



Gartner®

Leadership Vision for 2025

Top 3 Strategic Priorities for Startup Tech CEOs

Introduction

In 2025, startup tech CEOs must navigate a dynamic landscape by focusing on cost management and strategic AI investments to drive productivity and efficiency. Agility, deep industry knowledge and a commitment to security are crucial as buyers demand risk assurance. GenAI is now expected, not a differentiator, prompting increased cybersecurity spending and policy development for secure adoption.

To meet these challenges, startup tech CEOs should:

- Use GenAI to streamline operations, customer interactions and productivity
- Establish trust with buyers through simplified risk management
- Position themselves as visionary partners

Use these insights to balance innovation urgency with buyer trust, and achieve your goals in 2025 and beyond.

Key questions addressed



What are the **major trends** affecting startup tech CEOs?



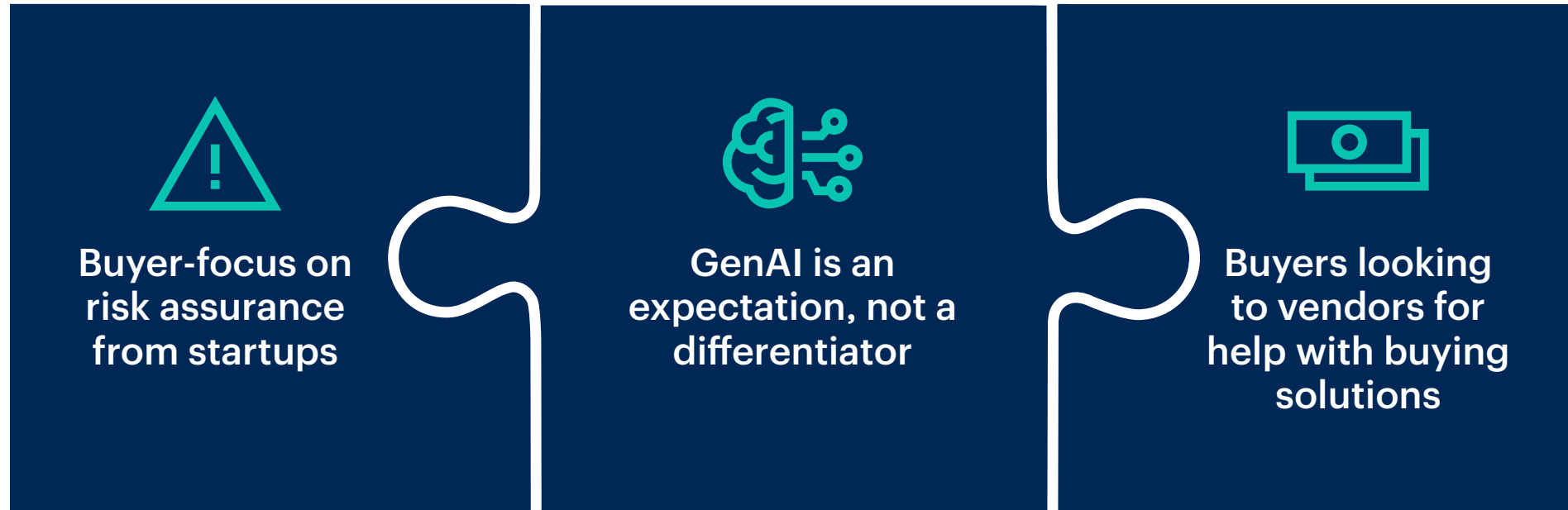
What are startup tech CEOs' top **priorities** for the year ahead?



What **actions** do startup tech CEOs and their teams need to take to succeed?

The Fundamentals of 2025

Startup tech CEOs must prioritize agility and deep industry knowledge, and focus on security, trust and operational resilience to guide buyers through purchase decisions.



Source: Gartner

Funding and Tech Spend on an Upward Trajectory

Trajectory of spending

| | 2023 | 2024 | 2025 expectations and sentiment |
|--|----------|----------|---|
| Software spending growth ¹ | ⬆️ 11.5% | ⬆️ 12.6% | ⬆️ 14.9% ^a |
| IT services spending growth ¹ | ⬆️ 4.9% | ⬆️ 71% | ⬆️ 10.7% ^a |
| VC-M&A exits deal value ² | ⬇️ 30% | ⬆️ 58% | ⬆️ 32% ^a |
| Funding from VC investors ³ | ⬇️ 41.9% | ⬇️ 40.3% | ⬆️ 2.5% ^a |
| Labor costs ⁴ | ⬆️ 4.5% | ⬆️ 3.9% | <ul style="list-style-type: none"> • Expected to increase at 3.8% (just below 2024 increase) • India (followed by Vietnam and Mexico) expected to see highest rate of growth globally |



VCs prioritize early-stage funding in GenAI startups and “required” startups to integrate AI into business and/or product strategies to attract AI-specific funds.

Sources:

1 IT Spending for Software and Services — Gartner Market Databook, 2Q24 Update (G00808569)

2 VC-M&A Exits Deal Value — Global M&A Monitor for Tech CEOs, 4Q23: Sluggish With a Silver Lining (G00806117)

3 Funding From Investors — “Global Venture Funding In Q3 2023 Falls Again Despite Late-Stage Rebound Led By Huge AI Deals” (<https://news.crunchbase.com/venture/global-venture-funding-instacart-klaviyo-q3-2023/>)

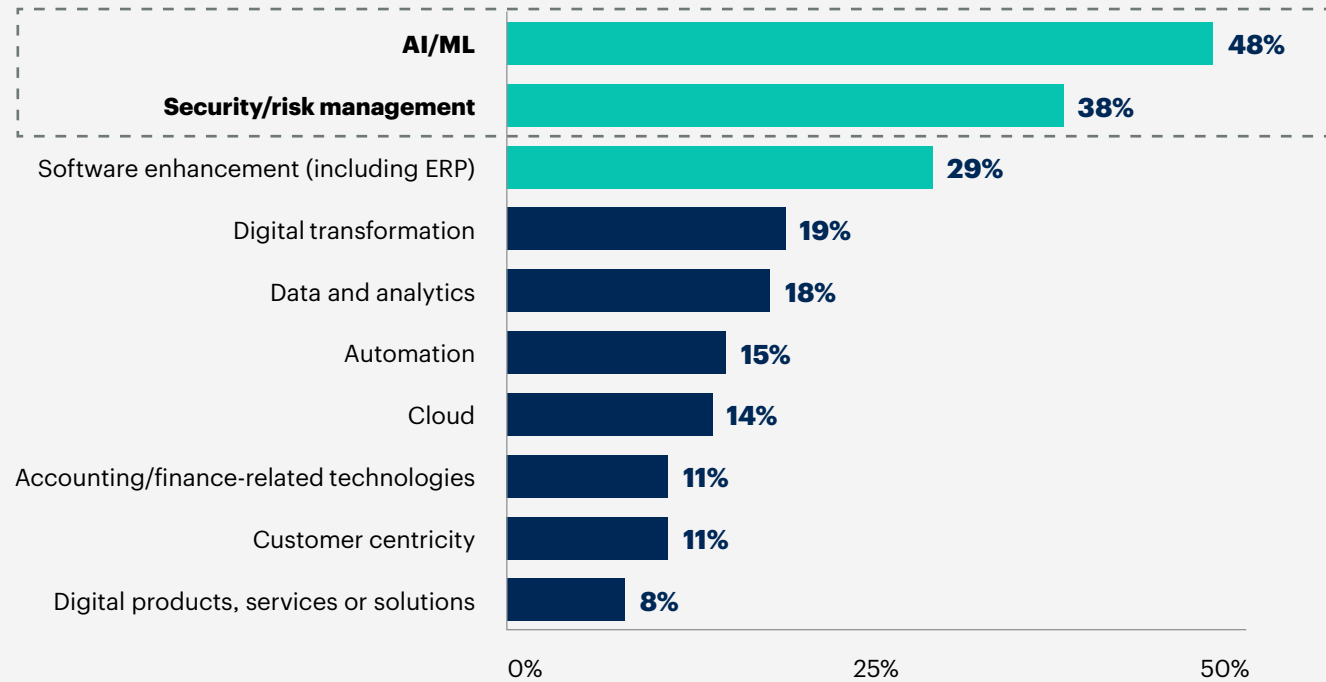
4 Labor Costs — “Worldatwork.org” (reflects higher of U.S. Salaried Employee Exempt and U.K. Management Salaried each year), 2023 — https://worldatwork.org/media/CDN/dist/CDN2/documents/pdf/resources/research/SBS2023-24_TopLevelData_Participants.pdf, 2024 / 2025 EST — https://worldatwork.org/media/CDN/dist/CDN2/documents/pdf/resources/sbs/SBS2024-2025_TopLevelData_Participants.pdf

a Indicates forecast as of close 2Q24

AI Is Top of Mind for Enterprise Buyers' Boards

Buyer boards and IT decision makers are addressing GenAI risks by accelerating cybersecurity spending, establishing policies and initiating pilot programs to ensure secure and scalable adoption.

Boards discuss top technologies leading with AI



n = 285, nonexecutive board of directors

Source: Board Graph: Boards Discuss Top Technologies Leading With AI — <https://www.gartner.com/document-reader/document/5717251?ref=solrImgSearch&refval=437812988>

3 Trends Defining the 2025 Landscape for Startup Tech CEOs



GenAI — an expectation, not a differentiator

GenAI is now integral to business strategy, products and operational efficiency.

By 2026, GenAI will be a necessity. Venture funding will hinge on startups using AI. GenAI-assisted software engineering and product development will have at least a 50% reduction in time to market.

By 2028, agentic AI will be mainstream. Thirty-three percent of enterprise software applications will include agentic AI, up from less than 1% in 2024. AI agent machine customers will replace 20% of the interactions at human-readable digital storefronts.

Explore [The Gartner Hype Cycle™ for Emerging Technologies, 2025](#)



Buyers demand that startups provide security, compliance and operational resilience

Enterprise buyers increasingly scrutinize startups for risk factors like data privacy, AI ethics, data security, regulatory compliance and operational resilience before partnering.

Concerns about AI risks will continue in the next two years, particularly in information integrity (41%) and data privacy and security (37%) and other regulatory landscape considerations.

Buyers who evaluate startups without industry standard compliance certifications during the purchase process use a rigorous questionnaire (SIG Analysis) to address business risk posture.



Buyers need vendors' help in making purchase decisions

Technology adoption is increasingly driven by buyers' risk tolerance, with early adopters seeking innovation and vendors evolving into trusted advisors for cautious mainstream buyers by providing deep industry expertise.

Buyers who are innovators and early adopters are willing to experiment and accept more risk when integrating new solutions versus mainstream buyers who expect track records of proven solutions.

Source: SRS — Q4 Pulse Report, Global Fundraising Monitor 4Q24

3 Priorities and Actions for Startup Tech CEOs

PRIORITY

01

Get to PMF Faster With GenAI to Shorten the Time Between Milestones

- Automate customer interactions with GenAI to streamline workflows and save time for strategic product development.
- Use AI-driven insights to analyze feedback, identify trends and refine features quickly.
- Speed up prototyping and testing by generating and iterating product variations faster.

> ACTION

Use GenAI Solutions to Streamline Operations, Customer Interactions and Productivity

PRIORITY

02

Balance Urgency of Innovation With Building Buyer Trust

- Prioritize compliance from the start by using it as a trust-building differentiator and aligning certifications with growth goals.
- Treat compliance as an ongoing process by dedicating resources, utilizing third-party expertise and promoting a culture of accountability.
- Incorporate regulatory requirements into product design early to avoid expensive rework and reduce technical debt.

> ACTION

Establish Trust With Buyers and Conserve Cash With Simplified Risk Management

PRIORITY

03

Establish Business Credibility to Win Buyer Confidence

- Demonstrate industry expertise and thought leadership by identifying trends, sharing in-depth vertical knowledge and insights specific to your field.
- Establish credibility through early customer successes, industry recognition and awards, and strong partnerships.
- Exhibit financial discipline and operational resilience to assure buyers of long-term stability and value.

> ACTION

Position Yourself as a Long-Term, Visionary Strategic Partner to Deliver Value Beyond Products

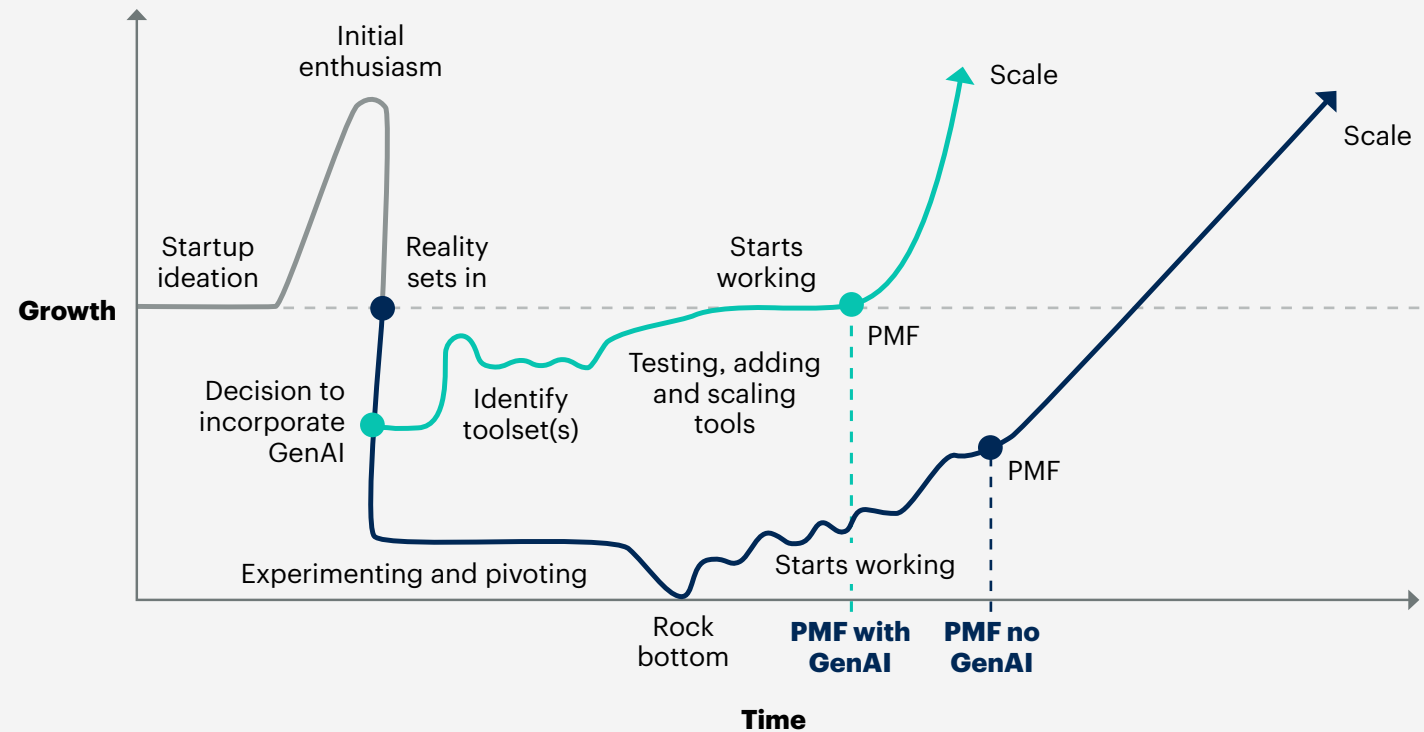
PRIORITY

01

Get to PMF Faster With GenAI to Shorten the Time Between Milestones

Successfully integrating AI requires maintaining organizational vision and product stability, while ensuring that scalable, business-focused innovation enhances user experience and product consistency in the ecosystem.

The startup curve to PMF when using GenAI



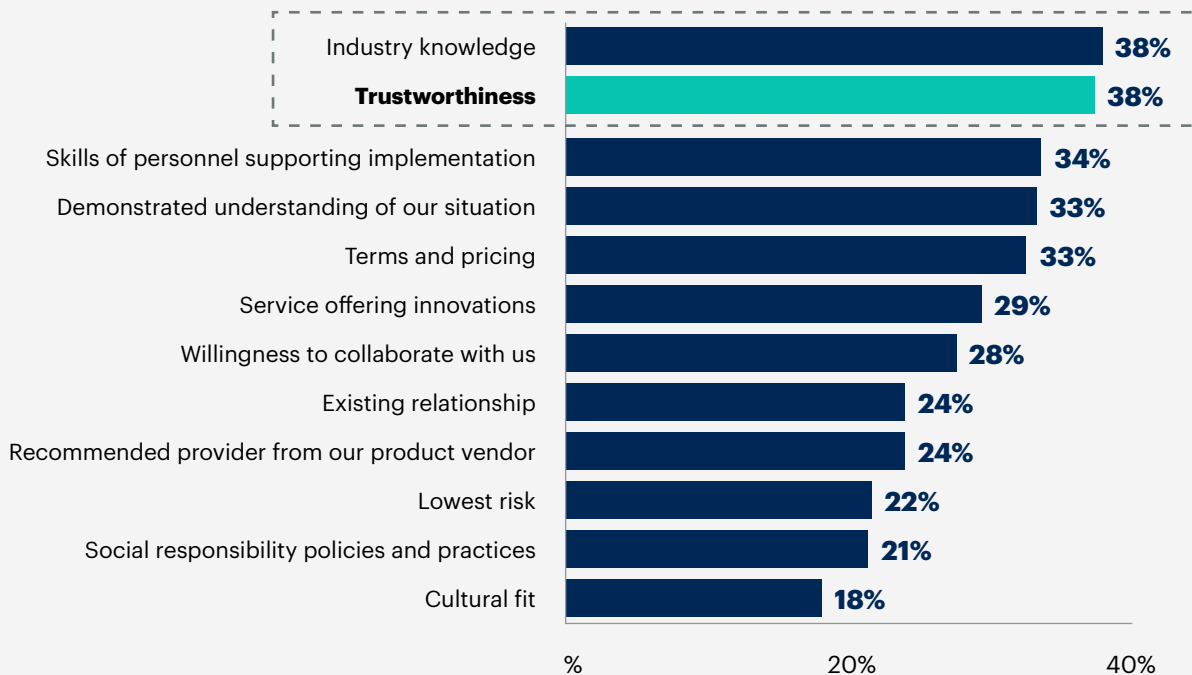
Source: Gartner

PRIORITY 02 Balance Urgency of Innovation With Building Buyer Trust

Ensure seamless integration of innovations with organizational goals through a structured approach, while focusing on delivering substantial value to drive market adoption.

For buyers, trustworthiness is a preferred characteristic for differentiation

Sum of top 3



n = 1,106; all respondents, may vary by technology category

Source: B2B Tech Buying Basics, <https://www.gartner.com/document-reader/document/4012565?ref=solrAll&refval=443390940>

Note: Sum of top tier ranks

PRIORITY 03 Establish Business Credibility to Win Buyer Confidence

Replacing proofs of concept with proofs of value and transforming the pitch deck into a strategic buyer deck showcases long-term value, measurable impact and credibility supported by high-value, referenceable customers.

POV win agreements drive sales through business value demonstration

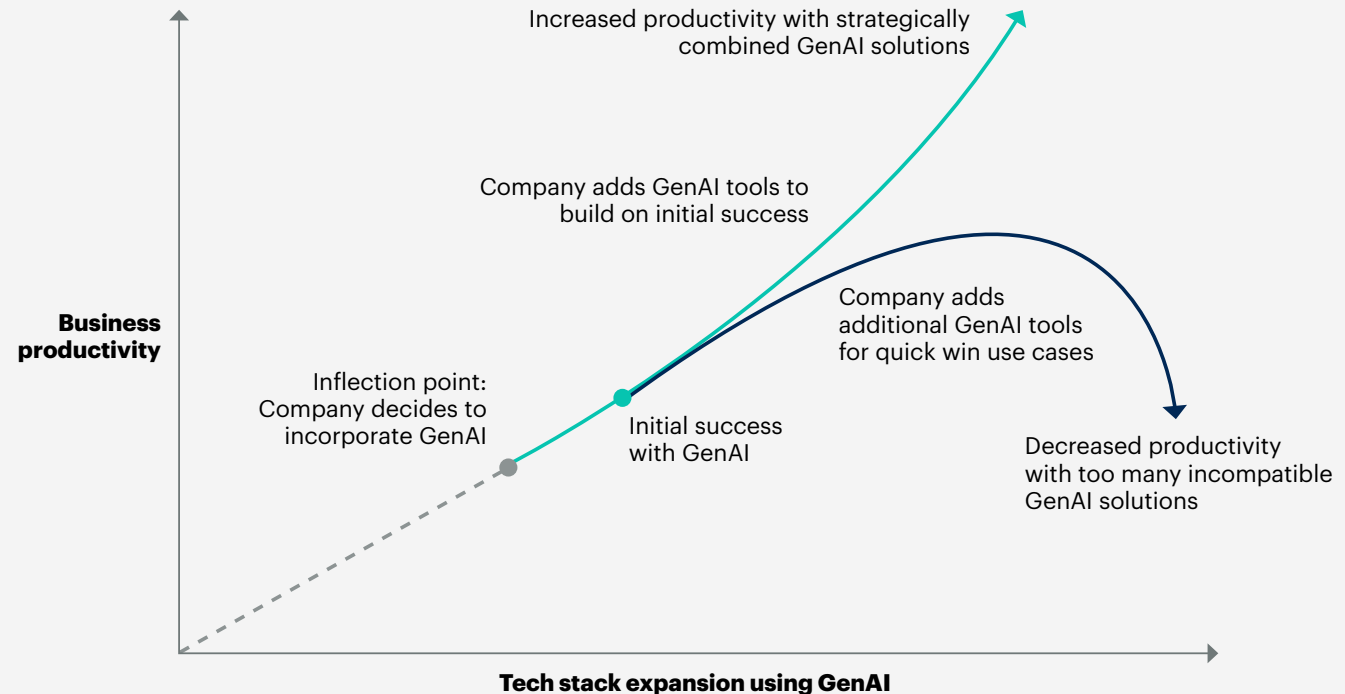


Source: Gartner

Use GenAI Solutions to Streamline Operations, Customer Interactions and Productivity

- 1 Focus on adaptive product development and cost management**
 Use AI for agile development and data-driven decisions to create an adaptive product roadmap and avoid the Death Valley Curve.
- 2 Secure referenceable customers**
 Use AI to provide greater customer service to gain early advocates and support funding.
- 3 Establish holistic operations**
 Automate tasks for efficiency: Install AI productivity tools and implement data strategy.

Strategically combined GenAI/agentic AI solutions

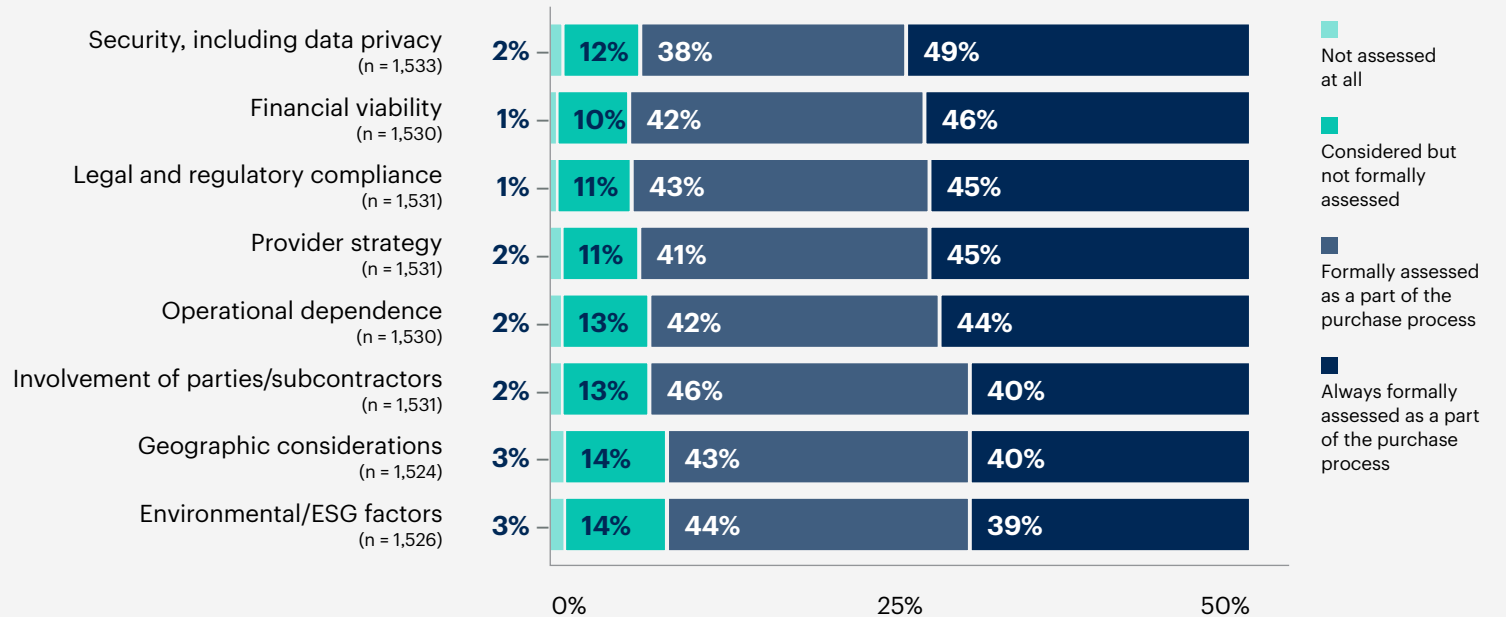


Source: Gartner

ACTION 02 Establish Trust With Buyers and Conserve Cash With Simplified Risk Management

- 1 Avoid technical debt**
 Build with compliance in mind to avoid costly rework and technical debt.
- 2 Empower customers**
 Empower users with privacy settings and data transparency controls to build trust and loyalty.
- 3 Build scalable operational processes**
 Start building with ongoing compliance processes in mind and leverage third-party compliance vendors to stay on budget.

Nearly 50% of buyers state that security risk (including data privacy) is always formally assessed during the purchase process.



n varies; all B2B leaders, excluding "not sure"
 Source: 2024 Gartner End-User Buying Behavior Survey

Position Yourself as a Long-Term, Visionary Strategic Partner to Deliver Value Beyond Products

1 Focus on product scalability

Establish proof of value or paid pilots with defined objectives and the timeline for an outcome to show the ease of product usage, integration and onboarding, and demonstrate scaling ability.

2 Create customer advocacy

Provide white-glove service to your first key referenceable customers so they become business advocates for fundraising and help attract your next set of customers.

3 Establish operational viability with decision maker

Focus on C-Level meetings and their requests for documentation covering funding, proof of long-term viability, integration and support, and compliance and data handling, showing real buying intent.

Key action items checklist



Simplify the onboarding process with reduced required information and self-service options.



Build trust and credibility with industry-standard compliance certifications and processes.



Optimize user experience for web presence and product (UI/UX/VUI).



Develop a white-glove support process for referenceable clients.



Set up a transparent pricing structure with a simplified check-out flow.



Reassure potential buyers with social proof by incorporating reviews, press mentions, use cases, client references and testimonials.

Recommended Actions

In 2025, startup tech CEOs must:



Capitalize on new technology solutions (i.e., AI) to accelerate product market fit



Embed trust and resilience into their business and product strategy to address buyers' risk posture and be viewed as trusted, long-term partners



Establish themselves as thought leaders and valued partners to help guide buyers through the decision-making process

Recommended Gartner Research

2024 Board of Directors Survey: Pivoting and Prioritizing AI on Board Meeting Agendas

Hype Cycle for Emerging Technologies, 2024

Top Strategic Technology Trends for 2025: Agentic AI

Accelerate Revenue Through Hype Cycles

2024 Gartner End-User Buying Behavior Survey

Top Strategic Technology Trends for 2025

GenAI Is a Strategic Multiplier for Startup Tech CEO Product-Market Fit

Actionable, objective insight

Explore these additional complimentary resources and tools for tech startup CEOs:

Research

Build Your Venture Capital Funding Plan From Series A to Z as a Tech CEO

Drive a successful products and services strategy.



[Download now](#)

Research

Secure Venture Capital Funding to Achieve Strategic Growth

Learn how to develop a milestone-based fundraising plan.



[Download now](#)

Research

4 Success Factors for Adopting GenAI Tools as a Tech CEO

Navigate your options to adopt GenAI tools to support internal processes.



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