



Privately Speaking

Insights on private company growth
from private company insiders

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The board agenda evolves

Expect the private company board agenda to shift again in 2019. In this edition of Privately Speaking, we explore the seven items that all private company boards should be considering as they focus their 2019 agendas.

This year, don't expect the pace of change to slow. Indeed, by all accounts, 2019 will likely bring unprecedented (and some unexpected) changes to the corporate agenda.

On the one hand, game-changing technological innovations and a growing focus on the need to address environmental and social issues should drive a sharper focus on long-term value creation. At the same time, mounting trade tensions and geopolitical upheaval is forcing private company boards to adopt a much more nuanced balance of near-term focus, agility, and long-term thinking.

What is on your agenda for 2019?

Based on our experience working with directors and business leaders over the past few months, we have identified seven items that—in our opinion—every private company board should be considering as they look to the critical challenges on the road ahead:

1 Board composition: While determining the company's current and future needs is the right starting point for assessing and enhancing the board's composition, we believe that boards should be broadening the scope of their discussions to include succession planning, diversity, individual director evaluations, the removal of underperforming directors, and the potential for ownership transitions. Get some tips on creating the right board in the [November 2018 edition of Privately Speaking](#).

2 Digital disruption: Digital disruption, strategy, and risk should be hardwired together in boardroom discussions. Boards should be helping the company test its strategic assumptions and keep its focus on the big picture by connecting dots, thinking differently, and staying agile and alert to what is happening in the world and their ecosystems.

3 Mergers and acquisitions: Private company boards should be helping their organizations to test the alignment of any transaction or financing against the company's strategy while challenging the value creation potential, necessity, and urgency of the deal. They should be considering the range of financing options and deal structures. And they should be monitoring key aspects of the due diligence process before approving the transaction.

4 Succession planning: Boards need to ensure that the company is prepared for a chief executive officer (CEO) change—both planned and unplanned. CEO succession planning is a dynamic and ongoing process that requires the board to be constantly thinking about developing potential candidates. As recent headlines can attest, there are few board responsibilities as important as hiring and firing the CEO.

5 Corporate culture: Given the critical role that corporate culture plays in driving a company’s performance and reputation—for better or for worse—we expect to see boards take a much more proactive approach to understanding, shaping, and assessing corporate culture. This is about focusing not only on the organization’s results, but also on the behaviors and attributes that drove them.

6 Cybersecurity: Boards need to be moving beyond the prevention of cyberattacks to also start thinking about detection, containment, and response. That means addressing cybersecurity as an enterprise-wide business issue that affects strategy; product development; mergers and acquisitions; expansion into new markets; and relationships with vendors, suppliers, and customers. Robust boardroom dialogue on cybersecurity is key to helping the company understand and manage the risks.

7 Conflicts of interest: Conflicts of interest, including related-party transactions, often pose significant challenges for private company boards. Be vigilant in identifying any potential conflicts early on and work with legal counsel to develop appropriate actions that can help surface and resolve any conflicts that may arise.

“The private company board agenda is continuously changing. Board members and company executives need to be looking into the future to understand and assess the environment in which they operate. If you’re not looking into the future, you may not be doing what is best for your company.”

—**Brian Hughes**,
National Private
Markets Group Leader and
Co-Leader Venture Capital,
KPMG LLP

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Want to learn more?

Drawing on insights from our work and interactions with directors and business leaders over the past 12 months, we’ve highlighted seven items for boards of private companies to consider as they focus their 2019 agendas on the critical challenges at hand and on the road ahead.

[Read more >>](#)



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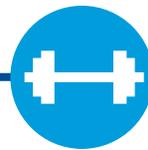
Starting your
business



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business



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your business



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your business



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KPMG’s Private Markets Group understands what it takes to drive private company growth. In each edition of **Privately Speaking**, we share our insights—along with practical and actionable tips—to help boards, executives, and management grow, strengthen, and transition their privately held businesses.

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Contacts

Brian Hughes
Partner
National Private Markets Group (PMG) Leader
National Venture Capital Coleader
T: 267-256-1820
E: bfhughes@kpmg.com

Conor Moore
Partner
National Venture Capital Coleader
T: 415-963-7559
E: conormoore@kpmg.com

Sal Melilli
Partner
National PMG Audit Leader
T: 212-872-6030
E: smelilli@kpmg.com

Brad Sprong
Partner
National PMG Tax Leader
T: 816-802-5270
E: bsprong@kpmg.com

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