



# Global CEO Outlook 2016

South Africa results



# Content

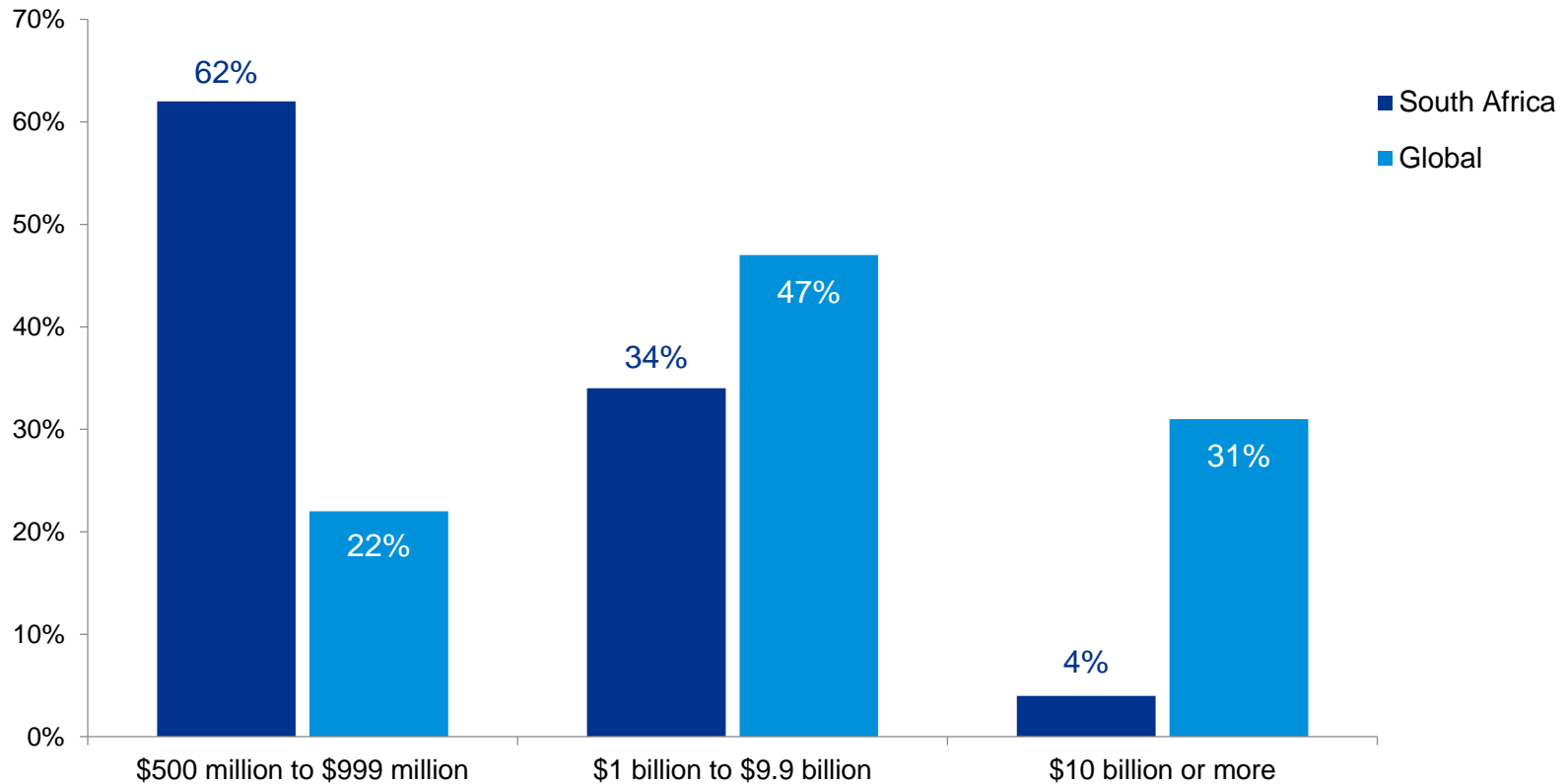
Demographics	03
Growth/Investments/New Markets	12
Strategy	50
Risk/Cyber	35
Transactions	41
Transformation	47
Disruption/Innovation	49
D&A	65
Culture/People	69
Pressing concerns for CEOs	83



# Demographics

# Demographics

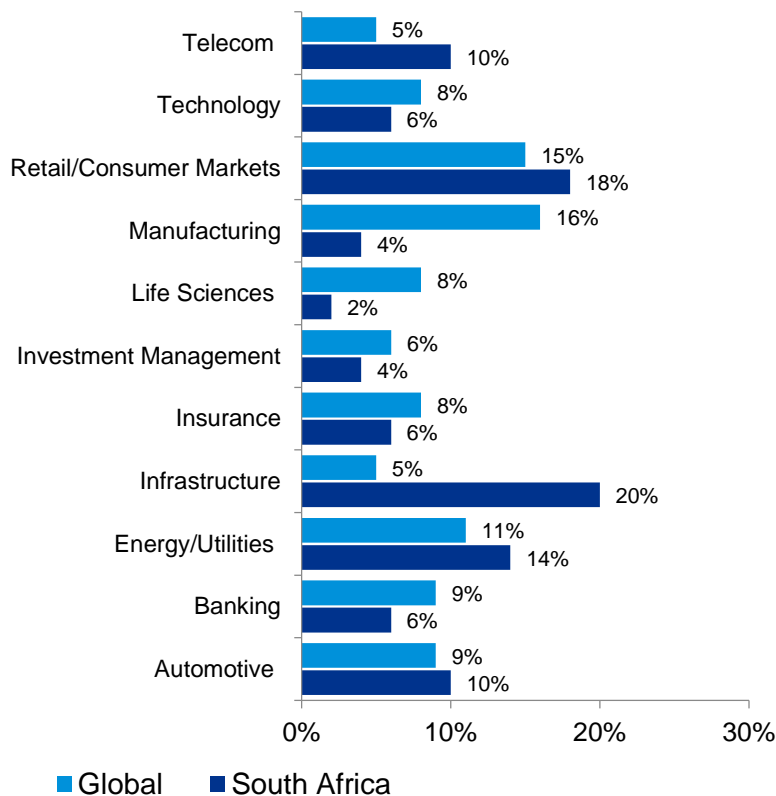
## S2. What were your firm's revenues in US dollars in its most recent fiscal year?



Total	South Africa
1268	0

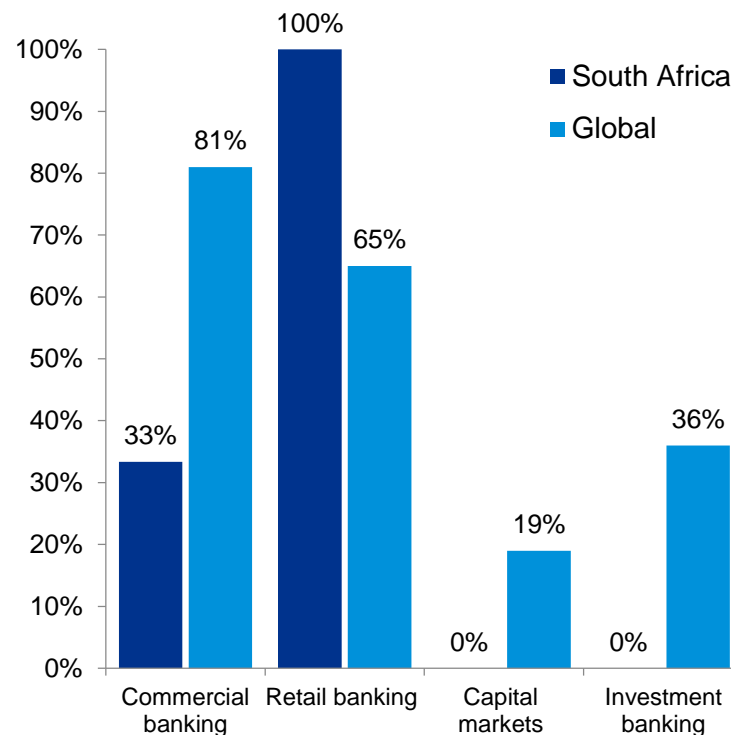
# Demographics

## S3. Which of the following best describes your industry?



Total	South Africa
1268	50

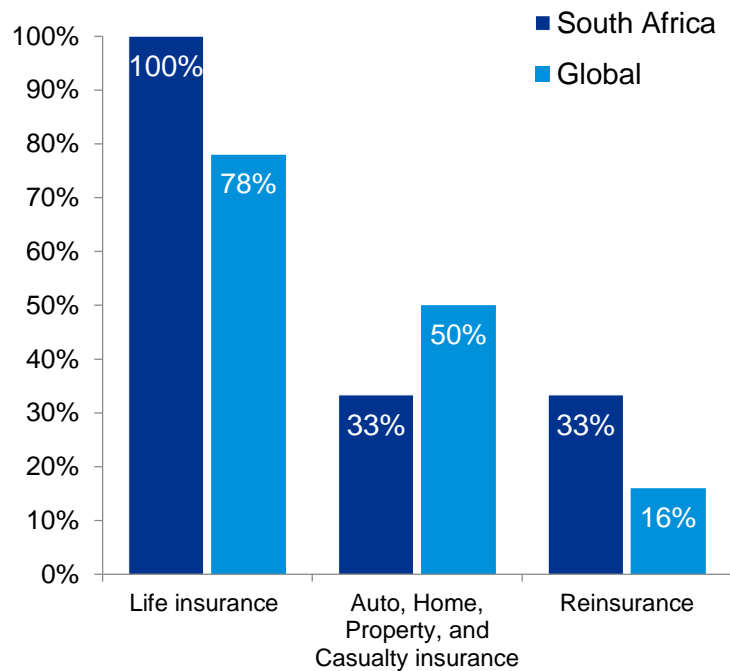
## S3b. In which specific sector(s) of the Banking industry does your firm operate?



Total	South Africa
111	3

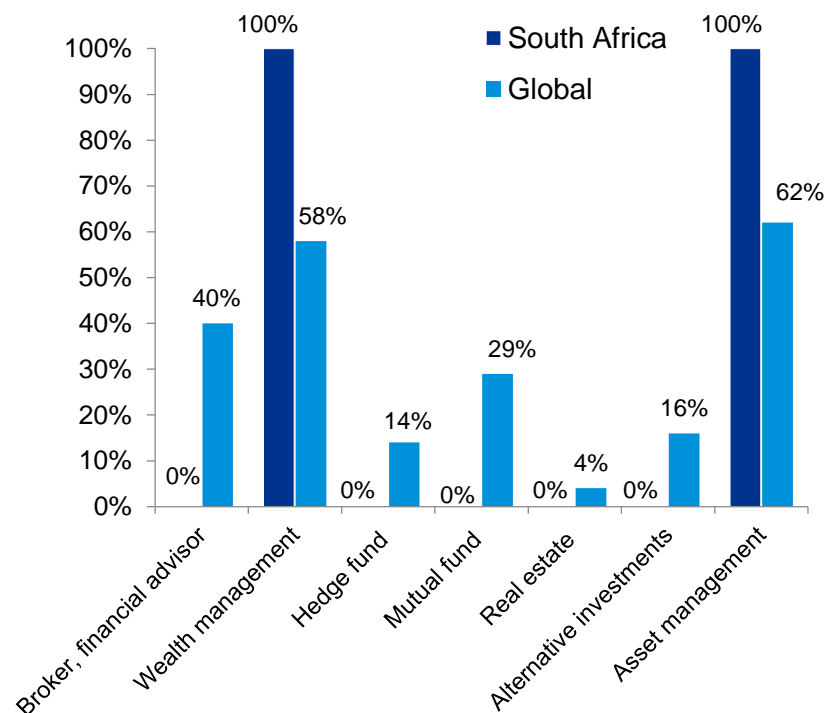
# Demographics

## S3e. In which specific sector(s) of the Insurance industry does your firm operate?



Total	South Africa
105	3

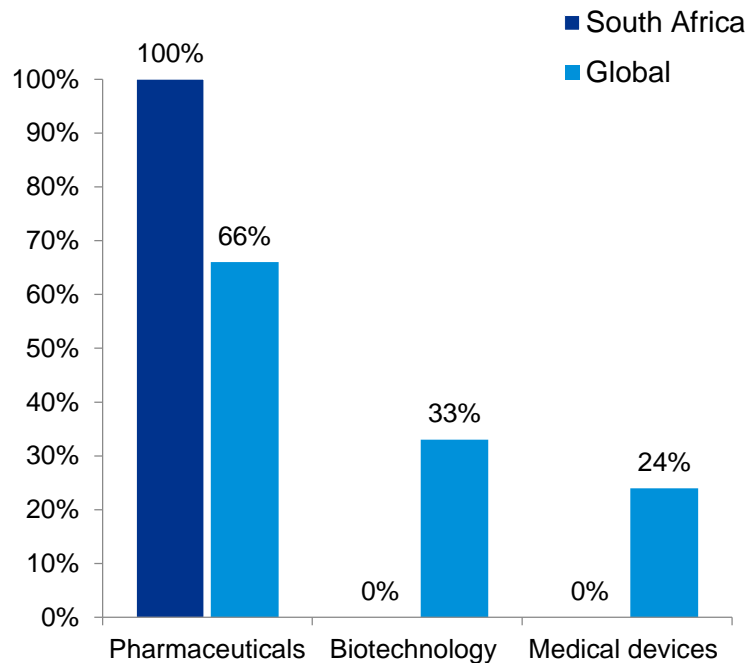
## S3f. In which specific sector(s) of the Investment Management industry does your firm operate?



Total	South Africa
73	2

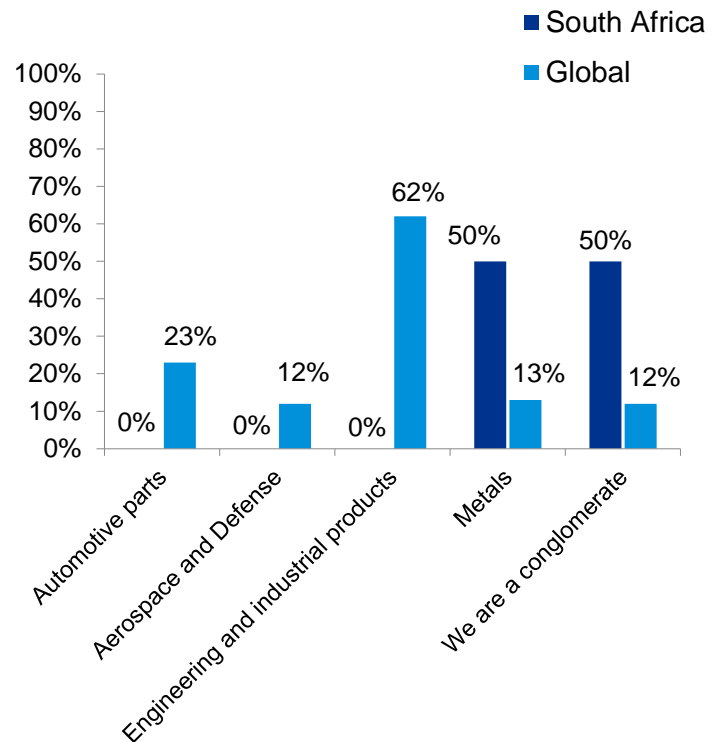
# Demographics

## S3g. In which specific sector(s) of the Life Sciences industry does your firm operate?



Total	South Africa
107	1

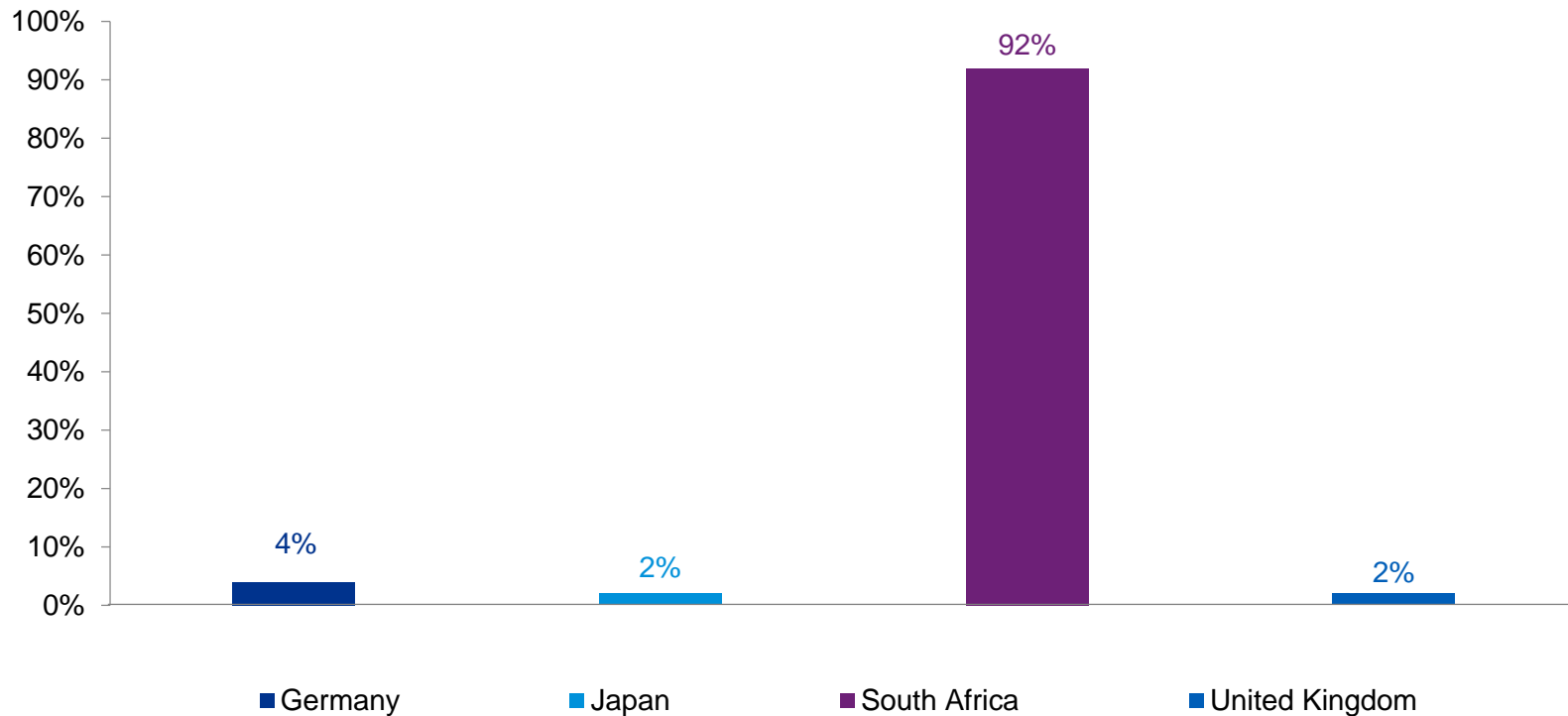
## S3h. In which specific sector(s) of the Manufacturing industry does your firm operate?



Total	South Africa
207	2

# Demographics

## S4. In what country is your firm headquartered?

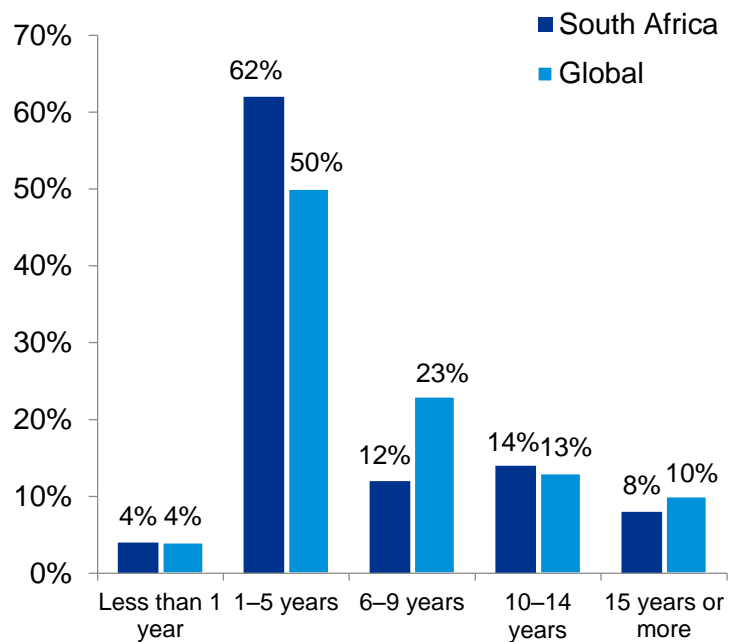


South Africa
50



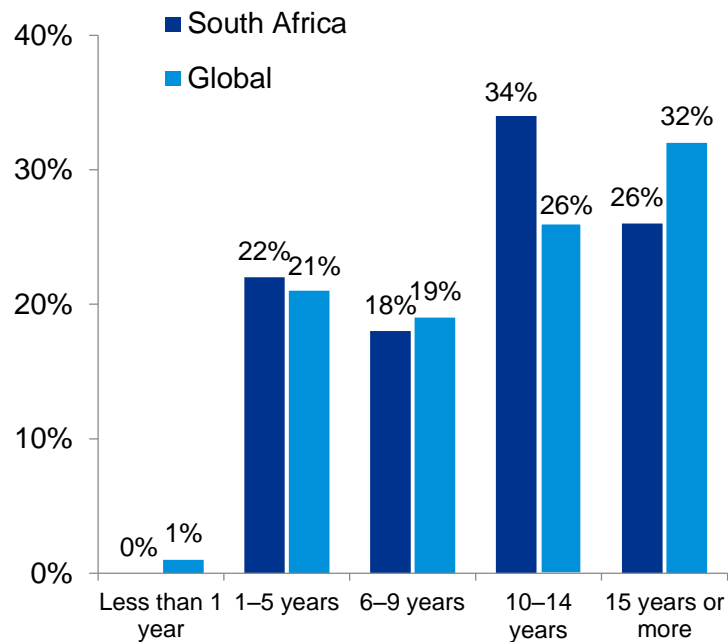
# Demographics

## D1. How long have you been the CEO of your current firm?



Total	South Africa
1268	50

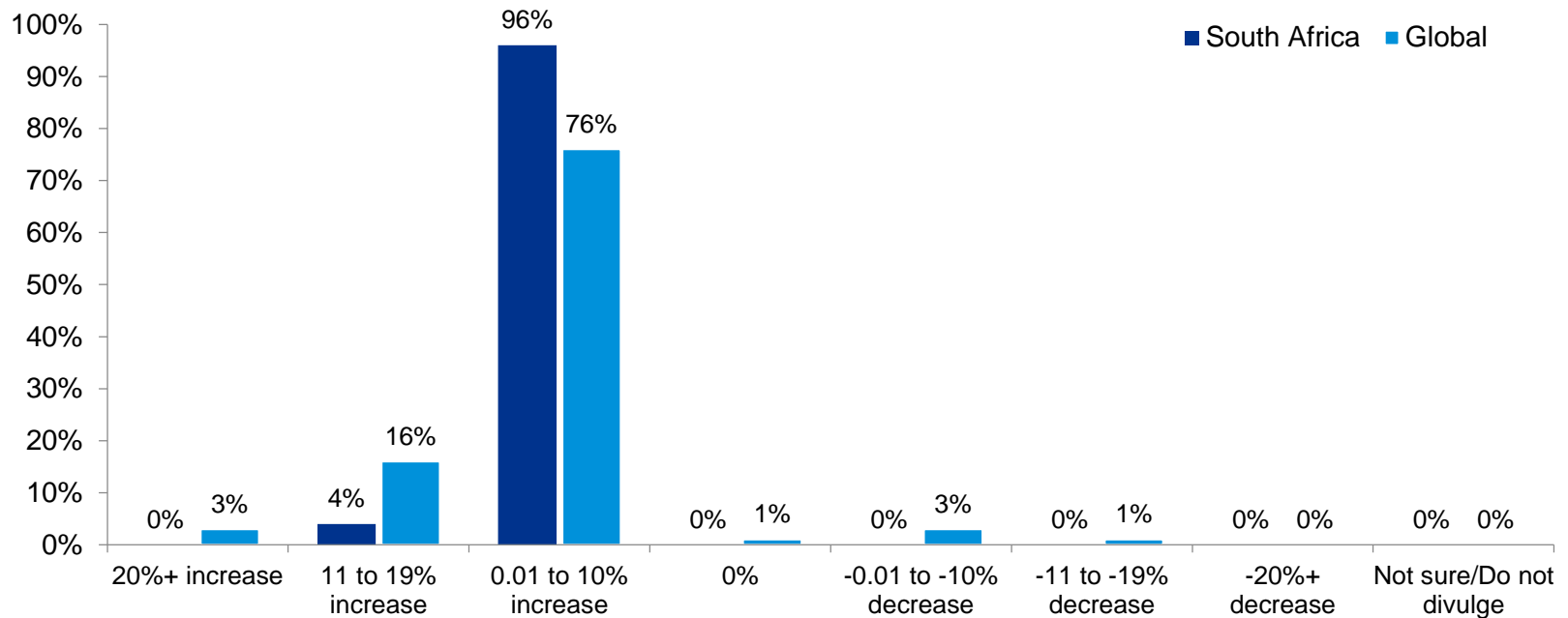
## D2. How long have you been with the organization?



Total	South Africa
1268	50

# Demographics

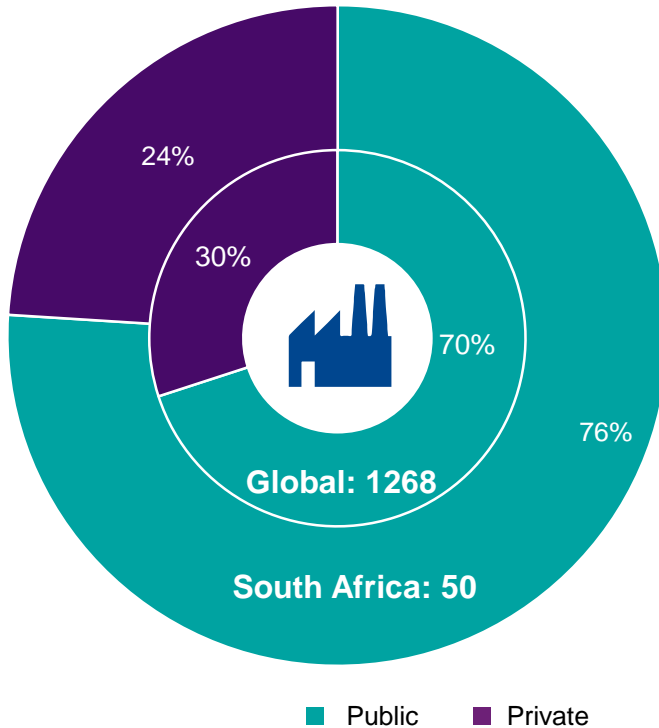
## D3. What has been your organization's average growth/decline rate over the past 3 fiscal years in terms of revenue?



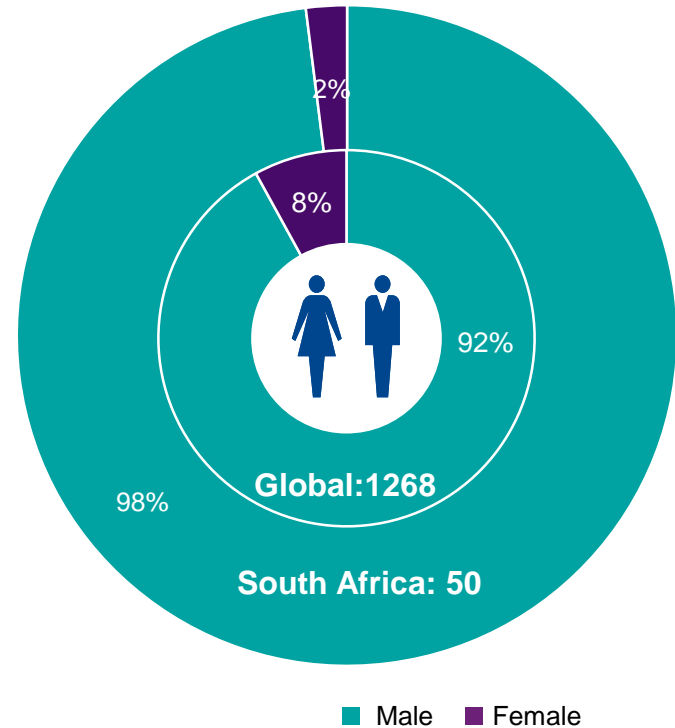
Total	South Africa
1268	50

# Demographics

## D4. Is your firm public or private?



## D5. What is your gender?



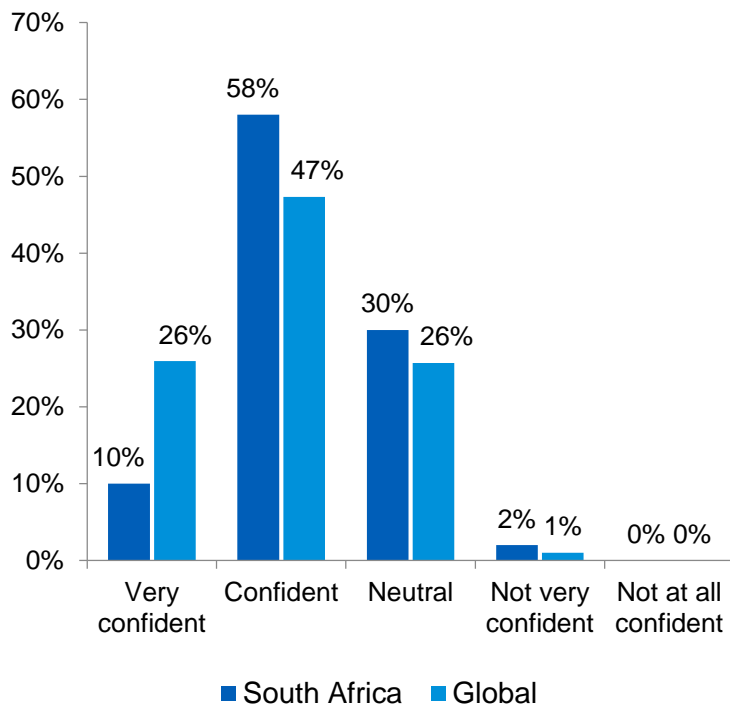


# Growth/ Investments/ New Markets

# Growth/Investments/New Markets

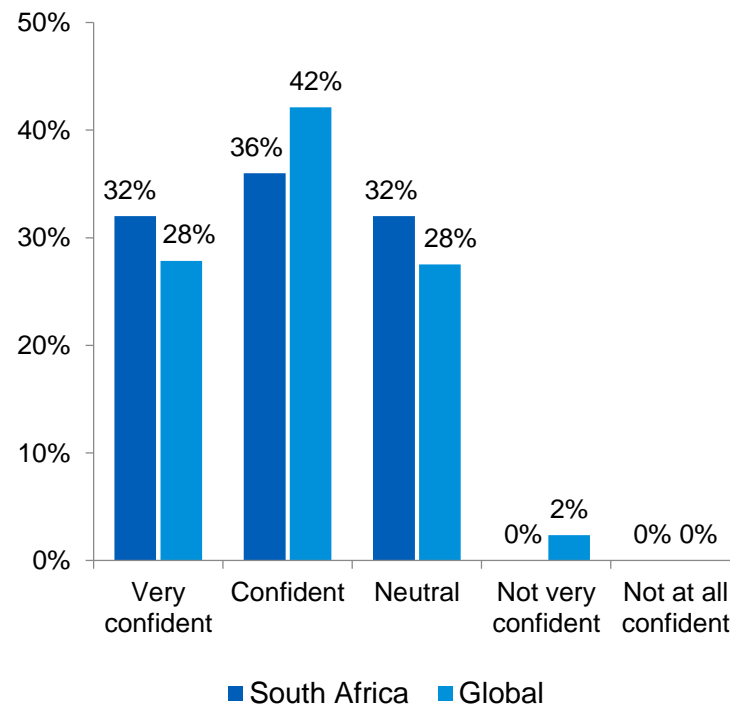
1a-d. Please indicate your level of confidence, in terms of growth prospects, with the following:

Growth for your **country** over the next 12 months



Total	South Africa
1268	50

Growth for the **global economy** over the next 12 months

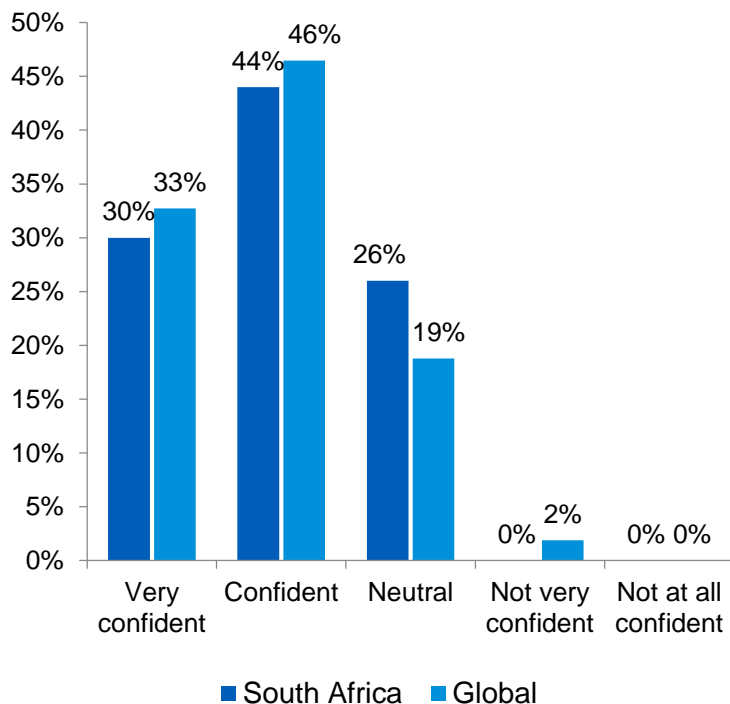


Total	South Africa
1268	50

# Growth/Investments/New Markets

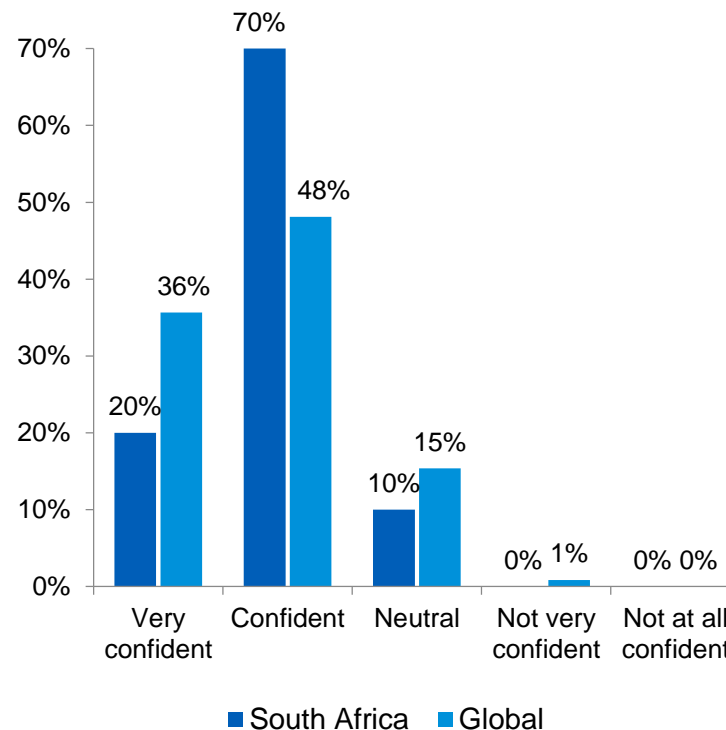
1a-d. Please indicate your level of confidence, in terms of growth prospects, with the following:

For growth for **your industry** over the next 12 months



Total	South Africa
1268	50

For growth for **your company** over the next 12 months

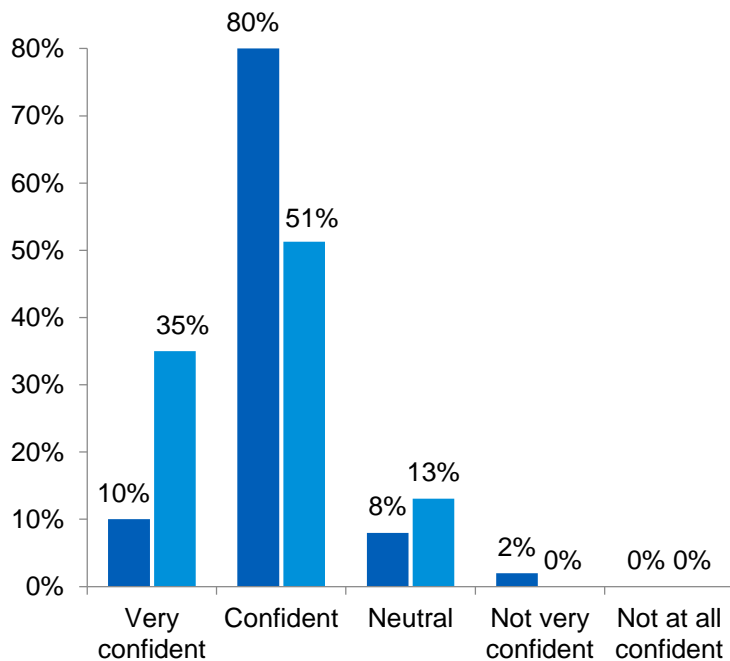


Total	South Africa
1268	50

# Growth/Investments/New Markets

**1a-d. Please indicate your level of confidence, in terms of growth prospects, with the following, over the next 3 years:**

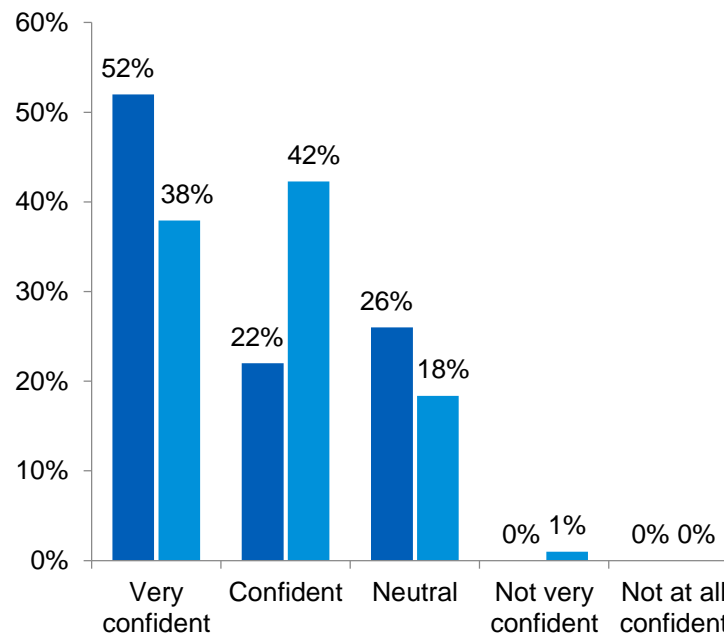
For growth for **your country** over the next 3 years



■ South Africa ■ Global

Total	South Africa
1268	50

For growth for the **global economy** over the next 3 years



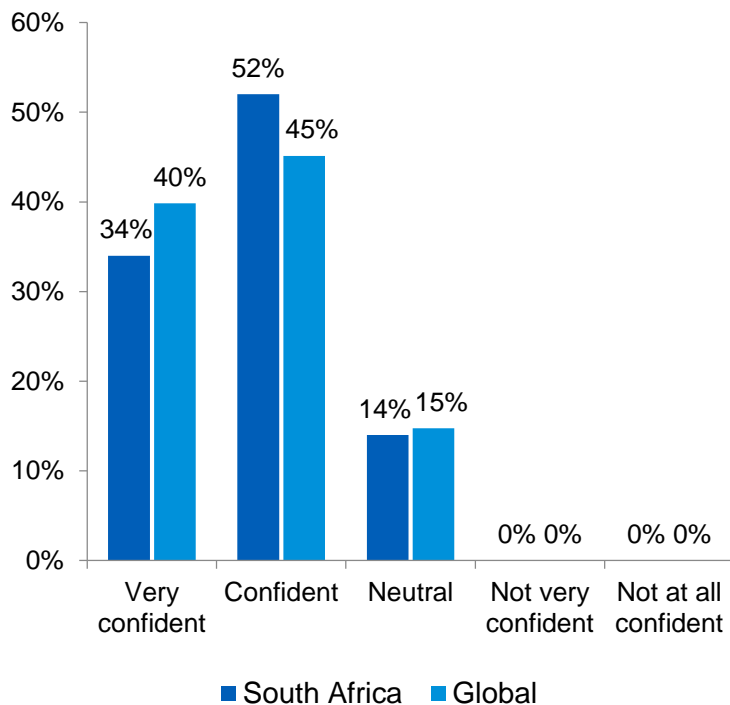
■ South Africa ■ Global

Total	South Africa
1268	50

# Growth/Investments/New Markets

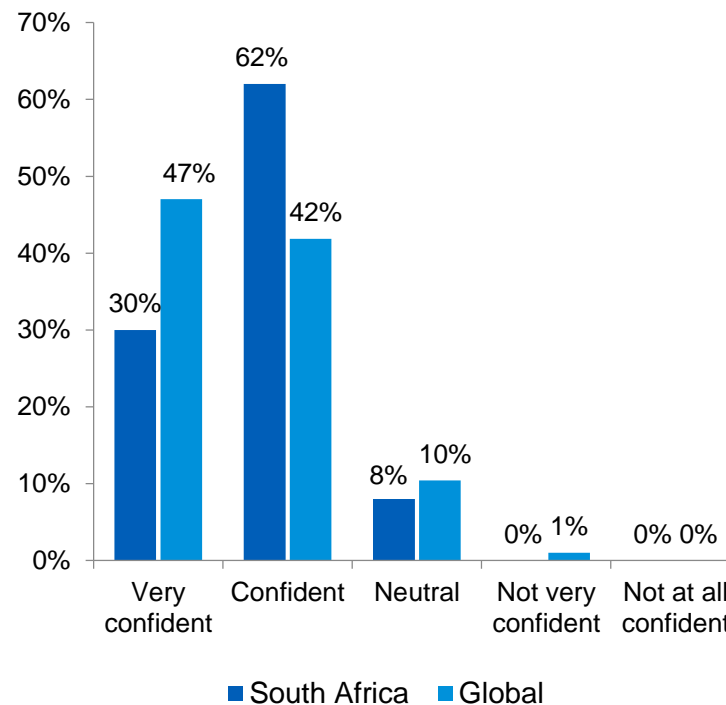
**1a-d. Please indicate your level of confidence, in terms of growth prospects, with the following, over the next 3 years:**

For growth for your **industry** over the next 3 years



Total	South Africa
1268	50

For growth for your **company** over the next 3 years

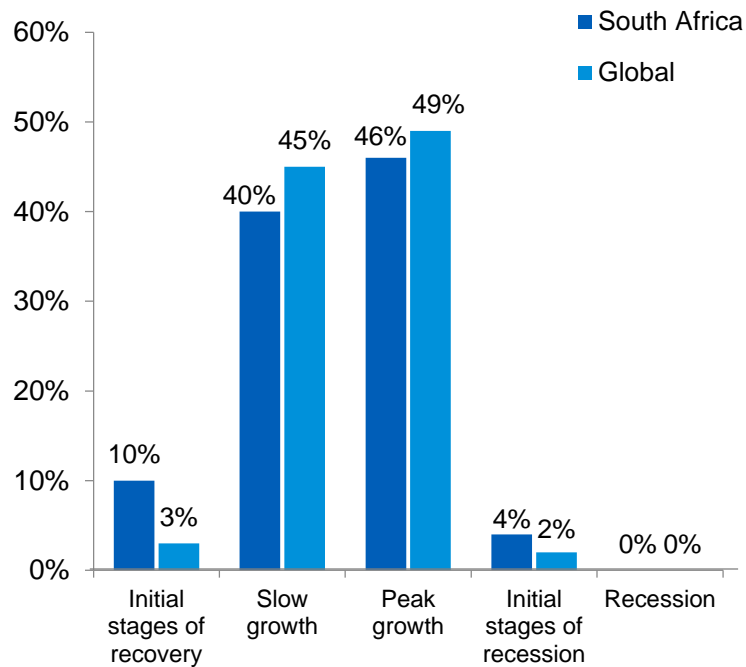


Total	South Africa
1268	50



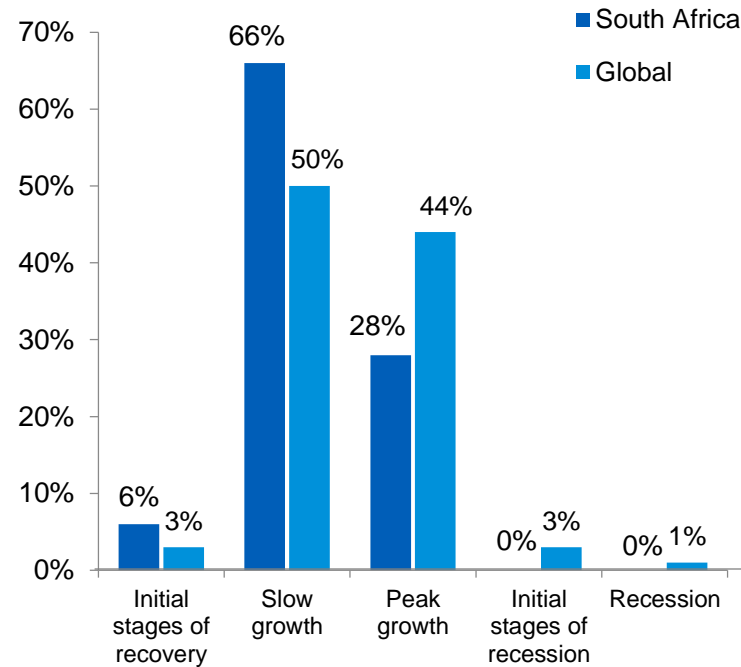
# Growth/Investments/New Markets

## 2. At what point in the growth cycle would you say your country is currently?



Total	South Africa
1268	50

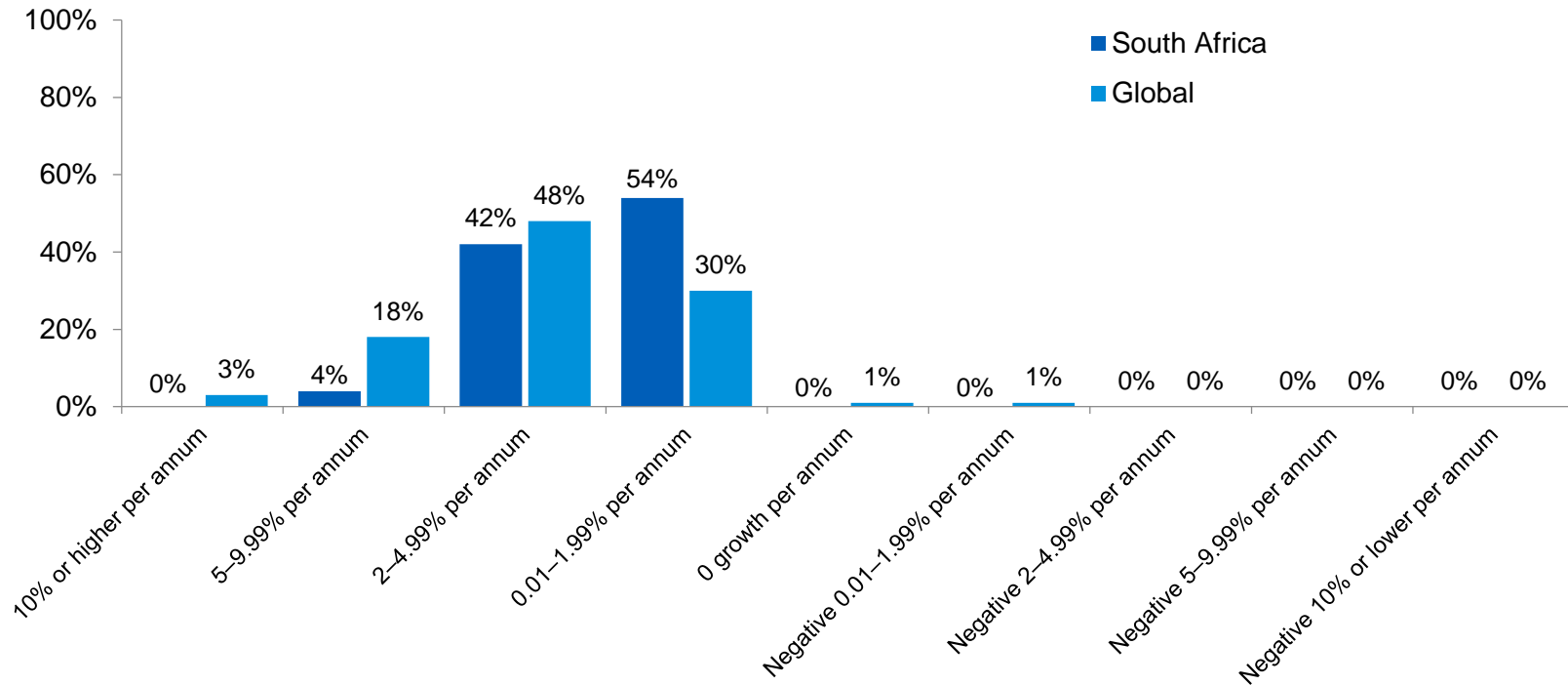
## 2. At what point in the growth cycle would you say your industry is currently?



Total	South Africa
1268	50

# Growth/Investments/New Markets

## 3. What is your organization's outlook for top-line growth over the next 3 years?

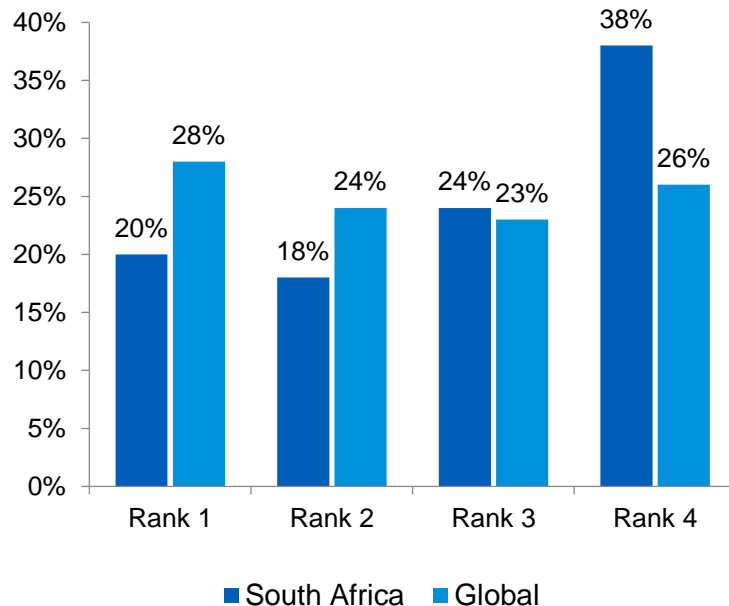


Total	South Africa
1268	50

# Growth/Investments/New Markets

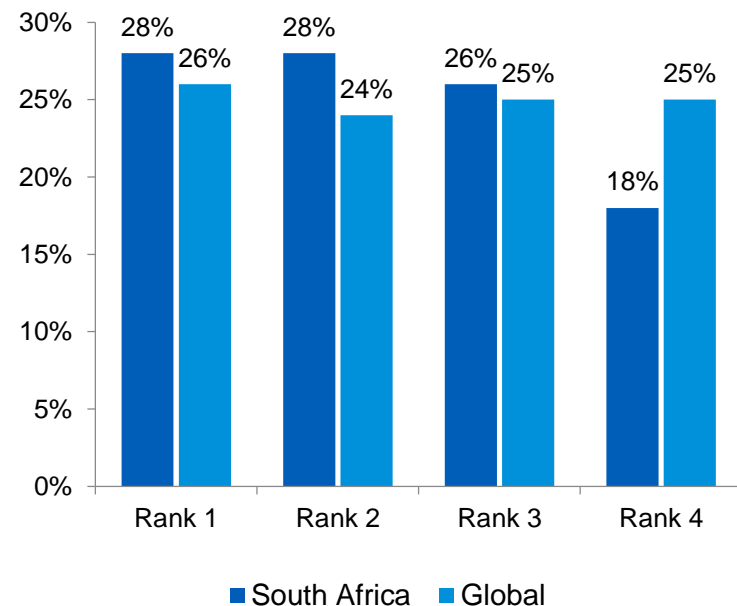
**4. Please rank your organization's sources of growth over the next 3 years.** (Please rank them in order 1 to 4 where 1 = most important, 2 = second most important, 3 = third most important and 4 = fourth most important)

New products



Total	South Africa
1268	50

New customers

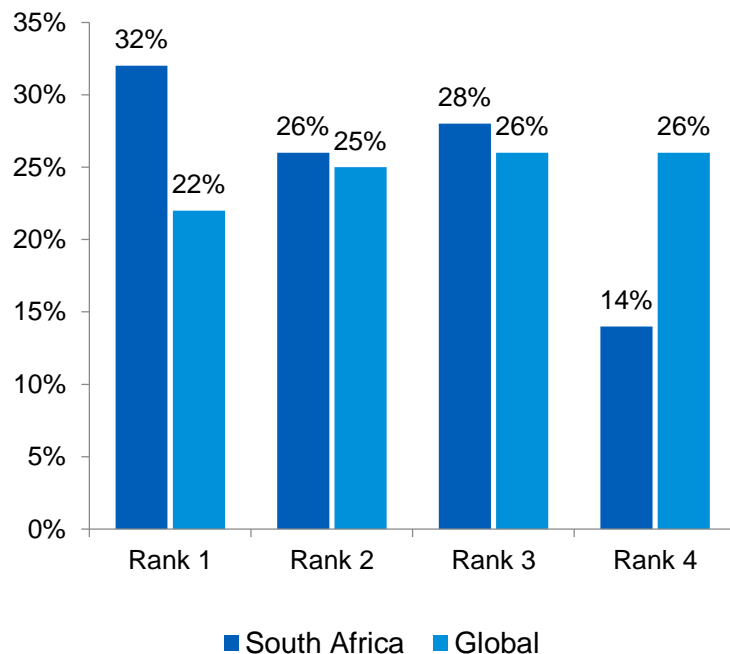


Total	South Africa
1268	50

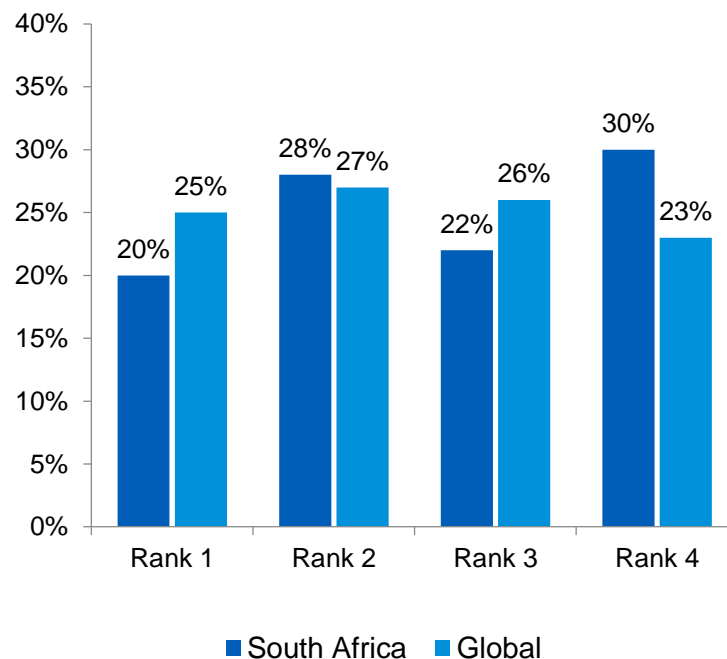
# Growth/Investments/New Markets

**4. Please rank your organization's sources of growth over the next 3 years.** (Please rank them in order 1 to 4 where 1 = most important, 2 = second most important, 3 = third most important and 4 = fourth most important)

New channels



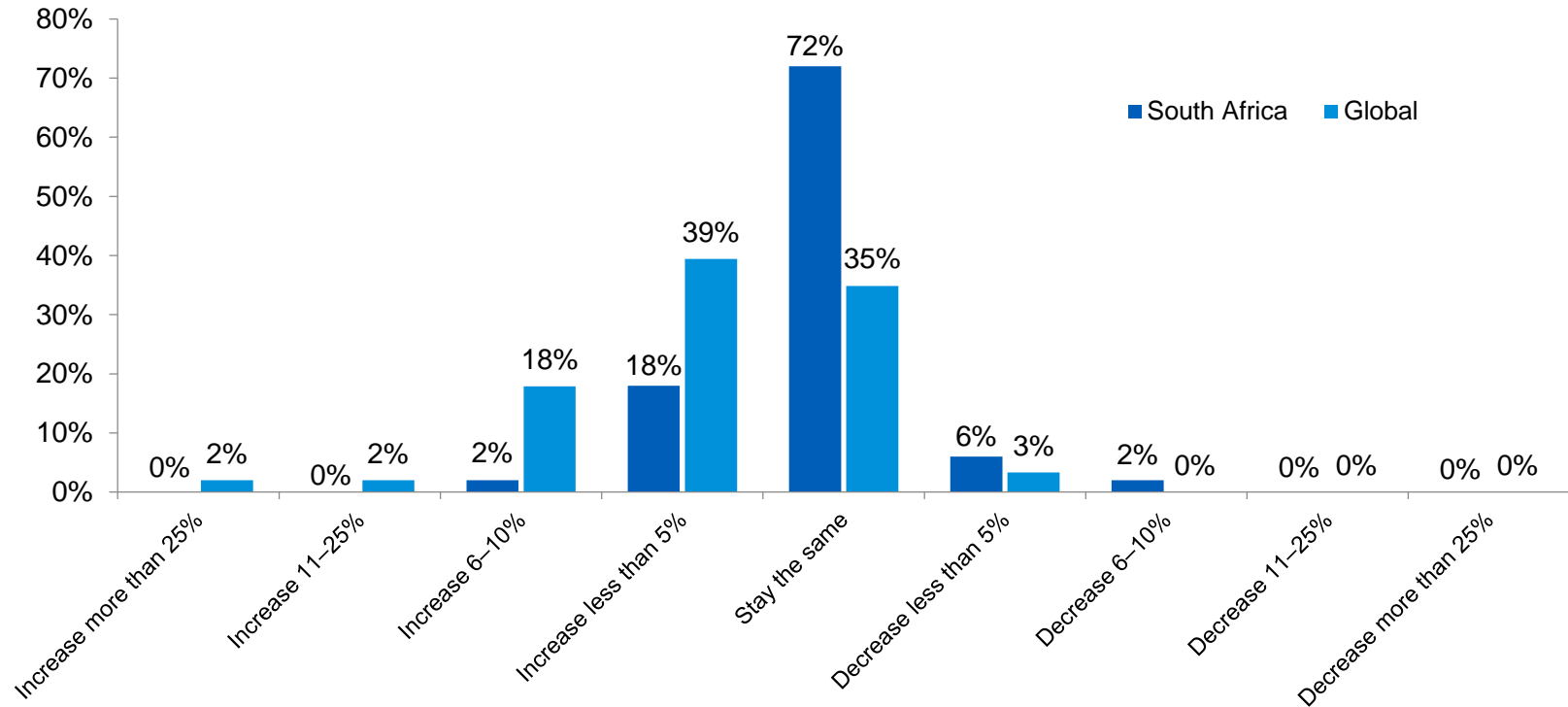
New markets



Total	South Africa
1268	50

# Growth/Investments/New Markets

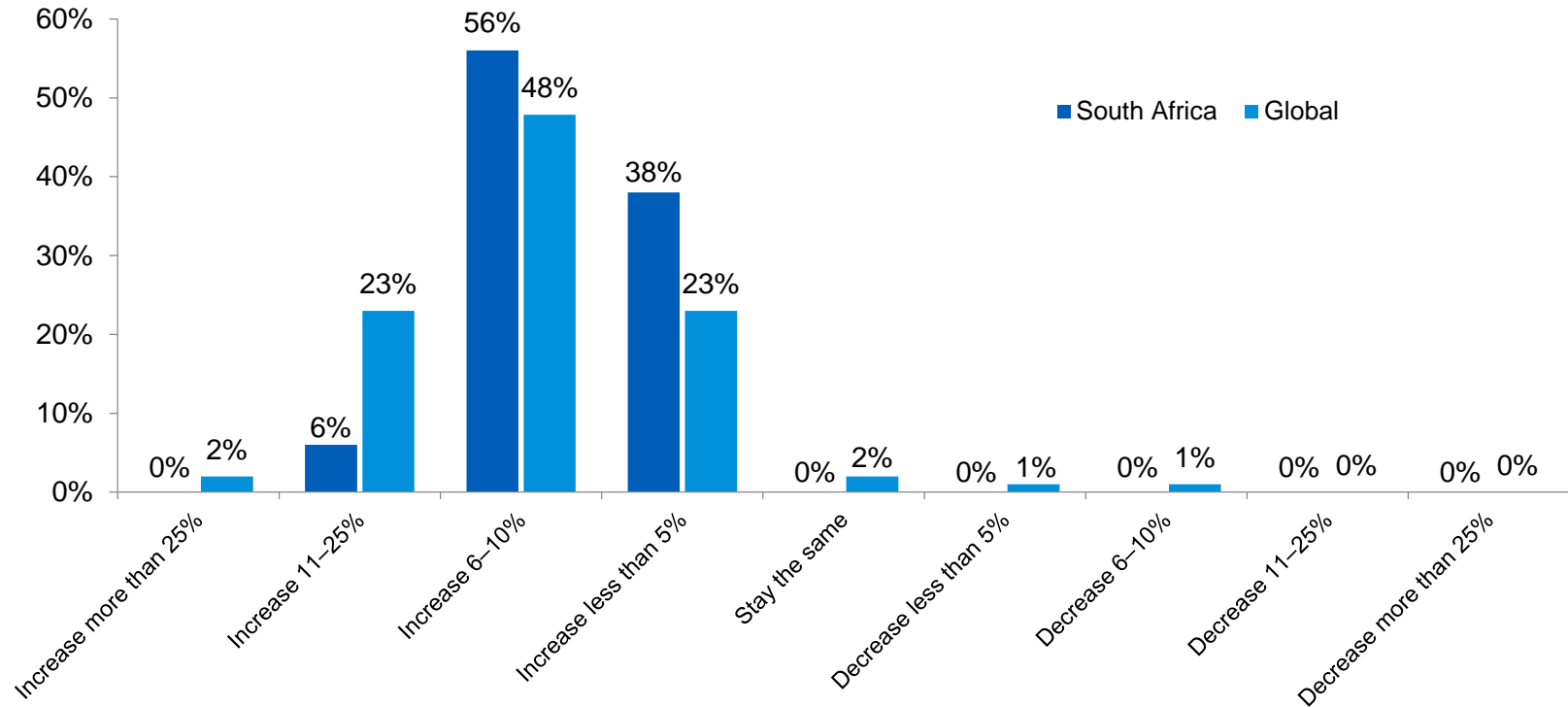
## 5. How do you expect your organization's headcount will change over the next 12 months?



Total	South Africa
1268	50

# Growth/Investments/New Markets

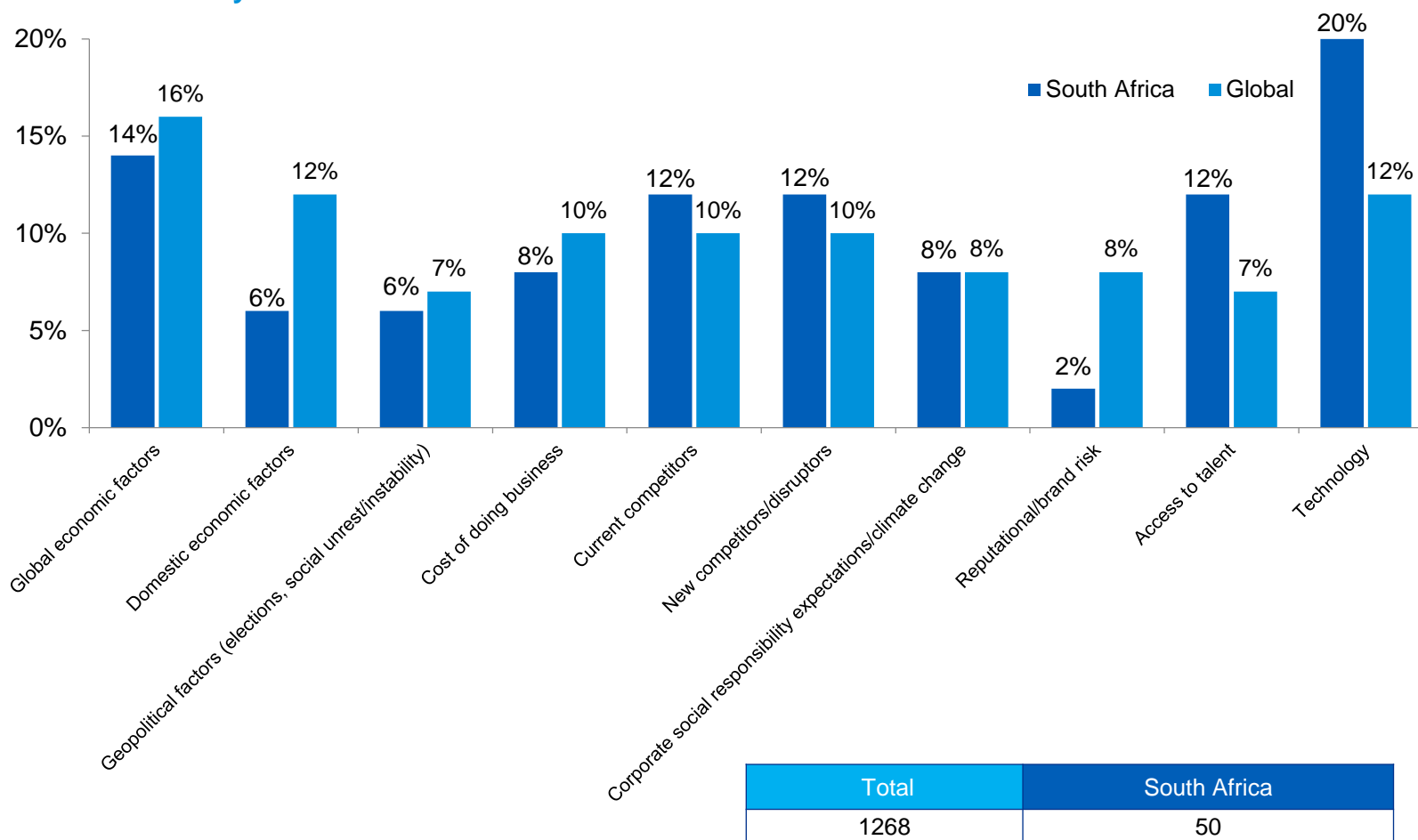
## 5. How do you expect your organization's headcount will change over the next 3 years?



Total	South Africa
1268	50

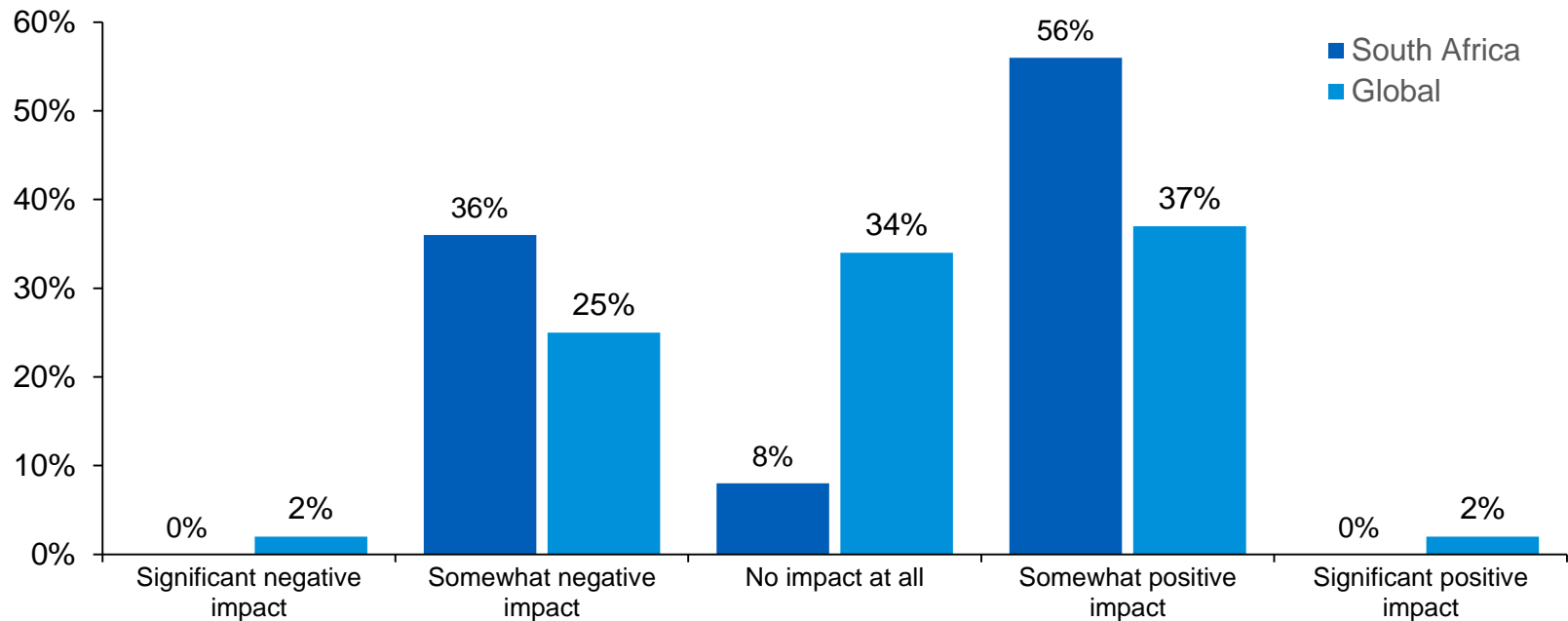
# Growth/Investments/New Markets

6. Which of the following do you expect to have the biggest impact on the growth of your company over the next 3 years?



# Growth/Investments/New Markets

## 7. What impact do you think the uncertainty caused by the departure of the United Kingdom from the European Union (i.e. Brexit) would pose to business confidence in the global economy?



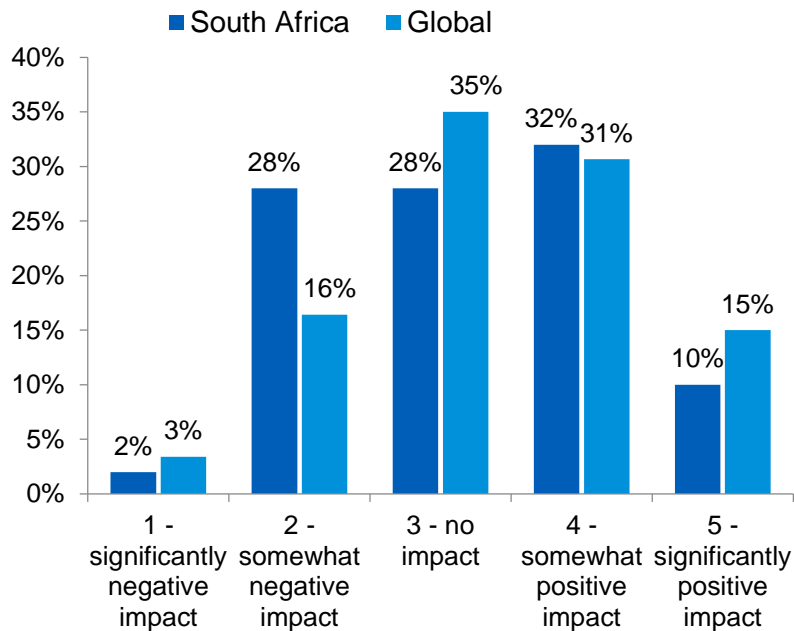
Total	South Africa
1268	50



# Growth/Investments/New Markets

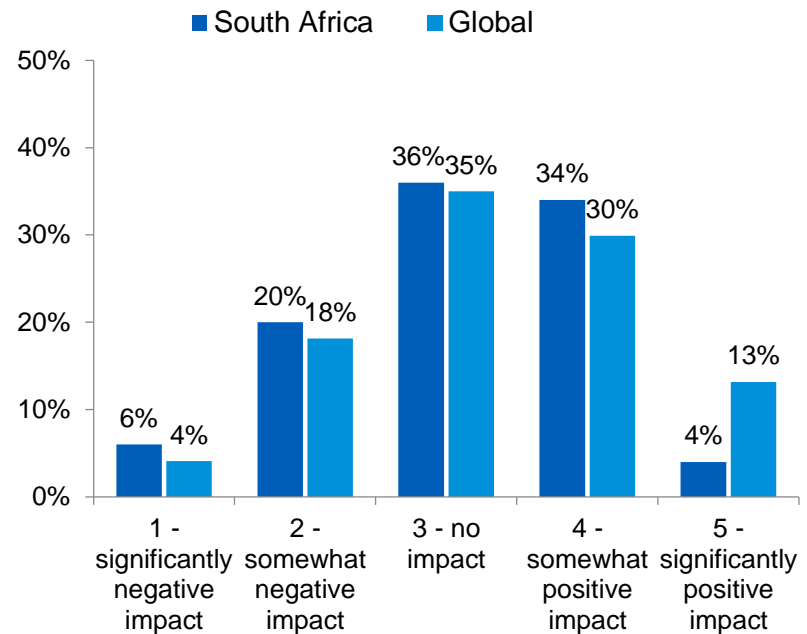
## 8. Rate the impact the departure of the United Kingdom from the European Union (i.e. Brexit) would have on your business:

Revenue growth



Total	South Africa
1268	50

Business expansion plans in Europe

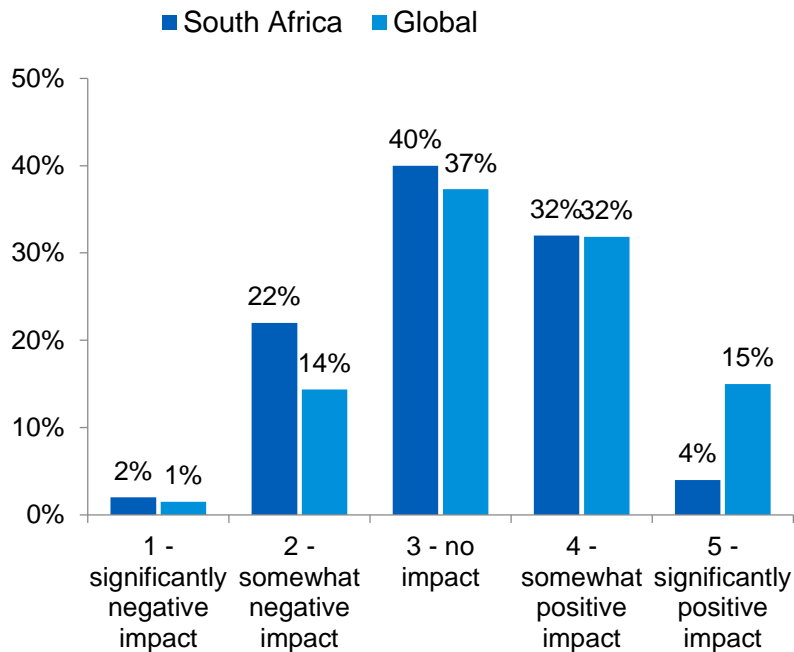


Total	South Africa
1268	50

# Growth/Investments/New Markets

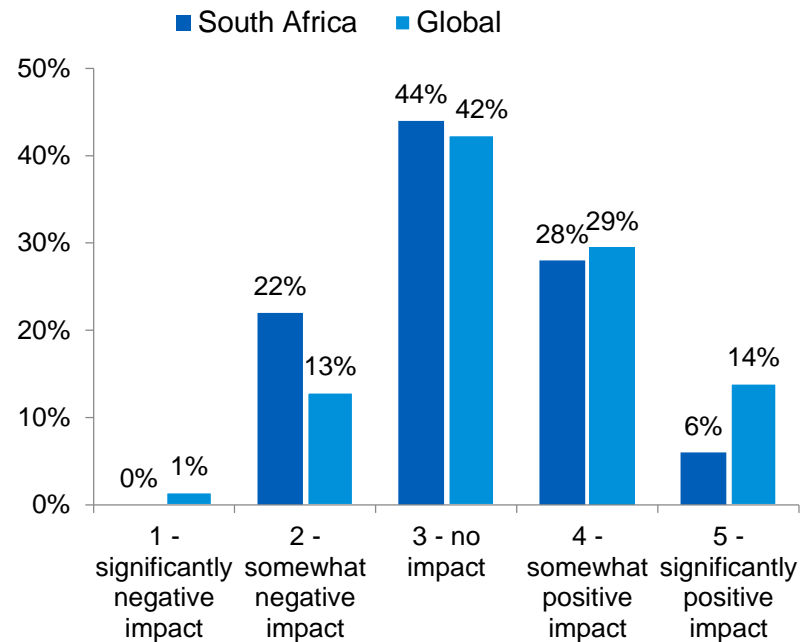
## 8. Rate the impact the departure of the United Kingdom from the European Union (i.e. Brexit) would have on your business:

### Raising capital



Total	South Africa
1268	50

### Operating costs

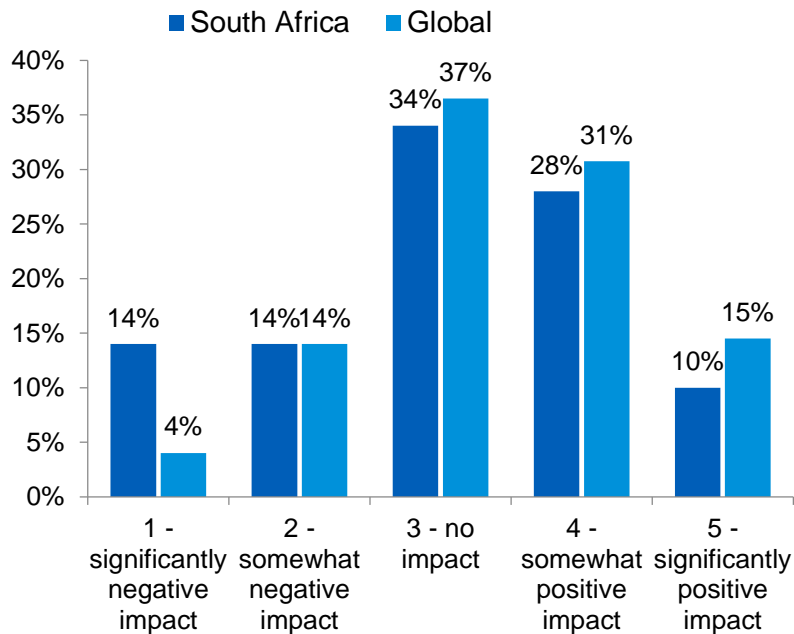


Total	South Africa
1268	50

# Growth/Investments/New Markets

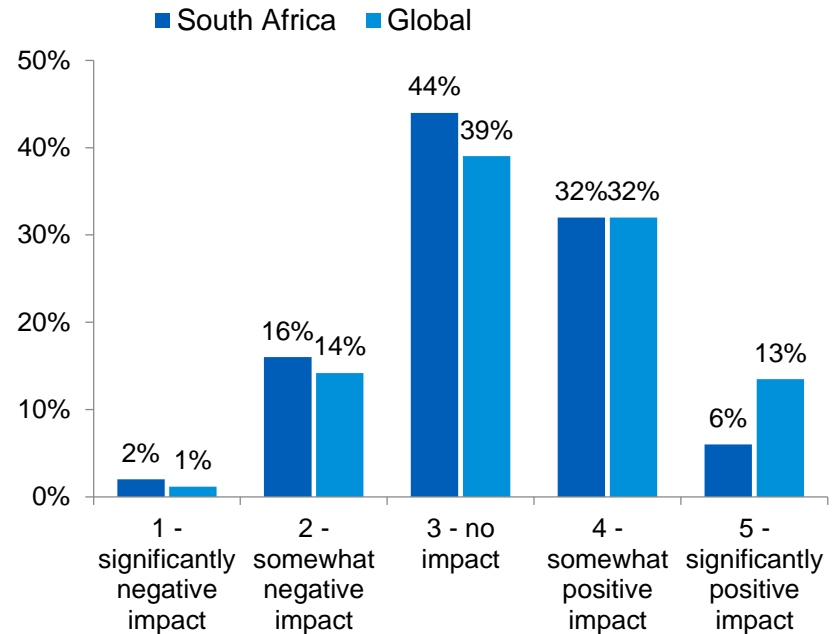
## 8. Rate the impact the departure of the United Kingdom from the European Union (i.e. Brexit) would have on your business:

### Hiring plans



Total	South Africa
1268	50

### Access to capital markets

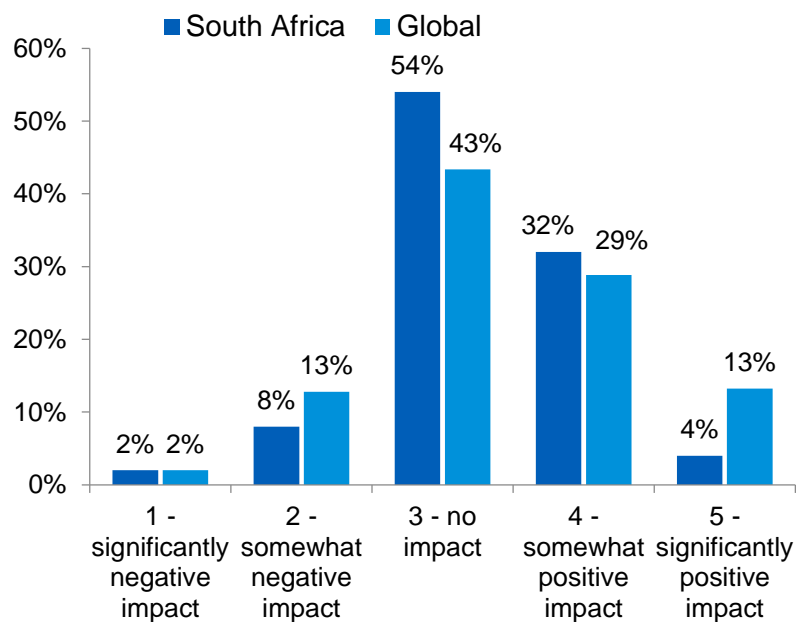


Total	South Africa
1268	50

# Growth/Investments/New Markets

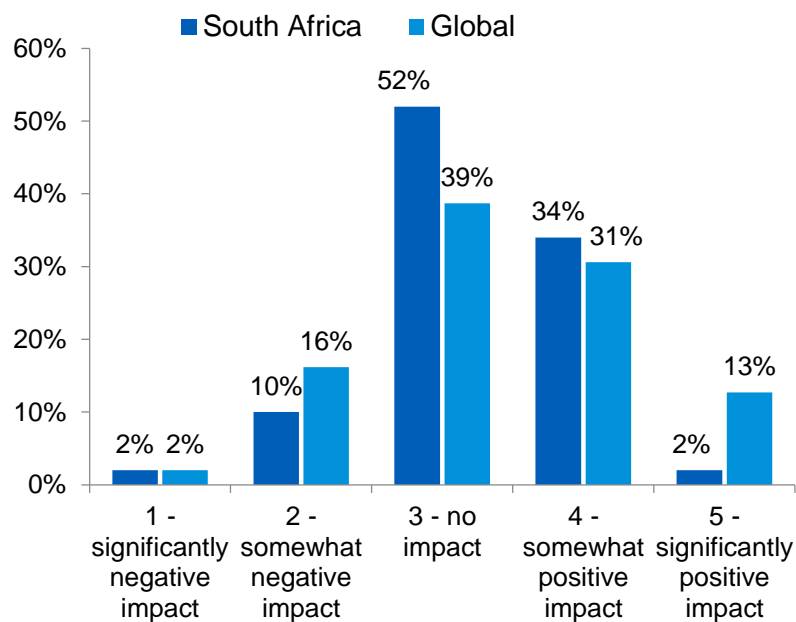
## 8. Rate the impact the departure of the United Kingdom from the European Union (i.e. Brexit) would have on your business:

### Supply chain



Total	South Africa
1268	50

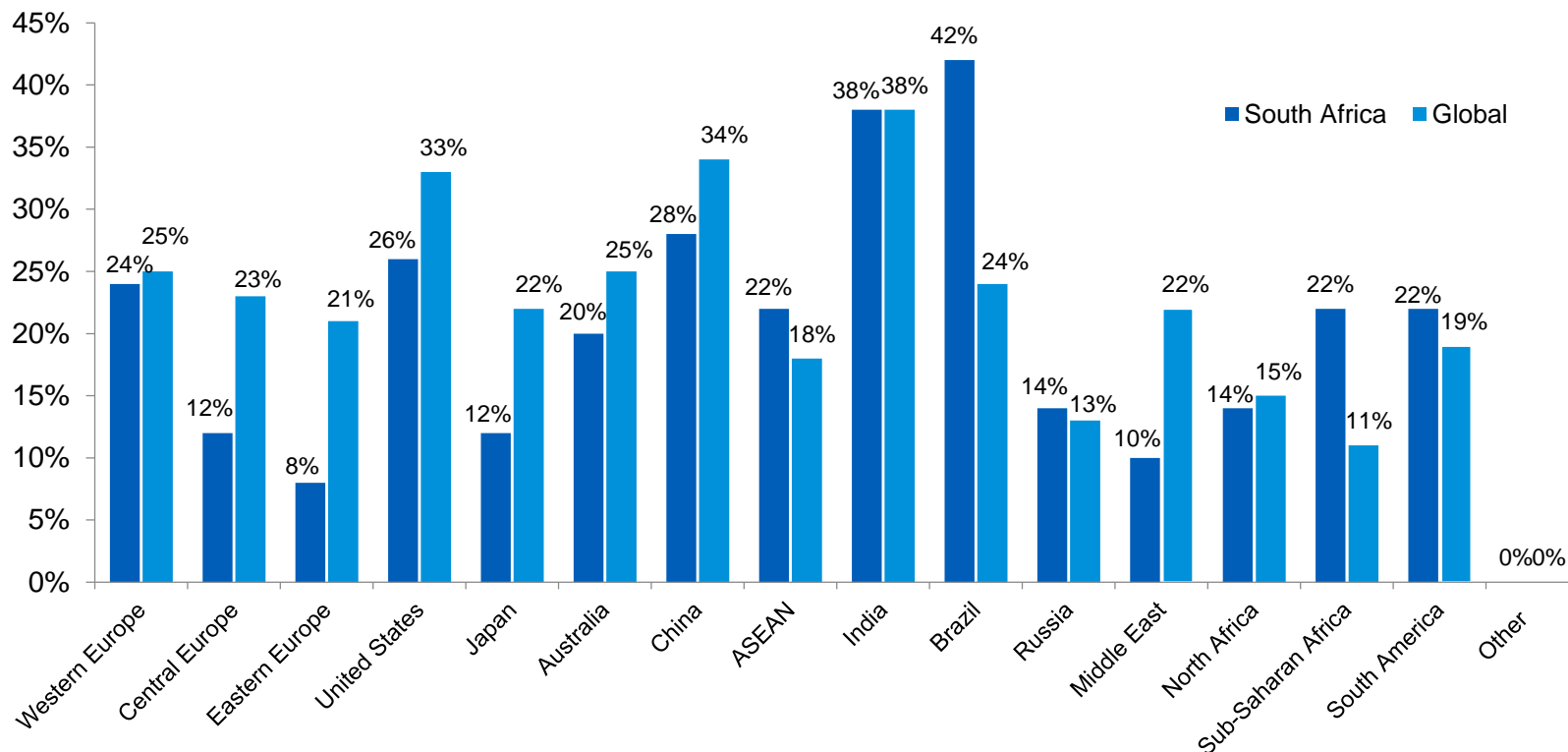
### Complexity in doing business



Total	South Africa
1268	50

# Growth/Investments/New Markets

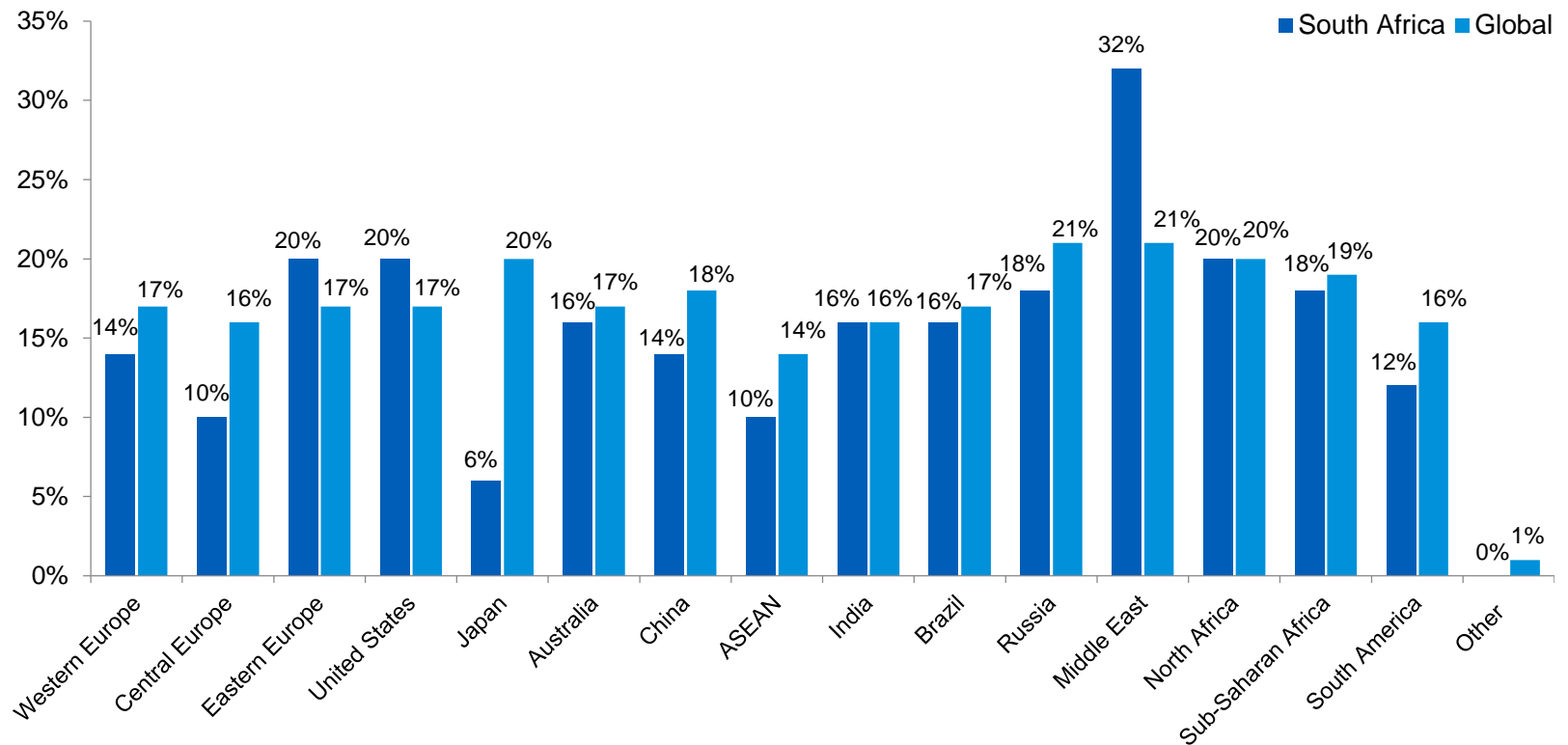
21a. In which regions do you see the greatest potential for new market growth over the next 3 years?



Total	South Africa
1268	50

# Growth/Investments/New Markets

## 21b. In which regions do you see the potential for decreasing your focus over the next 3 years?



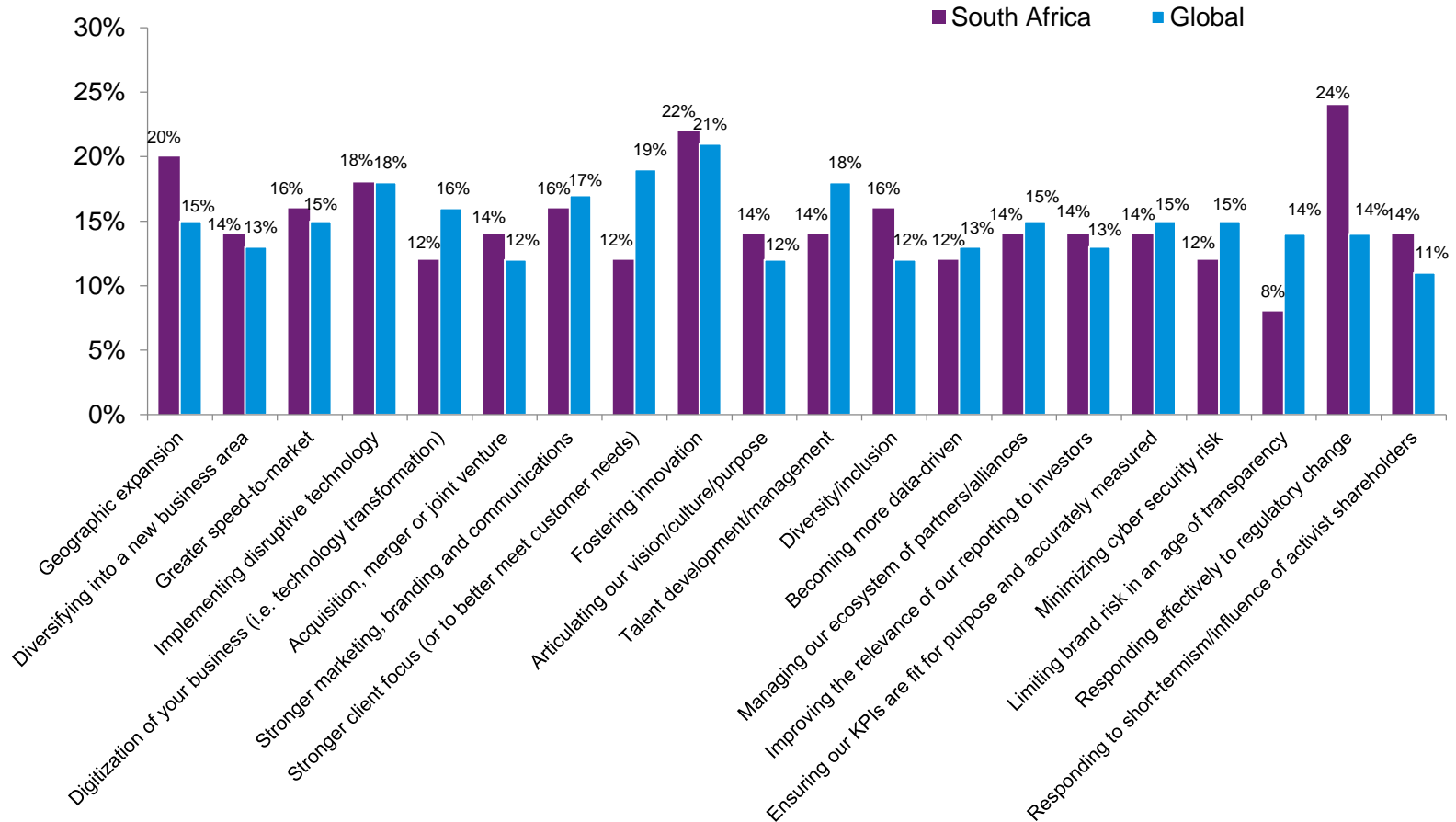
Total	South Africa
1268	50



# Strategy

# Strategy

## 9. Of the following, what are the top three strategic priorities for your organization over the next 3 years?

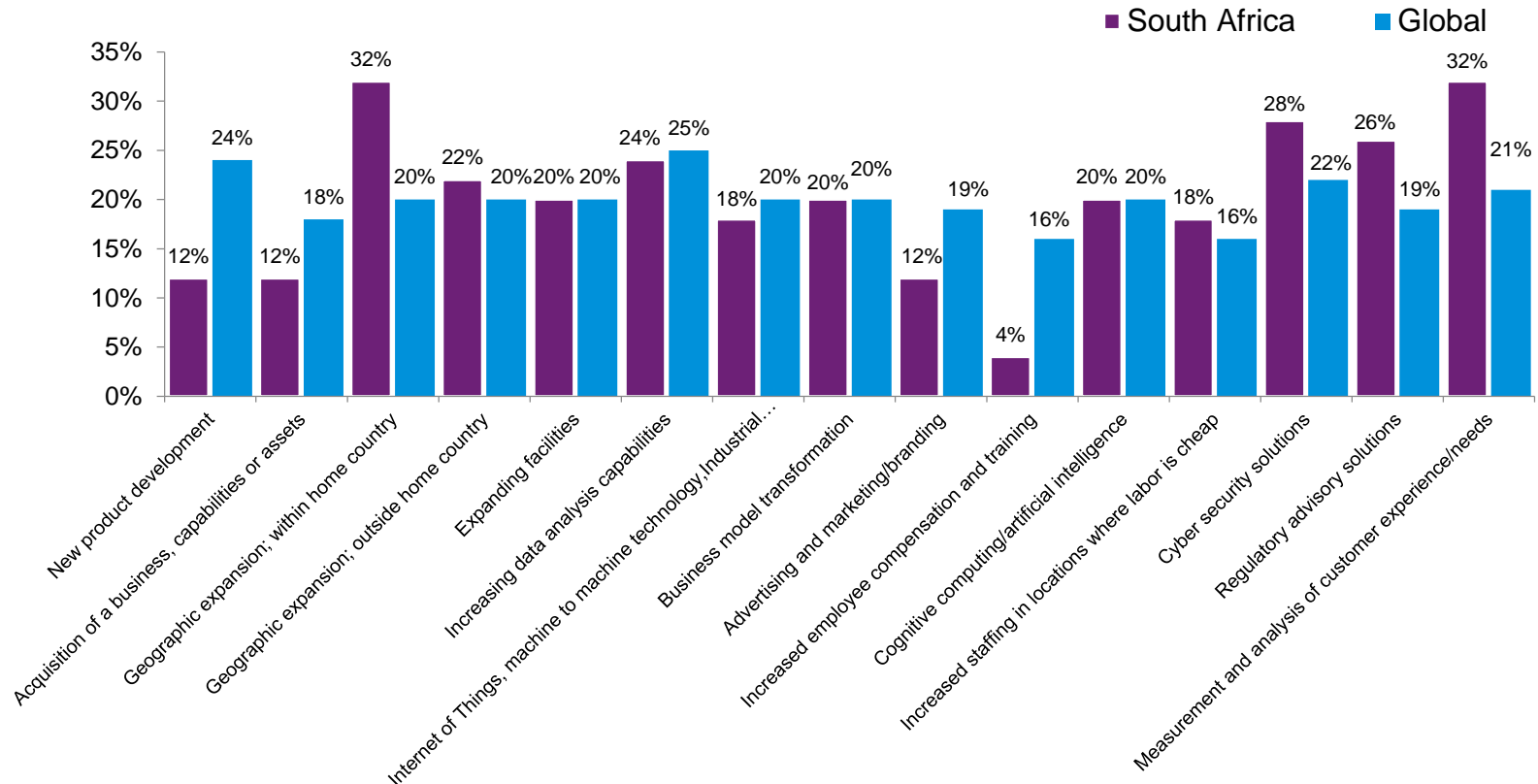


Total	South Africa
1268	50



# Strategy

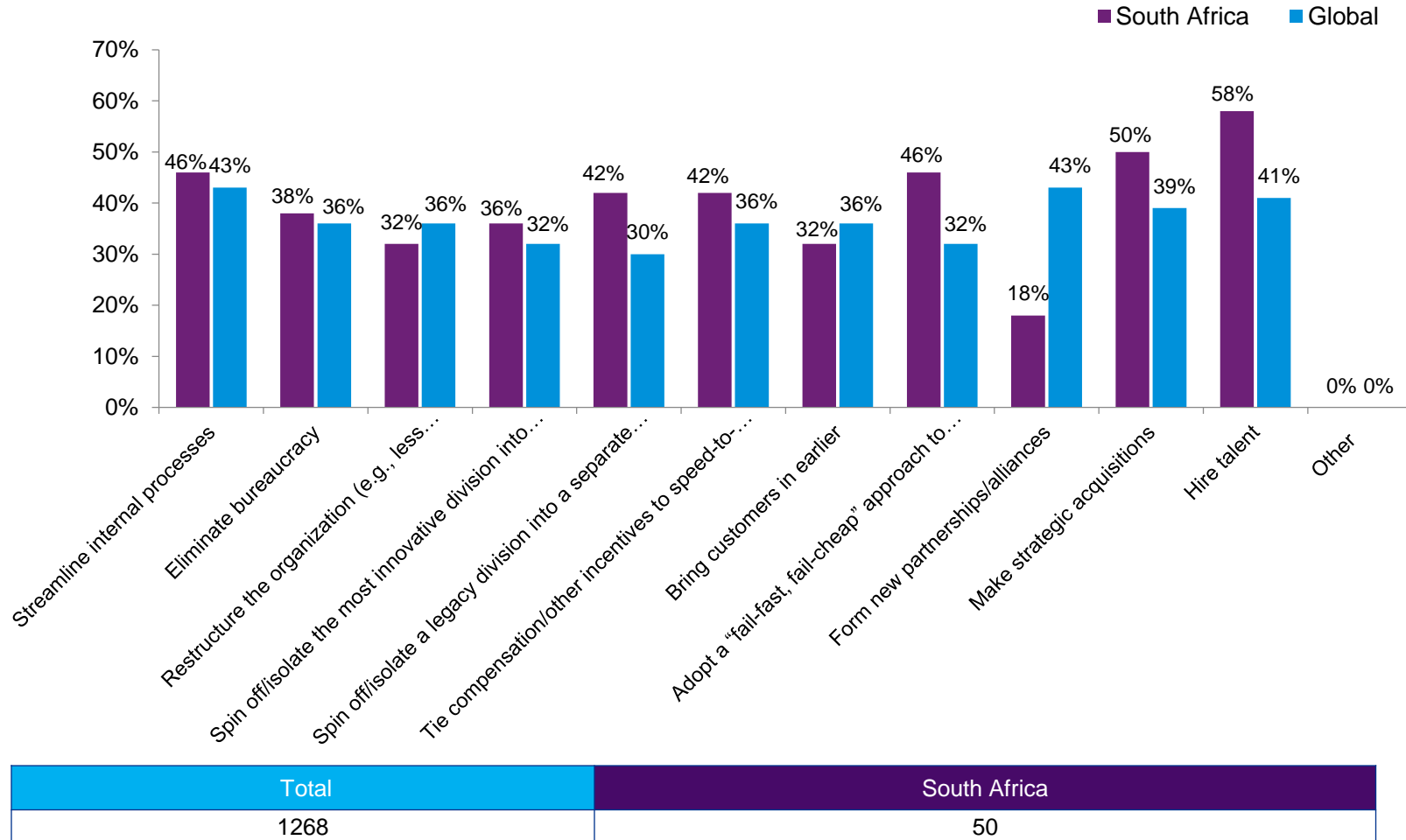
**20. Of the following, what are the top three areas you are devoting significant investment/resources to in the next 3 years?**



Total	South Africa
1268	50

# Strategy

## 22. What is your organization doing to accelerate the execution of your strategy?

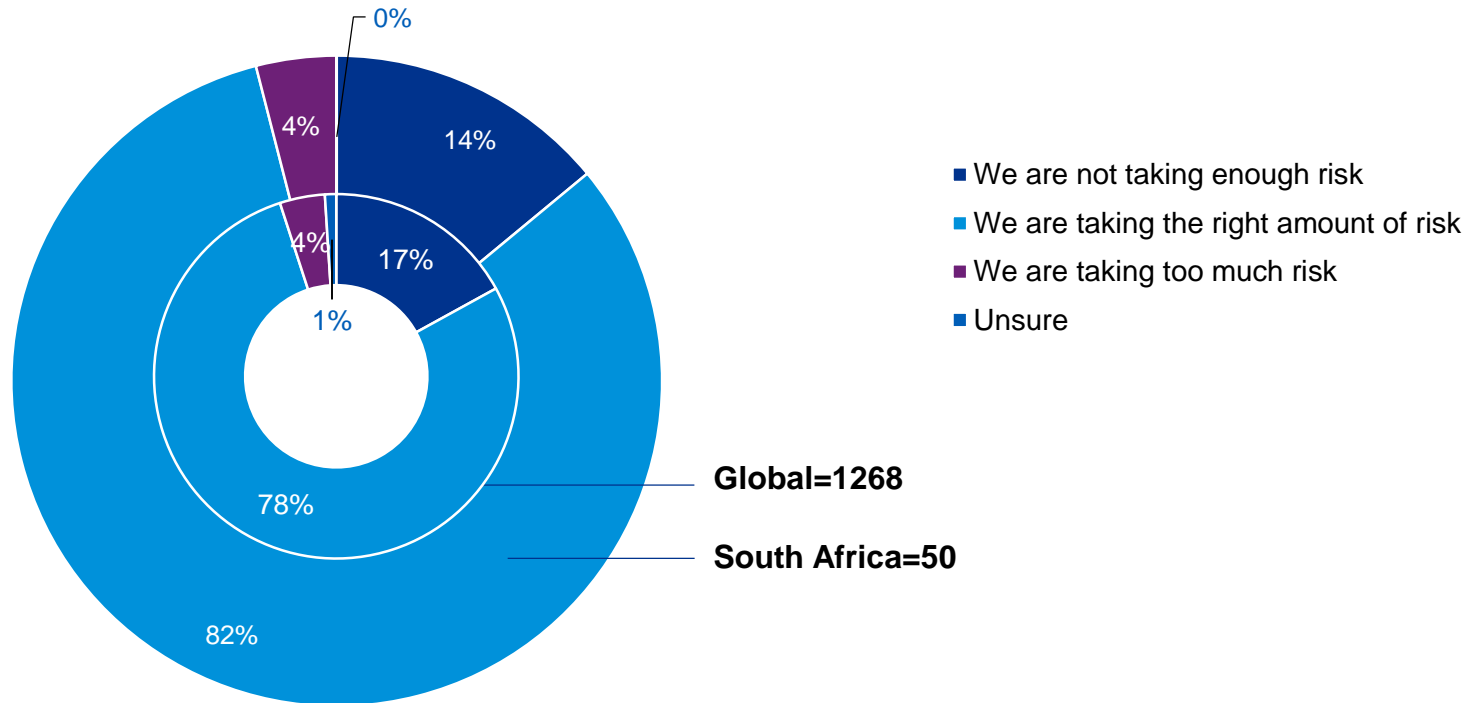




# Risk/Cyber

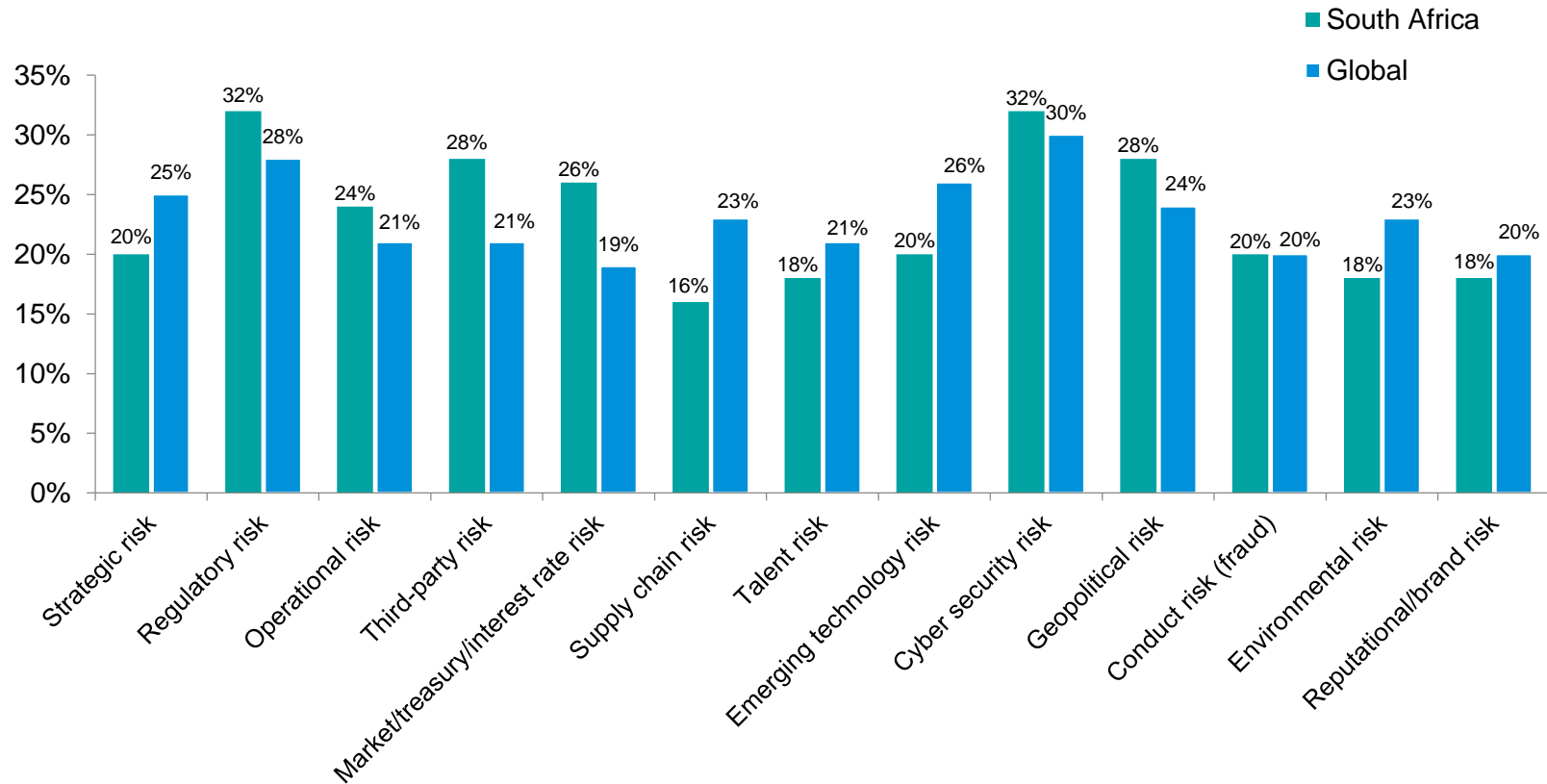
# Risk/Cyber

## 23. Which statement best describes your risk profile as it relates to your growth strategy?



# Risk/Cyber

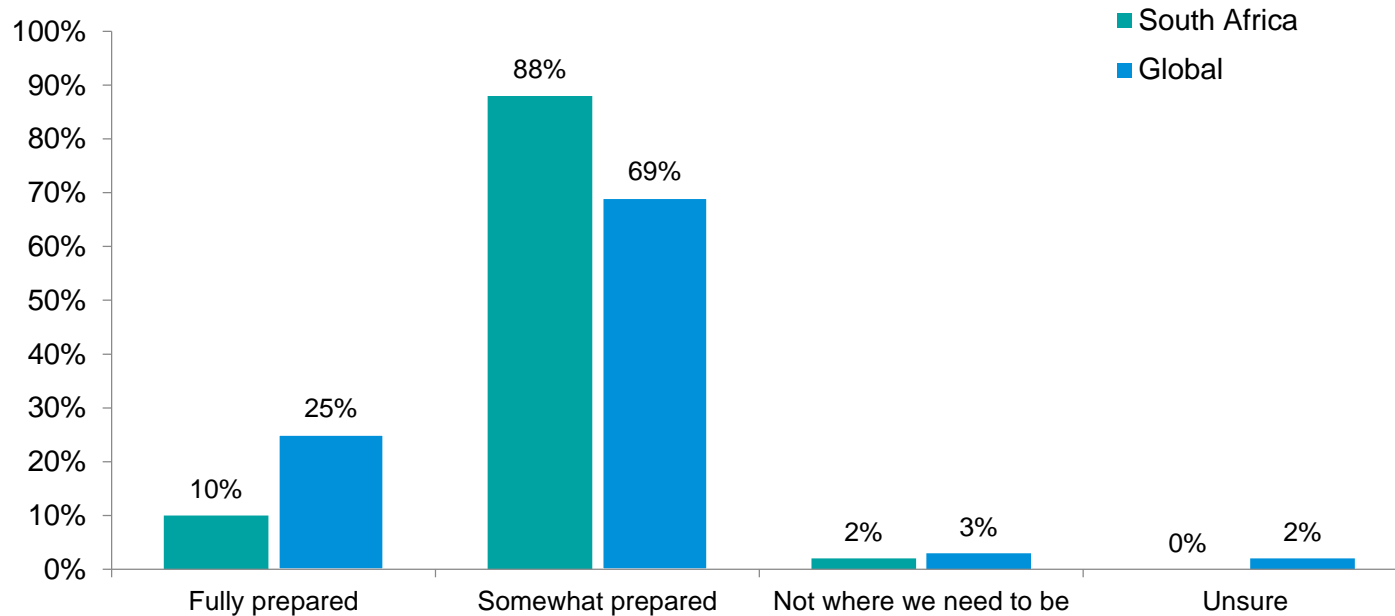
## 24. Which of the following risks are you most concerned about?



Total	South Africa
1268	50

# Risk/Cyber

## 25. How prepared is your company for a cyber event?

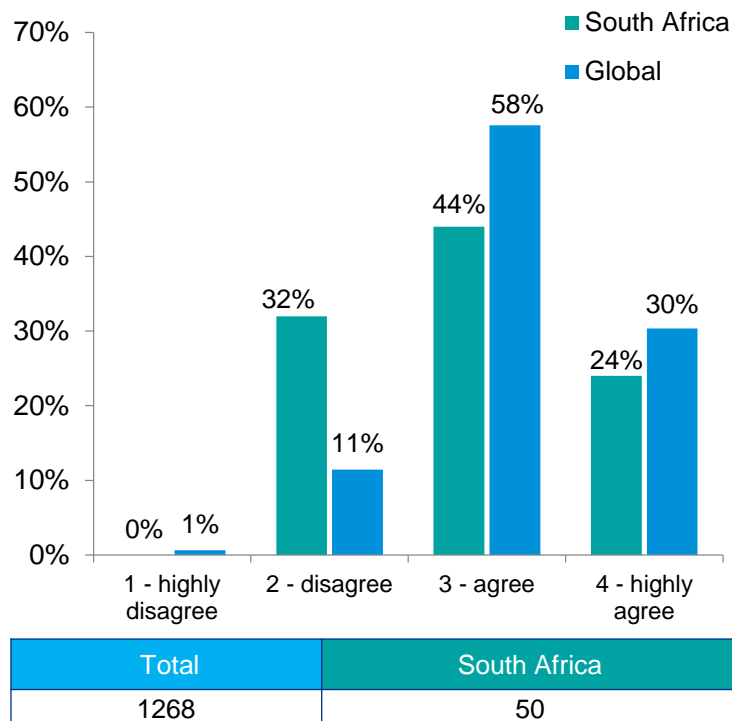


Total	South Africa
1268	50

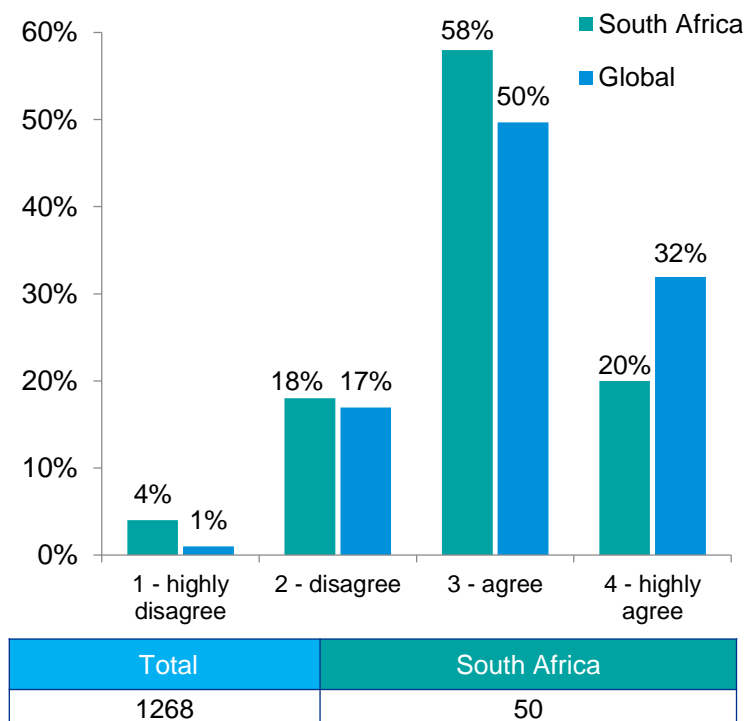
# Risk/Cyber

## 26. To what extent do you agree with the following statements?

Security prompts innovation in products and services



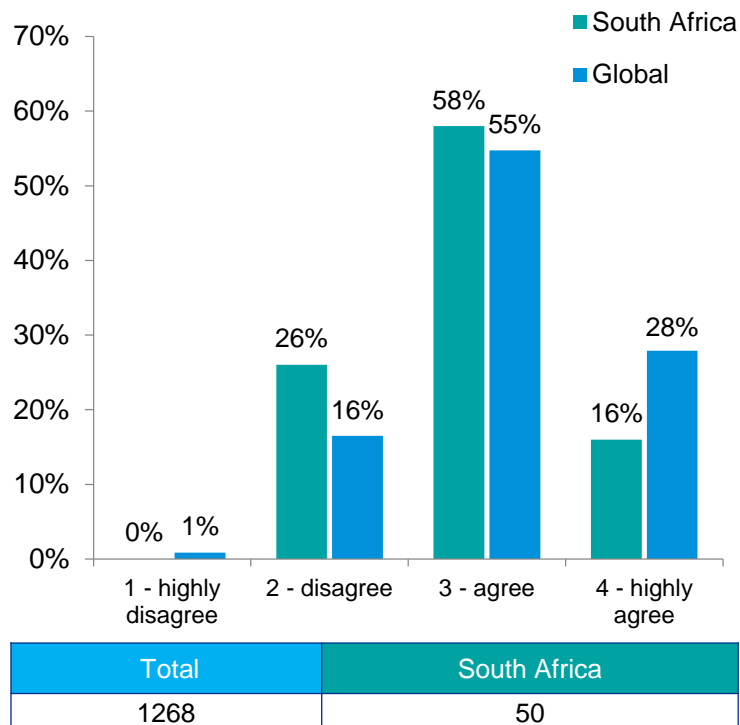
Our customers may be more concerned about their privacy than our organization is



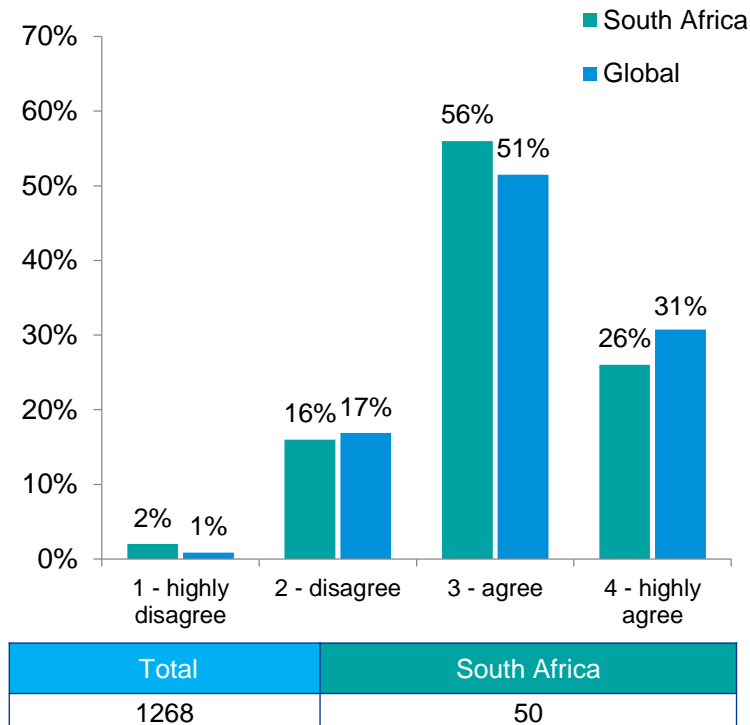
# Risk/Cyber

## 26. To what extent do you agree with the following statements?

I am personally comfortable with the degree to which mitigating cyber risk is now part of my leadership role



I would personally be comfortable sharing experiences about a privacy breach at my organization with my peers to apply collective learnings to reduce risk





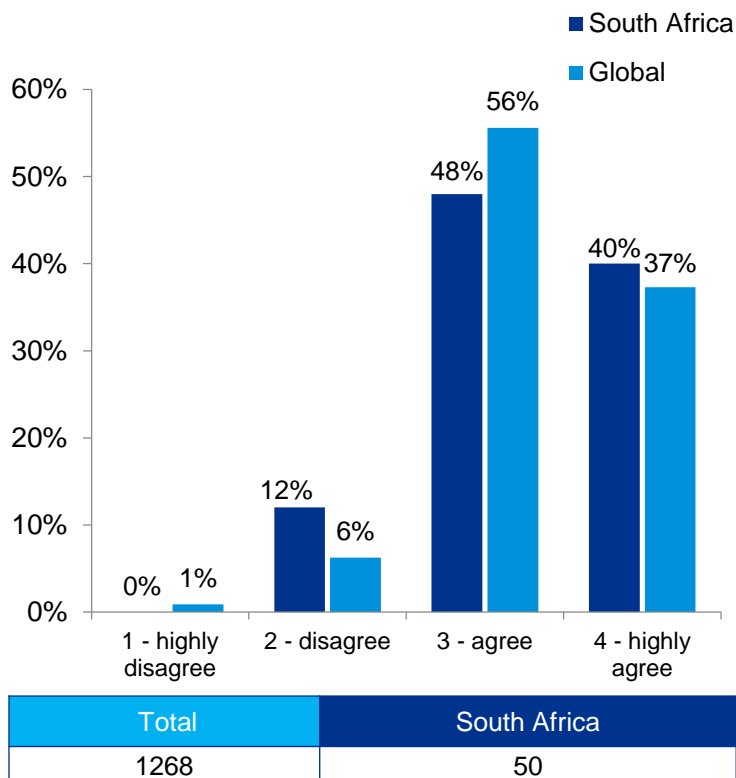


# Transactions

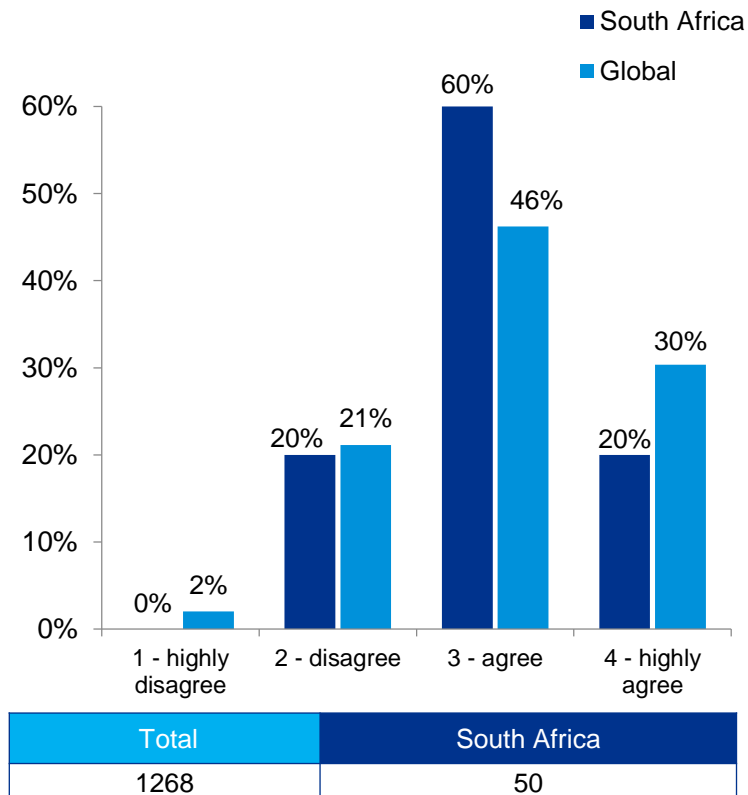
# Transactions

## 27. To what extent do you agree with the following statements related to your company's core competencies over the next 3 years:

We will be placing a stronger focus on core competencies



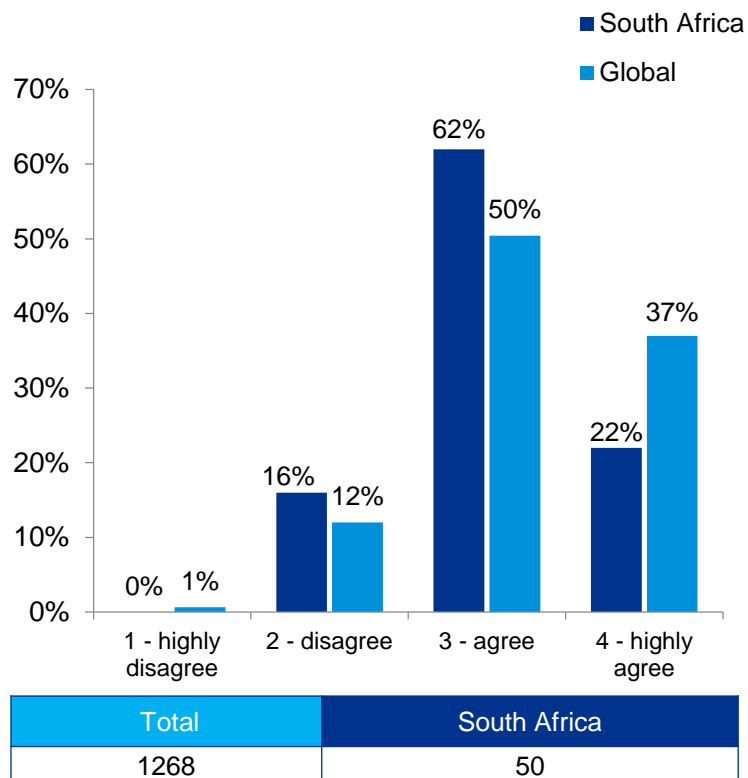
We will be divesting of non-core competencies



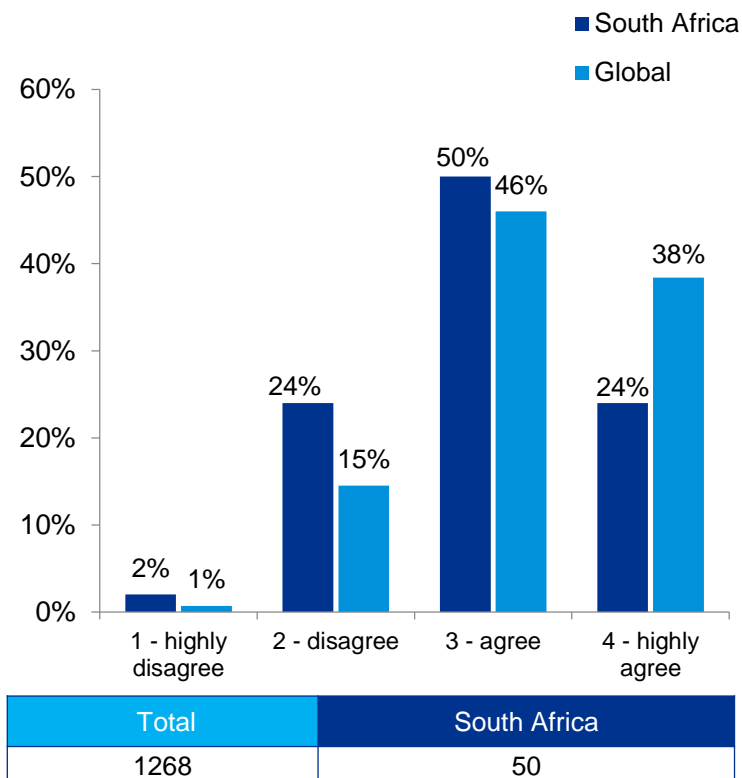
# Transactions

## 27. To what extent do you agree with the following statements related to your company's core competencies over the next 3 years:

We will be placing a stronger focus on growing complementary competencies



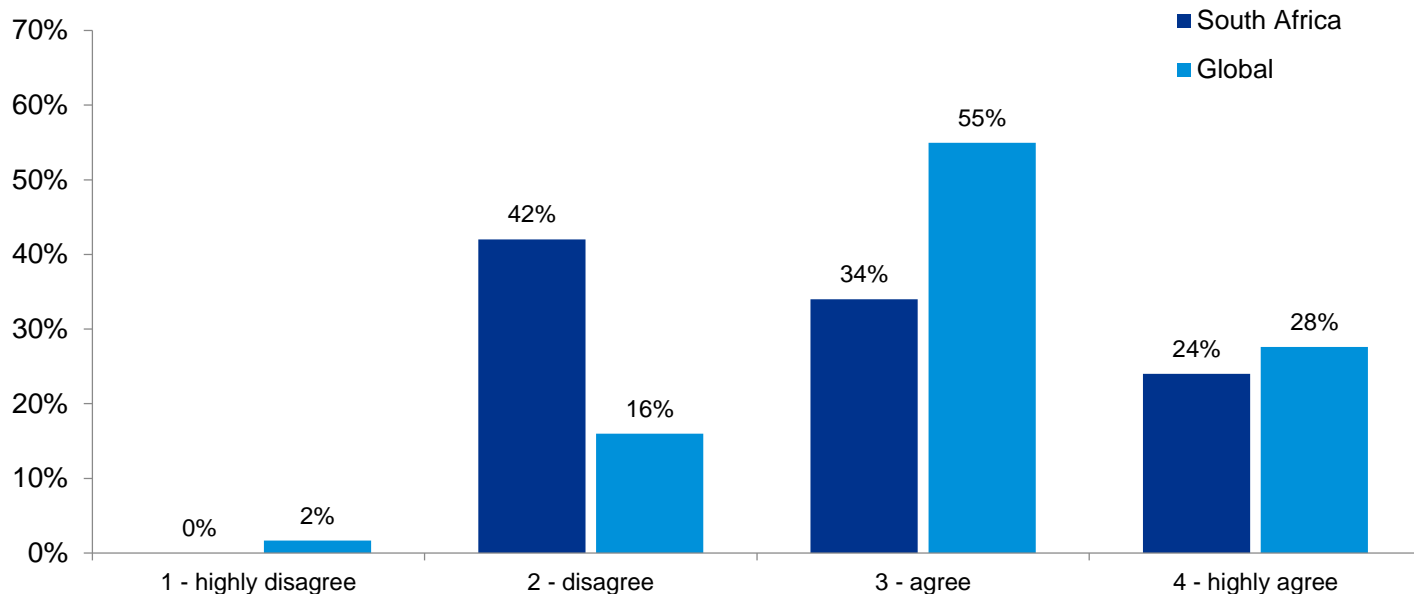
We will be acquiring new competencies to enter new areas (customer, product, market)



# Transactions

**27. To what extent do you agree with the following statements related to your company's core competencies over the next 3 years:**

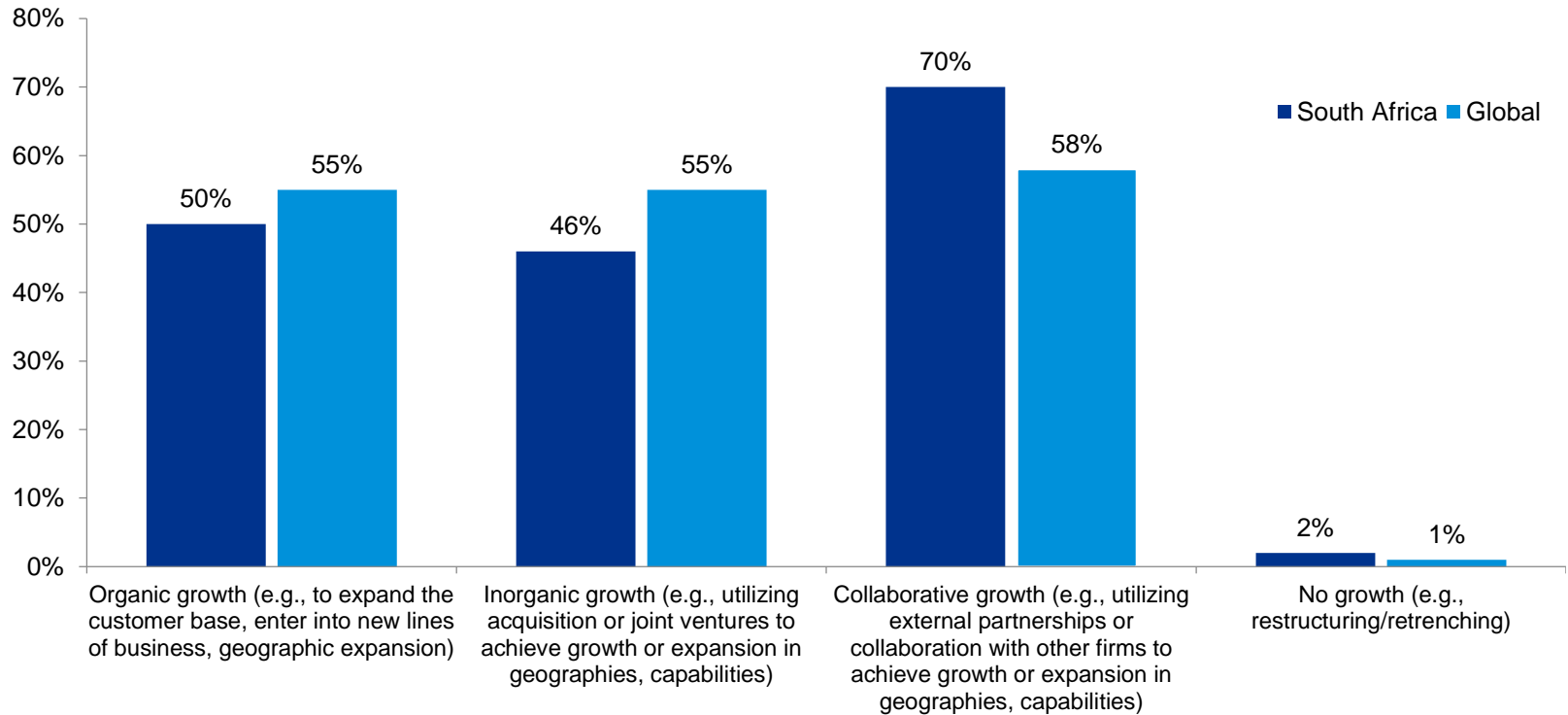
We will be changing focus significantly



Total	South Africa
1268	50

# Transactions

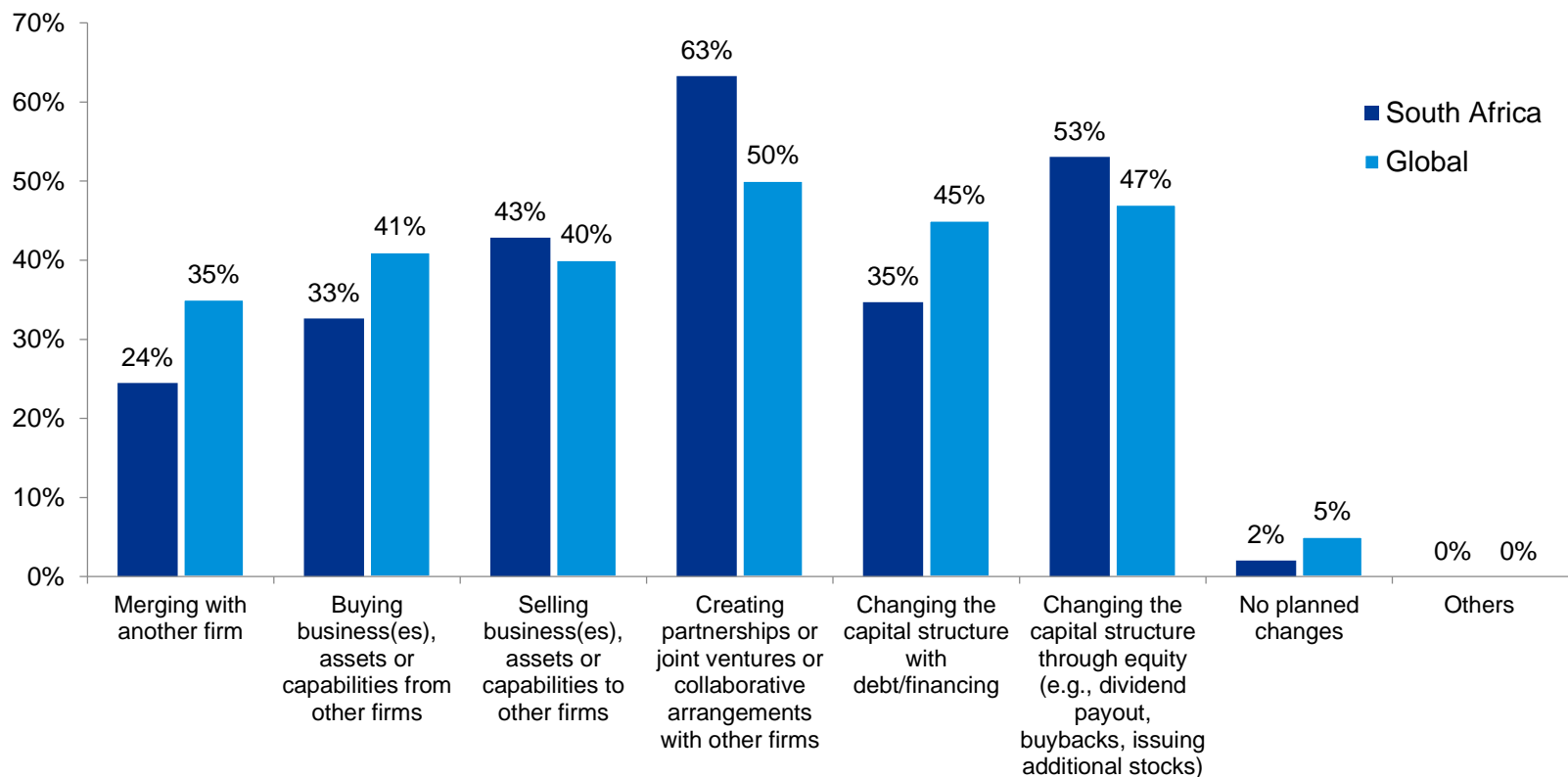
**28. Which of the following describes your development plans to drive shareholder value for the next 3 years?**



Total	South Africa
1268	50

# Transactions

## 29. What forms of M&A or other significant deals do you expect to undertake in the next 3 years?



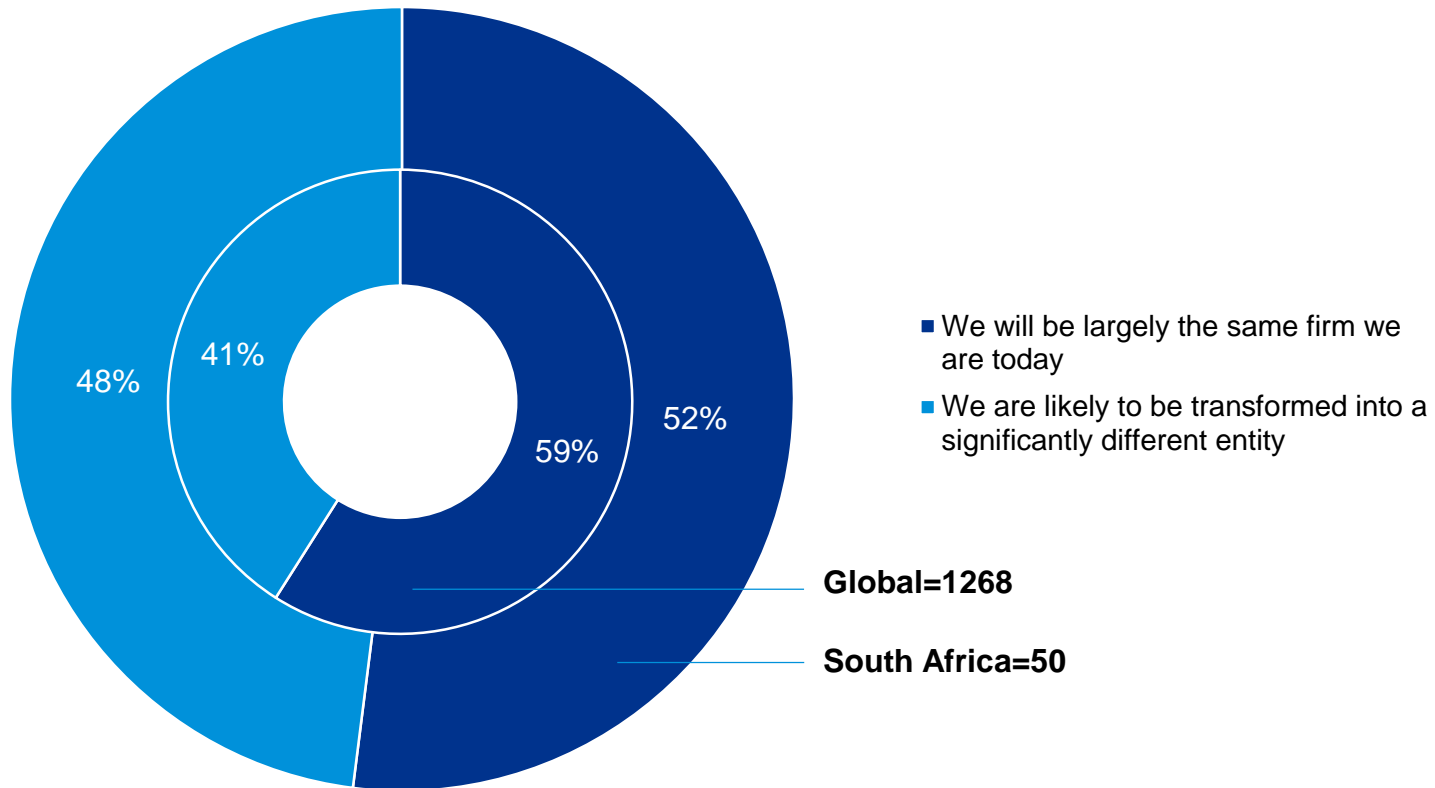
Total	South Africa
1261	49



# Transformation

# Transformation

## 13. Looking at the next 3 years, what statement best describes the company you lead?



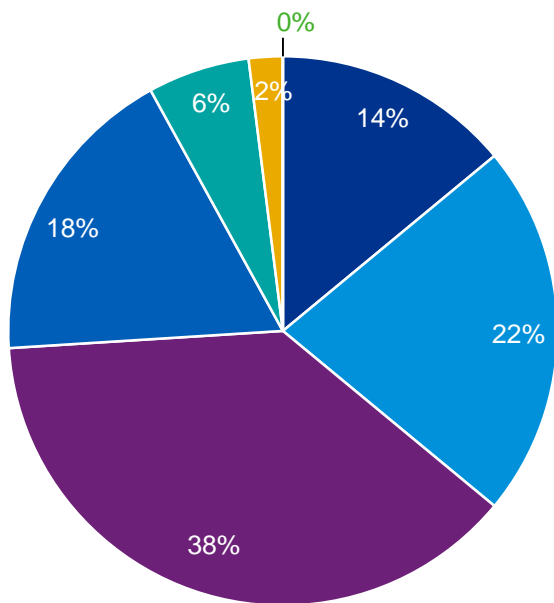




# Disruption/ Innovation

# Disruption/Innovation

## 10. Which of the following statements best characterizes your organization's approach to innovation? (Please select one answer)

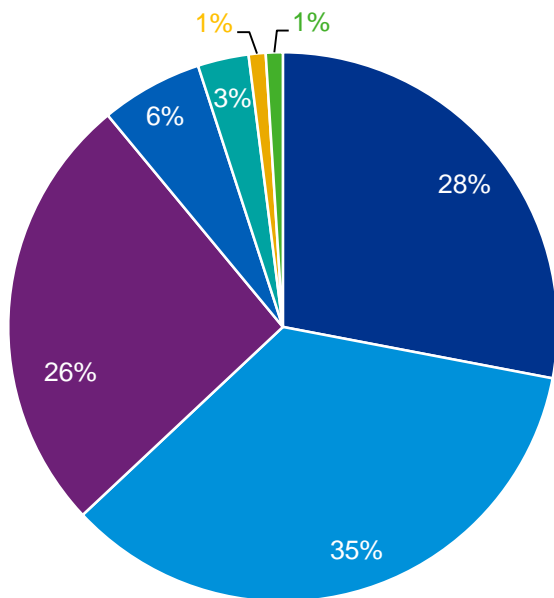


### South Africa Results = 50

- Strategic - Innovation is best described as embedded in everything you do (relentless and continual), with strategic innovation objectives, a defined approach, resources, leadership and innovation efforts that are optimized based on measures with internal
- Accelerated - Innovation is best described as regularly occurring with a defined approach, available tools, processes and resources to help you innovate in your role with some direction provided by leadership
- Foundational - Innovation is best described as ad hoc, with innovation occurring on some projects or within some departments but no repeatable approach, formula or standardized tools and resources: there is room for improvement
- Incubation - Innovation is best described as 'grass roots', with innovation efforts unpredictable, uncontrolled and reactive, but your organization has an eagerness to be more innovative
- Departmental - Innovation occurs on a 'siloed' basis, with little cross-pollination of intellectual property and best practices
- Buying vs. building in - Lack of internal resources or intellectual property requires that innovation be brought in via alliances or acquisitions
- Not evident - A conscious approach to innovation is not evident and innovation is not high on the leadership agenda

# Disruption/Innovation

## 10. Which of the following statements best characterizes your organization's approach to innovation? (Please select one answer)

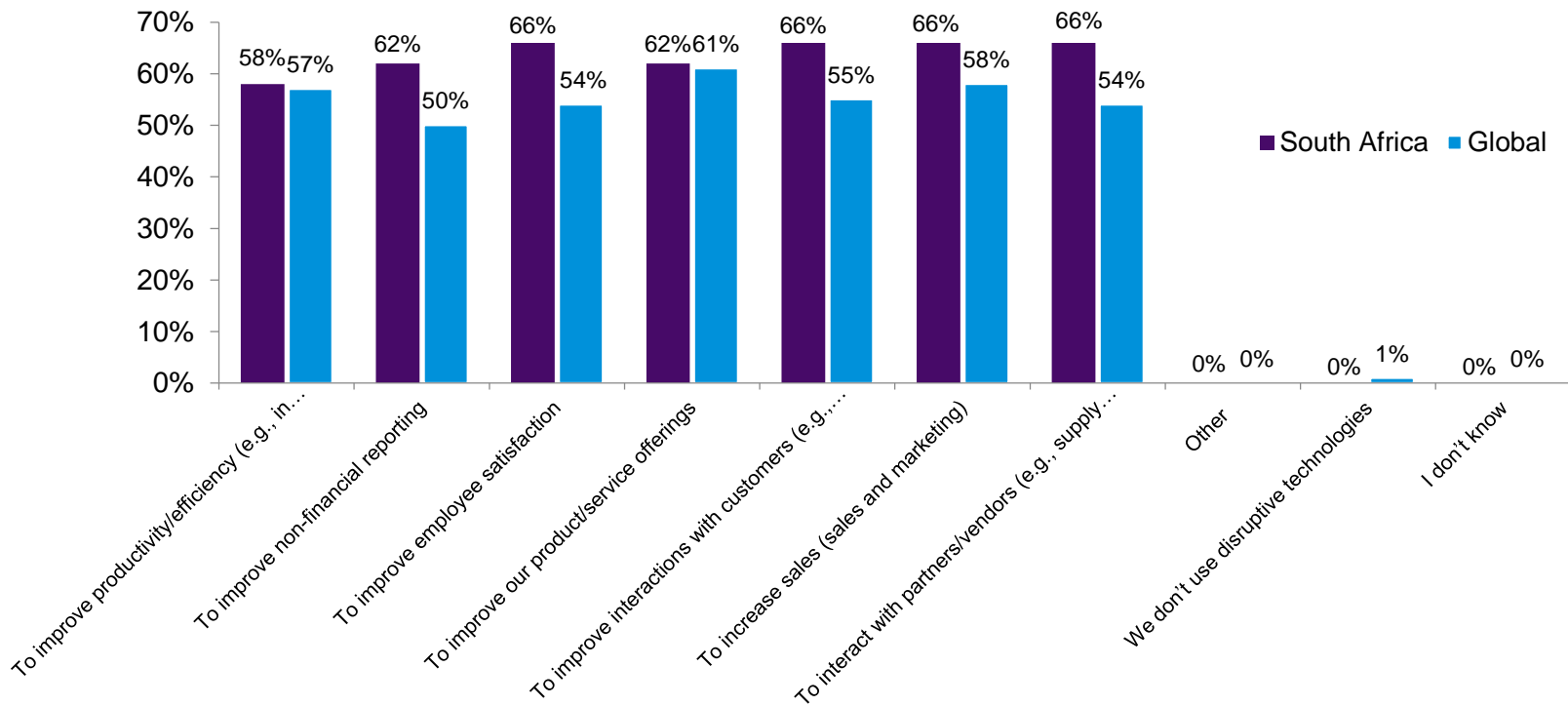


### Global Results = 1268

- **Strategic** - Innovation is best described as embedded in everything you do (relentless and continual), with strategic innovation objectives, a defined approach, resources, leadership and innovation efforts that are optimized based on measures with internal
- **Accelerated** - Innovation is best described as regularly occurring with a defined approach, available tools, processes and resources to help you innovate in your role with some direction provided by leadership
- **Foundational** - Innovation is best described as ad hoc, with innovation occurring on some projects or within some departments but no repeatable approach, formula or standardized tools and resources: there is room for improvement
- **Incubation** - Innovation is best described as 'grass roots', with innovation efforts unpredictable, uncontrolled and reactive, but your organization has an eagerness to be more innovative
- **Departmental** - Innovation occurs on a 'siloed' basis, with little cross-pollination of intellectual property and best practices
- **Buying vs. building in** - Lack of internal resources or intellectual property requires that innovation be brought in via alliances or acquisitions
- **Not evident** - A conscious approach to innovation is not evident and innovation is not high on the leadership agenda

# Disruption/Innovation

**11. A disruptive technology is something that creates a new market and value network and eventually disrupts the existing market and value network, thereby displacing established market leaders. How does your organization currently make use of disruptive technologies? (Please select all that apply)**

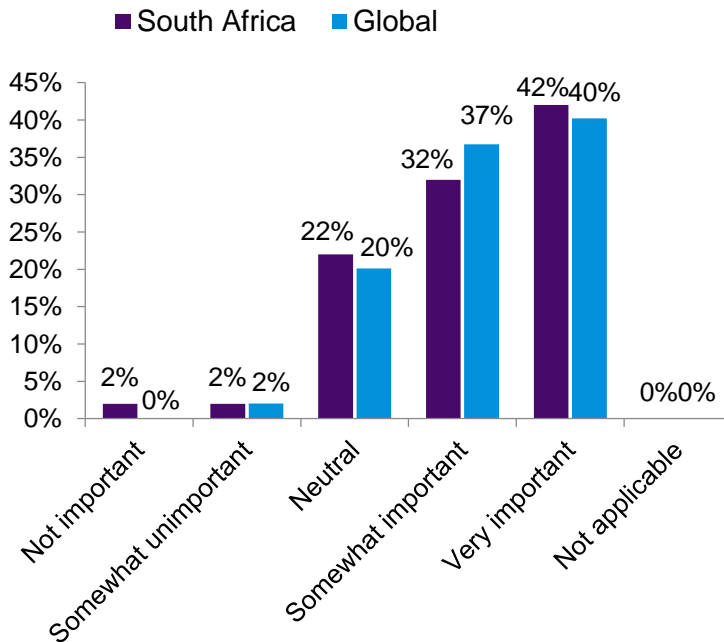


Total	South Africa
1268	50

# Disruption/Innovation

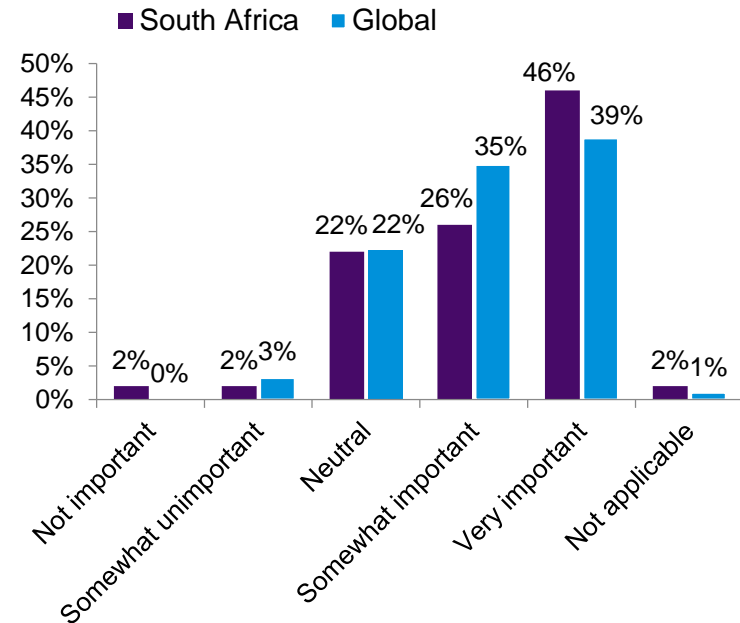
## 12. How important do you believe the following aspects are in your organization's ability to drive successful innovation? (Please select a response for each)

Specifically including innovation in business strategy with clear targets and objectives



Total	South Africa
1268	50

Having a formal process to generate/ source ideas

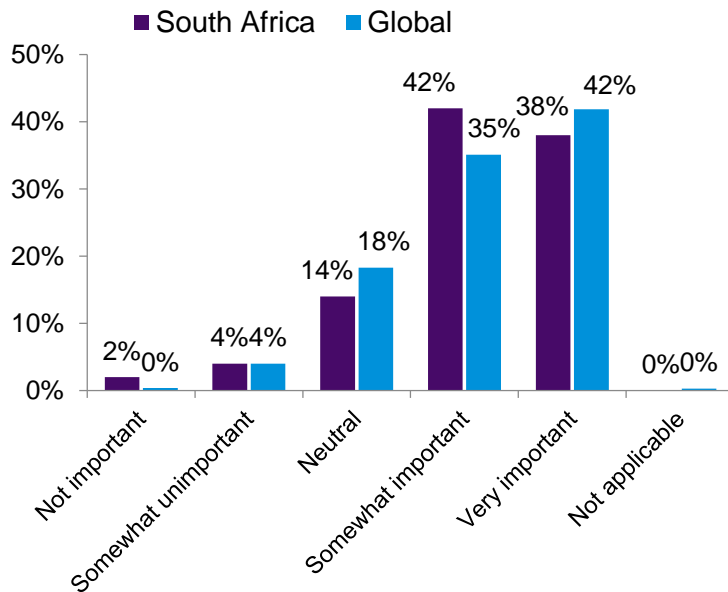


Total	South Africa
1268	50

# Disruption/Innovation

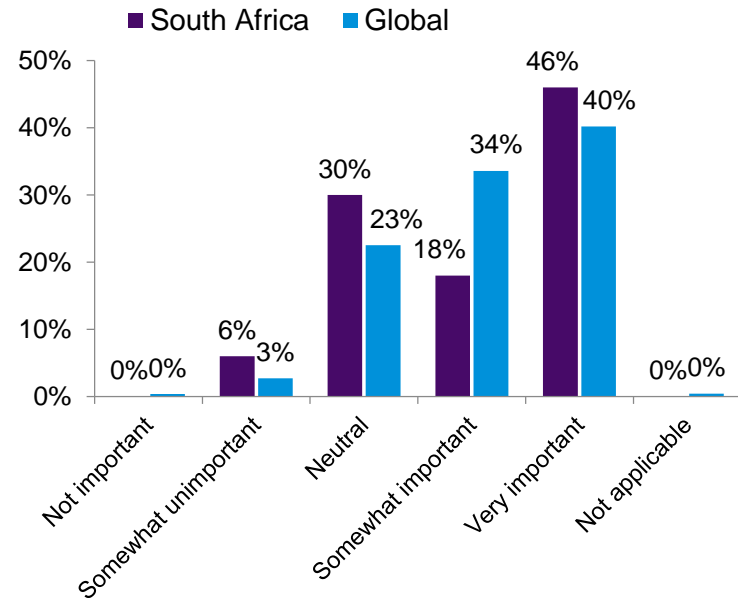
## 12. How important do you believe the following aspects are in your organization's ability to drive successful innovation? (Please select a response for each)

Having a formal process to progress ideas to commercialization/implementation



Total	South Africa
1268	50

Fostering a culture of innovation

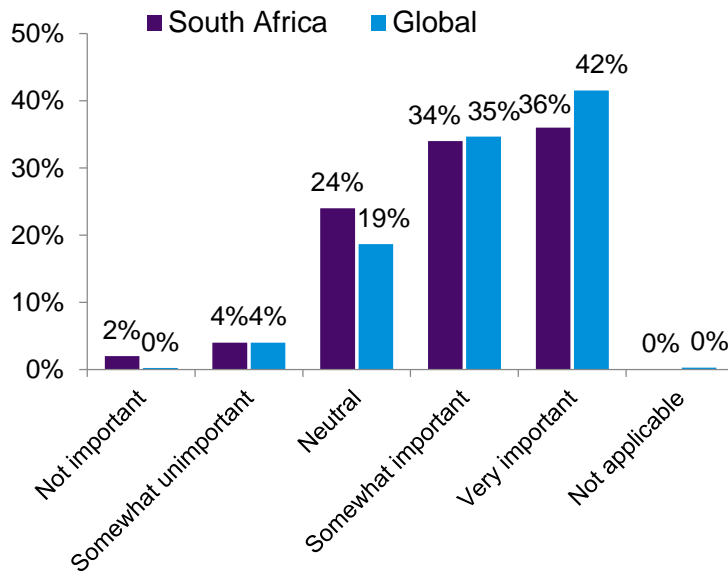


Total	South Africa
1268	50

# Disruption/Innovation

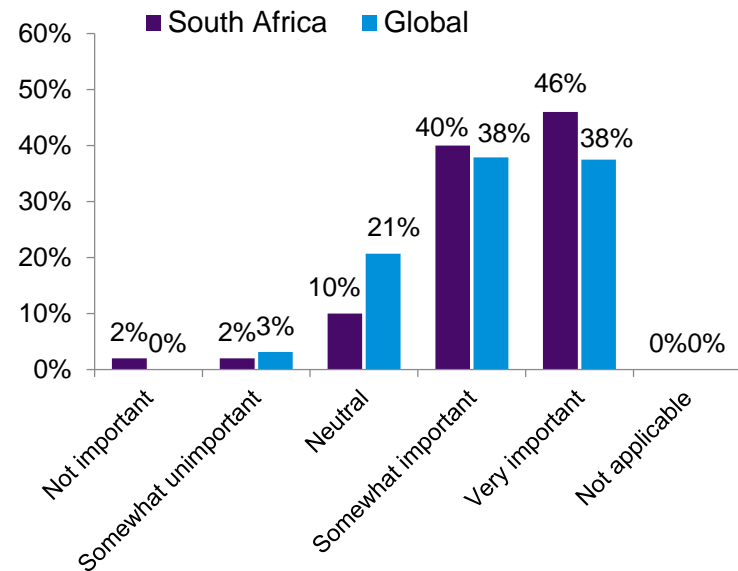
## 12. How important do you believe the following aspects are in your organization's ability to drive successful innovation? (Please select a response for each)

Creating an environment that encourages risk taking



Total	South Africa
1268	50

Collaborating with external parties including customers, partners and suppliers

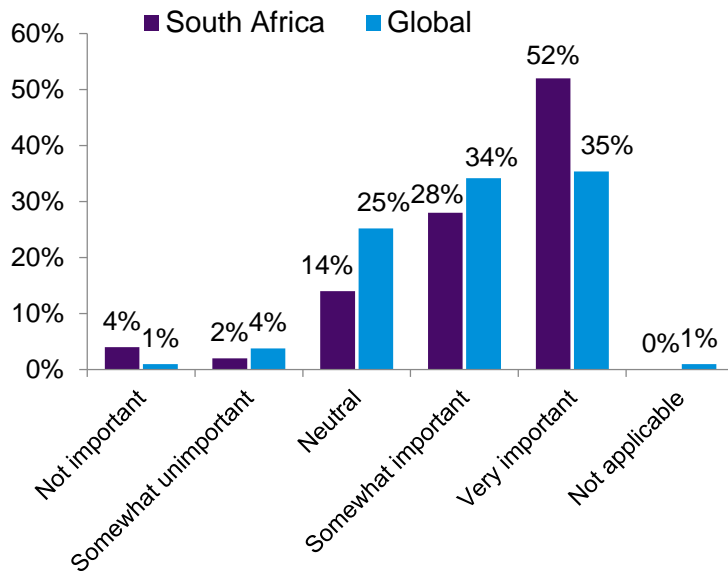


Total	South Africa
1268	50

# Disruption/Innovation

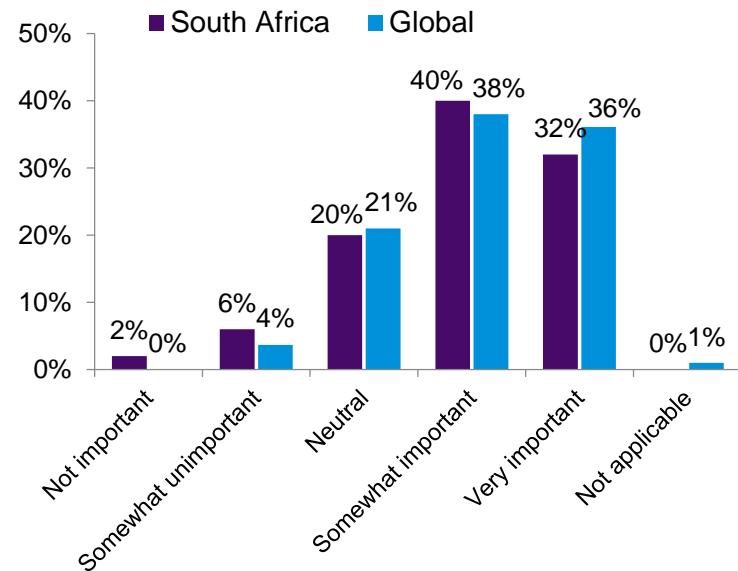
## 12. How important do you believe the following aspects are in your organization's ability to drive successful innovation? (Please select a response for each)

### Connecting in a beneficial way with start-ups



Total	South Africa
1268	50

### Connecting in a beneficial way with university and/or other research institutes



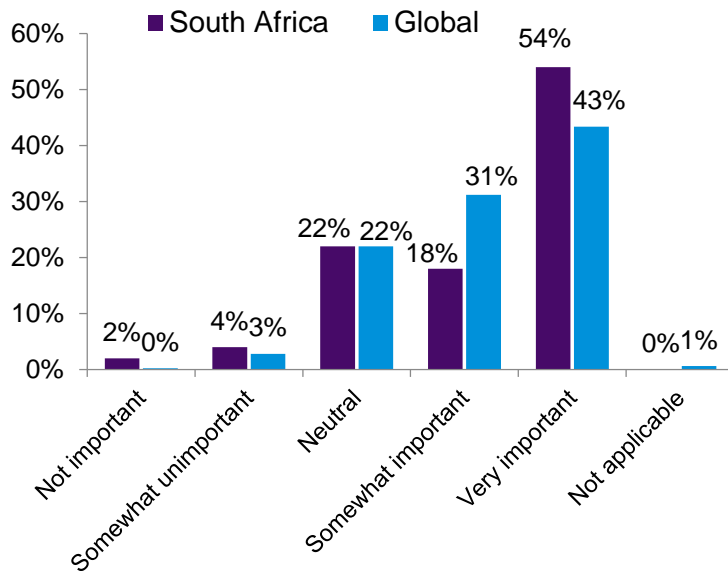
Total	South Africa
1268	50



# Disruption/Innovation

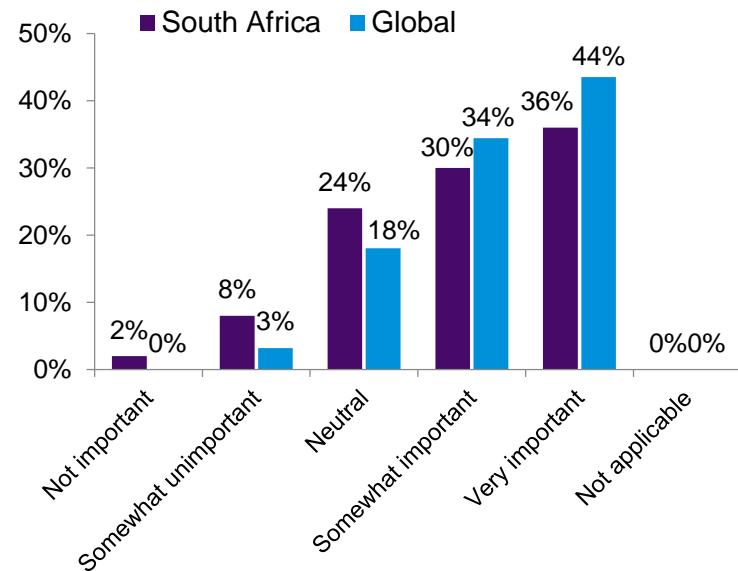
## 12. How important do you believe the following aspects are in your organization's ability to drive successful innovation? (Please select a response for each)

### Management's innovation acumen



Total	South Africa
1268	50

### Ability to respond quickly to developments, risks and opportunities — organizational agility

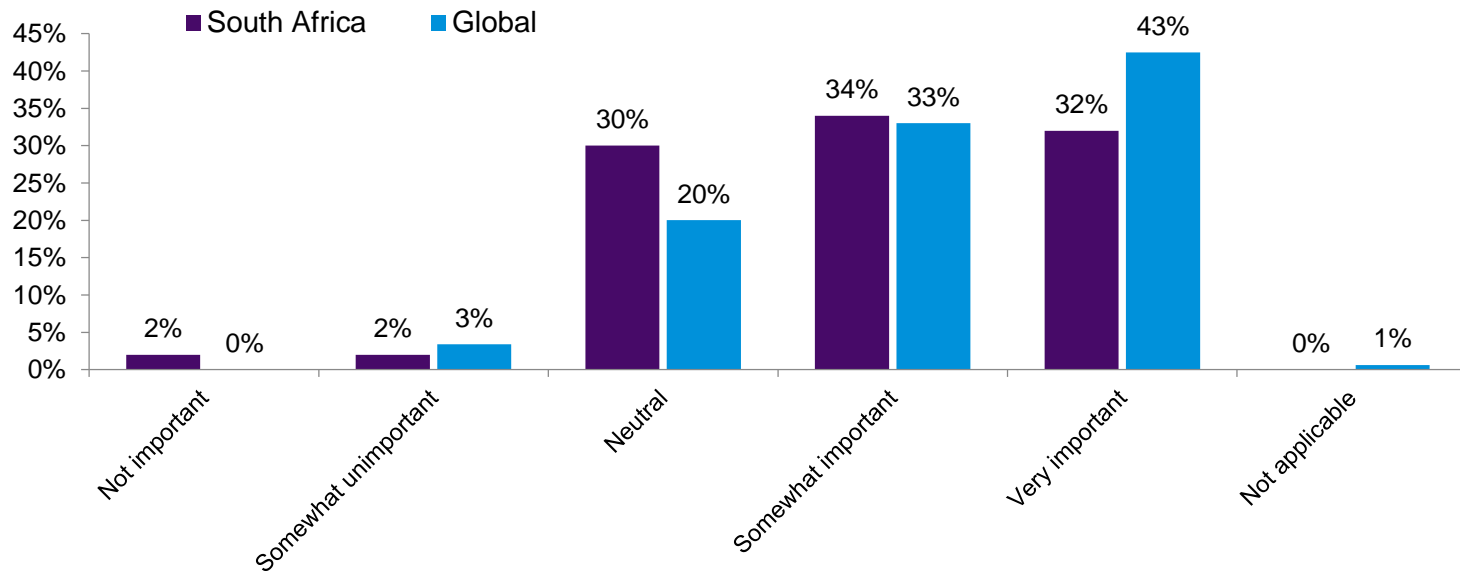


Total	South Africa
1268	50

# Disruption/Innovation

## 12. How important do you believe the following aspects are in your organization's ability to drive successful innovation? (Please select a response for each)

Ability to secure adequate investment/resourcing to support innovation initiatives

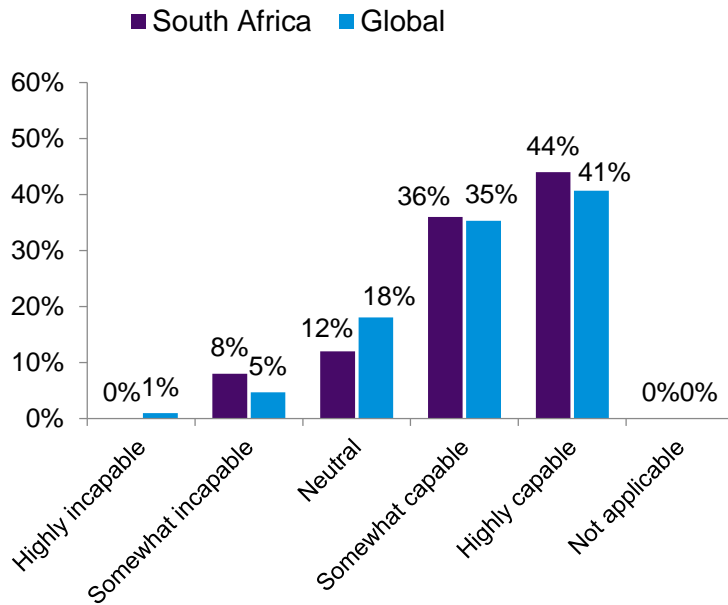


Total	South Africa
1268	50

# Disruption/Innovation

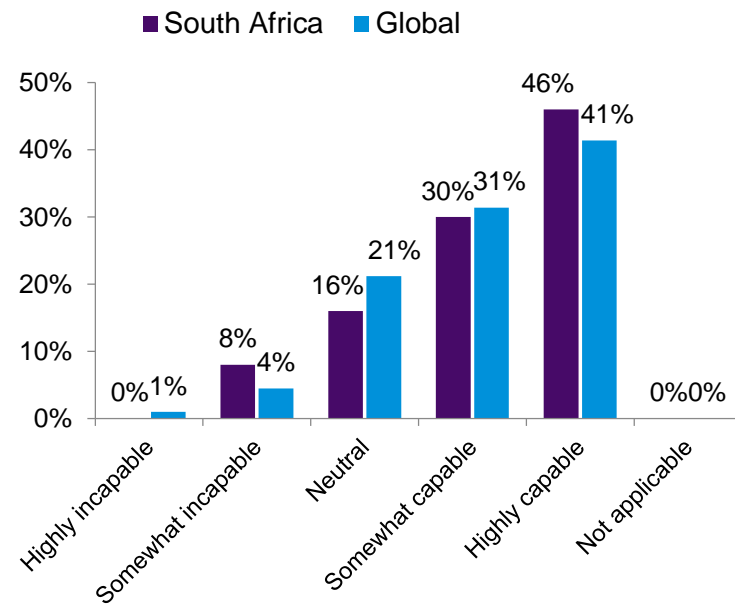
## 15. How would you characterize your organization's capability in each of the following areas? (Please select a response for each)

### Generating/sourcing ideas



Total	South Africa
1268	50

### Progressing ideas to commercialization

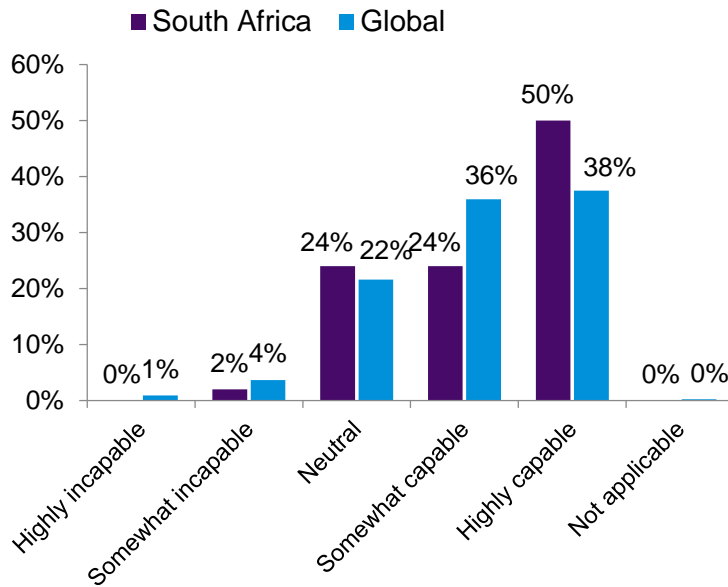


Total	South Africa
1268	50

# Disruption/Innovation

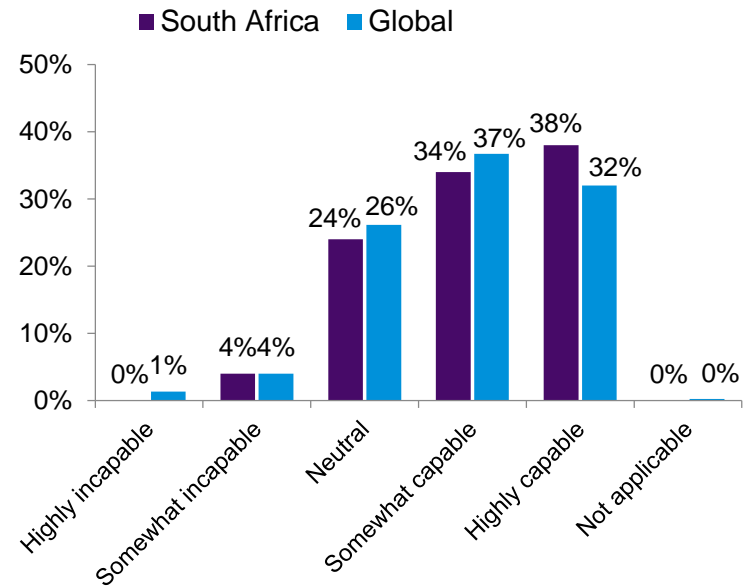
## 15. How would you characterize your organization's capability in each of the following areas? (Please select a response for each)

### Fostering a culture of innovation



Total	South Africa
1268	50

### Creating a safe to fail environment

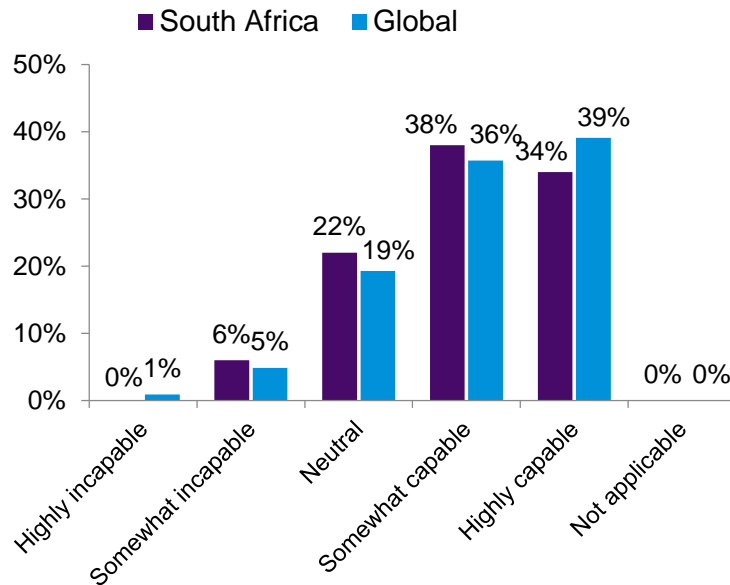


Total	South Africa
1268	50

# Disruption/Innovation

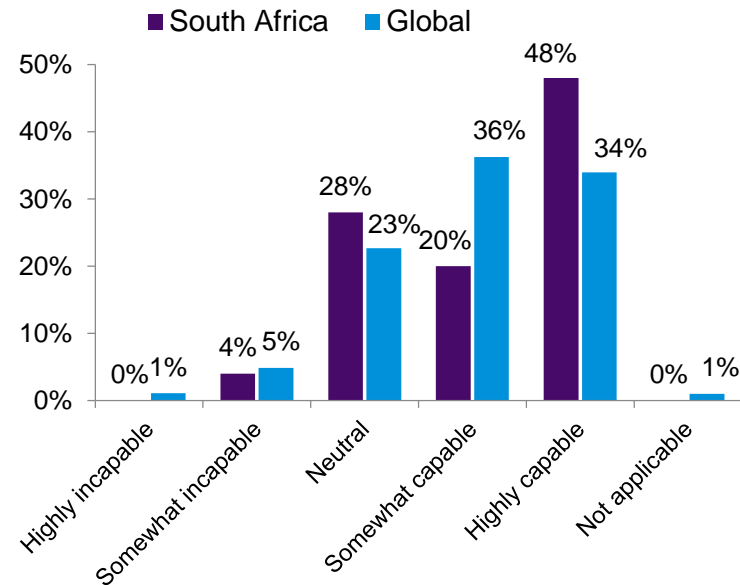
## 15. How would you characterize your organization's capability in each of the following areas? (Please select a response for each)

Collaborating with external parties, including customers, partners and suppliers



Total	South Africa
1268	50

Connecting in a beneficial way with start-ups

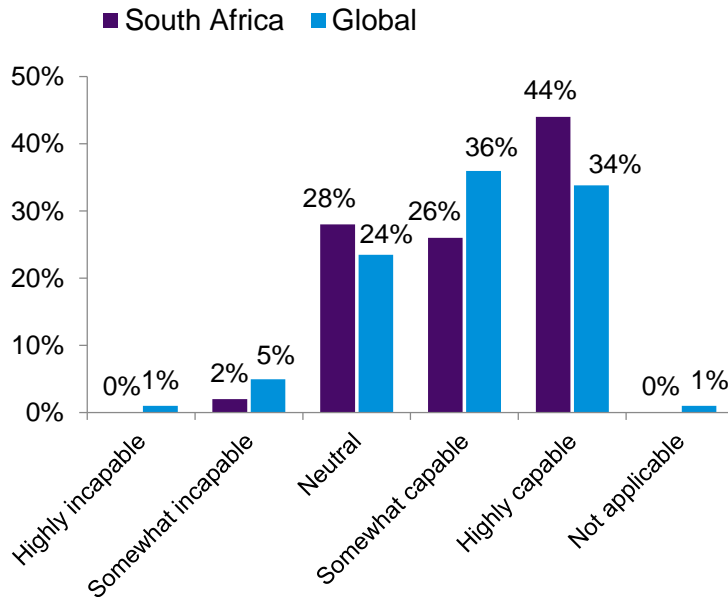


Total	South Africa
1268	50

# Disruption/Innovation

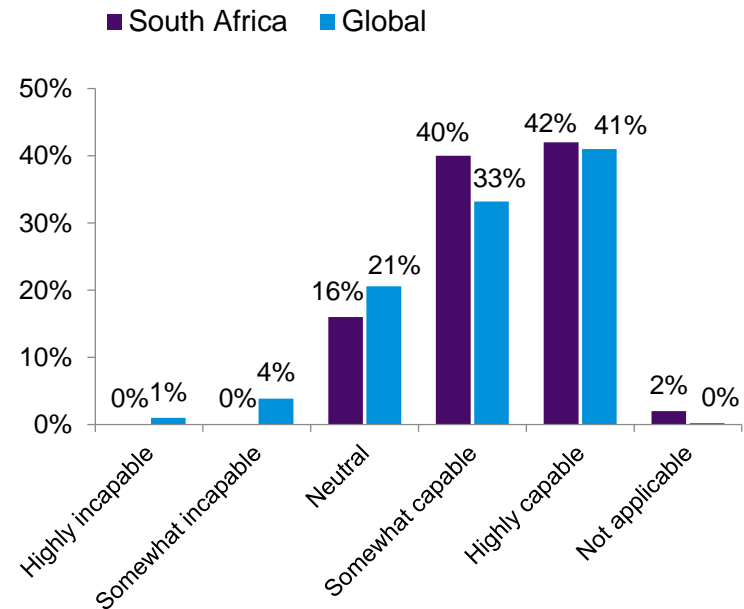
## 15. How would you characterize your organization's capability in each of the following areas? (Please select a response for each)

Connecting in a beneficial way with universities and other research institutes



Total	South Africa
1268	50

Management's innovation acumen

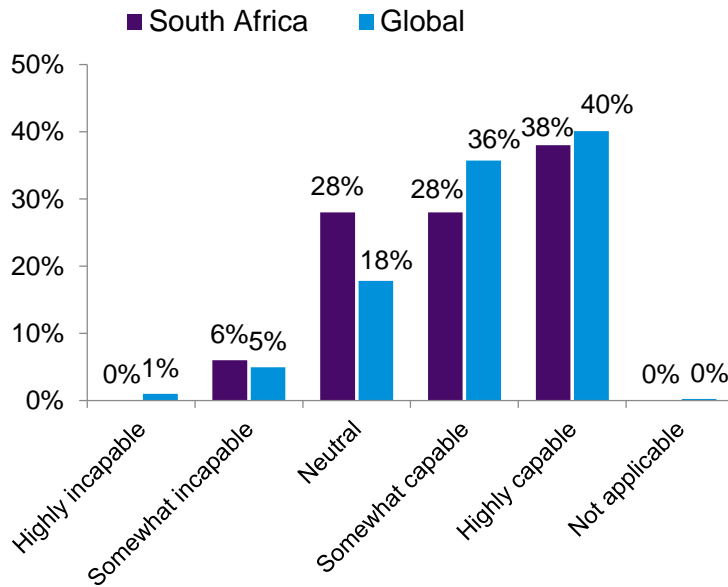


Total	South Africa
1268	50

# Disruption/Innovation

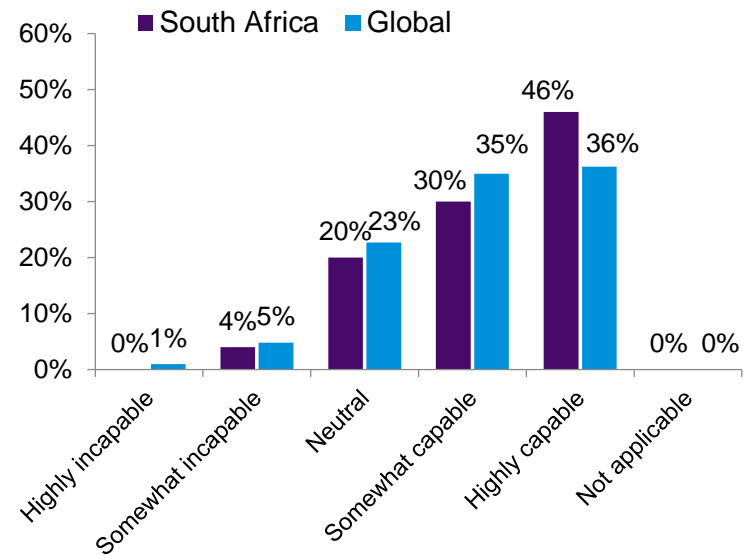
## 15. How would you characterize your organization's capability in each of the following areas? (Please select a response for each)

Ability to respond quickly to developments/organizational agility



Total	South Africa
1268	50

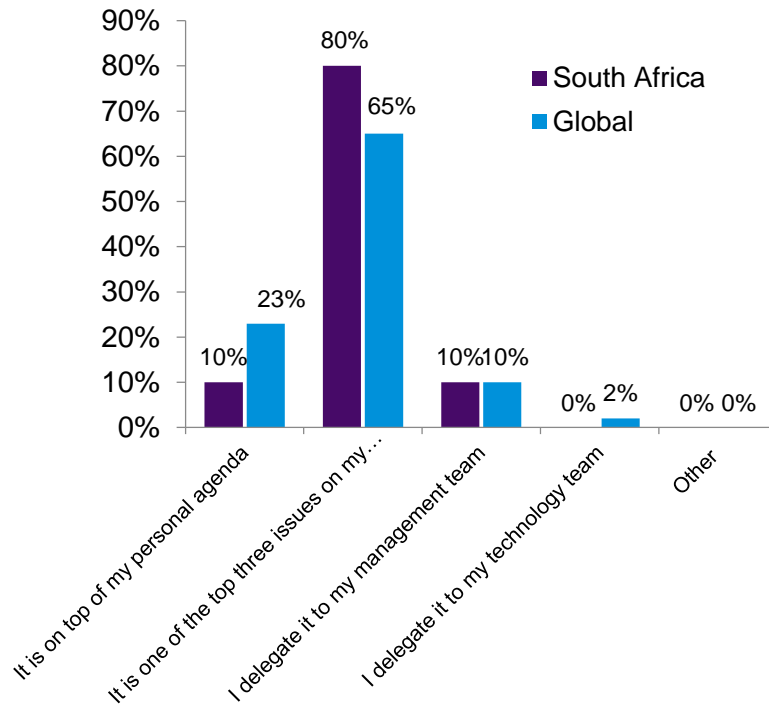
Ability to secure adequate investment/resourcing to drive innovation initiatives



Total	South Africa
1268	50

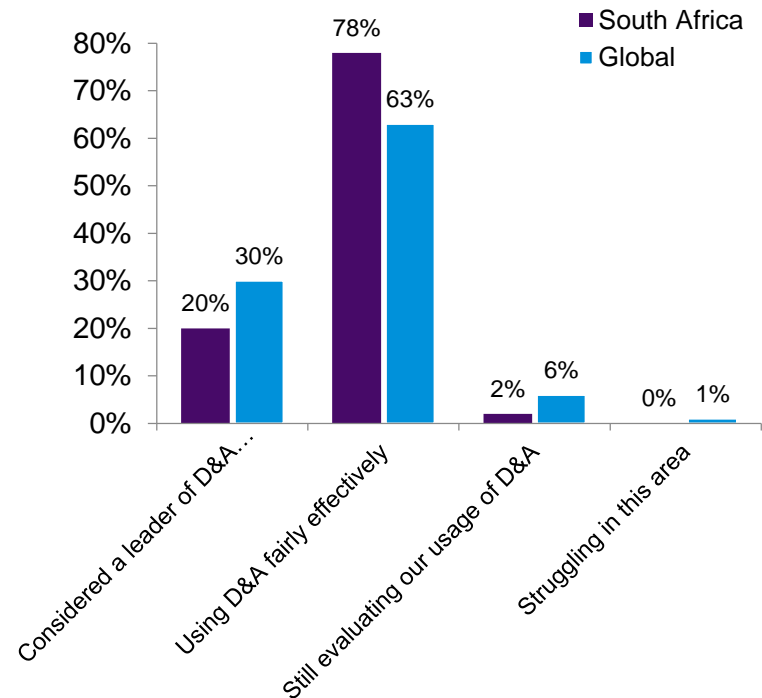
# Disruption/Innovation

**16. As the CEO, how do you approach innovation in your organization? (Please select one answer)**



Total	South Africa
1268	50

**17. How effectively is your organization using data and analytics (D&A) to improve performance? (Please select one answer)**



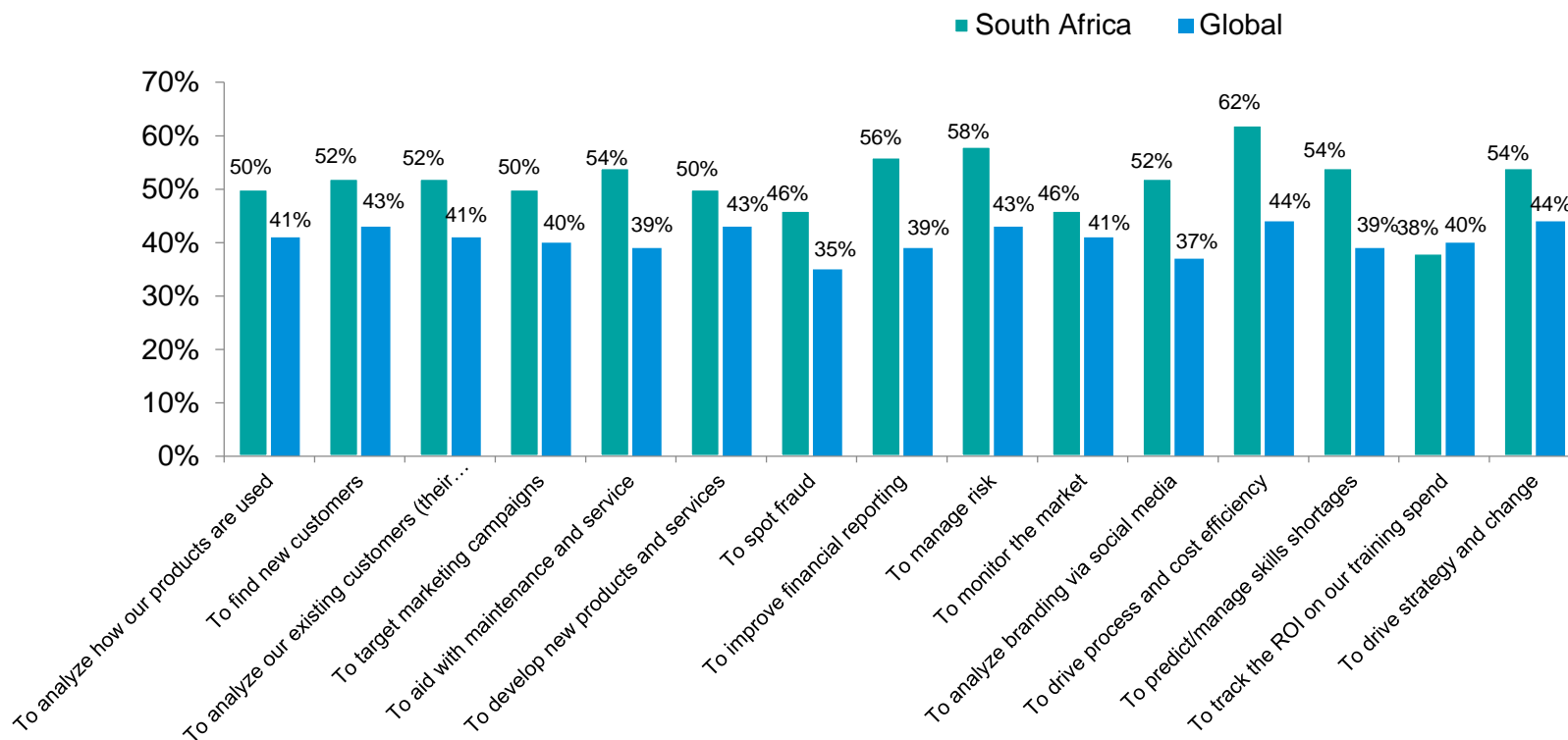
Total	South Africa
1268	50





D&A

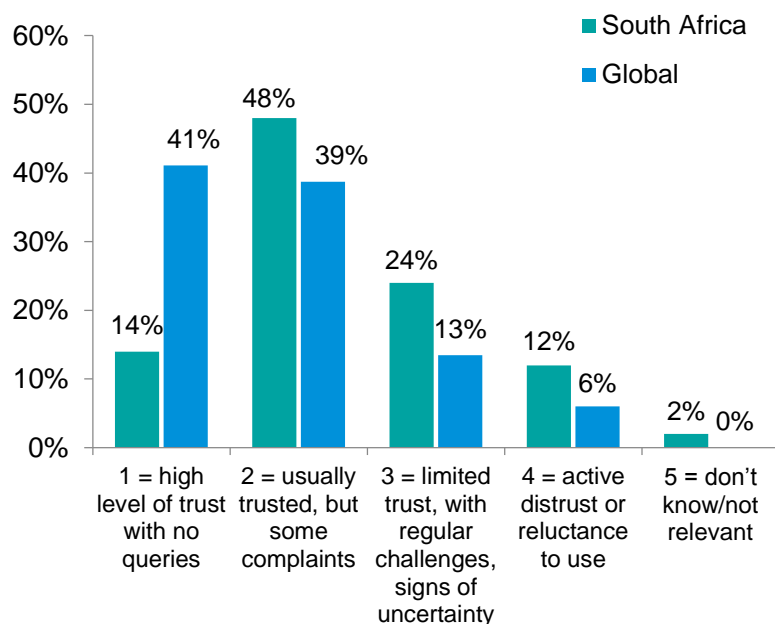
## 18. How is your organization using data and analytics? (Please select all that apply)



Total	South Africa
1268	50

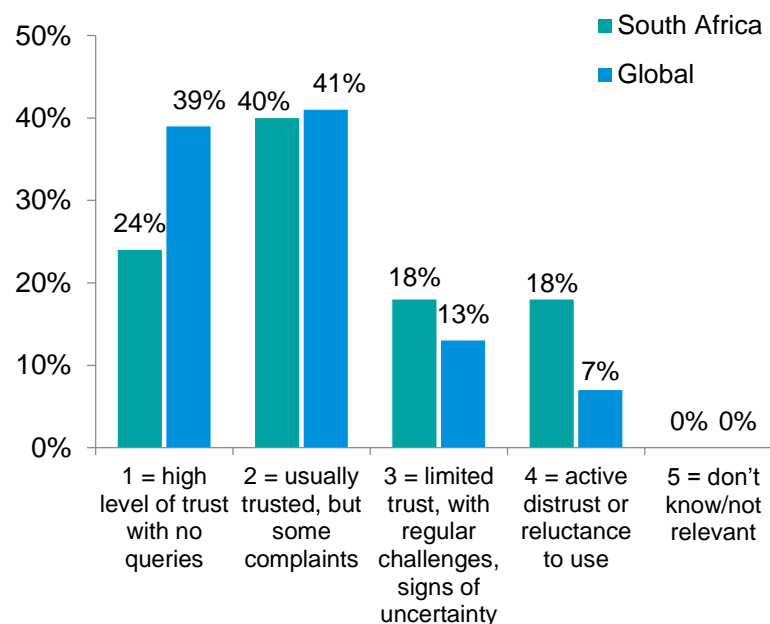
## 19. To what extent do you trust the manner in which your organization uses data and analytics for each of the following?

### Accuracy



Total	South Africa
1268	50

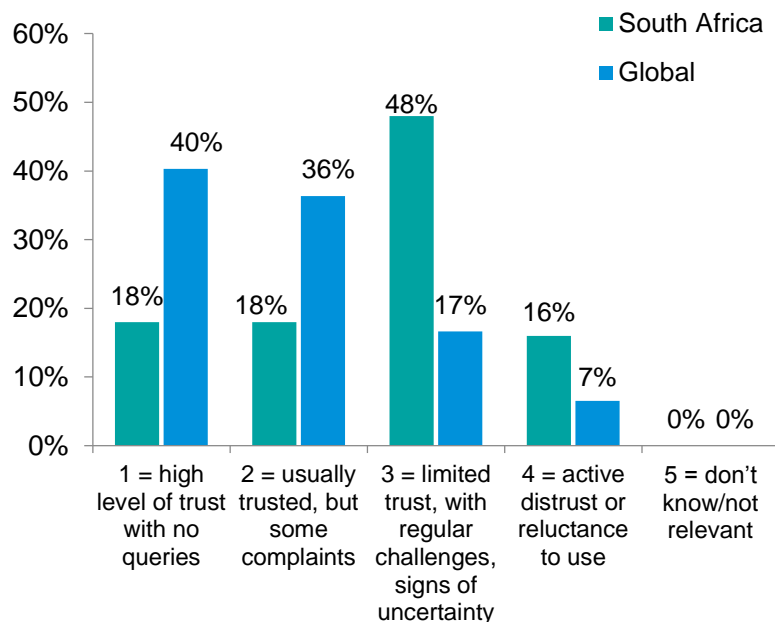
### Effectiveness



Total	South Africa
1268	50

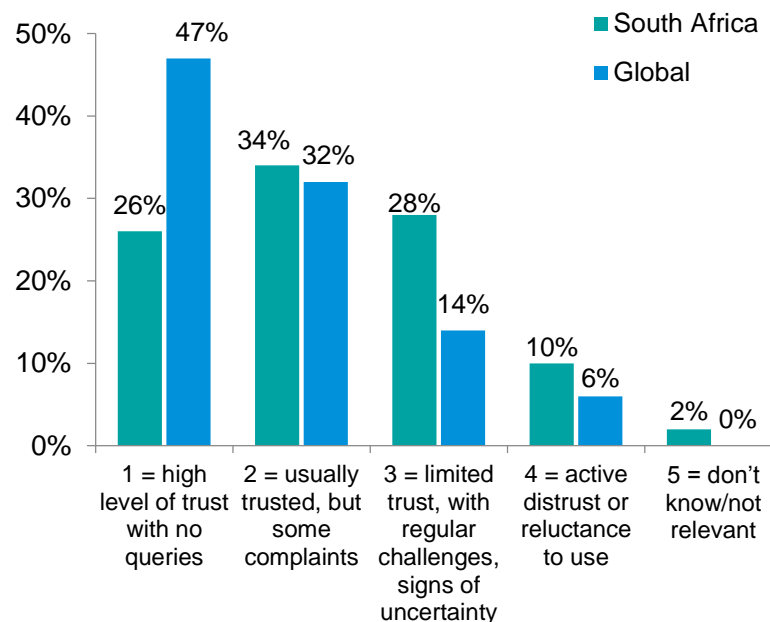
## 19. To what extent do you trust the manner in which your organization uses data and analytics for each of the following?

### Security



Total	South Africa
1268	50

### Ethical use



Total	South Africa
1268	50



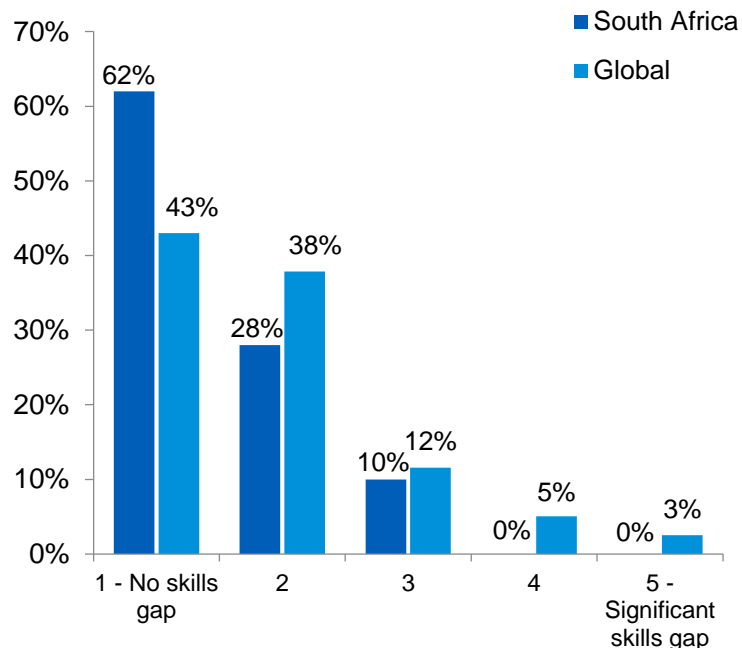
# Culture/People

# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

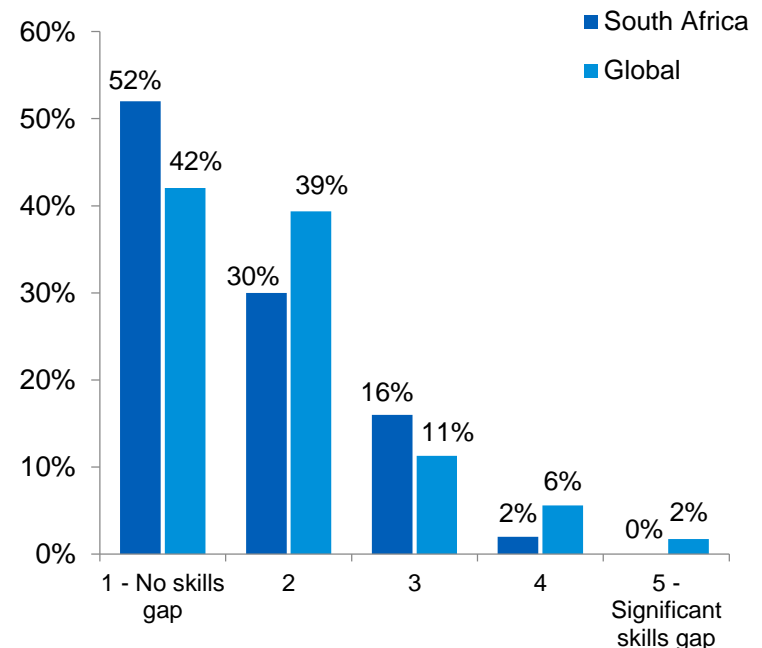
## Functional Skills gap

### Sales force



Total	South Africa
1268	50

### Technology



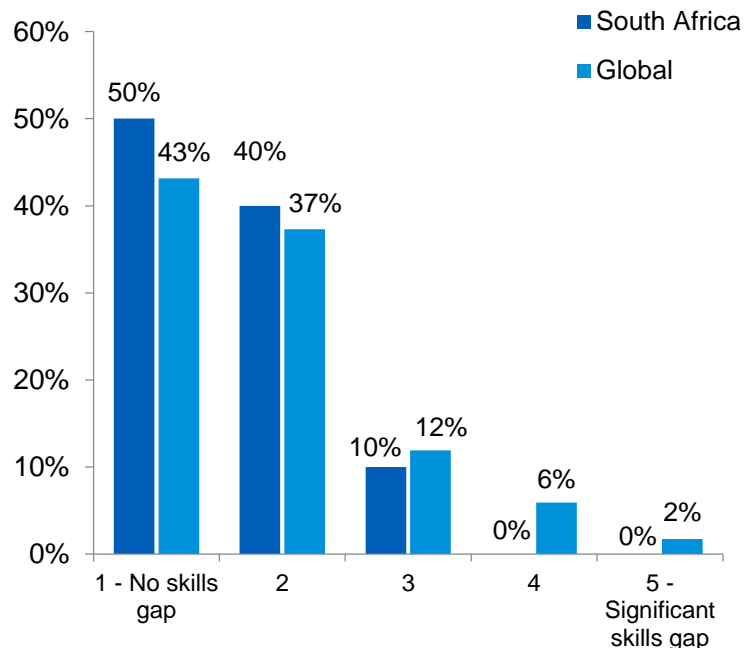
Total	South Africa
1268	50

# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

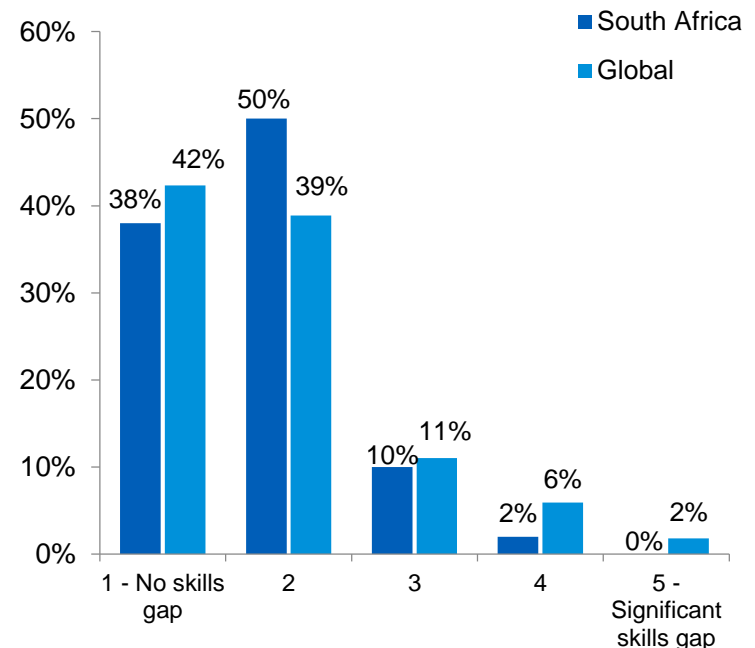
## Functional Skills gap

### Marketing



Total	South Africa
1268	50

### Engineering



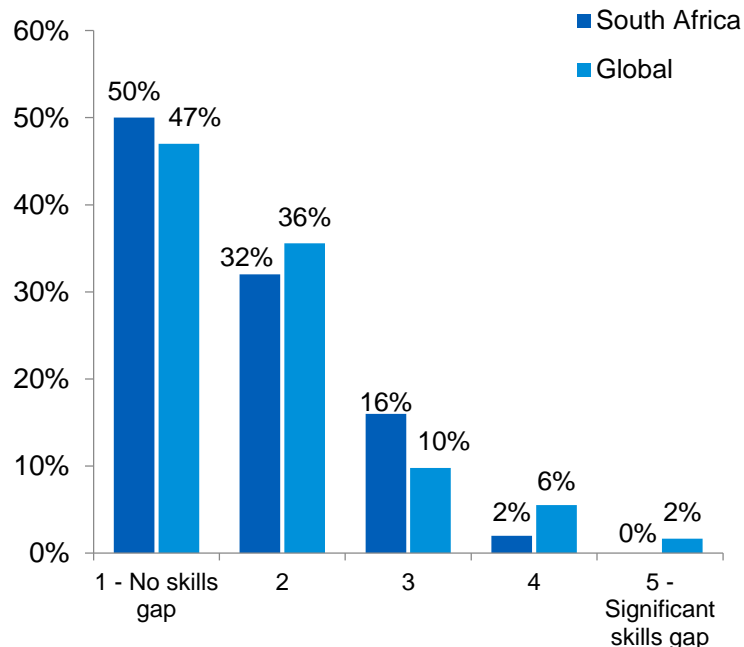
Total	South Africa
1268	50

# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

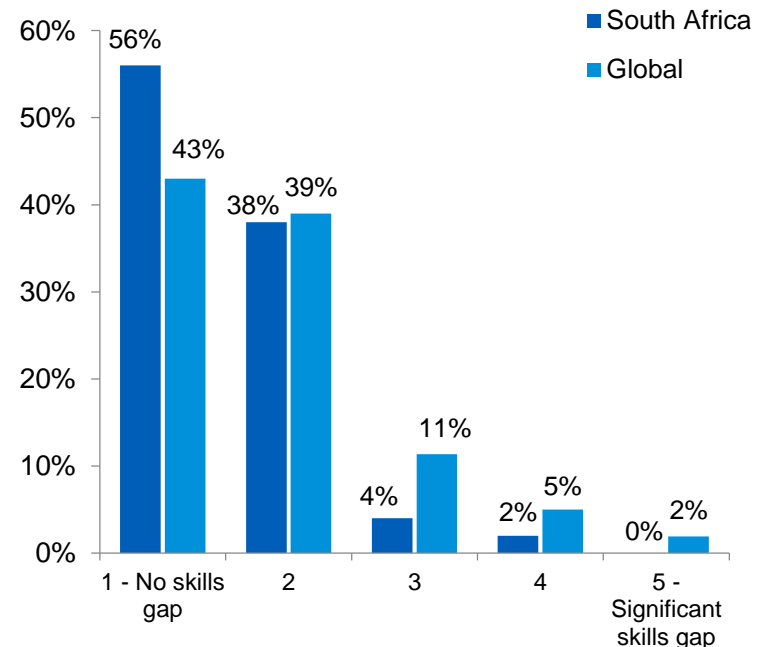
## Functional Skills gap

### Finance



Total	South Africa
1268	50

### Manufacturing/Operations



Total	South Africa
1268	50

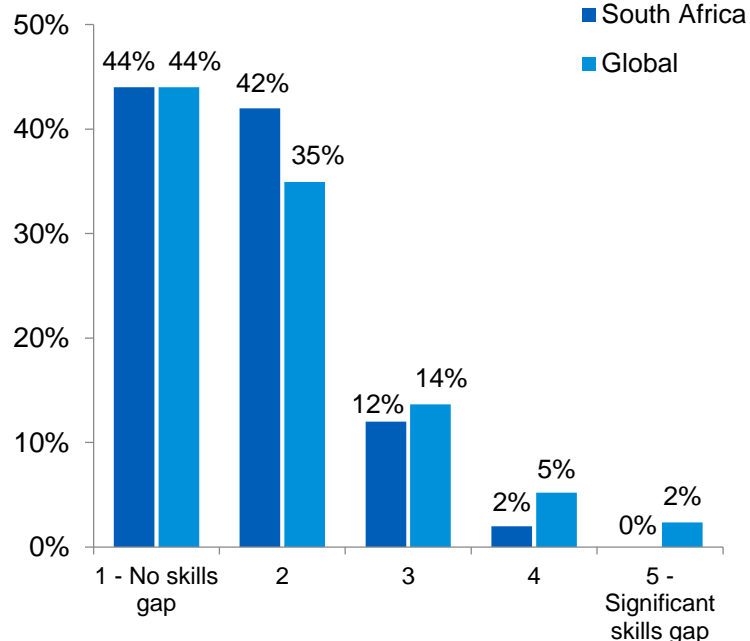


# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

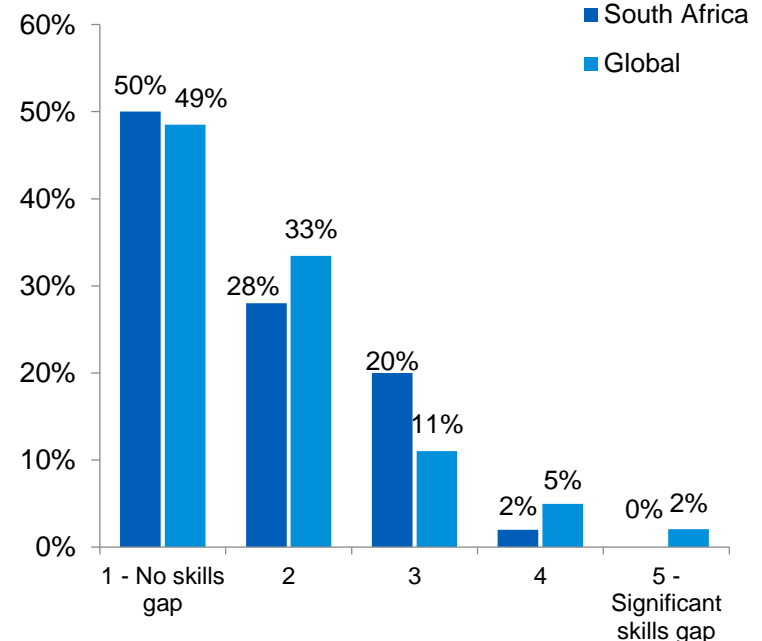
## Functional Skills gap

### Research & Development



Total	South Africa
1268	50

### Strategy



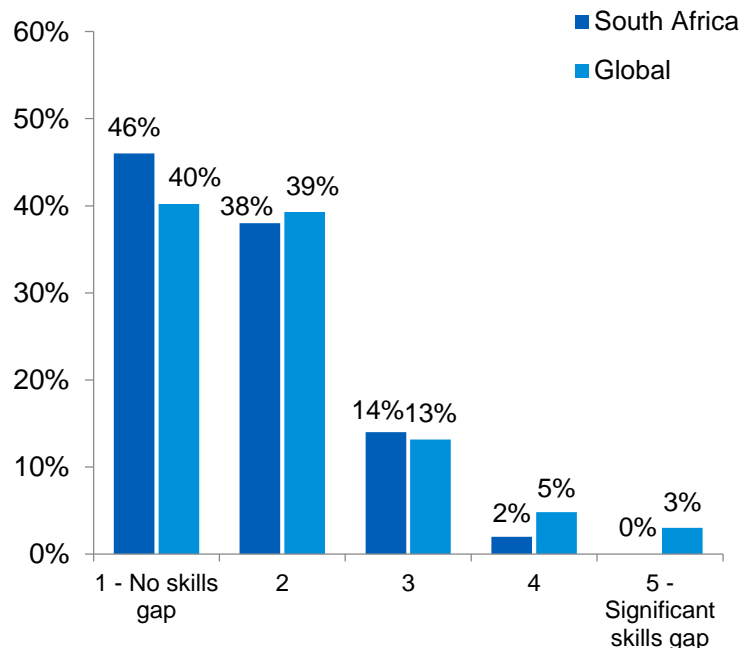
Total	South Africa
1268	50

# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

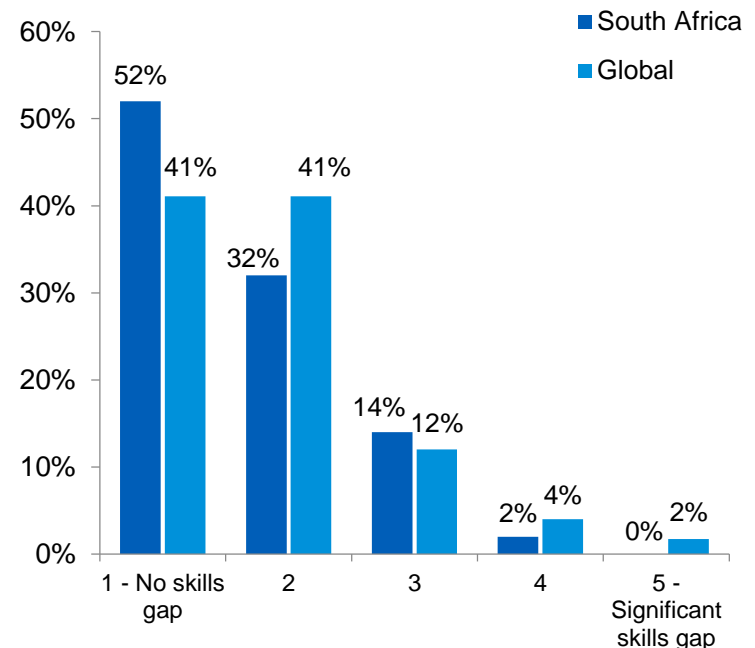
## Strategic Priorities

### Cyber



Total	South Africa
1268	50

### D&A



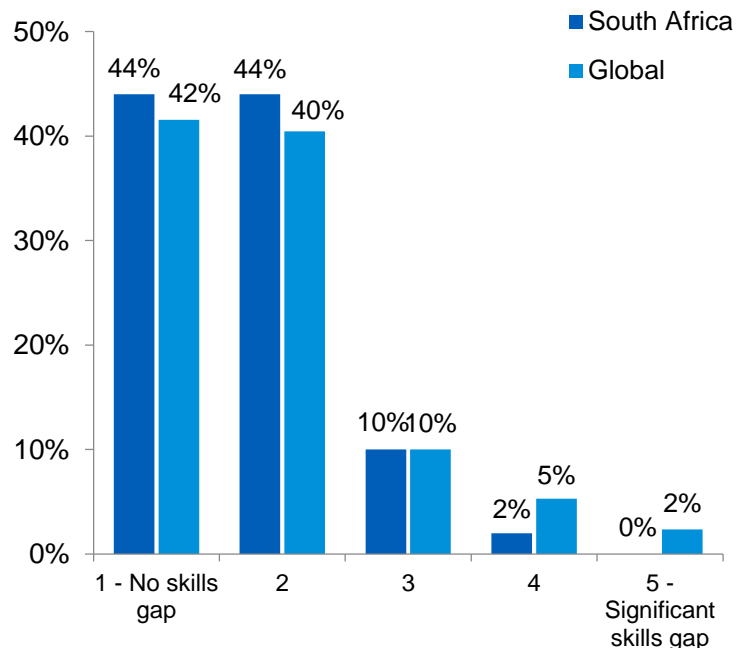
Total	South Africa
1268	50

# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

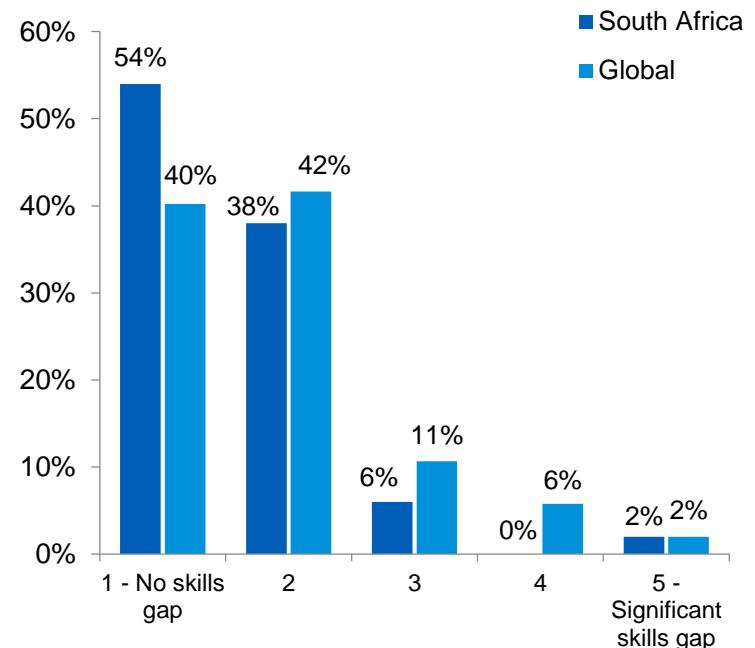
## Strategic Priorities

### Digital



Total	South Africa
1268	50

### Innovation



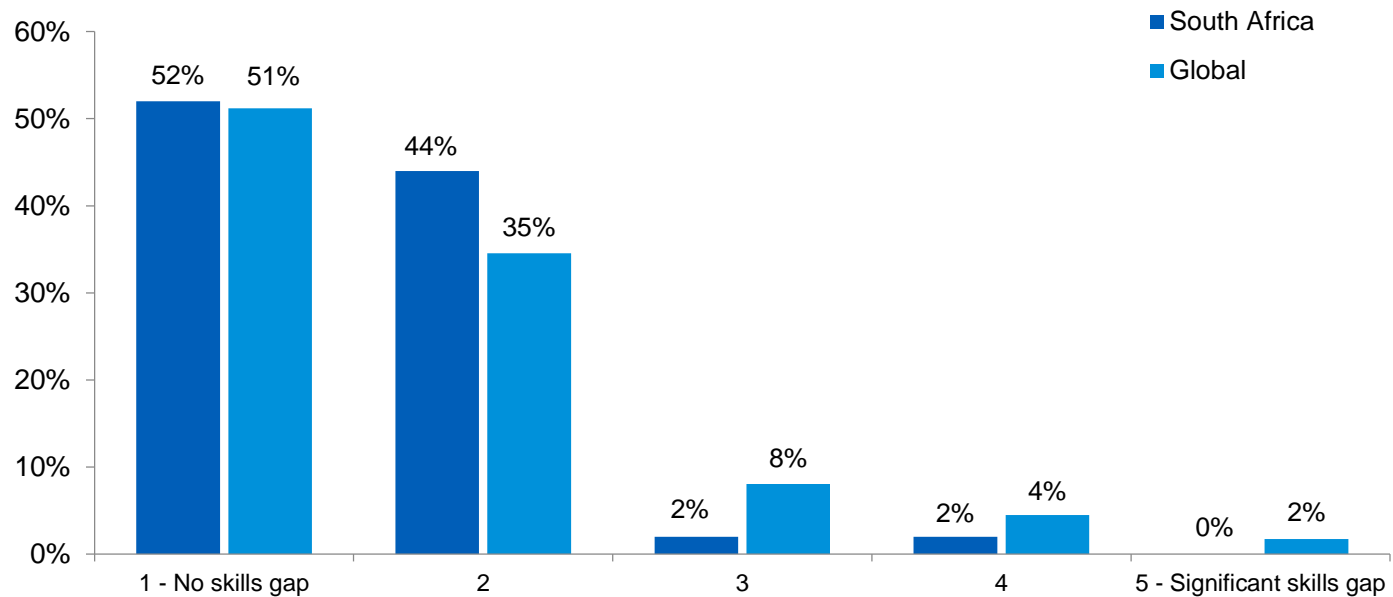
Total	South Africa
1268	50

# Culture/People

**30. In the next 3 years, where do you see skills gaps in your organization?** (Please rate the following using a scale where 1 is “No skills gap” and 5 is “Significant skills gap.”)

## Strategic Priorities

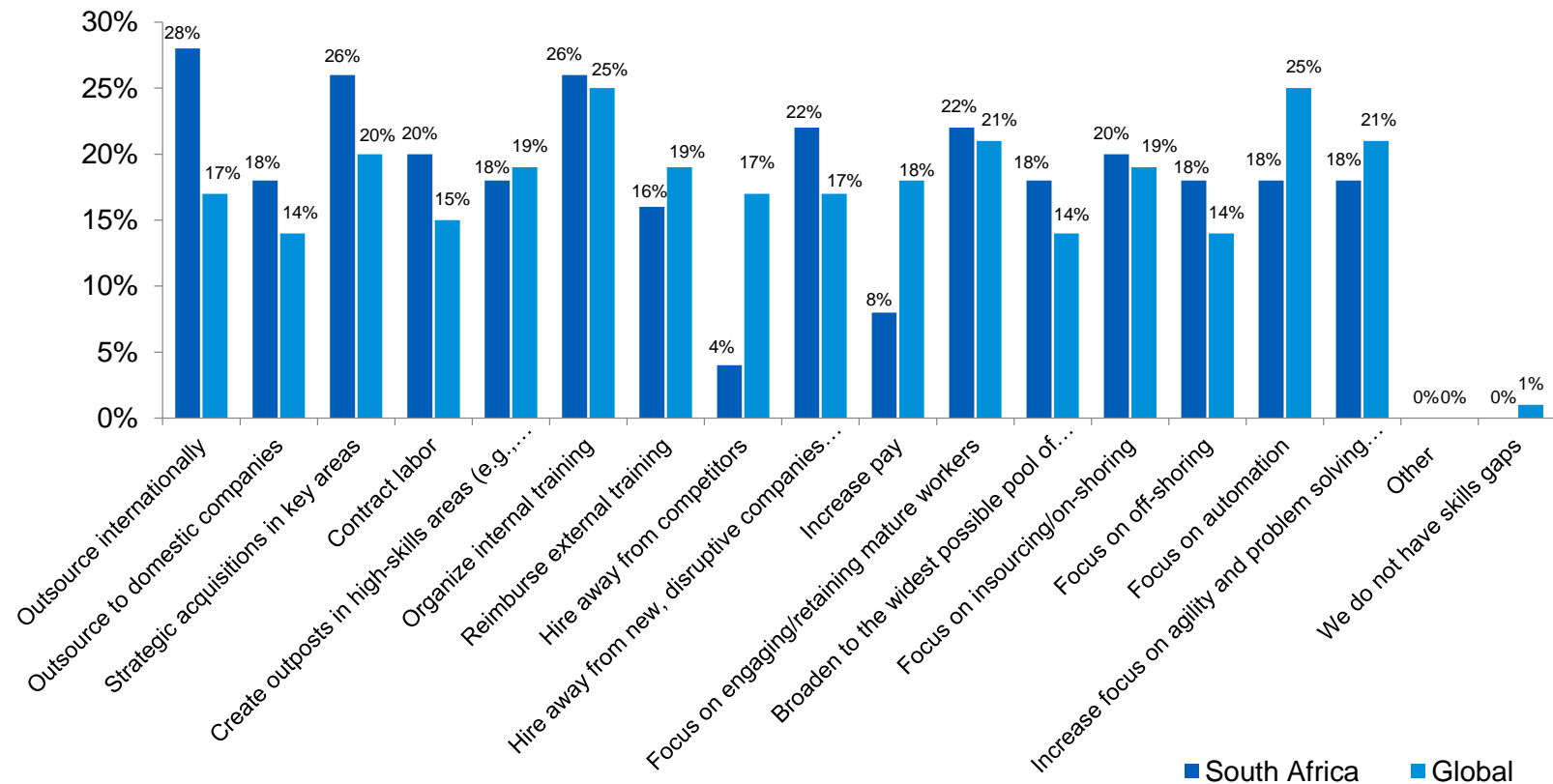
### Corporate Social Responsibility



Total	South Africa
1268	50

# Culture/People

## 31. What are you doing to manage skills gaps in the next 3 years? (Please select up to three responses)



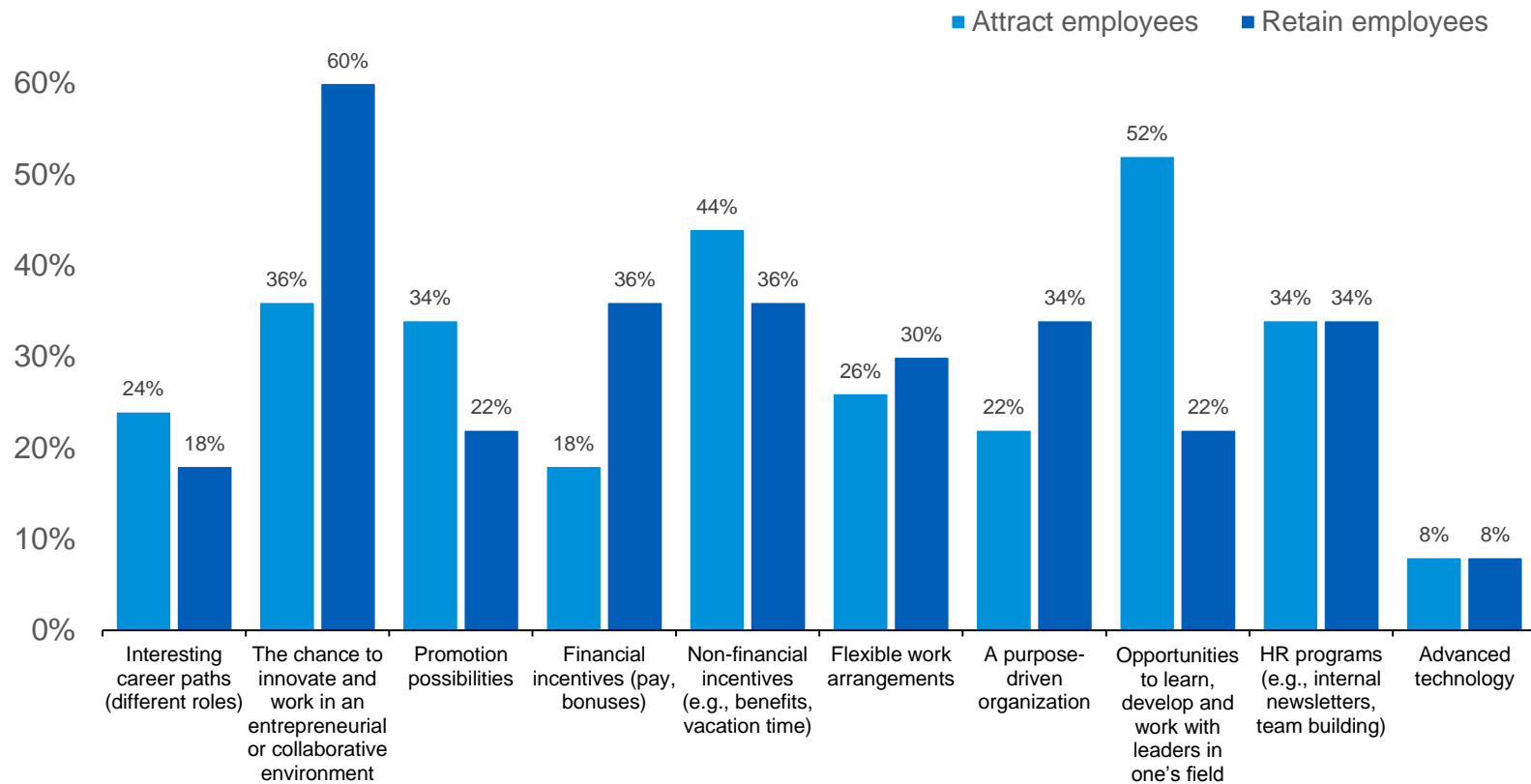
Total	South Africa
1268	50

# Culture/People

## 32. What are the most effective initiatives to attract and retain employees?

(Please select up to three in each column)

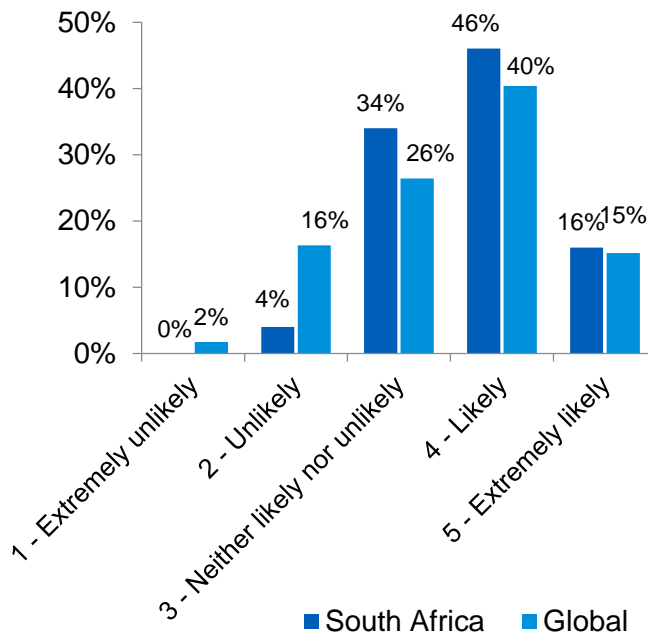
South Africa = 50



# Culture/People

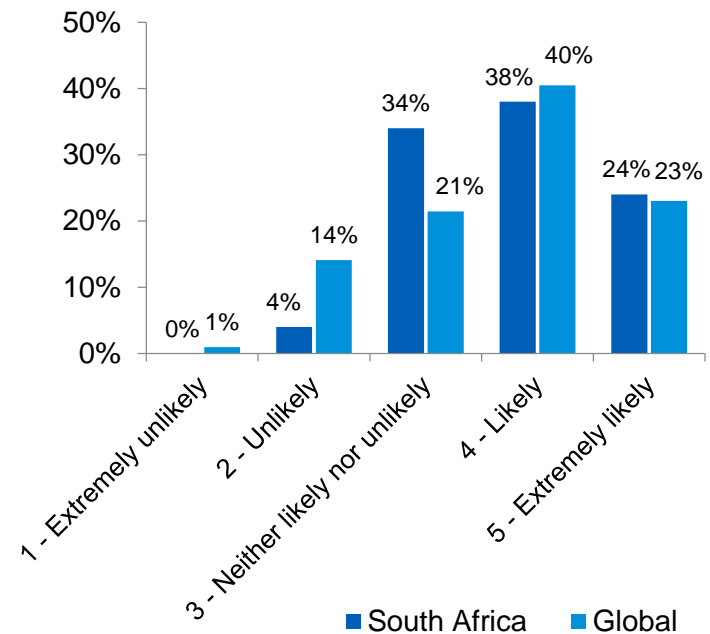
## 33. What is the likelihood that automation/machine learning will replace at least 5% of your workforce in the following functional areas within the next 3 years?

### Sales Force



Total	South Africa
1268	50

### Technology

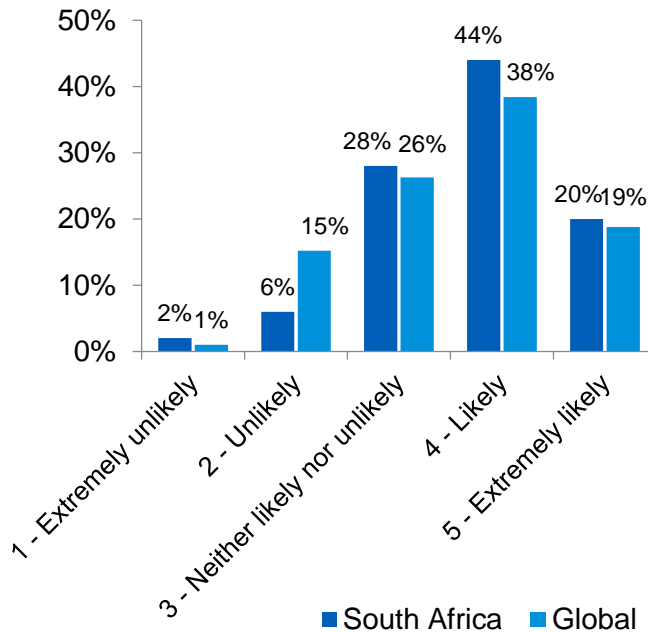


Total	South Africa
1268	50

# Culture/People

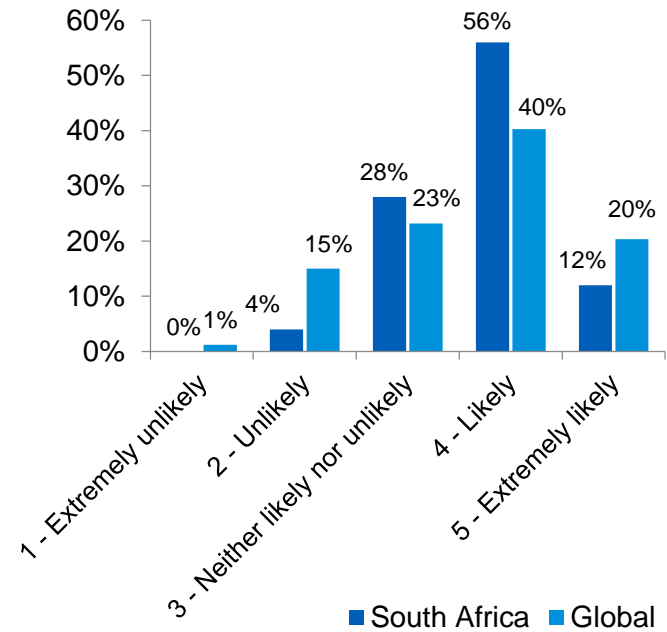
## 33. What is the likelihood that automation/machine learning will replace at least 5% of your workforce in the following functional areas within the next 3 years?

### Marketing



Total	South Africa
1268	50

### Engineering



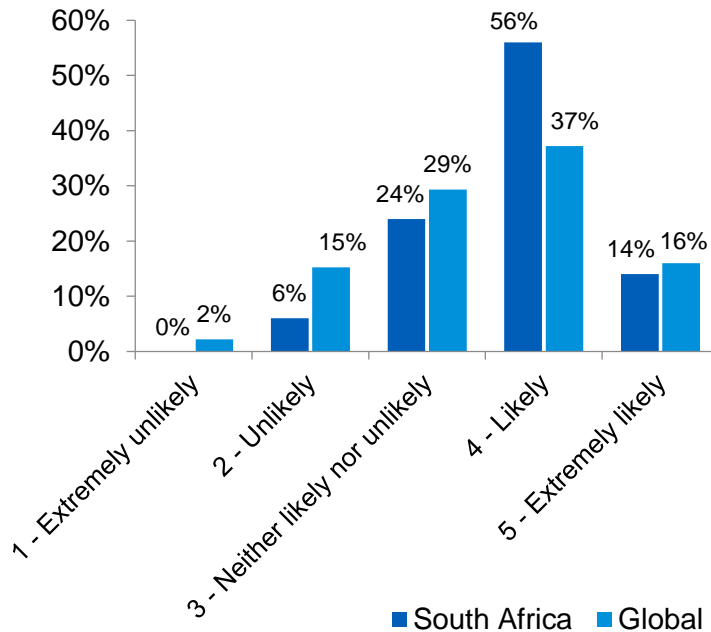
Total	South Africa
1268	50



# Culture/People

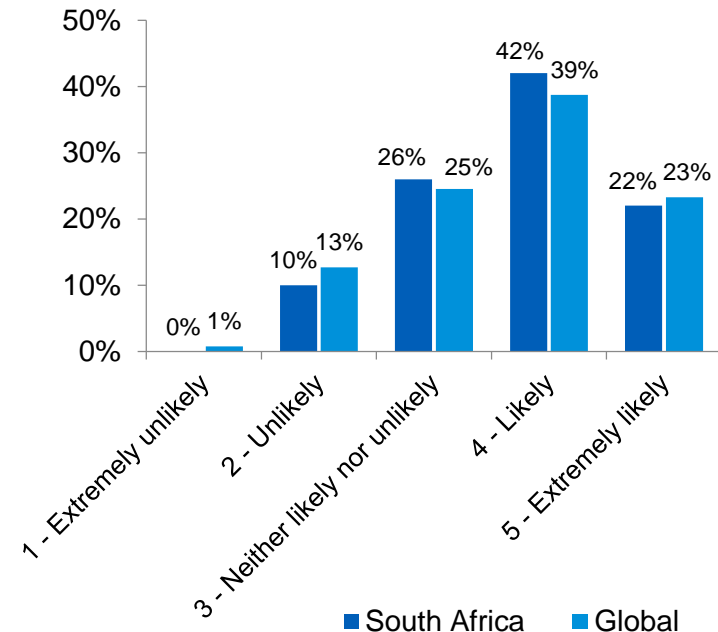
## 33. What is the likelihood that automation/machine learning will replace at least 5% of your workforce in the following functional areas within the next 3 years?

### Finance



Total	South Africa
1268	50

### Manufacturing/Operations

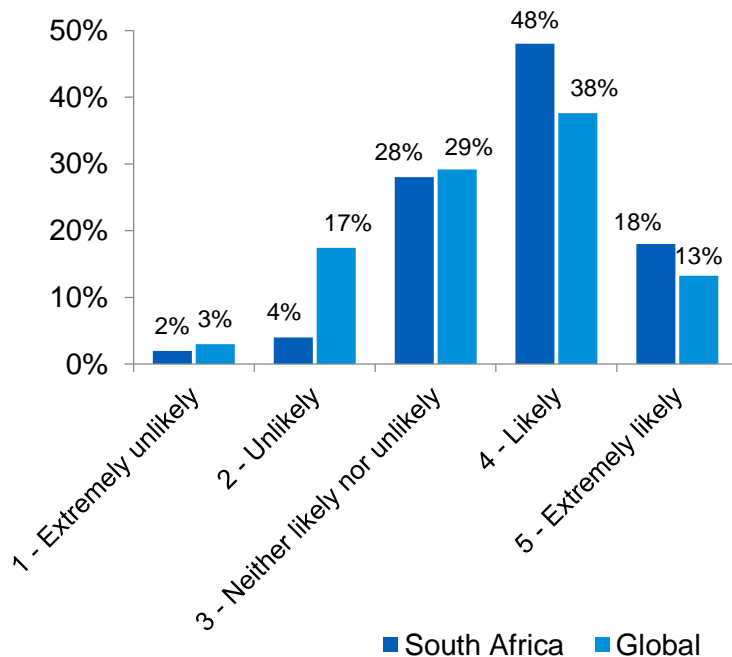


Total	South Africa
1268	50

# Culture/People

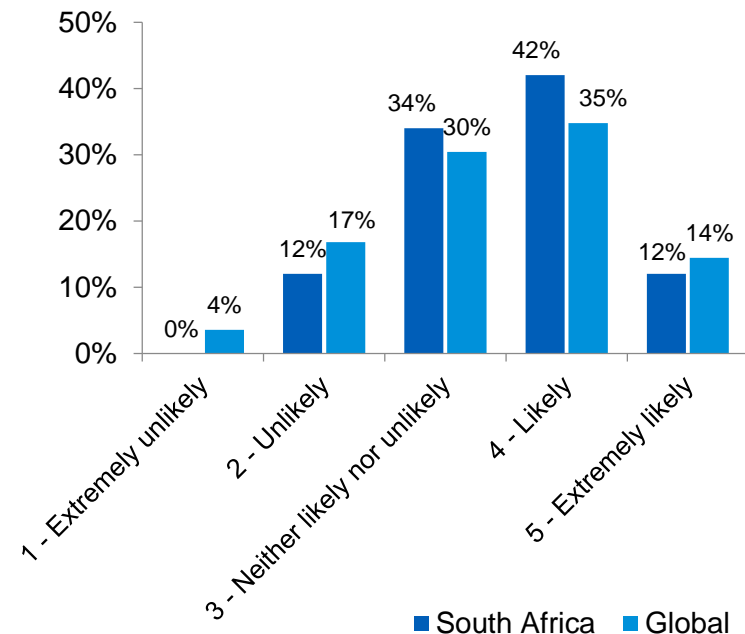
## 33. What is the likelihood that automation/machine learning will replace at least 5% of your workforce in the following functional areas within the next 3 years?

### Research & Development



Total	South Africa
1268	50

### Strategy



Total	South Africa
1268	50



# Pressing concerns for CEOs

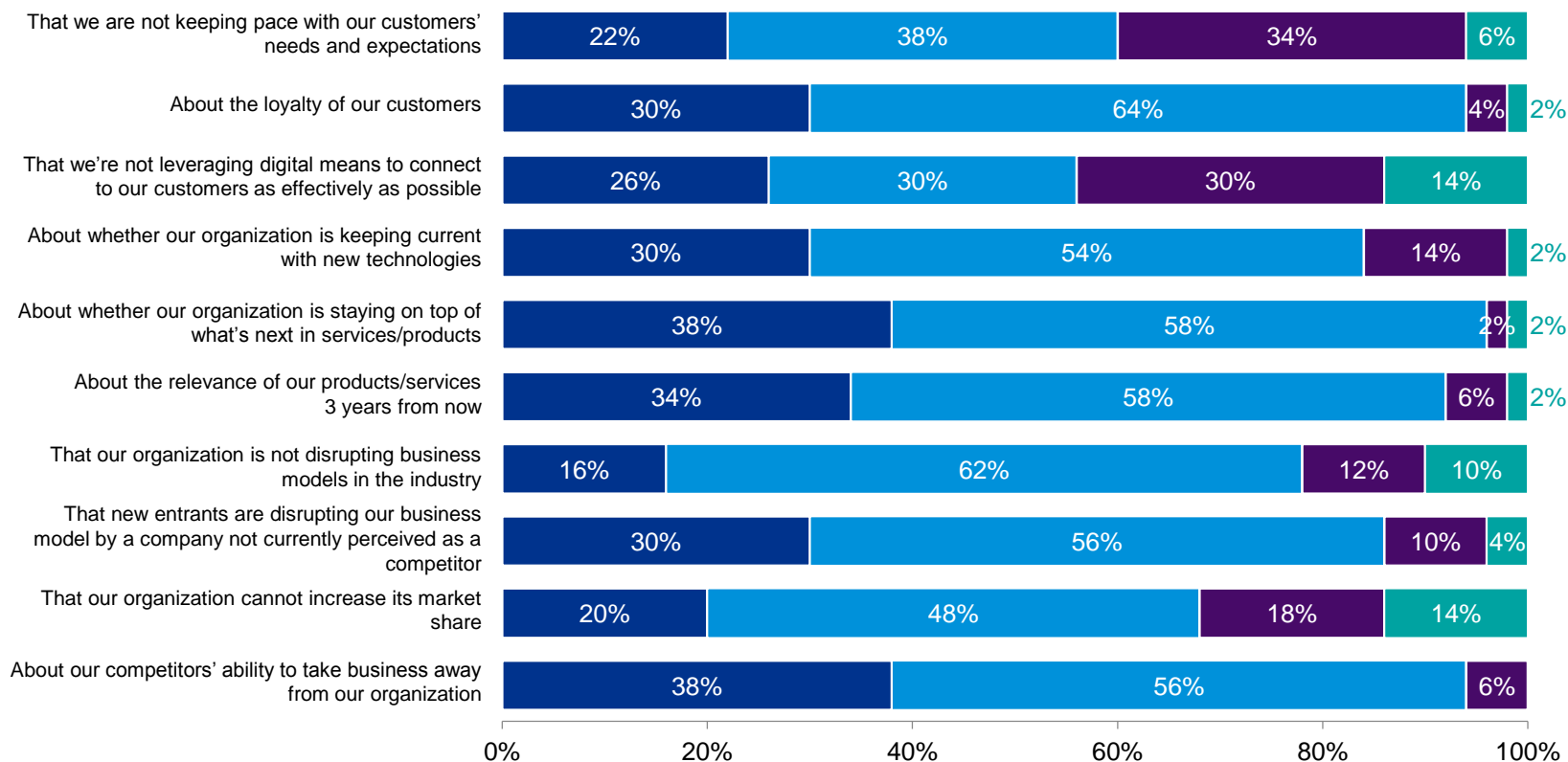
# Pressing concerns for CEOs

## 14. Please indicate your level of agreement with the following statements.

I am concerned...

**South Africa = 50**

■ Completely agree ■ Agree ■ Somewhat disagree ■ Do not agree ■ Not applicable



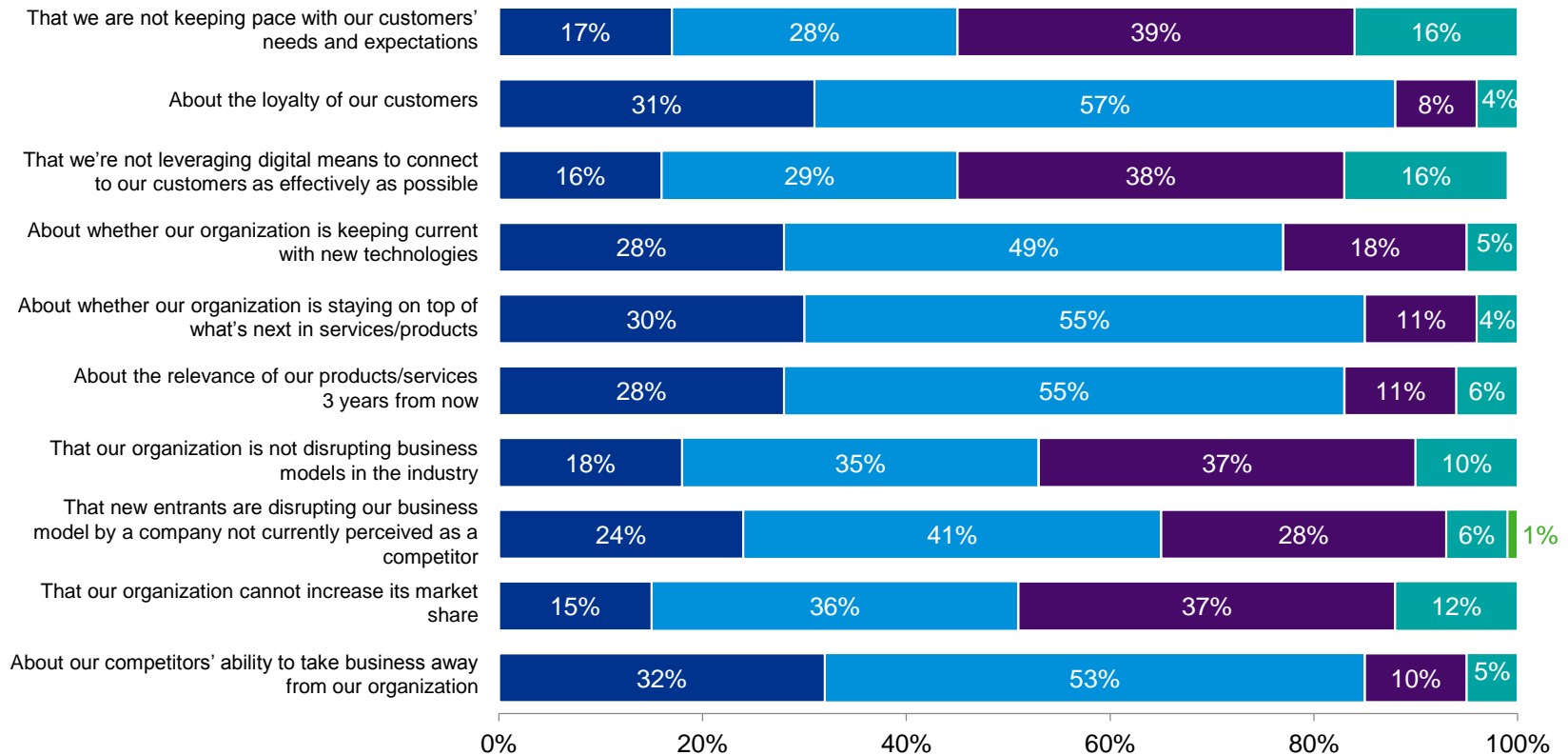
# Pressing concerns for CEOs

## 14. Please indicate your level of agreement with the following statements.

I am concerned...

Global = 1268

■ Completely agree ■ Agree ■ Somewhat disagree ■ Do not agree ■ Not applicable



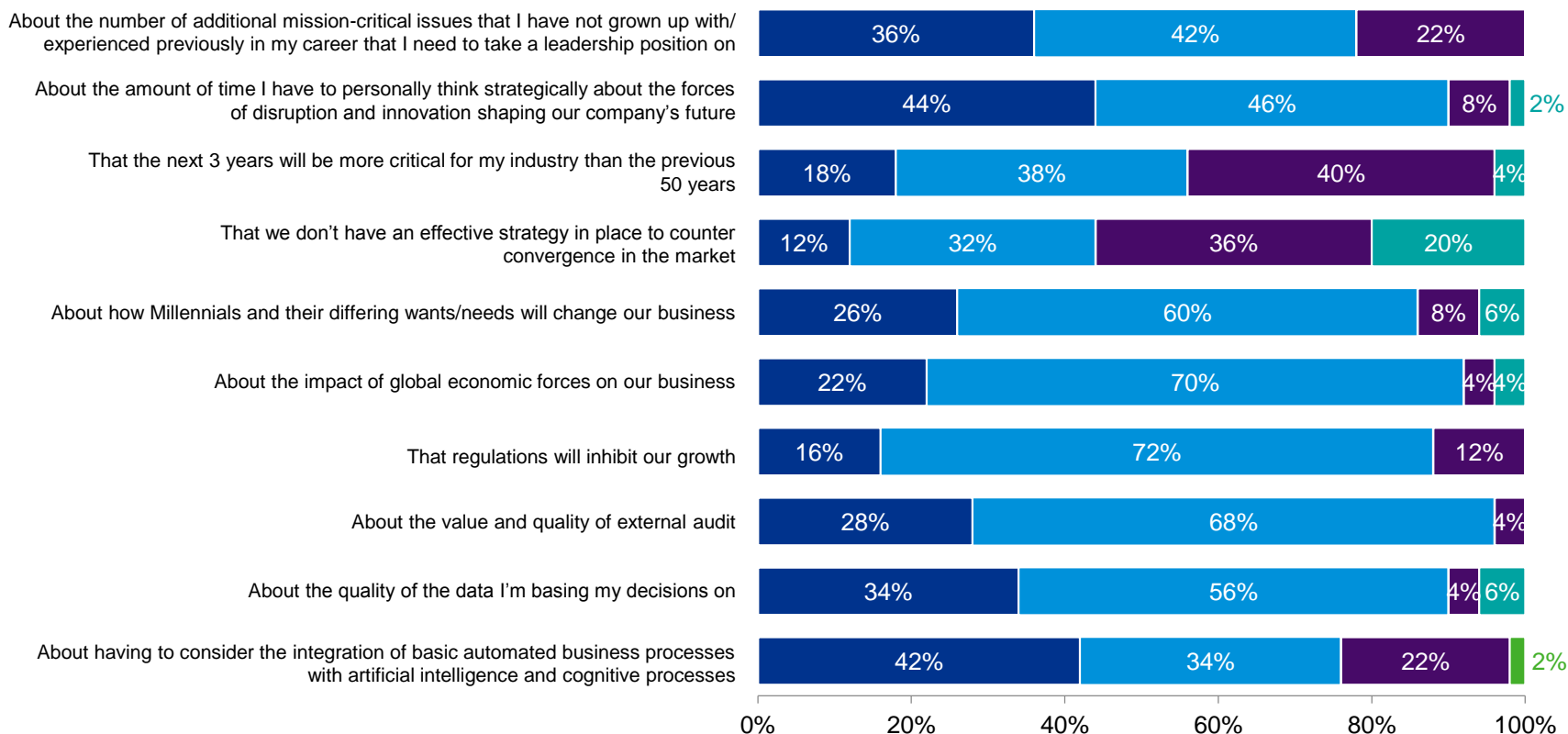
# Pressing concerns for CEOs

## 14. Please indicate your level of agreement with the following statements.

I am concerned...

**South Africa = 50**

■ Completely agree ■ Agree ■ Somewhat disagree ■ Do not agree ■ Not applicable



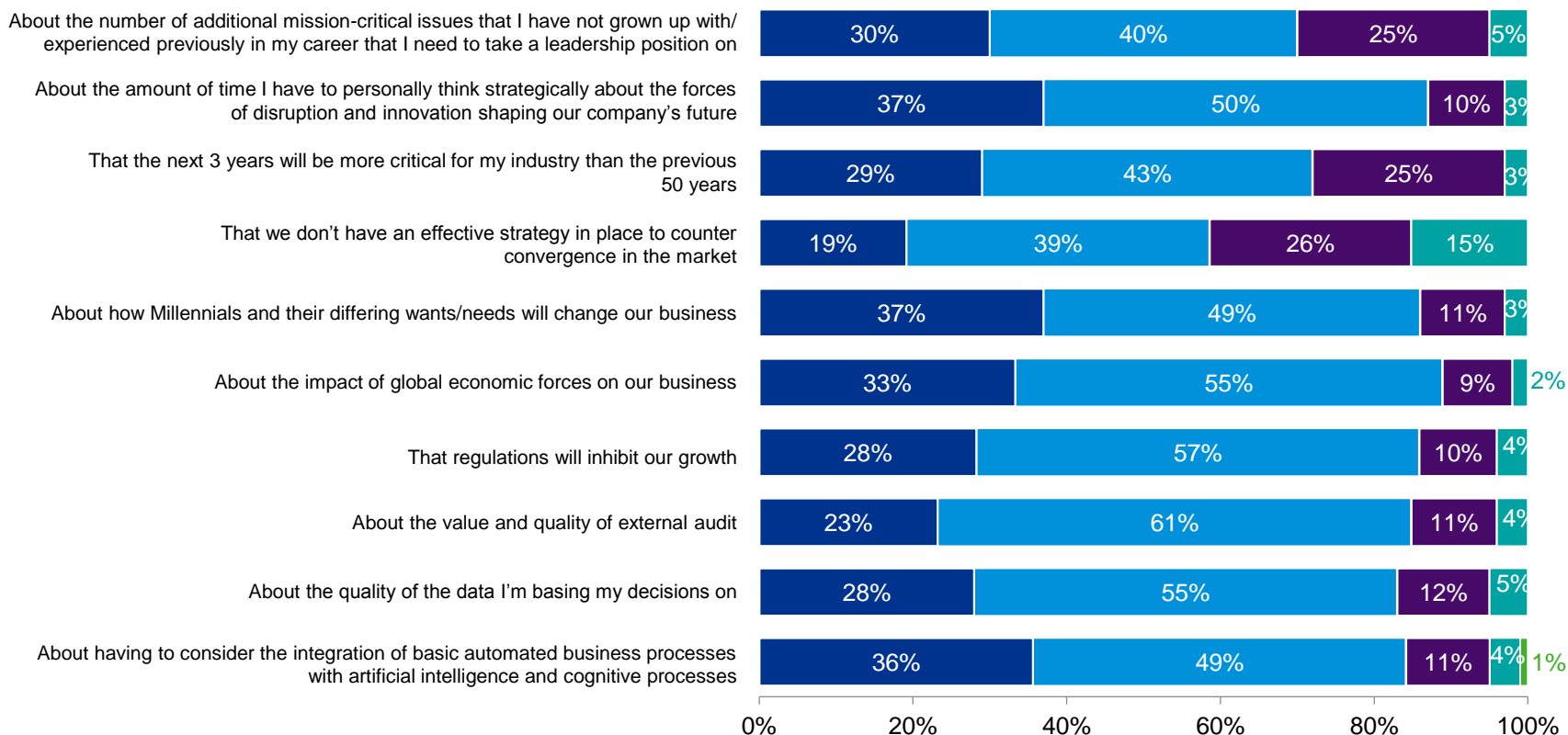
# Pressing concerns for CEOs

## 14. Please indicate your level of agreement with the following statements.

I am concerned...

Global = 1268

■ Completely agree ■ Agree ■ Somewhat disagree ■ Do not agree ■ Not applicable





[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



[kpmg.com/app](https://kpmg.com/app)



© 2016 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.