



Privately Speaking

Insights on private company growth
from private company insiders

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The view from the private market chief tax officer's perspective

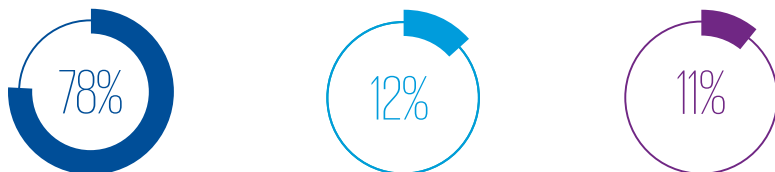
Private companies' chief tax officers (CTOs) are bullish about the economy and see significant opportunity in the new tax codes and administration. Most expect the function to grow—both in size and strategic influence—over the coming three years. In this edition of Privately Speaking, we explore the results of a recent CTOs survey that was conducted by Forbes Insights on behalf of KPMG and illustrates how the function is changing and where CTOs see emerging opportunities.

What the survey told us

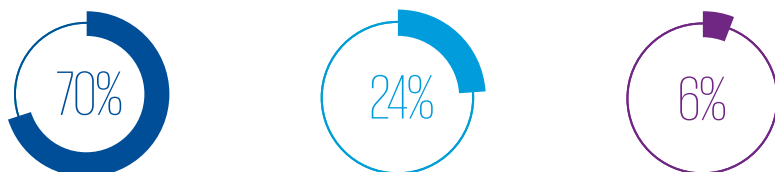
With the U.S. economy now tied for its second-longest expansion cycle on record, many private market CTOs are feeling rather bullish about the economy and the impact the current administration is having on growth.

They see significant impacts and opportunities in the new tax reform package, particularly as it percolates down to the industry and local and state level.

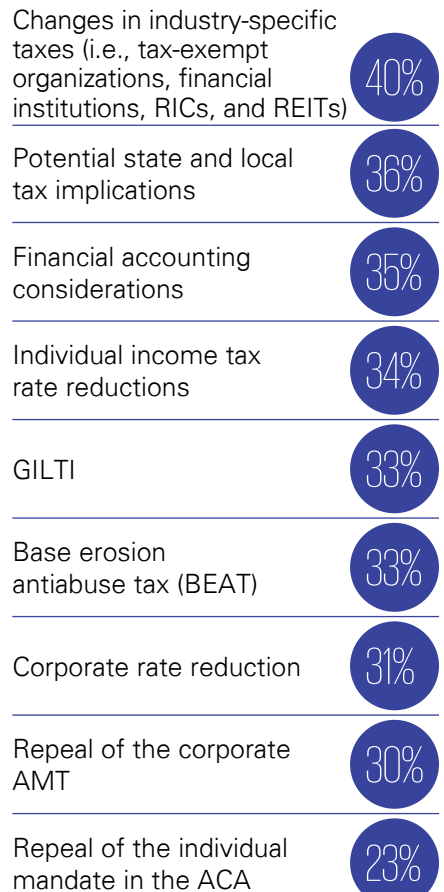
U.S. economic growth



My company's growth



■ Positive ■ No effect ■ Negative



“The biggest part of how the CTO's role has changed—the increased levels of collaboration across the enterprise—will need to continue. This is especially true for private companies where the communication of tax issues with the C-suite and board can present a bigger issue.”

— Brad Sprong,
National Private Markets Group Tax Leader,
KPMG LLP

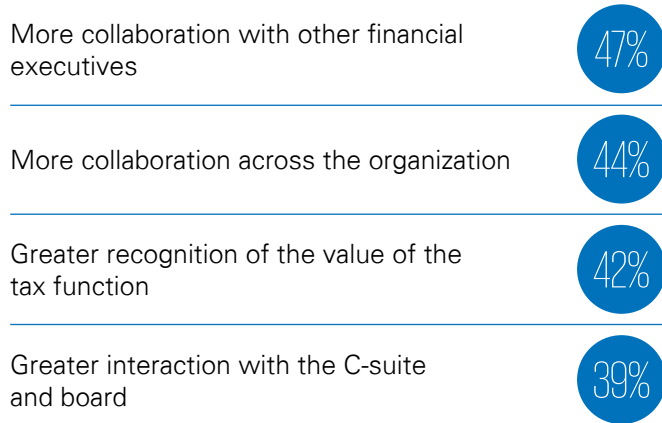
Facing a rapidly changing environment, it seems most tax functions are keenly focused on achieving a level of operational and process transformation, prioritizing the implementation of new and emerging technologies, followed closely by talent development.



However, many CTOs admit they are struggling with a range of new technology challenges as they look to apply multiple new technologies simultaneously.



Given all of this change, it is perhaps not surprising that CTOs say their roles have changed significantly since they took on their positions.



Private versus public: The difference in views

CTOs at private and public companies agree about the economic outlook. But our survey shows that their overall perspective differs in a number of interesting ways. For example:

- Private company CTOs are more bullish about the impact of the current administration on economic growth
- Private company CTOs expect to increase headcount at a much higher rate
- Private company CTOs are more focused on implementing new technologies
- Private company CTOs are more interested in the impact of tax reform at the specific industry and local level

Who did we talk to?

Our outlook survey included 138 private market CTOs (and a few hundred public market ones) to gather their opinions on the evolution of the role and the challenges they face. All CTOs came from companies with revenues of more than \$500 million; half represented companies with revenues of \$1 billion or more.



More detailed results from the survey can be found here.

[Read more >>](#)

Want to learn more from your peers?

Check out these videos of three CTOs sharing their challenges and transformation objectives over the coming year.



What are the top challenges you are facing in your role?



How do you see your tax function transforming?



What part of U.S. tax reform has had the largest impact on your organization?

“ The full potential of technology has largely remained untapped in the private market tax function. But we are confident that it will start to play a bigger role as tax leaders recognize the potential benefits in speed, efficiency, and value. Ultimately, the ability of the tax function to add incremental value to the business is predicated on their ability to embrace technology and collaboration.

—**Brian Hughes**,
National Private Markets Group Leader and
National Venture Capital Coleader,
KPMG LLP ”

We can help!

Regardless of where you are in your journey, KPMG professionals can assist in responding to the associated challenges and help you realize the significant value from your investments. **Click here** to contact your local KPMG member firm.



Don't miss a thing

The environment for private companies is changing rapidly, and new opportunities are emerging every day.

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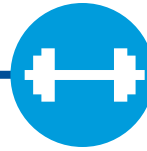
Starting your
business



Growing your
business



Strengthening
your business



Transitioning
your business



Privately Speaking focuses on the issues that matter most to privately held entities, including PE- and VC-backed companies.

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.

For more information, click here to visit our *Privately Speaking* web page.



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