Welcome to the second annual KPMG Irish CEO Outlook, offering deep insight into the challenges and opportunities faced by Irish CEOs and over 1,200 of their global CEO peers. The study offers a unique lens into the strategic issues these CEOs are focussed on as they lead their businesses through a period of profound change and opportunity.
From Brexit and the risk of protectionism to the increasing issues and opportunities presented by technology, the CEOs we have interviewed speak in particular of the twin challenges of “disrupt and grow.”

This year’s CEO Outlook emphasises that disruption has become a fact of life for CEOs. Importantly, many see disruption as an opportunity to transform their business model, develop new products and services and to re-shape their businesses.

This year, we conducted parallel research in Northern Ireland to help broaden our understanding of the areas of shared concern amongst business leaders across the island.

The majority of CEOs we spoke with for this year’s study are optimistic about their company and its prospects, as well as both the national and global economies. They say they are taking the necessary steps for their business to be a disruptor, rather than be the disrupted.

They recognise the impact of increased geopolitical and economic uncertainty and are working hard to be prepared. Moreover, they understand that speed to market and innovation are essential. A large number of the CEOs we spoke with say they are developing new skills and exploring new ideas and influences to help drive essential change across their business.

Our report offers insights into the major forces disrupting business, and how CEOs are equipping their companies, and themselves, to manage these challenges. On behalf of KPMG, I would like to thank all of the CEOs we spoke with for their insights.

I hope you find our 2017 Irish CEO Outlook a valuable support in assessing your business priorities and I invite you to discuss your business challenges and opportunities with us.

Shaun Murphy
Managing Partner,
KPMG Ireland

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#CEOoutlook
Key findings

Disruption as an opportunity
- 9 out of 10 Irish CEOs see disruption as an opportunity and 96 percent say their business is aiming to be the disruptor in their sector

Mixed signals on growth
- Irish CEOs (93 percent) are more confident about their industry’s prospects for growth than they are about the global economy (73 percent) in the next twelve months

Headcount still growing and increasing on last year
- In 2016 a third of Irish CEOs expected headcount to grow by more than 6 percent in the next 3 years. In 2017 43 percent expect this level of growth

Strategic balance
- Almost three quarters (73 percent) of Irish CEOs are increasing penetration in established markets, making it the top priority for growth

Reputation and risk climbs the agenda
- Reputational and brand risk has risen in importance for Irish CEOs to become the second highest risk (after new technology) despite not featuring in the top 10 in 2016
The evolution of the CEO

- 93 percent of Irish CEOs say they are more open to new influences than at any other point in their career with the same number completing training or a new qualification in the past 12 months

Battle for talent in cognitive revolution

- CEOs are more confident in their understanding of new technologies than in 2016, but competition for talent is growing. As they embed cognitive technologies, CEOs are expecting short-term headcount growth

Intuition and analytics in understanding customer

- Almost all (97 percent) of Irish CEOs say they are effective at sensing market signals but are unanimous in saying their customer insight is hindered by a lack of quality data

A perception of improved cyber resilience

- Almost 9 in 10 (87 percent) believe they are fully prepared for a cyber event – up dramatically from 24 percent in 2016

Trust in a time of disruption

- A large majority (87 percent) say their organisation is placing more importance on trust, values and culture but over half (60 percent) believe that levels of trust in business will stay the same or decline in the next 3 years
Many Irish CEOs are now looking at Brexit scenario planning in greater detail and assessing all the potential outcomes...

Brian Daly
Head of Brexit, KPMG in Ireland
An Irish perspective

Our CEO survey assesses attitudes under three broad headings, namely a) economic and business sentiment b) the risks and opportunities businesses face and c) the specific actions CEOs are taking to manage these issues.

In the first instance, over two thirds (67 percent) of Irish CEOs are highly positive about their short-term growth prospects and although aware of the challenges posed by issues such as Brexit, are reasonably optimistic about the future. 84 percent of Irish CEOs are confident about Irish economic growth in the year ahead and almost three in four (73 percent) expect positive global economic growth.

According to KPMG Managing Partner Shaun Murphy; “The degree of optimism is understandable - many businesses are doing well and most of the economies Ireland trades with are in reasonable shape.” However, he sounds a note of caution as the potential impact of some developments has yet to be felt; “Brexit and perhaps to a lesser extent the threat of protectionism and US tax policies are all potential game changers for Irish CEOs and the businesses they lead.”

The Brexit Challenge

Sixty percent of Irish CEOs surveyed strongly agree that political uncertainty is having a greater impact on their business than they have seen for many years “Brexit is undoubtedly the biggest question facing Irish chief executives, even those who don’t think they are that exposed,” says Danny McCoy, Chief Executive of business representative organisation, IBEC. “I don’t think people fully recognise the level of interconnectivity.” Many companies who export to Britain are still in “a wait and see phase”. However, McCoy also believes that a major shock to trade with Britain “creates opportunities elsewhere for Irish businesses.”

Brian Daly, Head of Brexit at KPMG in Ireland, believes that perhaps the biggest cause for concern now is the risk that the UK will have to leave the EU with no deal, or a bad deal, in place. This risk may be heightened in light of the June 2017 election result, which could delay the start of substantial negotiations with the EU whilst the two-year clock on the March 2019 deadline is running and can only be extended with the unanimous consent of the EU 27. “It is in my view important to fully understand the impact this could have on your business and to have a contingency plan in place for such an outcome. Ideally the analysis will not only identify challenges but also opportunities for the business.”
The Role of Technology
Globally, innovation remains a key ambition for business leaders, and Irish CEO sentiment reflects that trend. For example, more than 80 percent of Irish CEOs say they are currently pursuing an innovation-led business transformation to drive growth. Meanwhile Irish CEOs see technology as having the single biggest impact on their business in the next three years.

While Ireland’s workforce has a lot going for it, attracting the right new talent to drive technology-related innovation is a concern for Irish CEOs. Nearly 40 percent of Irish CEOs believe that attracting new talent is the biggest technology-related challenge that their organisation will face in the next three years. “There’s a tightness in talent, particularly if you are looking say for a highly-skilled engineer,” says Anna Scally, Head of Technology & Media and Fintech Lead with KPMG. “However it’s a worldwide issue - not just an Irish one.” Sectors such as FinTech have significant potential and strategic tax policies such as R&D incentives have undoubtedly helped foster innovation. However Scally believes that “There’s room for improvement in Ireland’s bid to attract the right people as personal tax is undoubtedly an issue when competing for high level talent.”

The CEO Response
Irish CEOs are facing challenges they typically didn’t grow up with and having to take leadership positions in areas where they have little personal experience. Four in five of CEOs surveyed are concerned about their capabilities around mission critical business issues they have not previously encountered. A decade ago, themes such as cyber security, data and analytics, artificial intelligence and cognitive computing were niche themes in the realm of corporate futurism. Now they are on the board agenda.

Irish CEOs, in keeping with their global peers, are reassessing their skills and attributes to help them lead better. More than 9 out of ten have taken a course or a qualification in the past 12 months in order to help disrupt or challenge their role. 70 percent agree that they are now “more open to new influences and new collaborations than at any time in their career.” According to Shaun Murphy, this is entirely consistent with staying abreast of change and disruption; “The CEOs that we work with may occasionally be apprehensive about change - but most have an appetite for tackling issues and seeing change as an opportunity to be explored rather than an issue to be feared.”

With continued pressure on the bottom line, Irish CEOs are keenly focussed on managing their businesses’ core strengths while transforming the way they create value.
Section 1

The CEOs that we work with may occasionally be apprehensive about change - but most have an appetite for tackling issues and seeing change as an opportunity...

Shaun Murphy
Managing Partner, KPMG in Ireland
Those who are really leading the market are those who are getting down to the business of change...

Adena Friedman
CEO, Nasdaq
Disruption as an opportunity

More than ever, leading a business is about challenging convention and driving radical change. Three in four (74 percent) of CEOs surveyed worldwide say their company is striving to be a disruptor in their market.

Support for this approach is effectively unanimous in both the Republic of Ireland (97 percent) and Northern Ireland (100 percent). There are many reasons why CEOs are embracing disruption but the key reason is the technology-driven change which is sweeping through industries and economies on a global scale.

Adena Friedman, CEO of Nasdaq, Inc., the US stock exchange, believes disruption creates a clear advantage for businesses today. “Those who are really leading the market are those who are getting down to the business of change and embracing technological innovation,” she says.

While these developments are welcome for some, they have created an even greater level of uncertainty. CEOs are championing new ways of creating value to ensure their businesses are not left behind. Our respondents tell us they are making innovation a top strategic priority, as well as a key initiative to achieve growth.

While driving disruption in their own business may be a relatively new priority, it’s welcomed by CEOs globally – with more than six in ten (65 percent) of CEOs considering technological disruption to be an opportunity, not a threat, for their organisation again with near unanimity closer to home (Republic of Ireland – 90 percent and Northern Ireland 100 percent).

“CEOs clearly see the opportunity presented by disruption,” says Shaun Murphy of KPMG. “I don’t know a CEO who isn’t thinking about how to drive their business in a digital world. Unless they’re continually focussed they’re at risk of missing out and ultimately being left behind.”
The balancing act
CEOs understand that leading an organisation in “interesting times” takes more than talk about new business models and innovation – it requires courage and leadership, an ability to protect as well as provoke, and close involvement in all corners of the organisation.

For this reason, we find CEOs performing a difficult balancing act. Innovation is a clear focus, but respondents are also pragmatic about managing the uncertainty on the horizon. As a result, they are strengthening their business in established markets so they can protect their bottom line while preparing to seize new opportunities.

Shaun Murphy reflects on how it can be a challenge judging both the value and impact of technology saying: “The impact of technology tends to be overestimated in the short term and underestimated in the long term. There are lessons in this for CEOs working to get the balance right between protecting their core business whilst pursuing the opportunities technology presents.”

CEOs are also wary of disrupting for disruption’s sake. Aware that new entrants want to take their share of the market, they are maintaining a laser-focus on the customer, understanding their needs and articulating how the business is creating value for them.

“The hit that wipes you out is the one that comes from the side,” says Safra Catz, CEO of multinational computer technology company Oracle. “So you need to keep an eye on all directions. If I were to give anybody advice, I would say: do your job and look around, talk to your customer and stay on mission. Don’t get distracted by success.”
The hit that wipes you out is the one that comes from the side...

Safra Catz
CEO, Oracle
Redrawing the horizon

In this report, we explore the many challenges that CEOs face as they disrupt and grow in a changing landscape. It is also worth noting that, in the context of this year’s research, success is not defined purely by the ability to displace rivals and claim market share. CEOs tell us they want to improve public trust in business, build cultures based on clear ethical values and create a more sustainable future for the organisation. For them, disruption is an entirely positive goal.

In an uncertain global environment, companies around the world are displaying a lesser appetite for major transformation projects. Companies in both the Republic of Ireland and Northern Ireland, however, are more likely than the global average to undergo a transformation by 2020.

“Every business needs to be constantly alert and vigilant of the need to stay current and competitive,” says Paul Toner, Partner and Head of Management Consulting with KPMG in Ireland. “Technology is a key enabler, and chief executives should be constantly on the alert for technology that allows them to achieve change.” Toner also believes that technology has become a fundamental of doing business. “Now it is more front and centre, more of a disruptor - technology is increasing the need to consider and implement change. If you stay on top of the agenda, you will be better equipped to manage that change.”

Companies need to transform for a number of reasons, such as not getting overtaken by a new market entrant or someone coming up with a new model. “In the same way that they look at other parts of the business, CEOs need to think about how they can leverage technology too,” says Toner. “Companies need to assess where they are relative to their peers. Consumer-oriented sectors tend to do that more frequently, as technology has reshaped their relationship with consumers.”

According to Toner, three key themes are driving companies to transform: efficiency, connectivity and data insights. CEOs are now much better prepared for the challenges presented by major transformation projects, driven by new technologies. “There’s been a shift in competence, capability and mindset,” says Toner.
He also points to a growing focus on the role of chief information officer (CIO) as a strategic-lead on transformation projects. Having the correct expertise to drive forward transformation projects is key. “You can’t manage that sort of project based on being a good executive. You need the relevant capabilities. Otherwise you are ill-equipped.” However not having the right expertise in place can cause a transformation project to flounder. “We are frequently asked to review transformations that are underway and not going as planned,” says Toner. “It is critical to have the right experience in your team.”

A failed transformation project can represent a “double negative,” according to Toner. Not only has the project failed, but it has also demoralised staff and lessened the organisation’s confidence in its ability to complete big projects. “It’s really important to get the right level of momentum, and show early successes. This breeds enthusiasm and creates buy-in for the project.”

Paul Toner also believes that another key factor in the success of a strategic transformation is having a clear plan. Having a vision is important, but he believes companies should avoid trying to transform everything at once. “Consider whether the upfront investment is warranted, and think about how relevant it is for the business,” he says. “Companies need to fully commit to a transformation project, and understand what they will get out of it.” He also cautions that CEOs should not wait for a crisis before transforming their business. “You don’t want it to take a crisis to transform, because then you are forced to transform at a pace that introduces more risk,” he said. When it comes to sectors that have undergone successful transformations, examples such as food science stands out for Toner. “Local companies have taken on global competitors and replaced them and become leaders,” he said, adding this innovation and transformation had been driven by technology.

In the context of other sectors, Toner also believes that organisations such as banks have also transformed significantly and he predicts further change ahead. “They are doing a good job but they could be doing more. Banks face a competitive threat from both FinTech players and emerging banking models.”
A shifting playing field

The world has become a more complex and unpredictable place in the past year. The global economy and the direction of geopolitics look remarkably different now and “Business as usual” no longer applies.

Cautious optimism about the bigger picture

In 2017, CEOs are broadly confident about the prospects for the global economy, but their optimism is more modest than it was last year (see chart below). There are, however, marked differences in outlook depending on geography and the sector in which they operate. According to our survey, approximately two in three (65 percent) of global CEOs are confident about global economic growth during the next 3 years. Our survey also highlights that CEOs in the Republic of Ireland (67 percent) are somewhat more confident about global growth than their Northern Ireland counterparts (48 percent) (see over).

The Wider World

Global Confidence in 3-year growth prospects, compared to 2016
The Wider World

Looking at the results on a country basis, it is clear that CEOs in the US are notably more confident than their non-US peers. They are, in fact, the only regional grouping whose confidence has increased since last year.

Brian Moynihan, CEO of Bank of America, is optimistic about the economy. “Consumer and business confidence in the US is solid,” he says, “The US economy continues to steadily perform and Europe and Asia are growing.”

In Europe, the outlook among CEOs remains positive overall, albeit less pronounced than in 2016. But the biggest change is in ASPAC, where optimism about global economic growth – especially from the vantage point of Australia, China and Japan – has dipped during the last 12 months.

While confidence among some US respondents may partly reflect their assessment of the hoped-for impact of the new administration’s economic plans, the results among ASPAC respondents could suggest a wider trend toward uncertainty.

It would be premature to describe the mood as pessimistic; however, as the data overall primarily suggests a ‘wait and see’ attitude toward economic change. In Japan, for example, where confidence has dropped the most since 2016, 46 percent of CEOs say they are neutral in their outlook for global growth in the next 3 years, compared with 33 percent who say they are actively not confident. Similarly, in Australia, 39 percent are neutral while 19 percent say they are not confident.

Confidence in global economic growth in the next three years

<table>
<thead>
<tr>
<th>Country</th>
<th>Confident</th>
<th>Neutral</th>
<th>Not confident</th>
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<tbody>
<tr>
<td>United States</td>
<td>82%</td>
<td>1%</td>
<td>17%</td>
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<tr>
<td>Italy</td>
<td>82%</td>
<td>10%</td>
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<td>Germany</td>
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<td>China</td>
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<td>Northern Ireland</td>
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<td>Australia</td>
<td>39%</td>
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<tr>
<td>Japan</td>
<td>46%</td>
<td>33%</td>
<td>21%</td>
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Confident Neutral Not confident
Meanwhile, as the chart below highlights, globally CEOs from a small number of industries – notably banking, consumer and retail, and energy – are more upbeat about sector growth than their peers.

Optimism at business level

Despite reduced levels of optimism about the overall outlook for the global economy, our survey suggests that CEOs remain confident about their own businesses. They appear to have faith in their ability to make adjustments as required, innovate to solve problems and withstand difficulties ahead.

Our survey points to an optimistic mindset among CEOs worldwide and at home. Globally 47 percent of CEO’s are “very confident” in their company’s growth prospects for the next 3 years (70 percent in the Republic of Ireland and 48 percent in Northern Ireland).

KPMG Corporate Finance partner Michele Connolly elaborates; “CEO’s are always on the lookout for opportunity, balancing both risk and reward in what can be quite volatile circumstances. Whilst the Republic and Northern Ireland are highly susceptible to external influences, in relative terms both remain very attractive places in which to do business.”

Nor does Connolly believe CEOs are complacent; “It’s a question of balance – we have great talent, pro-business policies and a proven record of successful, ambitious companies on both sides of the border” she says. However there are policy issues which still need to be addressed; “Deep uncertainty about Brexit, the need to play catch up on infrastructure in both jurisdictions and ensuring for example that housing strategies are fit for purpose are just some of the priorities to be addressed.”
Geopolitical uncertainty

Geopolitical shocks can have serious consequences for business and CEOs are keenly aware of the new strategic and operational challenges they may face in the years ahead and are influenced by the political events of the last year.

Our respondents understand, for example, that they may have to structure and conduct their overseas businesses differently depending on the manner of the UK’s exit from the EU. This is particularly pronounced in Ireland where respondents believe that the uncertainty of the current political landscape is having a greater impact on their business than they have seen for many years compared with 52 percent globally. (97 percent in the Republic of Ireland and 80 percent in Northern Ireland).

Most CEOs have already taken steps to manage their exposure. The vast majority (93 percent in the Republic of Ireland and 96 percent in Northern Ireland) are bringing new specialists into the management team to help them better understand potential threats. Three in four tell us they are spending much more time on scenario planning to plot a course through the shifting climate. With this in mind, we could expect geopolitical risk to rise up the list of businesses’ top risks over the coming year.

According to Brian Daly, KPMG’s Head of Brexit in Ireland; “At this stage CEOs are well versed in the broad issues created by Brexit. However there is a greater challenge in developing specific actions whilst not knowing the final outcome.” Daly highlights issues such as the rights of people, regulatory status, supply chain and indirect taxes as a practical examples of scenario planning that can pay dividends. Johnny Hanna of KPMG in Northern Ireland elaborates; “Take the example of a Northern Ireland company using components from Germany that may have in part originated elsewhere before being sent to say Asia via an EU port. Getting an insight into the potential post Brexit tariff impact in this scenario is really important and is a practical example of what many CEOs should be already doing.”

Geopolitical implications for tax

One of the short-term impacts of geopolitical uncertainty for businesses could be around taxation. Conor O’Brien, Head of Tax with KPMG in Ireland says businesses are mindful for example of the potential impact of a shift in US tax policy “It’s ultimately too early to gauge the extent to which the US administration will succeed in lowering corporation tax. It’s politically complex and those involved in making the decision have many competing priorities to address before we may see anything significant.”
A check on globalisation

CEOs tell us they anticipate further growth in globalisation, but this is more pronounced in Northern Ireland (80 percent) and the Republic of Ireland (73 percent) than it is worldwide (64 percent). Locally and worldwide CEOs also expect a rise in the number of protectionist policies adopted in their home market and this ranges from just under a third globally (31 percent) and in the Republic of Ireland (30 percent) to one in four in Northern Ireland (24 percent). This is noteworthy considering the rise in populist, protectionist rhetoric in the political realm, as well as growing debate about the wider impact of labour, capital and trade flows.

The research suggests that recent trends are already influencing operating decisions. CEOs in our survey in both the Republic (87 percent) and Northern Ireland (72 percent) are far more likely to be reassessing their global footprint as a result of the changing pace of globalisation and protectionism when compared with their global counterparts (43 percent).

Proportion of worldwide CEOs that...

- **43%** are reassessing global footprint as a result of the changing pace of globalisation and protectionism
- **52%** believe the political landscape has had a greater impact on their organisation than they have seen for many years
- **31%** think protectionist policies in their country will rise in next 3 years
The evolving risk landscape
As uncertainty increases, businesses have reviewed their register of key risks. CEOs in both the Republic of Ireland (93 percent) and Northern Ireland (84 percent) report that they have increased investment in governance and risk management in the last year. Operational risk is rising to become the highest concern for CEOs overall.

The 2017 Top 5 risks
- **Globally**
  1. Operational
  2. Emerging technology
  3. Reputational / brand
  4. Strategic
  5. Cyber security

- **Republic of Ireland**
  1. Operational
  2. Strategic
  3. Reputational / brand
  4. Regulatory
  5. Emerging technology

- **Northern Ireland**
  1. Strategic
  2. Interest rate
  3. Changing customer needs
  4. Reputational / brand
  5. Regulatory and geopolitical

Reputational risk
One of the most striking issues in this year’s survey is the number of CEOs who cite reputational and brand risk as a top concern given that it wasn’t even in the top 10 last year either globally or in the Republic of Ireland. Whilst there was no Northern Ireland data last year, such risk is now ranked fourth as a risk concern for Northern Ireland CEOs.

Conall O’Halloran, Head of Audit with KPMG in Ireland, believes the role of the CEO is changing at a pace never previously experienced. “CEOs have grown up with a fairly standard list of governance related competencies that they were generally familiar with,” he explains. “Now they are being challenged by additional, often technology driven risks that they may not have significant prior experience of.”

This issue may be amplified by compositional changes to the labour force, where a larger proportion of employees are hired “on demand” and may not necessarily represent the brand’s values as consistently as full-time employees.

The cyber connection
Considering the high-profile nature of many recent cyber-attacks, and the catastrophic damage they can cause, it may seem surprising that cyber doesn’t rank higher on either global or local rankings. To an extent, this is explained by CEOs’ growing confidence in their management of the risk, as we explore in Section 3. It is also worth noting that there is a cyber dimension to all the top risks in the chart above to some degree – particularly operational, emerging technology and reputational risk – which confirms that CEOs’ perception of the risk is maturing.

We see strong signals that many CEOs are moving beyond a generic view of cyber risk to develop risk, resilience and mitigation plans in the context of the parts of their business that could be most seriously affected. The risk remains very much top of mind.

“With cyber you will never be safe,” asserts Mark Wilson, Group CEO of UK based Aviva PLC, a multinational insurance company. “It’s always going to be a red flashing light.

We wouldn’t have a board meeting where it isn’t discussed; there wouldn’t be an executive meeting where it isn’t discussed. We are paranoid – and rightly so.”

Self-disruption: Finding a fresh perspective
As CEOs prepare to meet new challenges, our survey suggests that a significant proportion are also focusing on their own skills and the roles they perform. For many, disruption is as much a personal challenge as an organisational one.

We see CEOs evolving their role and the attributes they need for success. This may mean relying more heavily on soft skills – as is the case for 50 percent of respondents in the Republic of Ireland and 44 percent in Northern Ireland.

CEOs also tell us they are constantly learning new technical skills, which may not have been as critical when they set out in their roles. Almost all (93 percent in the Republic and 96 percent in Northern Ireland) have taken steps to challenge themselves, often through formal training, during the last 12 months. CEOs are also considering different ways of working. The vast majority (93 percent in the Republic and 100 percent of Northern Ireland respondents) say they are more open to new influences and collaborations than at any previous point in their career.

KPMG partner Gillian Kelly observes that CEOs are acutely aware of a growing range of risk and governance issues that have changed beyond recognition. “Everything they do takes place in a more transparent environment than ever before. For example, the growing risk and impact of social and mainstream media spreading damaging news on a global scale, and at a pace never seen before, is increasingly well understood by CEOs – for example harmful videos of poor customer service can rapidly “go viral” in a way that was scarcely comprehensible even a few years ago.”
With cyber you will never be safe...

Mark Wilson
CEO, Aviva
Priorities for today’s CEO

If three in four CEOs worldwide are aiming to disrupt their sector, what does this mean – in practical terms – for their business? And, if 68 percent of global CEOs are evolving their roles, how will they challenge the people and systems that make up their organisation?

Closer to home, for CEOs in Ireland North and South, what are the specific issues that may be even more pronounced in this part of the world? An even bigger question relates to the balancing act that CEOs must play as they prepare for future uncertainty. Taking bold moves in the market, while ensuring resilience in a changing world, inevitably has implications for a company and how it operates. So what will these implications be?

This section summarises how CEOs are answering these questions by looking at their priorities across seven core areas of the business – specifically, its market strategy, its approach to innovation, the technology it needs to achieve its goals, its relationships with customers, its talent, its management of cyber as an ever-evolving threat and, finally, its place in society.

In the words of Rob Lloyd, CEO of US-based transportation business Hyperloop One: “There’s no proven playbook for leading disruptive innovation. We have entered the moonshot era and to execute you need a killer team, clear technology milestones, a sharp focus on customers and a little bit of luck.”

How innovation features in the top strategic initiatives

The vast majority of CEOs in the Republic of Ireland and Northern Ireland are expecting major disruption in their sector in the next 3 years - significantly higher than the 48 percent recorded worldwide.
The two universities in Northern Ireland - Queens University and Ulster University - are producing some of the best graduates in the world and CSIT, the UK’s lead university centre for cyber security research, is based at Queen’s.

Johnny Hanna
*Head of Tax, KPMG Northern Ireland*

“...”

of CEOs in the Republic of Ireland are looking at new markets – significantly more pronounced than the 48 percent of their counterparts in Northern Ireland.

1) Strengthening the core

To prepare for uncertainty in the years to come, we find CEOs strengthening their existing markets and their core businesses. A significant number (73 percent in the Republic of Ireland and 64 percent in Northern Ireland) are increasing penetration in established markets as a strategic priority. CEOs in the Republic of Ireland in particular (73 percent) are looking at new markets – significantly more pronounced than their counterparts in Northern Ireland (48 percent).

According to Shaun Murphy, Managing Partner of KPMG in Ireland, the impact of Brexit is inevitably causing many CEOs to reassess where to focus attention. “The UK will remain a major market for business on this island – and whilst the hope is for frictionless trade - regardless of jurisdiction it makes sense to explore additional opportunities.”

A focus on the core does not contradict CEOs’ stated ambitions around disruption because we see innovation remaining an important strategic priority. Businesses are likely to prioritise their existing markets and will move into other markets as a secondary consideration. Once they are confident in the resilience and agility of the underlying organisation, and the economic climate seems more stable, we expect CEOs to focus more strongly on new opportunities further afield.
Today, almost half of local CEOs (47 percent in the Republic of Ireland and 44 percent in Northern Ireland) expect their business to be transformed into a significantly different entity within 3 years. We see CEOs’ appetite for transformation varies markedly by region, due to local market pressures and geopolitics. Respondents on the island of Ireland appear to have more in common with their counterparts in China, India, Australia and Japan whom are also more likely to expect their businesses to become significantly different entities within 3 years; those in the US and elsewhere in Europe less so.

It appears that a number of organisations in the US and Europe are leading a growing trend in innovation that does not necessarily equate disruption with whole-scale transformation.

“For many of our clients, innovation isn’t necessarily about changing everything they’ve got,” says Darina Barrett – Head of Financial Services with KPMG in Ireland. “It’s more about pursuing opportunities to change because it makes sense and not being wedded to something just because it has always been there,” she says.

Such innovation also creates opportunities in the wider economy. For example, KPMG’s Belfast based Johnny Hanna highlights how Northern Ireland is gaining a significant reputation as a global leader in cyber security and fintech.

“The two universities in Northern Ireland - Queens University and Ulster University - are producing some of the best graduates in the world and CSIT, the UK’s lead university centre for cyber security research, is based at Queen’s.”

Our survey finds that rather than seeing transformation as a discrete program, with an abrupt transition from one incarnation of the business to the next, many businesses will have accepted it as part of “business as usual”. Again, this may be targeted at the areas that need it most at the time, as a means to enable agility, rather than across the board.

Safra Catz of Oracle describes how transformation has been embedded throughout her company. “At Oracle, transformation never ends,” she says. “It’s like working out every day. You’ve got to constantly improve. You have to build trust in transformation. You have to show a little bit of immediate thinking, some quick results. You’ve got to build momentum.”

Catz believes that embedding transformation is as much about understanding people as it is about leveraging technology. “People hate change because they’re afraid that you don’t know what you’re doing. So you have to build trust in transformation. Get a coalition of the willing, get a few people started and everybody else will follow.”
2) Champions of disruption

The prospect of uncertainty would traditionally cause businesses to restrict their investments in innovation. Yet CEOs today are scaling up, rather than scaling back on technology-led innovation. For many, fresh thinking is a logical response to challenging conditions.

CEOs may be focusing on existing markets as a growth priority, but the strategic initiatives they are pursuing across the rest of the business all support innovation in one respect or another. We also see many CEOs taking a hands-on role in the innovation process.

<table>
<thead>
<tr>
<th>How innovation features in the top strategic initiatives</th>
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<tbody>
<tr>
<td><strong>Globally</strong></td>
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<tr>
<td>1. Greater speed to market</td>
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<tr>
<td>2. Fostering innovation</td>
</tr>
<tr>
<td>3. Implementing disruptive technology</td>
</tr>
<tr>
<td>4. Becoming more data driven</td>
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<tr>
<td><strong>Republic of Ireland</strong></td>
</tr>
<tr>
<td>1. Greater speed to market</td>
</tr>
<tr>
<td>2. Becoming more data driven</td>
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<tr>
<td>3. Fostering innovation</td>
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<tr>
<td>4. Digitisation of your business</td>
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<tr>
<td><strong>Northern Ireland</strong></td>
</tr>
<tr>
<td>1. Greater speed to market</td>
</tr>
<tr>
<td>2. Geographic expansion</td>
</tr>
<tr>
<td>3. Implementing disruptive technology</td>
</tr>
<tr>
<td>4. Limiting brand risk in an age of transparency</td>
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Aviva’s Mark Wilson is a good example of a CEO who takes a close personal interest in enabling disruption. When his company set up a “digital garage” in London to explore digital opportunities, Wilson describes how he helped make the initiative a success. “I knew we had to cut the ties between the digital business and the old business,” Wilson says. “At the launch I said, ‘Your strategy is to compete with and cannibalize the rest of the business.’ Everyone hated that. But I had to make sure that no one in the traditional business could block what we were doing. It’s changed the total dynamic.”
Managing the impacts of disruption
Disruption is not without its risks, especially when the majority of competitors are also planning to out-innovate the market. The vast majority (97 percent in the Republic and 84 percent in Northern Ireland) are expecting major disruption in their sector in the next 3 years - significantly higher than the 48 percent recorded worldwide.

According to Anna Scally of KPMG in Ireland “The simple truth is that CEOs need to look at internal processes and how to be efficient, and how to use technology in more savvy ways. It is about looking at products and services, thinking about the USP and considering how to be innovative,” she says. “It is about standing out from the crowd, and using technology to do that.”

Globally, our findings suggest that many CEOs are confident in their ability to manage industry change and succeed in a highly competitive, innovation-focused environment. 48 percent of CEOs worldwide say they are concerned about their business model being disrupted by a new entrant who they do not currently see as a competitor. However in both the Republic of Ireland (97 percent) and Northern Ireland (92 percent) the figure is significantly higher.

Incredible opportunities ahead
François-Henri Pinault, Chairman and CEO of Kering, the Paris based luxury retail group whose brands include Balenciaga, Gucci and Puma, says digital is helping his business become more customer-centric rather than product-centric. “The digital revolution allows us to forge new types of relationships with customers, where technology is not only a business enabler but becomes an integral part of the way customers interact with the brand,” he says.

The simple truth is that CEOs need to look at internal processes and how to be efficient, and how to use technology in more savvy ways.

Anna Scally
Partner, KPMG in Ireland
After assessing the opportunities and limitations of one technology, it may become easier to adapt and apply that knowledge to newer technologies. It remains to be seen if that premise will ultimately apply locally.

Understanding technology does not mean, however, that CEOs consider technological innovation within their business to be a fait accompli. Nine in ten (90 percent) of CEOs in the Republic and almost two thirds (64 percent) of Northern Ireland CEOs express concern that they are not using digital as effectively as they could to connect with customers.

**Chart 8: Staying up to speed – CEOs concerned about keeping current with new technology by region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Concerned about keeping current</th>
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<tbody>
<tr>
<td>Republic of Ireland</td>
<td>97%</td>
</tr>
<tr>
<td>Japan</td>
<td>79%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>76%</td>
</tr>
<tr>
<td>India</td>
<td>64%</td>
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<tr>
<td>China</td>
<td>58%</td>
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<tr>
<td>Australia</td>
<td>54%</td>
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<tr>
<td>France</td>
<td>45%</td>
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<tr>
<td>Germany</td>
<td>40%</td>
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<tr>
<td>Italy</td>
<td>38%</td>
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<tr>
<td>United Kingdom</td>
<td>38%</td>
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<tr>
<td>United States</td>
<td>38%</td>
</tr>
<tr>
<td>Spain</td>
<td>28%</td>
</tr>
</tbody>
</table>

**Ongoing challenges**

Despite the progress that businesses have made around technology, deep-seated challenges remain. In particular CEOs in many geographies face talent shortages and complexity around integrating cognitive technologies. When asked about their biggest barriers to implementation, issues such as the complexity of integration and skills shortages are high on the agenda.

Clearly the challenge of complexity is heightened when the business does not have an adequate number of suitably skilled people with an in-depth understanding of the technologies involved, especially around unfamiliar and fast-evolving cognitive processes.

According to Johnny Hanna of KPMG in Belfast, investment in third level education has been identified by the latest generation of CEOs as a pre-requisite for a successful economy: “Northern Ireland needs to develop its own talent pipeline both to supply indigenous firms but also to attract and sustain inward investors. Combine this with the fact that Northern Ireland also has the highest rate of economic inactivity in the UK and there are clearly significant challenges facing the Northern Ireland economy.”

Meanwhile almost all respondents in the Republic of Ireland (97 percent) and a significant majority in Northern Ireland, (84 percent) say they are concerned about their business’ ability to integrate existing business processes with artificial intelligence. Approximately one in three (37 percent in the Republic of Ireland and 36 percent Northern Ireland) tells us their organisation is not ready for advanced artificial intelligence at any level.

If they are to keep abreast with developments in this field, businesses obviously need to draw on the expertise and guidance of individuals with specific knowledge. Yet such talent is expensive to acquire – either because there is great competition for experts with these skills, or because up-skilling existing staff is time-consuming and creates new gaps to fill.

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**Section 3**

3) **Technology: A mixed picture on maturity**

The ability to disrupt a market, or to innovate within an organisation’s established structures, is closely linked to a business’ understanding of emerging technologies and their potential application.

A high proportion of business in the Republic of Ireland (97 percent) and Northern Ireland (76 percent) remain concerned about whether their business is keeping up to speed with new technologies. Globally this figure has been declining (Down from 77 percent in 2016 to 47 percent this year). The global trend appears to be that CEOs are working with different technologies on a daily basis and have more experience in seeing how they are interlinked.
It is this competition for highly skilled talent, especially in the next few years, that is behind one of the most surprising findings of our 2017 research.

Whereas the popular view of cognitive technologies is often that they could make a number of managerial positions redundant, CEOs in the Republic of Ireland (79 percent) and Northern Ireland (72 percent) actually expect them to increase headcount across key roles in the immediate future.

Globally, CEOs expect to increase investment in artificial intelligence and cognitive technology in the coming three years. Already, these types of technology have become more common.

“People take for granted some of the things that artificial intelligence is already doing,” says Owen Lewis, Partner, KPMG Ireland. For example, this type of technology allows companies such as Netflix and Amazon to provide personalised recommendations to customers based on their viewing or purchasing habits. Lewis believes that “more and more tasks” will be automated using this sort of technology in the future. Digital labour is a broad spectrum, explains Lewis. “It started from things like using macros on a computer to run some calculations,” he says. Next came more formalised automation, and robotics. These types of technology allow companies to reduce costs, improve accuracy and increase speed.

Some sectors, such as retail, have led the way. “There’s a real depth of experience in an organisation like Amazon, for example,” Lewis says. “They have heavily invested in this type of technology.” One sector where Lewis sees vast potential for digital labour is in medicine. “A machine can make a decision in a complex environment, based on rules and vast amounts of data,” he says. “That precision and speed of making decisions in a medical environment is a good example.”

In financial services, there’s also scope for a broader adoption of such technologies. “It is on the radar of every financial services firm, a machine can recognise and transcribe data, for example,” he explained, adding that this has made the process quicker and more accurate. “Humans can get distracted.”
Companies have already begun to direct resources towards these sorts of emerging technologies. Three in ten businesses in the Republic of Ireland have made a significant investment in robotic process automation in the past 12 months (although less than one in ten in Northern Ireland has taken the same approach), while six out of ten in both jurisdictions have launched a new investment programme related to cognitive technology, including areas such as artificial intelligence and machine learning.

Customer first

However, almost 40 percent of CEOs North and South believe their organisation is not ready to adopt advanced artificial intelligence technology. Given the pace of change, it can be difficult for CEOs to decide on the right course of action. “It’s very hard for someone making decisions on the future to understand what hype is, and what is worth going for,” Lewis says. He advises companies to explore what’s right for their own agenda. “Dip a toe in the water, get an awareness of the technology, understand what it means for your business,” he says. “Embrace new technology but think of your customer and your business first.”

According to Lewis, companies should consider “what you want your business to be in five years and what you need to get there.” It can be difficult for businesses to navigate all the change, and integrate emerging technologies with their existing processes. “You are drinking through a fire hydrant in some respects, because there’s just so much stuff coming at you,” says Lewis. However, before companies can successfully introduce new technologies or consider automating any existing processes, they need to fully understand the end-to-end journey of each process, and the potential risks involved. “Which costs the most? Which takes the longest?”

Defining goals

The problem is that many companies don’t know the answer, making it difficult to assess the potential efficiency gains of introducing new technologies. According to Lewis; “Companies need to have clearly defined goals in place, and a proper strategic plan, in order to maximise the value of any new technology.” While he believes increased automation may allow companies to make decisions more quickly, people will continue to be at the heart of business. “People like to communicate and that will remain incredibly valuable to the way business is done.”

However, Lewis also believes that increased automation will have “Some winners and losers”; with some potential for job losses in certain industries. That said, he believes that new jobs will be created too, that rely on “the incredible nature of the human brain” to take on tasks that a robot cannot.
4) Customers and the market: Balancing intuition with hard numbers

CEOs want to increase penetration in their core markets. They also want to disrupt those markets. Meeting these ambitions relies in large part on their ability to manage their relationships with the market, understand what their customers are looking for, and protect their brand. As seven in ten respondents worldwide tell us, CEOs feel a growing responsibility to protect the best interests of their customers.

For Safra Catz, Oracle’s success relies on understanding what their customers need. “You have to understand,” she says, “especially with a product like ours that you can’t physically see, that the only way to measure the success of our company is by understanding the success of our customers.”

In this year’s research, we see CEOs understanding their customers’ needs and desires on a highly intuitive level. This is particularly pronounced in both the Republic and Northern Ireland where over 90 percent of CEOs believe they are effective at sensing market signals when compared with their global peers (64 percent).

The ability to understand what customers’ value is critical to improving their experience of the company’s services and products, which plays a key role in protecting brand reputation at a time of heightened reputational risk. Accordingly, we see businesses implementing changes to improve the experience they provide to customers with three in four CEOs (Republic of Ireland 73 percent, Northern Ireland 76 percent), tell us they have aligned their middle and back office processes to reflect a more customer-centric approach to front-office operations.

Data concerns

For many, enduring success with customers – and the ability to introduce successful new services and products – relies on an ability to balance human understanding with a mature capability in data and analytics. But it appears there is still some way to go. A universal concern of CEOs is that customer insight is hindered by a lack of quality data and many express concern about the integrity of the data they base decisions on.

“It’s a question of balance – trying to combine actual evidence with gut feel,” says Kieran Wallace, KPMG’s Head of Private Enterprise. “The instinctive nature of entrepreneurship, that sixth sense for the market that the best entrepreneurs have - it so often makes all the difference.”

Yet some businesses are making strong progress in generating new value out of data, particularly in how it can support R&D activity. At Tata Motors Worldwide in India, CEO and Managing Director Guenter Butschek says his company is “harnessing the power of advanced analytics to get ahead of customer trends, by using the insights and feeding them directly into our product development. We see AI as a business imperative and an important tool to forge a real time interface with our customers.”

Nonetheless, it is clear that, without greater confidence in data, many other CEOs will find it harder to provide innovative products and services that are truly game-changing. “Previously, we’ve relied heavily on historic data,” says KPMG’s Global Head of Advisory, Mark A. Goodburn. “Data has become much more near-term and can be predicted more easily. Now it’s not about how much data you have, it’s how predictive that data can be. What are the interests, trends and desires of our customers in the near term or further afield?”

73% 76%

of CEOs have aligned their middle and back office processes to reflect a more customer-centric approach to front-office operations.
5) Talent and recruitment: Lean and specialised
The balance between CEOs’ two principal goals this year – driving disruption while harnessing uncertainty – is playing out clearly in their approach to talent. The majority of CEOs are planning to boost their investment in recruitment in the near future. In the last 12 months, the vast majority (Republic of Ireland 87 percent and Northern Ireland 84 percent) say they have increased spending on recruitment.

Over the next 3 years, the proportion who are increasing investment in recruitment is effectively unanimous - with agreement from almost all of our local respondents (Republic of Ireland 100 percent and Northern Ireland 96 percent). This suggests that businesses are increasingly looking to hire more specialised talent in the years ahead such as cognitive technology.

All told, while the conventional wisdom remains that increased automation, robotics and artificial intelligence will ultimately dampen the demand for labour, CEOs worldwide appear to believe this major shift may be a few years away.

6) Cyber: An ever-evolving threat
Cyber continues to be a major concern for CEOs. “Two things keep me awake at night,” says Mark Wilson of Aviva, “cybercrime and geopolitical issues. You need to be fast-paced and agile or you’re toast.” However over half of respondents (56 percent) in the Republic of Ireland and almost the same percentage (48 percent) in Northern Ireland believe they need to do more to combat cyber security ‘fatigue’ in their organisation.

While CEOs believe they are making progress, due to the controls and systems they have put in place, the need for vigilance remains high. CEOs tend to have a better understanding of cyber risk than ever before but many still don’t ‘own’ cyber to the extent they should properly manage the risk.
Ultimately the chief executive will be held accountable if there’s a security breach...

Michael Daughton
Head of Cyber, KPMG in Ireland
An expert view

Major cyber-attacks, such as the recent WannaCry global ransomware attack, have put cyber security on the radar of business leaders. But is it a case of more talk than action? “I don’t believe it's all talk,” says Michael Daughton of KPMG. “People are focussed on it. Events like WannaCry take complacency because people see the impact.” He points to a shift in attitudes to cyber security in the last few years. “Up until three years ago or so, it was seen as an IT problem, and was not seen as a big issue from the CEO’s perspective, or indeed as a broader business issue.”

An increased regulatory focus on cyber security is also driving change. For example, Daughton emphasises that regulators are increasingly concerned about how companies treat personal data. “There are new data protection requirements coming into play for all EU based companies from May 2018. This impacts on every company in the EU that holds any sort of personal data. It could be customer data, but also supplier data or data on employees.”

Accountability

Daughton says that these new rules will “really ramp up the requirements in terms of data protection and firms with EU operations who fail to comply could face potential fines.” A data breach or other sort of cyber event is not just an issue for those whose data could be affected. For investors too, cyber security is a big issue. Daughton believes a cyber event could decrease investors’ appetite for a company. “Protecting core data is a board issue now,” he says. “Ultimately the CEO will be held accountable if there’s a security breach.”

Globally, just over two in five CEOs say they feel prepared for a cyber event, up from one in four last year. In the Republic of Ireland, almost nine out of ten CEOs feel fully prepared for a cyber event whilst a significantly lower one in five (20 percent) express similar attitudes in Northern Ireland. Cyber events can take many forms as Daughton explains. “There’s a misconception that it is all about hacking into systems,” he says. The reality is much broader, with companies facing a wide variety of threats, such as ransomware, distributed denial-of-service attacks, customer data theft and social media hacking.

A ransomware attack, for example, involves a company’s data being “locked” until a payment is made. Another recent trend is so-called CEO fraud, which sees staff receiving an email that purports to come from a company’s chief executive. “The email asks the staff member to do something such as make a payment,” Daughton explains. “A number of companies have been caught by this type of approach and predicting what’s coming down the tracks is difficult as it’s moving so fast.”

However Daughton believes that there are ways of mitigating the risks. Given the wide range of threats that companies face, a cyber audit is increasingly important. “It is an assessment of the key risks and threats, and the likely controls,” he explains. Identifying key data, and where it is, is at the heart of a cyber audit. “That can be a very challenging thing for companies to do - they need to know what is on email, what’s on paper, what’s shared with third parties, and what needs to be protected.”

Carrying out a cyber audit should allow a company to address a number of important questions: Where is critical data stored? Who can access it? If the company outsources any work, what procedures and protections have the third party got in place?

The human factor

An overwhelming majority of CEOs regardless of jurisdiction believe that people are biggest challenge when it comes to tackling cyber security. “The human factor is quite important. Some of that is down to not understanding the potential risk,” says Daughton. “Training and awareness is a critical part of this.” Once a company has identified any potential weaknesses, and put in place controls, ongoing monitoring is critical. “There needs to be a clear reporting system - for example, what reports do the board get on key threats and vulnerabilities?”

When it comes to cyber security, Daughton stresses that companies need to have a plan in place to deal with a crisis if one occurs. “Big companies are simulating crisis scenarios - you try to protect against the risk, and prevent something going wrong but you must also be prepared for something happening too. If you have a plan, you know where to start.”

Companies must also strike a balance between innovation and risk management believes Daughton. “The technology within companies is developing all the time - businesses want new technology. Things like big data, data analytics, cloud computing and so forth. This provides more links to the outside world, and creates more risk.”

“The types of attacks are also continually evolving, so companies face challenges on numerous fronts.” According to Daughton, a key question for CEOs is that of responsibility for cyber security within an organisation. “Some companies have a chief information officer (CIO) and some larger companies are appointing chief information security officers to manage cyber risks. However that’s not necessarily feasible for smaller companies.” One learning regardless of scale is not to leave the issue unanswered.
7) Beyond the short-term: Building trust inside and out

In recent years, and particularly since the global financial crisis, public opinion has been highly critical of big business. Many CEOs believe there will be little improvement in this sentiment in the near future. Just one in three CEOs worldwide expect public trust in business to get better in the next 3 years although this figure rises to forty percent in the Republic of Ireland and is higher again in Northern Ireland at fifty two percent.

Negative public opinion will usually have a direct impact on business. From data breaches to poor customer service – the pace at which negative public sentiment can go viral is now measured in minutes.

Partly for this reason, and in recognition of the growing importance of brand and reputation to business success, a large majority of CEOs say building greater trust among external stakeholders and customers is a top-three priority for their organisation today – significantly higher in both Northern Ireland (88 percent) and the Republic of Ireland (87 percent) than the global average (61 percent).

87% 88%

of CEOs say building greater trust among external stakeholders and customers is a top-three priority for their organisation

Trust and corporate culture

Yet building integrity and improving how the organisation is perceived is far from easy, and cannot be achieved in the short term. Indeed, organisations that seem overly keen to demonstrate their principles, through expensive marketing campaigns, may find their efforts met with cynicism.

With this in mind, we believe it is critical to have a long-term focus on building a respectful and transparent culture within organisations. CEOs in Northern Ireland (96 percent) and the Republic of Ireland (87 percent) say they are placing greater importance on trust, values and culture in order to sustain their future. This is higher than the global average of three in four (74 percent).

Kering’s Pinault agrees with the importance of a values-based culture. “An inclusive culture is vitally important in our industry,” he says, “to bring the diversity of thought we need to innovate and grow our business.”

Finally almost all (Republic of Ireland 97 percent and Northern Ireland 96 percent) CEOs in this year’s survey correlate being a more empathetic organisation with higher earnings. Companies today are increasingly realising that building trust is consistent with their business objectives.
Section 3

Disrupt and grow
Conclusions

**Innovation alongside uncertainty**
In a world that has changed consistently in a short space of time, CEOs at home and abroad are confident about the future and the majority remain optimistic for the global economy overall and particularly in their own business’ potential – despite the challenge of issues such as Brexit. Most notably, their ambitions for innovation – for disrupting their businesses and the market – are as strong as ever. This paints an optimistic picture of the resilience and resourcefulness of today’s leading businesses, and the CEOs leading them.

**Strengthening the core**
CEOs recognise the value of disruption – for themselves, their businesses and the market – but they are measured in their approach. Expecting fresh uncertainty ahead, many are balancing innovation with a focus on core resilience. They are disrupting their existing markets, and making their underlying businesses stronger, until moving into new markets becomes an acceptable risk.

**Smart technology still needs smart people**
Businesses are confident in their ability to use innovation to their business’ advantage. But for many, a core challenge will be ensuring they can draw on enough suitably talented technology experts to adopt, deploy and deliver results from new technologies.

While these new technologies might reshape the labour force in the longer term, we are hearing clearly from CEOs that in the near term they still expect headcounts to rise, and that they are struggling to find enough suitably skilled staff to implement the technology already available to transform their business. For this reason, and perhaps counterintuitively, CEOs expect cognitive technologies in the short term to lead to an increase rather than a decrease, in headcount.

**The personal challenge**
As they consider the economic, technological and geopolitical challenges of the future, CEOs are considering their own skills and personal qualities. This is encouraging in a commercial landscape that is evolving fast. And yet the bigger test for CEOs is how they apply these enhanced talents to the business and put their new technical and soft skills to optimum use.

**Reputation matters**
Reputation risk is one of the biggest threats that organisations face, primarily due to the transparency created by the digital world. By building cultures based on respect and clear ethical values, and planning for a more sustainable future, organisations can demonstrate integrity and help ensure their business’ long-term success.

At a time of growing uncertainty, it is clear that the role of the CEO will not become any easier or any less complicated. Yet our survey shows that CEOs everywhere have accepted the challenge and are leading their businesses with determination and an openness to new ideas.
Methodology and acknowledgements

The survey data published in this report is based on a survey of 1,261 Chief Executive Officers (CEOs) conducted on our behalf by Forbes worldwide including from both the Republic of Ireland and Northern Ireland. Other markets included Australia, China, France, Germany, India, Italy, Japan, Spain, the UK and the US. These CEOs operate in eleven key industries including automotive, banking, infrastructure, insurance, investment management, life sciences, manufacturing, retail/consumer markets, technology, and energy/utilities and telecom. 312 CEOs came from companies with revenues between US$500 million and US$999 million, 527 from companies with revenues from US$ 1 billion to US$9.9 billion, and 422 from companies with revenues of US $10 billion or more.

The survey was conducted between 21 February and 11 April 2017.

Figures may not add up to 100 percent due to rounding.

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