

CEO Projections 2024: Bridging the Gap to Growth



Presented by:

Joe Galvin

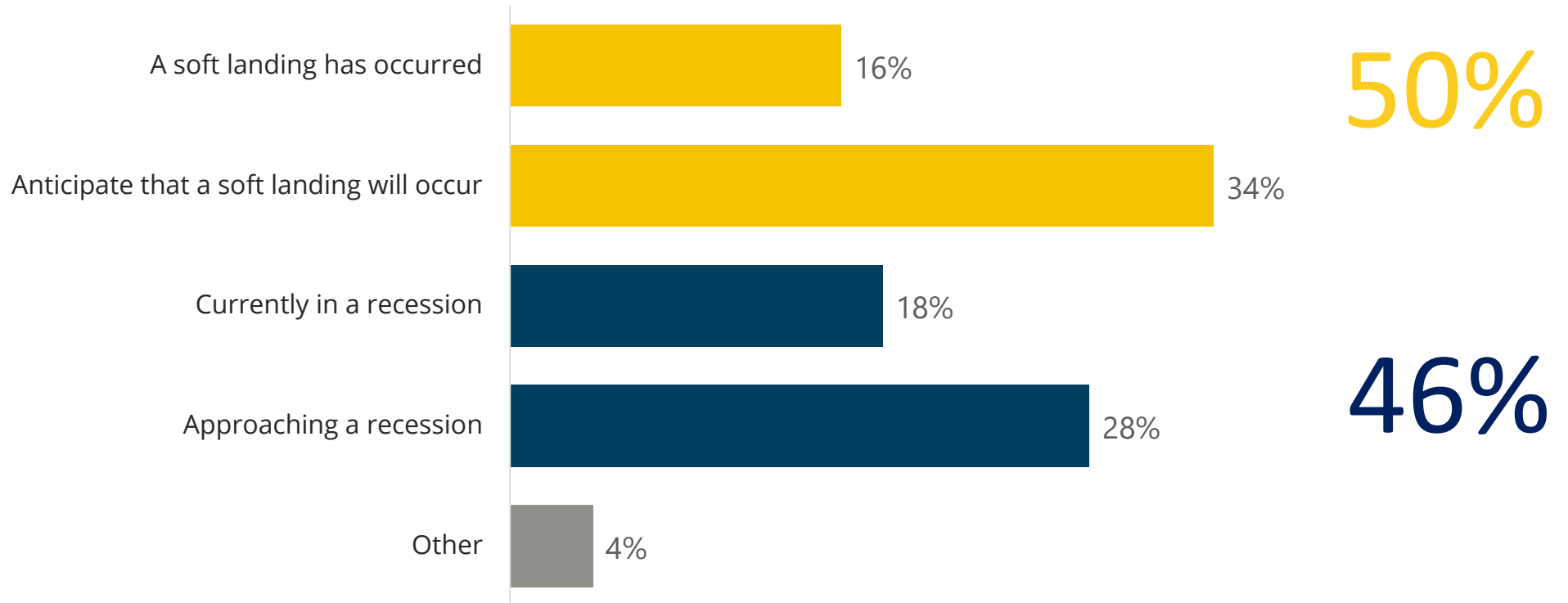
Chief Research Officer, Vistage Worldwide

February 2, 2024



Where Are We?

Which statement best expresses your view of the U.S. economy?



CEOs are Grouchy

Headline: Inflation is trending down

...but prices are 15% above where they were

Headline: Interest rates have peaked

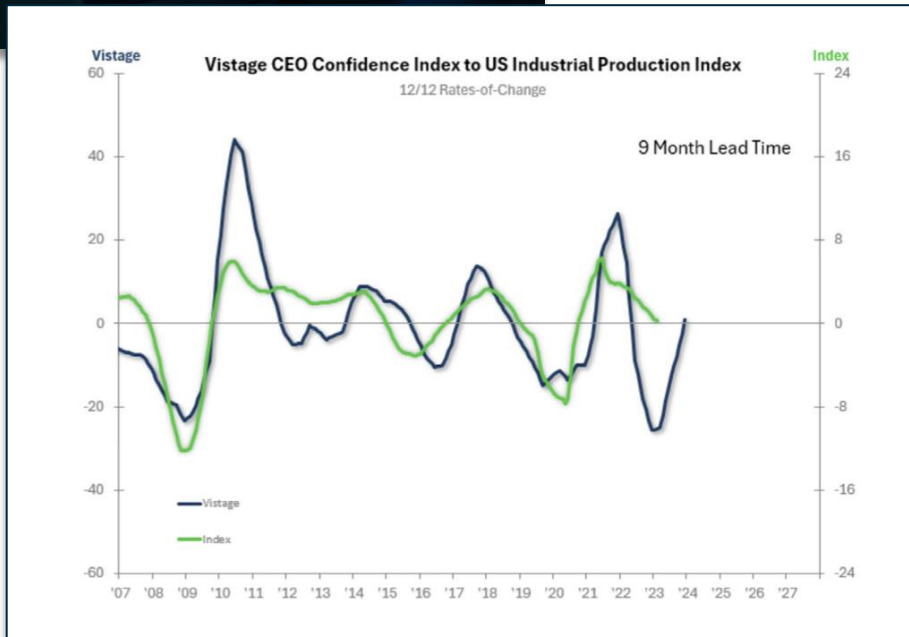
....but are at 30-year highs

Headline: Workforce velocity has slowed

...but unemployment at 3.7%



Q4 2023 CEO Confidence Index



ECONOMIC / FUTURE TRENDS

Confidence improves as CEOs wait for takeoff [Q4 2023 Vistage CEO Index]

VISTAGE
CEO CONFIDENCE
INDEX REPORT

Q4
2023

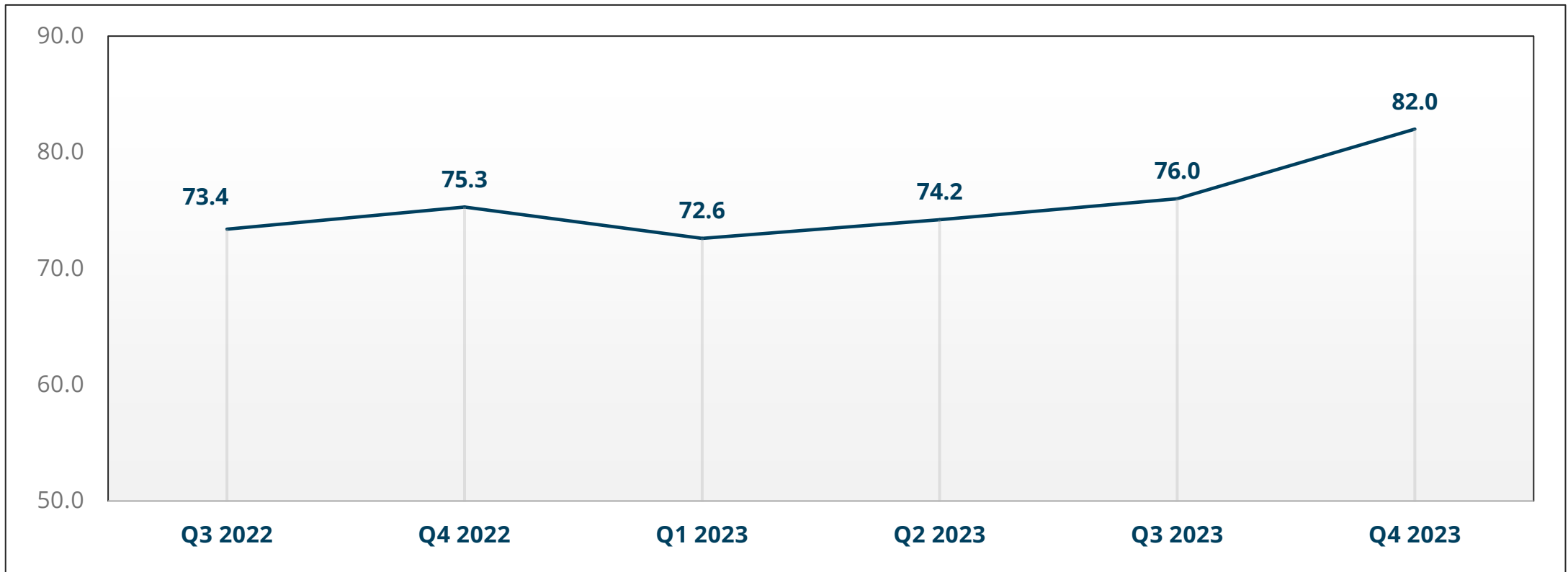
Investments and Decision Making for 2024

Joe Galvin
January 16, 2024

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Q4 2023 CEO Confidence Index

Pessimism about the economy continues to incrementally improve, as hiring and investing are slowing/stable

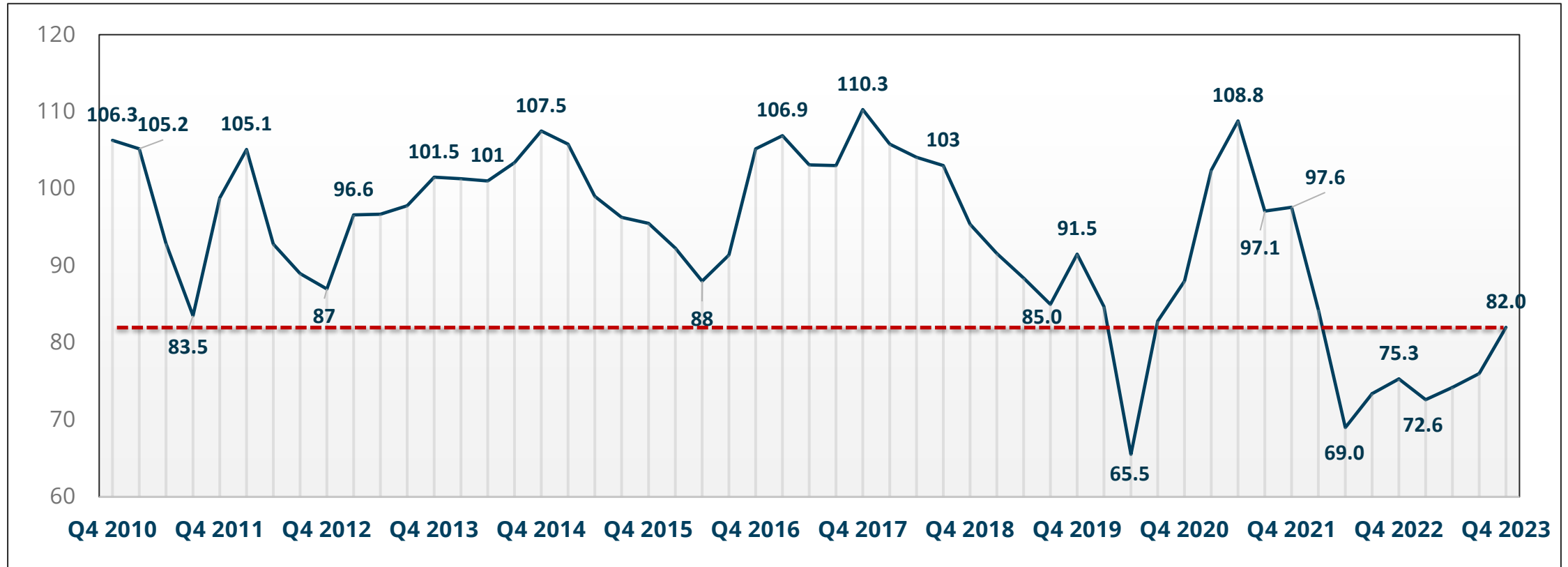


Source: Q4 2023 Vistage CEO Confidence Index, N= 1,363

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Q4 2010 to Present



Source: Q4 2023 Vistage CEO Confidence Index, N= 1,363

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Q4 2023 CEO Confidence Index

Q4 2023 Highlights



Economic Sentiment

20% of CEOs said the economy recently improved (up from 16% in Q3)

15%

21% of CEOs expect the economy to improve in the year ahead (up from 13% in Q3)

10%



Revenues and Profits

59% of CEOs expect increased revenues in the year (up from 55% in Q3)

58%

47% of CEOs expected increased profits in the year ahead (up from 42% in Q2)

42%



Investments and Hiring

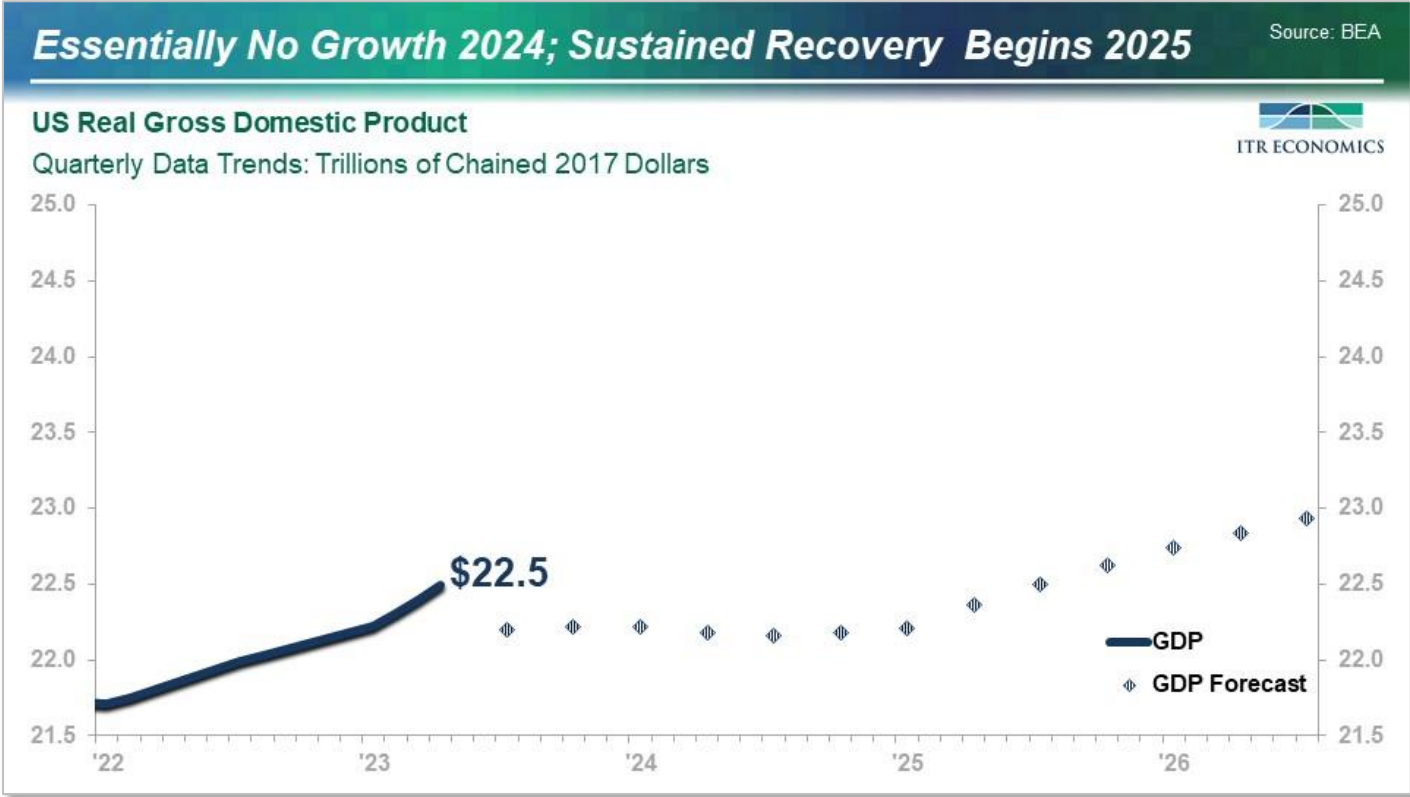
35% of CEOs expect to increase investments in the year ahead (Same as Q3)

36%

56% of CEOs plan to expand their workforce in the next year (up from 48% in Q3)

60%

Where are We Going?



ECONOMIC / FUTURE TRENDS

ITR Economics: Anticipating business cycle changes in 2024-25

Joe Galvin
January 19, 2024 Like

Print PDF Share

On-demand: Watch ITR Economics CEO Brian Beaulieu explore the trends CEOs will face in 2024. [Download the slides](#)

2023 was a year of conflicting economic trends. While some leading indicators rose, others dropped. Interest rates were perilously high, and people tended to make assumptions like, "If nothing bad has happened by now..."

*members only



Welcome to Normal



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Welcome to Normal



What is Now Normal?

Top Decisions
Key Investments
Biggest Challenges
Greatest Opportunities

Vistage CEO Confidence Index Survey
1,363 CEO Responses

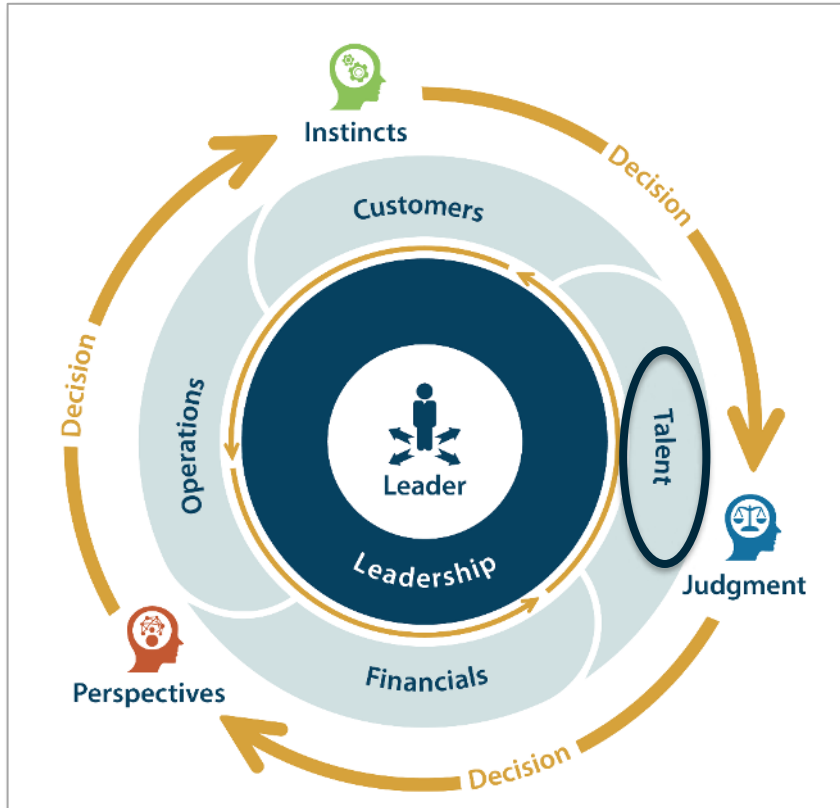
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Vistage Decision Model



Business Optimization
Talent
Financials
Operations
Customers

Projections 2024: Bridging the Gap to Growth



Talent

Hiring & retention
Workforce development
Succession planning

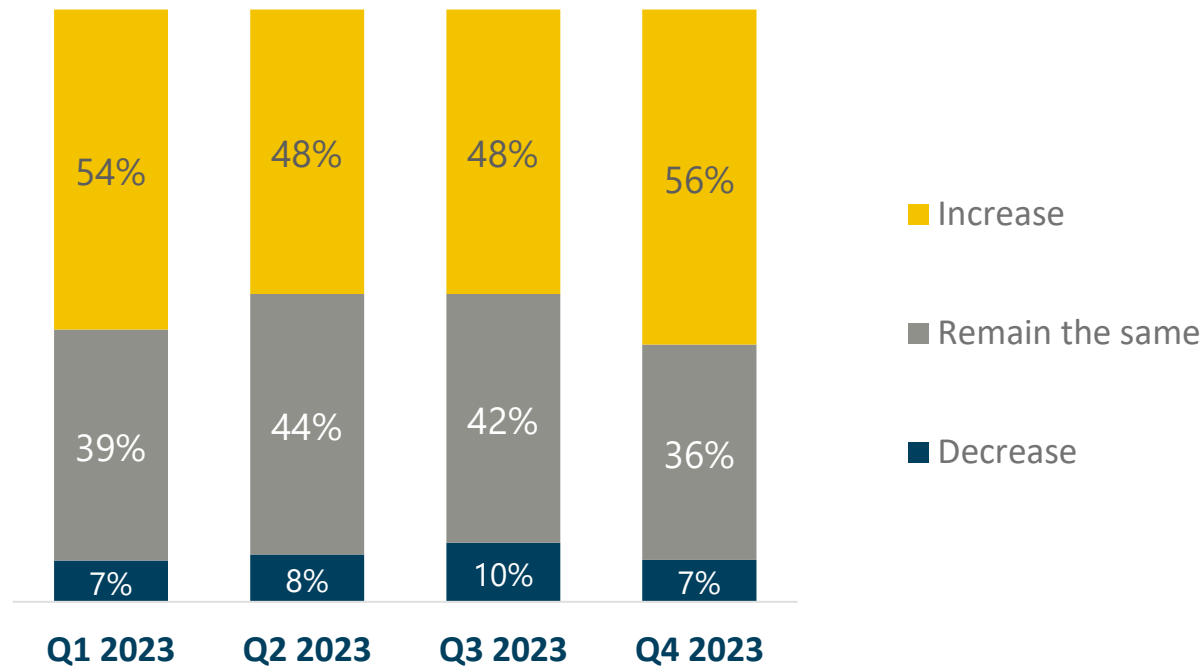
Talent Truce

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Talent Truce

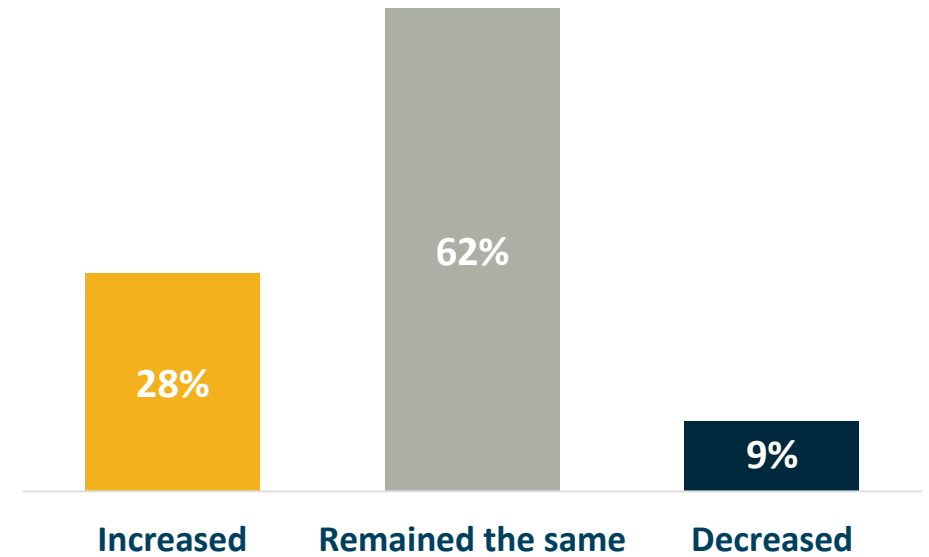
Hiring is at 10-year norm

How do you expect your firm's total number of employees to change in the next 12 months?



Retention has stabilized

How have your employee retention rates changed since the beginning of the year?



Workforce Velocity



Workforce Quit Rate

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Workplace Status Quo



Desks
1950's



Modern Office
February, 2020

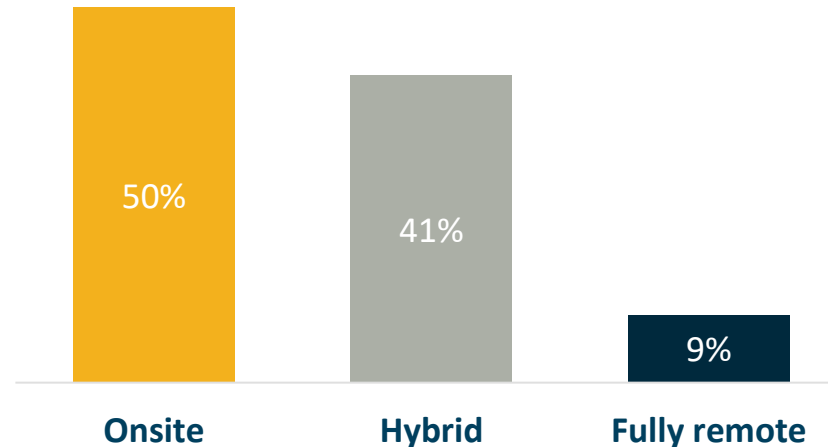


Workspace
1970's



Cube Farm
1990's

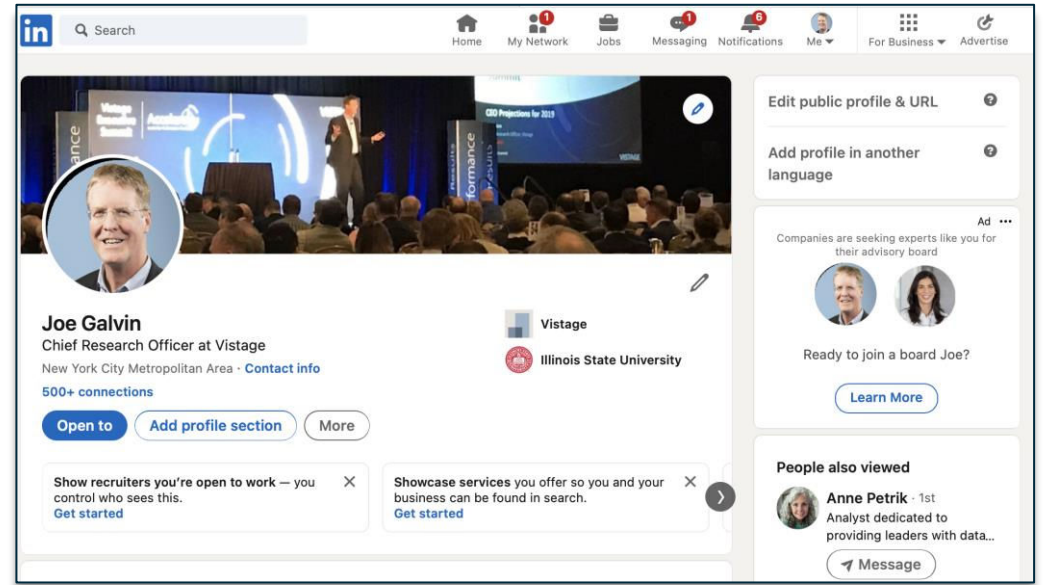
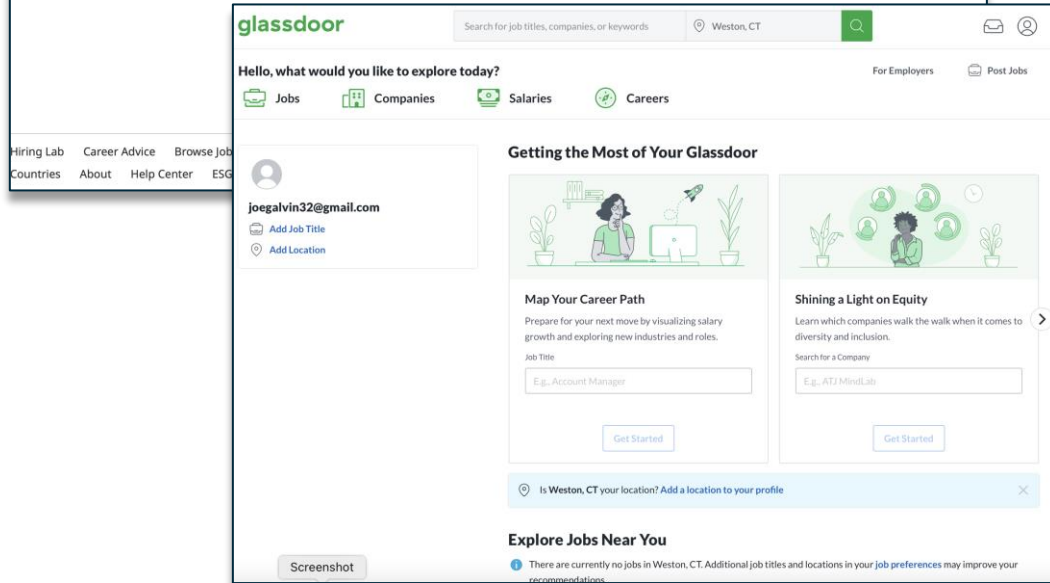
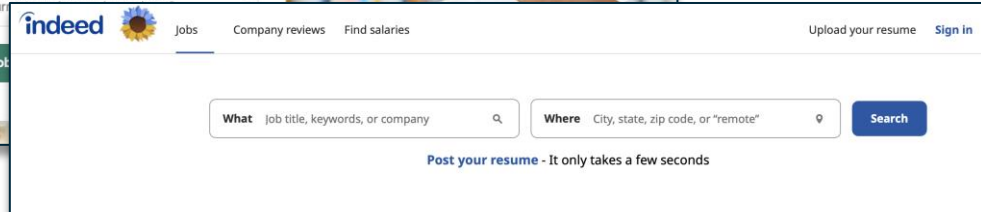
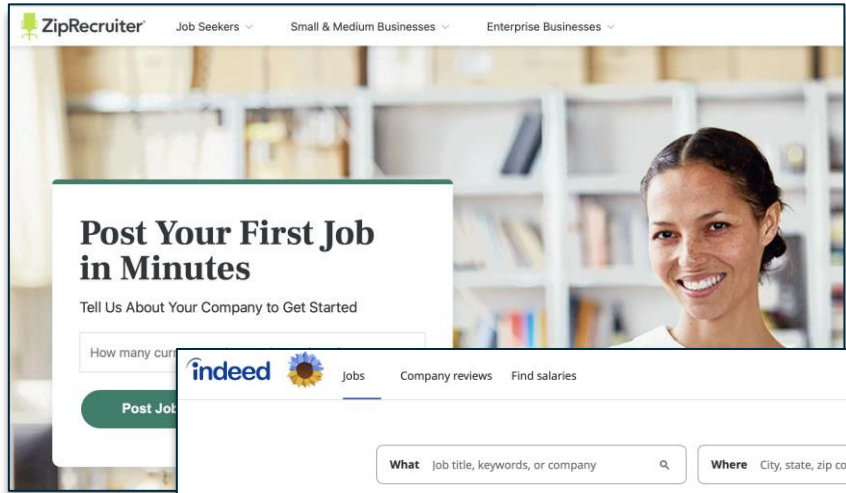
What is the composition of your workforce?



Hybrid/Remote
2024

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Absolute Transparency



LinkedIn

2003: Launched

2010: 70 million users

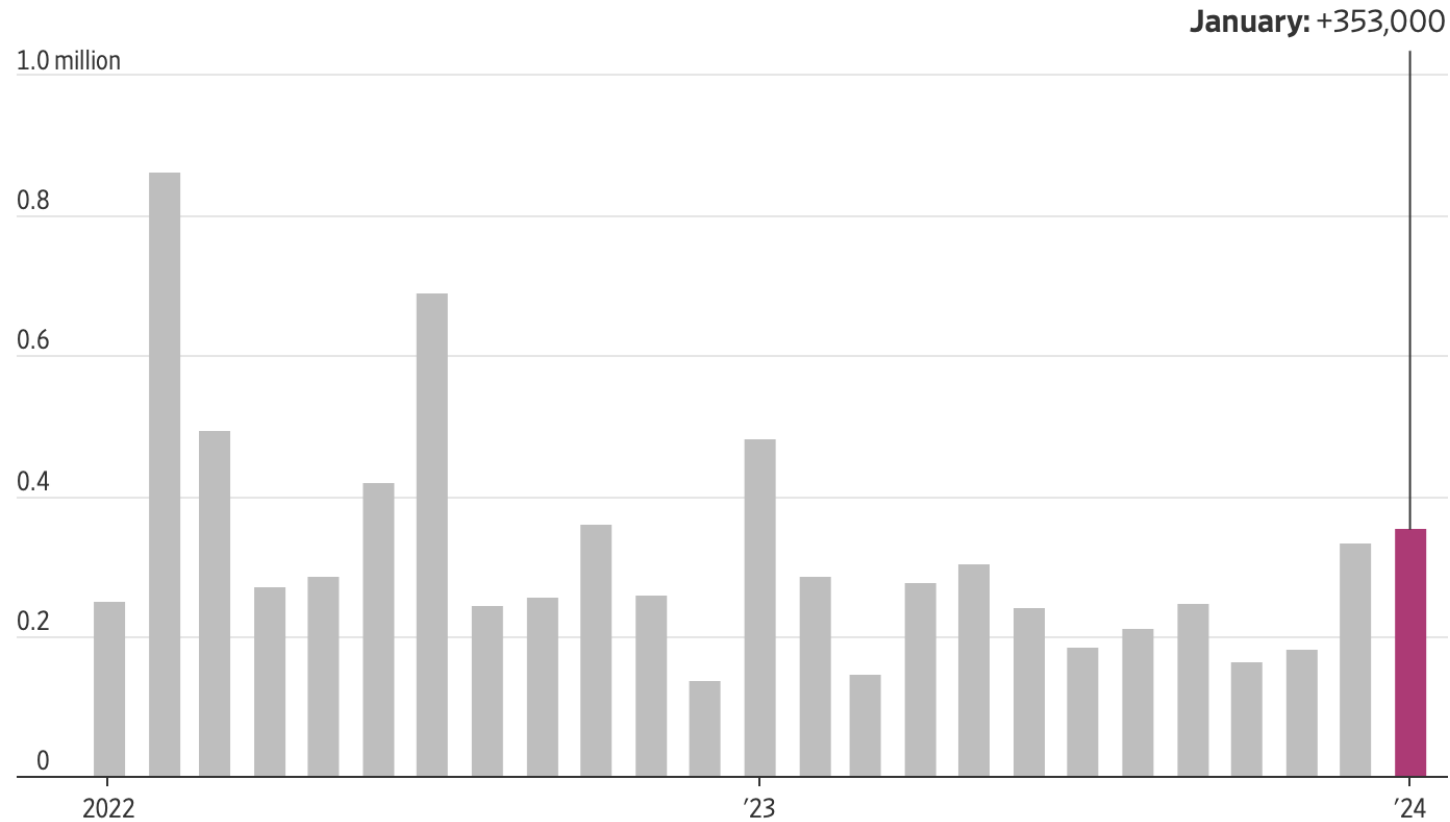
2023: **900 million users**

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Hiring into the Growth Cycle

Hiring Accelerated With 353,000 Jobs Added Last Month

Nonfarm payrolls, change from a month earlier



Note: Seasonally adjusted
Source: Labor Department

The unemployment rate was 3.7%

The U.S. economy added jobs at a robust pace in January. The report also showed that wages outpaced expectations, and that job growth was far stronger in December than previously thought.

- **How Markets Are Reacting**
- **Hot Report Sparks Bond Selloff**
- **Wage Growth is Picking Up, Too**

WSJ Feb. 2 2024

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Financials

Economy

Access to capital

Acquire, sell or exit

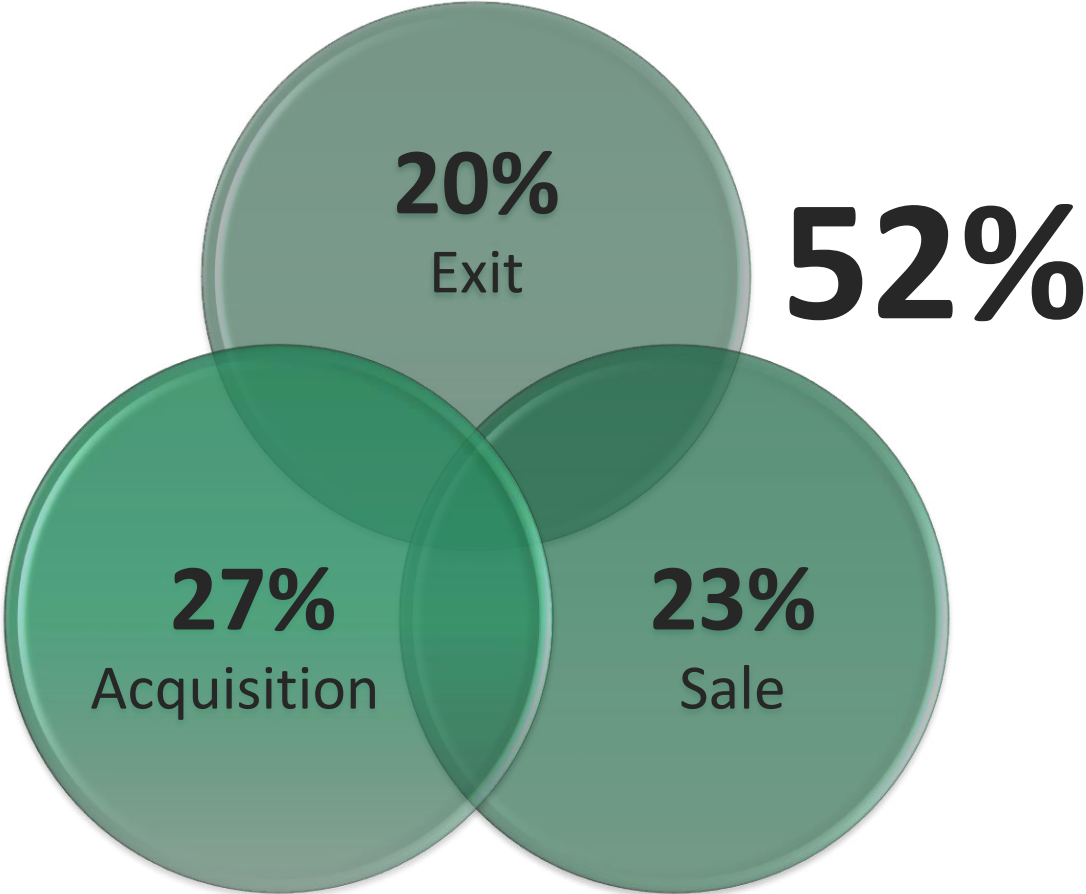
Valuation Validation

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Reaching New Peaks

Which of the following are you planning for your business?

Over half of Vistage CEOs are planning an acquisition, sale and/or exit

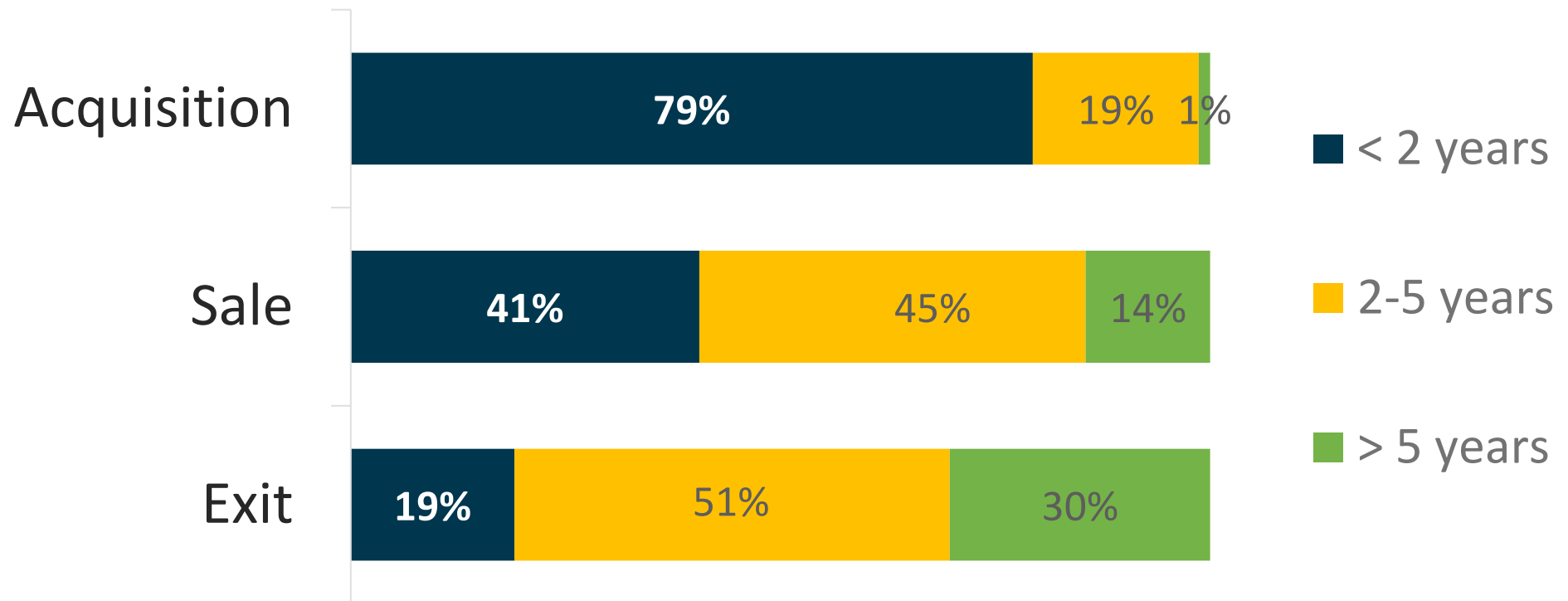


Source: Q3 Vistage CEO Confidence Index n=1,511

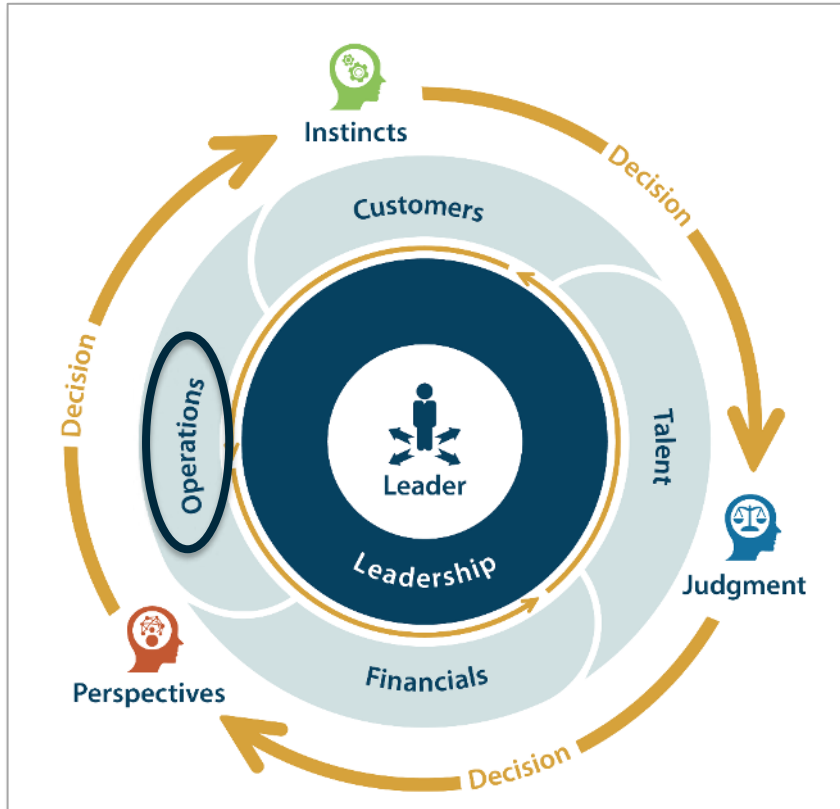
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Timing is Everything

What is the timing of your planned sale, exit, acquisition?



Projections 2024: Bridging the Gap to Growth



Technology

Automation

Artificial Intelligence

Cyber Security

Accelerating Digital Transformation

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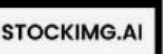






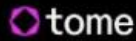

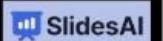


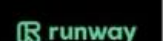


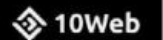
AI to the Rescue!

“AI will power individual productivity long before organizational gains.”

Identify appropriate AI applications

Train workforce extensively

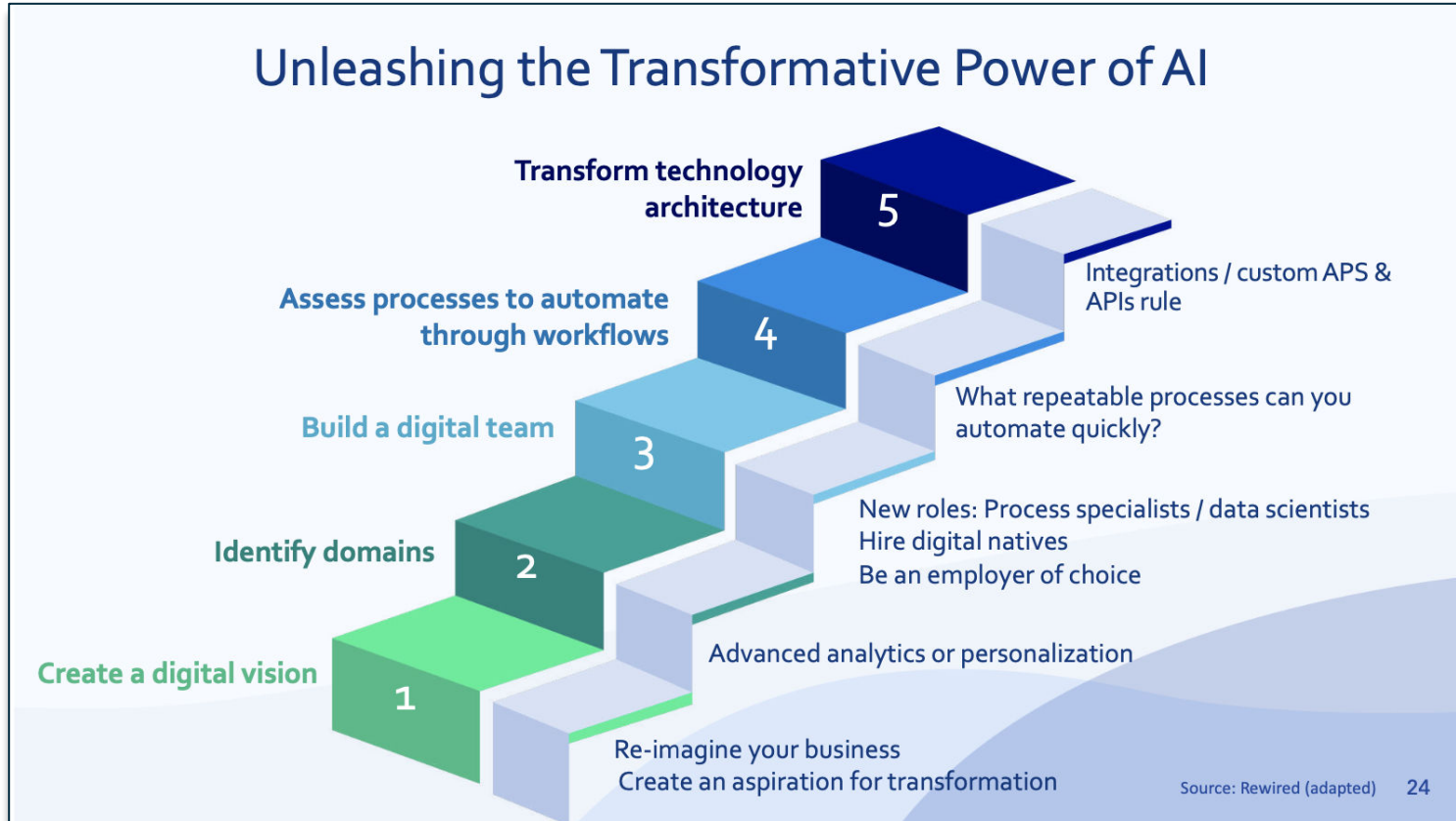
Accelerate organizational transformation

Images	  
Writing	  
Productivity	  
Presentations	  
Video	  
Websites	  

Source:@AIToolReport

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Stairway to Digital Heaven



ECONOMIC / FUTURE TRENDS

Business trends for 2024 and beyond



Joe Galvin

January 12, 2024

Share this:

CEO Update: Key Trends for 2024

Presented by: **Marc Emmer**, President of Optimize, Inc

Watch on YouTube

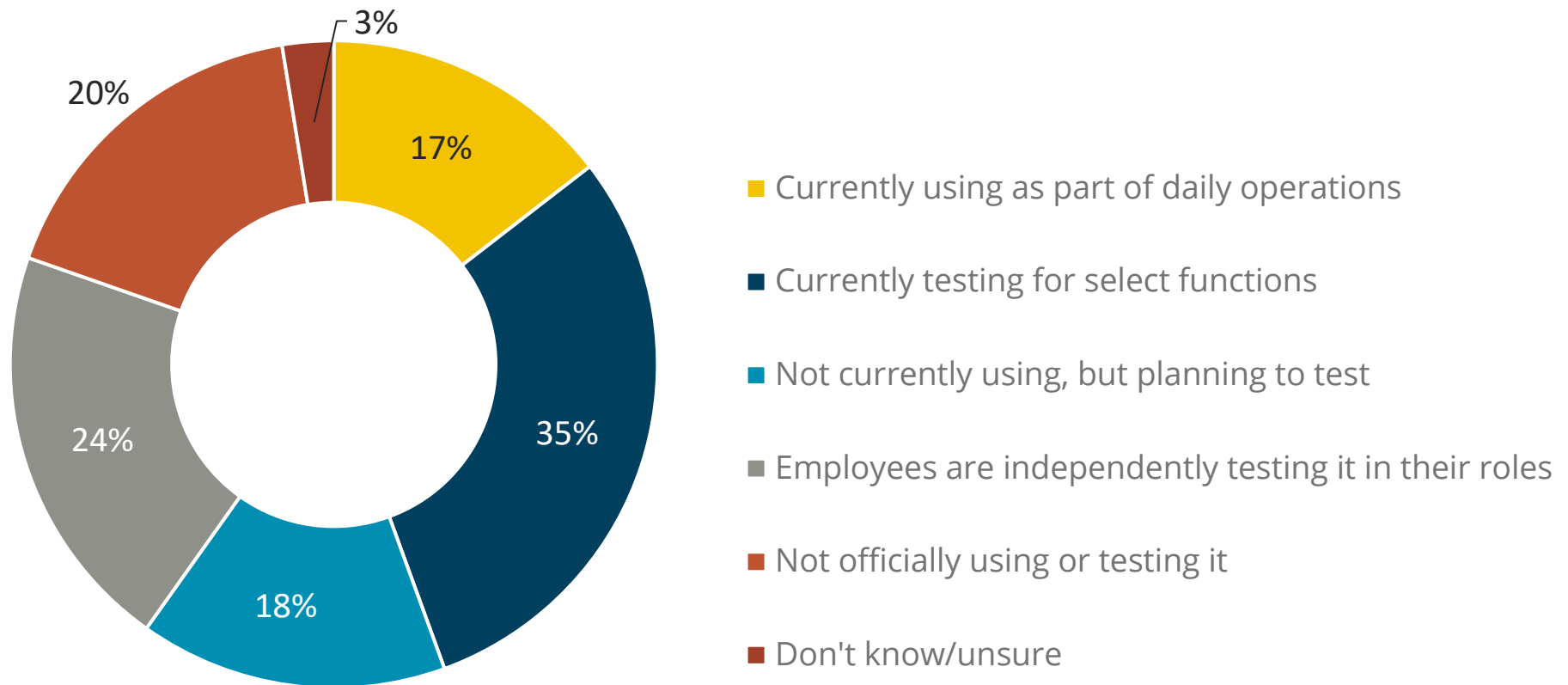
On Demand: Vistage speaker and strategy expert Marc Emmer

shares the highlight of business trends for 2024 and beyond.

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Approaching AI

What describes your business' approach to Open and Generative AI?



AI Resource Center

TECHNOLOGY

Navigating the future of business with AI and ChatGPT

Anne Petrik
March 10, 2023

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Expert Roundtable: Navigating artificial intelligence for CEOs

Anne Petrik
June 23, 2023

Tom Young

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Artificial Intelligence: Expert Roundtable Navigating Artificial Intelligence for CEOs




Ross Hartman
Amy Goldsmith

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Artificial intelligence roundtable: Best practices from small businesses

Anne Petrik
September 29, 2023

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Steve Malow, CEO
Drew Schultz, president
Justin Selbert, founder and president

TECHNOLOGY

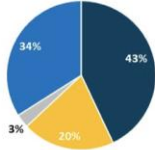
Artificial Intelligence Resource Center



Anne Petrik
May 12, 2023

Over one-third do not see a business opportunity in AI or ChatGPT

Which statement best describes how you feel about Open and Regenerative AI such as ChatGPT?



Statement	Percentage
It presents an opportunity to my business	43%
I don't understand how it works	34%
It presents a risk to my business	20%
It is not relevant at this time	3%

Source: Q1 2023 Vistage CEO Confidence Index n=1,105
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VISTAGE
CEO Confidence Index

To help with your decision-making, we've curated the following:

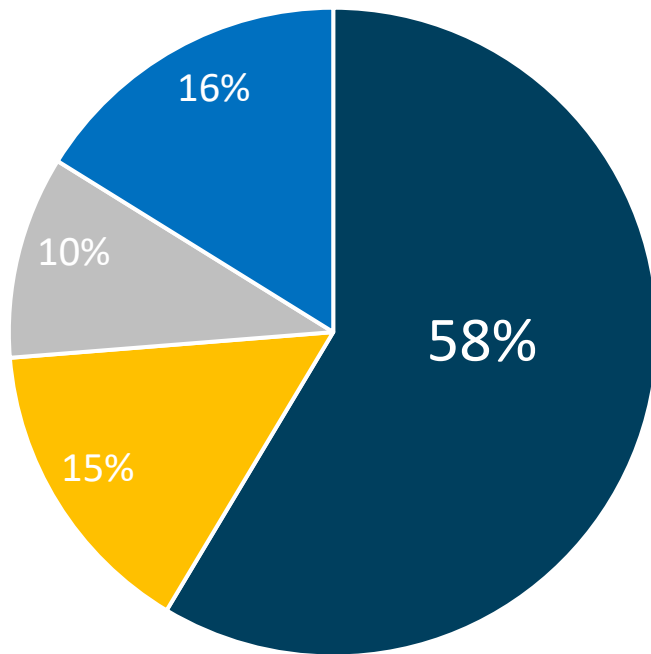
- [Networks & Conversations](#) (including our new AI Network!)
- [Webinars & Events](#)
- [Expert Speakers](#)
- [Trusted Resources by Topic](#)

vistage.com/research-center
Search: AI



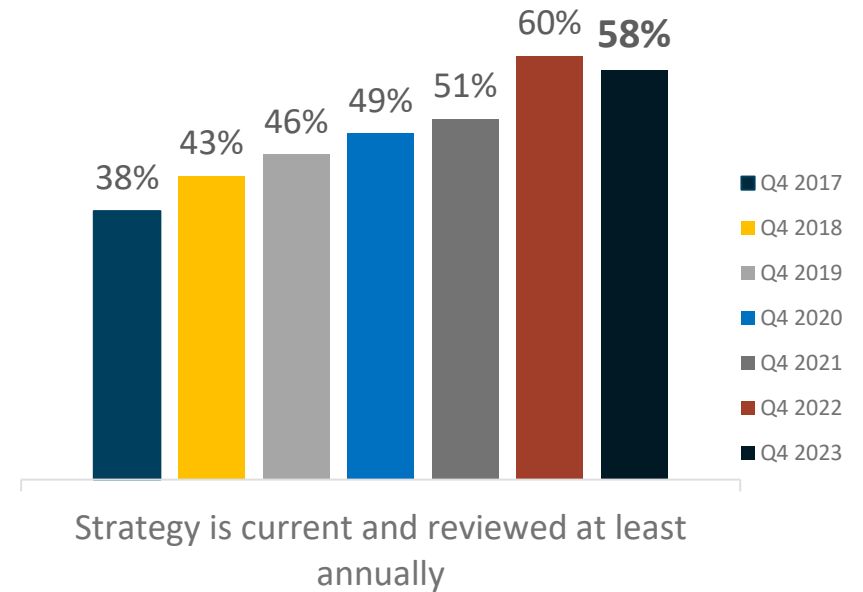
Underlying Risk: Cyberattacks

Does your company have a defined cyber risk strategy that is documented and communicated to your executive leaders?



- Yes - our strategy is current and reviewed at least annually
- Yes - but the strategy is not current and does not have a scheduled review cycle
- No - but we are actively working on a cyber risk strategy
- No - our organization does not have a defined strategy

Cyber preparedness is on the rise



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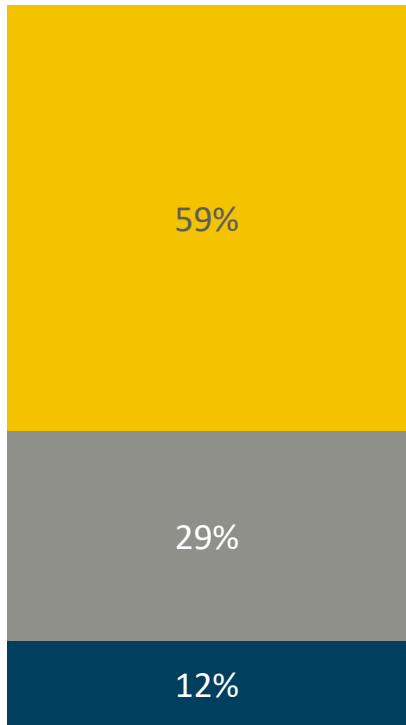
Customers

Managing demand
New products & markets
Marketing & Sales discipline

Right-Pricing Strategy

VISTAGE

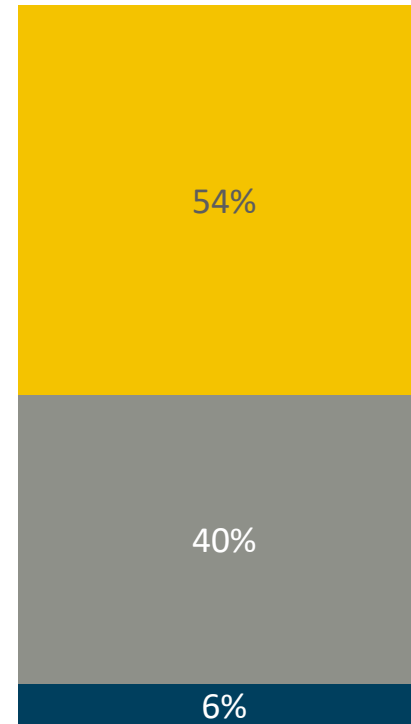
Growth: Rising Revenue



How do you expect your firm's sales revenues to change during the next 12 months?

- Increase
- Remain the same
- Decrease

Q4 2023



How do you expect prices for your product or service to change during the next 12 months?

- Increase
- Remain the same
- Decrease

Q4 2023

Price It Right

2023 Business Growth CEO Conference

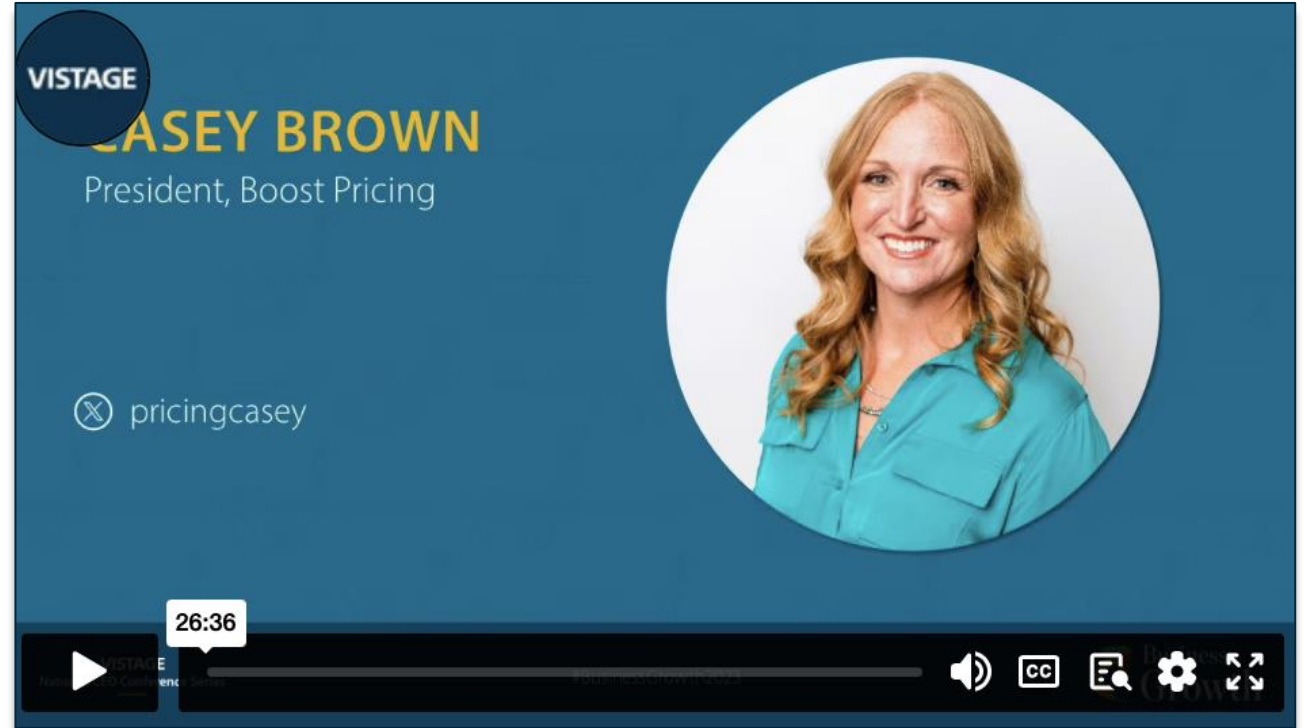


The Business Growth CEO Conference delivered tools and strategies to translate vision into tangible results. Whether you want to rewatch a keynote speaker, catch a breakout you weren't able to attend or download conference takeaways, this page is your exclusive, one-stop resource for important takeaways from the day and more!

Additionally, click the links below to find:

- * the Conference **opening video**
- * **Strategic Planning: Identifying Gaps in Your Game** Vistage Research report and blog
- * the Conference **break presentation**
- * a look back on the day in our **Business Growth blog**

December 8, 2023



Understanding Pricing Concepts & Methods
Identification of Actionable Pricing Opportunities
Confidence In Pricing Power & Courage to Act

*members only

Projections 2024: Bridging the Gap to Growth



Talent Truce

Valuation Validation

Accelerating Digital Transformation

Right-Pricing Strategy

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The Long View...



“Normal” Economy

2024

Growth Cycle

2025-2029

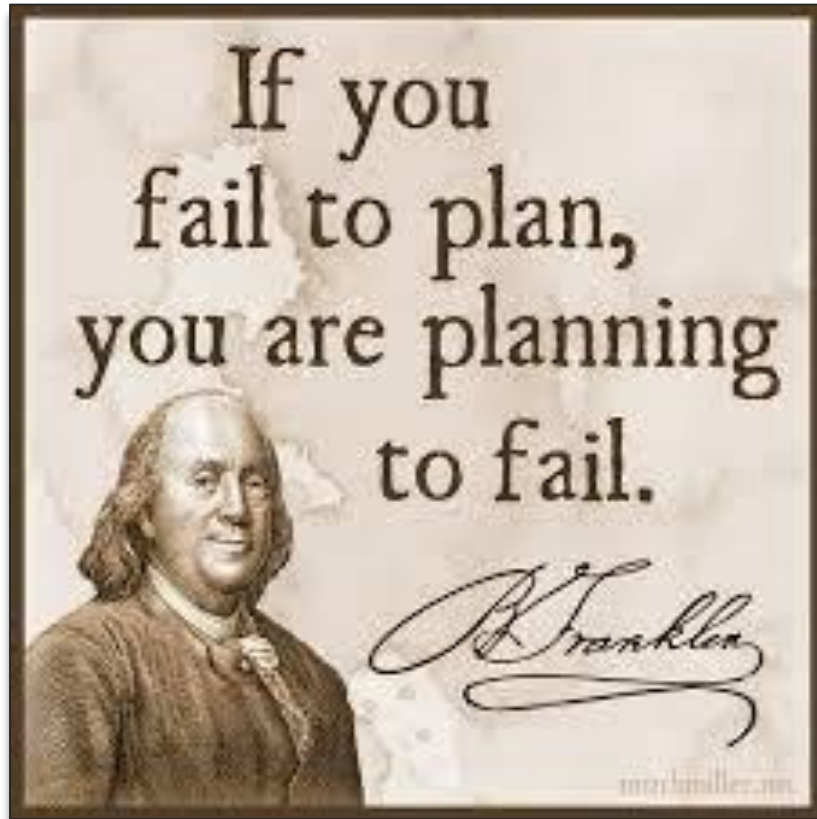
2030

Great Depression

4-6 years - Global

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Bridging the Gap to Growth



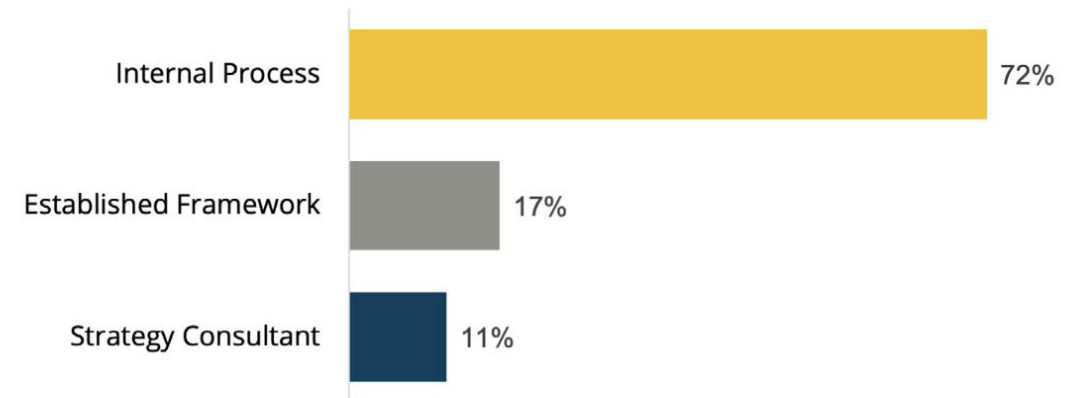
“However, to fail at planning is *unforgivable.*”

Power of Planning



More than 7-in-10 CEOs say they use an internal process as their primary approach to strategic planning

What is your organization's primary approach to strategic planning?



Source: Q3 2023 Vistage CEO Confidence Index, n=1,511

VISTAGE

Strategic Planning

EXPERT PERSPECTIVE | "Operational planning is not strategic planning"



Charles Gounaris
Vistage Master Chair

At the heart of a strategic plan is a clear vision — one that’s meaningful to the CEO catalyzing the organization. A lot of CEOs set goals they think sound good, but don’t mean anything to them personally.

Many leaders will sit down and say, "We’ve achieved our financial objectives this year. Let’s add 3-5% and make that the budget for next year." That’s a very basic and crude way of planning, but it’s not strategic planning.

Strategic planning starts with where you want to be in the future and then works backward to understand what you need to do each year to stay on track. Typically, it sets the vision of where the company wants to be five years from now and outlines three to five "strategic thrusts." Strategic thrusts are the main areas where an organization is going to place its bets to win in the marketplace and drive toward its big, hairy, audacious goals.

The strategic plan should answer questions such as: What’s my advantage in the marketplace? How do I protect that advantage? Where am I trying to go? How do I best get there? What are the two to three best ways for our organization to create and capture value which translates to revenue and profits? How will I invest resources to realize this vision and move the business forward?

By comparison, execution of the outlines what the and effective op makes a plan for orders by impro

"Strateg want to backward do

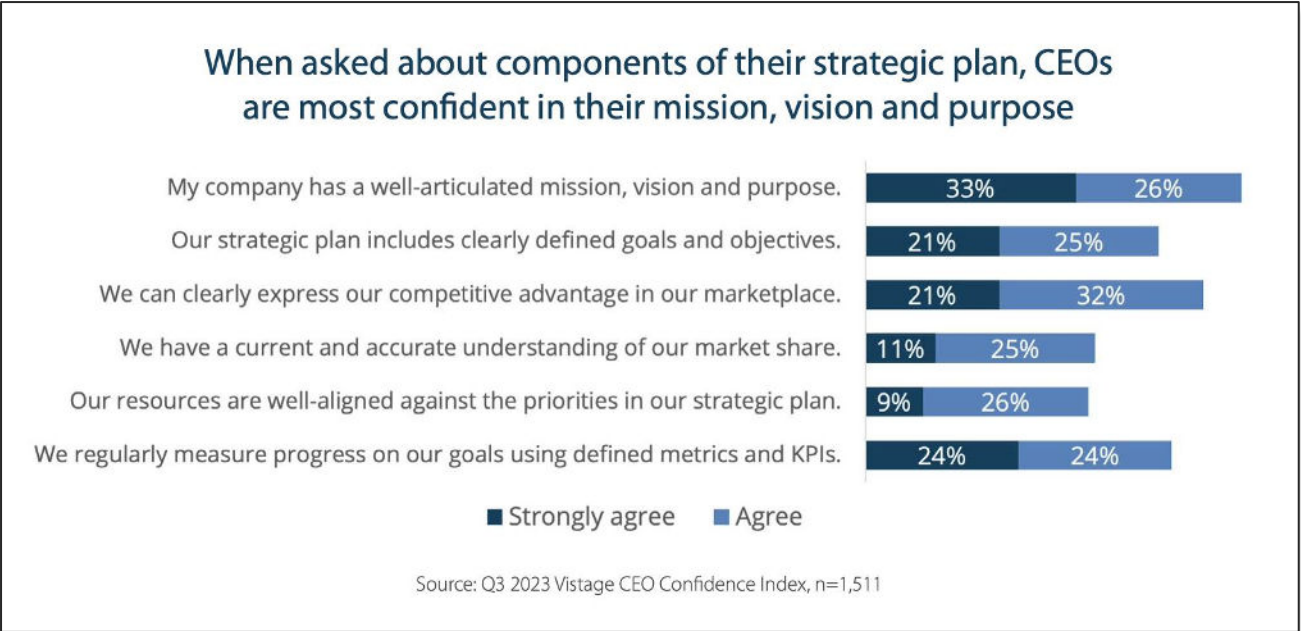
In a well-design plan and strateg resources prop strategic growth requirements of

If you get this right to pull you through at a greater rate than traditional sales efforts. The result? More significant growth — not just incremental growth.

"Strategic planning starts with where you want to be in the future and then works backward to understand what you need to do each year to stay on track."

Charles Gounaris

Components of Strategic Planning

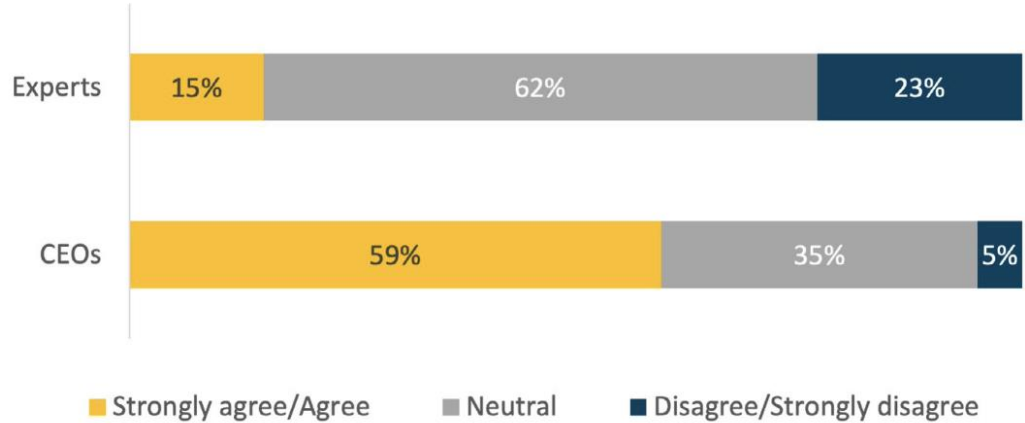


OVERRATED

My company has a well articulated mission, vision and purpose.



Comparison of CEO sentiment to strategic planning experts:
Well-articulated Mission, vision and purpose



Source: Q3 2023 Vistage CEO Confidence Index, n=1,511



Bridging the Gap to Growth

“If you plan, you're going to be [among] those that outperforms the economy.”

- Brian Beaulieu, ITR Economics



VISTAGE RESEARCH



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for research, data and expert perspectives
on the issues, topics and decisions of Business
Optimization and Leadership Enhancement

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