



# Strategy Survey 2021-2022

Global Strategy Group  
KPMG in Ireland



*Your Partner For What's Next*

# Strategy Survey 2021-2022

## In the second edition of our survey of strategic priorities and challenges on the Island, we find that:

- Decarbonisation has shot up the executive priority lists, with now more leaders expecting it to dominate strategic decision making throughout the 2020s than any other issue
- The existential threat posed by the response to the pandemic eased for many, with the percentage of businesses in 'survival' mode falling significantly
- The pandemic hiatus in the war for talent is well and truly over as businesses expect to battle for the skills required to realise their strategic goals

*About this report:  
in Q3-4 2021, we surveyed several hundred clients either based on the island or competing in the Irish market. This covered over a dozen sectors, north and south. This is a summary of their aggregated responses.*





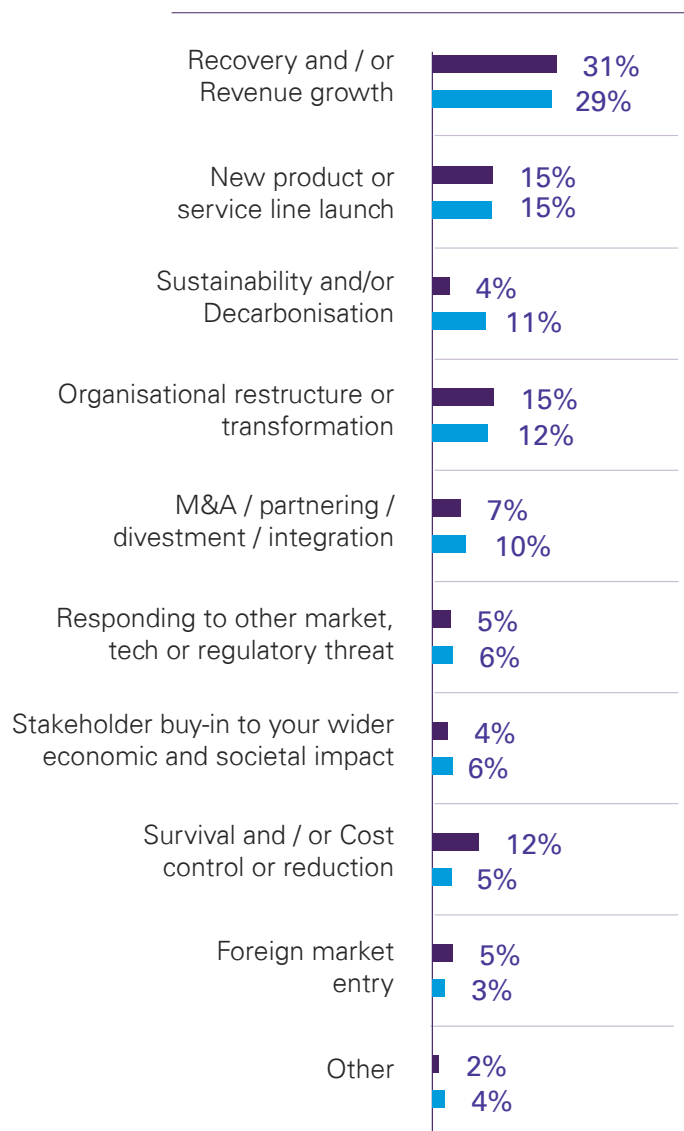
## Strategic priorities

With the economic rebound since the first 2020 lockdown, this second edition of our survey is able to compare notes with last year to identify significant changes in sentiment.

Two of the top three strategic priorities for 2021-22 remain unchanged, with recovery and/or revenue growth still at number one, with new product or service line launch in second. Encouragingly, the percentage of respondents naming 'survival' as a top three priority has roughly halved.

Perhaps unsurprisingly in the year of COP26, the percentage of respondents naming decarbonisation as a top 3 priority has more than doubled from 4% in 2020 to over 11% for 2021-22, suggesting the reassertion of an agenda that suffered a degree of strategic relegation during the pandemic crisis.

## Current strategic priorities



Note: rounding errors

2020 2021-2022

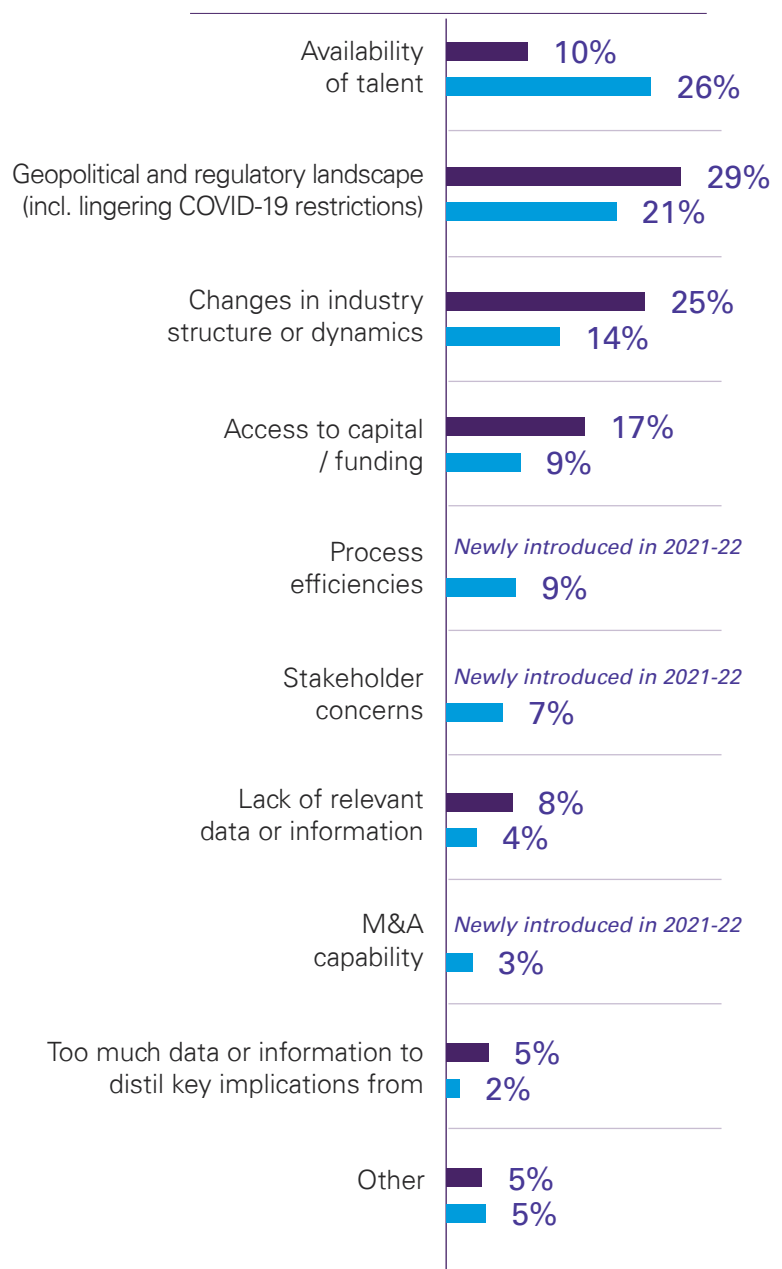


## Constraints

As the recovery matures and the competition for resources heats up, the war for talent is well and truly back on the agenda, with talent availability being cited as a key constraint to achieving strategic priorities by a quarter of respondents, more than any other issue. This is a marked change from 2020, when talent availability was not even a top three concern and was cited by only 10% of respondents.

Unsurprisingly, the geopolitical and regulatory environment remains a key constraint, but has dropped in salience, with only 21% of respondents citing it as a top three strategic priority, compared with ~30% in 2020. Our survey also bears out anecdotal evidence that the funding squeeze has eased, with only 9% of respondents citing access to capital as a top constraint, compared to 17% last year. As in 2020, Brexit uncertainty barely registered in the responses as a constraint on the achievement of strategic priorities

## Current strategic constraints



Note: rounding errors

2020 2021-2022

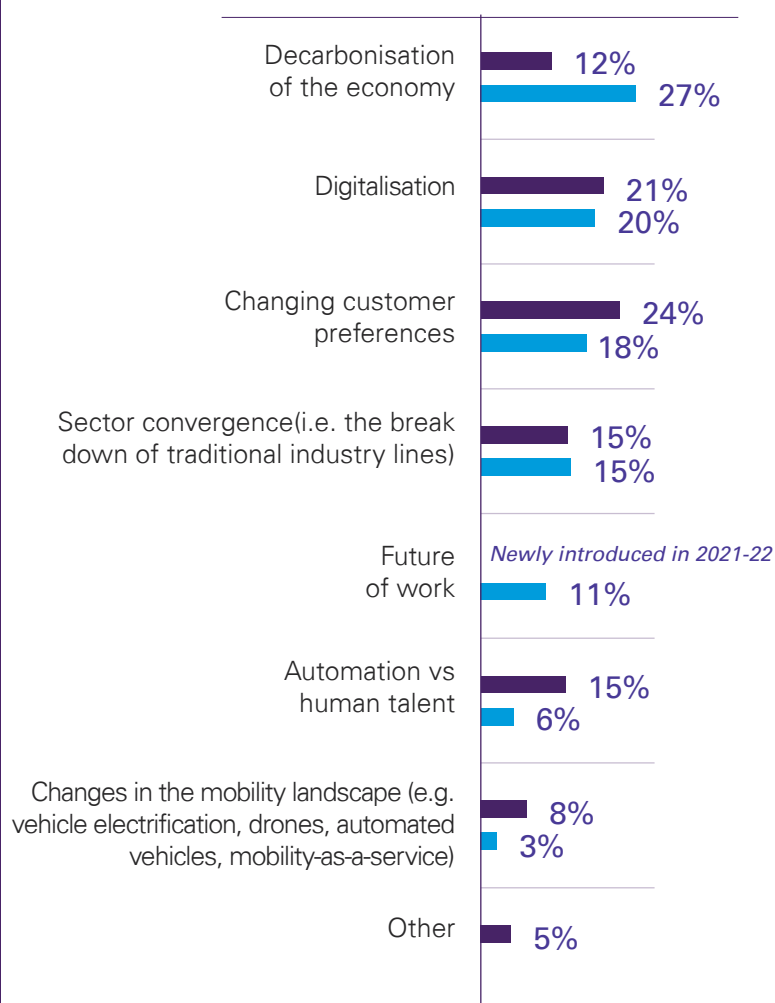


## Long-term themes

The rise of decarbonisation from 5th to 1st most relevant theme is the most salient feature of the responses to this part of the survey in 2021-22. In the wake of the pandemic, the 'build back better' narrative combined with the COP26 agenda have combined to elevate net zero to new heights in the public consciousness.

In this context it is perhaps unsurprising to find 27% of respondents naming decarbonisation as one of their most relevant themes in 2021-22, up from 12% in 2020. This places it even higher on executive minds than digitalisation, which remains almost unchanged at around 20%. It is perhaps surprising given the amount of comment that has been expended on the subject in the media that only 6% of respondents name 'automation vs human talent' as a relevant long-term theme, however a fall in its salience since 2020 is offset by the introduction of 'the future of work'.

## Long-term themes of relevance

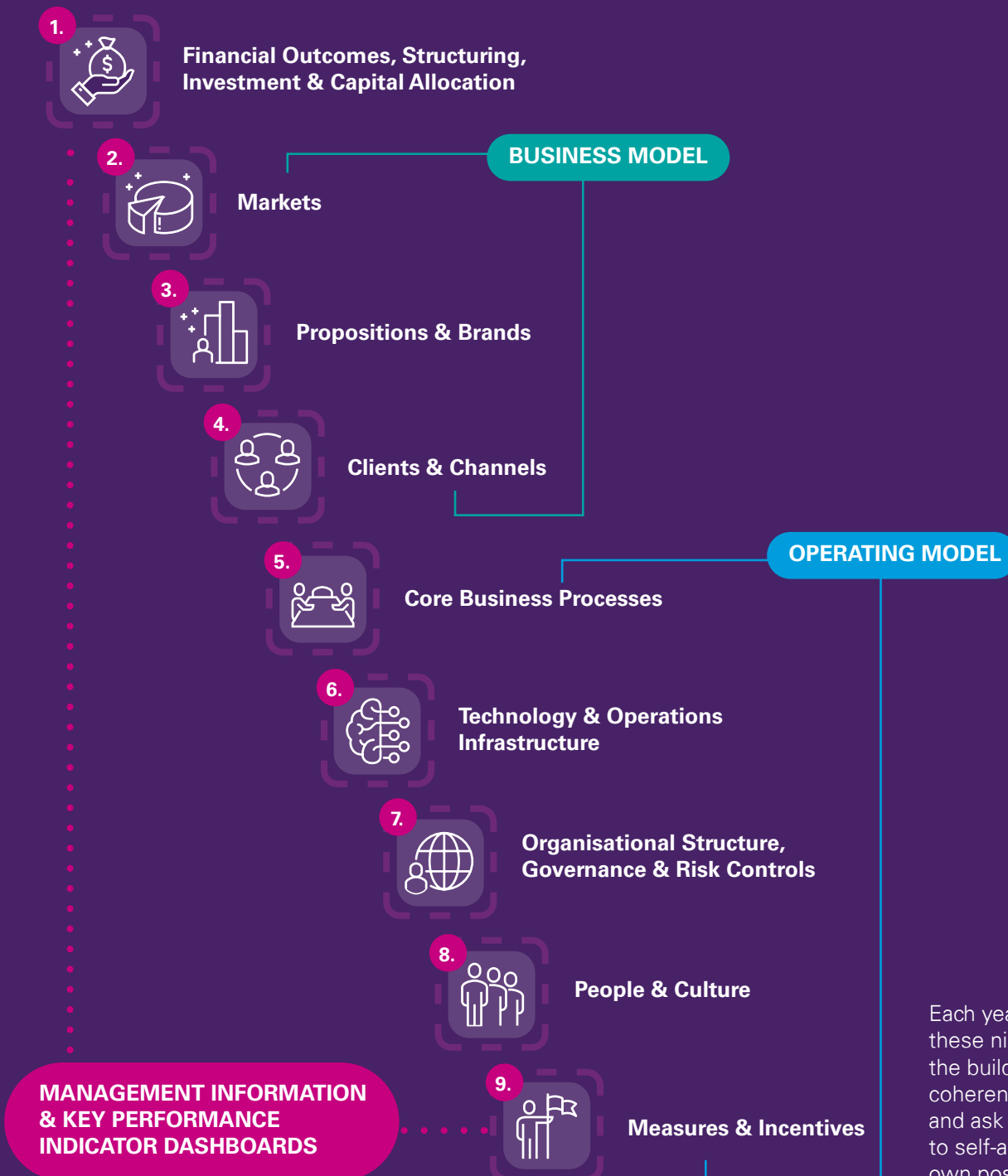


2020 2021-2022



## Strategic self-assessment

Your strategy is based around where you play, in which markets. But it needs to be more than that. Effective strategy needs a coherent position, from clarity of ambition, through the market strategy levers, to alignment of your operating model with that ambition.

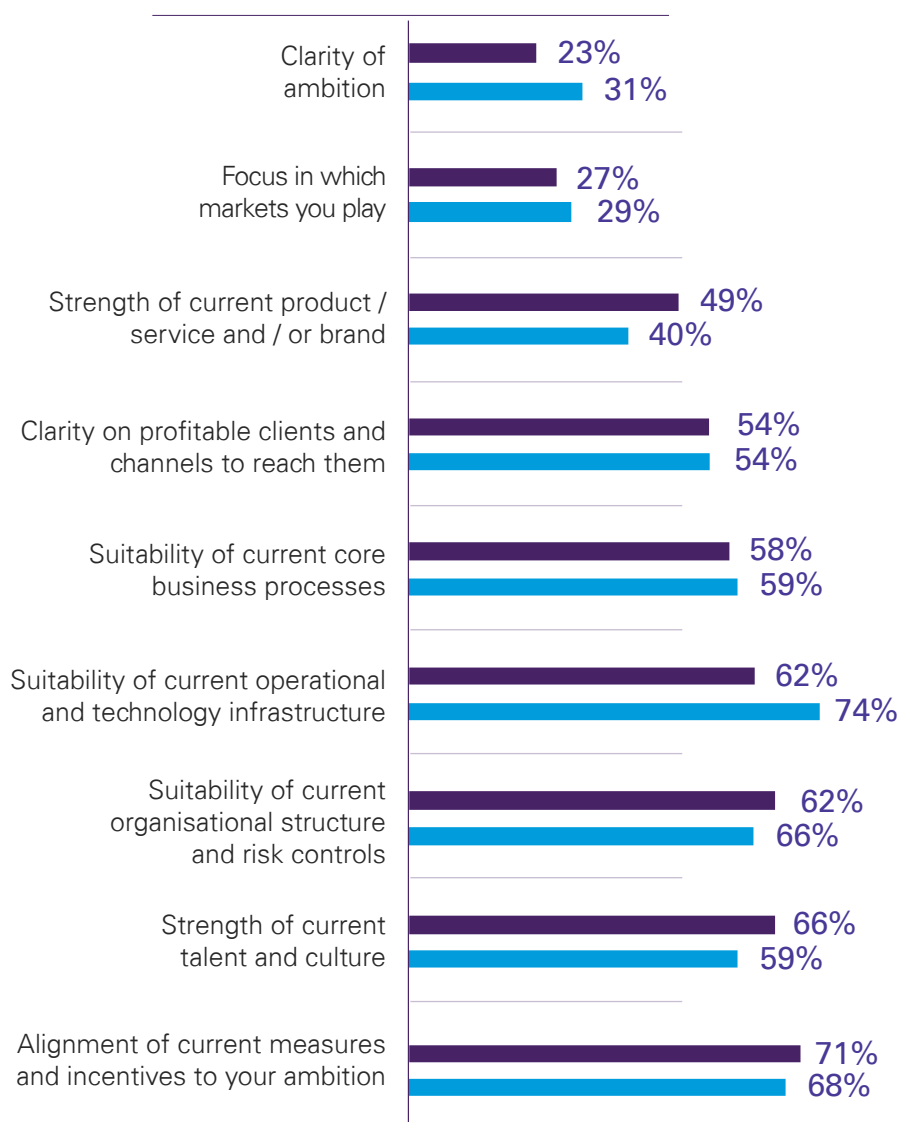


Compared to 2020, we see diminished clarity of ambition, with almost one third of respondents assessing their own clarity of ambition as needing some or major improvement. But the bigger takeaway is similar with last time around: we see a relative lack of confidence around operating models compared with strategic goals. The standout figure is for operational technology and infrastructure, where three quarters see a need for improvement. Similarly, suitability of current core business processes emerges as an area in need of real improvement for many, with only 40% of respondents judging themselves to be good in this area.

In 2021-22 as in 2020, companies are much more confident about the quality of their business model than about the operating models they depend upon.

To filter out your perceptions from the reality, a practical first step is benchmarking – across financial, commercial and operational KPIs. How do you compare with a specific peer set? What can be learned from the mistakes and successes of others? Where do you focus your subsequent time and attention as a result?

## Respondents identifying areas that need improvement across the 9 Levers of Value



2020

2021-2022

## About KPMG's Global Strategy Group

KPMG's Global Strategy Group works with private, public and not-for-profit organisations to develop and implement strategy from 'Innovation to Results' helping clients achieve their goals and objectives.

KPMG Global Strategy professionals develop insights and ideas to address organisational challenges such as growth, operating strategy,

cost, deals, digital strategy and independent economic assessments. In Ireland, we are the largest deal and corporate strategy house, working across sectors including financial services, aviation, life sciences, manufacturing, agri-food and technology.

Lastly, thanks for your contribution.

# Contact Us



**Mark Collins**  
*Head of Deal Advisory*

**t:** +353 1410 1407  
**e:** mark.collins@kpmg.ie



**Alan Boyne**  
*Partner, Transaction Services*

**t:** +353 87 744 2645  
**e:** alan.boyne@kpmg.ie



**Chris Brown**  
*Partner, Strategy*

**t:** +353 87 050 4453  
**e:** christopher.brown@kpmg.ie



**William Taylor**  
*Director, Strategy*

**t:** +44 7880 454432  
**e:** william.taylor@kpmg.ie



**Bernice Kwok**  
*Associate Director, Strategy*

**t:** +353 1410 2185  
**e:** bernice.kwok@kpmg.ie



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