

On the 2026 board agenda: Private company considerations

KPMG Board Leadership Center



Nothing is as certain as it was.

Though initial public offerings and deals picked up in the second half of 2025, the direction of the economy and interest rates, the challenge of new technologies to existing business models, and fluctuating trade policy will continue to impact the consideration of strategic decisions in private company boardrooms: Uncertainty is a silent tax.

Given the unique challenges, pressures, and structures of private companies, the KPMG Board Leadership Center offers these supplemental considerations to our [On the 2026 board agenda](#) for private company boards as they help guide their companies forward.

Prioritize board engagement in strategy and long-term value creation.

Make board composition a forethought instead of an afterthought. Independent directors and operating partners can bring valuable insight and experience to private company boards often composed of executives, investment firm representatives, family members, and founders. “Direct understanding and experience in the market and business model make the board much more effective in critiquing and evaluating strategic planning from management,” said the CEO of a private equity-owned company in our [2025 Private Company Board Survey Insights](#).

Independent directors add value by bringing an outside perspective to board discussions, combined with their specific skill sets that the company can draw on for guidance. They can also offer a clear-eyed view of board governance and effectiveness, and steer board committees such as audit or finance. In our survey, founders and investment professionals were aligned in the view that the board can add real value by working with management to identify potential opportunities and risks. For private companies looking forward to a capital markets transaction or anticipating a generational shift in ownership or leadership, having a high-functioning board in place well in advance of such a change can help to smooth the transition into the company’s next phase.

For both investor-backed and family businesses, the diversification of revenue streams is emerging as a critical element of strategy. Public markets expect diverse revenue streams for new listings. And the [KPMG Global family business report](#) stresses the need to align the business growth strategy with the family’s long-term vision and ownership succession plan. Directors with diverse skills and experiences can bring fresh ideas and independent viewpoints that are crucial for strategic decision-making and setting the direction for growth.



Focus on technology and talent.

Artificial intelligence and rapid technology shifts are significantly impacting both the investment landscape and company operations. Billions of dollars are being invested in semiconductor manufacturing, data centers, energy infrastructure, and related support. Whether the business sits directly within the AI value chain or is a consumer of AI and related technologies, private companies have to consider the appropriate level of investment in people and resources in discussions of capital allocation and strategy. For some private companies, the return on a technology investment may be outside the initial expected holding period or, for family companies, may require a reallocation of resources or a reduction in dividends. In fact, 57 percent of directors in our 2025 private company board survey said that their company expects to make a “significant investment in technology within the next three years to carry out its strategic plan.” Larger-than-expected technology outlays or major business model shifts require board understanding of the business case, including capturing value at scale and quantifying the return on investment, as well as awareness of the business risks, such as cyber, data privacy, compliance, intellectual property, and reputation.

A strategic plan that includes a significant technology investment starts with quality data and hinges on placing people at the core of adoption—prioritizing change management, workforce empowerment, skills development, and cultural transformation. Fundamentally changing what people do every day and how they work requires leadership. Focus on who from the management team is capable and ready to lead, and help to ensure that they have the support they need, both within the company and from third parties. (For more, read [AI: Looking for ROI, moving toward agency.](#))

Prepare for greater scrutiny.

Efforts to make investing in private companies more widely accessible may increase the focus on governance. From the proliferation of platforms offering the ability to buy and sell private company shares, to the growing trend of employee equity participation across private company types, to the surging private secondaries market as well as single-asset continuation vehicles (CV), many private companies may have to expand how they engage with shareholders and other stakeholders.

Expect even more attention to private company oversight with the potential expansion of private market funds to retail investors, primarily through 401(k) plans.¹ New investors will not only bring more assets, but the vehicles by which they invest will also shift the conversation around valuation and liquidity, not just at the fund level, but down to portfolio companies.

While some third-party stock sales may be out of the company’s control, and employee upside may be realized (and communicated) only with a successful exit, the nearly \$200 billion private secondary market²—across private equity, private credit, venture capital, and real estate—is reshaping the nature of portfolio company exits and extending the duration of the board. The secondary or CV transaction itself brings scrutiny to the underlying business and the valuation process. New investors, as well as new board members, will press for alignment of incentives and long-term strategy. The independence of unaffiliated directors will be tested, and having a formal conflict management framework at the company level is critical.

Conflicts of interest, including related-party transactions, often pose a significant challenge for private company boards, which frequently include directors from families and investment funds. While the interests of the private company and third-party entity that a director represents should be aligned on long-term value creation, conflicts between and among directors can arise—in the form of management fees, debt and equity financing terms, dividends and distributions, timing or exit strategies, ownership transitions, etc. Be vigilant to identify early on any potential conflicts, and work with legal counsel and skilled advisors to develop an appropriate course of action to surface and resolve any conflicts.

For more, read [On the 2026 board agenda.](#)

¹ “Democratizing access to alternative assets for 401(k) investors,” a White House Executive Order issued August 7, 2025, called for the Secretary of Labor, in consultation with the Secretary of the Treasury, the Securities and Exchange Commission, and other Federal regulators, to reexamine guidance regarding a fiduciary’s duty under the Employee Retirement Income Security Act in connection with making available to participants an asset allocation fund that includes investments in alternative assets, which could include private market investments.

² H1 2025 Global Secondary Market Review, Jefferies LLC, July 2025.



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