

PwC's 27th Annual Global CEO Survey -
Australian insights

The reinvention imperative

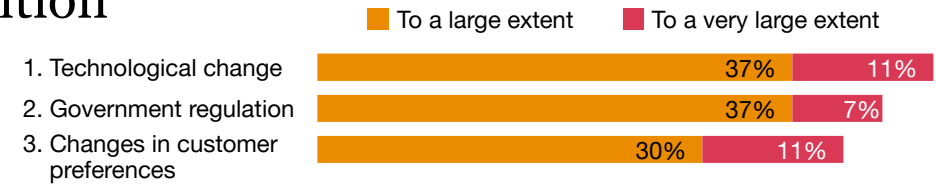
Our data shows that CEOs in Australia are responding to the reinvention imperative, particularly through adopting new technologies. However they are slower than the global average at shifting their business models to new products and services.

Could it be that they don't see a burning platform for business model reinvention - yet?

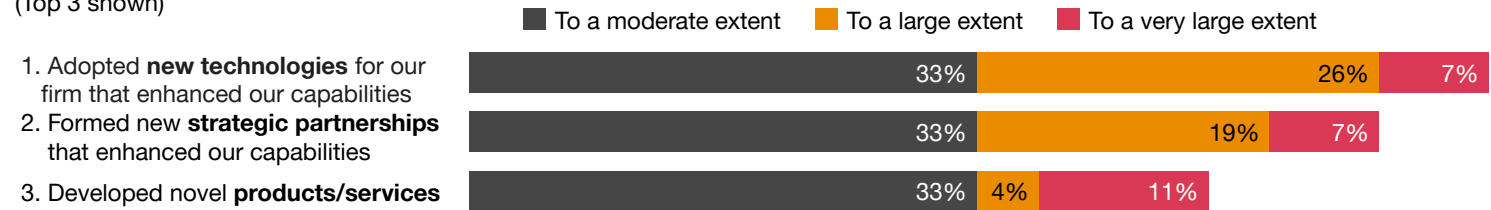
Now's the time for Australian business leaders to shift focus from internal operational challenges and look outwards to respond to shifting customer preferences and seek new sources of value.

CEOs in Australia identify technology as the biggest driver of business model reinvention

Please indicate the extent to which the following factors will drive changes to the way your company **creates, delivers and captures value** in the **next three years?** (Top 3 shown)



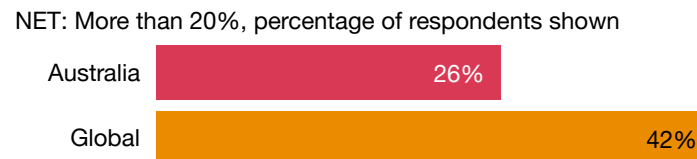
To what extent have the following actions impacted the way your company **creates, delivers and captures value** over the **last five years?** (Top 3 shown)



Most CEOs in Australia don't think they have a burning platform for reinvention (yet)

Australia's companies are still mainly relying on existing products and services for most of their revenue; they're not shifting to new sources of value at the same speed as companies globally.

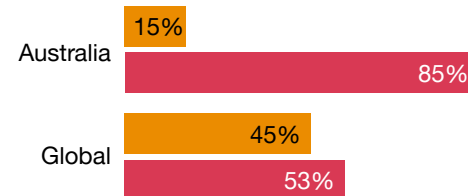
What percentage of your **company's total sales** from this year are attributable to new products or services introduced in the **last three years?**



NET: More than 20%, percentage of respondents shown

Most CEOs surveyed in Australia believe their company would still exist 10 years from now - even if they stay on the same path, compared to just 53% of CEOs globally.

If your company continues running on its current path, for how long do you think your business will be **economically viable?**



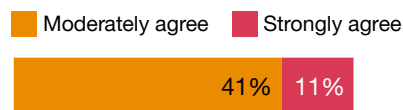
Spotlight on...

Gen AI

While companies have been experimenting in generative AI, there isn't yet widespread adoption across organisations. However, CEOs see significant unrealised potential to achieve operational efficiencies and business transformation from gen AI – so long as they can manage the risks.

To what extent do you agree or disagree with the following statements about **generative AI**?

In the next three years, generative AI will require most of my workforce to **develop new skills**



In the next three years, generative AI will significantly change the way my company **creates, delivers and captures value**



Climate risks

CEOs in Australia assess their companies as being ahead of the global average for climate-related business measures.

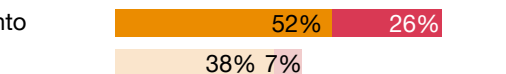
They see regulatory complexity as the main barrier to further change, while pressures to achieve short-term performance targets mean they are mostly unwilling to accept lower rates of return for climate-related investments.

Which of the following best describes your company's **level of progress** on each of these actions? (Top 3 shown)

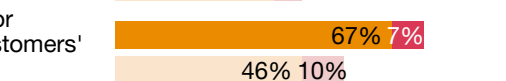
1. Improving energy efficiency (including reducing our energy consumption)



2. Incorporating climate risk into financial planning



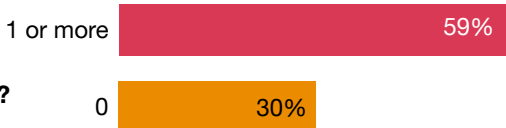
3. Selling products, services or technologies that support customers' climate-resilience efforts



Deals

Companies in Australia are primed for deals, following a quieter period for M&A activity where companies have instead been forming partnerships.

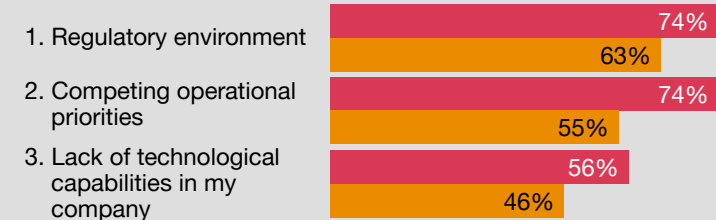
How many **acquisitions** is your company planning to make in the **next three years**?



Regulation and operational priorities inhibit business model reinvention

To what extent, if at all, are the following factors inhibiting your company from changing the way it **creates, delivers and captures value**? (Top 2 shown, moderate to very large extent)

Australia
Global



Economic uncertainty and inflation place pressure on decision making

How exposed do you believe your company will be to the following **key threats** in the **next 12 months**? (Top 3 shown, moderate and highly exposed)

Moderately exposed (moderate probability of significant financial loss)
Highly exposed (high probability of significant financial loss)

