

Gartner Survey: Most CEOs Anticipate an Economic Boom Over the Next Two Years

More CEOs anticipate an economic boom (60%) rather than stagnation (40%) in 2021 and 2022, according to a recent survey of CEOs and senior executives by Gartner, Inc., a research and advisory company. Most respondents (35%) anticipate returning to or exceeding 2019 revenue levels as early as this year.

More than half of the respondents identified growth as their primary focus, followed by technological change and corporate action.

The annual Gartner 2021 CEO Survey was conducted between July 2020 to December 2020 among 465 actively employed CEOs and other senior business executives in North America, EMEA and APAC across different industries, revenue and company sizes.

CEOs Prioritize Digital

Technology-related change was the second-highest priority for CEOs. When asked about their organization's top five strategic business priorities for the next two years, respondents gave answers in their own words. CEOs' responses increasingly included the simple word "digital," cited by one in five CEOs in this year's survey. The digital capabilities category was also the only category in which CEOs intended to increase investment in 2021.

When it comes to specific technologies, CEOs see artificial intelligence (AI) as the most industry-impactful technology. Over 30% of respondents said that quantum computing will be highly relevant to their long-range business plans but are still not quite sure how.

Blockchain, 5G, AI and quantum computing are at the forefront of an emerging economic race between the U.S. and China, with one-third of CEOs believing that evolving trade disputes between the two nations over these technologies are a significant concern for their businesses.

Expect a Wave of Mergers and Acquisitions

Within CEOs' third strategic business priority of "corporate action," mergers and acquisitions were the most mentioned item, rising 75% year over year. This shows that CEOs and senior executives seeking advantage from a cyclical downturn are going shopping for structural inorganic growth.

There was a significant reduction in mentions of "sales revenue" within the growth priority category and a significant increase in mentions of "new markets" across different industries and company sizes, suggesting that CEOs are finding it hard to obtain simple incremental sales revenue growth using the strategies that have served them well in the past.

CEOs Acknowledge Societal Impacts on Business

Over 80% of CEOs expect enduring societal behavior change arising from the pandemic, such as a permanent shift to hybrid work. Shifts in customer behavior are expected as well: The biggest concern among CEOs is that customer demand will be constrained, particularly in industries such as travel, and that consumers and chief financial officers (CFOs) alike will hold back on related expenditures.

As key matters of sustainability and social justice rise to the foreground of public consciousness in many countries, 39% of CEOs said that taking an active social justice stance is good for business and that their

employees are mostly of one mind. This leaves 61% who are tentative around such subjects – the majority are still not confident and comfortable navigating the business through this area of change. In addition, nearly half of CEOs (45%) said climate change mitigation is having a significant impact on their businesses.