



C-suite barometer

Insights from the Latin America region

mazars

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Foreword

At the end of 2021 we ran our annual C-suite barometer, surveying over 1,000 executives from around the world, including more than 170 from the Latin America region. In this region, we uncovered the highest levels of confidence and resilience of all regions globally, with almost all executives predicting revenue growth in 2022. However, Covid-19 is not over yet, and we face new challenges from rising inflation, and instability following the shocking invasion of Ukraine. Businesses will need to keep pushing through a volatile environment this year.

Our C-suite barometer enables us to listen to and understand our clients in the Latin America region. It helps us to hear what concerns them, gain first-hand insights into their markets, and understand the opportunities and challenges they see ahead. By responding effectively, we can support our clients in seizing these opportunities, responding to the challenges, and accomplishing their objectives.

One of the most notable findings of our 2021 study is the high level of confidence we encountered among businesses in responding to market trends and transformations. In the Latin America region, confidence was at an exceptionally high level. As we begin to emerge from the pandemic, businesses that have survived are confident in their resilience, and that they can achieve revenue growth in 2022. Nonetheless, there are still challenges ahead, both around the world and in our region.

It was also interesting to discover that a relatively low number of Latin American executives feel cybersecurity risks have increased over the past year, compared to other global regions. With both cybercrime and data protection regulations on the rise, there's no doubt that this topic is high on the agenda of the C-suite in the Latin America region, but confidence levels again proved to be very high, with most Latin American businesses feeling confident their data is completely protected. However, it is important that leaders don't become complacent in this area and continue investing to keep up with the latest security requirements, as the potential damage – both financial and reputational – is huge.

The study shows that environmental, social and governance (ESG) factors are increasingly becoming a priority on the C-suite agenda in the Latin America region. Nevertheless, it is apparent there is a gap between the intention of businesses to take ESG seriously, and the actions they take today to act on that good intention. Responsibility and sustainability have become important foundations of business performance, and the time to act has come.

Covid-19 has driven huge transformations in the way we work, particularly with the move to homeworking, which is expected to become a long-term change for more businesses in Latin America than the global average. Further, Covid-19 has initiated a major change in the leadership skills executives in the Latin America region feel they need. Competition for talent is fierce, and expectations in the way businesses behave have changed. Latin American businesses will need to focus on articulating and demonstrating what they stand for, and invest in their workforce to develop people with the right skills for the future.

Throughout 2022, there will inevitably be challenges for businesses in the Latin America region. But challenges always bring opportunities, and Mazars is here to help. We look forward to helping our clients build businesses that are more resilient, sustainable and successful in the long term. We look forward to continuing to do this over the years ahead.



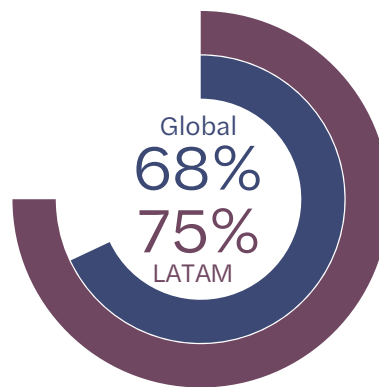
Luis Martinez
Latin America Board President
Mazars in Uruguay

Transformations ahead: Technology and sustainability top the list

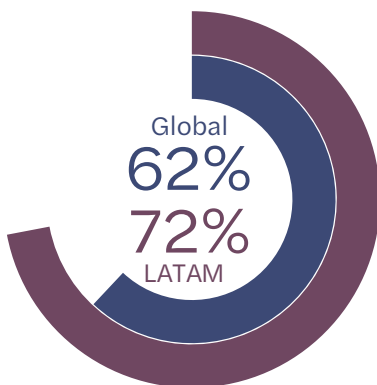
Our research shows that leaders around the world expect to transform their businesses, with technology- and sustainability-related transformations being the most likely.

The Latin America region showed particularly high levels of anticipation, with a large majority of C-suite executives expecting upcoming transformations in environmental, social and governance (ESG) and technology.

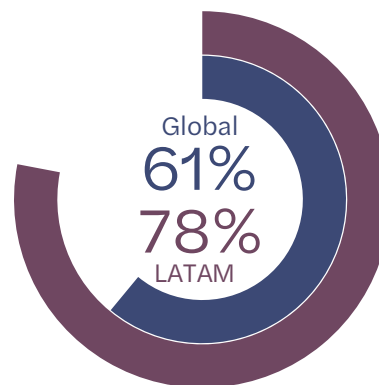
In the Latin America region, three-quarters (75%) expect their businesses to undergo a technology transformation, compared to 68% of the global sample. A similar number (72%) expect a transformation in their sustainability strategy, which is 10% higher than the global average (62%). Further, 78% of Latin American businesses predict a transformation in performance improvement, which is 17% higher than the global average (61%).



Businesses expecting to go through a technology transformation in the next three to five years.



Businesses considering a transformation in their sustainability strategy in the coming three to five years likely.

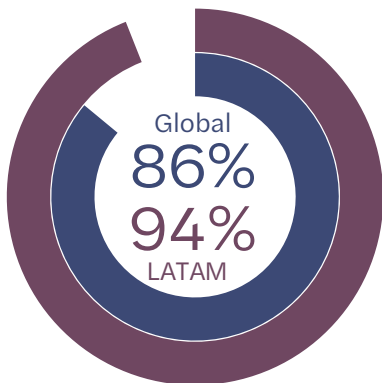


Businesses predicting a transformation in performance improvement in the next three to five years.

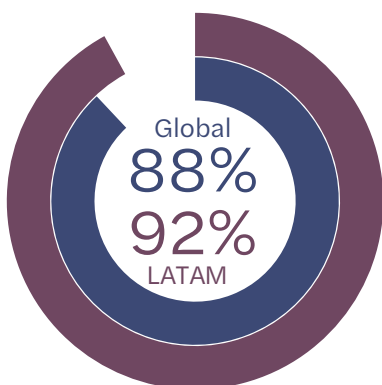
Confidence to respond

At the end of 2021, business leaders reported a high level of confidence in responding to the trends and transformations identified. Optimism for future prosperity is very high in the Latin America region, with more than nine in ten C-suite executives (94%) predicting revenue growth in 2022, which is 8% higher than the global average (86%).

Businesses have had to dig deep and show resilience over the past two years. With the impact of the pandemic ongoing and the shocking events in Europe, this resilience will be needed again. Our research suggests that those who have survived are feeling stronger for it, and C-suite executives in Latin America are confident in their crisis resilience. Some 92% say that they're confident their businesses can overcome a crisis, which is 4% higher than the global average (88%).



Businesses predicting revenue growth in 2022.



Companies are confident they have the resilience to weather a crisis



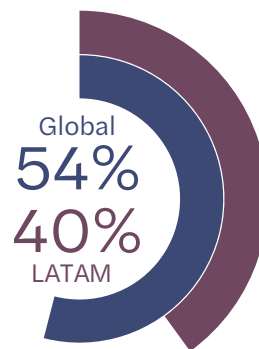


Cyber risk

Confidence levels in the Latin America region also extend to cyber security risks. Only four in ten (40%) think that cyber security risks have increased over the past year. This is the lowest of the regions and 15% less than the global average (54%). In Latin America, just over a quarter (26%) think a significant data breach is likely in the next 12 months - this is 9% lower than the global average (35%) and the lowest of all regions.

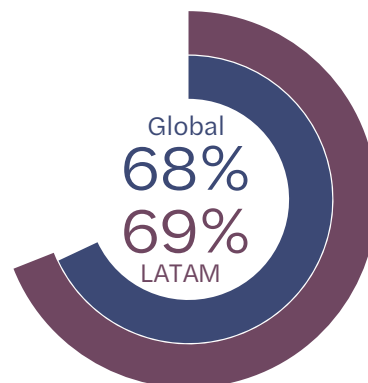
Despite thinking cyber security risks have increased, the majority of businesses, including 69% in the Latin America region, remain confident that their data is fully protected, which is similar to the global average (68%).

In the face of increasing cyber risks...



Over half of respondents believe the cyber security risk to their organisation has increased over the past 12 months.

...confidence remains high



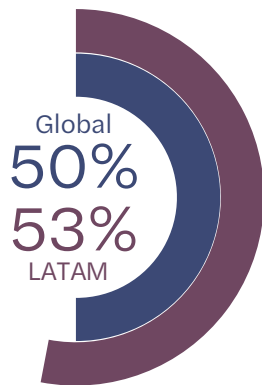
Over two-thirds are confident their data is completely protected.

Harnessing the power of technology

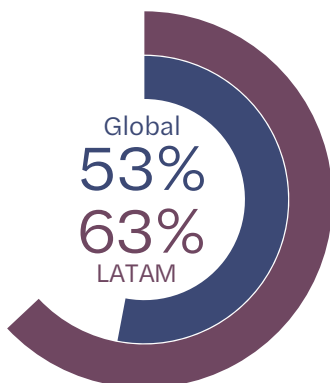
The pandemic showed the world a new way of working, as businesses harnessed technology and adapted to remote working. Almost six in ten Latin American executives (58%) say adapting to remote working was the most significant challenge for their businesses caused by Covid-19, which is 13% higher than the global average (45%). And it seems, having tackled these challenges, remote working is here to stay - and to a greater extent in Latin America than other regions: 50% globally and 53% in Latin America say increased remote or flexi-working is a long-term change for their business.

Leaders expect trends in technology/innovation to have the biggest impact on their business in the coming years: they are confident they can respond and are planning to increase investment in IT systems.

Globally, over half (53%) expect technology/innovation trends to have a major impact on their business in the next three to five years. In the Latin America region, this figure is 10% higher (63%) - the highest of all global regions. Nearly every leader is confident their business can respond: 94% globally and 95% in Latin America.



Remote working is here to stay: businesses expect increased remote or flexi-working to be a long-term change for their business.



Technology trends are firmly on executives' radars: over half expect technology/innovation trends to have a major impact on their business in the next three to five years



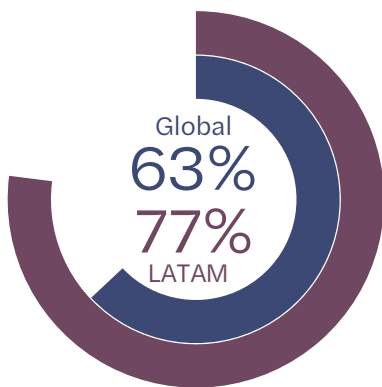
ESG now firmly on the C-suite agenda

ESG is now a clear priority for the C-suite, and many businesses expect to transform their sustainability strategies. Most businesses, including just over half in Latin America (54%, compared to 58% globally), sharpened their focus on ESG as a result of Covid-19, and the majority have made public commitments on a range of ESG issues.

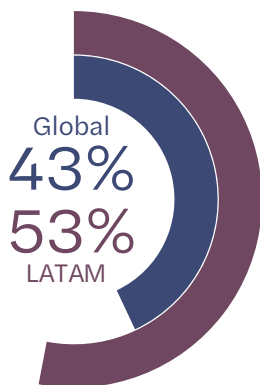
The majority of businesses already produce a sustainability report (63% globally and 77% in Latin America) and most of the remaining businesses (25% globally and 18% in Latin America) plan to in the coming 12 months.

Businesses in Latin America have made commitments to reducing pollution and waste (74% for both, compared to 60% and 62% globally). C-suite executives place a strong focus on business ethics (77%), human rights (75%) and health and safety (74%), which is much higher than the global averages (58%, 55% and 63%, respectively). Further, a high proportion of businesses in Latin America work on diversity and inclusion, with 95% having a programme in place, compared to 81% globally.

The most important drivers of ESG investment in the Latin America region are client expectations (53%, compared to 43% globally) and compliance (45%, compared to 37% globally).



The majority of businesses already produce a sustainability report.



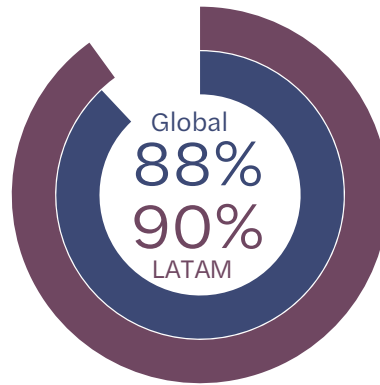
Client expectations is the biggest driver for ESG investment in Latin America.



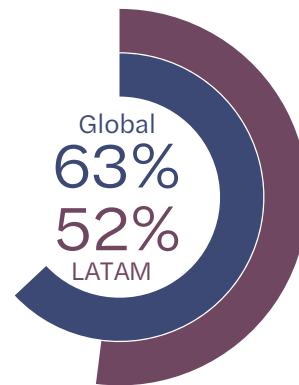
Core leadership skills needed to meet the needs

Do businesses have the leadership skills they need to achieve their aspirations? Our study shows that in the Latin America region, C-suite executives believe they have the leadership skills they will need. Some 90% say they have either all (53%) or most (37%) of the skills they need to weather the next three to five years. This is slightly higher than the global average, where 88% say they have either all (40%) or most (48%) of the leadership skills they will need in the coming years.

In Latin America, only half (52%) of businesses say that Covid-19 has changed the leadership skills they need, compared to 63% globally. C-suite executives in this region prioritise the ability to make tough decisions (39%, compared to 34% globally) and analytical thinking (39%, compared to 38% globally) as top leadership skills. Globally, strategic vision and planning was seen as the most important leadership skill (39%).



Most leaders believe their leadership team has the skills their organisation needs for the next three to five years.



Executives say Covid-19 has changed the future leadership styles their organisation needs.



Methodology

The Mazars C-suite barometer was designed and conducted by GQR Research, in collaboration with Mazars. The data was gathered via an online survey between 24 September 2021 and 25 October 2021. The total sample is N=1,130, with 1,096 sourced from online panels and 34 invited via email directly from Mazars.

Job role		Industry		Annual revenue (USD)	
CEO, Chairman, Board	706	Financial Services	219	\$1m-\$100m	432
Other C-suite executive	423	Technology & Telecoms	178	\$100m - \$1bn	350
		Retail & Consumer Products	149	\$1bn+	348
		Automotive & Manufacturing	166		

Region	Country	Sample	Region	Country	Sample
Africa & Middle East	Egypt	20	North America	Canada	53
	Kenya	20		United States of America	55
	Morocco	20	Latin America	Argentina	10
	Nigeria	20		Brazil	25
	South Africa	35		Chile	29
	United Arab Emirates	20		Colombia	30
		Mexico		72	
		Uruguay		5	
Asia-Pacific	Australia	23	Europe	France	50
	China	20		Germany	60
	Hong Kong	20		Ireland	15
	Indonesia	20		Italy	53
	Japan	20		Netherlands	51
	Malaysia	15		Spain	50
	Philippines	20		Switzerland	22
	Singapore	20		United Kingdom	50
	South Korea	20		Turkey	3
	Vietnam	20			
Central & Eastern Europe	Austria	9	Total	39 countries	1,130
	Poland	36			
	Romania	48			
	Russia	43			
	Slovakia	12			
	Ukraine	16			

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of more than 44,000 professionals – 28,000+ in Mazars' integrated partnership and 16,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*Where permitted under applicable country laws

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