Dealmakers Get Real About AI, Big Data, and Advanced Technology:

Research Report

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Technology advances and data grows every year, but the launch of ChatGPT in late 2022 opened up a whole new world of possibilities that dealmakers couldn't wait to explore. Less than a year later, **nearly 80%** had already tried ChatGPT or other similar generative artificial intelligence (GenAI) tool — but where does dealmakers' usage of this sophisticated technology stand today?

We wanted to go beyond the GenAI hype to understand how dealmakers are really leveraging data and technology, as well as whether it's truly enabling them to work smarter and surpass less savvy competitors. So we used **SurveyMonkey** to ask 81 dealmakers across private equity, investment banking, and corporate development directly.*

What we found was a marked difference between the performance of dealmakers who rate their organizations' data and technology usage as "sophisticated" versus those who do not. We also uncovered a major gap between dealmakers' future AI-related intentions versus preparedness, as well as the single tool that seems to serve as a gateway to technological maturity and differentiated value. Let's dig into the results.

*Please note that totals may not add up to 100% due to rounding or multiple choice responses.

Tech Reality Check

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Some **quick research shows** that many professionals are tired of hearing about the prospect of GenAI and are ready to start seeing results — and dealmakers are no different. About 65% of our survey respondents believe that GenAI and its potential impact on dealmaking has been overhyped, with just 10% still holding onto all the possibilities.

Yet despite this skepticism, the majority of dealmakers (58%) still rate their usage of dealmaking data and technology as average, while 22% categorize themselves as sophisticated.

How do you rate your organization's use of dealmaking data and technology?

Below Average
20%

Sophisticated
22%
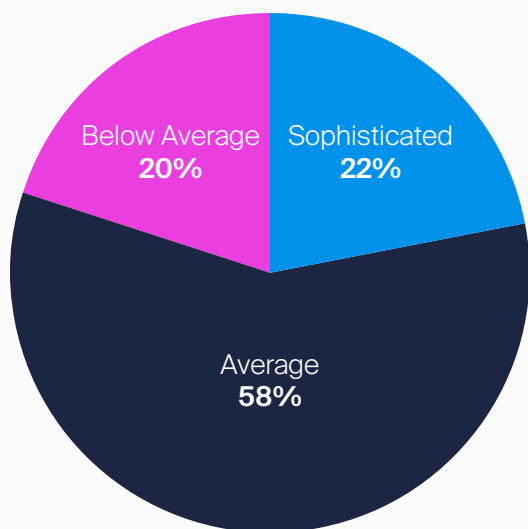
Average
58%

Sophisticated:

We've determined the ideal mix of technologies and data points to fuel activities across the end-to-end deal flow process, from market mapping to portfolio tracking.
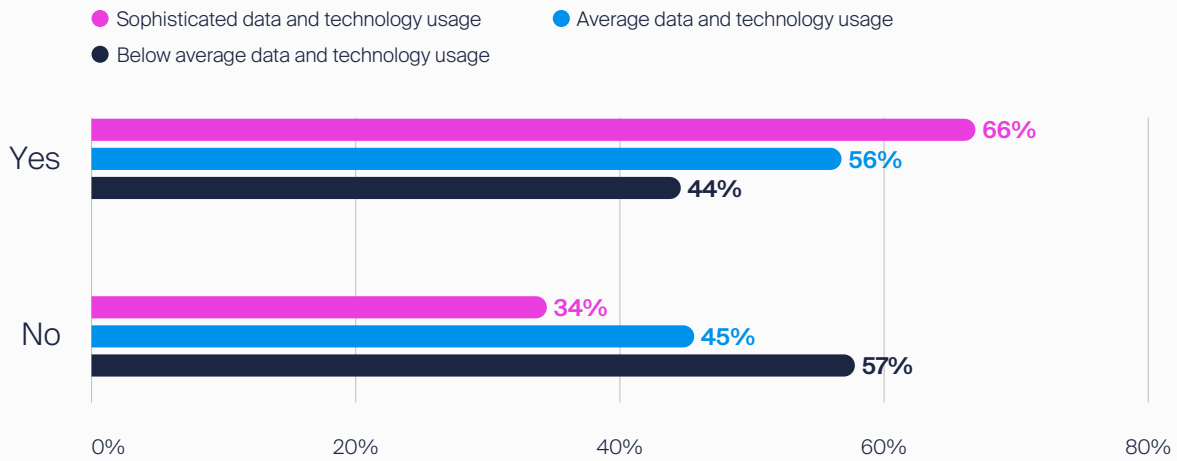
Average:

We consistently use a variety of technology and data to improve the efficiency and efficacy of a few specific dealmaking activities, such as sourcing and conference planning.

Below Average:

We have a few tools that we use occasionally to support our team's most time-consuming or error-prone activities, such as finding accurate executive contact information.

Nearly a third (30%) of dealmakers that use deal sourcing platforms rate their organizations as sophisticated, and 20% as below average. Interestingly, an organization's own use of advanced technology also appears to be correlated to whether or not they consider the impact of GenAI when evaluating potential investment targets.

Does your organization consider the potential impact of generative AI when evaluating target industries or companies?

- ● Sophisticated data and technology usage
- ● Average data and technology usage
- ● Below average data and technology usage

Yes
- 66%
- 56%
- 44%

No
- 34%
- 45%
- 57%

0% 20% 40% 60% 80%

A Tale of Two Tech Stacks

Despite recent technological developments, spreadsheets remain the most popular solution among dealmakers by a landslide. More than three-fourths of respondents (78%) say that they use this tried and true tool, followed by Google Search at 70% of respondents and customer relationship management (CRM) platforms at 69%.
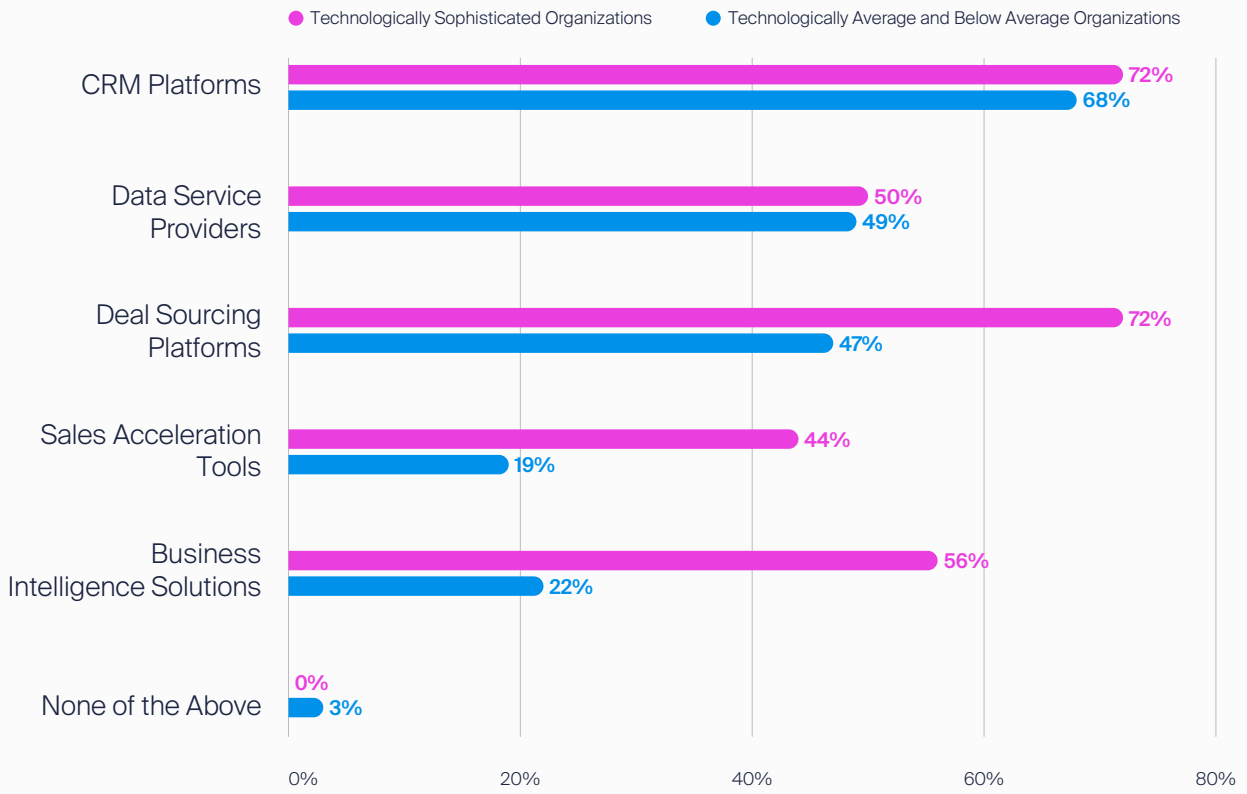
Dealmakers' Top 3 Most Popular Tools:

#1 Spreadsheets

#2 Google Search

#3 Customer Relationship Management (CRM)

While roughly the same percentage of dealmakers say they use data service providers such as CB Insights and Hoovers regardless of their organizations' levels of data and technology sophistication, the similarities end here. Some 72% of dealmakers at technologically sophisticated organizations use **deal sourcing platforms** like Sourcescrub, compared to just 49% and 44% of those at average and below average organizations, respectively.

Dealmakers at sophisticated organizations are also far more likely to use sales acceleration platforms and business intelligence (BI) solutions. This paints a clear picture of two distinct technology stacks and suggests that adopting a deal sourcing platform is a key point of divergence between tech- and data-savvy organizations and their less advanced peers.

Deal Sourcing Platforms: Where the Rubber Meets the Road

● Technologically Sophisticated Organizations   ● Technologically Average and Below Average Organizations

CRM Platforms
- 72%
- 68%

Data Service Providers
- 50%
- 49%

Deal Sourcing Platforms
- 72%
- 47%

Sales Acceleration Tools
- 44%
- 19%

Business Intelligence Solutions
- 56%
- 22%

None of the Above
- 0%
- 3%

0%   20%   40%   60%   80%

Top Data and Technology Use Cases

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How exactly are dealmakers leveraging all of the data and technology at their disposal? Streamlining and informing **email outreach** is the most popular use case among survey respondents (74%), followed by pipeline and portfolio monitoring at 63%. While the remaining options are split fairly evenly, those who use a deal sourcing platform are harnessing technology to accomplish more tasks compared to those who don't — 16% of whom say they do not use technology for any of the answer options provided.

Which of the following dealmaking activities does your organization use data and technology to help streamline and inform? Select all that apply.

● All Organizations　　● With Deal Sourcing Platform　　● Without Deal Sourcing Platform

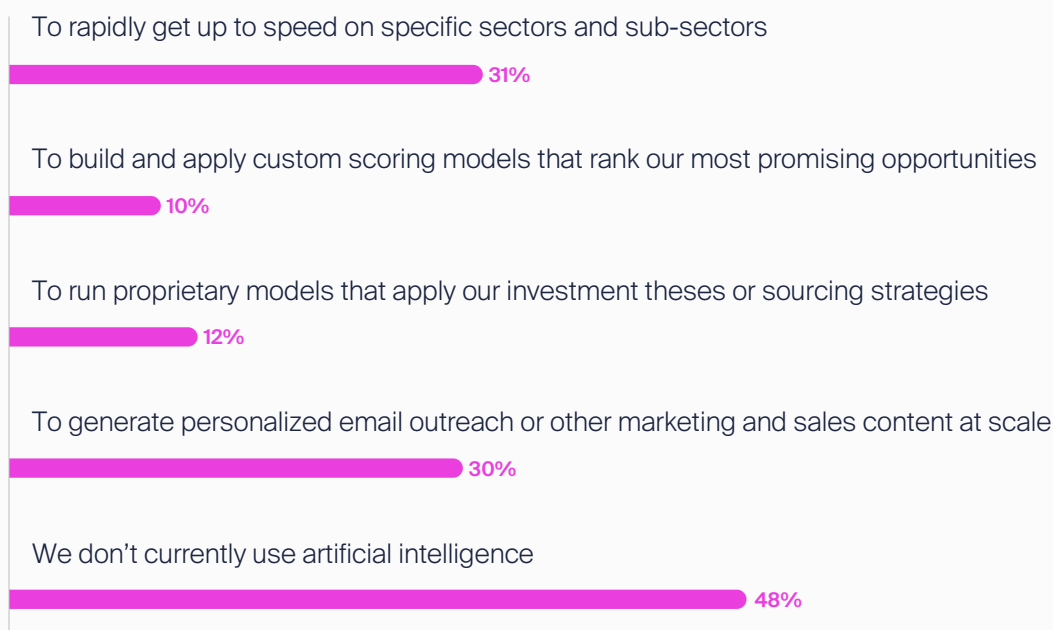| Activity	All Organizations	With Deal Sourcing Platform	Without Deal Sourcing Platform
Email Outreach	74%	79%	68%
Pipeline/Portfolio Monitoring	63%	67%	58%
Deal Sourcing	58%	77%	37%
Market Mapping/Research	57%	70%	42%
Conference Strategy/Planning	53%	58%	47%
None of the Above	7%	0%	16%
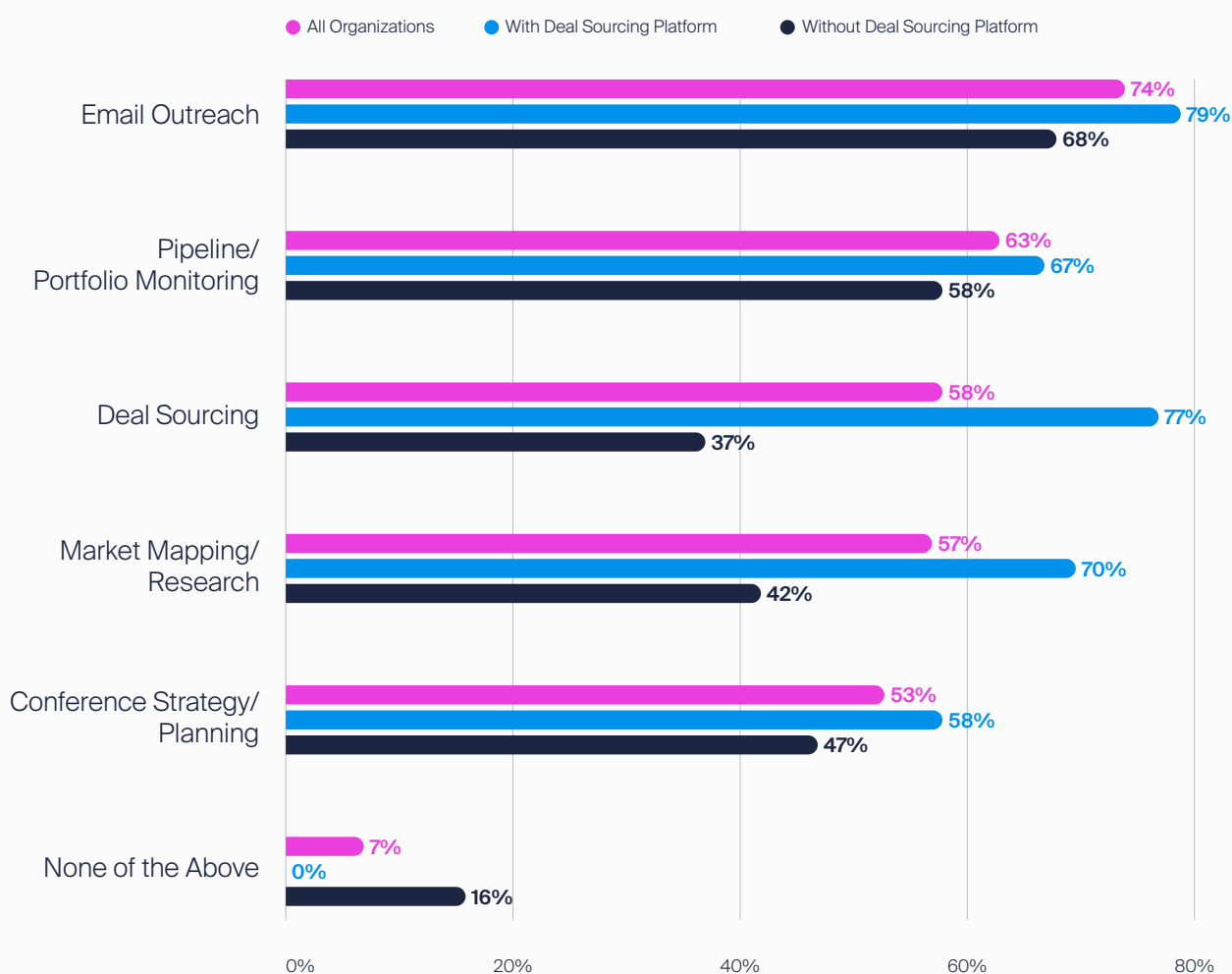
The Deal Sourcing Difference

Dealmakers who identify their organizations as sophisticated sourced at least 25% of deals directly over the last 12 months!
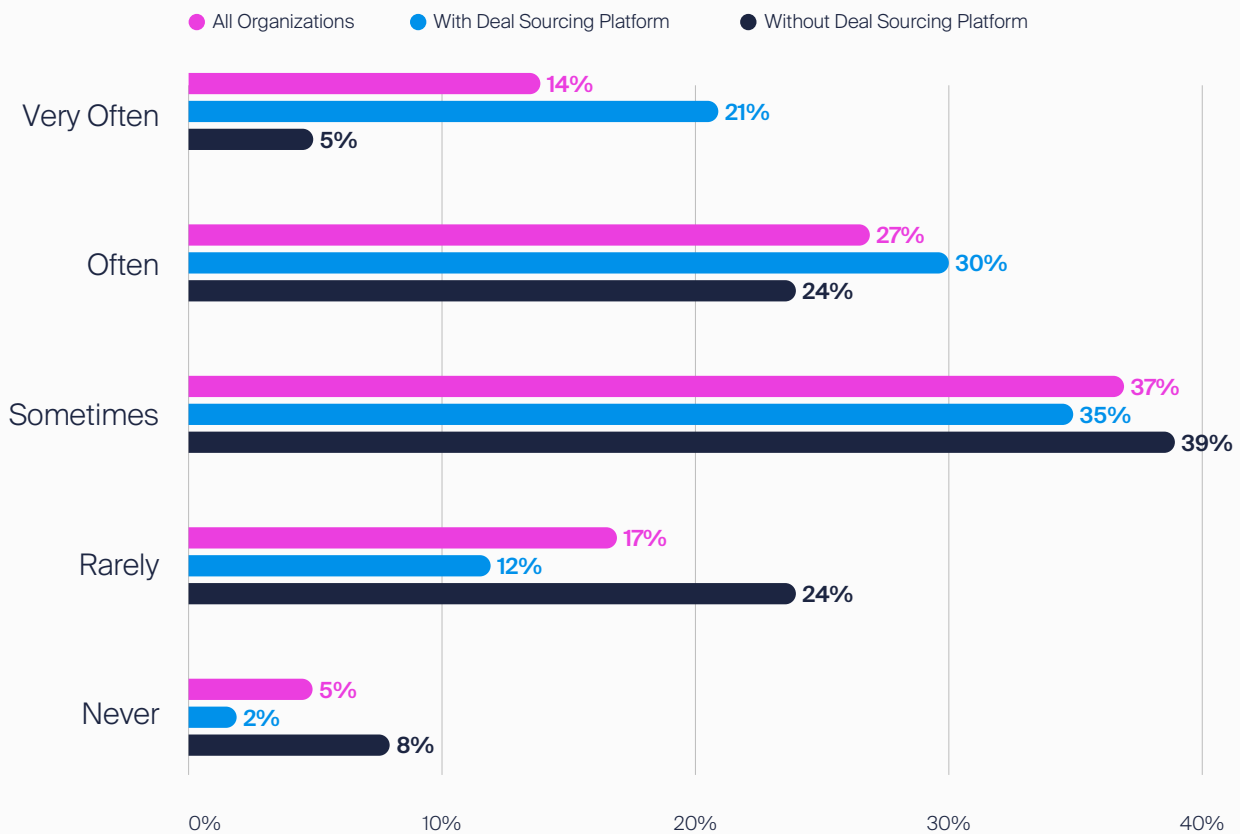
Similarly, the number one use case for AI is rapidly getting up to speed on markets and sub-sectors (31%), followed closely by generating personalized outreach emails and other content at scale (30%). It's not surprising that these answers align with ChatGPT's primary functionality, but it is shocking that a whopping 48% say that their organizations still do not use AI at all. While it makes sense to blame this lack of AI usage on concerns surrounding issues like hallucinations and data leaks, 49% say they have yet to actually experience any negative impact from AI.

What ways does your organization currently use artificial intelligence? Select all that apply.

To rapidly get up to speed on specific sectors and sub-sectors

31%

To build and apply custom scoring models that rank our most promising opportunities

10%

To run proprietary models that apply our investment theses or sourcing strategies

12%

To generate personalized email outreach or other marketing and sales content at scale

30%

We don't currently use artificial intelligence

48%

Even more surprising than dealmakers' reluctance to harness AI is their lack of automation: 22% say their organizations rarely or never use automation to minimize repetitive or manual tasks. However, there continues to be a marked difference between dealmakers who use a deal sourcing platform and those who do not.

How often does your organization use automation to minimize repetitive, manual tasks?

Legend: ● All Organizations ● With Deal Sourcing Platform ● Without Deal Sourcing Platform

Very Often
- All Organizations: 14%
- With Deal Sourcing Platform: 21%
- Without Deal Sourcing Platform: 5%

Often
- All Organizations: 27%
- With Deal Sourcing Platform: 30%
- Without Deal Sourcing Platform: 24%

Sometimes
- All Organizations: 37%
- With Deal Sourcing Platform: 35%
- Without Deal Sourcing Platform: 39%

Rarely
- All Organizations: 17%
- With Deal Sourcing Platform: 12%
- Without Deal Sourcing Platform: 24%

Never
- All Organizations: 5%
- With Deal Sourcing Platform: 2%
- Without Deal Sourcing Platform: 8%
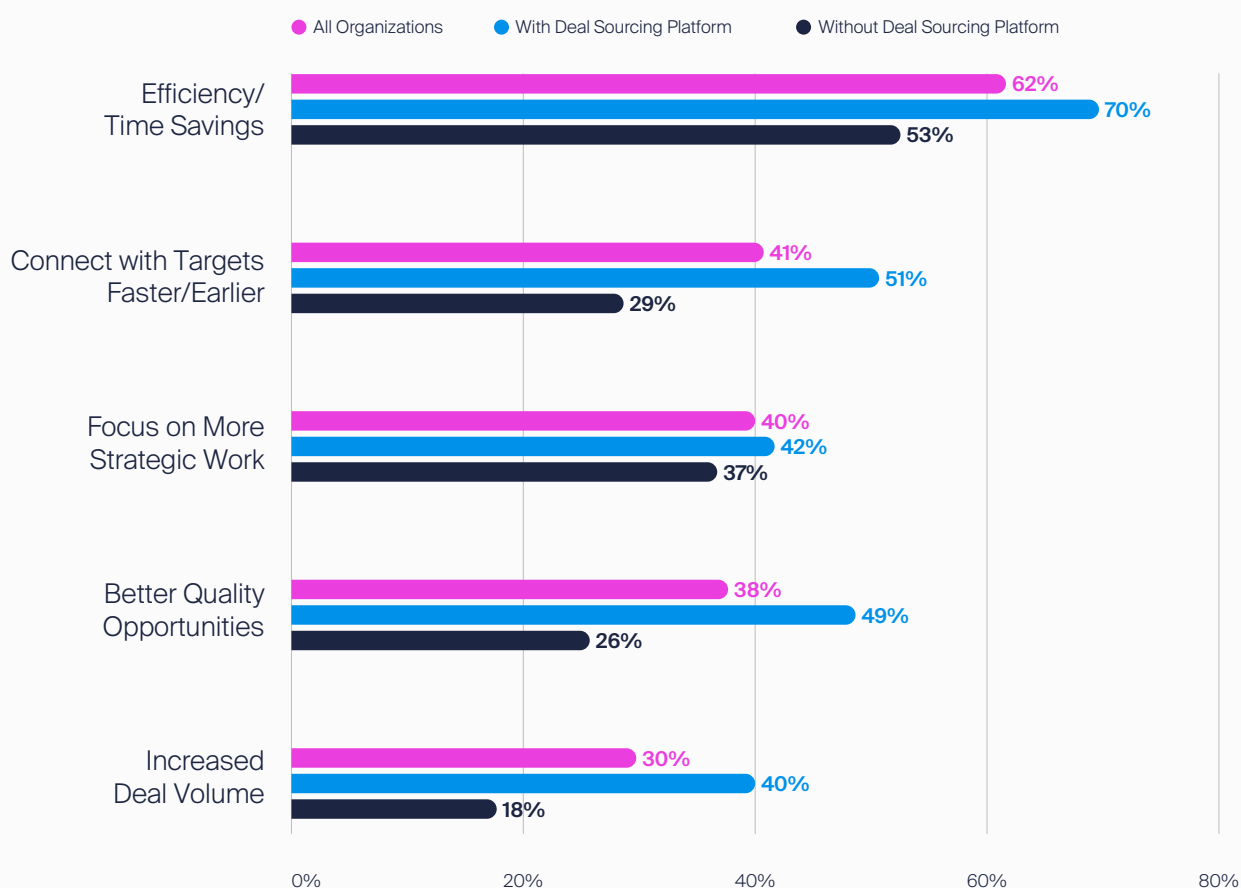
Axis: 0% 10% 20% 30% 40%

Are Data and Technology Living Up to Their Promises?

When asked about the results their organizations have seen thanks to dealmaking data and technology, 62% of respondents choose increased efficiency and time savings, making it the number one benefit, by far. However, it's also among the most common and measurable results for any tool or process change.

In contrast, the cited benefits with the biggest discrepancies between respondents whose organizations use deal sourcing platforms and those whose do not are more rare and difficult to achieve. These include better quality opportunities, increased deal volume, and the ability to connect with targets faster and earlier than the competition. This once again underscores the advantages of having a technology stack that includes a deal sourcing platform.
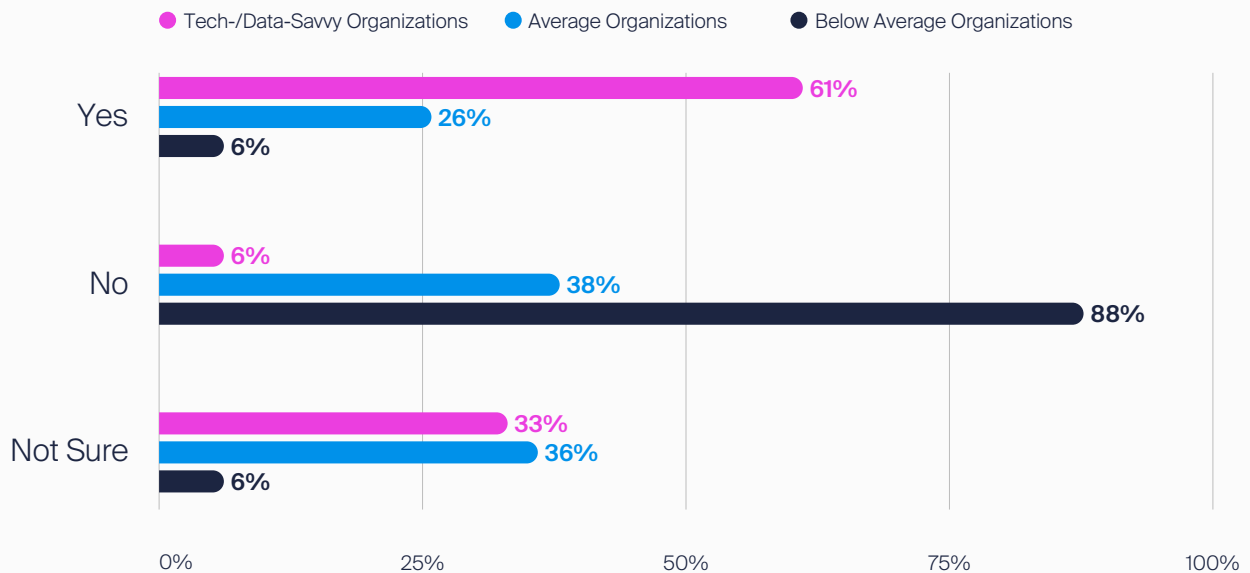
Top 5 Benefits of Using Dealmaking Data and Technology

● All Organizations ● With Deal Sourcing Platform ● Without Deal Sourcing Platform

Efficiency/Time Savings
- 62%
- 70%
- 53%

Connect with Targets Faster/Earlier
- 41%
- 51%
- 29%

Focus on More Strategic Work
- 40%
- 42%
- 37%

Better Quality Opportunities
- 38%
- 49%
- 26%

Increased Deal Volume
- 30%
- 40%
- 18%

0%   20%   40%   60%   80%

While all dealmakers from organizations with sophisticated use of data and technology experience at least one of the benefits listed in the answer options, a massive 38% of dealmakers from below average organizations have yet to experience any. Similarly, more than 60% of respondents from tech-savvy firms can confidently say that data and technology have enabled them to win deals against less sophisticated competitors.

This number shrinks to 26% among dealmakers at average organizations, and to just 6% for those at below average firms. This indicates that yes — advanced data and technology really are worth the hype for organizations that choose to prioritize and invest in them.

Has your organization ever won a deal over a competitor thanks to your more sophisticated use of data and technology?

- Tech-/Data-Savvy Organizations
- Average Organizations
- Below Average Organizations

Yes
- 61%
- 26%
- 6%

No
- 6%
- 38%
- 88%

Not Sure
- 33%
- 36%
- 6%

0% 25% 50% 75% 100%

What's Next?

It's clear that AI-powered technology isn't slowing down anytime soon, and that most dealmakers have quite a ways to go to catch up. About 80% expect their organizations' AI usage to increase over the next twelve months. However, examining the results by technology and data usage reveals that respondents from more technologically sophisticated organizations plan to adopt AI at a higher rate than those at less sophisticated firms, indicating a growing gap. The same goes for organizations with deal sourcing platforms versus those without.

How do you expect your organization's use of AI to evolve over the next 12 months?

Stay the Same
20%

Increase Significantly
18%

Increase Somewhat
62%
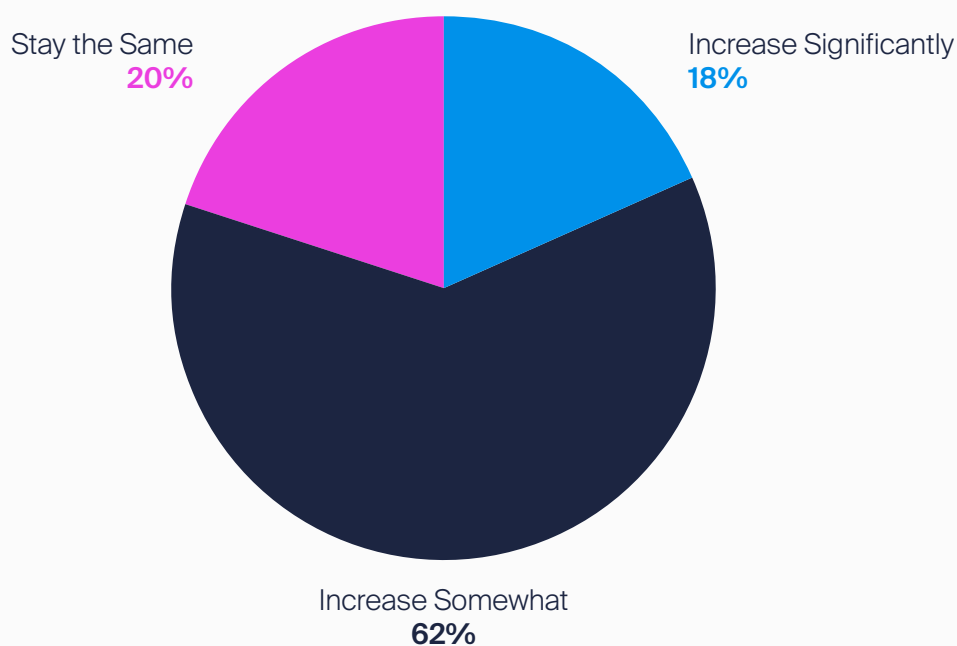
Yet despite the desire to improve data and technology usage, 47% of dealmakers at average and 69% at below average organizations lack the internal resources and know-how necessary to bring these intentions to life. Less than 10% of all surveyed dealmakers' organizations have a data engineer or **data scientist** in place — the two most crucial roles for managing data infrastructure, modeling data, generating algorithms, and handling other advanced AI- and analysis-related tasks.

Which of the following roles does your organization have internally? Select all that apply.

IT Manager
22%

Sales Operations
21%

Data Analyst
15%

Data Engineer
9%

Data Scientist
8%

None of the Above
26%
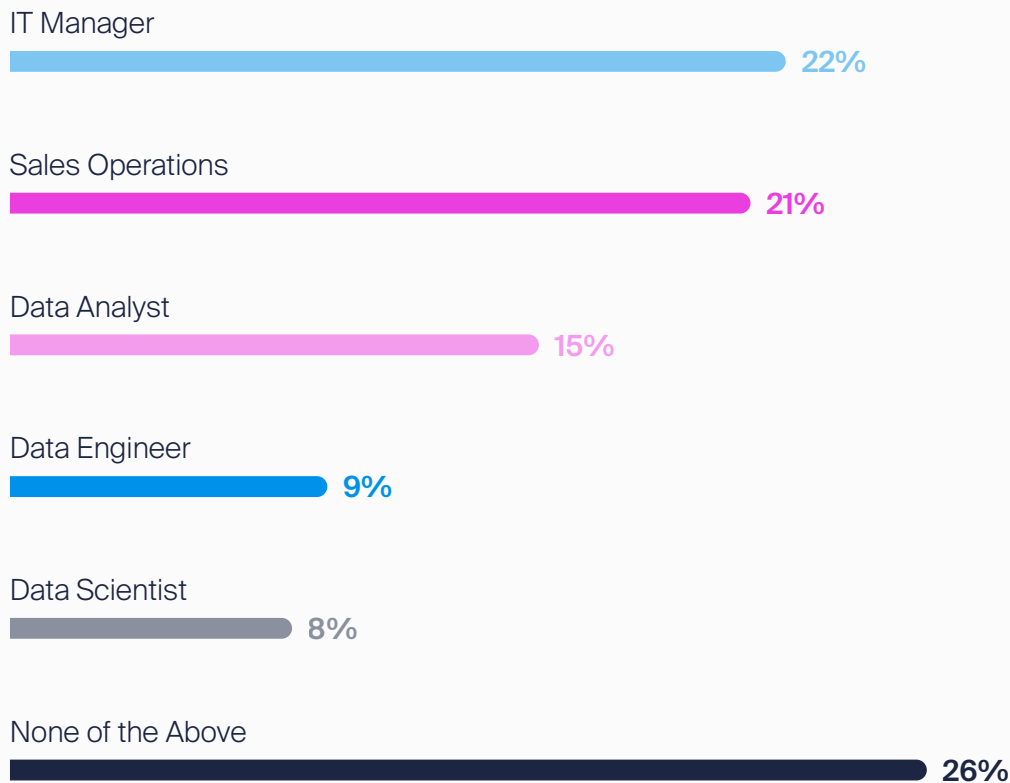
Last but not least, when asked to weigh in on what will be the three most important skills for dealmakers to develop over the next 12-24 months, prompt engineering ranked dead last at just 11%. Meanwhile, interpersonal communication came in number one at 53%, highlighting a major misalignment between dealmakers' stated plans and actual preparedness for adopting AI.

Steps to Start Getting Real

Although embracing GenAI and other advanced technologies may seem like a daunting task, our survey results prove that it's a worthwhile endeavor. They also help illuminate a clear path forward for organizations that are up for the challenge:

Step 1: Start Taking AI Seriously

While it's true that AI is far from being able to solve all our problems, its ability to help dealmakers work efficiently, pinpoint the right opportunities, and win more deals is clear — and believing is seeing. According to our survey, 22% of dealmakers who belong to organizations with a more sophisticated use of data and technology do not believe that GenAI has been overhyped at all, compared to just 6% of those at organizations with both average and below average tech-savviness.

It's time to start taking the possibilities of AI seriously while exploring practical ways to put this advanced technology to use. The best organizations will think beyond ChatGPT and consider ways both traditional and generative AI can help automate repetitive processes, organize and analyze data, and more.

> To get started, download this free eBook, **The Dealmaker's Guide to AI-Powered Outreach: Tips to Templates**.

Step 2: Adopt a Deal Sourcing Platform

Every organization's technology stack is unique, but our survey seems to indicate a single tool that separates tech- and data-savvy dealmakers from the rest: a deal sourcing platform. Not only are dealmakers whose organizations' tech stacks include deal sourcing platforms more likely to use AI and automation, but they also experience better performance across the board.

The right deal sourcing platform can help dealmakers sharpen their domain expertise,

pinpoint opportunities that match their specific investment criteria, monitor top targets and portfolio companies in real time, and so much more. This leads to greater efficiencies, more proprietary opportunities, higher deal volumes, and a slew of other benefits.

To learn more about what to look for when selecting the right deal sourcing platform for your organization, check out this helpful buyer's guide: **8 Questions to Ask When Evaluating Deal Sourcing Platforms**.

Step 3: Put the Right People in Place

As Sourcescrub CTO Jon Dodson says, "AI is not magic, and there isn't generally available AI that will solve everyone's problems. Data is error-prone, and eventually everything has to be supervised to ensure data quality and accuracy." In addition, even the most sophisticated algorithms are incapable of shaking hands and striking up friendly conversations with top investment targets.

This is why 50% of survey respondents from tech- and data-savvy organizations have a data analyst in place, compared to just 21% of those from average firms and 13% from below average organizations. It's the organizations that learn to combine the power of humans and artificial intelligence that will come out on top.

To learn more, read this blog, **How Dealmakers Can Unlock the Real Value of Artificial Intelligence**.

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About Sourcescrub

Sourcescrub is the market-leading Deal Sourcing Platform for investment and M&A teams who need the most complete, accurate, and connected view of private markets. Using a proprietary expert-in-the-loop AI process, Sourcescrub weaves more than 150,000 information sources and 15 million companies into a web of insight so you see more possibilities and win more often.

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