

The CEO Imperative: Will bold strategies fuel market-leading growth? (PART 3)



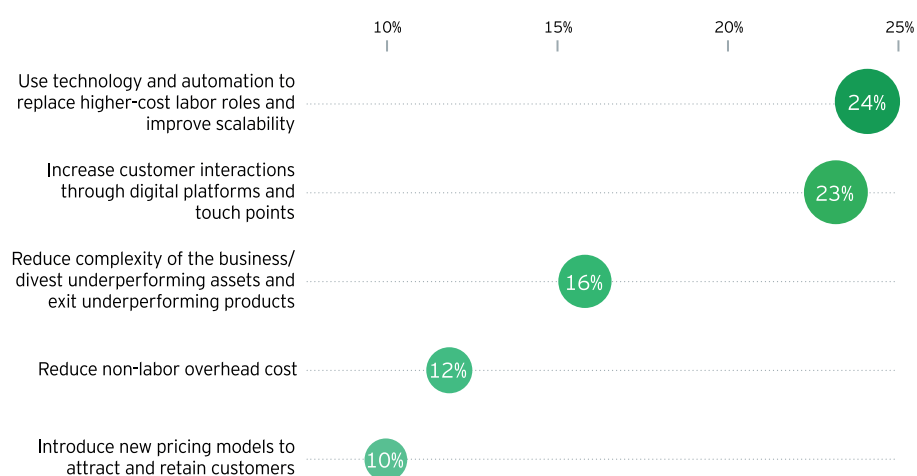
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New realities, new strategies: leading CEOs look beyond short-term pressures to invest in long-term value creation in 2022.

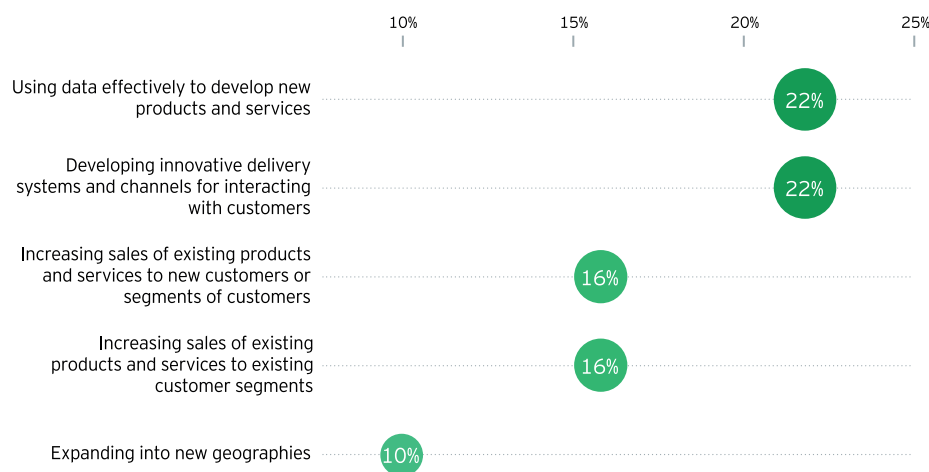
(CONTINUED FROM PREVIOUS EDITION)

What strategic drivers are you using to protect or improve profit margins?



Only showing the top five options
The respondents were allowed to select three responses in order of priority. The percentages are prorated to 100%.

How important are each of the following sources of growth likely to be for your company over the next five years?



Only showing the top five options
The respondents were allowed to select three responses in order of priority. The percentages are prorated to 100%.

CEOs need to address investor engagement as a fundamental part of long-term value creation strategies. And they need to infuse narratives with critical growth and innovation opportunities.

With the move in private capital to a longer-horizon view on investments, corporate CEOs should be mindful of a shifting competitive landscape and the downside of short-term thinking, especially when engaging potential investors.

Almost half of CEOs (47%) see technology as key to customer engagement and maintaining or improving margin. With inflationary labor costs representing a significant head wind, automation is prioritized as a solution.

Leading CEOs should feel emboldened to invest now and prioritize automation strategies aligned with critical business priorities to improve long-term impact on resources.

These technology investments can unlock new paths to growth and enable plans to overhaul customer engagement while developing new data-driven products and services.

Companies still often overlook the rich data at their disposal - the next big idea can be uncovered by analyzing this rich resource already within reach. Leveraged correctly, data can create commercial advantages in the market as well as enhance operational effectiveness and process improvement within the business.

Key CEO considerations in 2022

- ▶ Strategize for the long haul: Focus on efficiency and stronger stakeholder engagement - emphasizing long-term value over short-term wins.
- ▶ Mine your own treasure: Use customer data to help predict changing behaviors and define future strategies.
- ▶ Educate and engage: Refresh your narratives to engage investors and all internal and external stakeholders - articulate a positive vision and respond to concerns quickly.

With US\$5.5t of deals announced, it is by far the highest year on record. Will 2022 be another record year? Maybe, maybe not; either way, M&A will remain a fundamental growth driver in the CEO strategic toolkit. ■

(CONTINUED IN NEXT EDITION)

LEADING AFTER THE PANDEMIC

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CHAPTER 3

Transformational dealmaking remains high on the boardroom agenda

In 2021, M&A was the CEO accelerant of choice for strategic ambition - from buying innovation to fuel digital transformation to acquiring scarce talent, from reducing ESG risk profiles to entering new markets and services.

About EY

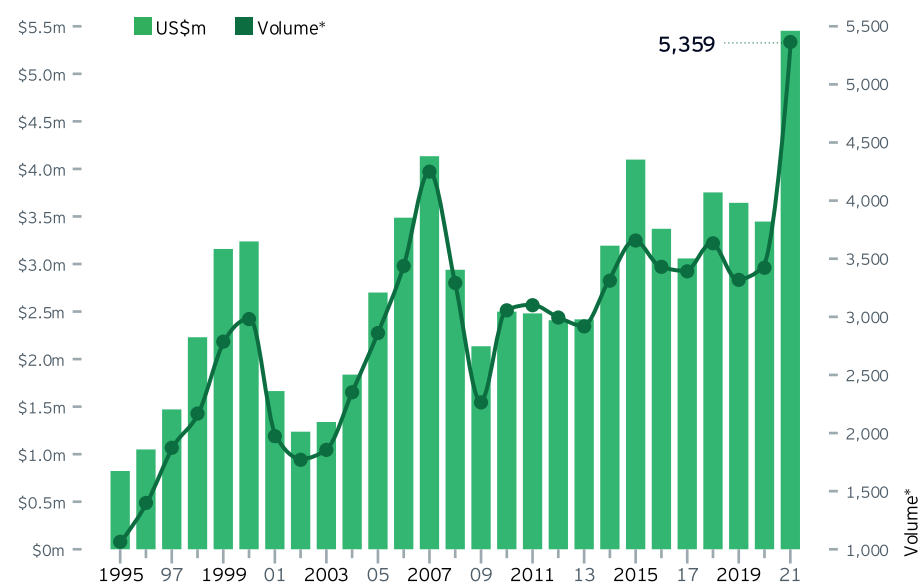
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Global M&A by year



Source: EY analysis and Dealogic
*Volume based on deals US\$100m plus