

**Corporate Associates Breakfast
“Setting a Smarter Course for Growth”**

**By Professor Ron Collard, Partner, Global Financial Services, Human Resources
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Intercontinental Hotel**

The IPS Corporate Associates Breakfast held on 2 July 2010 at the Intercontinental Hotel, featured PricewaterhouseCoopers’ 13th Global Annual CEO Survey. The event was attended by close to 30 participants. The survey, which was conducted From August to November 2009, included interviews of Chief Executive Officers (CEOs) from 52 countries. Professor Ron Collard presented the survey’s findings. Insights were also provided on the responses and strategies CEOs would take after experiencing the economic crisis.



The CEOs’ responses were characterised into 3 Rs - “Rethink”, “Reshape” and “Result”. CEOs would “rethink” and “reshape” their approaches to manage risks in an increasing volatile business world. This would hopefully “result” in resilient business models, which are adaptable to new business environments for sustainable growth.

The following survey findings provide insights into these approaches.

- 38 per cent of CEOs surveyed saw better penetration of existing markets as the main opportunity for growth in the next 12 months.
- More CEOs depended on organic growth through collaboration, such as joint ventures and strategic alliances than on mergers and acquisitions.
- A majority of CEOs wanted less or no change to regulation covering access to capital and foreign investment, but more regulation or better enforcement to maintain financial sector stability and intellectual property protection was desired.
- 88 per cent of CEOs surveyed initiated restructuring activities to cut cost in the last 12 months. 69 per cent of CEOs surveyed planned to do the same in the next 12 months.
- 81 per cent of CEOs surveyed were expected to adjust their companies’ strategies in response to changing consumer behaviour. Technology, entertainment, retail and consumer goods companies were likely to be concerned with consumer behaviour as an influence to business growth.
- 61 per cent of CEOs surveyed were preparing for the impacts of climate change initiatives such as emissions trading in the next 12 months.

With regard to cost cutting as a measure to sustain businesses during the economic crisis, there was a need to consider retaining and nurturing talent within the organisation. Realising cost efficiencies, leadership, and talent development, topped the surveyed CEOs’ investment priorities for the next three years. 79 per cent of CEOs surveyed also intended to increase investment on human resource management, which includes redefining the roles of employees in their



organisations. In addition, 84 per cent of CEOs surveyed planned to increase their company's focus on creating a reward system for employees' work performance.

A trend in wanting to increase the pool of talents in organisations to meet future demands and challenges when the economy recovers was also observed. 39 per cent of CEOs surveyed hoped to increase their headcount over the next 12 months. This was true particularly for CEOs from the banking and capital markets, business and professional services, as well as for the technology, engineering and construction sectors.

Professor Collard concluded his presentation stressing the importance of having business strategies at hand, to overcome the economic crisis. The ability to adapt to future changes in the business environment while seizing opportunities which could occur after the recession, was also emphasised.



Several issues about employment, productivity and human resource management were also raised during the Question and Answer session. Low wages and relatively slow growth could lead to low productivity. However, the level of productivity in the future would rely on efficiency and effectiveness of business operations. Professor Collard also said that there was a need for businesses to identify and define the talents they need as well as how to retain people with these talents to ensure their companies' long term sustainability.

More about the PWC 13th Annual CEO Global Survey can be found here:
<http://www.pwc.com/gx/en/ceo-survey>

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Notes taken by Chua Chun Ser, IPS Research Assistant.

