

Window On C-Suite Challenge™ 2021

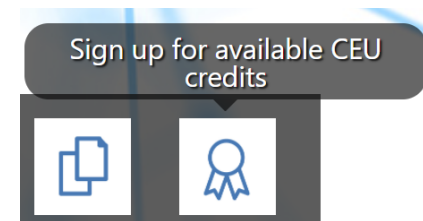
27 January 2021



Earn Credits

CPE (NASBA)

- ✓ Click the link in the **CEU Request Widget** to sign up for credit
- ✓ Stay online for the entire webcast
- ✓ Click 'ok' for 3 popups that occur during the program
- ✓ Credit available for participation in live webcast only



Today's topics and issues

- **Focus on: C-Suite Challenge** TM 2021
- CEO and C-suite executives' views on external stress points
- Executives' strategies to mitigate risk and seize opportunities
- Views on the long-term impacts that will emerge from the pandemic



The Co-Authors of *The C-Suite Challenge*™ 2021



Rebecca L. Ray, Ph.D.
Executive Vice President,
Human Capital
The Conference Board



Charles Mitchell
Executive Director,
Knowledge Content & Quality
The Conference Board



Dana Peterson
Chief Economist & Center
Leader of Economy,
Strategy & Finance
The Conference Board



About the C-Suite Challenge 2021: 1,538 respondents, including 909 CEOs across the globe

- Survey conducted since 1999
- This year's survey was circulated in November and December 2020, following US elections
- 1,538 C-suite executives, including 909 CEOs and 92 HC Executives across the globe
- Theme: Post-COVID-19 Recovery: Risks and Opportunities



THE CONFERENCE BOARD



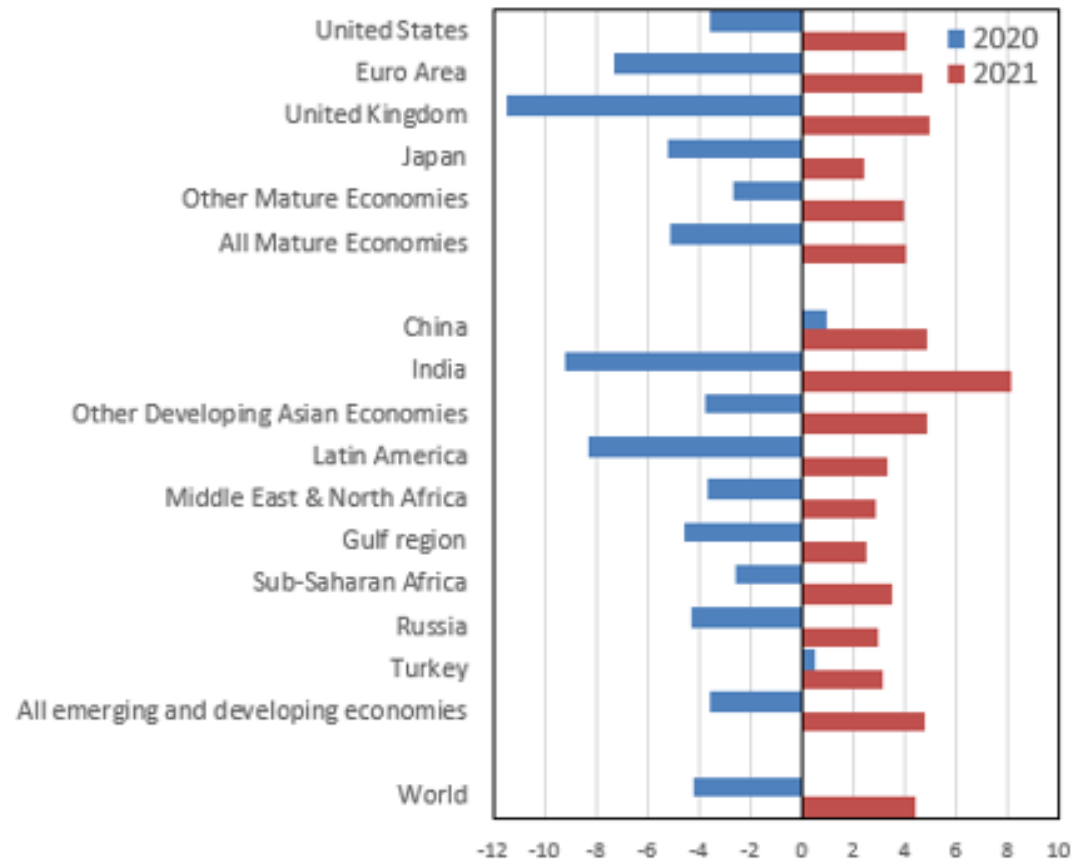
The Conference Board – Global Economic Outlook: Jan 2021

The Conference Board Global Economic Outlook, 2011-2030

Real GDP Growth Rates (Average Annual Percent Change)

	2011-2019	2020	2021
United States	2.3	-3.6	4.1
Europe	1.6	-7.2	4.4
Euro Area	1.2	-7.3	4.7
United Kingdom	1.9	-11.4	5.0
Japan	1.0	-5.2	2.5
Other Mature Economies	2.7	-2.7	4.0
All Mature Economies	1.9	-5.1	4.1
China	4.4	1.0	4.9
India	6.8	-9.2	8.1
Other Developing Asian Econo	5.0	-3.7	4.9
Latin America	1.1	-8.3	3.3
Brazil	0.7	-4.9	2.5
Mexico	2.4	-9.3	3.1
Middle East & North Africa	2.8	-3.7	2.9
Gulf region	3.3	-4.5	2.5
Sub-Saharan Africa	3.6	-2.5	3.5
Russia, Central Asia and SE Eu	2.8	-2.7	3.2
Russia	1.7	-4.2	3.0
Turkey	5.5	0.6	3.1
All emerging and developing e	3.9	-3.5	4.8
World	2.9	-4.2	4.4
Addenda			
China (Official)	7.4	1.6	8.2
United States (adjusted)*	2.4	-3.4	4.3

Real GDP growth (%)



Source: The Conference Board Global Economic Outlook 2021, January 2021.



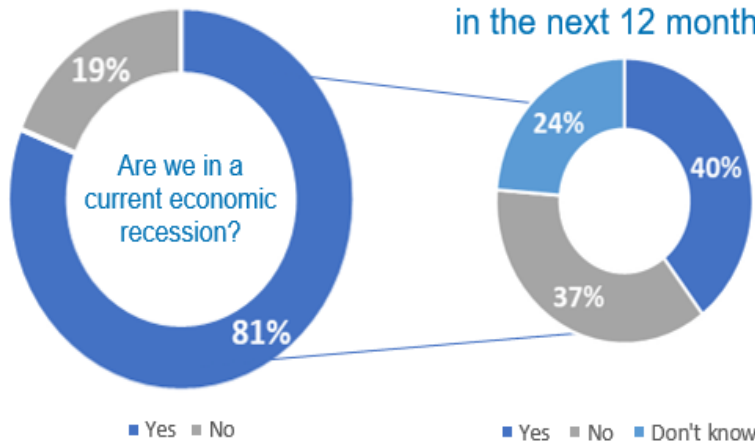
A Question of Confidence – Consumers (Global)

Confidence Improving, but Economy Tops Concerns



Recession concerns eased but remain high globally

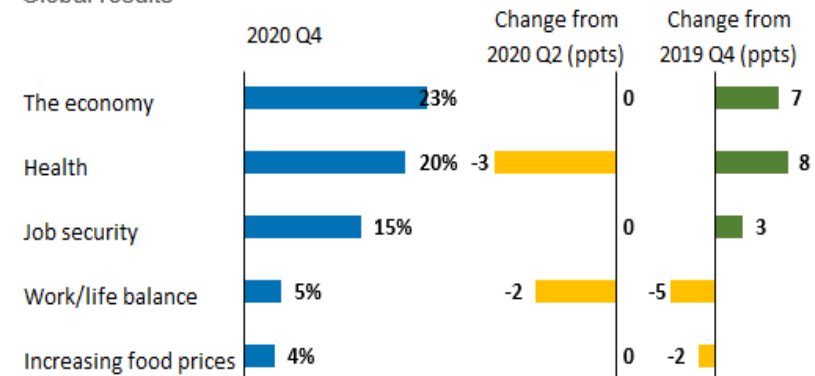
If yes, do you think we will be out of an economic recession in the next 12 months?



Source: The Conference Board® Global Consumer Confidence Survey, 2020 Q4

Consumers' Top 5 Concerns

Share of consumers identifying each issue as their biggest concern, Global results



Note: This survey was not conducted in 2020 Q3.

Source: The Conference Board® Global Consumer Confidence Survey, 2020 Q4



Audience Poll Question 1



External Strategy Focus

We asked....

Select the challenges or issues outside of management control that your company will focus on in the coming year.

C-Suite Challenge 2021: External Impact

USA

- COVID-19
- Vaccine availability
- Recession risk
- Regulation
- Corporate tax rates
- Shifting consumer behaviors

Germany

- COVID-19
- Recession risk
- Shifting consumer behaviors
- Vaccine availability
- Global political instability

China

- Recession risk
- Global trade disruptions
- COVID-19
- Shifting consumer behaviors
- Global political instability

Rest of Europe

- COVID-19
- Recession risk
- Vaccine availability
- Global political instability
- Shifting consumer behaviors

GCC Gulf Region

- Regulation
- COVID-19
- Vaccine availability
- Margin compression
- Government debt levels

Japan

- COVID-19
- Recession risk
- Shifting consumer behaviors
- Global political instability
- Vaccine availability

Source: The Conference Board C-Suite Challenge™ 2020



Leading in a Post-COVID-19 Recovery

A Biden Effect? This year's survey shows diminished concern around trade disruptions, global political instability, and declining trust in government compared to a year earlier. However, US CEOs also report elevated levels of concern about corporate tax policies and regulation.

The change in US administrations appears to be shifting CEO perceptions on several key issues for the year ahead

Diminishing concern for US CEOs	US RANKING				GLOBAL RANKING			
	2019	2020	2021		2019	2020	2021	
Uncertainty about global trade	4	4	7	▼	2	2	7	▼
Global political instability	6	4	10	▼	3	4	5	▼
Declining trust in government		8	13	▼		8	12	▼
Rising concern for US CEOs								
Corporate tax policy	10	14	5	▲	9	16	17	▼
Regulation	X	9	4	▲	X	10	6	▲

Source: The Conference Board

Source: The Conference Board C-Suite Challenge™ 2020



C-Suite Challenge 2021: External Impact

	HC Execs	CEOs
COVID-19	1	1
Vaccine availability for COVID-19	2	3
Recession risk	3	2
Shifting consumer/customer buying behaviors	4	4
Labor force skills	5	8
Regulation	6	6
Stakeholder expectations about business role in social/environmental issues	7	20
Global political instability	T-8	5
Declining trust in government	T-8	12
More agile competitors	T-10	15
Social justice issues	T-10	18
Impact of climate change	12	14

Select the challenges or issues **outside management control** that you think will have the greatest impact on your business next

Red Flags

	HC Execs	CEOs
Income/wealth inequality	17	21
Gender inequality	24	27
Lack of accessible childcare	25	26

Source: The Conference Board C-Suite Challenge™ 2020



Internal Strategy Focus

We asked....

Select the challenges or issues within management control that your company will focus on in the coming year.

C-Suite Challenge 2021: Internal Strategy Focus

USA

- Accelerate digital transformation
- Improve innovation
- Lower costs
- Streamline processes
- Employ mergers, acquisitions, divestitures

Germany

- Accelerate digital transformation
- Streamline processes
- Lower costs
- Improve innovation
- Modify business model

China

- Improve innovation
- Modify business model
- Focus more on sustainability
- Improve cash flow
- Accelerate digital transformation
- Lower costs

Rest of Europe

- Accelerate digital transformation
- Improve innovation
- Employ mergers, acquisitions, divestitures
- Lower costs
- Modify business model

GCC Gulf Region

- Lower costs
- Modify business model
- Improve innovation
- Accelerate digital transformation
- Expand innovation through strategic alliances

Japan

- Improve innovation
- Streamline processes
- Accelerate digital transformation
- Modify business model
- Focus more on sustainability

Source: The Conference Board C-Suite Challenge™ 2020



C-Suite Challenge 2021: Internal Strategy Focus

Internal Strategy Focus 2021	CEOs	HC Executives	CFOs
Accelerate pace of digital transformation	1	1	2
Improve innovation	2	2	3
Modify business model	3	9	5
Lower costs	4	4	1
Streamline processes	5	3	4
Improve cash flow	6	7	6
Focus more on sustainability	7	T-5	8
Expand innovation through strategic alliances	8	T-10	T-14
Employ mergers, acquisitions, divestitures	9	T-5	7
Improve governance	10	T-13	11
Mitigate cyber risk	11	8	10
Improve transparency in internal communication	12	12	T-14
Update crisis contingency plans	13	T-16	13
Refine corporate mission/multi stakeholder focus	14	18	T-14
Reduce headcount	15	T-10	9

Select the challenges or issues **within management control** that your company will focus on in the coming year.

Source: The Conference Board C-Suite Challenge™ 2020



What are CEOs most concerned about for 2021?

(Q: Select the challenges or issues outside management control that you think will have the greatest impact on your business next year)

External Environment	Internal Environment
<p>HIGH IMPACT</p>	<p>HIGH FOCUS</p>
<ul style="list-style-type: none"> • COVID-19 • Recession Risk • Vaccine Availability for COVID-19 • Shifting consumer buying behaviors • Global political instability 	<ul style="list-style-type: none"> • Accelerate digital transformation • Improve innovation • Modify business model • Lower costs • Streamline process
<p>LOW IMPACT</p>	<p>LOW FOCUS</p>
<ul style="list-style-type: none"> • Inflation • Volatility in energy prices • Shareholder activism • Lack of accessible childcare • Gender inequality 	<ul style="list-style-type: none"> • Reduce headcount • Decentralize decision making • Reduce environmental impact • Enhance corporate citizenship • Accelerate in-shoring of supply chain

Source: The Conference Board C-Suite Challenge™ 2021



Human Capital Management Focus For 2021

Poll Response Options (select 2)

- Build agile teams
- Adopt flexible work policies
- Recruit, retain top talent
- Coaching to enhance employee performance
- Recruit a more diverse workforce
- Build a more inclusive culture
- Decrease the number of remote workers
- Increase virtual work capability
- Develop “Next Gen” leaders



Human Capital Strategy Focus 2021

HC Strategy Focus 2021	CEOs	HC Executives	CFOs
Recruit, retain top talent	1	1	1
Develop “Next Gen” leaders	2	4	4
Build agile teams	3	6	2
Adopt flexible work policies	4	3	3
Coaching to enhance employee performance	5	T-7	8
Increase virtual work capability	6	10	T-9
Recruit a more diverse workforce	7	5	T-9
Build a more inclusive culture	8	2	T-4
Bringing workers back to the physical workplace	9	11	T-4
Increase online training	10	T-7	T-12
Create a physically safe workplace	11	17	15
Address mental health needs of employees	12	T-14	7
Redesign Total Rewards structure	13	T-12	16
Increase engagement levels among remote workers	14	T-7	T-9
Create a psychologically safe workplace	15	T-14	T-12
Increase engagement levels among on-site workers	16	T-12	14
Increase the number of remote workers	17	T-14	T-17
Increase use of contingent, temporary labor	18	T-19	T-17
Ensure equal pay for equal work	19	18	21
Decrease the number of remote workers	21	21	T-19

Note: T indicates a tie in the rankings

Source: The Conference Board C-Suite Challenge 2021



Leading in a Post-COVID Recovery

Which skills and characteristics are most important today for your top leaders to lead change in the coming years?

Leadership Traits	Global CEO	Human Capital Execs
Innovative thinking	1	2
Ability to execute	2	6
Team leadership	3	6
Building trust and integrity	4	2
Critical thinking skills	5	4
Inspirational leadership	6	1
Global and cultural acumen	7	9
Empathy	8	4
Interpersonal effectiveness	9	12
Trustworthiness	10	12
Technology savvy	11	11
Business/Management skills	12	12
Reinforcing the organization's vision	13	8
Initiative	14	17
Stakeholder management skills	15	15
Project management	16	18
Self-awareness	17	10
Quantitative skills	18	18



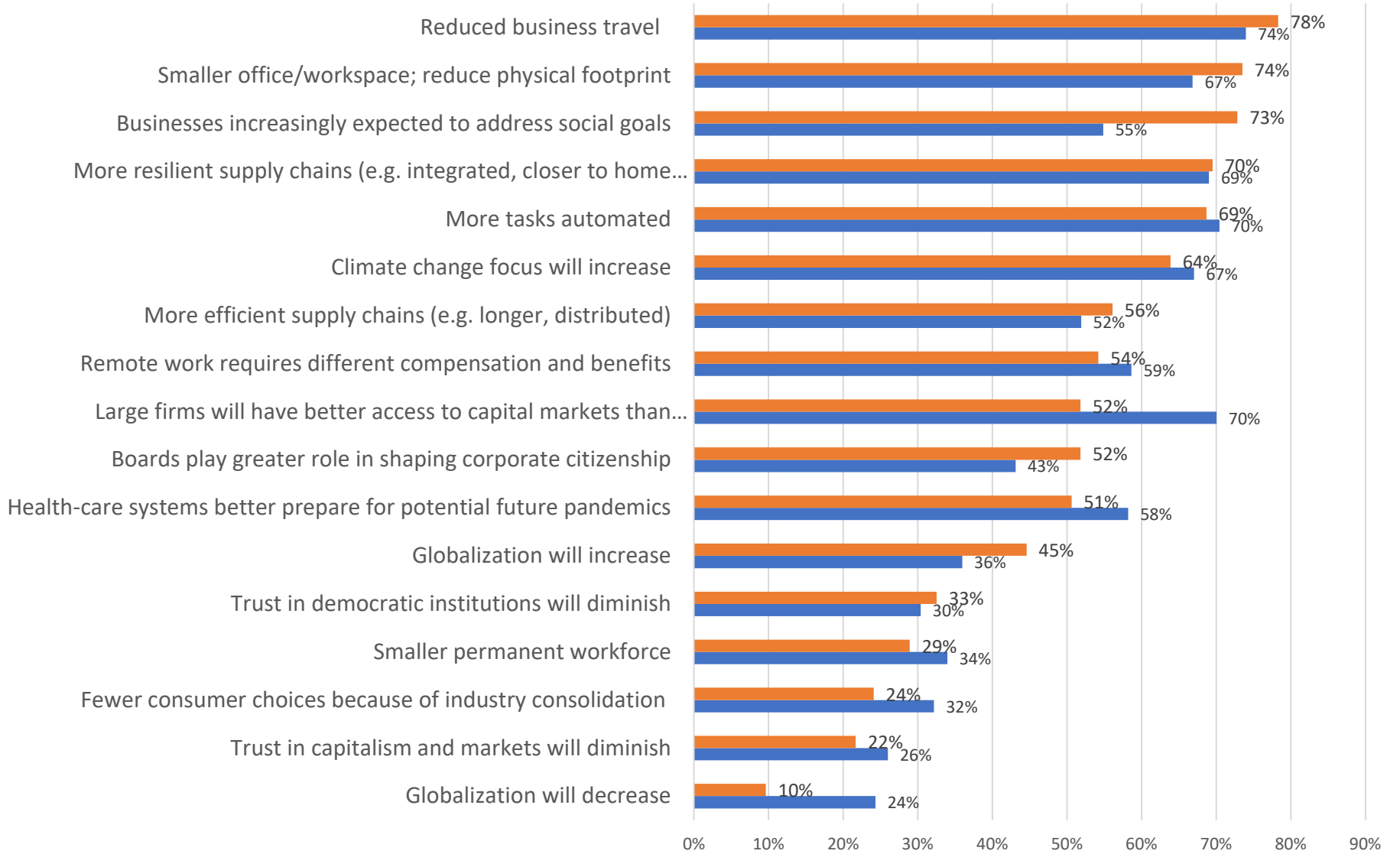
Audience Poll Question 2



COVID-19 Recovery: The Long-Term Legacies & Lessons Learned

Long-term Legacies of COVID-19

HC Executives CEOs Global



Lessons CEOs say they will use in 2021

CANADA

Be prepared and open to change
Flexibility
Act quickly
Understand business environment
Support staff

GERMANY

Flexibility
Crisis management
Communication
Be calm
Act quickly

CHINA

Adapt to changes
Communication
Digitalization of business
Crisis management strategies
Strategic cooperation

UNITED STATES

Collaborate to overcome difficulties
Crisis as an opportunity for change
Communication
Rely more on technology
Flexibility

Top lessons learned worldwide

Keep calm
Act quickly
Ability to adapt
Flexibility
Digital development

JAPAN

Rethink business model
Ability to execute
Management agility
Speedy change
Vision

<https://www.conference-board.org/publications/c-suite-challenge-leading-post-covid-recovery>



COVID-19: What Comes Next?

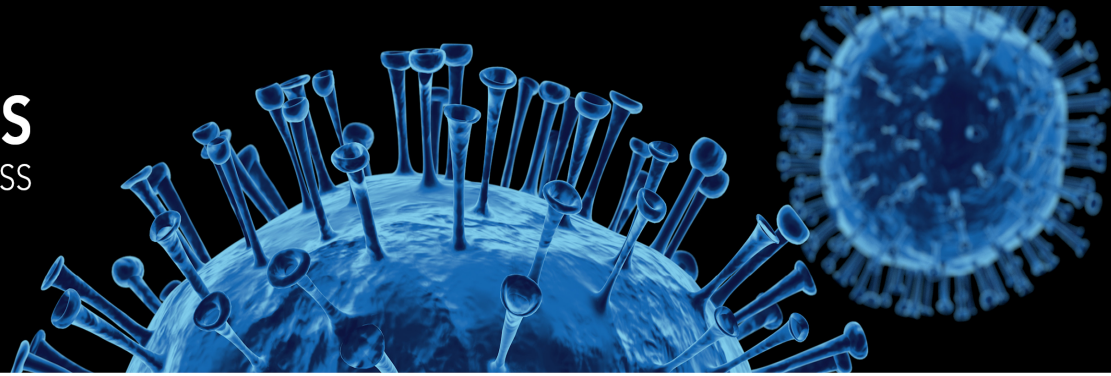
Seven Key Take-Aways from the Survey

- 1. Light at the end of the tunnel:** A successful COVID-19 vaccine will have a significant positive impact on growth.
- 2. What they learned:** Adaptability, flexibility, clear communication, and the need for quick decisive action while maintaining calmness under fire are among the key lessons learned.
- 3. The need for speed:** Organizations will focus on accelerating digital transformation, modifying business models, and improving innovation, all while controlling costs and improving cash flow.
- 4. Transformation challenge:** Business model transformation is an important growth lever, yet it is one of the hardest things for companies to do.
- 5. Talent more critical than ever:** Despite the economic uncertainty CEOs remain focused on the recruitment and retention of top talent and developing next-generation leaders.
- 6. Remote work questions:** A year into the pandemic, remote work may have reached an equilibrium
- 7. Long-term Impacts:** CEOs see a reduction in business travel, the automation of tasks, large firms having better access to capital markets than smaller ones, more resilient supply chains, and an increased focus on climate change and social issues among the most likely long-term legacies of COVID-19.

Source: *The Conference Board C-Suite Challenge™ 2020*



COVID-19
CORONAVIRUS
IMPLICATIONS FOR BUSINESS



Want to hear more about this topic and how the spread of COVID-19 will impact business and the global economy?

The Conference Board has gathered insights and learnings from our thought leaders and member network which we hope will be helpful as you formulate, implement and manage your own crisis response.

Explore all of these resources on our website at <https://www.conference-board.org/COVID-19>.





Other Upcoming Webcast Programming from The Conference Board ESF Center

- Focus on the Vaccine Pipeline: From Production to Patients (February 2 @ 12pm ET)
- Economy Watch: Charting the Global Economic Recovery in 2021 (February 10 @ 11am ET)
- Enduring Change in 2021: Data Will Unlock Organizational Agility (February 18 @ 2pm ET)

View all of our upcoming webcast programs at [conference-board.org/webcasts/upcoming/](https://www.conference-board.org/webcasts/upcoming/)



Building a More Civil & Just Society

Conference

Organization Impact on Social Change Issues

VIRTUAL EVENT | March 2 - 4, 2021

This event is complimentary. To register, visit:
www.conferenceboard.org/civilsociety



Indications

A podcast series brought to you by
The Conference Board Economics,
Strategy, & Finance Center

The Conference Board Indications podcast series helps senior executives understand changing business and economic conditions worldwide by offering concise, insightful perspectives on overall economic activity, consumer and CEO confidence, labor market and demographic trends, and productivity.

Click [here](#) for a complete listing of all of our Indications podcasts or check out our entire podcast lineup at www.conference-board.org/podcasts



ESF Center Mission

To deliver insights that contribute to the public discourse on the economy and help Members to navigate what's ahead



GLOBAL
ECONOMY



CONSUMER
DYNAMICS



LABOR
MARKETS



INNOVATION &
DIGITAL
TRANSFORMATION



CHINA



GULF
CENTER



Feedback? Suggestions? How Can We Help You?

Thanks for being with us; be sure to tell your colleagues about next month's webcast

Do you have suggestions for future topics? Please feel free to contact Dana M Peterson at: Dana.Peterson@conference-board.org

And remember to [Sign up](#) for 2020 Email Reminders



Dana Peterson
ESF Center Leader and
Chief Economist
dana.peterson@conference-board.org



Regine Medor
Membership Engagement
Director
regine.medor@conferenceboard.org



Caitlin Cahalan
Membership Engagement
Associate
caitlin.cahalan@conference-board.org

