

# 2017 Global CEO Outlook: The outlook for Australia

Disruption and growth amidst heightened uncertainty



## Business Growth over next 3 years

83%

Global CEOs

91%

Australian CEOs

Despite becoming increasingly cautious about the growth prospects of the national and global economy, nine in ten Australian CEOs remain confident about their companies' future growth prospects.

### Impact of Geopolitics:

52% 54%

Global CEOs

Australian CEOs

Over half of Australian and global CEO's say that the current political landscape has had a greater impact on their organisation than they've seen in many years. As a result, three quarters (76%) of Australian CEOs are spending more time scenario planning.

**New US administration:** concern over impact on global economic growth

24% 48%

Global CEOs

Australian CEOs

Nearly half of Australian CEOs believe the new US Government will have a negative impact on global growth over the next three years. Only 9% believe it will be positive and 43% don't expect it will impact at all.

**Britain's exit from Europe:** concern over impact on inbound investments

24% 37%

Global CEOs

Australian CEOs

Brexit is of less of a concern to Australian CEOs, although nearly 4 in 10 believe it may have a negative effect on making inbound investments in the UK. 39% don't expect it will have an impact at all and 24% say it could be positive.



## Disruption as an opportunity

65% 65%

Global CEOs

Australian CEOs

More than six in 10 Australian CEOs see technological disruption as an opportunity, rather than a threat to their business.

74% 72%

Global CEOs

Australian CEOs

Close to three quarters of CEOs are actively disrupting the sectors in which they operate.



# Top risk concerns

## Australian CEOs are navigating through a complex range of issues

### Regulatory and Geopolitical risks rank No.1

#### Regulatory

24% 31%

Global CEOs Australian CEOs

#### Geopolitical

17% 31%

Global CEOs Australian CEOs

Regulatory changes are cited as the top risk to Australian businesses, alongside geopolitical concerns.

### Equal second risk concerns

#### Emerging Technology

30% 30%

Global CEOs Australian CEOs

#### Cyber Security

25% 30%

Global CEOs Australian CEOs

#### Reputational/Brand

28% 30%

Global CEOs Australian CEOs

Reputational and brand risks have increased in importance to become one of the top five most important risks Australian CEOs face today. In 2016 it only reached the top 10. Emerging technology and cyber security remain a major concern.



## Trust in a time of disruption

73% 59%

Global CEOs Australian CEOs

Just over half of Australian CEOs say their organisation is placing greater importance on trust, values and culture in order to sustain their long-term future.



## Driving Market Growth - focusing on innovation and existing markets

53% 67%

Global CEOs Australian CEOs

The vast majority of Australian CEOs are increasing penetration in established markets (Australia, Asia Pacific, and Central Asia, and then the UK) in order to grow their business.

55% 56%

Global CEOs Australian CEOs

Over half of Australian and global CEOs say they are investing heavily in innovation (new products/services and ways of doing business) over the next 12 months.



## Intuition and analytics in understanding customer

**Driving Market Growth** – focusing on innovation and existing markets

64% 96%

Global CEOs Australian CEOs

The vast majority of Australian CEOs believe they are effective at 'sensing market signals' and being able to understand the needs and wants of their customers.

**Ongoing success will also rely on access to good quality data.**

45% 61%

Global CEOs Australian CEOs

More Australian CEOs than global CEOs are concerned that the quality of their data is hindering their ability to access to deep customer insights.

56% 59%

Global CEOs Australian CEOs

Over half of Australian and global CEOs expressed concern about the integrity of the data that they are basing decisions on.



## The evolution of the CEO

70% 91%

Global CEOs

Australian CEOs

Nine in ten of Australian CEOs say that they are now more open to new influences and collaborations than at any other time in their career.

68% 69%

Global CEOs

Australian CEOs

Australian CEOs are evolving their skills and personal qualities to better lead their businesses. Almost seven in 10 have taken training or pursued a new qualification in the last 12 months.



## Headcounts on the rise

58% 91%

Global CEOs

Australian CEOs

Australian CEOs confidence in being able to drive company growth is reflected in their predicted headcount growth over the next three years – with nine in 10 expecting to increase staff by up to 10%.



## Investment in cognitive revolution

60% 80%

Global CEOs

Australian CEOs

80% of Australian CEOs expect to increase investment in cognitive technology over the next 3 years. Alongside Japanese CEOs, they are most proactive in this area.



## Cyber - an increasing concern

72% 80%

Global CEOs

Australian CEOs

Cyber security is what keeps most Australian CEOs awake at night. 4 out of 5 have invested heavily in Cyber over the past 12 months. It is also amongst the top five risk concerns for their business – two years ago it did not reach the top five corporate risks.

42% 43%

Global CEOs

Australian CEOs

Less than half of Australian CEOs believe they are fully prepared for a cyber event, comparable to Global CEOs at 42%. Although this is up on last year, where only 19% said they were fully prepared.

“It’s an opportune time for CEOs to rethink what they stand for. In the space of a year, the world has become a far more complicated place – economically, geopolitically and technologically. This complexity and uncertainty breeds opportunity, to which leaders must respond.”

– Gary Wingrove, KPMG Australia CEO

Findings based on a survey of 1,261 CEOs, from global businesses with annual revenues greater than US\$500 million and over 30% having greater than US\$10 billion in revenues.

To find out more:

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