

Confidence in growth remains high



87%

of technology CEOs are optimistic about 2015 revenue growth



61%

of technology CEOs plan to grow their businesses by entering into strategic alliances, an increase of 13% from last year

Strong confidence in the global economy

Optimism about growth remains high, with 87% of tech CEOs predicting revenue growth. Looking three years out, 92% of tech CEOs are confident about revenue growth.

Tech CEOs see some of the G7 economies as poised for accelerating growth with the US maintaining the top spot and the UK rising from 6th to 4th as the 'most important country for growth' in 2015. And there are bright spots within the E7 economies too. China ranks second after the US, and Brazil and India tie for the fifth place on tech CEOs' list of countries favoured for growth.

More optimism towards growth opportunities and less concern of threats

Nearly three-quarters (74%) of tech CEOs believe there are more growth opportunities than there were three years ago, significantly more than their peers across the total sample (61%).

Despite their optimism, tech CEOs are more concerned about several threats this year. They worry about the increasing tax burden (70% vs 59% last year) and cyber threats (65% vs 56% last year). As in prior years they remain concerned about the availability of key skills.

Disruption and convergence continues to redefine industry landscapes

With barriers to entry declining and industries converging, 67% of tech CEOs are concerned about new market entrants. The majority of tech CEOs (71%) believe that companies will increasingly compete in new sectors in the next three years and 63% view competition (new and traditional) as likely to disrupt their industry landscape.

Technology's influence on other industries continues to grow too – 55% of entertainment & media CEOs, 52% of communications CEOs, 48% of power & utilities CEOs and 47% of banking & capital markets CEOs say a significant competitor from the technology sector is emerging or will emerge.

Questions to ponder

- In what ways have you adjusted your strategy to capitalise on the pick-up in growth opportunities?
- How are you rethinking your business in light of new entrants?

To remain competitive partnerships are becoming more important

Digital technologies are creating new opportunities for growth

Digital technologies are increasingly playing a fundamental role in every business. In fact, CEOs overall rate mobile technologies, cybersecurity, data analytics, Internet of Things and cloud computing as the top five digital technologies that will impact their business. Tech CEOs are more concerned with cyber threats (65%) than they were last year (56%). However, 85% believe digital technologies are creating value by providing digital trust including cybersecurity.

Convergence is driving alliances with unlikely partners

The competitive landscape is getting redefined in the tech sector with new alliances that may have been unthinkable until recently. Over 60% of tech companies plan to grow by entering into strategic alliances, (a 13% increase from prior year) and a similar percentage (62%) are partnering with competitors, or are considering doing so. Tech CEOs also continue to view domestic and cross-border M&As as important to their growth strategy.

Higher demand for talent with broader skills

As a consequence of industries converging, tech CEOs are changing the skill profile of people they're hiring. Three in four (78%) tech CEOs say they are looking for a much broader set of skills than in the past. And nearly as many tech CEOs (73%) report that they actively search for talent in different countries, industries and demographic segments.

Consistent with prior years, tech CEOs intend to hire more people this year. But it may not be easy – 83% are concerned about the availability of key skills.

Questions to ponder

- What are you doing to make your business an attractive ally, as the competition for strong, new partners increases?
- How well-prepared is your organisation to find, attract and keep tomorrow's workforce — even as you deal with today's talent challenges?



"Our challenge is that we need to continue disrupting ourselves before someone disrupts us. The competition that I worry most about in many cases hasn't been created yet. It's a new company, a new technology, a new business model that looks at this blurring between online and offline."

John Donahoe, President and Chief Executive Officer, eBay Inc.

Get in touch with us!

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