

The Private Enterprise Insight

Make tomorrow count.



Introduction



Welcome

We live in exceptionally fast-moving and unpredictable times, and this creates both challenges and opportunities for business.

The year to date has already developed in ways and at a speed that few might have foreseen, particularly on the geopolitical stage. Notably, a major conflict in the Middle East which has implications right here on our own shores. Prices at the pump have already leapt, and domestic and commercial energy prices are set to rise. Rising inflation is a likely, while interest rate reductions – widely hoped for and expected at the beginning of the year – may be shelved, with the possibility of the base rate even rising instead. The result is that the cost of living, and the cost of running a business, are very much back on the agenda.

However, in many ways **“we have been here before”**.

Businesses have become accustomed to dealing with Black Swan events that supposedly only happen once in a generation: think Brexit, Covid, Ukraine, the energy price crisis of 2023. Resilience has become built into many businesses – and we see this clearly in the private enterprise sector that we work with week in, week out.

Resilience shone through in our own KPE Barometer, published in early 2026. Indeed, despite

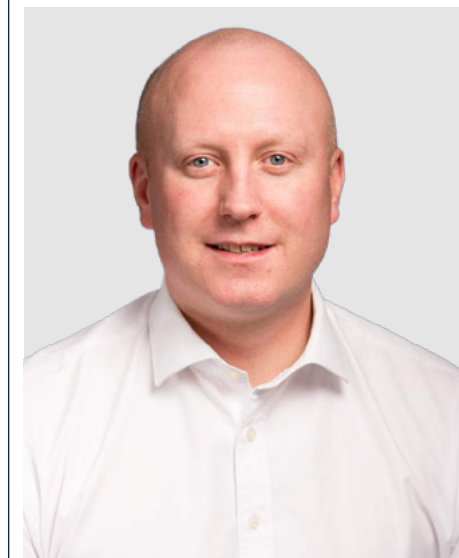
headwinds, private enterprise leaders have a remarkable optimism and can-do spirit: 90% expected to grow their businesses in 2026, and two-thirds were eyeing market and geographical expansion.

As any business leader knows, running a commercial enterprise involves striking a balance between the positives and negatives surrounding them. At KPMG, we think of this in terms of optimising operations across four key pillars: Growth, Innovation, Productivity and Resilience.

A key part of achieving this balance is to constantly take stock of where you are against your overall ambitions, what is changing, where the opportunities and risks lie, and what in-flight adjustments need to be made.

To help you do this as a private enterprise leader, we have collected here the insight pieces from our KPE partners and experts across the country published over the last six months, analysing the key themes, takeaways and action points, grouping them across the four key pillars.

I hope the result is an actionable, decision-useful distillation of the challenges and opportunities before you today – helping you drive your business forward with a focus on growth, whilst managing the risks in a resilient and sustainable way.



Euan West,
Head of Private Enterprise, KPMG

How to use this report

In the pages that follow, you will find sections dedicated to each of the four pillars of Growth, Innovation, Productivity and Resilience.

In these, we analyse the issues and trends discussed in KPMG insights over recent months that resonate now and draw conclusions and action points for you to consider.

We also provide links to the actual blogs and insight pieces themselves, giving you the opportunity to read whole pieces again if you wish.

Some of these pieces take a specifically regional view (there are items covering London and South East, South Central, South West, Midlands, North West, North East) – so you may want to look at those specifically if they are relevant.

In simple terms, here is what each of the pillars are concerned with and how they might apply to you:



 Growth	 Resilience	 Productivity	 Innovation
How businesses are expanding: deals, funding, investment and regional ambition. Read this if you're thinking about selling, buying, raising money If growth or deals matter most to you, go to Growth.	How businesses are protecting themselves: people, wellbeing, cyber and risk. Read this you're focused on risk, stability, leadership or long term sustainability. If risk or people matter, go to Resilience.	How businesses are improving how they run: systems, audit, efficiency and control. Read this if you want to reduce cost, improve quality, or fix how the business operates. If cost, systems or efficiency matter, go to Productivity.	How businesses are future proofing: tech change, ERP, AI and high growth scale ups. Read this if technology or new ways of working are high on your agenda. If tech or scaling matter, go to Innovation.

One of the standout features of the KPE Barometer published in early 2026 was the strength of the ambition for growth amongst private enterprise leaders. Four in five expected revenue growth, with diversification (of products, services or markets, including international expansion) high on the to-do list.

Growth

Expansion on the agenda



Getting M&A ready

One key way of driving growth is by inorganic means: mergers & acquisitions. Here, nearly four in ten leaders said they were open to the possibility, while a third were actively pursuing acquisitions.

This was an area that Helen Roxburgh, partner in Corporate Finance at KPMG, picked up on in her insight piece about the [deals market](#). With green shoots appearing, Helen reflected that preparation is key to convert cautious optimism about the market into an uptick of corporate deals. She also acknowledged that geopolitical issues can “have a disruptor effect on general confidence and risk appetite.”

With the opening months of 2026 proving so volatile, our observations are that uncertainty and rising costs have slowed decision-making cycles. Investments have become more purposeful, with M&A highly targeted on assets that meet a specific strategic need.

Nevertheless, there remains appetite in the market. Financing costs remain lower than they

were a year ago and many private equity firms – who are significant drivers of activity in the private enterprise market – have dry powder they are keen to deploy on high quality assets. Being prepared to move when the time is right, and recognising the importance of due diligence, is essential, as Helen observed:

“The pace that things can move at has picked up in the last few years, so you need to be ready to move quickly. At the same time though, risk sensitivity has increased – buyers want to make absolutely sure of what they’re purchasing, meaning that due diligence has become even more thorough. Parties in a deal want to run faster while going deeper, which can be challenging for some sellers – preparation is key.”

Another key consideration, whether a buyer or seller, is technology. This is often a focus for buyers/investors as operating models become more digital and especially with the advent of AI. Third party buyers and private equity investors will look closely at the technology footprint of a business and the degree to which it is digitised and future fit.

Supporting female founders: Founded by Her

Some segments of the market are ripe for a turbo boost. Nicole Lowe, Head of Emerging Giants at KPMG in the UK, pointed to the huge potential of women-led scale-ups. KPMG’s Founded by Her programme offers cohorts of female [founders and leaders](#) a structured, four-month guide to Series A financing, helping them get investor-ready.

As Nicole observed:

“Too many women have negative experiences on the road to fundraising. A common refrain from our conversations with them goes: “The system isn’t set up for us.” As a result, some are reluctant to seek funding without the right support. We’re changing that!”

Driving regional growth

Deals may be a [fast track to growth](#) for some businesses – but we also need a policy and investment framework on a national scale that [helps companies thrive](#). As David Williams, Office Senior Partner at KPMG in the South West, succinctly put it:

“For the UK to thrive economically, we need every region to be firing on all cylinders.”

Both David and Andrew Bostock/Marc Abrams, Office Senior Partners in the Midlands, explored the rich growth and activity on display in their regions.

In the South West, some of the highlights include the building of Hinkley Point power station in Somerset which is set to bring £1.5 billion to the South West economy every year; the Ministry of Defence investing £4.4 billion in Plymouth’s Devonport Royal Dockyard; and the UK’s largest battery gigafactory set to be constructed in Bridgwater.

In the Midlands, Andrew and Marc focused in the government’s Regional Investment Summit held in Birmingham, with over £10 billion of investments announced. Holding the Summit outside London sent a strong signal, elevating regional voices on the national stage and bringing global investors, business leaders and policymakers together in Birmingham to champion inward investment across the UK.

This is highly encouraging for private enterprises in these regions as investment and activity can have a ripple effect across local economies and supply chains. However, an issue raised in both insight pieces is the need to have a strong, joined up voice. As David put it:

“We need to keep finding ways of amplifying the noise on the national stage.”

There is also the need for coordinated action and collaboration within regions, as Andrew and Marc commented:

“We need to get better at joining up efforts and initiatives within regions themselves. In the Midlands, we are much stronger if we can find one unified voice and attract investment as a region rather than a series of sub-divisions between West and East Midlands or the major urban centres.”

Questions for leaders:

- Is an acquisition or disposal the next step for you on your path to growth?
- Are you ready for deals due diligence: are your processes, systems and governance structures appropriate and in place?
- Is your technology footprint ready for the AI future?
- If you’re a woman founder, are you networked in and getting investor-ready?
- Are you aware of the investment going into your region and the opportunities this creates?
- Are you linked into business organisations and voices in your region?

Private Enterprise Barometer 2026

Business insights from the UK’s privately owned companies & entrepreneurs.

Explore the full report to discover the strategies, priorities, and insights shaping the next chapter of UK private enterprise.



Search **Private Enterprise Barometer** at [KPMG.com/UK](#) or visit [here](#)



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David Williams, Office Senior
Partner at KPMG in the South West



Innovation

Embracing Technology & change

We live in the age of digitisation and AI – and our KPE Barometer shows that 77% of private enterprise leaders are prioritising tech investment as a result.

But technology is a complex area: investment is necessarily a mixture of upgrading core platforms and systems (ERP, CRM), moving to or optimising presence in the cloud, upgrading data systems – and, of course, looking to leverage the huge possibilities of AI.

Some shifts are discernible. Big traditional items like ERP are perhaps moving further down the list, while data quality and management is coming to the fore. This should not be a surprise and is arguably a sign that approaches are maturing: establishing a strong data layer is key to being AI-ready.

Turning tech upgrades into business innovation

Nevertheless, for many private enterprises upgrading core systems remains a priority – and an opportunity to propel the business forward. As Euan West, Head of Private Enterprise at KPMG, reflected in his [insight piece](#):

“Moving to a new ERP brings the chance to stand back and really look at how things operate across your back-office systems to see where the optimisation opportunities lie. It is an opportunity for business innovation, not just a technical upgrade. For example, could the way that colleagues across different functions interact and collaborate be reimaged? Or your corporate reporting processes be streamlined and improved? Could your risk management framework be strengthened? Or your key business and operating controls?”

In this way, a technical project can become a driver of innovation across the business. This is not least because, as [Euan observed](#):

“The new generation of ERP platforms have powerful AI capabilities embedded across analytics, forecasting, scenario planning, collaboration and more.”

Becoming AI-ready

Embracing the potential of technology and AI was a key message [from Steve Hickman](#), South Central Hub Senior Partner at KPMG. He reflected:

“Most businesses have been through an initial test-and-learn phase with AI and have subsequently put the necessary risk and governance frameworks in place. This year, their focus will switch to making AI work: finding the desired use cases, and ensuring they have the systems and data to realise them. In a low-growth climate, the efficiency gains that AI offers will be key.”

From our experience working side by side with private enterprises across the market, many businesses are perhaps waiting for AI-ready applications to become available to them through solutions from the big technology solutions providers such as Microsoft, SAP and Oracle.

But that shouldn't mean sitting on your hands: actively investigating where AI can be applied in your business, and whether there are small scale proof of concepts you can run yourself, can help you get ahead.

Certainly, for Steve Hickman, this year is a time for ambition:

“Set ambitious goals for for what you want to accomplish now, and for the medium term. Yes, there are challenges to overcome, but the economic climate is benign, and finance is available to firms with strong debt and equity stories.”



Innovation incubators for Emerging Giants

Then there are [the tech innovators](#): those dynamic ventures that grow into tomorrow's success story. The UK has a proud tradition of innovation – but it's essential that we have the right forums and frameworks to support start-up innovators to flourish and grow. To that end, KPMG's Tech Innovator awards are a launchpad for innovative entrepreneurs to get themselves seen – and invested in.

Here again, AI looms large, as Nicole Lowe, Head of Emerging Giants at KPMG, commented:

“Increasing numbers of entries are from AI-related businesses. That’s exciting because it shows the AI hype is not just hype – it’s real and is inspiring more and more entrepreneurs and innovators to reimagine how things can be done in pursuit of smarter insights, greater productivity and better outcomes for people and businesses.”

Entries for this year are closed – but there is plenty of information available about our wider support for the start-up and scale-up community in our web pages.

Questions:

- Is your ERP fit for purpose – or is it holding you back?
- What opportunities for innovation and productivity could a tech upgrade unlock?
- Are you getting AI-ready?
- Are your data systems up to scratch?
- Are you an ‘AI waiter’ (looking to Microsoft et al) - or are you preparing the ground yourself?
- If you’re start-up/scale-up, are you aware of the support networks and profile opportunities out there to help you gain traction and investment?

Tech Innovator in the UK 2026

Make a difference through innovation.

Since 2013, we have been celebrating the trailblazers, difference makers and tech entrepreneurs of tomorrow – bringing together the best of tech and innovation in the UK.



Search **Tech Innovator in the UK** at [KPMG.com/UK](#) or visit [here](#)



“Set ambitious goals for what you want to accomplish now and for the medium term”

Steve Hickman,
South Central Hub Senior Partner
at KPMG

Productivity



Improving skills and processes

Raising levels of productivity has become a national question – but it is also a business one. Every organisation would like to increase the speed, efficiency and volume of the things that get done, whether that's through the skills and application of their people, process redesign or technology automations and enhancements. In practice, it needs to be a combination of all of these.

Boosting productivity through upskilling, communication and trust

Skills have become a key issue for many, particularly given the pace of technological change. Making AI-based tools available is one thing: [but can staff use them effectively?](#) Do they understand how to get the best out of AI – and do they trust it?

This makes upskilling programmes together with appropriate support mechanisms and learning resources crucial. The KPE Barometer found that nearly four in ten leaders (38%) say they are looking to reskill some of their workforce. A quarter admit that it is challenging to recruit new staff with the right skills.

But another key consideration is that there should be clear communication about the company's technology and AI-related strategy. Do staff know whether or not you are investigating AI? The extent to which it may be introduced, in which parts of the business, and when? Communicating openly on this can make staff feel more assured about the future, increasing their engagement and keenness to learn.

If you are planning to deploy AI, then it is also essential to set out clearly your AI-related policies and protocols. What will AI be used for? With what decision-making processes and controls? Putting strong governance in place will raise levels of trust and confidence.

Tools for the digital age

Getting this right can be a [significant enabler of raised productivity](#). Alistair Scullion, Consulting Lead for Yorkshire and the North East at KPMG, made this point in his insight piece in relation to upgrading ERP platforms when he said:

“When systems are outdated, they can stifle innovation, create silos, and increase risk. If your teams are

relying on spreadsheets and manual workarounds, or if your systems can't support AI, automation, or real-time insights, it may be time to rethink your strategy.”

In short, technology upgrades and AI deployments are not just technical enhancements: they are a lever for enabling your staff to get more done. And by taking care of many process-based tasks, they mean that your people can increase their focus on more complex and value-adding issues – boosting productivity that has a real strategic impact.

Raising levels of productivity has become a national question – but it is also a business one.

Audit as a lever for operating enhancements

But if productivity is often a combination of people skills and smart technology, it can also be raised by other means. The external audit may usually be thought of as sitting in the Resilience pillar (and we will discuss it there too) but applied effectively, [it can also help companies work more effectively and therefore raise productivity](#).

This was a view expressed by Aimie Keki, Head of Audit for KPMG Private Enterprise, and Terri Coughlan, Thames Valley partner at KPMG, when they wrote:

“Our belief at KPMG is that audit plays a key role in helping businesses of all kinds run themselves with greater insight, efficiency and focus, wherever they are in their lifecycle. This makes an audit just as important for an SME or a fast-growing early-stage business as it is for a FTSE-listed company: it helps lay the foundations to facilitate growth and manage change as the business evolves.”

A good audit can bring insights and perspectives that lead to operational changes which improve your business. This isn’t only true for larger established companies: it can be powerful for younger enterprises as they scale and grow,

looking perhaps to reach the next point of commercialisation (a fundraise, flotation or sale etc).

An audit should not just be a tick-box, compliance exercise. The findings it generates can help a business to increase efficiencies and smarten processes: key levers of productivity and growth.

Questions

- Are skills deficits holding your business back?
- Do your staff have access to the training and support they need to boost their skills?
- Are you connecting skills with technology in your productivity approach?
- Are you communicating your technology strategy clearly – and do you have understood AI-related governance processes and policies?
- Is your audit bringing you valuable business insights rather than being just a compliance stamp?
- Have you discussed with your auditor how their work could highlight productivity and efficiency recommendations too?

An audit should not just be a tick-box, compliance exercise.

KPMG Trusted AI framework

AI is transforming the world in which we live - impacting many aspects of everyday life, business and society.

 Search KPMG Trusted AI framework at [KPMG.com/UK](#) or visit [here](#)



When systems are outdated they can stifle innovation, create silos and increase risks

Alistair Scullion,
Consulting Lead for Yorkshire
and the North East at KPMG

Resilience

Protecting the business managing risk

In such a volatile and changing world, resilience has become paramount. As we've noted, it is something that has become increasingly baked into how businesses operate: dealing with curve balls and surprises is perhaps a particular private enterprise strength.



Responding to the rising legal, regulatory and compliance bar

One area where resilience comes into play is [meeting changing legal, regulatory and compliance requirements](#). Employment has been a key lens for this recently, with a number of rising costs levied on employers through increases to employers' NIC as well as the national minimum wage. There are also ongoing concerns about business rates in many sectors (although pubs have been given some welcome support).

Meanwhile, the government's pending Employers' Rights Bill is a worry for many employers as it would increase their responsibilities and obligations significantly in certain areas. Clarity on the scope and timings of this would be welcomed by businesses, helping them to prepare and plan.

Family firms weathering uncertainty

One segment of the private enterprise sector who have had to show significant resilience is [family businesses](#). After the bombshell of substantial increases

to inheritance tax (IHT) announced in the 2024 Budget, there was intense worry amongst family firms that generational wealth could be impacted. The succession plans of many businesses seemed to be under threat. However, concessions from the Chancellor in the final legislation published at the 2025 Budget were a major relief. As Shashi Prasad, Tax Partner at KPMG Private Enterprise, reflected, this has reinvigorated family teams:

"Now that the taxation roadmap is clear, business leaders can get on with managing for growth and exploring the opportunities ahead of them. We are seeing many family businesses who have their sights set on expansion, M&A and new initiatives; they seem re-energised post-Budget."

Dealing with the cyber risks

The very nature of resilience is that it is never done. The risks don't stand still and therefore neither can business leaders. [In particular, cyber risk is high on the agenda](#). A string of high-profile cyber incidents last year showed that no organisation is safe. In the KPE Barometer, 69%

of leaders said that cyber risks have grown in the past year; 48% reported increasing risks across supply chains, market competition and reputation.

How can businesses best protect themselves? As Martin Tyley, Global Lead Partner, Cyber Risk Insights at KPMG observed in his insight piece, some structured thinking can take you a long way:

"Asking, scenario driven questions such as "What happens if our production line stops for 72 hours?", "How would lost customer trust affect retention next quarter?" or "What's the cost of losing access to a supplier's platform during peak demand?" doesn't require big exercises or endless meetings. A small number of focused conversations supported with the right data, across the right parts of the organisation can turn cyber from an abstract threat into a practical business risk you can plan for."

Understanding the risks and potential impacts helps organisations respond more confidently when disruption strikes,

meaning they can contain it more quickly and limit the damage. Knowing where you need to focus most also enables you to implement the most appropriate technological defences (protecting privileged access, patching vulnerabilities, monitoring systems etc).

The external audit can help you strengthen your cybersecurity posture too. As Aimie Keki and Terri Coughlan observed:

“Boards need to be considering all the what-if scenarios, ensuring they have strong cyber defences all the way along the value chain and building robust business continuity plans. As auditors, cyber risks are an important part of our risk assessment procedures, just as we expect management to assess cyber risks in their going concern and impairment assessments which are then subject to our scrutiny.”

Supporting staff wellbeing

But resilience is also a people issue. It’s all very well having robust systems and processes, but if your people are tired and burnt-out, things will inevitably go wrong somewhere along the line. Every business wants to be a good employer so that people perform at their best – [so are you fully considering the wellbeing of your teams?](#)

This was an area that Anna Purchas, London Office Senior Partner & Regional Chair at KPMG, put under the spotlight in her insight piece when she wrote:

“We are living in very uncertain times with the future direction of travel hard to call – and this just makes it more important than ever that business leaders ensure there is time and space to support the mental wellbeing of their teams.”

Well-supported people are more productive, more engaged and more likely to go the extra mile to

deliver against business goals: a win-win for all concerned. Anna highlighted three key principles for supporting mental wellbeing:

- **Leadership accountability:** How you act as a leader sets the tone and sends a signal
- **Sense of belonging:** The workplace should be inclusive and welcoming, where people feel secure
- **Flexible working helps:** The ability to work flexibly where appropriate helps people balance work and personal lives and supports wellbeing.

Questions

- Do you have a comprehensive view of the regulatory and compliance outlook for your business and sector – do you know what’s coming and when?
- Do you horizon scan for market, operational and other risks that might affect you?
- How do you decide where to invest in cyber? OR How confident are you that your cyber spend is actually reducing risk?
- Have you mapped out the cyber risks most relevant to your business and put mitigations and response plans in place?
- Are you deriving cyber risk insights from your audit?
- Is the resilience and wellbeing of your staff fully on the agenda?

KPMG Powered Enterprise Cyber

Compare cyber against other risks your organisation faces and have confidence investment decisions are delivering maximum value

Our Cyber Risk Insights platform changes the discussion from red, amber, green in to the % likelihood of a cyber risk occurring and the £££ impact if it does. Where there’s insufficient budget to fix everything in year one, clients use the platform to compare investment options, rationalise and then invest with confidence.

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“Boards need to be considering all the what-if scenarios, ensuring they have strong cyber defences all the way along the value chain.”

Aimie Keki and Terri Coughlan

Moving forwards

We hope the insights collected here have helped you home in on the issues most relevant to your business – and that they provide decision-useful prompts on next steps.



Wherever your focus lies across the four pillars, in practice it is likely that success will come from a combination of all of them. Think of it perhaps as Growth, Resilience, Innovation, Productivity: **GRIP**.

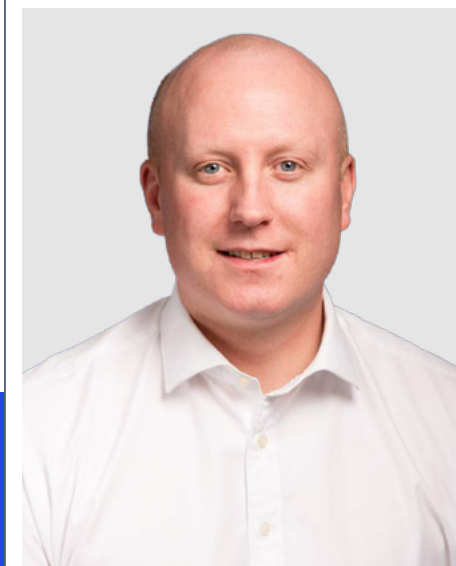
With a firm grip on the key strategic and operational issues across your enterprise, you will be best-placed to manage the challenges and seize the opportunities. Sound and well-governed businesses can have confidence in the times ahead.

We encourage you to connect with your peers and communities, to network, share and learn. At KPMG, we host many forums and events to facilitate this.

Our extensive teams of private enterprise specialists are here to work with you to unlock growth in your business and make the difference.



Stay informed on evolving trends, insights and events: [here](#)



Euan West,
Head of Private Enterprise, KPMG



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