



C-suite barometer

Western European perspective



Ton Tuinier
Partner, Mazars

Mazars' inaugural C-suite barometer, conducted in Q3 and Q4 2020, captures the views of over 500 executives globally. Ton Tuinier, Managing Partner of Mazars in the Netherlands and member of Mazars' Group Executive Board, shares his thoughts on the findings and the specific insights from Western European businesses.

Western European leaders are least positive about 2021 growth outlook

Our research showed surprising optimism overall: with 71% of respondents saying they expected their business to grow in 2021. Western European leaders were slightly less optimistic than their peers, with 63% expressing a positive growth outlook for 2021.

“For most of Western Europe, Q3 2020 was the height of the Covid-19 pandemic with unprecedented restrictions impacting people’s daily lives, which may explain this lower level of optimism,” says **Ton Tuinier**.

He adds: “Western European businesses were facing the most severe impact of the Covid-19 pandemic right in the middle of Q3 and Q4 of 2020. The Covid-19 outbreak and the lockdowns have slowed down export potential and investments in Western Europe. The eurozone slipped into deflation in August 2020 and the unemployment rate climbed. At the time of the survey, Western Europe was combating the second wave of the pandemic, so entrepreneurs were perhaps less optimistic as far as the growth outlook for 2021.”

Tech-related trends and transformations on the horizon

Across the board, the C-suite agreed the transformation their businesses will most likely go through in the coming three to five years will be technology-related. Half of all respondents said they expect their organisation to undergo a tech-driven transformation. So, what kinds of transformations do we see on the horizon?

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“The Covid-19 crisis has placed additional pressure on all sectors to innovate and operate more efficiently,” notes Tuinier. “Digitalisation is of great importance and businesses’ use of robotic process automation (RPA) RPA is an instrumental tool to confront the changes in how we work. All industries have been undergoing rapid disruption and the pandemic has only reinforced the need for innovation. Use of digital channels has become even more important and the big question is whether this model will remain and to what extent. I believe we will never go back to doing business fully at physical locations, meaning businesses must continue to keep up the pace with innovation to offer flexible solutions to clients and the way we work.”

ESG & climate risk trends only just on the radar

Businesses ranked technology/innovation second on the list of trends expected to have the biggest impact on them in the coming years, after economic trends. When asked if their organisation could respond to trends in technology and innovation, 43% were ‘very confident’, 47% ‘fairly confident’ and only 10% said they had little to no confidence. This contrasts starkly with climate risk trends, which ranked at the bottom of the list globally: only 20% expect climate risk to impact their business significantly and 28% state they were ‘not very’ or ‘not at all’ confident that their business could respond to climate risk.

Climate risk had a slightly higher standing in Western Europe, with a quarter of respondents citing it as the trend that will have the biggest impact in the coming three to five years: higher than any other region, but still relatively low on the C-suite agenda.

Tuinier says, “Given the current economic and climate challenges, it is almost inevitable that technology and innovation are moved to the top of the agenda. However, ESG, including climate challenges remains just as important to Western Europe as other trends. During the pandemic, we are seeing a temporary shift in focus, but I believe that creating a sustainable business in a sustainable world remains a top future priority. Finding the right balance between these trends will move us forward. It is inevitable we have to make choices for the future of the next generation.”

More gender diversity than other regions - but is it enough?

Top strategic decision-making positions globally are still held mainly by men: in the majority (59%) of companies surveyed, less than a third of top decision-makers were women. Most often, women make up between 31% and 40% of employees at their company, but only 13% of companies globally report having a majority (51%+) of women in top management positions.

Western European businesses are marginally more gender diverse: 16% of respondents there said more than half of top decision-makers were female, second only to the USA (19%).

“A big question is whether we should focus on gender diversity alone or on diversity and inclusion in a much broader definition,” advises Tuinier. “I believe that opening the focus to diversity and inclusion brings added value to any organisation. In an ideal world, leaders of any gender and background should embrace a balanced mix of leadership styles to offer the most to their teams.”

Ready to reset? Western European businesses predict a shift to longer-term activities

The research showed that, overall, there was a sense that businesses were getting ready to reset post-pandemic. Respondents were asked where their organisation had increased investment in the six months prior to the survey, and where they planned to invest in the next six months. While efficiency/ reducing costs topped both lists, there was a noticeable increase in investment planned in new products, services, markets and R&D/innovation, suggesting businesses were considering new business opportunities to boost revenue and be more efficient.

Tuinier concludes: “Any business owner should be ready to invest in the future. My advice would be to keep investing in their people and businesses in order to best serve their clients and the role that they play in their industry, sector and society.”

You can learn more about the results of the research and what it means for businesses in the full [C-suite barometer report](#).