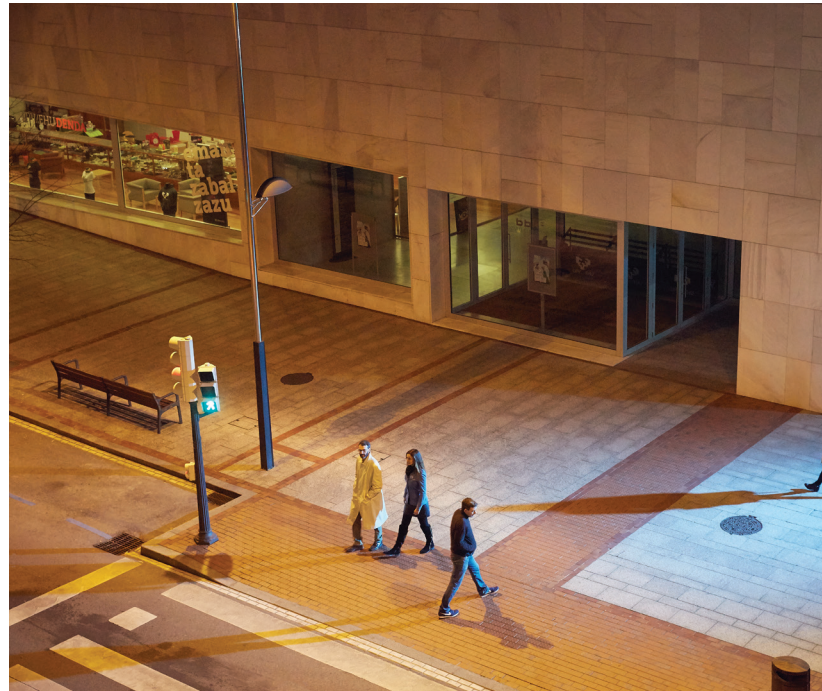


# *Undaunted, but underprepared?*

## A private company view from the 20th CEO Survey



**781**

private company CEOs interviewed in 79 countries.

**86%**

of private company CEOs are confident about their company's revenue prospects over the next 12 months.

More than

**40%**

of private company CEOs are not worried about cyber security.



# Executive Summary

This year's CEO Survey is the twentieth anniversary edition, exploring the impact of globalisation, the prospects for global growth, the risks and opportunities of digital, and the need to maintain public trust in the corporate sector, especially in relation to cyber security.

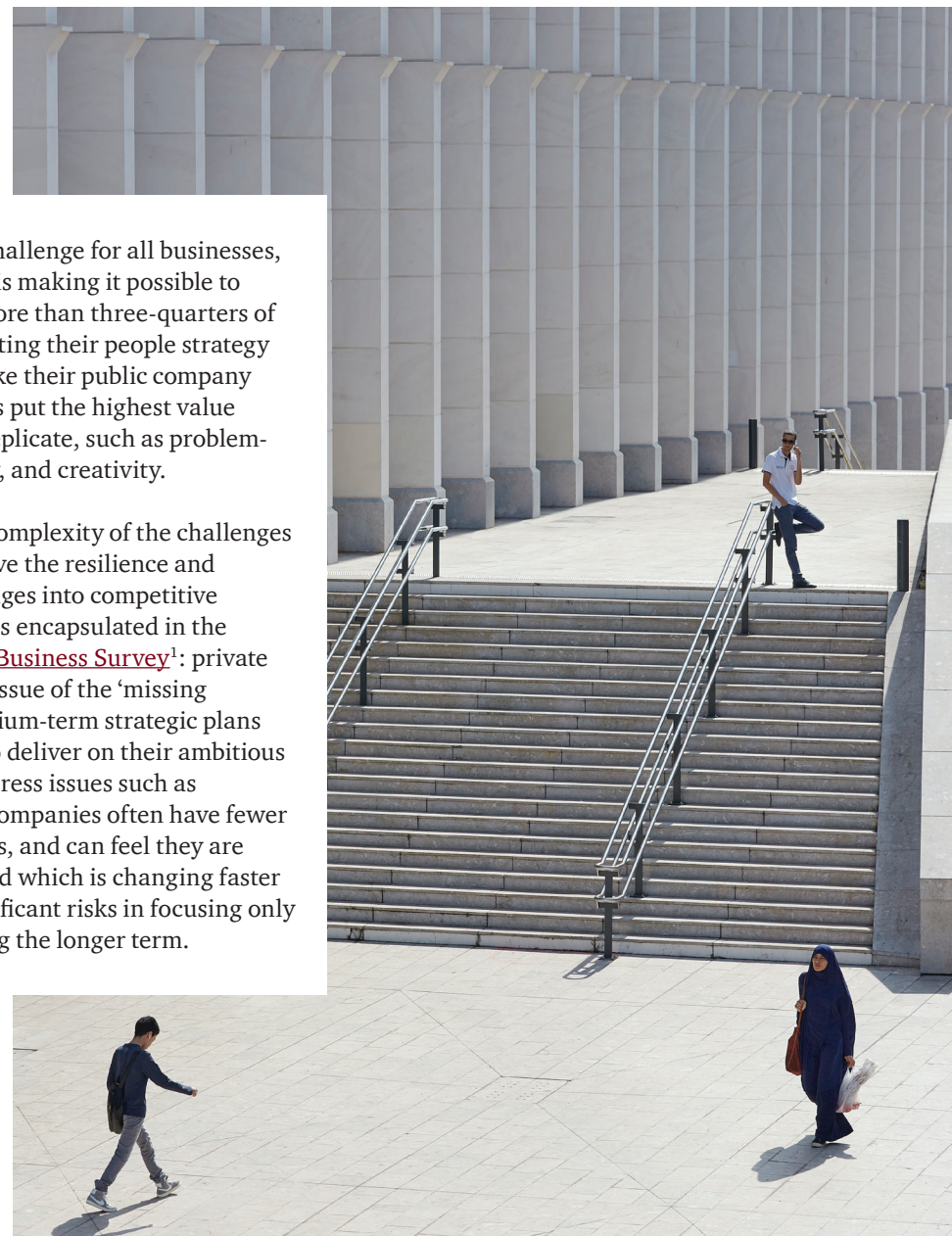
In general, the views of private company CEOs are closely aligned with those of their public company peers. Both are concerned about the immediate outlook for economic growth, but both are confident about the prospects for their own businesses –indeed, private companies are slightly more positive in this respect. However, there are some differences which point to important and immediate challenges, that some private firms may not be addressing with the energy and urgency they demand.

Perhaps the most significant of these challenges is **technology**. Nearly three-quarters of private companies expect their markets to be transformed by technology over the next five years, but respondents from the sector are markedly less concerned than public company CEOs about cyber threats and the acceleration of technological change. This could be a red flag, indicating that the private company sector is neither addressing the risks nor seizing the opportunities of digital technology as quickly and strategically as it should be.

The **talent** agenda remains a challenge for all businesses, especially now that technology is making it possible to automate most routine tasks. More than three-quarters of private company CEOs are adapting their people strategy to reflect this new reality. But like their public company counterparts, private companies put the highest value on the skills machines cannot replicate, such as problem-solving, leadership, adaptability, and creativity.

Despite the growing scale and complexity of the challenges they face, private companies have the resilience and confidence to turn these challenges into competitive advantage. The key to doing so is encapsulated in the findings of the last [PwC Family Business Survey](#)<sup>1</sup>: private companies need to address the issue of the 'missing middle'. Developing robust medium-term strategic plans which provide the framework to deliver on their ambitious growth agenda and actively address issues such as technology and talent. Private companies often have fewer resources than public companies, and can feel they are 'running to stand still'. In a world which is changing faster than ever before, there are significant risks in focusing only on the day-to-day and neglecting the longer term.

<sup>1</sup> 2016 Family Business Survey, The 'missing middle': Bridging the strategy gap in family firms, PwC, 2016



# Twenty years of the CEO Survey

Globalisation and technological advances have transformed how and where we live and work and shifted the balance of global political and economic power; more people than ever are living in cities, and the world is facing the enormous challenge of combatting climate change. These megatrends have created new risks and significant opportunities, from which no organization is immune.

Many businesses have unquestionably benefited from globalisation and automation – not just more trade, more connectivity, and greater productivity, but lower barriers to entry, which now mean that agile start-ups and small private companies can compete more effectively with multinationals. Companies, therefore, have been one of globalisation's big winners.

But the world is at a crossroads, and CEOs recognise that. The momentum behind technological change shows no sign of slowing, but the direction of travel for globalisation is not as clear as it was. As one Hong Kong-based CEO<sup>2</sup> expressed it, "...we've seen probably the high-water mark of globalisation...". Greater international competition has led to job losses in some countries, and increased migration has put pressure on public services. In emerging economies, the middle class is growing and doing well, but many millions of people have not seen the same improvement in their living standards. We could be moving towards a more inclusive society, or we could be facing a more dangerous and divergent world, with a much greater risk of conflict. In fact, CEOs have been concerned about this for some time: in 2009, when we first asked about the financial crisis in our CEO Survey, our research showed that the gap between rich and poor was growing. This year's landmark 20th CEO Survey canvassed the views of over 1,300 CEOs about where we are now, what the future may hold, and what business can do to make a positive difference.

In this report we look in particular at what private companies, including family firms, and those owned by private equity houses and entrepreneurs, told us. This has always been an important if inadequately celebrated sector. It's been a source of innovation, a mainstay of employment even in recessions, and resilient in times of change. But the change we're seeing now is greater than anything these firms have ever faced before. And while CEOs from private companies are confident about the future – indeed slightly more confident than public company CEOs – there are some significant and immediate challenges, which some companies may not be addressing with the energy and urgency they demand.

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*"Nearly a lifetime has passed over the past 20 years: the internet has become a widespread technology, social networks have become the norm, people have begun to communicate differently, a whole new generation of consumers who think completely differently has sprung up, and organisations have undergone several transformations in terms of corporate culture and the way people interact with each other."*

Alexey Marey

Member of the Board of Directors and CEO,  
Alfa-Bank, Russia

<sup>2</sup> Alex Arena, Group Managing Director, HKT Ltd., Hong Kong, China – public company

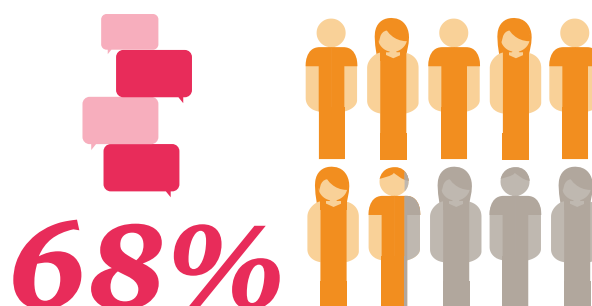


# The short term: prospects for growth

2016 was characterised by political upheavals that went against all expectations. The rise of a populist sentiment led to significant political uncertainty; which may also impact economic prosperity and lead to increased protectionism. As one respondent<sup>3</sup> put it, “Are we facing a backlash now? Are we seeing protectionism come back, or not? Let’s see what happens in America, in Germany, in France.”

No wonder CEOs in general are so concerned about uncertain economic growth: only 30% of private company CEOs believe we will see an increase in global growth in the next year, up slightly from 28% in 2015, but down from 37% in 2014, and 43% in 2013. At the same time, 57% of private company CEOs think it’s getting harder to balance competing in an open global marketplace with trends toward more closed national policies, and this fear is higher among family-run businesses (66%).

## How concerned are you, if at all, about social instability?

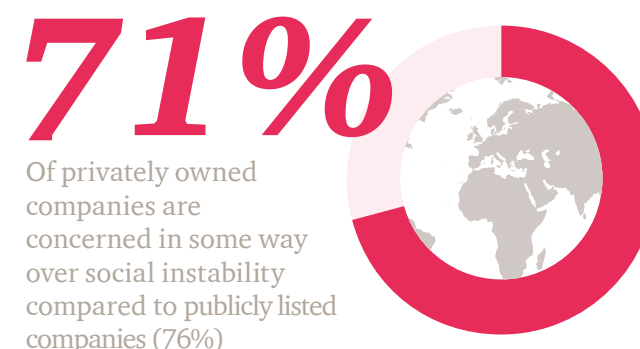


Of privately owned companies are concerned in some way over social instability compared to publicly listed companies (67%)

*“Global growth will most probably remain sluggish because uncertainty is still high. Due to current geopolitical developments – Brexit, for example – it is not very likely that this will change for the better. Companies are very reluctant to invest based on pessimistic outlooks, and the gross effects of increased globalisation are failing.”*

Wolfgang Kirsch  
CEO, DZ BANK AG, Germany

## How concerned are you, if at all, about geopolitical uncertainty?



Of privately owned companies are concerned in some way over social instability compared to publicly listed companies (76%)

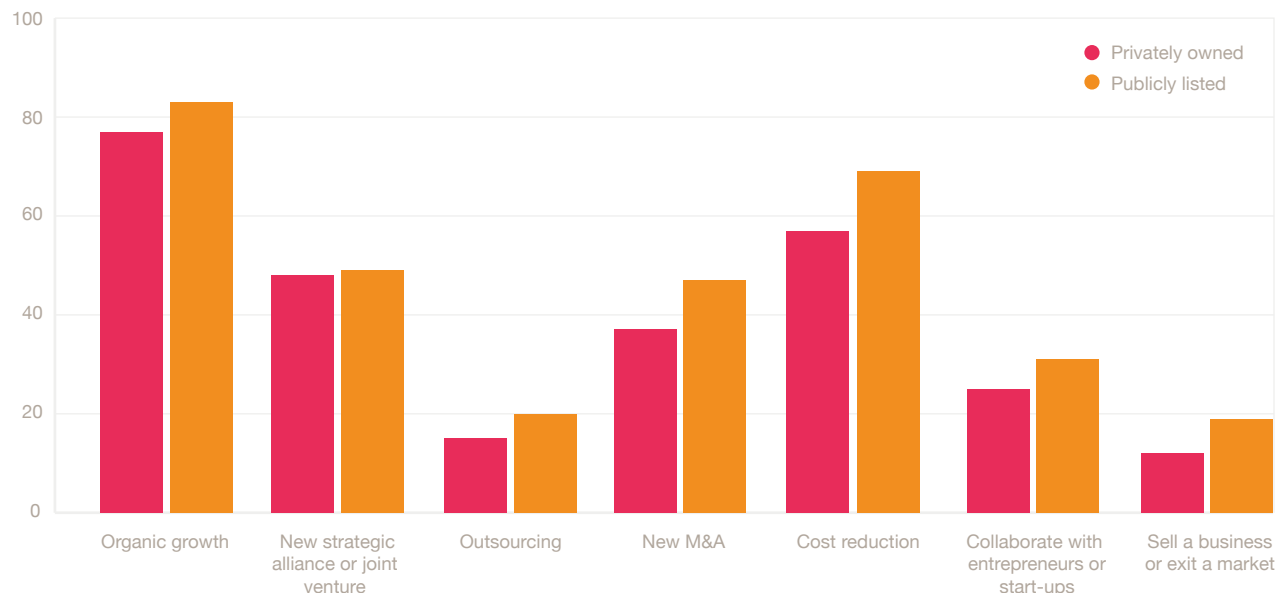
*“We’re often asked, what does the landscape look like three years out versus three years ago. You never know what’s coming in three years, but we know it will be challenging. We know that margins will continue to compress, and we know that our clients will continue to demand more tomorrow than they did yesterday.”*

Brian Conroy  
President, Fidelity International, UK

\*All charts have a base number of responses of 781 unless otherwise stated.

<sup>3</sup> Craig Donaldson, CEO, Metro Bank PLC, UK – public company

**Which of the following activities, if any, are you planning in the coming twelve months in order to drive corporate growth or profitability?**



CEOs may be more worried about the big picture than they have been in previous years, but they're more positive about the prospects for their own businesses. Eighty-six percent of private company CEOs are confident about their company's revenue prospects over the next 12 months, up 5% from 81% in 2015. This compares to 85% of public company CEOs predicting growth in the next year. The percentage difference between public and private companies may be small, but is significant in that this is the first time in five years that private company confidence has been higher than that of public companies. The point is even stronger in relation to headcount: 55% of private company CEOs expect to be recruiting more people in the next year, compared to 48% of those heading publicly-listed companies. Looking further out, all CEOs are more positive about their company's growth: 92% of private CEOs expect growth over a three-year horizon.

In terms of the steps they're taking to achieve this growth, private companies like their public counterparts have a broad range of activities in mind. Organic growth is the most popular way private companies plan to grow, while new ventures, selling a business or exiting a market and outsourcing also made the cut. As many as 69% of public company CEOs are looking for cost reductions, compared to 57% in the private segment, but that may reflect the fact that private companies are already running leaner operations. Interestingly, 31% of public company CEOs are keen to collaborate with entrepreneurs or start-ups, while one in four CEOs of privately-owned companies aims to do the same.

## **‘Only connect’: How private companies can make profitable links with innovative start-ups**



By Nigel Howlett  
PwC UK, Private Business Innovation Leader

One of the questions asked for the first time in this year’s 20th CEO Survey was about any plans the respondents had for collaborations with start-ups. Even the biggest and most successful multinationals are seeing the value of working with new and nimble ventures, especially when it comes to innovation. And this sort of partnership can be even more useful for smaller and private companies, which tend to have fewer resources, and can sometimes be so focused on internal issues that there’s little time for wider external perspectives. The catch-22 here, though, is that these are exactly the sort of companies which can struggle to identify the right start-ups to collaborate with, because they don’t have the same networks and international contacts as the multinationals. That’s where we come in. I’m spearheading PwC’s new ‘Startup Growth Programmes’ which most notably includes the ‘Future of Work’ and is set up to make precisely those sorts of connections.

Through this series of programmes we’re bringing together fast-growing and ambitious start-ups and scale-ups with the world’s biggest brands in a dynamic environment which allows both sides to learn from the other to build commercial opportunities. Working with a start-up as our partner, such as SwiftScale on the Future of Work, we’re helping other start-ups to position themselves as suppliers, customers and possible acquisition targets for larger businesses, while at the same time, making it possible for mainstream companies to tap into new energy, new thinking, and new ways of doing business. With our huge network and specialist skills, PwC is ideally placed to do this - it’s an area where we can make a real positive difference. We’re helping break down the barriers that can prevent collaboration even getting off the ground, whether that’s the inexperience of start-ups or the complexity of big organisations.

The programme lasts three months, and has already attracted over 40 companies like Société Générale, the Ministry of Defence, IBM, HPE and Sage. They provide us with mentors to work alongside our start-ups, and together we run masterclasses on issues like international expansion, finance, sales, marketing and investor readiness. And we have ‘investor’ and ‘demo days’ where they can showcase their business to a wide audience of venture capitalists and executive decision makers respectively. For us at PwC, it’s all about facilitating those connections, and sending a big signal to the market that this is a sector we’re passionate about. And last but definitely not least, challenging ourselves, because the way our own sector is evolving is accelerating too.

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*“The Future of Work programme has provided Money Mover with relationships and opportunities which would have taken considerable time and effort to cultivate ourselves, if at all. This has improved the potential of our pipeline and has accelerated our sales cycle rapidly.”*

Hamish Anderson  
CEO, Money Mover

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*“This programme of work has allowed us to cram 12 months of learning into 90 days. Totally awesome. We can’t thank you and your colleagues enough.”*

Martin Sutton  
Head of Business Development, Peak

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*“The programme provides outstanding value to the participating companies with high quality master classes, an impressive list of highly engaged mentors, and strong involvement with the sponsors.”*

Nitzan Yudan  
Founder, Benivo

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*“It’s been a truly fantastic programme and we’re excited about the opportunities it has created.”*

John Taylor  
CEO, Action AI

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*“What impressed me the most about the Future of Work programme was how SwiftScale and PwC came together to really accelerate and support the companies on the cohort - I look forward to staying involved in future programmes.”*

Danny Wootton  
Head of Innovation, UK Ministry of Defence

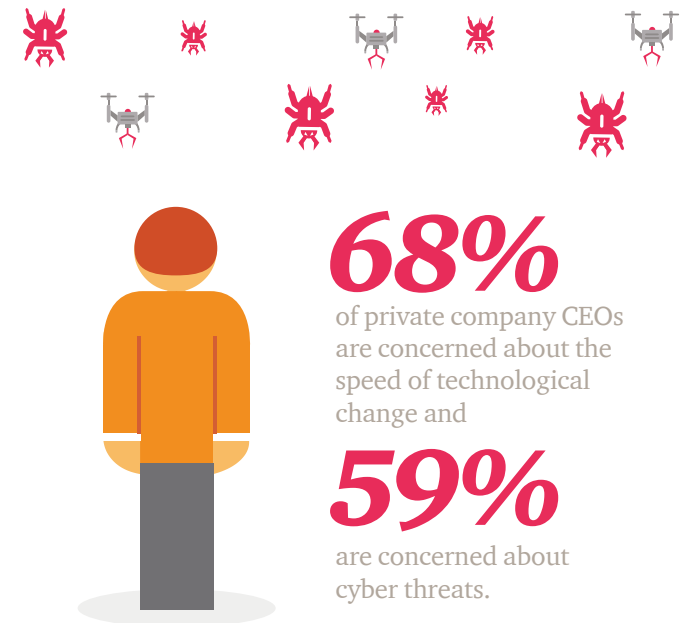
# Further out: Addressing new challenges

As this year's CEO Survey demonstrates, many of the issues facing private company CEOs have remained constant over the last two decades. The difference now is the speed and scale of change. That means private companies urgently need to focus on three key areas: technology, talent, and trust.

## *Leading edge or bleeding edge? Making the most of new technology*

Technology is changing the shape of business – not just what companies sell, but how and where they sell it, how they run their operations internally, and how they find, manage and communicate with their staff. The opportunities are vast, but the risks can be equally significant, not least the risk of doing nothing. Twenty-nine percent of private company CEOs believe that technology has already completely reshaped competition in their industry, higher than publicly listed companies (25%). As many as 74% of private companies expect their markets to be transformed by technology over the next five years.

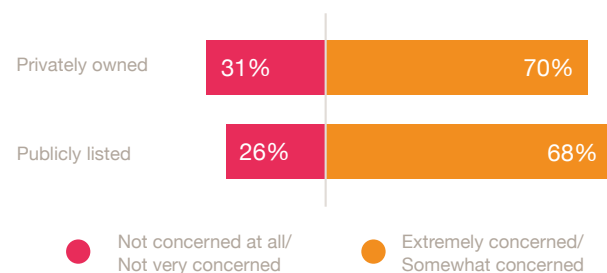
It's no surprise, then, that 70% of global CEOs are concerned about the speed of technological change, and 61% about cyber threats. But while 74% of public companies are worried about accelerating technological change, and 65% about cyber threats, private companies, by contrast, register 68% and 59%, respectively. While a 6% difference may not seem significant, it means that 41% of private company CEOs are not concerned with cyber threats - perhaps leaving their business ungarded and vulnerable? This is worrying, not least because private companies often have fewer resources available to them to invest in new technology and cyber security. This may make private companies more vulnerable to cyber attacks, so in theory they should be more concerned about this threat, not less. In our view, this is probably the single most concerning finding, especially in the light of growing evidence that hackers are now targeting smaller and private businesses, thinking they will not be so well protected. PwC's report, [Cyberattacks on the rise: Are private companies doing enough to protect themselves?](https://www.pwc.com/us/en/private-company-services/publications/assets/pwc-gyb-cybersecurity.pdf)<sup>4</sup> showed that attacks on midsize US companies went up by over 60% between 2013 and 2014, and this trend is likely to have worsened since. While in Germany, attacks on family and mid-sized businesses have almost doubled in the last year from 10% in 2015 to 19% in 2016.<sup>5</sup>



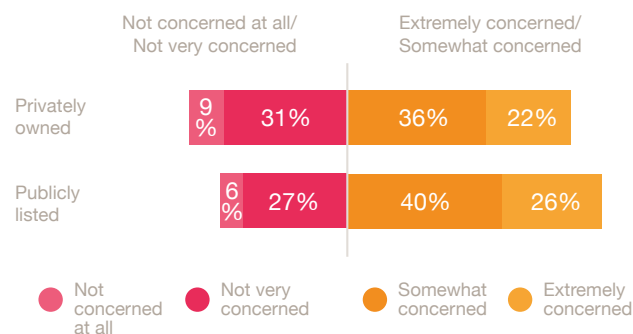
<sup>4</sup> Cyberattacks on the rise: Are private companies doing enough to protect themselves, <https://www.pwc.com/us/en/private-company-services/publications/assets/pwc-gyb-cybersecurity.pdf>. Accessed on 8 February 2017.

<sup>5</sup> PwC's report "Im Visier der Cyber-Gangster – So gefährdet ist die Informationssicherheit im Mittelstand", 2017

### How concerned are you, if at all, about the speed of technological change?

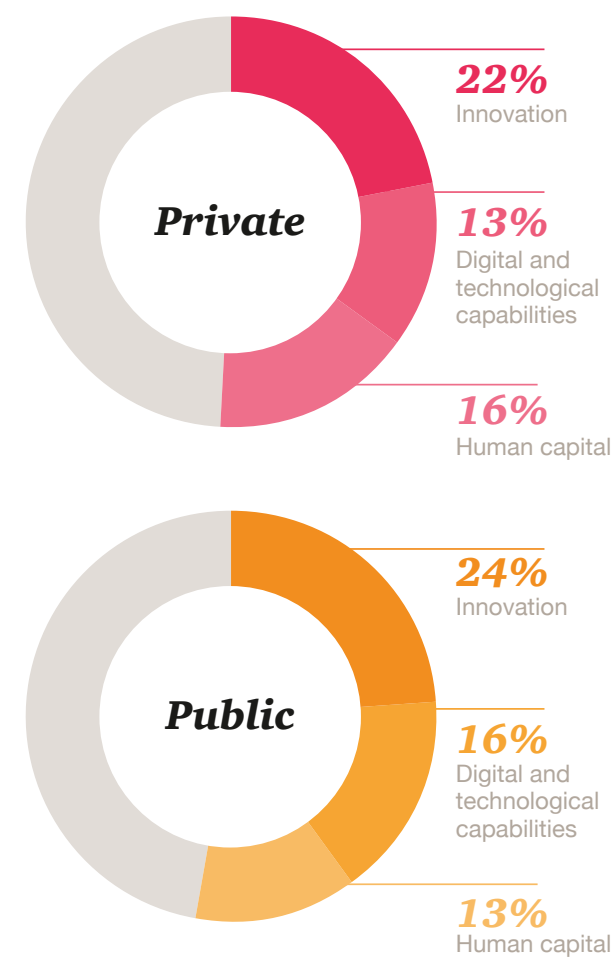


### How concerned are you, if at all, about the speed of technological change?



In terms of strategic priorities, innovation tops the list followed by digital and technological capabilities, and human capital for both private and public companies. Private equity backed private companies put stronger emphasis on technology (16%), than family-owned (8%) and owner-managed firms (9%). Both of the latter may need to rethink how much attention they are giving to this issue. As one public company CEO<sup>6</sup> put it, "...technology can only be applied the way a culture wants to apply it." But technology is crucial for all companies, not just technology businesses or those in directly related sectors: as the same CEO said, "If you think about large tech companies, taxi companies, it's not about the tech, it's about the application of the tech making people's lives easier...". Every organisation is going to be transformed by technology, from the way they communicate with staff, customers and the general public, to the way they run their operations, monitor their performance, and report their profits. It's just a question of how quickly, and by how much.

### Strategic priorities



<sup>6</sup> Craig Donaldson, CEO, Metro Bank PLC, UK



## Seven principles for governance of cyber security risk<sup>7</sup>

In order to assist boards and investors, PwC proposes seven principles for the governance of cyber security. Consideration of these principles would enable boards to:

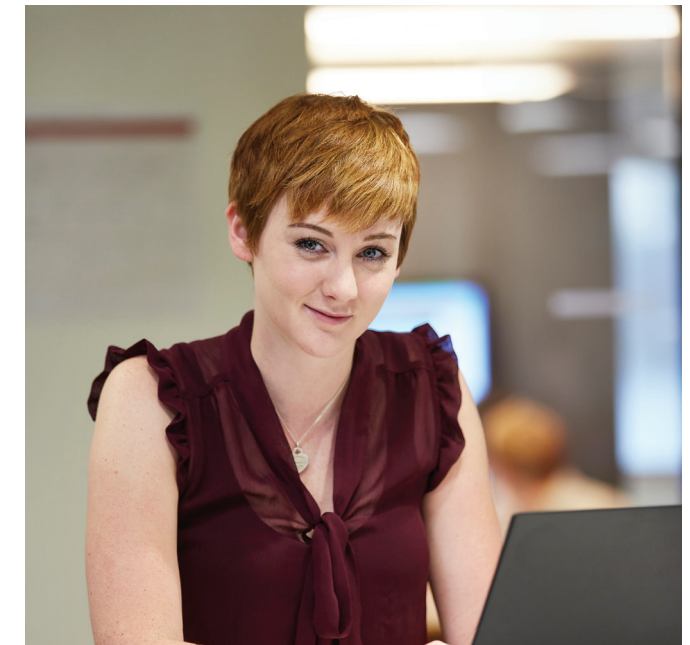
- structure their governance of cyber security risk;
- debate and make the tough decisions required (both by management and boards) to build an adequate response to cyber security threats;
- challenge themselves and their executive management as to whether their response is adequate and evolving sufficiently rapidly as the risk develops;
- structure a discussion with investors as to the appropriateness of their management of cyber security risk;
- engage with investors to help them compare and contrast differing approaches to the management of cyber security risk; and
- facilitate a discussion as to what would be appropriate for companies to report publicly with regard to cyber security.

Scott McIver, PwC New Zealand, who leads Digital Innovation for PwC's Entrepreneurial & Private Business team, has blogged on exactly this subject: "Companies are wary of migrating to the cloud for all sorts of reasons – security, lack of control, fear of the cost, resistance to change – but the benefits of doing this are simply enormous, and all the more so for small, mid-range and private firms. Until very recently, new technology was a real headache for this sort of company: it was really expensive, and required specialist skills many of them didn't have to install and use it fully. But now, all that's changed." The new generation of cloud-based apps allows smaller companies to compete nimbly and effectively with their far bigger peers, many of whom are burdened with cumbersome legacy systems. And pay-per-use arrangements drastically cut the upfront costs too.

*"The main challenge is getting companies to realise they need to adapt. The heads of big organisations need to embrace the technology which they, themselves, may see as a threat to their own jobs. That cultural change is immense and it's going to be very painful. We are completely cloud-based now, and the amount of friction I have in my own system as a result – in a professional, educated, insightful environment – is surprisingly high. You need to make digitisation not only a small portion of a side product, but part of the corporate DNA. That's a 10-year journey. Try to make your employees and colleagues see that it's an opportunity rather than a threat."*

Thomas von Koch  
Managing Partner, EQT, Sweden

Technology is the biggest single opportunity – and risk – many businesses now face, but it isn't the only one. Businesses from all sectors need to look beyond day-to-day operational issues and think strategically about what the picture could look like in two, five or ten years... look beyond the day-to-day and ask yourself which factors are driving the biggest change in your market, which of your products and services are most likely to be disrupted, and what impact you could see from global trends like urbanisation. This type of thinking should inform every company's mid-term strategic plan, and that in turn, should drive decisions on technology, workforce and organisational design, and new product development.<sup>8</sup>



<sup>7</sup> Governing cyber security risk: it's time to take it seriously, available at: <http://www.pwc.co.uk/cyber-security/insights/governing-cyber-security-risk.html> [accessed on March 2, 2017]

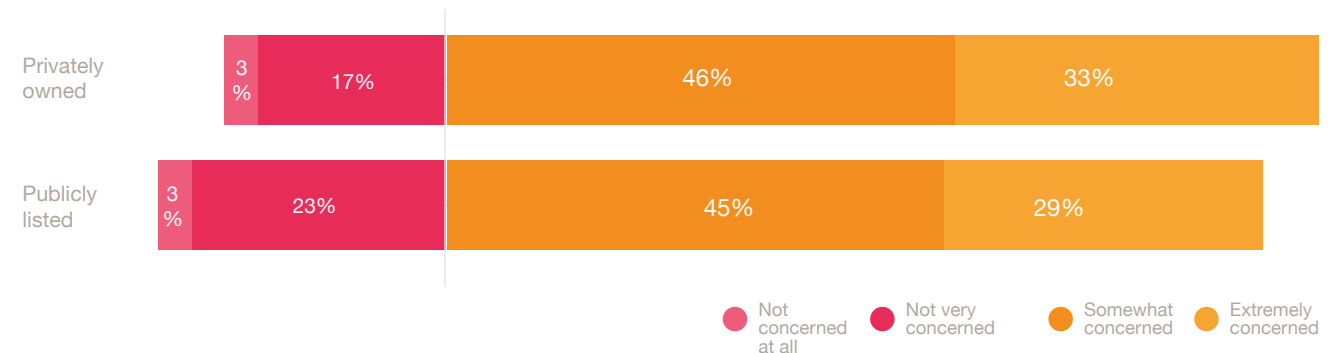
<sup>8</sup> For more on this see The 'missing middle': Bridging the strategy gap in family firms, PwC, 2016 <http://www.pwc.com/gx/en/services/family-business/family-business-survey-2016/digital-and-innovation.html>

### Labour-saving devices: Talent management in a digital age

One theme that's been emerging over the last few years of the Survey is the gradual convergence of the technology and talent agendas. According to Forrester Research, artificial intelligence, machine learning and robotics will replace about 7% of US jobs by 2025.<sup>9</sup> As more and more tasks become automated or taken on by machines or robots, companies are reshaping their workforces and individual roles are changing.

This year, 77% of private company respondents told us they have changed their people strategy at least to some extent to reflect the skills and employment structures they need for the future, and 60% are rethinking their HR function. Both figures are in line with public companies, but the latter is higher for family firms (67%), and lower for those backed by private equity (48%).

#### How concerned are you, if at all, about the availability of key skills?

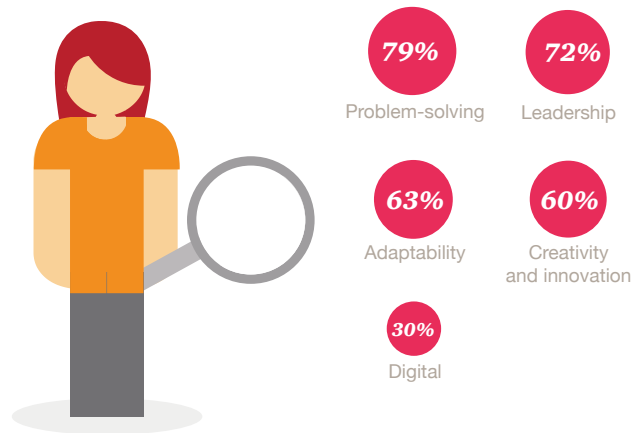


*“Technology is driving efficiencies. That has happened over the last 10 years. It will happen over the next 10 years. But it will happen in ways that we couldn’t imagine today, just like 10 years we never would have imagined the financial power that we could put in front of people on their tablets or phones today.”*

Brian Conroy  
President, Fidelity International, UK

<sup>9</sup> The Future Of White-Collar Work: Sharing Your Cubicle With Robots; Thirteen Emerging Best Practices For Man/Machine Collaboration, Forrester Research, June 2016

Private company CEOs ascribe a high importance to these skills



It is significant that the skills all CEOs really want are those that machines cannot really replicate (at least for now). Private company CEOs, in particular, ascribe a high importance to problem-solving, leadership, adaptability, and creativity and innovation, and digital skills. Family-run firms value emotional intelligence higher than other companies – 60%, as against 51% for private companies overall. However, it remains tough to attract the best, and even more so for private companies – 65% find it hard to hire people who are good at problem-solving (as against 55% for public companies); 78% struggle to find the right leadership skills (71%); and 51% with collaboration (44%).

The PwC Family Business Survey<sup>10</sup> continues to highlight skills as a key area of concern for this sector – it can be especially hard to attract and retain good senior when the career paths in public companies are more varied and more structured, and when many family businesses are less likely to offer shares or option-based incentives. The same issues apply to many private companies.

*“When I imagine the organisational structure of the future, I’m convinced that we will see less hierarchy and an even stronger focus on networks – both within organisations and with external partners. I believe that organisations will have to focus more strongly on relationships and their continuity, not only in relation to their customers but between different business units and functions as well.”*

Wolfgang Kirsch  
CEO, DZ BANK AG, Germany

All CEOs want a workforce that’s agile and well-rounded – better able to adapt to the changing world, and to find new opportunities in those changes. CEOs also recognise that the human element is as important as it’s ever been – indeed perhaps more so, in an increasingly virtual world.



<sup>10</sup> For more on this see The 'missing middle': Bridging the strategy gap in family firms, PwC, 2016 <http://www.pwc.com/gx/en/services/family-business/family-business-survey-2016/digital-and-innovation.html>



# Top tips for attracting and retaining talent

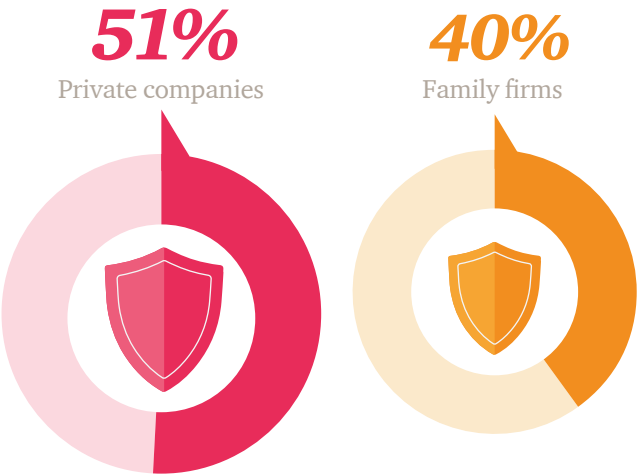
- Think about what makes you distinctive as an employer – many private companies can offer a genuinely supportive and collaborative working culture, especially those in family ownership.
- Value your values! Today's talent is attracted to organisations they can be proud to work for – those that share their own principles and are a force for good. This is especially important for millennials. This is a key advantage of family businesses who put strong emphasis on values.
- Be flexible: people really value a good work/life balance, and the ability to work remotely can be a big part of that. This is of crucial importance for family businesses often located in remote areas.
- Be open to new thinking, wherever it comes from. These days innovation doesn't just get done in a lab or a dedicated department. Foster a spirit of creativity that rewards new ideas wherever they come from.
- Give people the freedom to succeed. Let them make their own decisions, and take ownership for their projects. When it comes down to it, it's all about trust.
- Be open to new ways of incentivising key staff and career perspectives.
- Professionalise your family and business governance to avoid drops in reputation when arguments between owners escalate
- Keep in mind that happy staff is the best recruiting instrument and let your staff recruit new talent.
- Enable parents to return to work and offer a flexible working environment for all, such as: access to child care, remote working and flexible hours.



**The most important thing a company has: Winning and keeping public trust**

Twenty years ago trust wasn't very high on the typical CEO's radar; in fact, we didn't ask about it until 2002. Back then, only 29% of CEOs thought an erosion of public trust in the corporate sector posed a serious threat to growth, whereas now, that number is 58%. And this is one area where digital technology is creating a problem, rather than solving it. All CEO respondents agree that the biggest threat to stakeholder trust in their business is the risk of breaches in data privacy and ethics, and this is also the number one concern among private company CEOs, scoring 55%. However, the score for family firms is much lower, at only 45%, and the issue comes a close second second to IT outages and disruptions. This may suggest either a degree of complacency, or a lack of understanding of the full implications of the costs and risks involved in data breaches. Cyber security incidents rank second for private companies (52% versus an overall average of 53%), followed by IT disruptions, where the private company average is 49%.

51% of private company CEOs are taking significant action now to address data privacy and ethics risks (dropping to 40% for family firms)

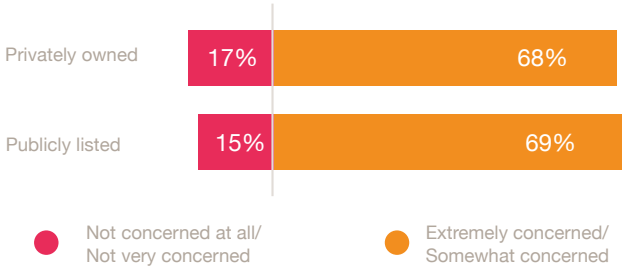


*“Twenty years ago in our business the trust issue was essentially, could I trust the portfolio manager who was running the fund that I owned to do the right thing for my future. Today, the obligation we have as a financial services firm to our client goes much more broadly than that, and so the focus on cyber security, the focus on staying on the right side of the regulatory - right line, couldn't be more paramount now than it ever has in the past.”*

Brian Conroy  
President, Fidelity International, UK

But these risks can also be turned into opportunity: 64% of all respondents believe that the way their business handles data will be a positive differentiating factor in the future, and the figure for private companies is slightly higher, at 66%. Achieving that competitive advantage demands highly resilient systems, which are constantly updated to address emerging threats. In that context, it's a concern that only 51% of private company CEOs are taking significant action now to address data privacy and ethics risks (dropping to 40% for family firms) and only 48% on cyber security, compared to just 36% of family firms, and against a public company average of 58%.

**In the context of an increasingly digitised world, to what extent do you agree that... it's harder for business to gain and keep trust?**





Taking a step back and looking at the big picture, 69% of global CEOs believe that it's harder for businesses to gain and keep trust in the new digital world, which is in line with the private company numbers. Eighty-three percent of private company CEOs believe it's more important to run their business with wider stakeholder expectations in mind (versus an overall average of 85%, and 88% for public companies), and to base working practices and decision-making on a strong corporate purpose (over 90% for both private and public companies). Family firms, in particular, often cite greater levels of trust as one of the key long-term advantages of their business model – not just trust between owners and employees, but the trust between company and customer as well. In 2016, [the Edelman Trust Barometer](#)<sup>11</sup> showed that family businesses enjoy levels of public trust which are significantly higher than those for public corporations – 66% versus 52% globally, with the difference even more marked in Europe (72% versus 41%).

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*“Trust is never a line item on the balance sheet, but it is the most important thing a company has.”*

Mark Fields  
CEO, Ford Motor Company, USA<sup>12</sup>

But this precious advantage, built up – in some cases - over decades or even centuries, is at risk if family firms do not recognise and act on the very modern threats engendered by new technology.

## Conclusion

Private companies are confident and competitive, but there are undoubtedly significant challenges ahead. Talent retains a top spot on the typical private company CEO's list of priorities and concerns, but digital technology and its implications for business should probably be higher up that list.

The good news is that these challenges are not insurmountable. Indeed, digitalisation is an obvious example of a significant risk which could bring a whole company down, but is also at the same time an enormous opportunity. As Scott McIver, PwC New Zealand, states “it's not about the technology per se, it's what it allows you to do with data that makes the biggest difference. And being able to do that on any device, wherever you are, and in real time. That's why the cloud is such a game-changer.”

Private companies have the energy and ambition to seize issues like this and turn them into a competitive advantage. The key to doing so in practice is encapsulated in the Family Business Survey<sup>13</sup> we published late last year: we talked there about the ‘missing middle’ – the lack of a medium-term strategic plan to address challenges like new technology. Private companies – and especially smaller, family-owned and owner-managed companies – are more likely than their listed peers to become so absorbed in the everyday that the longer term is left to look after itself. But in an increasingly globalised world, where everything from your risks to your competitors to your products and services are changing faster than ever before, that is no longer enough.

Private companies need to act on these issues, especially digitalisation before it's too late and their businesses are severely impacted. Companies need to digitise, invest in data security, actively look for and hire the right talent for their business and proactively think of the implications globalisation and urbanisation will continue to have. Otherwise, meeting their ambitious growth targets may never materialise.

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*“There is a need to adapt businesses to continue operating even under conditions of the highest uncertainty.”*

Alexey Marey  
Member of the Board of Directors and CEO, Alfa Bank, Russia

<sup>11</sup> The Future Of White-Collar Work: Sharing Your Cubicle With Robots; Thirteen Emerging Best Practices For Man/Machine Collaboration, Forrester Research, June 2016

<sup>12</sup> Public company

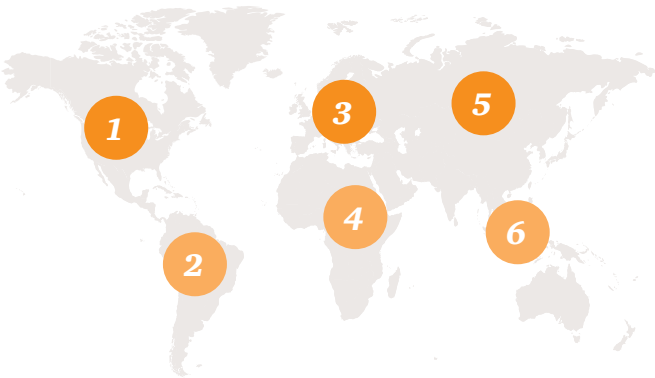
<sup>13</sup> 2016 Family Business Survey, The ‘missing middle’: Bridging the strategy gap in family firms, PwC, 2016

# Research methodology

We've conducted 781 interviews with private company CEOs in 79 countries. Our sample is weighted by national GDP, to ensure CEOs' views are fairly represented across all major countries. The interviews were also spread across a range of industries. Further details, by region and industry, are available on request. Sixteen percent of the interviews were conducted by telephone, 68% online and 16% by post or face-to-face. All quantitative interviews were conducted on a confidential basis.

The lower threshold for all companies included in the top ten countries (by GDP) was 500 employees or revenues of more than US \$50 million. The threshold for companies included in the next 20 countries was companies with more than 100 employees or revenues of more than \$10 million.

- 36% of companies had revenues of \$1 billion or more
- 38% of companies had revenues of over \$100 million up to \$1 billion
- 21% of companies had revenues of up to \$100 million
- 57% of companies were privately owned



- 1 North America – 71 Interviews – 9%
- 2 Latin America – 122 Interviews – 16%
- 3 Western Europe – 166 Interviews – 21%
- 4 Middle East and Africa – 78 Interviews – 10%
- 5 Central and Eastern Europe – 109 Interviews – 14%
- 6 Asia Pacific – 235 Interviews – 30%

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781

interviews completed in 2016 across

79

countries between 26 Sept and  
5 Dec 2016

2,196

members of the PwC's Global CEO  
Panel were invited to participate via  
the online survey, contributing to the  
total online responses

## Notes:

- Not all figures add up to 100%, due to rounding of percentages and exclusion of 'neither/nor' and 'don't know' responses.
- The base for figures is 1,379 (all respondents) unless otherwise stated.

We also conducted face-to-face in-depth interviews with 20 CEOs from five continents over the fourth quarter of 2016. Their interviews are quoted in this report, and more extensive extracts can be found on our website at ceosurvey.pwc where you can explore responses by sector and location. In addition, we surveyed 5,351 members of the public from 22 countries. The interviews were conducted in December 2016 using an online survey community of global consumers.

[www.pwc.com/privatecompanyview](http://www.pwc.com/privatecompanyview)

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