



VISTAGE

Leading
in Challenging Times

Decision Factors 2020: Climb to Recovery for CEOs

Presented by Joe Galvin, Chief Research Officer, Vistage
@joegalvin

Anne Petrik, Sr. Director of Research, Vistage
@AnnePetrik



The Power of Perspective



Intrepid



May 29, 1862
Battle of 7 Pines
Richmond, VA



KH-11 Spy Satellite

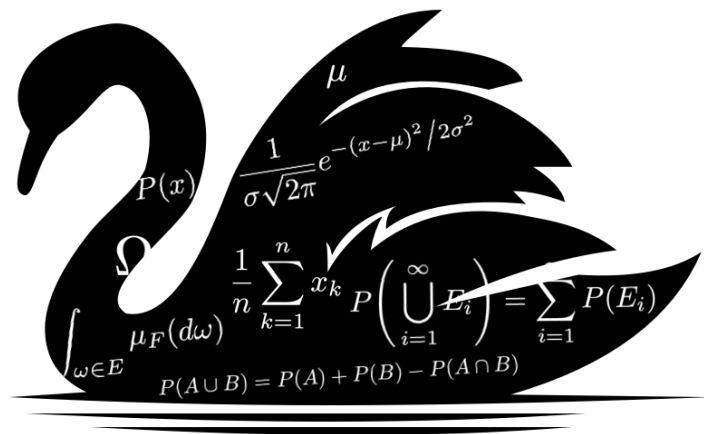
Vistage Research



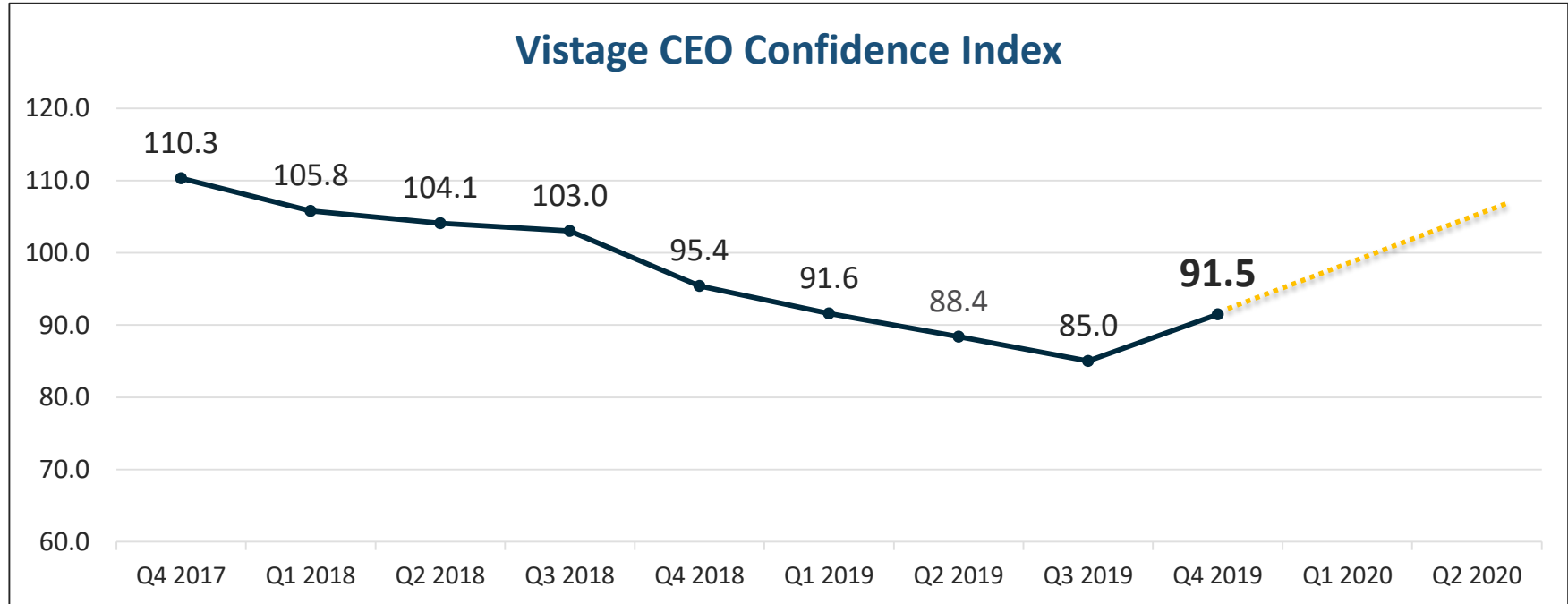
The SMB CEO's most trusted resource for research, data and expert perspectives on the issues, topics and decisions of
Business Optimization and Leadership Enhancement

CORONAVIRUS

“A rare bird in the lands and very much like a black swan” – Juvenal 127 AD



In early 2020, confidence was projected to climb



The Slowdown is Slowing

*...prepare for prosperity**

Key Decisions in 2020

Vistage CEO projections

Major Investments

Technology

CEO

Mo

...time, plan for growth

Move to Trash

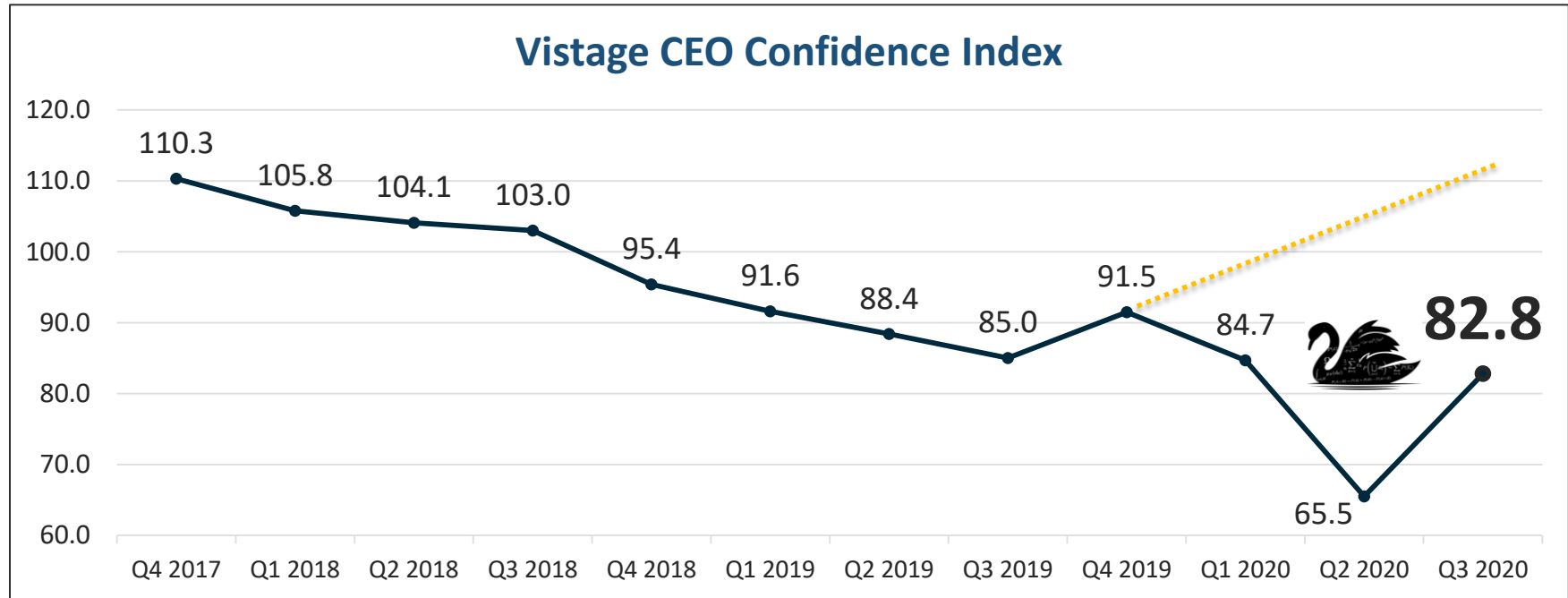


9 Vistage CEO
Confidence Index

CEO Projections
2020



CEO confidence rebounds after plummeting in Q2





Decision Factors 2020: Climb to Recovery for CEOs

Realizing a new reality

VISTAGE

Research Center

Research & Insights

Explore by category:

Leadership

Talent Management

Customer Engagement

Business Operations

Financials

Personal Development



ECONOMIC / FUTURE TRENDS

The future of work in America [new report]

The COVID-19 pandemic brought a radical change to the business world: Corporate offices emptied out, and at-home offices emerged. Daily, stressful commutes during long morning and evening rush hours dissolved, and worker productiv...



Anne Petrik

November 16, 2020



TALENT MANAGEMENT

An employers' guide to accommodating working families



Anne Petrik

September 1, 2020

RISK MANAGEMENT

Cyber risk exposes your weakest link: the remote worker



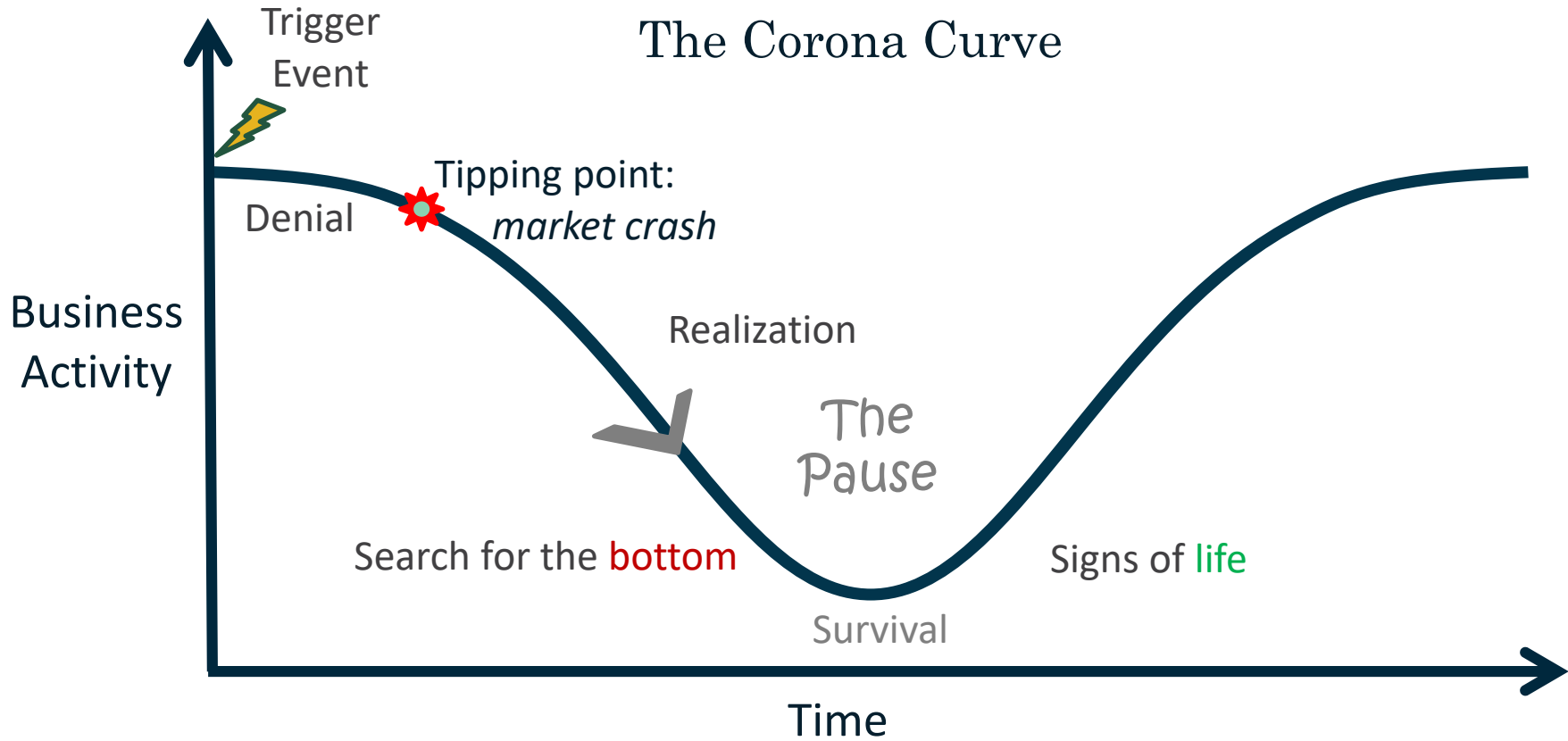
Joe Galvin

November 10, 2020

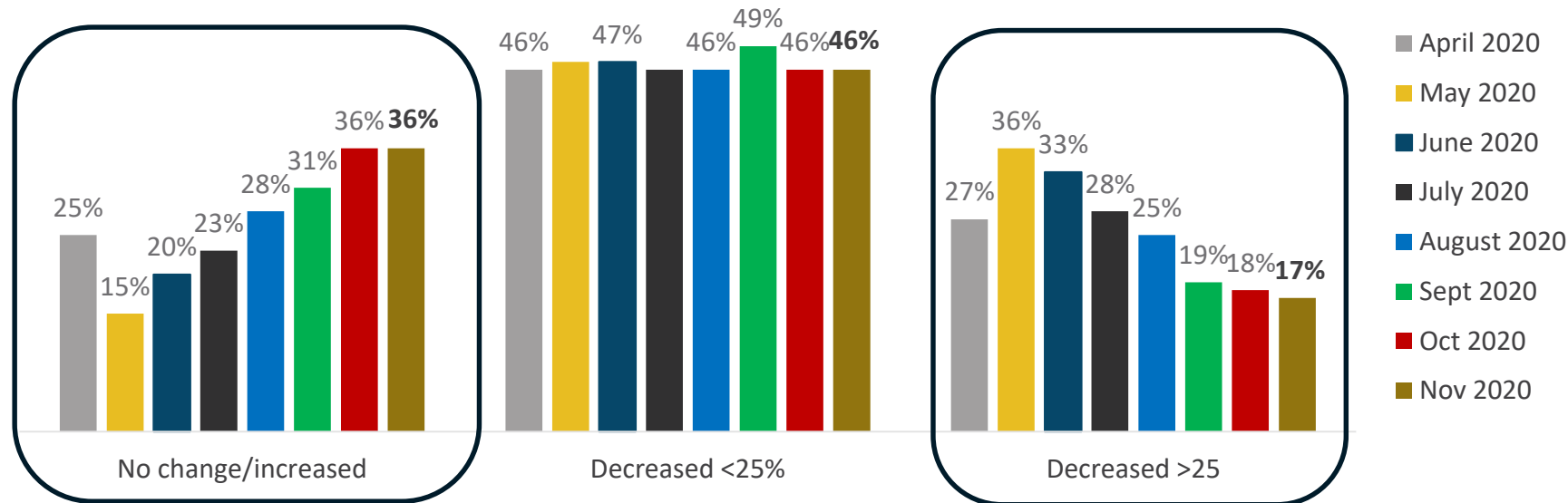
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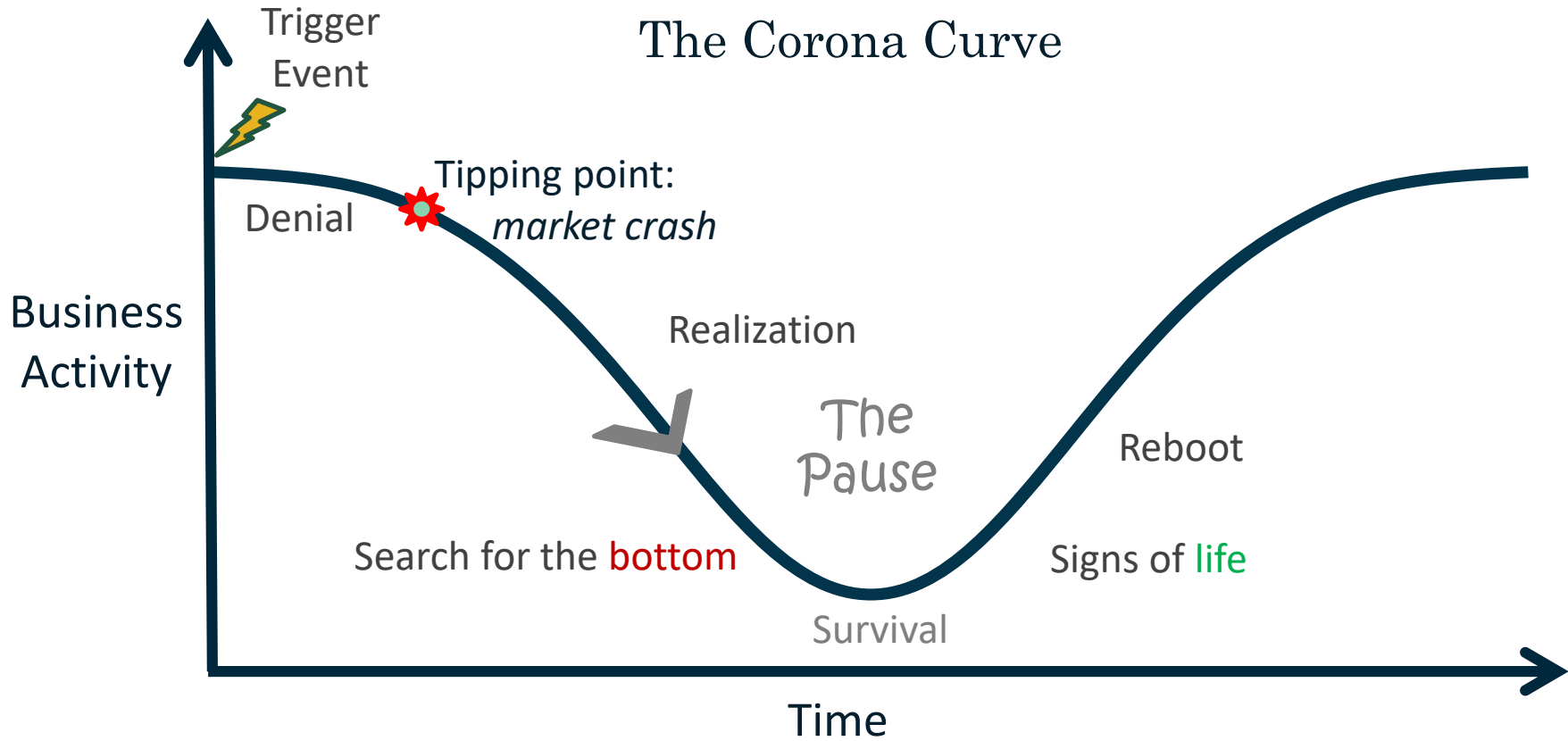
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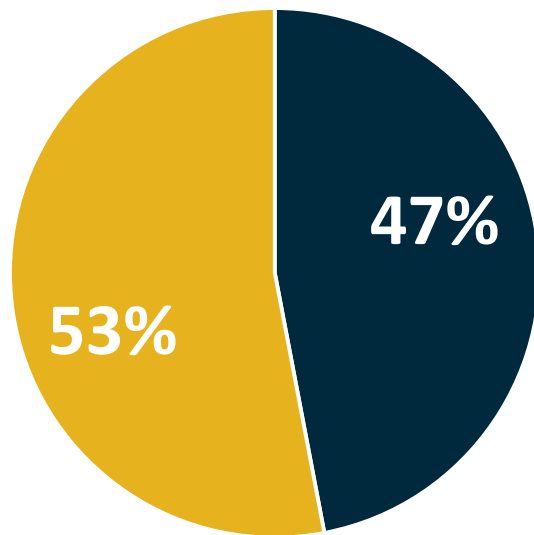
To what degree have your revenues been impacted by the coronavirus pandemic?



Source: Vistage CEO Confidence Index April – November 2020

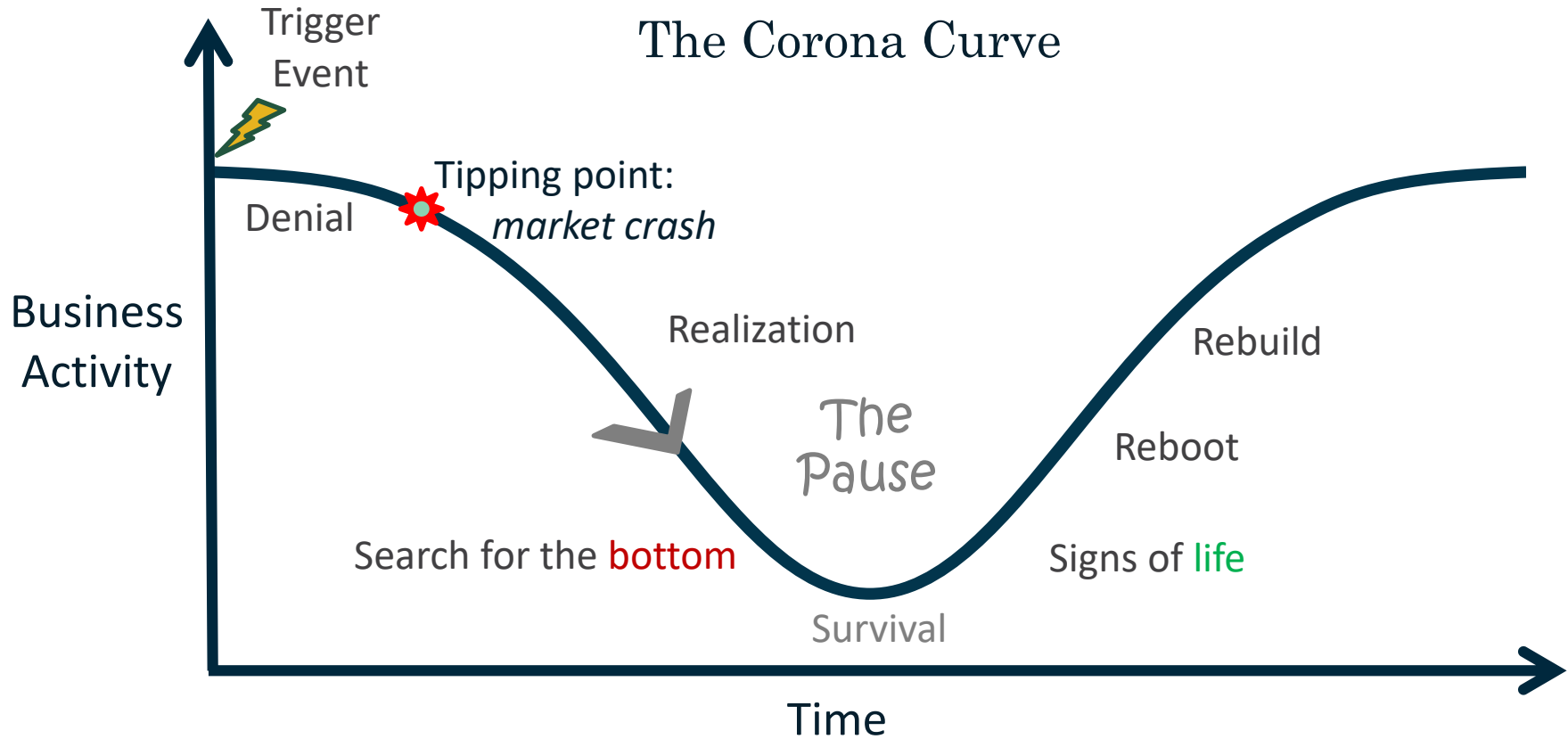


Have you made any changes in the products or services you offer as a result of the pandemic?

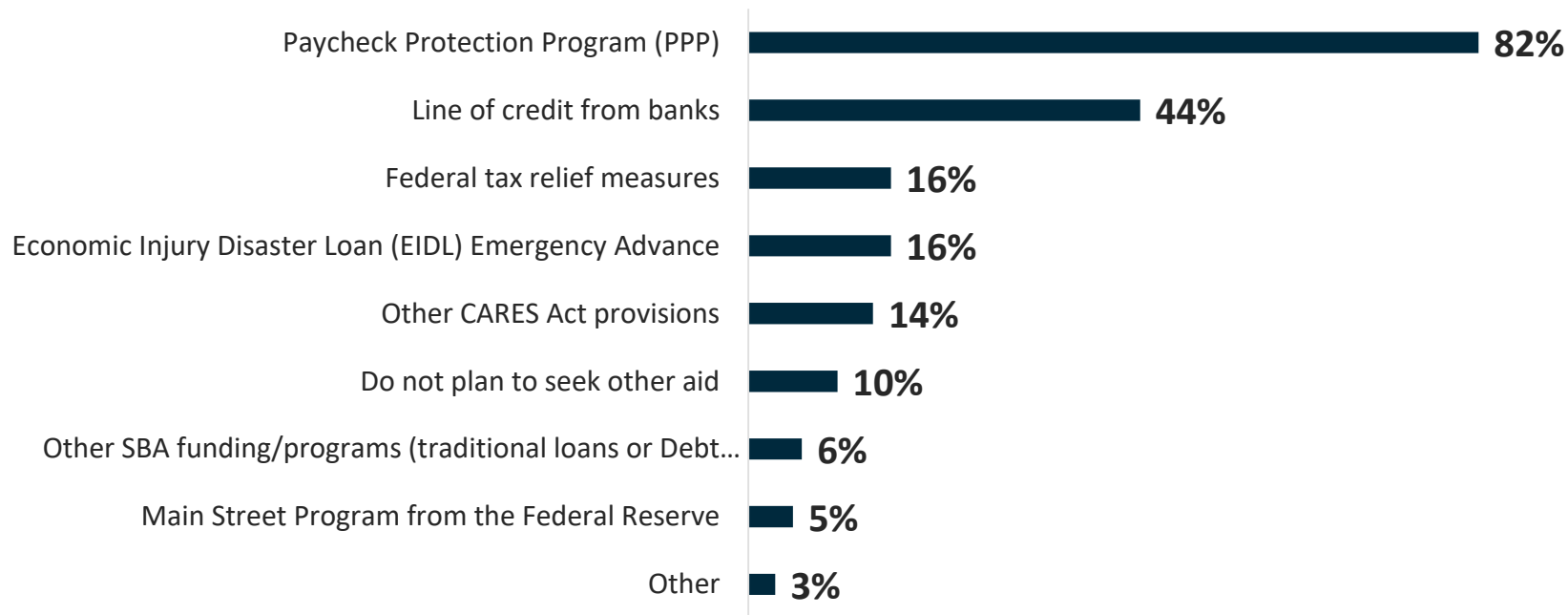


Added new products or services that will sustain long term growth	49%
Pivoted temporarily to produce products and services to meeting customer's/community's short term needs (i.e. face masks, PPE)	29%
Temporarily reduced products or services offered due to decreased demands	11%
Permanently reduced products and services offered due to diminished ROI	2%
Other	11%

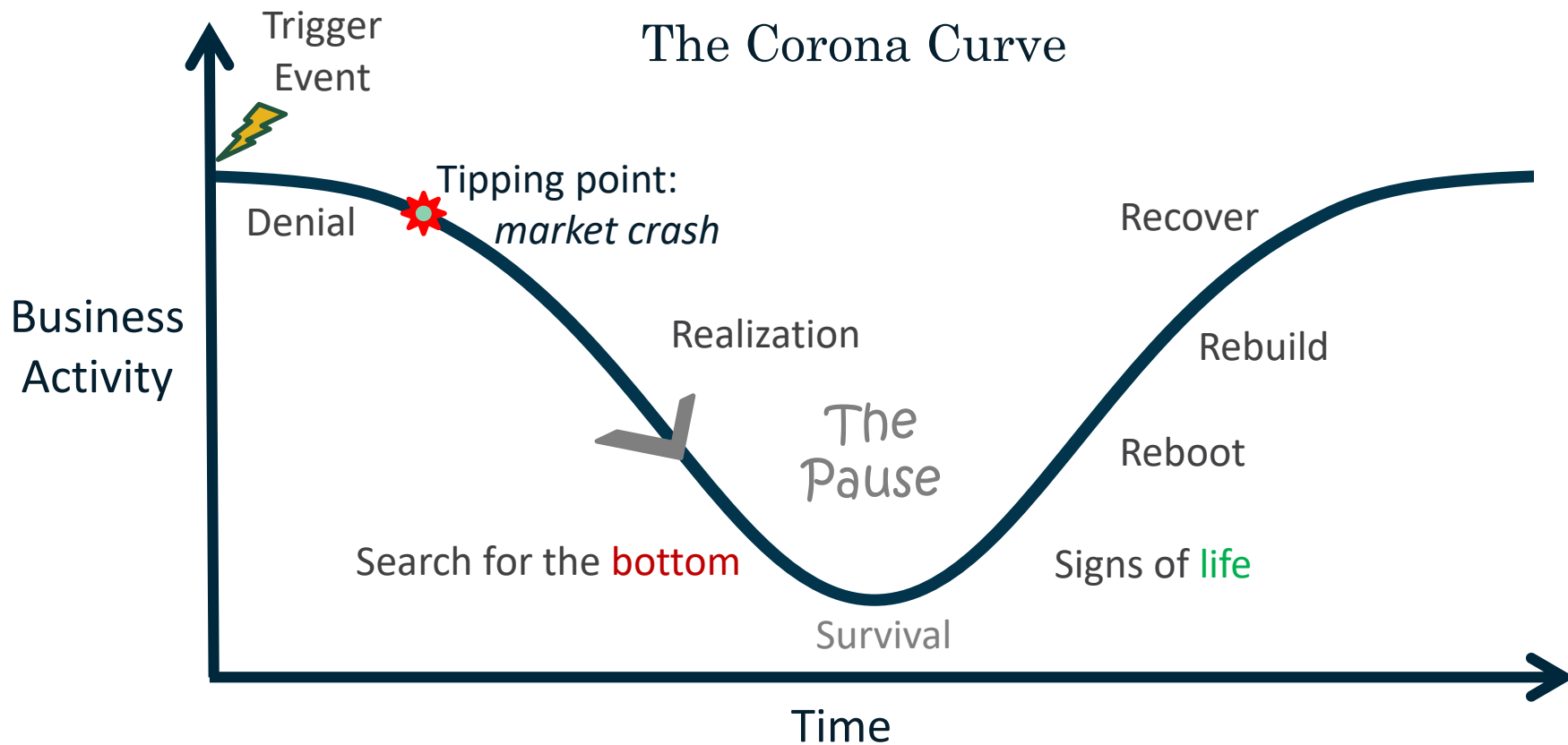
Source: May Vistage CEO Confidence Index survey n=1,489



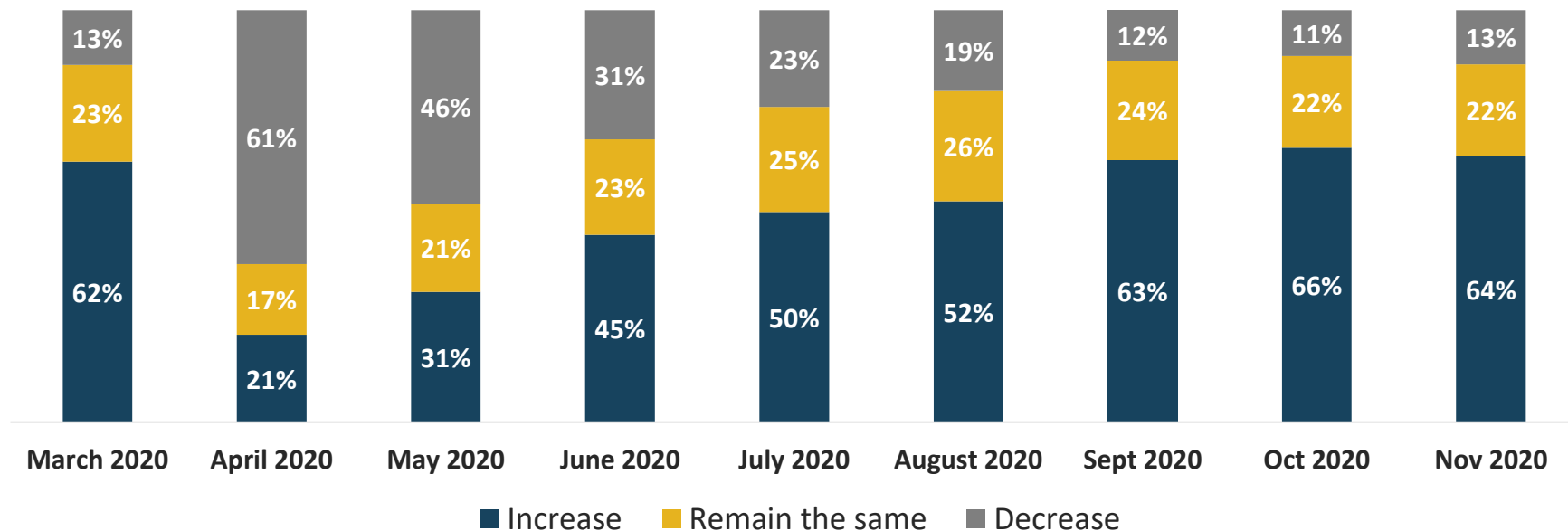
What programs have you - or do you plan to - leverage for your business?



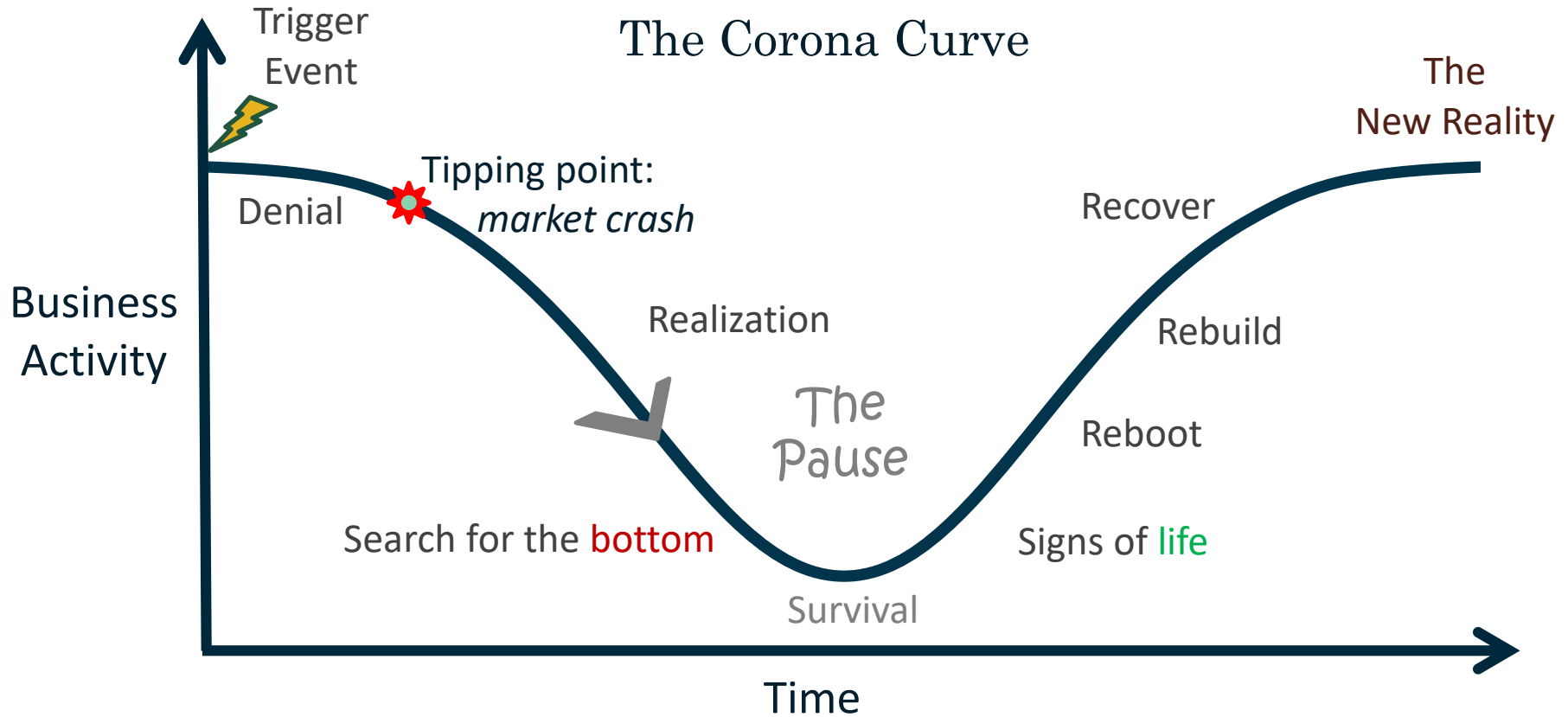
Source: May 2020 Vistage CEO Confidence Index n=1,489



Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?



Source: Vistage CEO Confidence Index April – November 2020



Fundamental changes

Work from Home

...the Genie is out of the bottle

Technology Adoption and Utilization

...15 years of behavior change in 30 days





“We saw 15 years of behavior change in 30 days.”

Joe Galvin

Whether it's introducing a new technology initiative or a major shift in culture, the most challenging aspect of any business transformation initiative is human behavior. Humans' reluctance to change always drags down transformation. Often, this reluctance comes from fears of the unknown or losses in job status.

What's remarkable is how much the COVID-19 crisis has reduced that resistance. Over 30 days, from March to April, we saw 15 years of human behavior change.

This is true in both personal and professional contexts. Our acceptance and use of technology for digital collaboration, entertainment streaming, touchless payments and food delivery has accelerated as quickly as our individual technology skills have improved. Our acceptance of doing things differently — because we have to — has accelerated technology adoption. Technology has allowed much of our lives and businesses to continue in ways that would not have been possible 15 years ago.

Consider these transformations:

Work from home: The genie is out of the bottle on working from home. According to our April survey, 91.8% of CEOs implemented some form of work-from-home solution during the crisis.

Advances in collaboration applications such as Slack, Zoom and GoToMeeting, combined with the astonishing performance of internet infrastructure, have made distributed workforces possible. The forced march to digital collaboration has broken down both generational and emotional barriers to this work style. Work from home was already high on the list of preferences for the emerging workforce. It will now become part of everyday life for knowledge workers.

Tele-everything: Practicing social distancing has accelerated tele-capabilities in healthcare, education, business and more.

- Tele-medicine has enabled doctors to care for a large number of patients, digitally. While not eliminating in-person care, tele-medicine offers a more efficient alternative to traditional medical care.
- Online education has kept students learning and connected to their colleges, universities and schools while physical buildings remain closed. Many professors and students have already adapted well to digital classrooms.
- Food delivery has ramped up. Beyond ordering takeout, people are placing orders with farms, grocery stores and local restaurants more than ever before.
- Tele-business has, in some cases, replaced the need for physical office spaces. Combined with the work-from-home reality, office workspace requirements have changed.

Major reduction in business travel: Business travel plummeted in March and April, and it may never return to pre-crisis levels. As businesspeople have learned to connect and communicate digitally, they have also realized that digital communications are just as effective as face-to-face relationships when blended with occasional human contact. Businesses may reconsider how often they schedule face-to-face meetings and may choose to leverage technology for more customer interactions.

No-touch transactions: ATMs, airline check-in terminals and other service tools that use “touch” interfaces will be replaced by a purely digital experience. Apple Pay, QR codes and Bluetooth will eventually eliminate the need to touch anything, minimizing potential exposure. Cash will become obsolete in advanced economies. Credit cards will be replaced and physical tickets of every type will be done digitally, all managed from a “smarter” phone.

Digital transformation: The rapid adoption and utilization of technology will energize digital transformation efforts. As businesses begin to reboot, rebuild and recover, initiatives to digitally transform how business is done will further accelerate, driven by employees' behavioral changes and newfound flexibility. Lessons learned in the crisis will form the foundation for business change. In turn, this will fuel demand for the 5G network and digital infrastructure to satisfy our ever-greater thirst for bandwidth.

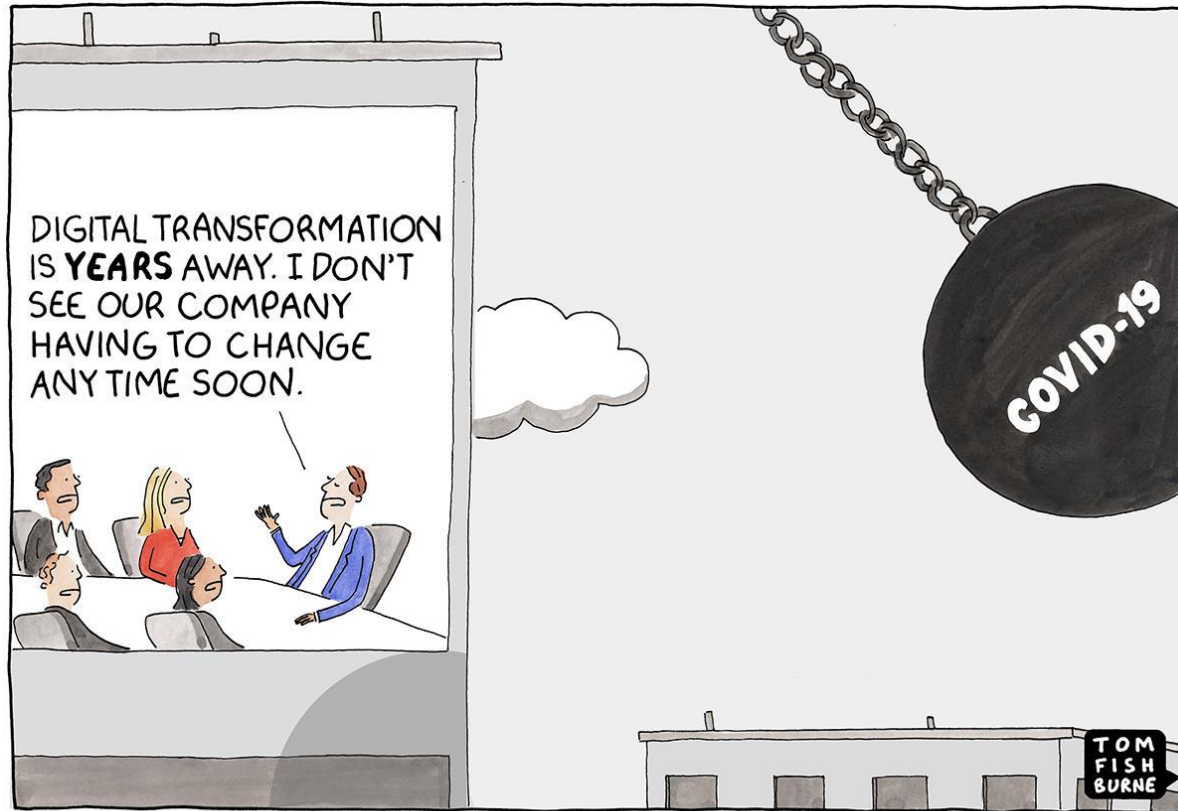
Work from Home

Tele-everything

Business Travel

No-touch Transactions

Digital Transformation



© marketoonist.com

Fundamental changes

Work from Home

...the Genie is out of the bottle

Technology Adoption and Utilization

...15 years of behavior change in 30 days

Digital Acceleration and Transformation

...Individual skills, organizational agility

The Digital Infrastructure

VISTAGE
Research

Digital transformation

The path forward for small and midsize businesses



61% of CEOs plan to increase their technology spending in 2019.



51% of CEOs have a digital transformation strategy but 15% have no strategy at all.



The No.1 reason why CEOs want to embark on a digital transformation is to streamline operations.

Technology is the change agent of our generation. When history looks back on this period, it will equate the discovery of information technology on the same seismic level as the discovery of fire, steam, electricity and the internal combustion engine.

A recent Vistage survey of 1,267 CEOs from small and midsize businesses (SMBs) found that, for the second year in a row, **technology was the No. 1 area of investment among firms of this size**. More than half (61%) of the CEOs surveyed said they planned to increase their spending on technology in 2019, with 32% planning to continue at their current rate of investment. Of these, 78% plan to invest in business applications.

The reason for this spending? CEOs want to achieve a competitive advantage. And yet, many small and midsize businesses aren't getting this result — both because they haven't developed a digital-first technology strategy and because they're unsure of how to leverage technology to truly transform their businesses.

In this report, we introduce the concept of digital transformation, take stock of the technology habits of small and midsize businesses, and outline the steps that can kickstart a digital transformation.

1

VISTAGE

Fundamental changes

Work from Home

...the Genie is out of the bottle

Technology Adoption and Utilization

...15 years of behavior change in 30 days

Digital Acceleration and Transformation

...Individual skills, organizational agility

The Digital Infrastructure

The Great Business Reboot

...rethink, reimagine and rebuild your business

ECONOMIC / FUTURE TRENDS

The business baseline of COVID-19



Joe Galvin
April 15, 2020

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It's hard to be a CEO...

“CEOs are in the Business
of Making Decisions”

What is currently the biggest business challenge you face?

Talent: Talent Wars Reignite

...Finding-recruiting-hiring, work from home, maintaining culture and retention

Customers: The Big Slowdown

...Sales cycles longer, deal size smaller, harder to engage prospects, inability to travel and virtual selling


Political: A Volatile Time

...Volatile/unpredictable political climate drives uncertainty election was the best/worst possible outcome

Source: Vistage CEO Confidence Index September 2020

ECONOMIC / FUTURE TRENDS

Another step forward on the climb to recovery



The image shows a person placing a wooden block on a staircase. The staircase starts with a series of steps labeled Q1, Q2, Q3, Q4, then dips into a gap labeled 'COVID-19', and then rises again with steps labeled Q1, Q2, Q3, Q4. A hand is shown placing a block on the final step of the rising staircase.

Joe Galvin
September 23, 2020

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What is currently the biggest business challenge you face?

Financial: Reduced Revenue Rules

...Reduced revenue drives decision making, cash flow becoming acute, inability to grow revenue

Uncertainty: The Great Unknown

...The volatility and uncertainty of the Corona-Crisis makes everything harder

Economic

Health

Customers

Planning

Source: Vistage CEO Confidence Index September 2020

ECONOMIC / FUTURE TRENDS

Another step forward on the climb to recovery

A conceptual image showing a person placing a wooden block onto a staircase. The staircase is represented by a blue line graph with labels Q1, Q2, Q3, Q4. One of the blocks on the staircase is labeled 'COVID-19'. A hand is shown placing another block onto the next step of the staircase.

Joe Galvin
September 23, 2020

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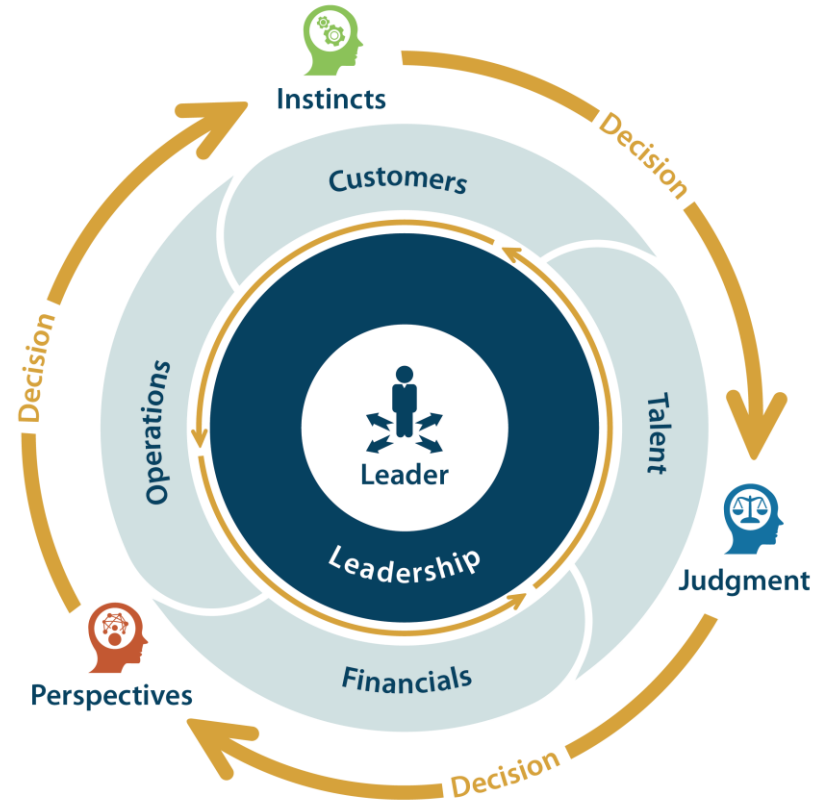
Decision factors to maximize recovery

Vistage Decision Model:

Leader

Leadership

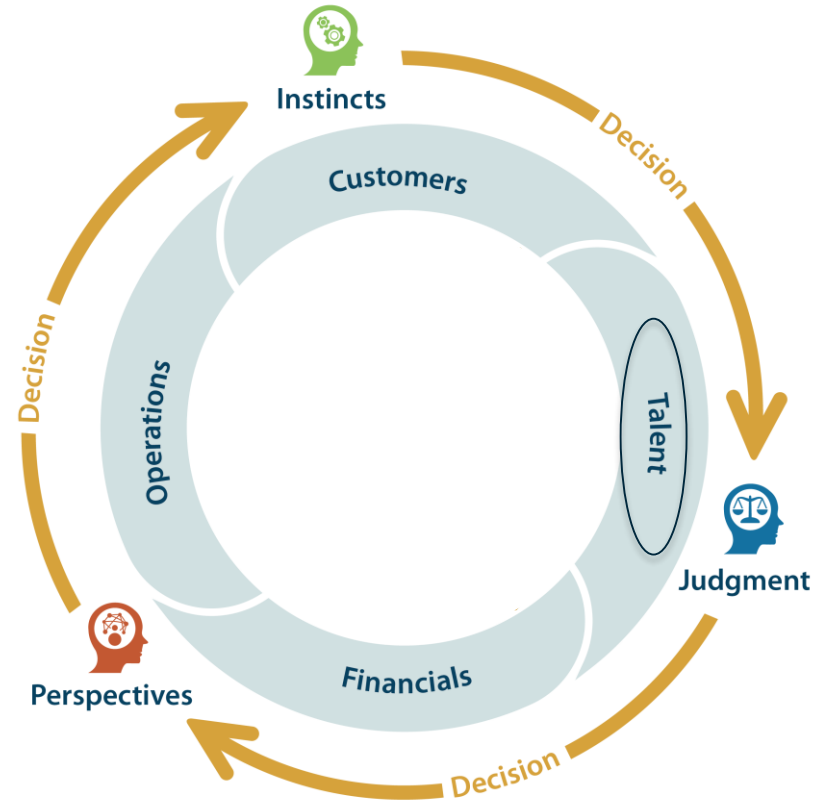
Business Optimization



Business Decision Factors

Talent Management

...maintain workforce engagement



Maintain workforce engagement

Create clarity

...Communicate with transparency, frequency

Refine & nurture culture

...Reimage traditions & rituals

ORGANIZATIONAL CULTURE & VALUES

5 ways to strengthen your culture during COVID-19



Joe Galvin
May 21, 2020

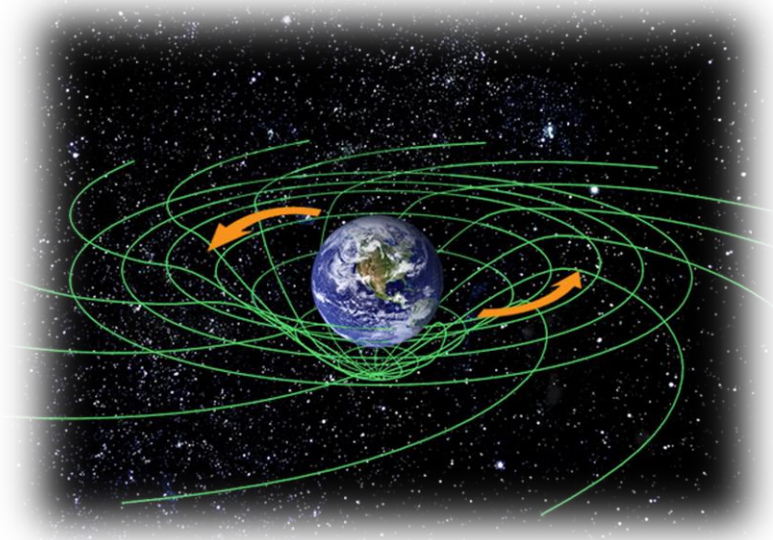
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Culture is critical to performance



Source: May Vistage CEO Confidence Index survey n=1,489

Culture is Your Organizational Gravity



Holds the good

Repels the bad

Attracts the new

Creating a Conscious Culture

Fused by Trust

Defined by Elements

Bound by Business

Powered by Purpose



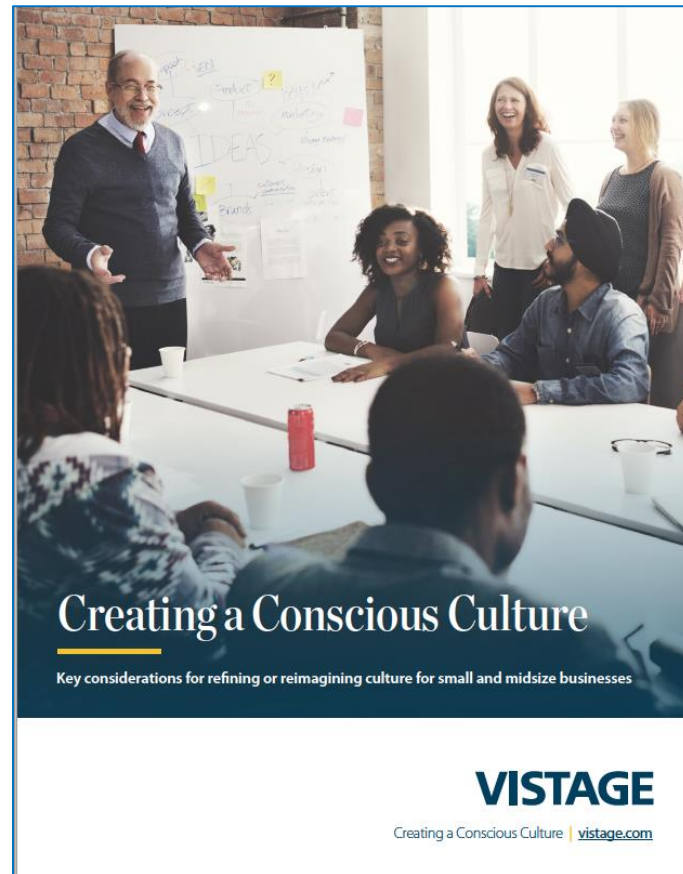
Creating a Conscious Culture

Expert Perspective | Dr. Gustavo Grodnitzky



“Culture trumps everything.”

Dr. Gustavo Grodnitzky
speaker, author, consultant and psychologist



Maintain workforce engagement

Create clarity

...Communicate with transparency, frequency

Refine & nurture culture

...Reimage traditions & rituals

Prioritize diversity & inclusion

...Address implicit bias, tensions

Upgrade talent

...Create the workforce for your future

TALENT MANAGEMENT

An employers' guide to accommodating working families



Anne Petrik
September 1, 2020

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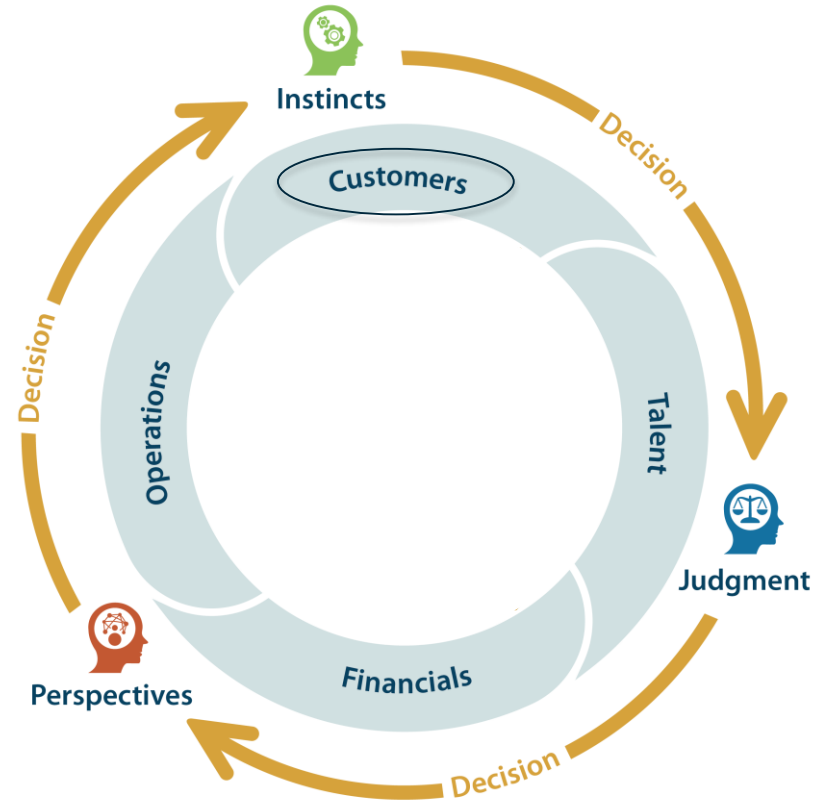
Business Decision Factors

Talent Management

...maintain workforce engagement

Customer Management

...adapt to changing customer needs



Adapt sales approach to changing customer needs

Get Closer to your Customers

...Existing customers are the revenue bedrock

Target Competitive Accounts

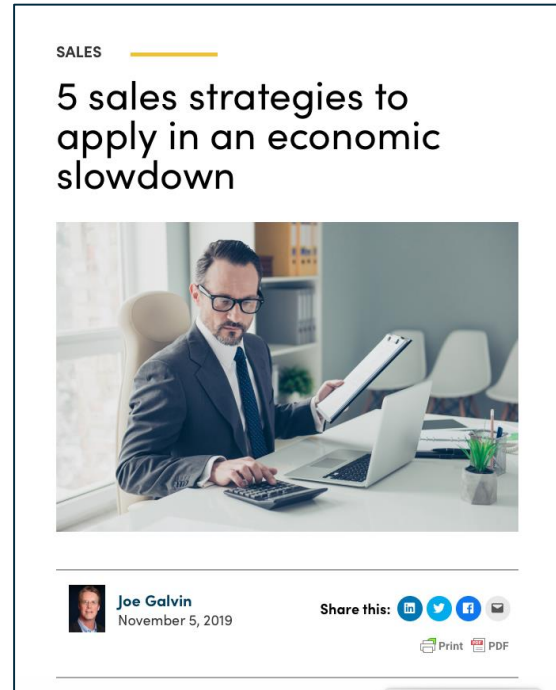
...Now is the time

Change the Message

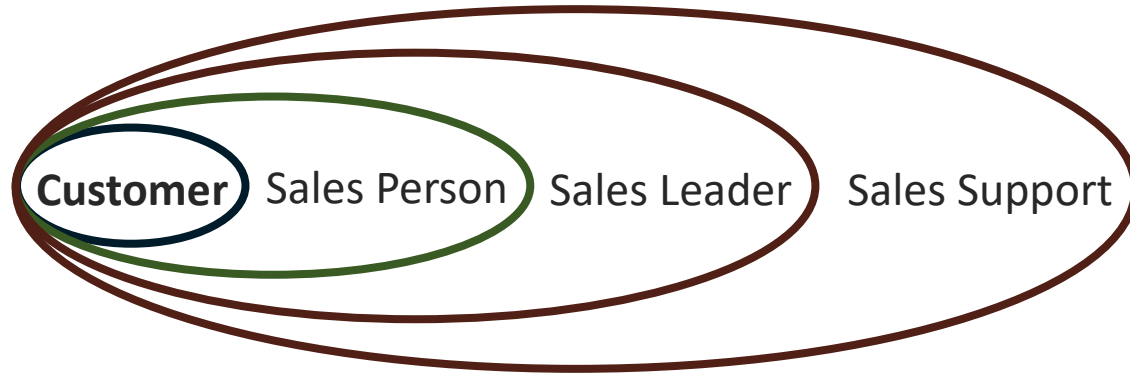
...2019 messages no longer connect

Sharpen Sales Skills and Processes

...Improve while activity is slow



Building a World-Class Sales System



Customer: *Defining Buyer Behavior*

Sales Person: *Aligning with How Buyers Buy*

Sales Leaders: *Driving Performance and Execution*

Sales Support: *Empowering the Sales Professional*

Release date: January 2021

Business Decision Factors

Talent Management

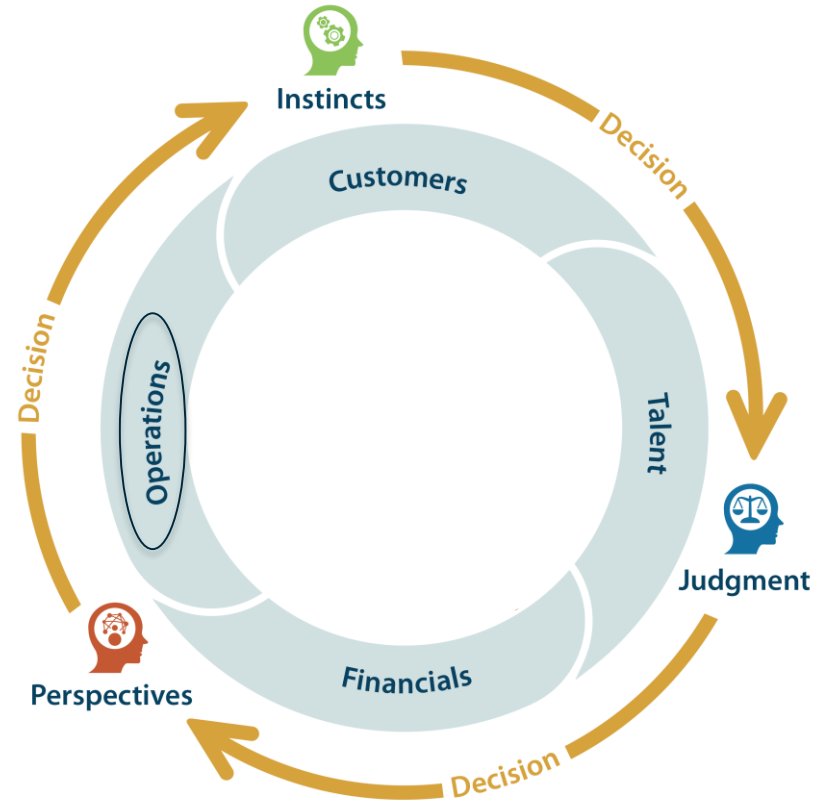
...maintain workforce engagement

Customer Management

...adapt to changing customer needs

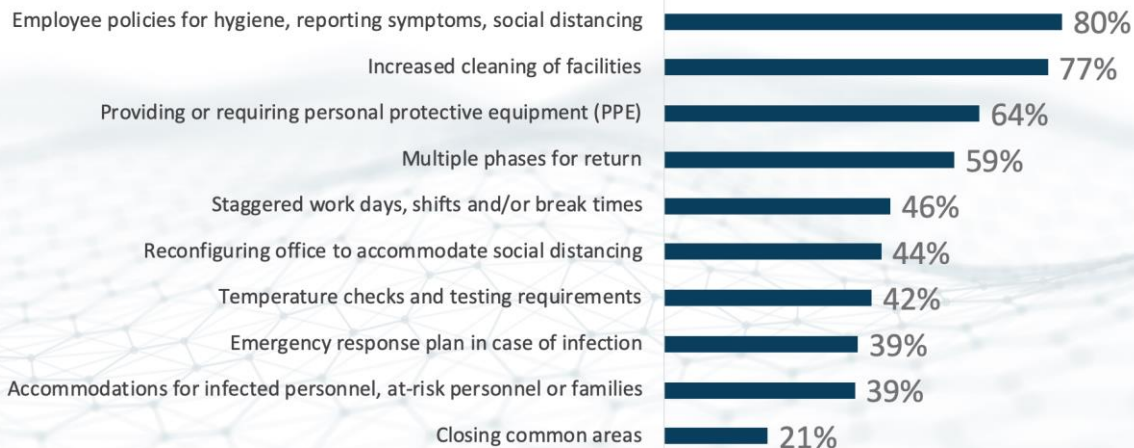
Operations

...build infrastructure for the new workplace



Re-imagining the workplace

Which of the following are part of your return to work plans?




Source: May Vistage CEO Confidence Index survey n=1,489

A photograph of a woman with blonde hair and glasses, wearing a grey blazer, sitting in the driver's seat of a car. She is smiling and looking at her smartphone, which she is holding in her hands. The car's interior and a window looking out onto a bright day are visible.

Research

RISK MANAGEMENT

Returning to work: An employer's safety che...

 **Anne Petrik**
May 12, 2020

Re-imagining the workplace

New policies

Safety standards – PPE

Health checks

Remote work – at-risk workers

Re-engineer the office

Upgrade cleaning – sanitization

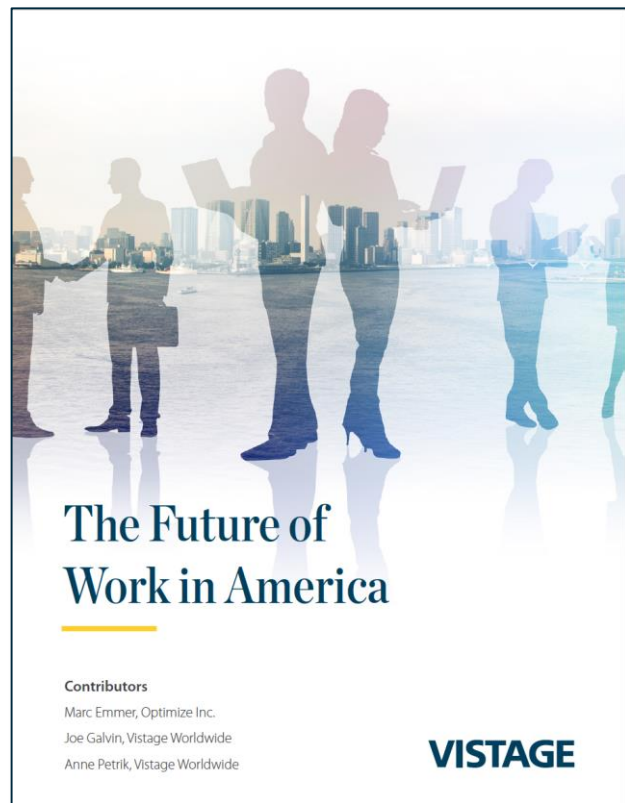
Scheduling, directions, people limits

Reconfigure desks – upgrade doors & ducts

Appoint and empower leaders

Chief Safety Officer - committee

Source: May 2020 Vistage CEO Confidence Index n=1,348



Business Decision Factors

Talent Management

...maintain workforce engagement

Customer Management

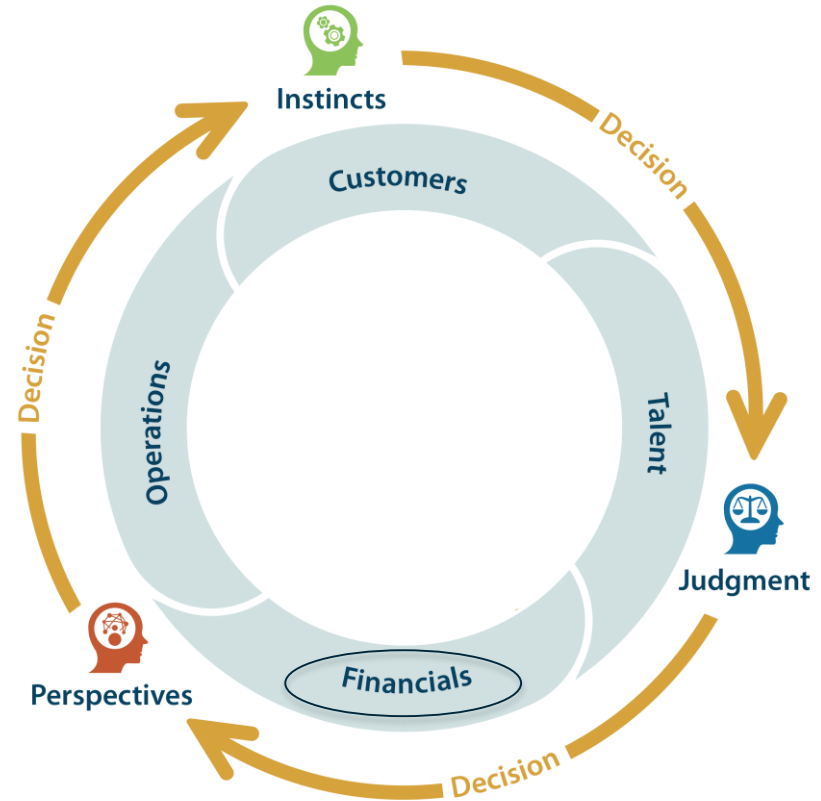
...adapt to changing customer needs

Operations

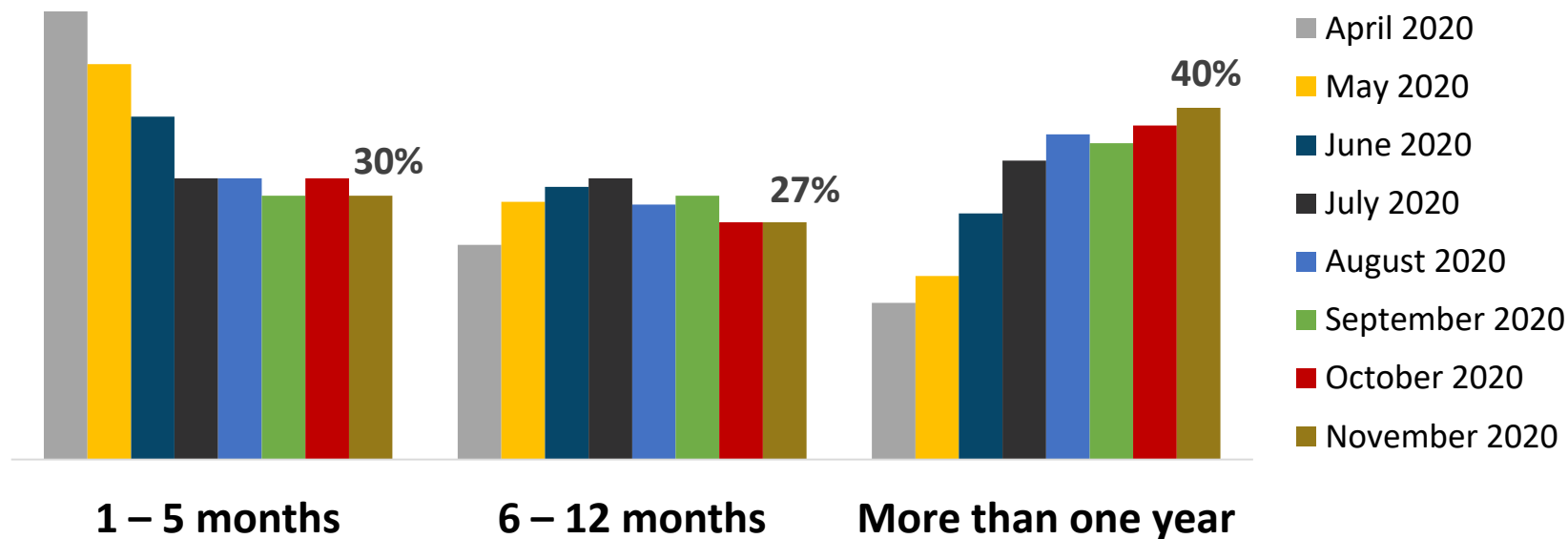
...build infrastructure for the new workplace

Finance

...create the cash runway to survive and thrive

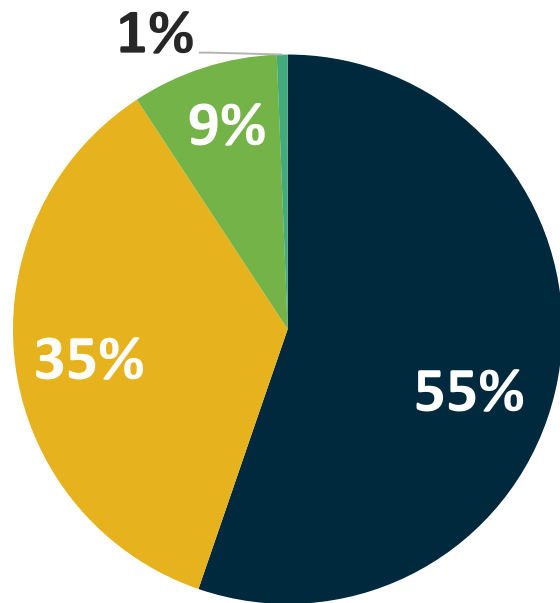


How long will your cash reserves support your business during the current economic conditions?



Source: Vistage CEO Confidence Index April – November 2020

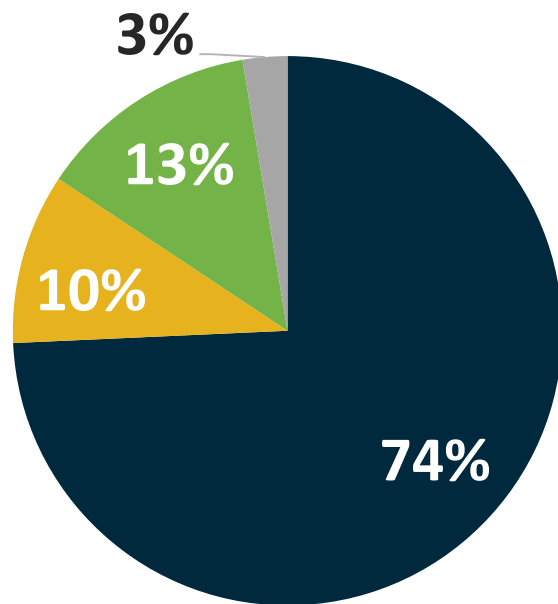
Do you expect to have your PPP loan forgiven?



- Yes, I expect all of it to be forgiven
- Yes, I expect most of it will be forgiven
- Yes, I expect some of it will be forgiven
- No, my loan will not be forgiven

Source: August 2020 Vistage CEO Confidence Index n=1,348

If you received a PPP loan, please share the status of your funds:



- Full amount of funds has been spent
- Funds will be spent in next 3 months
- Funds have been allocated to be spent throughout the rest of the year
- Other

Source: August 2020 Vistage CEO Confidence Index n=1,348

What is the most significant leadership challenge you are facing right now?

Morale

...create clarity, be transparent

The new workplace

...provide safety on all levels

Growth

...anticipate new and unmet needs

Uncertainty

...acknowledge and embrace uncertainty



Source: Q2 2020 Vistage CEO Confidence Index n=1,392



Patrick Lencioni, The Table Group, organizational health



Amy C. Edmondson, Harvard Business School, team building (May 8)



Brian Beaulieu, ITR Economics, outlook 2020 (May 15)



Jim Collins, Company sustainability and growth, author of Good to Great



LEADERSHIP

Webinar On-Demand

Why simple wins in times of change: Transform your business and reinvent how you work

Lisa Bodell



ORGANIZATIONAL CULTURE & VALUES

Webinar On-Demand

A Great Place to Work for all: The time is now

Michael Bush



LEADERSHIP

Webinar On-Demand

John Maxwell on the benefits of uncertainty

John C. Maxwell

Leadership challenge #1: Morale

Create clarity and over-communicate it.

Get really good at meetings.

*People will make up their own story
if leadership does not tell the company story.*



Patrick Lencioni
Best-selling Author
Coach and Speaker

Leadership challenge #2: The new workplace

*Leaders must care the most, and focus on providing safety. Safety exists in three levels: **emotional, psychological and physical safety.***

When safety is compromised, fear separates people into groups with similar fears. These silos not only stop innovation but also restrict growth.



Michael Bush
CEO
Great Place to Work

Leadership challenge #3: Growth

The best organizations practice proactive obsolescence; getting rid of weaknesses to be stronger than before.

Do it before it's done to you.

*Become a student of change, **think more about who you are becoming than who you are today.***



Lisa Bodell

CEO

FutureThink

Leadership challenge #4: Uncertainty

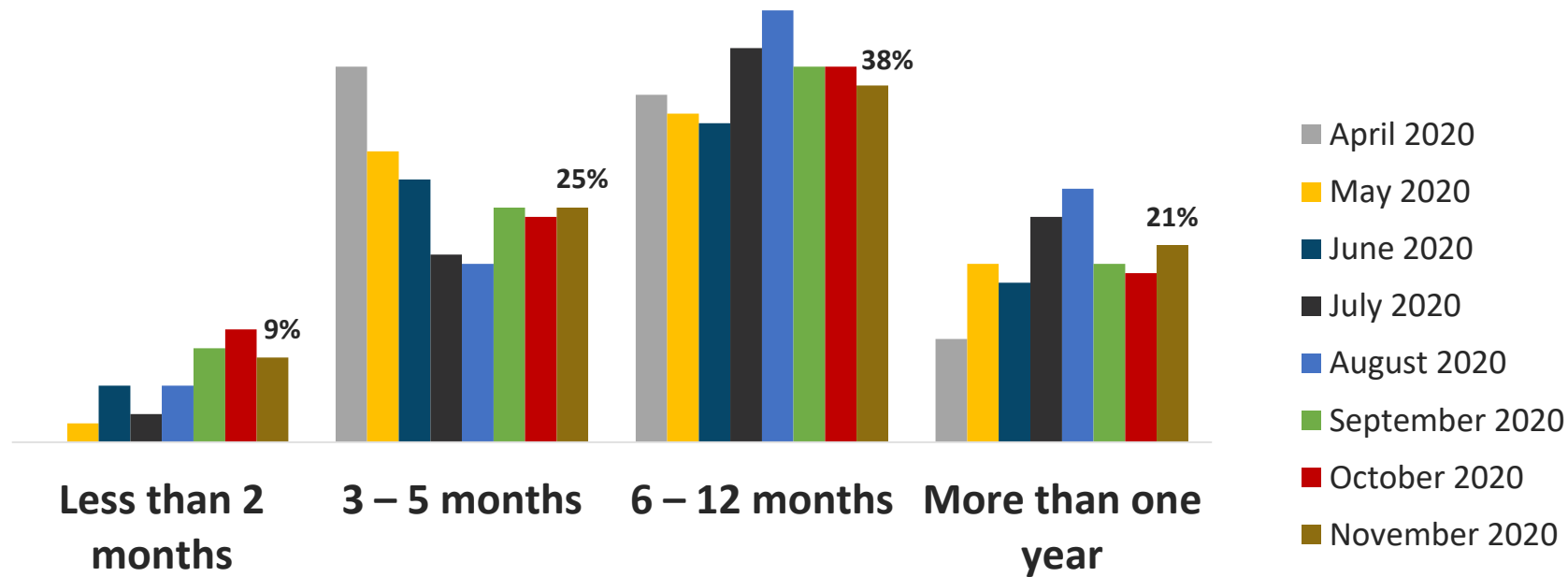
*People don't want a perfect leader, they want an authentic leader. **Uncertainty isn't the issue. The issue is clarity.***

Embrace the benefits of uncertainty; get out of automatic and become more intentional.



John C. Maxwell
Best-selling Author

When do you expect that economic conditions in the U.S. will begin to improve?



Source: Vistage CEO Confidence Index August – November 2020

“Every major difficulty you face in life is a fork in the road. You choose which track you will head down, toward breakdown or breakthrough.”

John C. Maxwell



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Explore by category: Leadership Talent Management Customer Engagement Business Operations Financials Personal Development



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November 16, 2020



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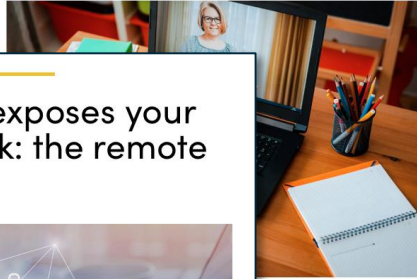
 **Joe Galvin**
November 10, 2020

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An employers' guide to accommodating working families



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