

# Navigating uncertainty with confidence

Investment priorities for 2025

## Despite ongoing uncertainty, executives remain convinced of their organization's optimistic outlook

**62%**

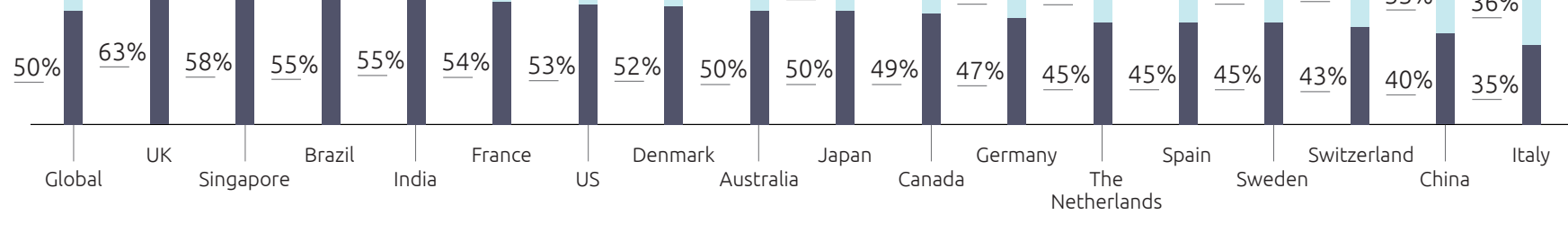
of business leaders at large organizations are optimistic about the future outlook for their organization, up from 56% in 2024 and 42% in 2023

**56%**

of organizations globally will prioritize cost reduction in 2025

Half of large organizations plan to increase their overall investments in 2025

Percentage of business leaders who say their organization's investments will increase, decrease, or stay the same in 2025



Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 1,750 business leaders.

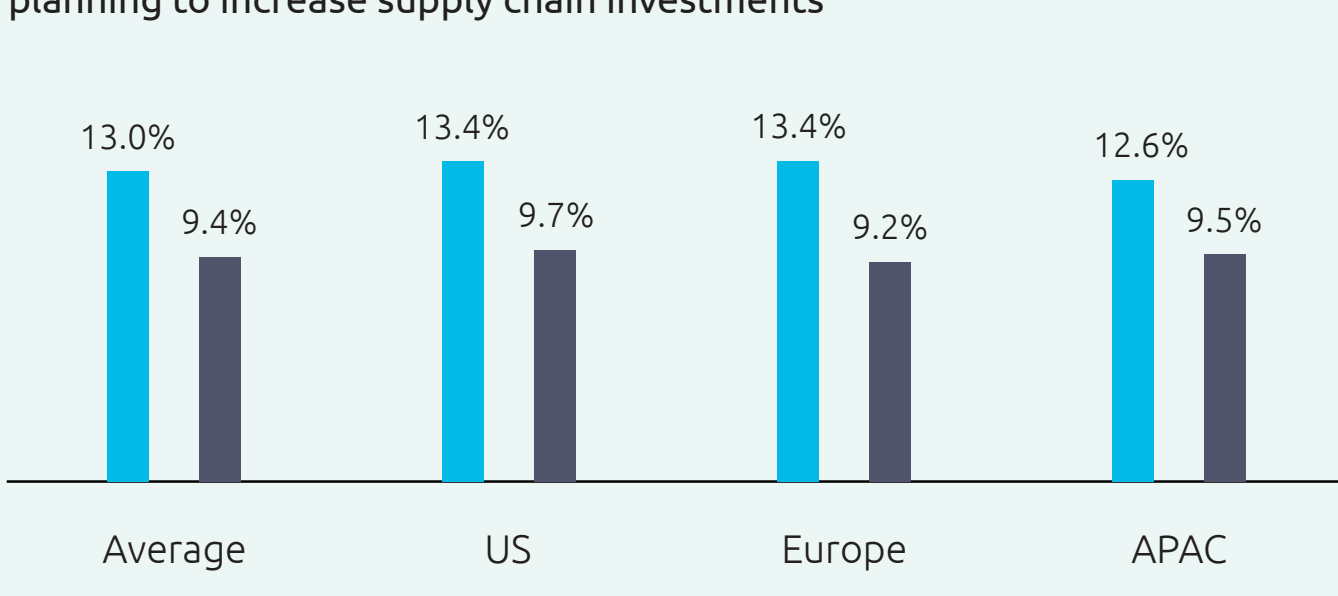
\*Data in the chart excludes mid-size organizations.

\*\*Data in the chart may not sum to 100% due to rounding.

## Optimism is driving an acceleration of investment in supply chain and sustainability

- Customer experience and engineering remain the top two investment priorities for 2025, with **78%** and **74%** of business leaders planning to increase their investments, respectively.
- The supply chain is the fastest growing investment priority in 2025, with **63%** of business leaders globally planning to increase investments, up from **48%** in 2024
- More large organizations are planning to increase supply chain investment in 2025; however, a slowdown in investment growth is expected

Average increase expected in 2024 and 2025 among large organizations planning to increase supply chain investments

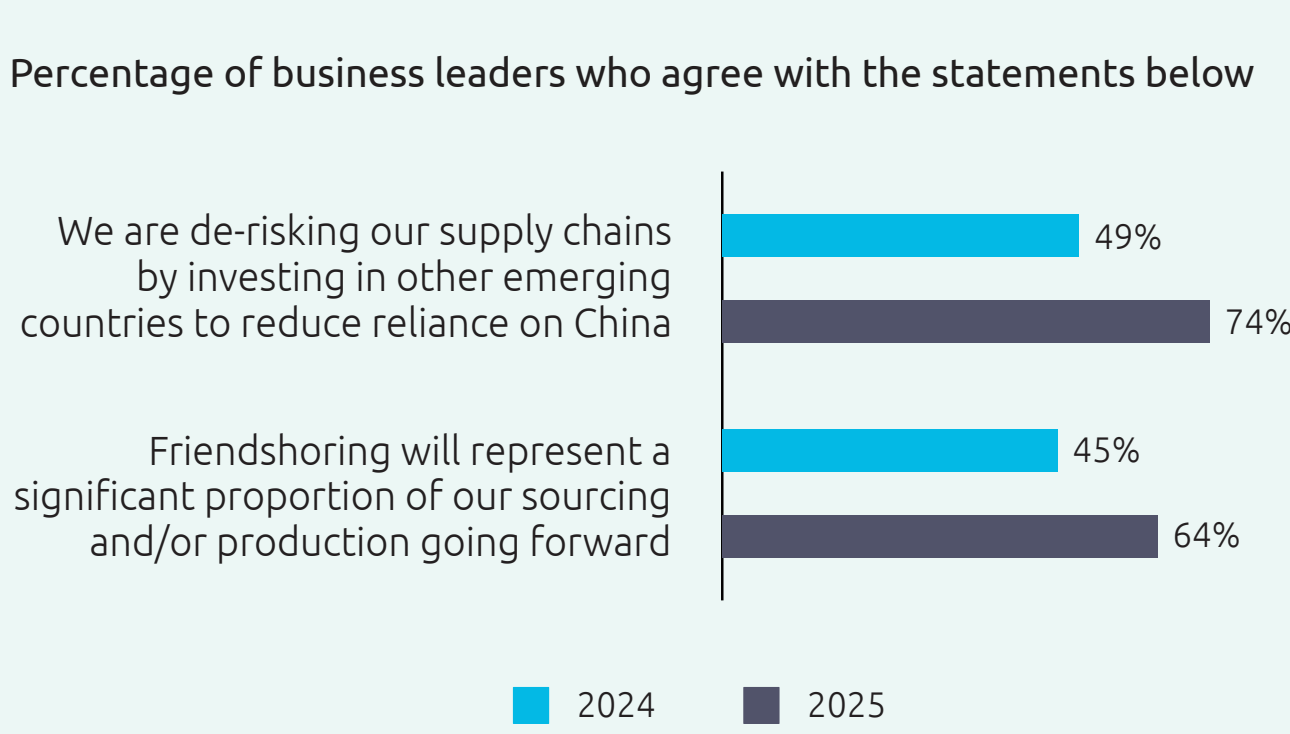


Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 988 total business leaders from large organizations who expect to increase supply chain investments in 2025, N = 100, 450, and 314 business leaders from large organizations in the US, Europe, and APAC, respectively, who expect to increase supply chain investments in 2025; Cappgemini Research Institute, *Global Investment Research* (Edition 2), November 2023, N = 943 total business leaders from large organizations who expect to increase supply chain investments in 2024, N = 82, 381, and 273 business leaders from large organizations in the US, Europe and APAC, respectively, who expect to increase supply chain investments in 2024.

\* Data in the chart excludes mid-size organizations

- More large organizations anticipate de-risking supply chains and friendshoring in 2025

Percentage of business leaders who agree with the statements below



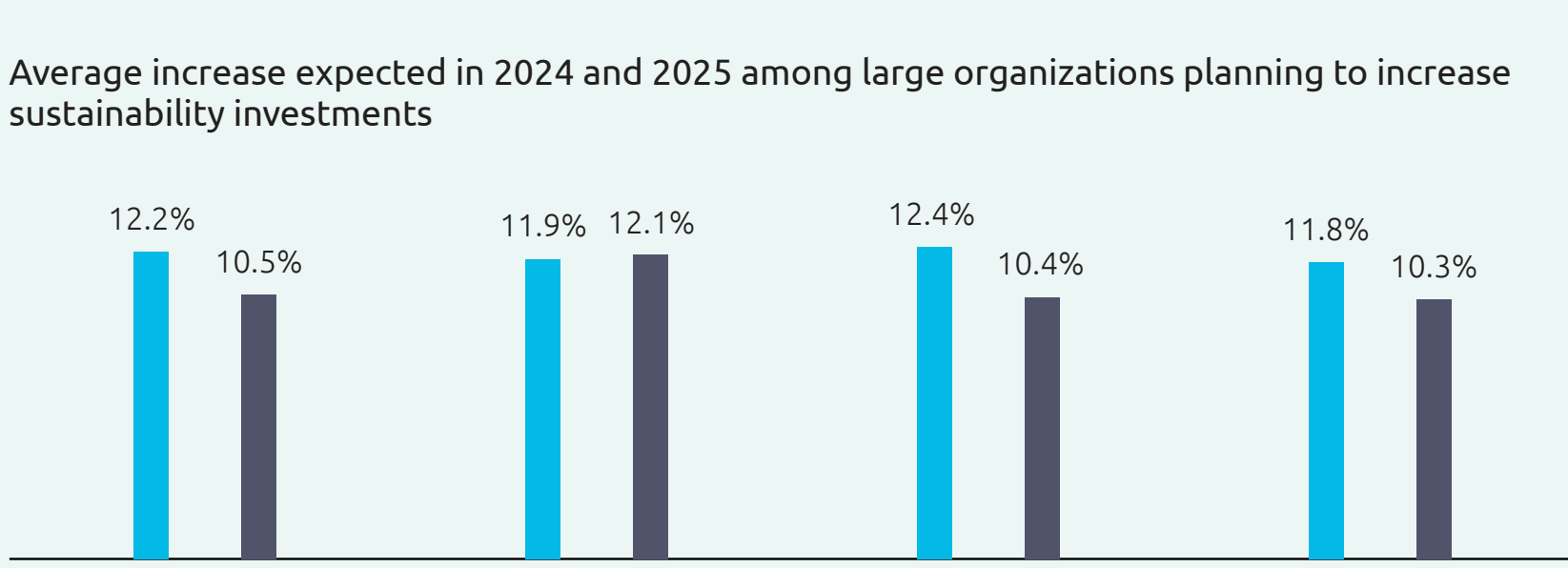
Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 1,454 business leaders responding to the de-risking statement, N = 1,577 business leaders responding to the friendshoring statement; Cappgemini Research Institute, *Global Investment Research* (Edition 2), November 2023, N = 1,860 business leaders responding to the de-risking statement, N = 2,000 business leaders responding to the friendshoring statement.

\*2024 data in the chart excludes Denmark, Switzerland, and mid-size organizations.

\*\*The statement on de-risking supply chains was not asked of respondents from China.

- Sustainability continues to be a prime focus for 2025, with **72%** of business leaders globally planning to increase investments in climate technologies
- Among large organizations planning to increase sustainability investment in 2025, US organizations will invest more than their European and APAC peers

Average increase expected in 2024 and 2025 among large organizations planning to increase sustainability investments



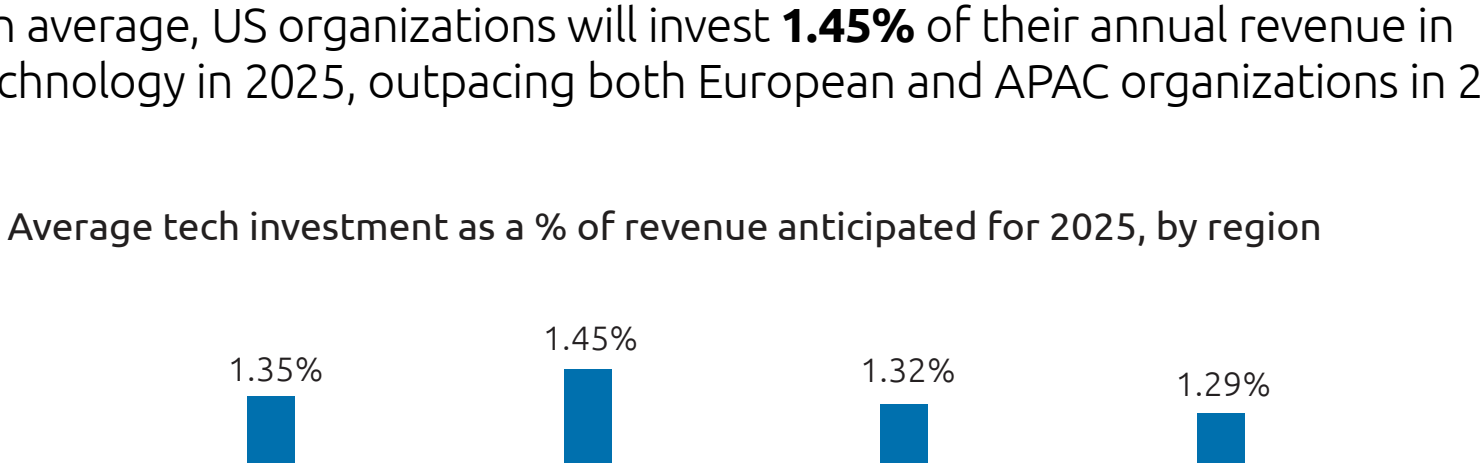
Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 971 total business leaders from large organizations who expect to increase sustainability investments in 2025, N = 103, 453, 296 business leaders from large organizations in the US, Europe, and APAC, respectively, who expect to increase sustainability investments in 2025; Cappgemini Research Institute, *Global Investment Research* (Edition 2), November 2023, N = 1,025 total business leaders who expect to increase sustainability investments in 2024, N = 88, 420, and 295 business leaders from large organizations in the US, Europe, APAC, respectively, who expect to increase sustainability investments in 2024.

\*Data in the chart excludes mid-size organizations.

## Increasing tech investment is a key priority, but the US-Europe gap will continue to hinder European competitiveness

- On average, US organizations will invest **1.45%** of their annual revenue in technology in 2025, outpacing both European and APAC organizations in 2025<sup>1</sup>

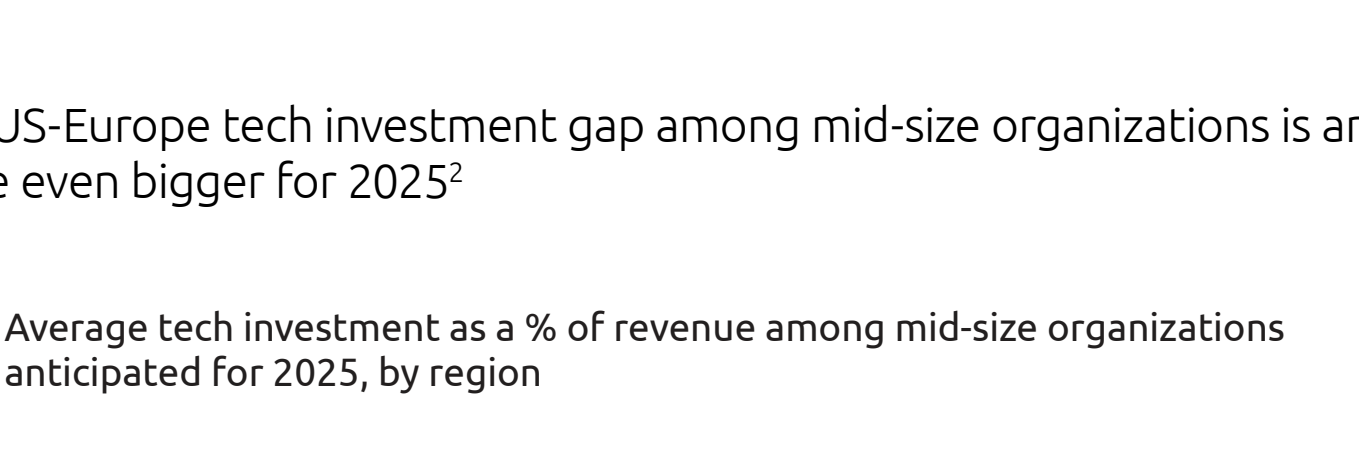
Average tech investment as a % of revenue anticipated for 2025, by region



Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 207 US organizations; 1,184 European mid-size organizations; 650 APAC organizations. Europe includes organizations in Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, and the UK. APAC includes organizations in Australia, China, India, Japan, and Singapore.

- The US-Europe tech investment gap among mid-size organizations is anticipated to be even bigger for 2025<sup>2</sup>

Average tech investment as a % of revenue among mid-size organizations anticipated for 2025, by region



Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 47 US mid-size organizations; 295 European mid-size organizations; 158 APAC mid-size organizations. Europe includes organizations in Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, and the UK. APAC includes organizations in Australia, China, India, Japan, and Singapore.

1. Please note that tech investment as a share of revenue data point was calculated for both mid and large organizations separately. Then their shares were weighted based on mid and large organizations' contributions to the country or region's GDP. GDP contribution estimates were derived for the US from the US Bureau of Economic Statistics and for Europe from EuroStat, the European Statistical Office. For APAC, GDP contribution data was pulled from the Asia-Pacific Economic Cooperation and the Government of India's Ministry of Micro, Small and Medium Enterprises.

Assumptions in this calculation include: on average, large US organizations contribute 61% of US GDP and SMEs 39%. Large European organizations contribute 50% of European GDP and SMEs 50%. Large APAC organizations contribute 51% of APAC GDP and SMEs 49%. In this calculation, mid-size organizations are defined as having annual revenue of \$10 million to \$500 million and large organizations \$1 billion or more.

2. In this calculation, mid-sized organizations are defined as having annual revenue of \$10 million up to \$500 million and large organizations are defined as having \$1 billion or more.

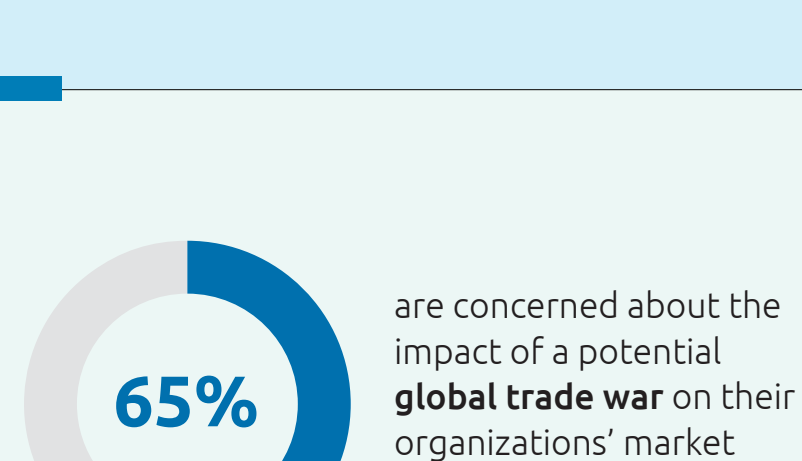
Globally **69%**

of business leaders believe their organizations are not investing enough in technology to be competitive

**61%**

agree that the lack of tech talent and skills is severely hindering their organization's ability to be competitive

## Tariffs and trade disputes could challenge this optimistic outlook



Source: Cappgemini Research Institute, *Global Investment Research* (Edition 3), November 2024, N = 2,500 business leaders.

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