



CEO RESEARCH

2021 THE GREAT
REINVENTION

“The year 2020 saw business leaders add R numbers and clinical trial results to their choice of leading performance indicators. In this unprecedented period, we first surveyed CEO sentiment in May, at the height of the global pandemic. We then took the opportunity to carry out another temperature check in October, just as many countries headed into a second wave of COVID infections.

Forecasts remain cautious, with 69% of Chief Execs predicting it will be another 12 months or more before revenues return to pre-COVID levels. In response, they are reviewing costs, with 88% looking to cancel planned investment in property or facilities. However, slashing across the board doesn't appear likely, with sustainability leaping up the agenda to become the CEO's third-highest priority for 2021 (after navigating COVID and developing talent).

While CEOs are enthusiastic about the opportunity to reinvent their business models, they will need the right team in place to do this. Here, the research was revealing. An alarming 62% of CEOs felt isolated in their role, with 40% saying support from the Chair was lacking. Confidence in their senior team's ability to navigate strategic uncertainty had also fallen – where 25% were fully confident in May, only 10% remained positive in October.

CEOs are responding. They are working to build alignment in their leadership team – and they see their CFO as a partner to help them achieve this. They also recognise that investment in their own skills is crucial, with mentoring being hailed the most effective leadership development tool in their armoury. Certainly, bringing external insight into businesses will be more critical than ever in 2021.”

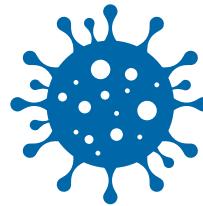


Jamie Wilson
Managing Director
Criticaleye

Key findings from Criticaleye's CEO Research 2021



62% of CEOs
feel isolated
in their role



69% say it will take
a year or more for
revenues to recover



Only **60%** say the Chair
effectively supports the
goals of the executive team



Mentoring is the most
effective leadership
tool, say CEOs



88% of businesses are
looking to halt planned
investment in property



**Improved organisational
agility** is set to be the
biggest change in 2021

Strategy

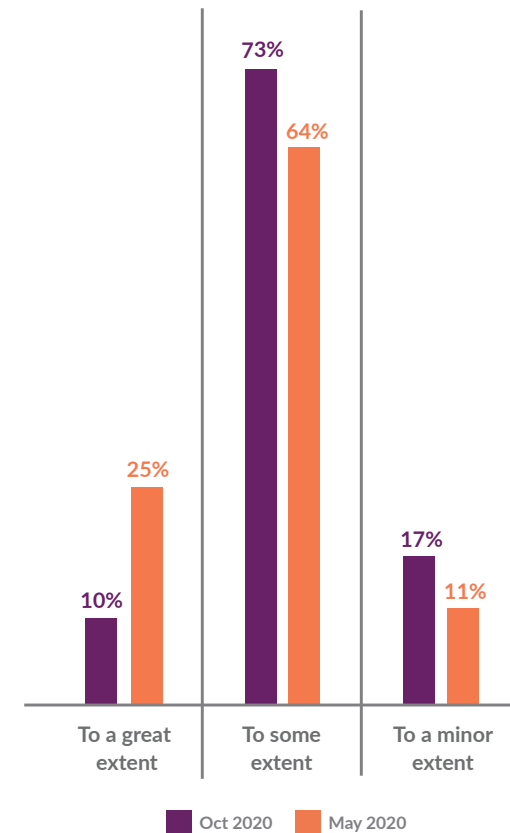
Criticleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

In October 2020, only 10% of CEOs felt fully confident in the ability of the senior leadership team to navigate strategic uncertainty, down from 25% in May 2020

“COVID-19 has certainly highlighted which directors are more able to navigate strategic uncertainty.”

CEO Research Participant

Does your senior leadership team have the ability to navigate strategic uncertainty?

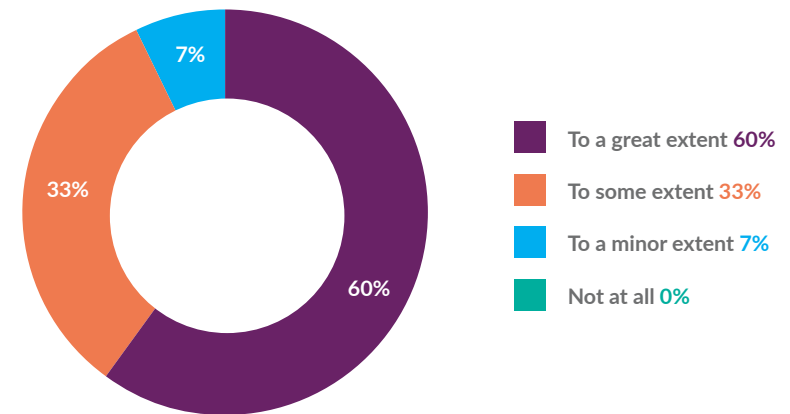


Most CEOs think their business strategy is still relevant despite the disruption of COVID-19, but investment priorities have changed

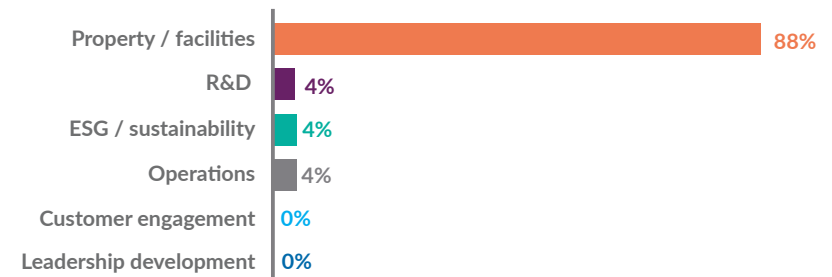
“Some of the strategic changes we were planning have been brought forward in response to the COVID-19 challenge.”

CEO Research Participant

Is your business strategy still relevant?

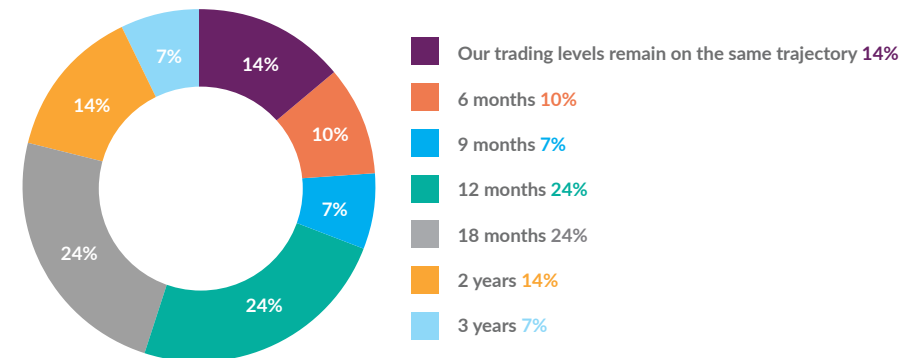


Where are you immediately looking to cancel or suspend planned investment?

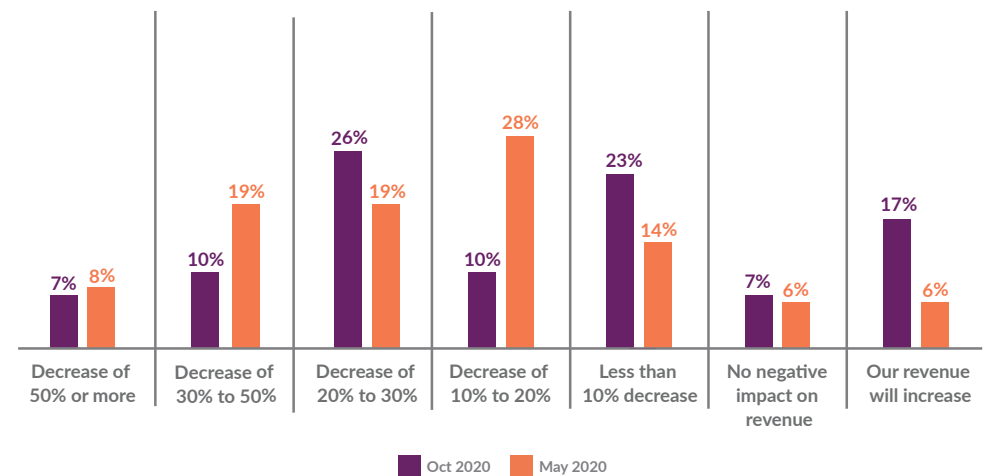


Most CEOs predict
it will take between
12 and 24 months
for trading to return
to pre-COVID levels

When do you expect your organisation to
return to pre-COVID-19 trading levels?

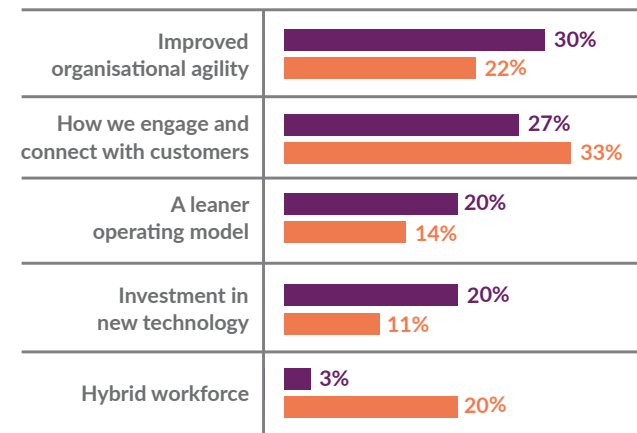


What impact will COVID-19 have on
revenues over the next 12 months?



Customers remain a top priority, but leaders are increasingly turning their attention to organisational agility as we enter 2021

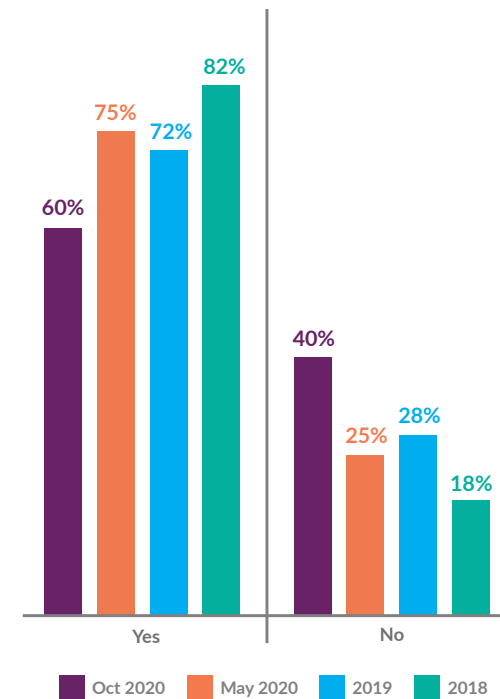
Where do you see the biggest changes occurring in your organisation?



■ Oct 2020 ■ May 2019

The relationship between CEO and Chair has been tested in 2020. Just 60% of CEOs agree that the Chair supports the goals and objectives of the executive team compared to 82% in 2018

Does your Chair add value in terms of supporting the goals and objectives of the executive team?

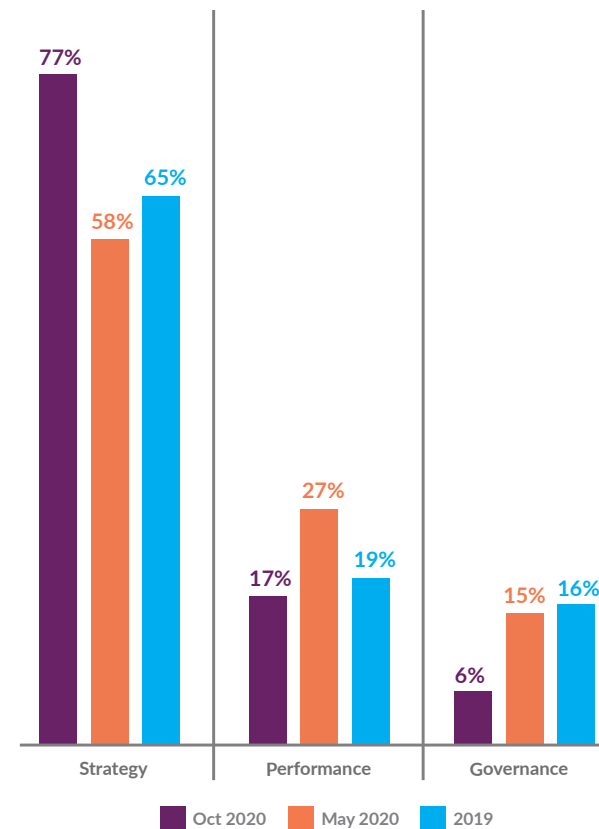


Improving the quality of strategic debate with the Board will be more of a priority in 2021

“The Board has been excellent during the crisis, but it lacks the ability to help strategically shape the business.”

CEO Research Participant

In which of the following areas do you need to improve the quality of debate with the Board?

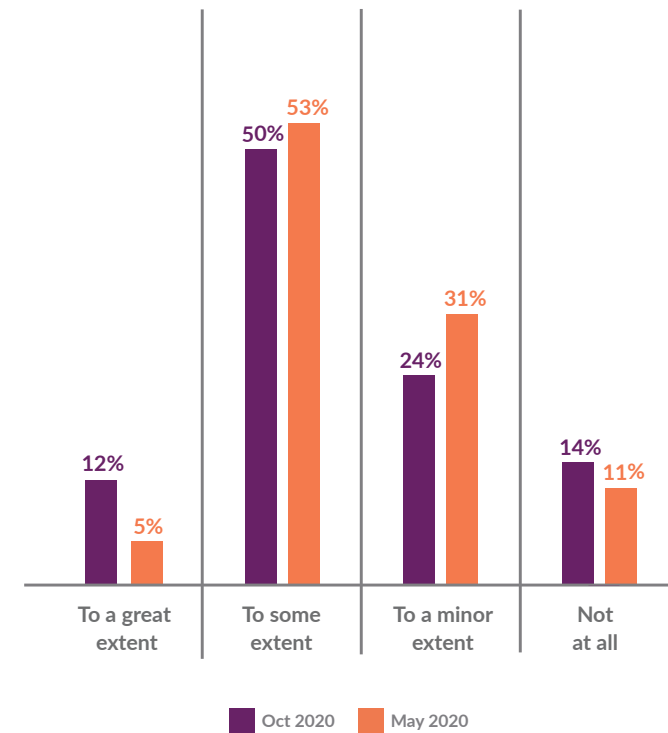


Leadership

Criticaleye enables and develops great leadership with the perfect mix of peer to peer discussion and high-impact case studies

Feeling isolated in the CEO role remains a challenge for leaders

As a CEO, do you feel isolated in your role?



For the first time, building alignment in the senior team is where CEOs say they most need to improve

Oct 2020		May 2020	2019	2018	
1	▲	2	3	2	Building alignment in the senior leadership team
2	▼	1	1	1	Seeking inspiration / fresh thinking from other sectors
3	▲	4	2	4	Supporting innovation
4	▼	3	4	6	Ability to influence the Board
5	▶	5	6	5	Strategic thinking
6	▶	6	5	3	People skills and communication

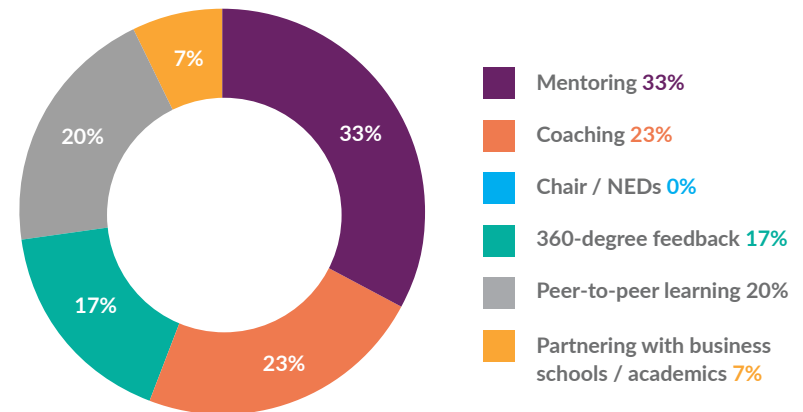
For comparisons with where other executives need to focus, see page 21.

CEOs cite mentoring as the most effective leadership development tool, with 96% saying external mentors improve executive performance

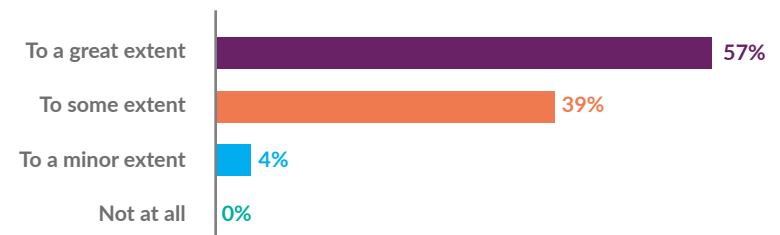
“It still amazes me that senior executives feel they don’t have enough time for a mentor.”

CEO Research Participant

What have you found to be the most effective leadership development tool for senior executives?



Does external mentoring improve the performance of senior executives?



97% of CEOs agree that business performance is enhanced when executives have access to external reference points

Click [here](#) to see leaders in our Community discuss why collaboration is important, and which interactions were most valuable to them.

Featuring:

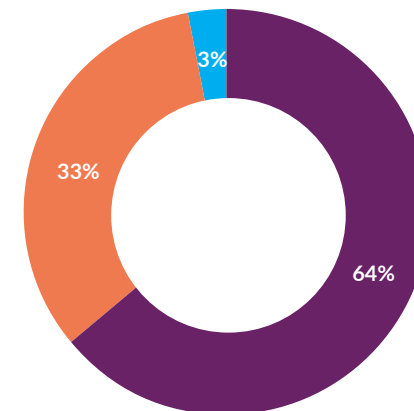
Jill Easterbrook, NED, Auto Trader UK

Jaidev Janardana, CEO, Zopa

Paul Cardoen, former CEO, First Bank of Nigeria

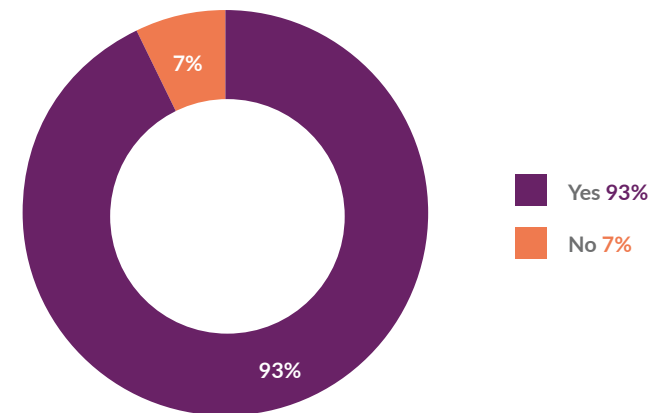
Paula Dowdy, SVP & GM EMEA, Illumina

Is business performance enhanced if executives have access to reference points outside of their organisation / sector?



Although the majority (93%) believe leadership development should be prioritised over headhunter fees, CEOs say most organisations (63%) still spend more on recruiters

In your view, should more be spent on leadership development and support for senior executives, as opposed to headhunters?



In your experience, on which of the following do organisations spend more?



For the first time in three years, talent is not the top priority for CEOs, coming second to navigating COVID-19

Priorities in October 2020

1. Navigating COVID-19
2. Retaining key talent and developing skills
3. Sustainability
4. C-suite succession (including the CEO)
5. Innovation

Priorities in May 2020

1. Retaining key talent and developing skills
2. Navigating COVID-19
3. Cost reduction
4. Funding and refinancing
5. Organisational design

Priorities in 2019

1. Retaining key talent and developing skills
2. Digital disruption
3. Improved performance management
4. Cost reduction
5. Rebuilding the leadership team

Priorities in 2018

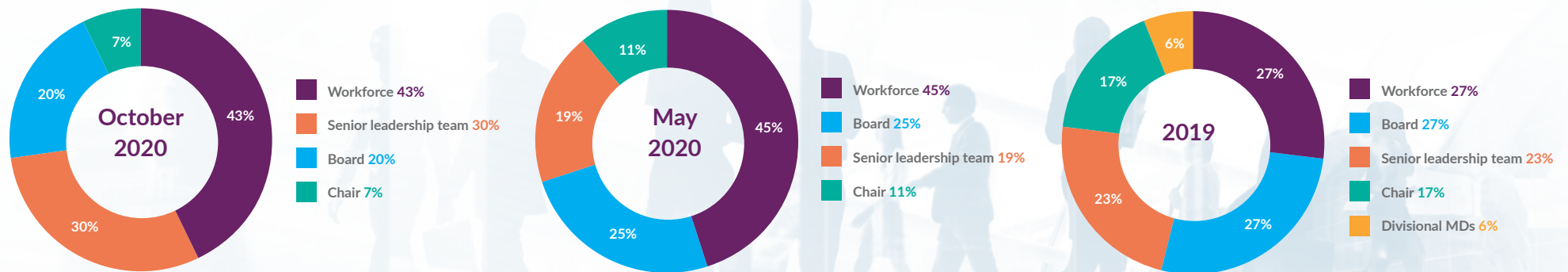
1. Retaining key talent and developing skills
2. Innovation
3. Digital disruption
4. Improved cross-team collaboration
5. Cost reduction

Stakeholders

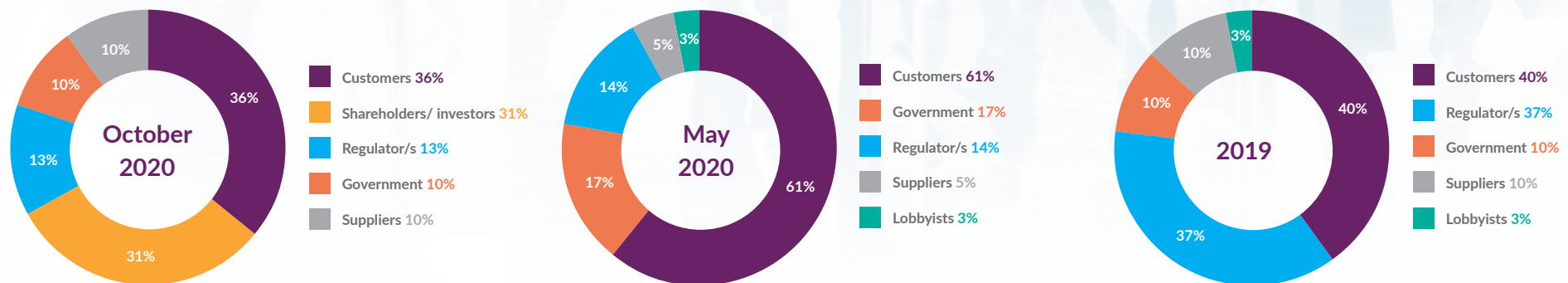
Criticleye provides the right reference points to manage and navigate increasingly important stakeholder relationships

The workforce continues to be the CEO's most challenging internal stakeholder. Externally, both customers and investors are exerting influence

Who is your most challenging internal stakeholder?

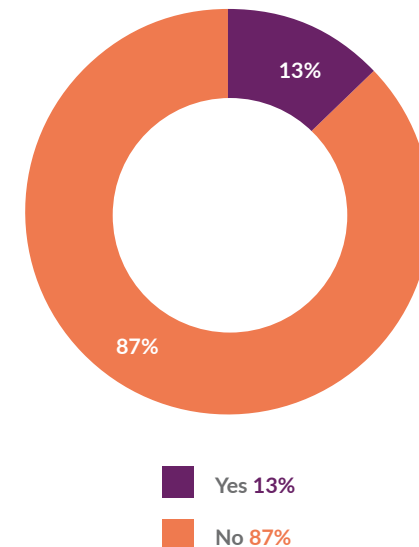


Who is your most challenging external stakeholder?



**Only 13% of CEOs say
the CFO will succeed
them in their role**

Is the CFO your most likely successor?



CEOs revealed the top three areas of improvement for their colleagues

CFOs

1.

Building alignment in the senior leadership team

2.

Strategic thinking

3.

Seeking inspiration / fresh thinking from other sectors

HRDs

1.

Strategic thinking

2.

Commercial understanding of the business

3.

Seeking inspiration / fresh thinking from other sectors

NEDs

1.

Strategic thinking

2.

Seeking inspiration / fresh thinking from other sectors

3.

Supporting Innovation



CRITICALEYE PODCASTS

LEADERSHIP IN UNCERTAIN TIMES

EPISODE 1

In this first podcast within our Leadership in Uncertain Times series, Criticaleye's CEO Matthew Blagg and Director of Content Marc Barber discuss how leadership teams are responding to the events of 2020 and planning for the future (July 2020).

EPISODE 2

Over 38 minutes, this podcast covers the forward agenda for CEOs and senior executives, operating model change, the future of the office, understanding the customer experience, management team performance, and the challenge of balancing economic pressure with COVID-19's impact on health and wellbeing (September 2020).

EPISODE 3

"Experience is what you get when you don't get what you want, and there are a lot of leaders getting a lot of experience at the moment." Listen in as our CEO Matthew Blagg and Director of Content Marc Barber reflect upon discussions and insights from our CEO Retreat 2020 (October 2020).

EPISODE 4

Reflecting on our 2020 Virtual CFO Retreat, in this podcast, Criticaleye covers how finance leaders can remain resilient, the balance between cost-cutting and investment, data, talent, digitisation and much more. The role of the CFO has never been more crucial in a complex and fast-changing market. (November 2020).

EPISODE 5

This podcast follows our Virtual Asia Leadership Retreat 2020. Criticaleye CEO Matthew Blagg and Director of Content Marc Barber discuss questions for leaders around purpose and the people agenda. We explore what changes are likely within leadership teams in the year ahead, and how the pandemic has impacted consumer behaviour. (December 2020).

To listen in to any of Criticaleye's podcasts, please visit: www.podcasts.criticaleye.com

“At Criticaleye we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



Charlie Wagstaff

Managing Director, Criticaleye

We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve
Better
Performance



Inspiring Leaders to Succeed

Our Values

Respect: an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

Collaboration: working together to share knowledge and expertise is a defining characteristic of effective executive teams

Challenge: strategies and ideas need to be constructively challenged to reach the best outcome

Trust: leaders need to trust their colleagues and peers in order to work effectively and drive results

Integrity: we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

For more information, please email: info@criticaleye.com

Criticaleye (Europe) Ltd

Blackfriars, 22 Tudor Street
London EC4Y 0AY

T: +44 (0) 20 7350 5100

Criticaleye (Asia) Ltd

23rd Floor, LKF Tower
33 Wyndham Street, Central, Hong Kong

T: +852 6114 3865

www.criticaleye.com

