

20th CEO Survey

20 years inside the mind of the CEO...What's next?

High Tech and Leadership Skills for Europe

January 2017



www.pwc.nl/ceosurvey
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20 years inside the mind of the CEO...What's next?

Introduction, methodology and participants

Key findings

Competing in an age of divergence

Managing man and machine

Gaining from connectivity without losing trust

Making globalisation work for all



Fieldwork in numbers

2,311
surveys completed

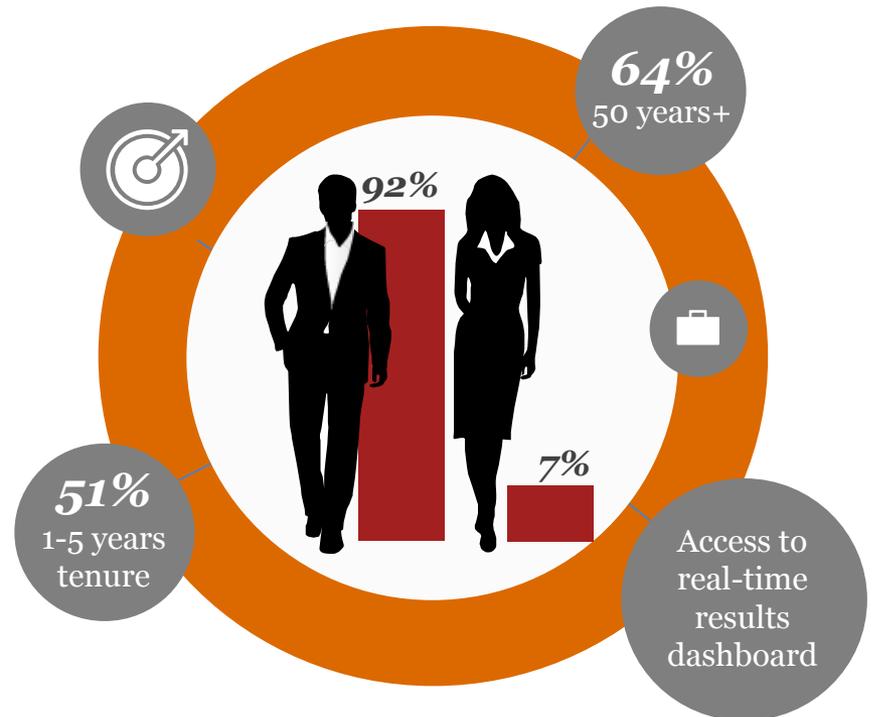
 **63%**
Online

2,900
CEO panel members

 **28%**
Phone

79
countries

 **9%**
Mail





*20 years inside the mind of the CEO
...What's next?*



The Sentiment: CEO's are standing at cross-roads

- A Black Swan Each Year.
- Greater convergence has come with greater divergence.



*Competing in an age
of divergence*



*Managing man and
machine*



*Gaining from
connectivity without
losing trust*



*Making globalisation
work for all*

“These are the best of times and the worst of times for CEOs.”



A Black Swan Each Year - globalisation and technology

In trade



- 4x trade flows
- 5x financial flows
- BRIC economies

In technology



- 500x global online traffic
- Google, Wikipedia, Facebook, Alibaba

In society



- Lifting 1 billion out of extreme poverty
- New emerging middle class

... however

- Inequality is on the rise
- Mistrust in business
- Growing social instability
- Rise in populism

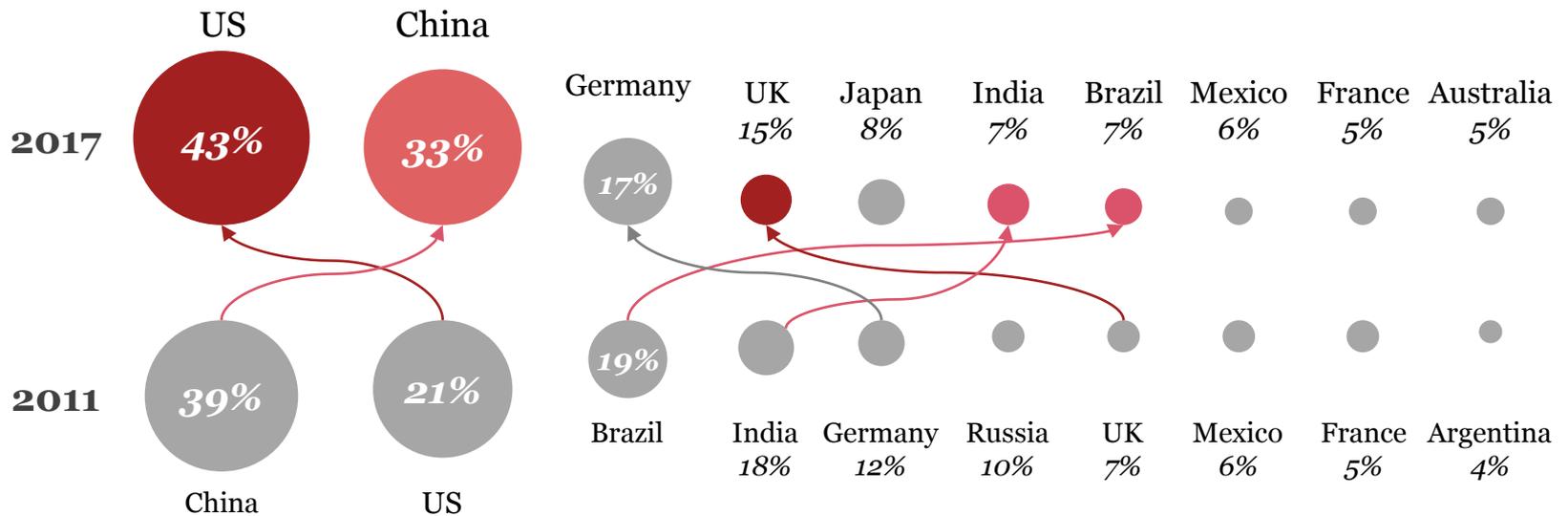
The genie of
globalization and
technology is out
of the bottle...

... and it won't go
back in





The US has surged ahead as CEOs' top choice for growth next year – at the expense of BRICS



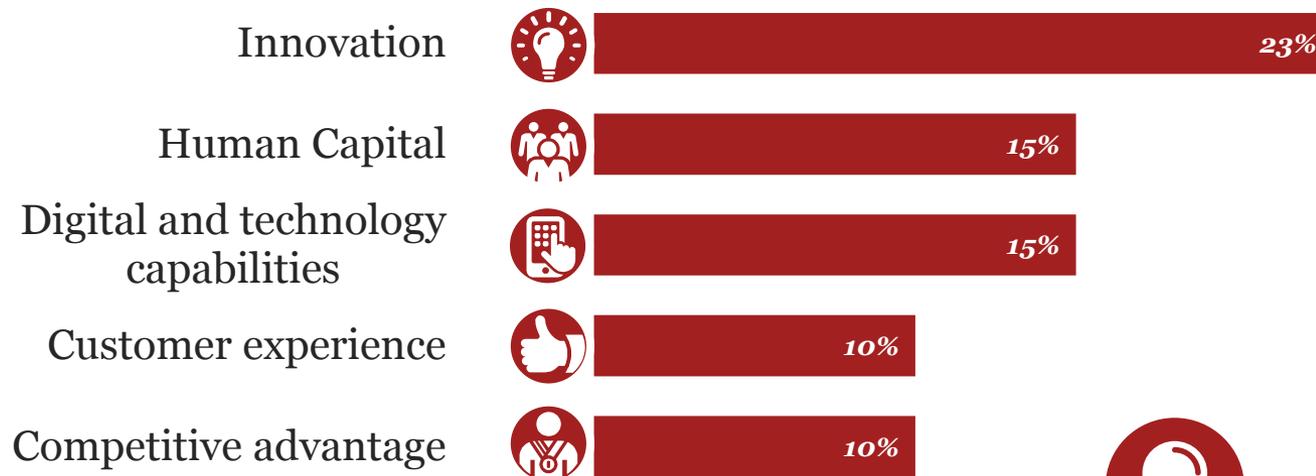
Source: PwC, 14th Annual Global CEO Survey and 20th CEO Survey. Base: All respondents (2017=1,379; 2011=1,201)

Q: Which three countries, excluding the one in which you are based, do you consider most important for your organisation's overall growth prospects over the next 12 months?



CEOs are creating their own opportunities – as usual

78% are focusing on organic growth - 21% want to strengthen innovation



Q: Given the business environment you're in, which one of the following do you most want to strengthen in order to capitalise on new opportunities?

Managing man and machine – raising headcount, but what sort?

Technology is a key catalyst for innovation, 32% of CEOs are worried about human skills

67%

of very confident CEOs plan to increase headcount

19%

of non-confident CEOs plan to increase headcount

11%

of very confident CEOs plan to decrease headcount

46%

of non-confident CEOs plan to decrease headcount

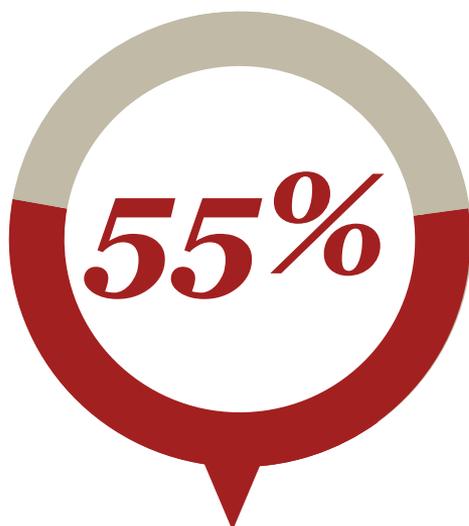


Q: Do you expect headcount at your company to increase, decrease or stay the same over the next 12 months?

Q: How confident are you about your company's prospects for revenue growth over the next 12 months?

Job losses due to automation or technology – private vs social

To what extent will the decrease in headcount be the result of automation and other technologies?



To some extent



To a large extent



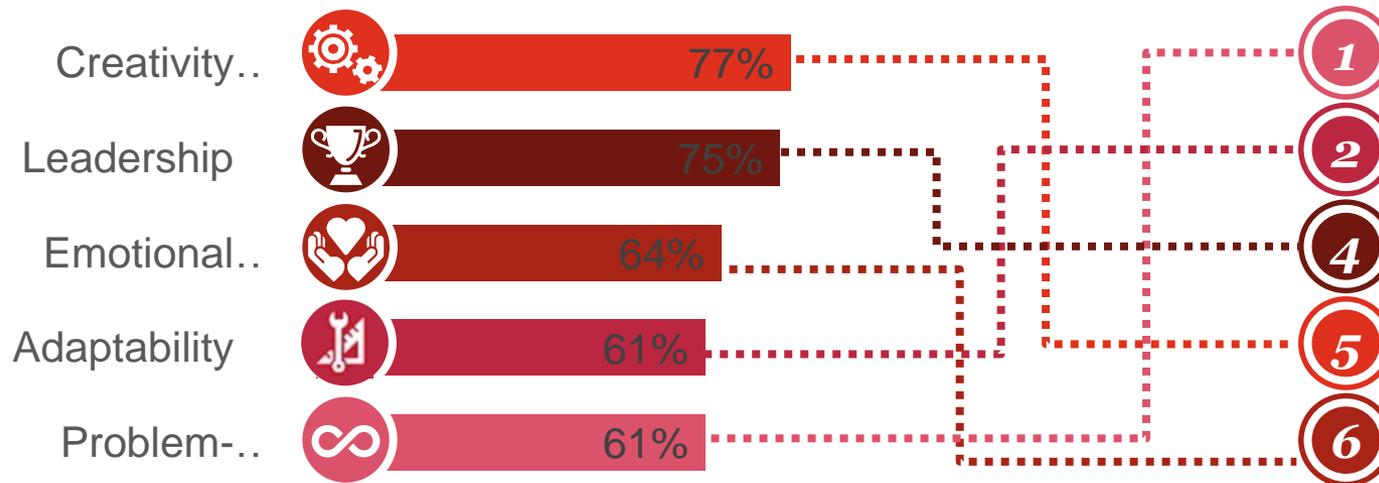
Not at all

Note: The graphs may not add up to a 100 due to rounding errors

Creativity can't be coded – machines capture productivity-based jobs

Difficulty to recruit people with skill

Ranks in importance



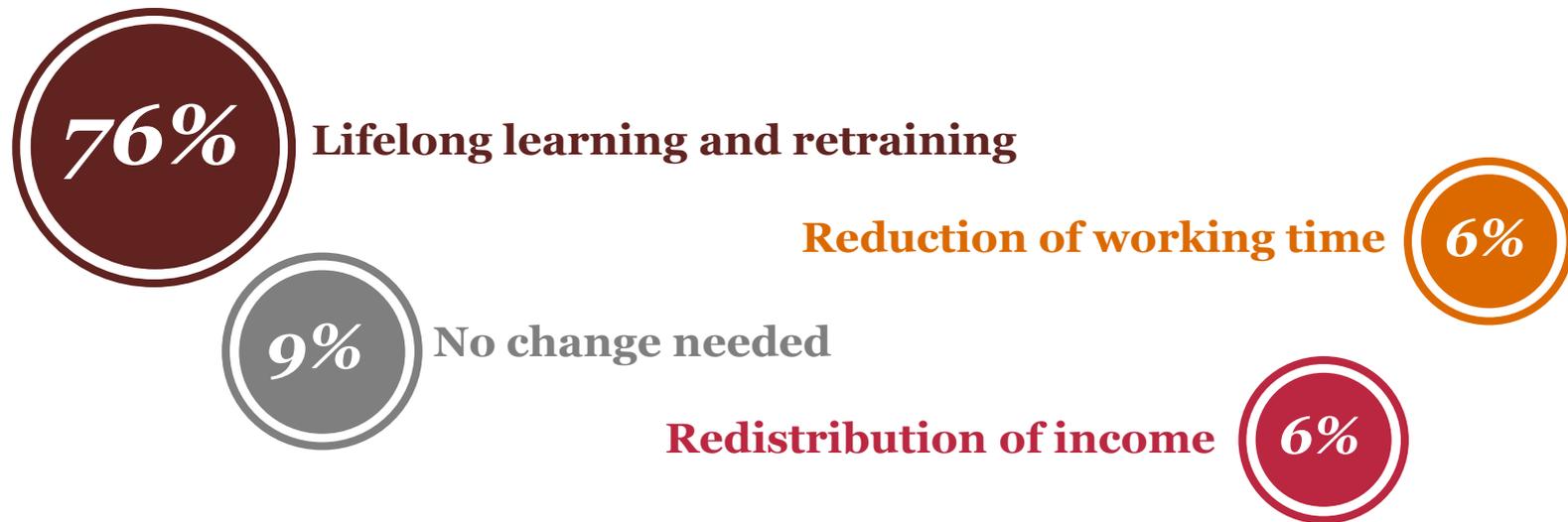
Q: In addition to technical business expertise, how important are the following skills to your organisation?

Q: How difficult, if at all, is it for your organisation to recruit people with these skills or characteristics?



Dealing with technological change – changing Europe's job markets

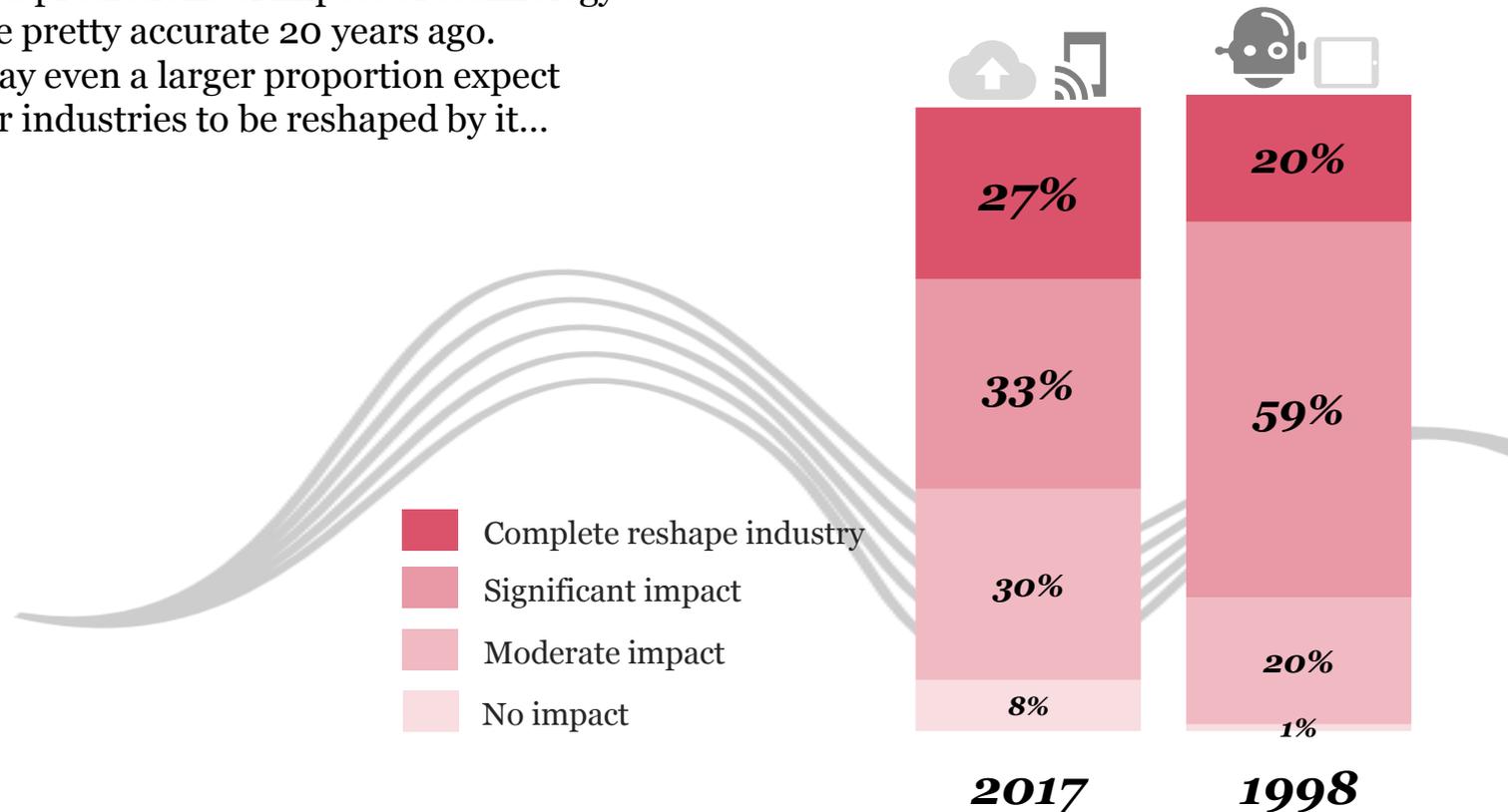
Actions needed to deal with technological changes



Q: Which one of the following actions, if any, do you think should be implemented in the job market in the Netherlands as a result of technological changes?

Waves of change

CEOs predictions of impact of technology were pretty accurate 20 years ago. Today even a larger proportion expect their industries to be reshaped by it...



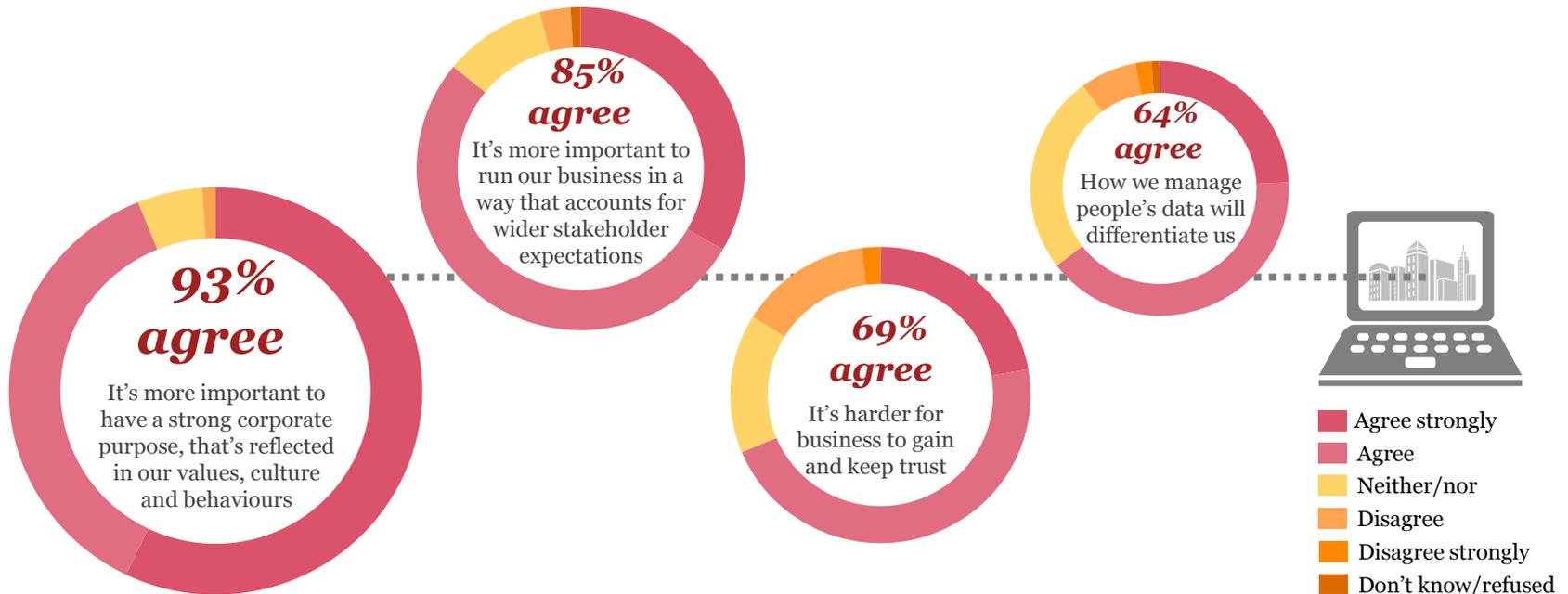
Source: PwC, 1st Annual Global CEO Survey and 20th CEO Survey. Base: All respondents (1998=377; 2017=1,379)

Q: To what extent do you think technology will change competition in your industry over the next 5 years?



Keeping connectivity without losing trust

In 2003 70% of CEOs thought corporate misdeeds posed little or no threat to growth. Today, 59% of CEOs worry about lack of trust in business.



Note: The graphs may not add up to a 100 due to rounding errors

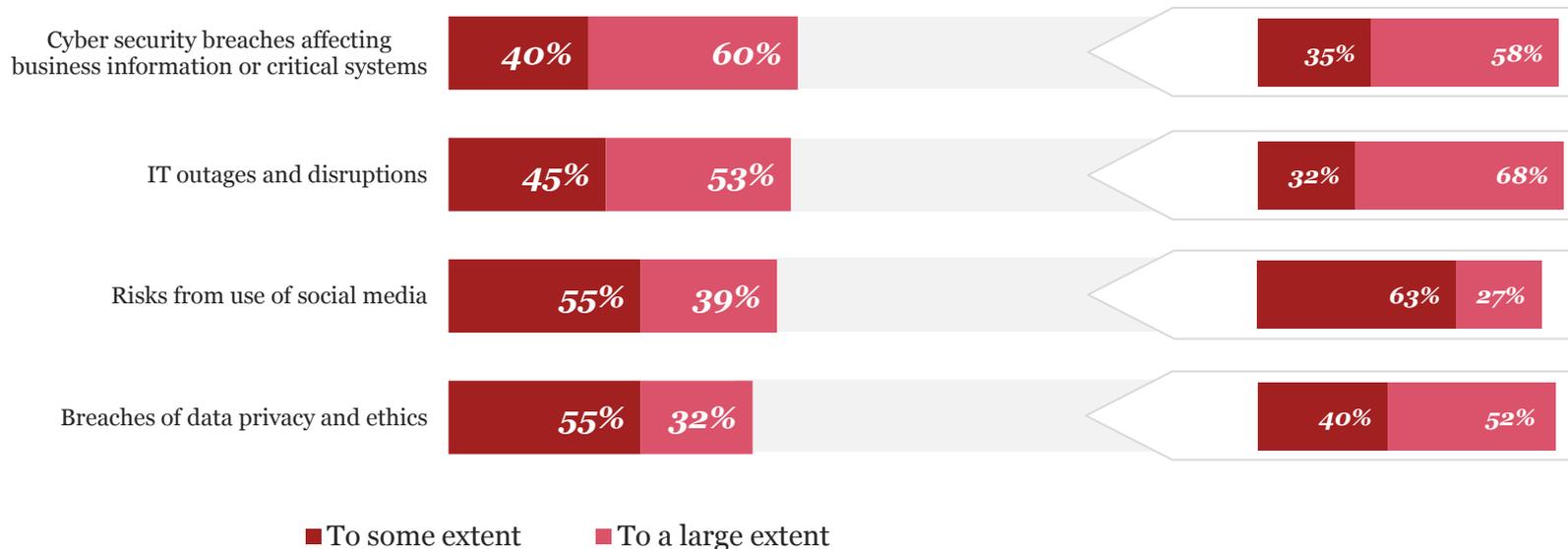
Q: In the context of an increasingly digitised world, to what extent do you agree or disagree with the following statements?



The dark side of connectivity – proper data management as a qualifier

The extent of negative impact on trust over the next five years...

The extent to which CEOs are addressing each area today

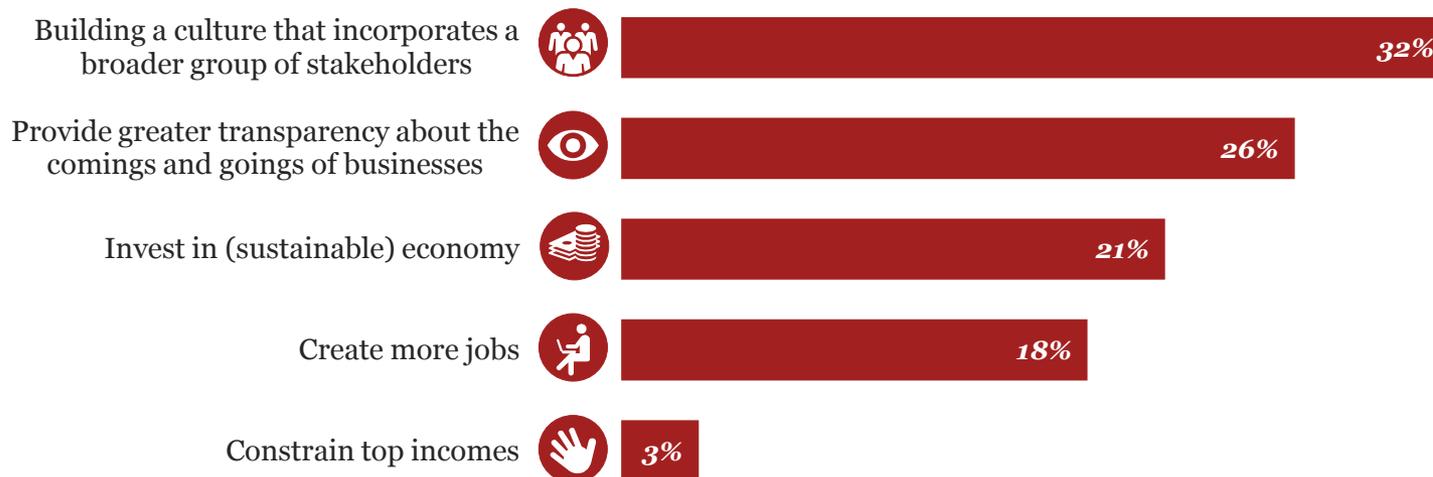


Q: To what extent do you think the following areas will impact negatively on stakeholder trust levels in your industry in the next five years?

Q: To what extent is your organisation addressing the following areas today?



What to do to restore confidence in society – transparency to stakeholders



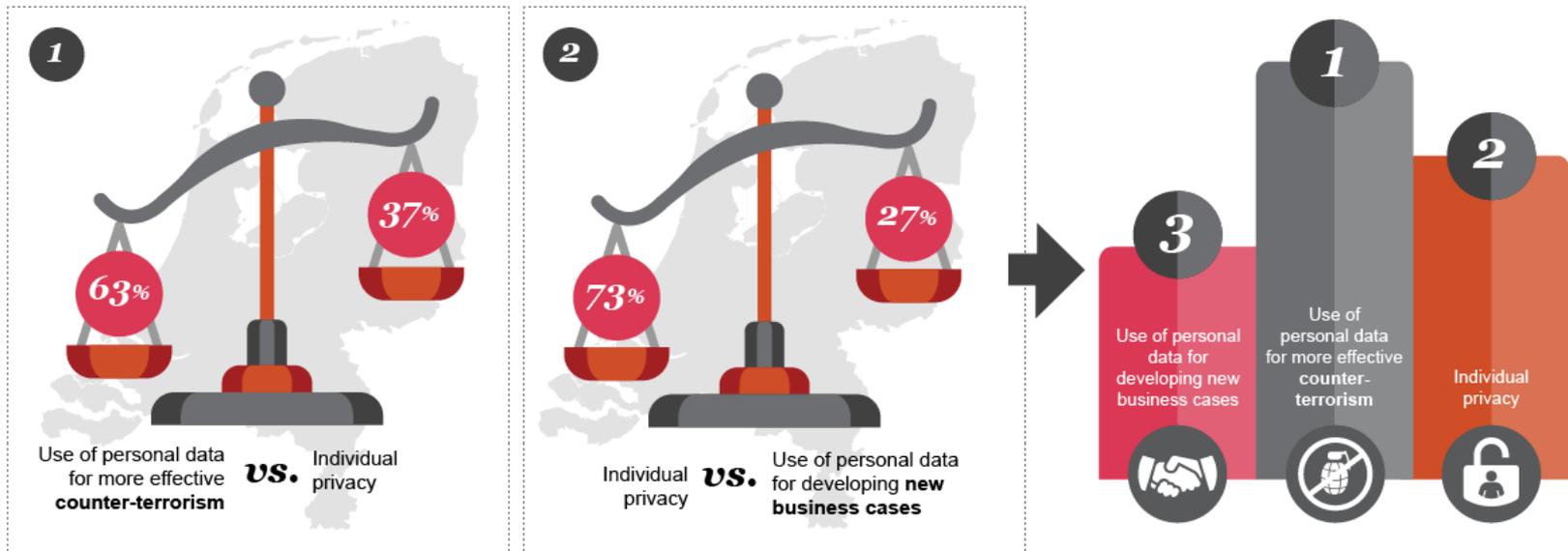
Q: Which one of the following, if any, do you think business could do, to help restore confidence within society?

Weighing the costs and benefits of data privacy

CEO's value privacy higher against business interests, and lower if it helps in the fight against terrorism.

Data privacy

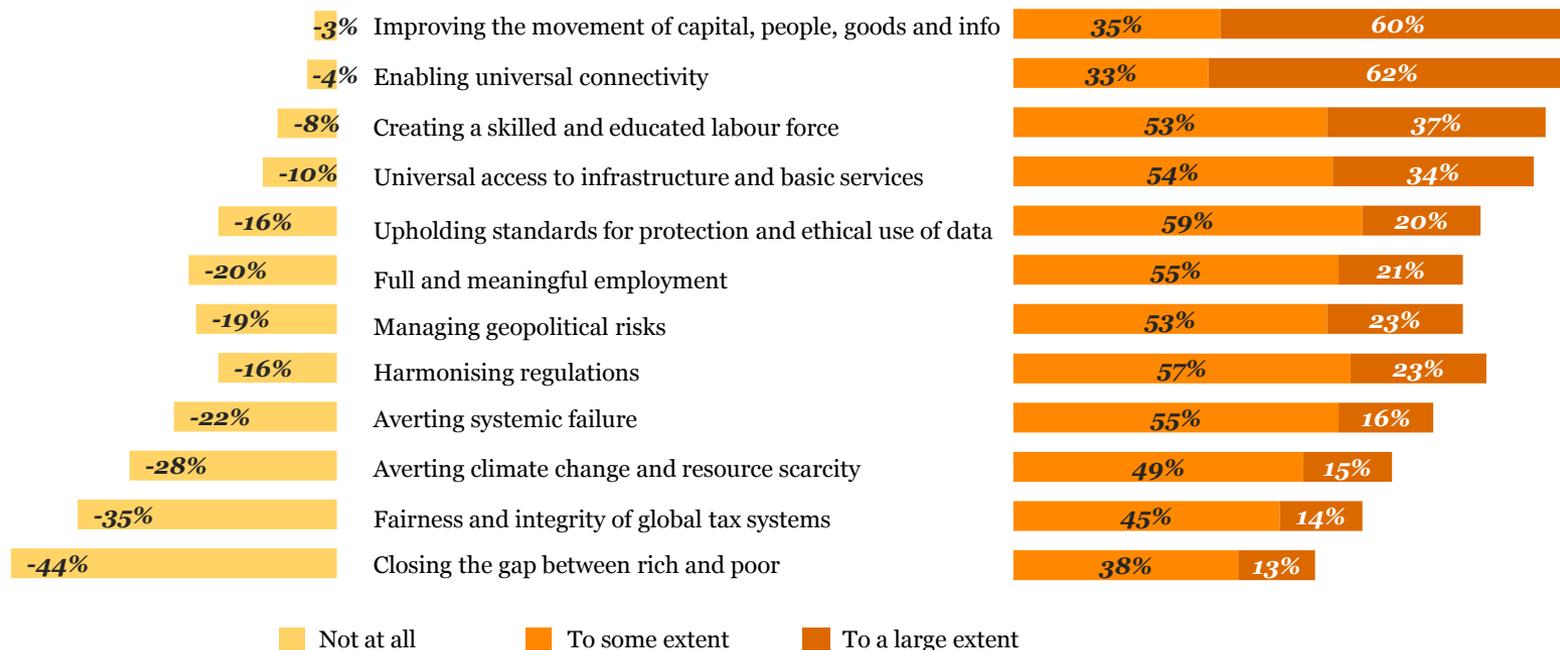
According to Dutch CEOs, what weighs heavier?
What do they find the most important?



Q: Thinking about data privacy, which of the following do you believe is most important?



CEOs agree that the shine has worn off globalisation – corporate purpose & socialising towards system change



Q: To what extent has **globalisation** helped with the following areas?

‘It’s ethics and psychology, stupid’

CEO’s are:

- *Positive about the economic outlook*
- *Positive about the opportunities of Globalisation and Technology*
- *Increasingly aware that too much converge breeds divergence*
- *Conscious that they need to take up new ethical dilemma’s*
- *Conscious that they need to internalise societal repercussions ...*
- *... not just as a marketing or recruitment tool*

We surveyed 5,351 global consumers across our 21 strategic council territories in December 2016.

* Note CEOs were asked for views on global growth and consumers for views on growth in their own country

Disclaimer

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