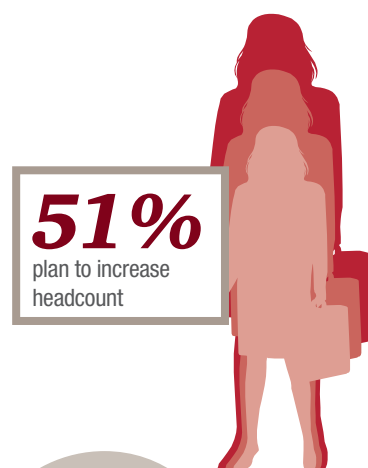
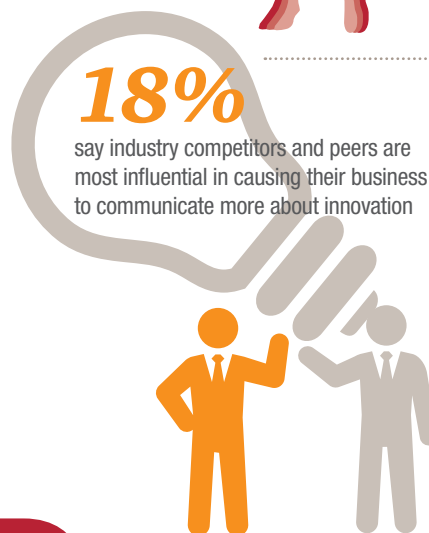


PwC's 2016 Annual New Zealand CEO Survey

Key findings – what New Zealand CEOs are telling us



Australia is a key growth market, followed by China



New alliances will be made...

57% will enter into a new joint venture or strategic alliance



Some New Zealand CEOs are looking to end existing strategic alliances or joint ventures this year

30%

of New Zealand CEOs say they are making significant change in how they partner and who they partner with, in response to changing stakeholder expectations



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Although New Zealand CEOs are slightly less optimistic than their global peers that the world economy will improve (23% versus 27%), they are more optimistic about their own revenue growth this year with 40 per cent saying they are very confident (versus 35% globally) about growth prospects. However, 66 per cent say there are more business threats than three years ago, and 55 per cent say there are more opportunities.



Developing capabilities amid uncertainty

With the speed of change and extremities in the marketplace, today's CEOs face a business environment that's becoming increasingly complicated to navigate. Globally, CEOs are experiencing a higher concern over political and social threats to business growth – geopolitical uncertainty, social instability and policy threats – than New Zealand CEOs, who are more concerned with micro business threats, such as their own cyber security and readiness to respond to a crisis. To equip themselves for these challenges, CEOs are focusing on three core capabilities: addressing greater stakeholder expectations; harnessing talent, innovation and technology; and defining new metrics for success beyond the bottom line.

57%

of New Zealand CEOs say businesses should be doing more to communicate the impact and value of their business strategy to wider stakeholders

Defining new metrics for success

While technology and digitisation have enabled organisations to measure a wide range of impacts, ultimately, it's the goals of the organisation that should drive this measurement and communication to stakeholders. In New Zealand, chief executives say businesses should be doing more to measure and value key risks (40%) and environmental impact (40%) for wider stakeholders. The fact that 40 per cent of New Zealand CEOs are also making major changes (and 55% making some changes) to how they manage brand, marketing and communications is a testament to the increasing awareness organisations have of these challenges.

32%

of New Zealand CEOs strongly agree that business success in the 21st century will be defined by more than financial profit

The opportunities and threats of technology

This year's findings suggest that chief executives are still concerned about the speed of technological change, but are perhaps gaining confidence – except in the area of cyber security. While 70 per cent of New Zealand respondents still view the speed of technology change as a business threat, it has dropped from the second-highest threat last year to now rank fifth. In the meantime, cyber security is now the second-highest threat (up from third last year) with 77 per cent of respondents citing it as a concern (up from 66% last year).

72%

of New Zealand CEOs say data and analytics is one of the connecting technologies that generates the greatest return in terms of engagement with wider stakeholders

For more information, please visit pwc.co.nz/ceosurvey