

Business leaders more optimistic about their organization's outlook in 2025 - plan to focus investment on innovation, efficiency, and resilience

- *In spite of a cost containment imperative, 50% of organizations plan to increase their overall investment in 2025 to drive efficiency and long-term competitiveness*
- *Organizations are also de-risking their supply chains to mitigate concerns over tariffs and trade disputes*

Paris, January 20, 2025 – The Capgemini Research Institute's new report, "[Navigating uncertainty with confidence – Investment priorities for 2025](#)," published today, suggests that, in a context of ongoing uncertainty in the market environment, business leaders feel more positive about their organization's outlook. In spite of a cost containment imperative, this optimism is driving increased investment, notably in customer experience, supply chains, and sustainability, to enable more innovation, efficiency, competitiveness and resilience-building.

Increased optimism and planned investment focused on cost reduction

The report finds business leaders feeling more confident about the year ahead than they were 12 months ago – 62% are optimistic about their organization's prospects for 2025, up 6 percentage points on the same time last year and 20 since 2023. However, executives have more confidence in their own organizations than the global market at large, with 37% optimistic about the prospects for the global operating environment in the next 12-18 months, only slightly up on last year.

In the current uncertain market environment, 56% expect to prioritize cost reduction over revenue growth for 2025. But executives realize that this change requires investment – half say that their organization plans to increase overall investment in 2025, with just under a quarter anticipating lower levels of investment compared to 2024, and the rest expecting no change.

"As we look to 2025, business leaders are navigating uncertainty with an attitude of confidence and resilience – two qualities that our research shows they are looking to instill in their organizations through technology investment," said Aiman Ezzat, Chief Executive Officer at Capgemini. "Technology has a key role to play to improve competitiveness and productivity, while reducing costs and making all-important efficiency gains. With a focus on innovation, supply chains and sustainability – which is increasingly being harnessed for its value-driving potential – leaders will set themselves up to succeed in an uncertain environment and build resilient, adaptable organizations. Crucially, this will help shape a more innovative, sustainable and inclusive global economy."

A focus on customer experience, innovation, and smarter supply chains

Much of business leaders' confidence continues to focus on customer experience, followed by engineering, R&D, and innovation - with nearly 8 in 10 and nearly three quarters of executives now planning to increase investment in these areas, respectively. However, the sharpest acceleration in investment is focused on supply chain transformation, where 63% say they will increase their spend in 2025 - up from less than half in 2024 – and by 9.4% on average. New-generation supply chains will integrate AI and IoT to enhance



efficiency, reduce waste, and support a business's sustainability goals, as well as improve decision-making and reduce costs overall.

De-risking supply chains to address concerns over tariffs and trade disputes in 2025

Globally, 7 in 10 executives are concerned about the impact of rising tariffs and bilateral trade disputes on their organization's competitiveness. Almost two thirds are also concerned about the impact of a potential global trade war on their organization's operations and market access. On that front, executives in Japan and China are the most concerned about rising tariffs and bilateral trade disputes, and the least about a potential global trade war. To mitigate these risks and build resilience, most organizations globally are diversifying their sourcing and/or friendshoring. Almost 3 in 4 executives are already de-risking their supply chains by investing in other emerging countries to reduce reliance on China, up from less than half last year. In parallel, almost two thirds of them now confirm that friendshoring will represent a significant part their organization's sourcing and production strategies in 2025 (up from 45% last year).

Climate tech leads investment priorities in sustainability

In a context where sustainability investment is more and more seen as a business value driver as well as an asset for compliance and efficiency, and increasingly impacted by geopolitics,¹ 62% of executives (up 10 percentage points from 2024) are planning to increase their sustainability budgets, by 10.5% on average. The priority areas are climate tech (72% of executives planning to spend more), including hydrogen, renewables, batteries, nuclear, and carbon capture. Batteries are seen as the top climate tech investment in 2025, with over half of business leaders ranking them in their top three, in particular manufacturers and automotive companies – followed by solar energy. Besides climate tech, the other top areas of increased investment in sustainability are sustainable R&D and product development, biodiversity protection and restoration, and water conservation/management.

AI and generative AI drive the acceleration of tech investments – especially in the US

Globally, US organizations are expected to outpace their peers in terms of tech investments in 2025. Besides, US business leaders are also more likely to feel they should invest more to be competitive (84%) compared to their European counterparts (64%). In terms of technology investments, nearly 3 in 4 executives ranked AI/generative AI in their top three priority technologies in 2025 – and again, even more so in the US.

To read the full report: <https://www.capgemini.com/insights/research-library/investment-trends-2025>

Methodology

The Capgemini Research Institute surveyed 2,500 business leaders from 2,500 organizations across 17 countries in North America, Europe, and Asia-Pacific and included nine industries and sectors: automotive; consumer products; banking and capital markets; insurance; retail; life sciences; telecoms, media and high-tech; manufacturing; and energy and utilities. The survey took place from October 23 to November 20, 2024 - half of the sample as collected prior to the US elections, and half was collected after. Across the total sample, 70% of respondents are from organizations with more than \$1 billion in annual revenue and 30% are mid-sized organizations with \$100 million to \$1 billion in annual revenue.

About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fuelled by its market leading capabilities in AI, cloud and data,

¹ In our recent report [A world in balance 2024](#) (Sept 2024), less than a quarter (23%) of executives surveyed said that the cost of sustainability investments outweigh the benefits, and over two thirds agree that anticipating or pre-empting stricter future regulations is a key driver of sustainability initiatives, up from 57% in 2023. In addition, 64% of executives surveyed (in June-July 2024) agreed that current geopolitics were an increasing consideration in sustainability investments



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