

# What matters most? Six priorities for CEOs in turbulent times

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If an executive had fallen asleep in 2019 and just woke up, she wouldn't recognize the business world of November 2022. The COVID-19 pandemic rewrote the rules, and now a new and potent disruption seems to arrive every other day. You know the list of issues; we won't go through them here. Suffice to say that managing complex organizations is much harder today than it was just a few years ago. And the hardest task of all for CEOs is to decide what needs to be done now and what can wait.

In short, what matters most today? Just as we did last year, we've spoken with hundreds of leaders this year and found six priorities that feature prominently on CEO agendas worldwide. They're the moves leaders are taking to shore up defenses and gain ground on rivals—which is very different from the purely defensive agenda that many companies are following.

Start with—what else? —resilience. No doubt, it's a corporate buzzword, but if you strip away all the extraneous baggage that the concept has collected, resilience is emerging as a vital "muscle" for companies operating in a world of endless volatility and disruption. The pandemic asked companies to move much faster. Now inflation seems to be here for the duration, thanks in large part to depleted supply chains, especially in energy. That's causing companies to deploy their newfound speed across all six dimensions of resilience: finance, operations, technology, organization, business model, and reputation. US companies are pursuing one path; European companies are responding slightly differently, as befits their circumstances. For CEOs, the overriding question today is: How resilient is your company?

A second priority centers on an old-fashioned virtue: courage. With lots of indicators flashing red, it's tempting for business leaders to pull back a bit, postpone some initiatives, and scale back on growth plans. Tempting, but wrong (for most companies). The best leaders and companies are ambidextrous: prudent about managing the downside while courageously pursuing the upside. These leaders are thinking about the next decade, not the next month. Many are spurring their organizations to rethink opportunities and reset the strategic gameboard in light of the current volatility. As one CEO said, "I don't want to benchmark our performance to the industry—I want to reinvent the industry."

Going for greatness within a company's industry is one thing. Venturing into an entirely different sector is another, more complicated story—one that today's leading CEOs are

writing. More than half of top executives consider business building a top three priority. How do they do it? They begin by setting the bar very high (think unicorns), and then they protect the new business from business as usual. The most fertile ground for new-business building is green technologies; our research has identified 11 such businesses whose collective value could be \$12 trillion in a few years. To claim a leading position in these value pools, CEOs need to remember that, in these capital-constrained times, they have an edge that start-ups do not: they can endow new businesses with the assets needed for success.

Building a new business inevitably means new and better technology, CEOs' fourth priority. That's especially true when going after new green business opportunities. It's true for all the non tech companies that are making the shift to put software at the heart of their business. And it's also true for all the companies seeking to get maximum value from their digital transformation. But that's just the start; technology is always evolving, offering new opportunities to CEOs looking to transform their business. For inspiration, take a look at the top tech trends we've identified, working with 100 of the world's leading experts. Which of these trends will your company use to gain an edge? Find the right ones, then follow the path that hundreds of unicorns have established to build a successful digital business.

What a difference a year makes: the road to net-zero emissions, our fifth CEO priority, has taken a most unexpected turn. Only last November at COP26 (2021 United Nations Climate Change Conference), business leaders' pledges to target nearly 90 percent of CO2 emissions for reduction signaled that the private sector was truly engaged for the first time. Then major new headwinds began swirling—surging inflation, war in Europe, energy insecurity, and a potential global recession. These are the most serious challenges in at least a generation, many leaders have told us. But there's some surprisingly good news: the goals of sustainability, economic competitiveness, affordability, and national security dovetail as never before. It's up to the CEO to adapt, mitigate, and knit these concepts into a vehicle that goes from zero to net zero; the how-to can be found [here](#).

The people needed to make all the foregoing happen are never far from the minds of leading CEOs. The sixth priority we've heard is that leaders need to reengage employees. In recent years, the contract with workers has become a little too transactional for anyone's liking—we pay you, you show up, see you tomorrow. In the wake (we hope) of the COVID-19 pandemic, CEOs need to find a new plan of engagement. Getting the hybrid work model right is one dimension. But a requirement to spend two days in the office, say, is going to get old really fast without some new incentives. CEOs need to think hard about the office of the future, a place where workers want to be—to see friends, riff on new ideas, and find enough meaning in their work to get them through the next week of pallid video calls. Do these things well, and you'll find your retention problems are eased.