



Proceeding with Caution

2016 Views from the C-Suite

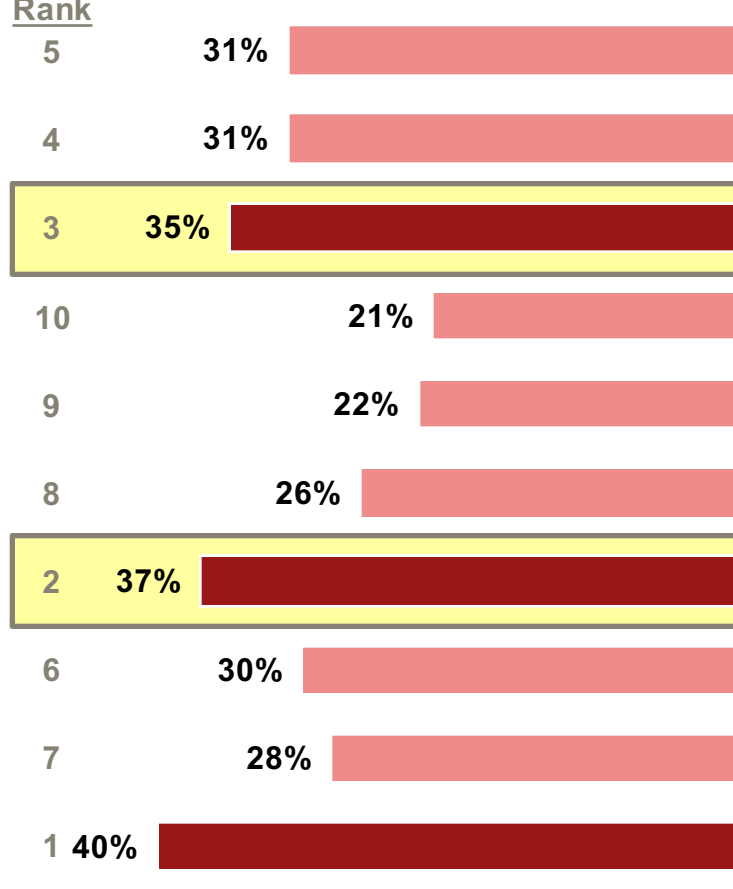
An Annual Survey of Global Business Executives

<https://www.atkearney.com/gbpc/views-from-the-c-suite>

Business operations issues top of mind for the global C-Suite are business model efficiency and adopting new technologies

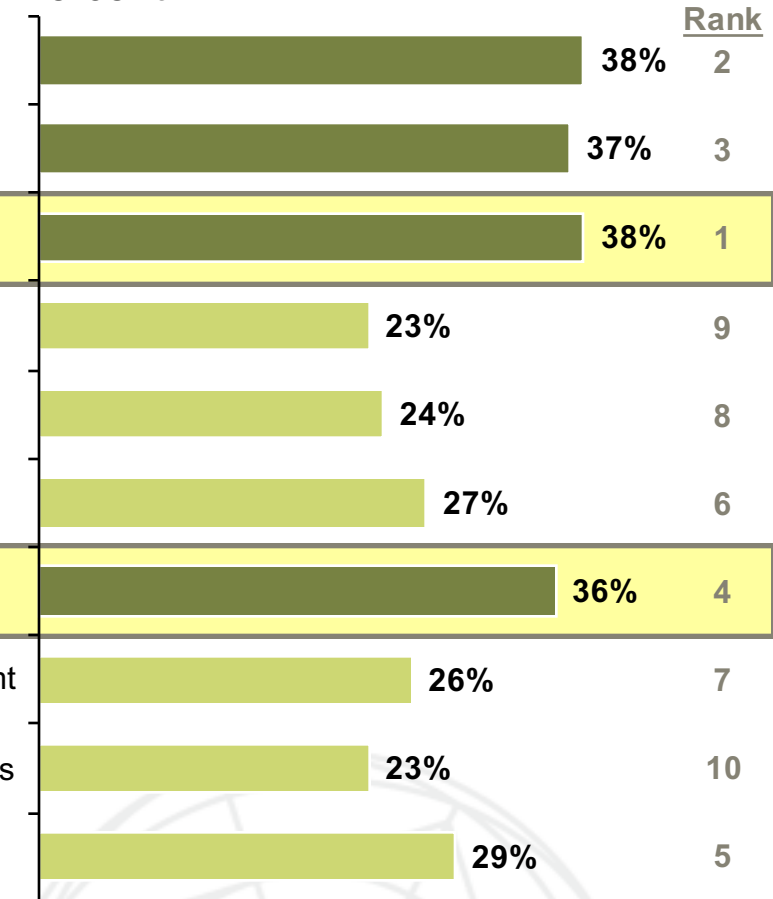
Challenges

Percent
Rank



Opportunities

Percent



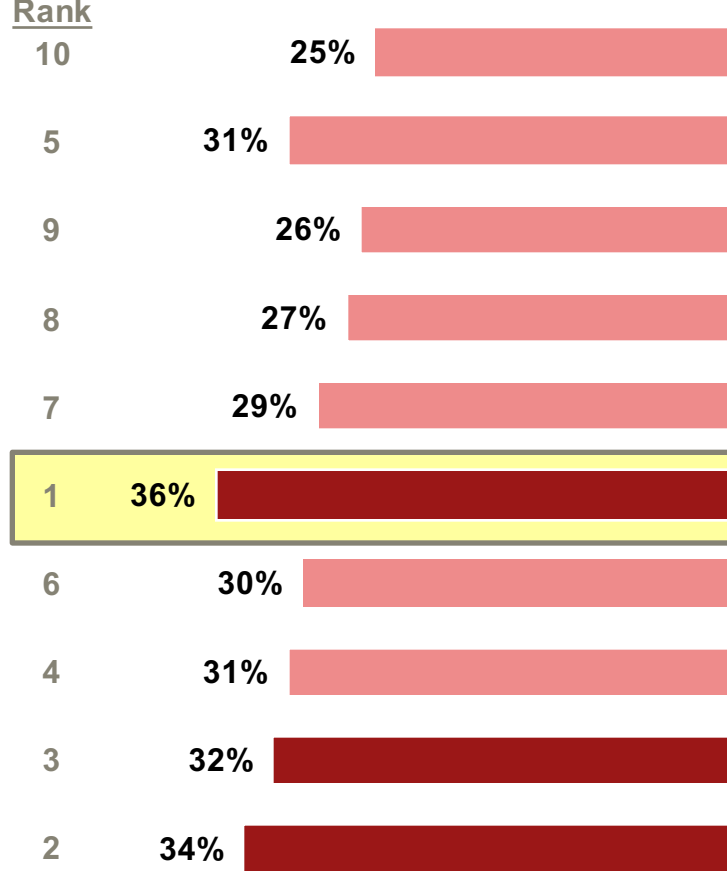
Note: Percentages represent executives who selected each topic as a top-three challenge or opportunity. Business operations topics are listed in declining order of the net assessment (opportunity – challenge). Darker shaded bars indicate a top-ranked challenge or opportunity.

Source: A.T. Kearney 2016 Views from the C-Suite

In the external environment, the cost and availability of capital is the issue that dominates the C-Suite agenda

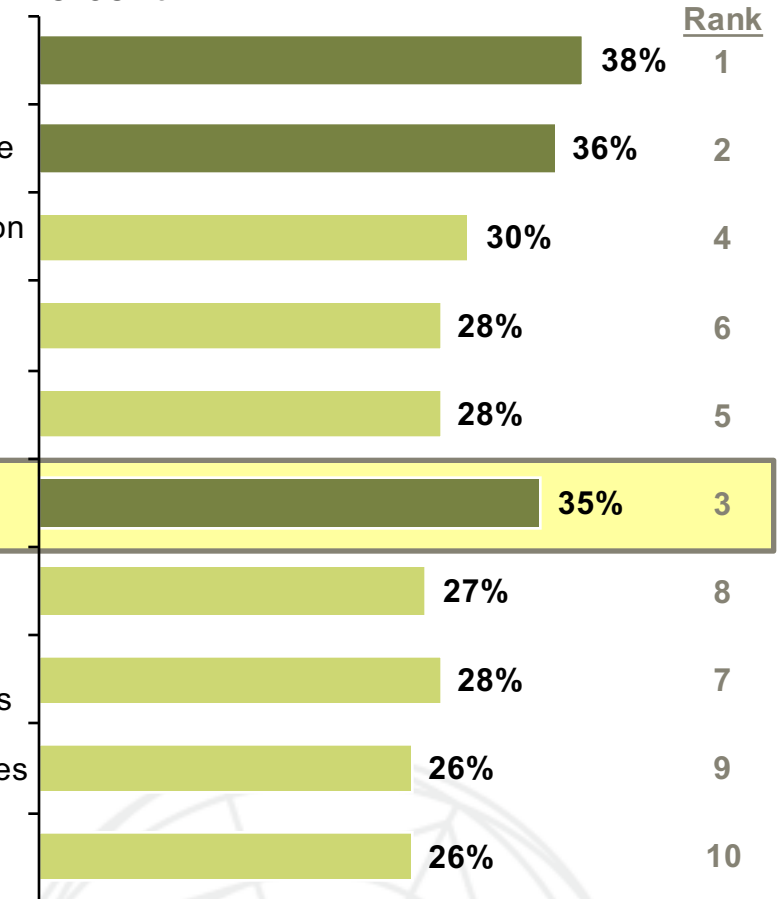
Challenges

Percent
Rank



Opportunities

Percent



Globalization
Competitive landscape
Technological disruption in industry
Availability & cost of natural resources
Geopolitical environment
Cost & availability of capital
Size & talent of the labor force
Changes in consumer preferences
Regulatory & tax policies
Macroeconomic performance

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Source: A.T. Kearney 2016 Views from the C-Suite

Technology dominates global C-Suite mindshare as a foremost opportunity and challenge



Cybersecurity

Rising cybersecurity risks is the **#1** business operations challenge, with executives most concerned about employee training, loss of business continuity due to attack, and weak cyber defense systems



Technology adoption

Technology adoption is the **#2** business operations challenge and the **#4** opportunity, and the same three technologies rise to the top in each category: **cloud computing, big data, and mobile**



Technological innovation

Successful innovation is the **#2** business operations opportunity, within which **42%** of executives identified technological innovation as a top opportunity

The ability to control costs is a critical source of differentiation for businesses

Improving business model efficiency is the top-ranked business operations opportunity, while declining business model efficiency ranks third on challenges

#1 business model opportunity
Reduced costs

#1 business model challenge
Rising costs

#1 External challenge
High cost/low availability of capital

The biggest **challenges** from capital:

- **39%** Inability to invest in internal projects
- **36%** Employee compensation and retention
- **30%** Inability to invest in R&D

#3 External opportunity
Low cost/high availability of capital

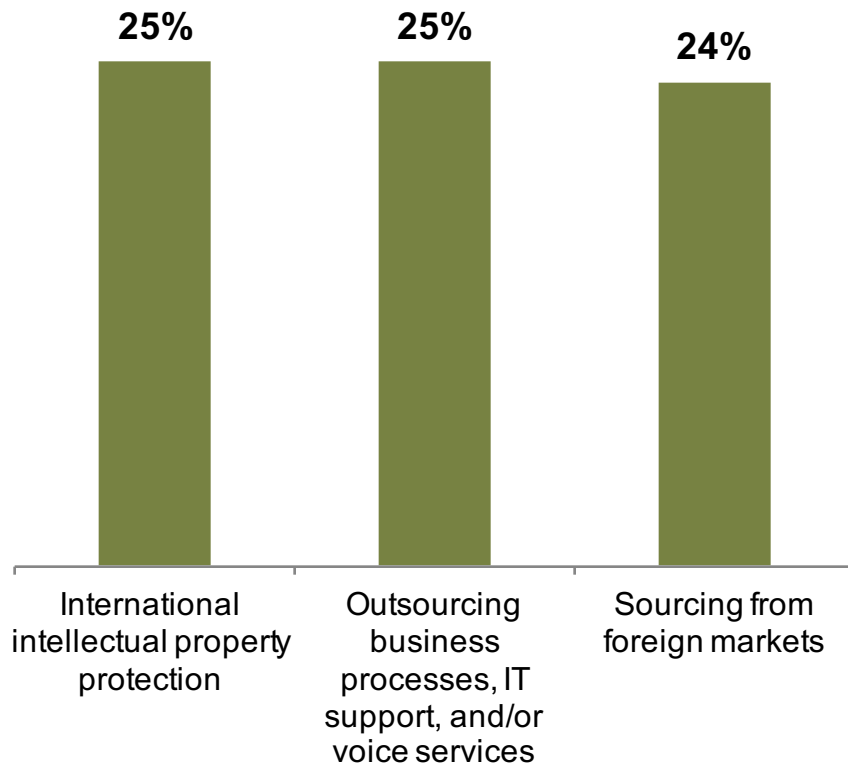
The biggest **opportunities** from capital:

- **39%** Invest in R&D
- **36%** Invest in new markets
- **30%** Increase marketing budget

The continued expansion of globalization is the top opportunity in the external environment

Top three opportunities within “Expanding globalization”

Percent



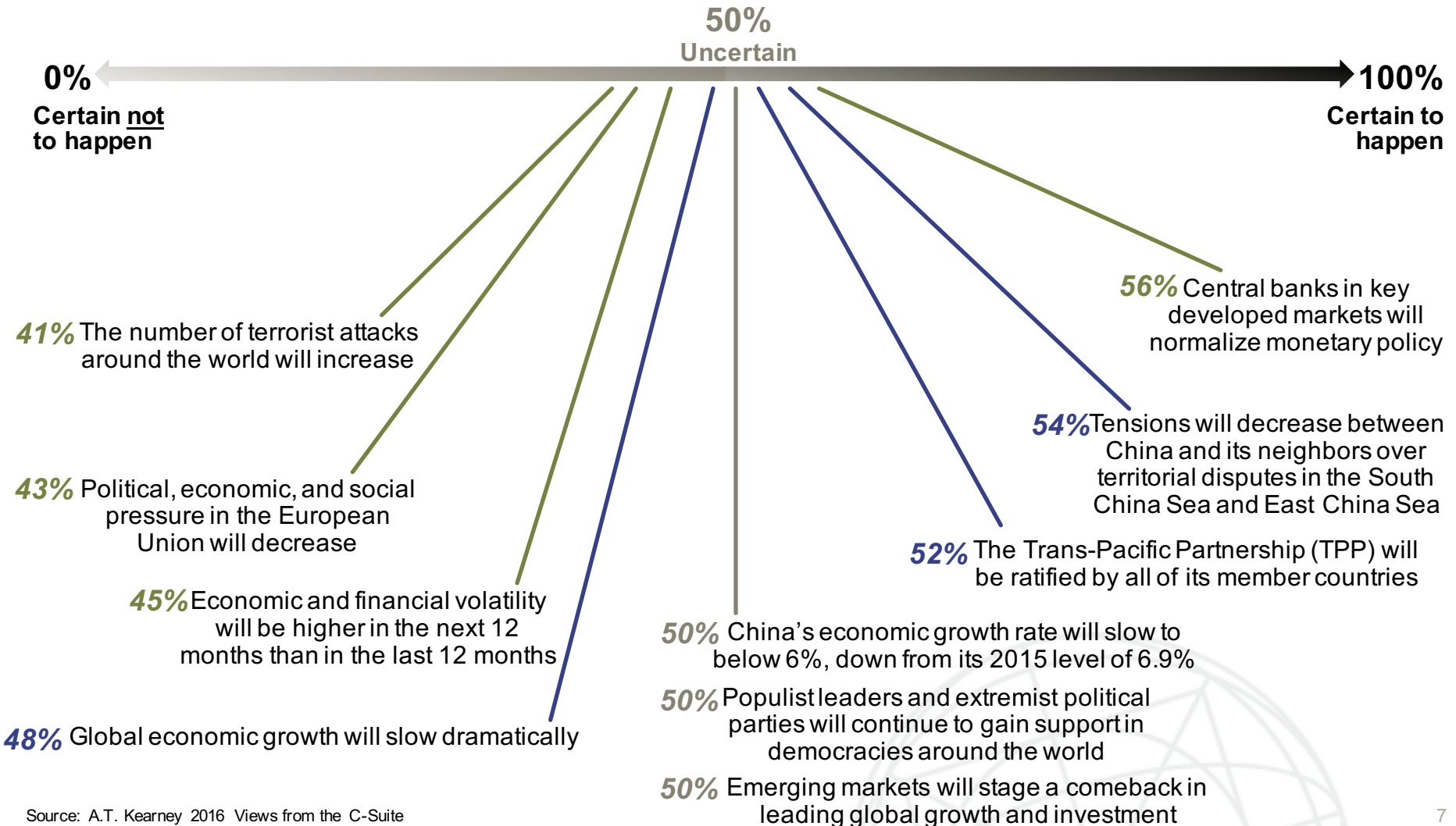
	Americas	Europe	Asia
1	Outsourcing business processes (32%)	Sourcing from foreign markets (35%)	International IP protection (32%)
2	International regulatory coordination (25%)	International IP protection (22%)	New trade agreements (30%)
3	International IP protection (21%)	International regulatory coordination (22%)	Selling into foreign markets (25%)

	Industry	Services	IT
1	Outsourcing business processes (33%)	International regulatory coordination (28%)	Outsourcing business processes (40%)
2	Sourcing from foreign markets (28%)	International IP protection (25%)	Sourcing from foreign markets (30%)
3	New investment agreements (22%)	New trade agreements (25%)	International IP protection (27%)

Note: Bolded text indicates a top opportunity for a region/sector that does not rise to the top three in the overall assessment.

Source: A.T. Kearney 2016 Views from the C-Suite

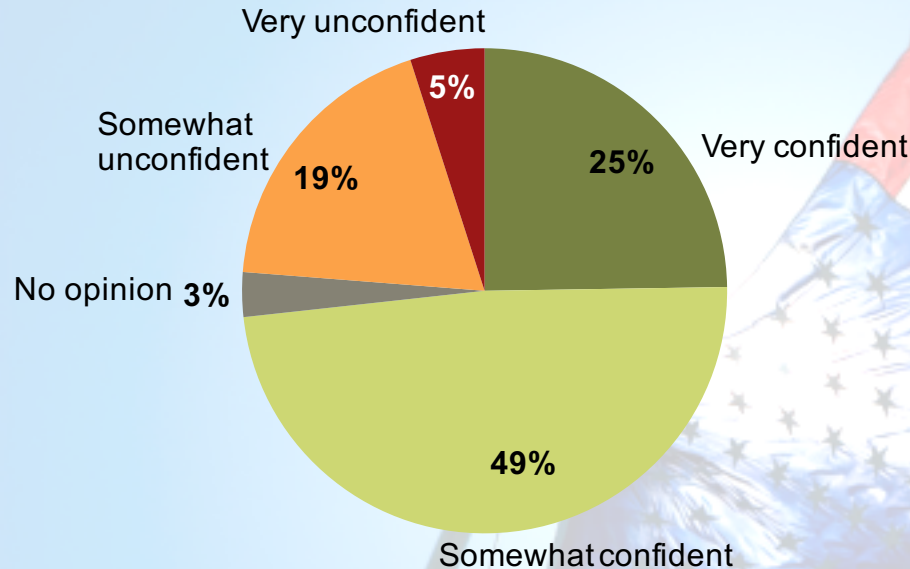
Global executives are very uncertain about the outlook for the global environment, but overall seem cautiously optimistic



America@250 spotlight: The global C-Suite is especially bullish on the future of the United States over the next decade

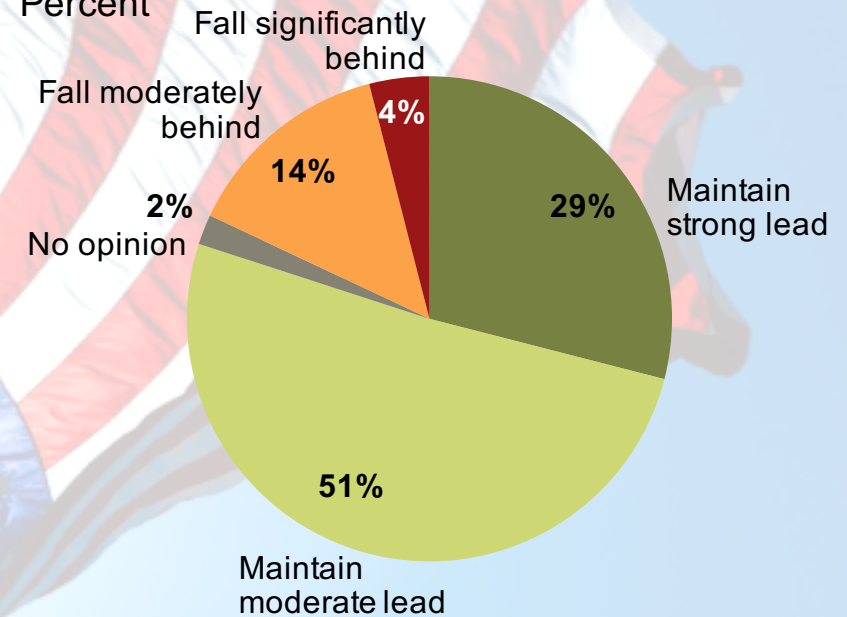
How confident are you that the United States will have a strong long-term economic trajectory over the next 10 years?

Percent



To what degree will the United States maintain its role as a global innovation leader relative to other key markets over the next 10 years?

Percent



There is a wildcard though: Fully 83% of executives believing the 2016 election will be important in determining US economic performance in the next 10 years

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Europe	Amsterdam Berlin Brussels Bucharest	Budapest Copenhagen Düsseldorf Frankfurt	Helsinki Istanbul Kiev Lisbon	Ljubljana London Madrid Milan	Moscow Munich Oslo Paris	Prague Rome Stockholm Stuttgart	Vienna Warsaw Zurich
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