



In times of turbulence, many entrepreneurs focus their energy on managing the operating company. But overlooking the safety of one's personal assets could be a costly mistake. (ddp)

# Twelve days of holiday reading (and reflection) for entrepreneurs

12 December 2022, 6:33 pm CET, written by UBS Editorial Team

**This year has been especially hectic. High inflation, rising interest rates, and frozen funding markets are a few flavors of 2022's challenges. This UBS Chief Investment Office (CIO) aims to provide entrepreneurs with 12 days of research material, including a recap of both fleeting and enduring global developments, for reading and reflection (and perhaps seasonal refreshment) in preparation for the year ahead.**

## **1. Will private capital be more readily available for entrepreneurs in 2023?**

After a red-hot start for venture capital investment in the first quarter, VC activity slowed dramatically in 2022 due to higher interest rates, a valuation reset for growth companies, and a souring in sentiment. Market volatility and uncertainty will likely weigh on the market in 2023, but we have three tips for entrepreneurs on how to raise capital—and raise it well—in the year ahead. Please see [here](#) for more details.

## **2. Should entrepreneurs shift their currency hedging in 2023?**

The US dollar hit multi-decade highs in 2022. Dollar strength, elevated currency volatility, and differences to the cost of carry made life harder for entrepreneurs looking to hedge their FX exposure. We still expect US dollar and Swiss franc strength in early 2023, but the dollar should weaken over the year as US growth, inflation, and borrowing costs ease. Please read [here](#) for three practical suggestions for managing currency risks and opportunities in 2023.

## **3. Should business owners boost their asset protection?**

In times of turbulence, many entrepreneurs focus their energy on managing the operating company, whether seeking leaner costs, market consolidation, or workforce efficiencies. But overlooking the safety of one's personal assets could be a costly mistake. For three ways in which asset protection plans can support one's business, personal wealth, and family's well-being, please click [here](#).

#### 4. Three reasons to look beyond big tech

Investors with heavy exposure to mega-cap tech stocks had a challenging 2022. Slower growth, valuation headwinds due to higher real interest rates, and shifting product mixes impacted investment returns. But for entrepreneurs, long-term tech trends around artificial intelligence, big data, and especially cybersecurity may be ripe for investment. Please click [here](#) to discover more—including insights on how other entrepreneurs are positioning for these structural shifts.

#### 5. Is business efficiency becoming less efficient?

Some of the barriers to business efficiency—such as supply chain bottlenecks—eased through 2022. But a lasting consequence of the pandemic is the need for entrepreneurs to rethink their approach to efficiency. Contingency planning, business resilience, and customer demands for hyperpersonalization could change what efficiency means for four different types of capital. Click [here](#) to explore the theme in more detail.

#### 6, 7, and 8. “Materiality”—the what, why, and how

Materiality is the term for company data that regulators believe the average prudent investor would reasonably want to know before buying a publicly traded stock. Materiality matters to private companies too and entrepreneurs increasingly need to include sustainability data alongside financial figures. Please click [here](#) to find out what materiality is and why it matters, [here](#) to discover the outside-in approach, and [here](#) to learn about the ever-important double materiality and how to measure a firm's commercial and societal impact on the world at large.

#### 9. Why sustainability materiality can affect a business exit

Entrepreneurs planning on a business exit in 2023 have an unusually high number of economic, policy, and industry-specific factors to consider. But sustainability matters shouldn't be overlooked, as environmental, social, and governance factors play a growing part in driving valuations and a founder's eventual wealth. To find out how sustainability-minded buyers might look at their business (and ways potentially to boost value), entrepreneurs can click [here](#).

#### 10, 11, and 12. Of entrepreneurs, eggs, and baskets

Eggs are synonymous with spring.

“All one's eggs in one basket” is a year-round cliché for a lack of diversification—also known as having concentrated wealth in a single business. Concentration is often a reason for entrepreneurial success. But what if concentration leads to unanticipated risks to a business owner's wealth (click [here](#) for more)? How does concentration impact financial goals for one's business, one's family, and oneself (more [here](#))? And how can entrepreneurs manage their concentrated wealth positions to maximize their chances of achieving financial goals today, in their lifetimes and beyond ([here](#) for more)?

**Main contributor:** Matthew Carter

See the full report [Entrepreneurs: Twelve days of holiday reading \(and reflection\)](#) 8 December 2022.

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