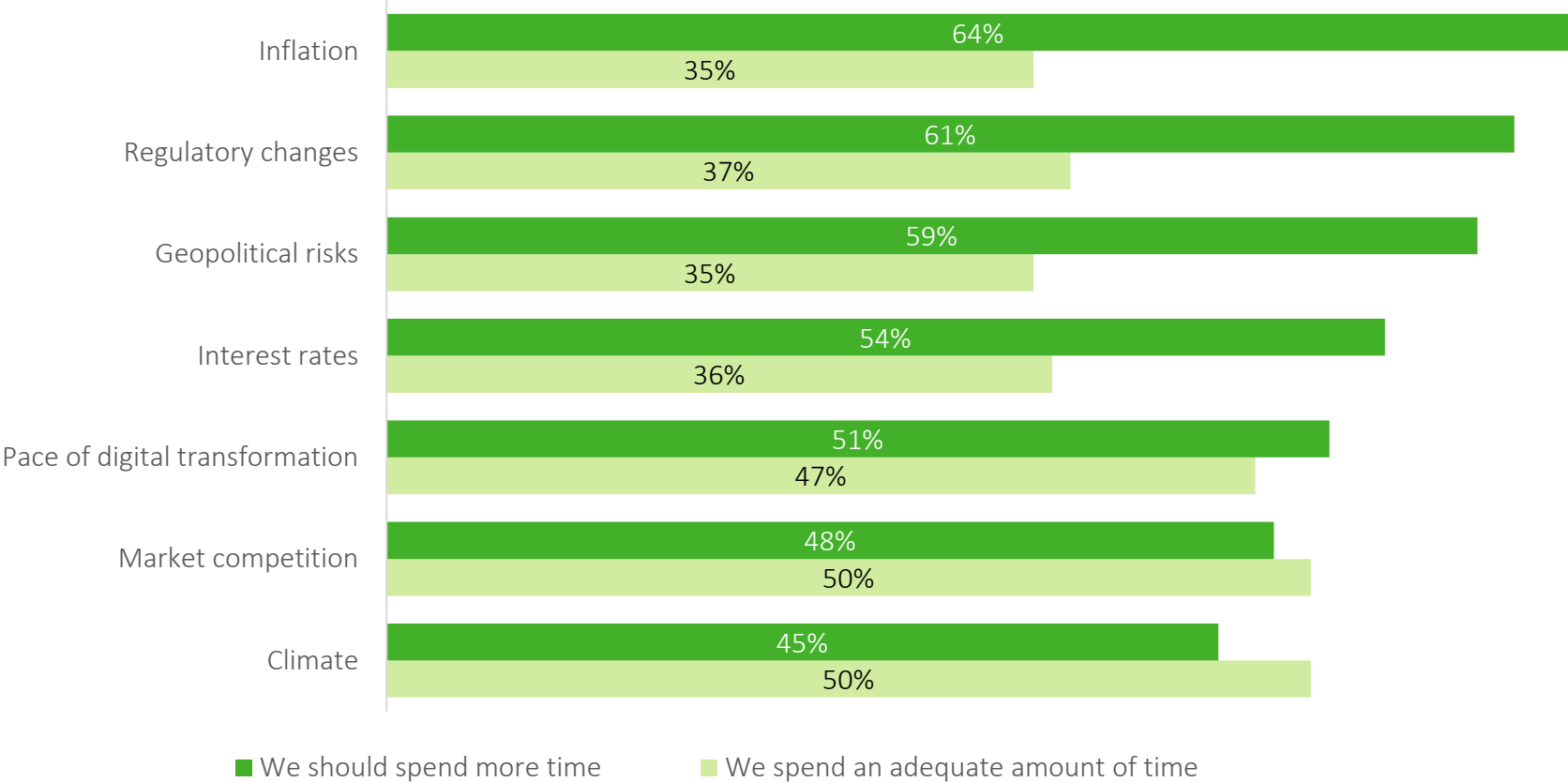


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When asked about macro risks, private company leaders surveyed believe their organization’s board should spend more time on inflation (64%) and regulatory changes (61%) – but spends an adequate time on market competition (50%) and climate (50%).

In your opinion, how much time does your organization's board spend on the following macro risks?

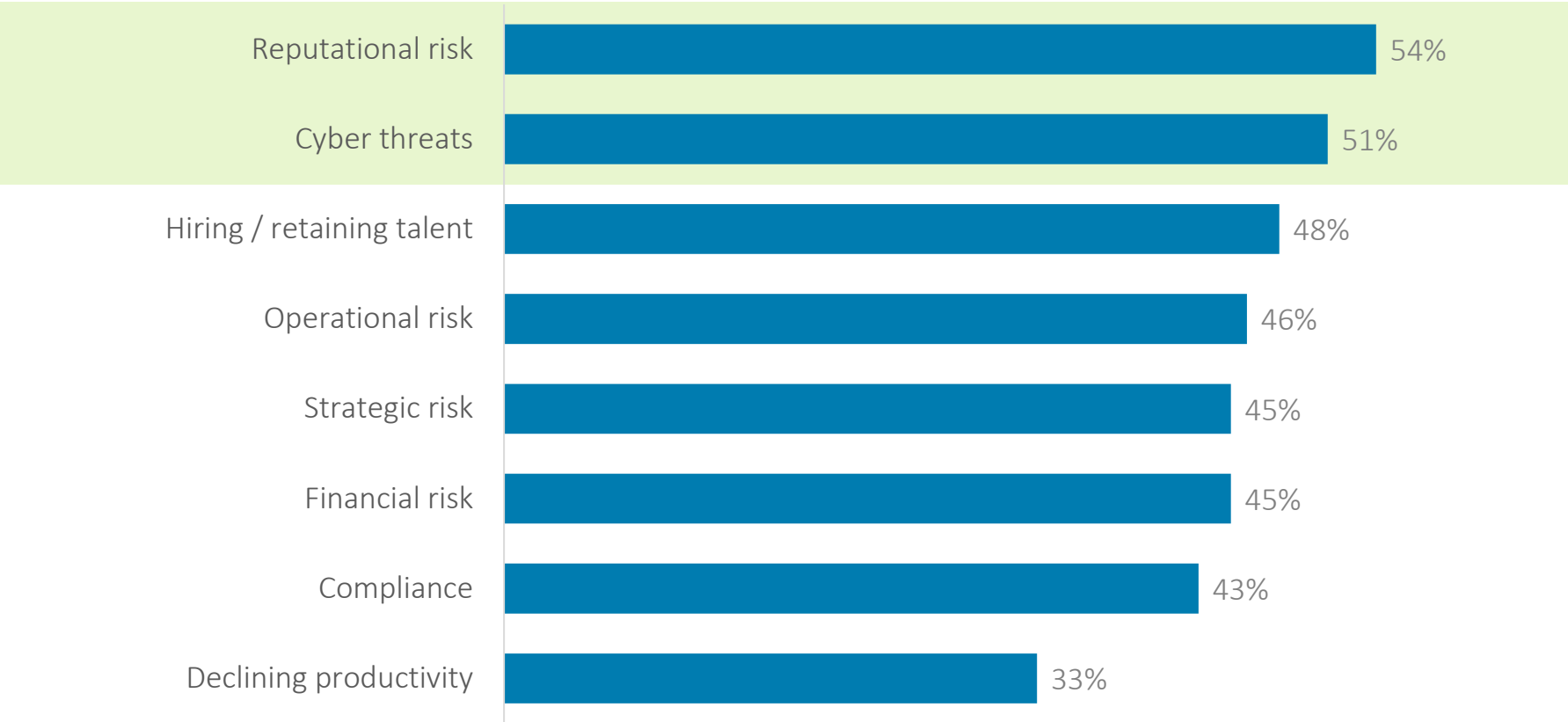
(Percentage responding “we should spend more time” and “we spend an adequate amount of time.”)



When asked to rank enterprise risks to the organization, survey respondents point to reputational risk (54%) and cyber threats (51%) as the highest risks.

Please evaluate the following enterprise risks to your organization over the next 12 months.

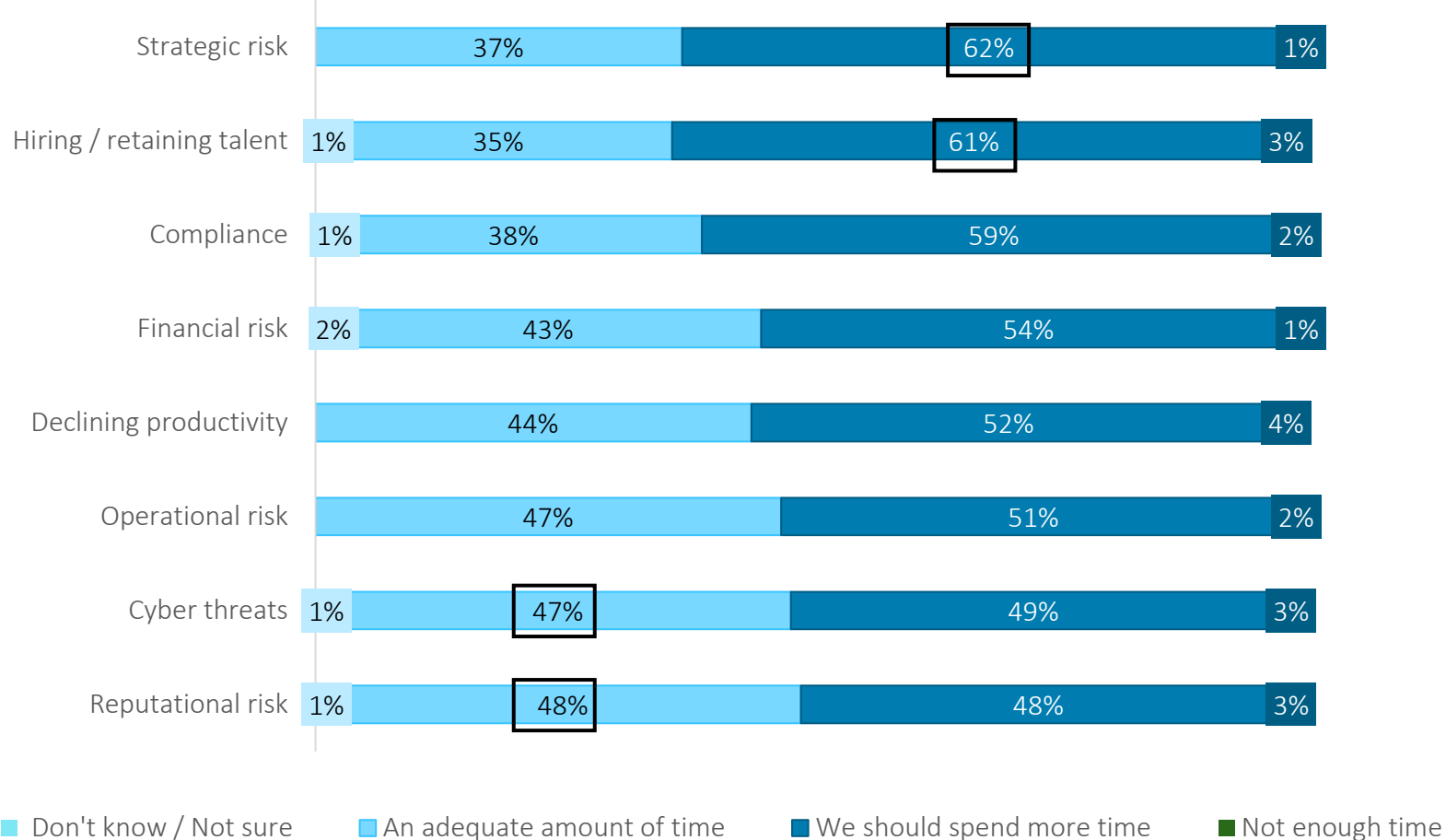
(Percentage ranking risks as high/very high risks.)



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When asked about enterprise risks, six in ten respondents reported that they feel their board should spend more time on strategic risk (62%) and hiring / retaining talent (61%).

In your opinion, how much time does your organization's board spend on the following enterprise risks?

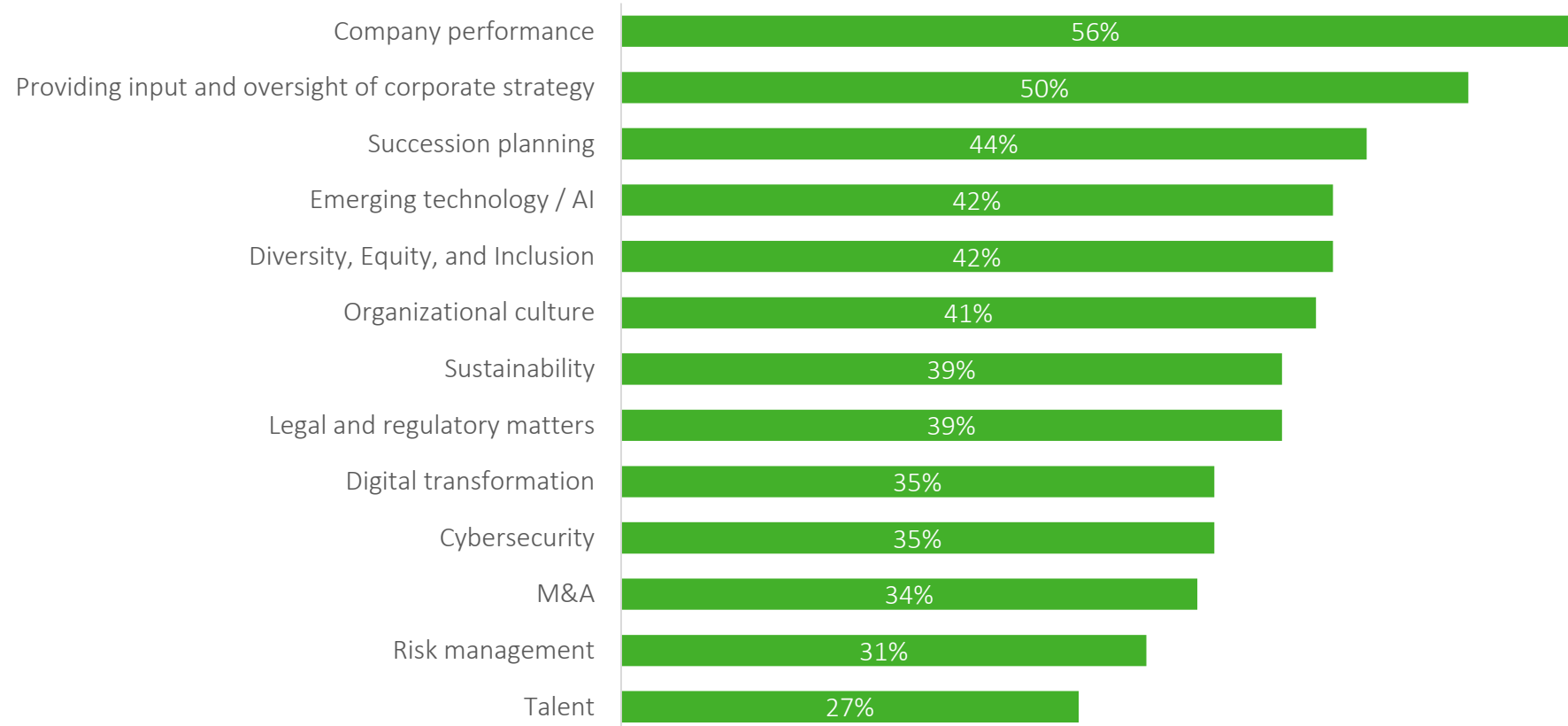


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Company performance (56%), input and oversight of corporate strategy (50%) and succession planning (44%) topped the list of items at every board meeting in the last 12 months.

How often have the following been on your organization's board agenda in the last 12 months?

(Percentage responding "every meeting.")

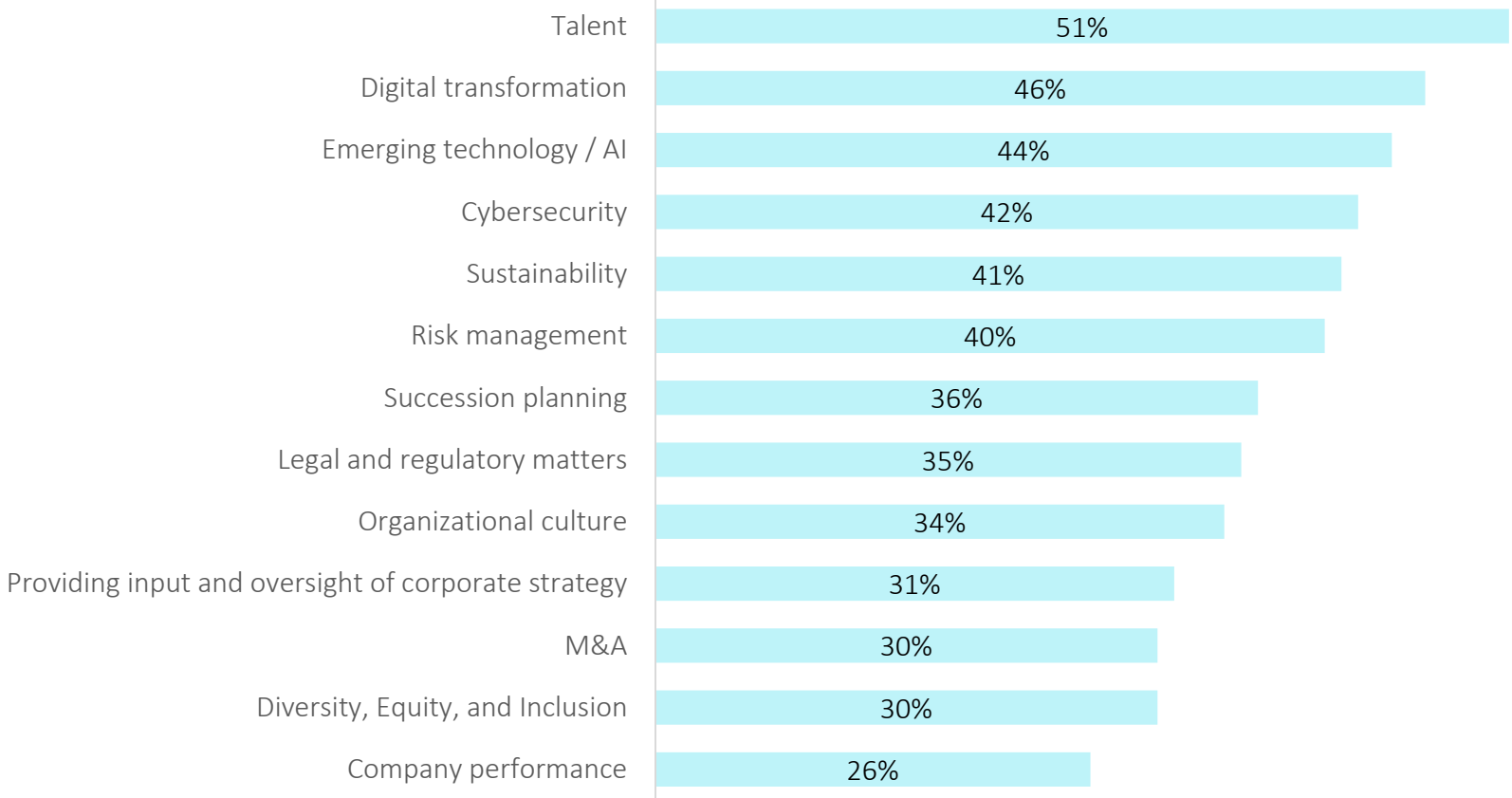


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Talent (51%), Digital transformation (46%) and Emerging tech/AI (44%) appeared most frequently on quarterly board meeting agendas in the last 12 months.

How often have the following been on your organization's board agenda in the last 12 months?

(Percentage responding "quarterly.")



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