

2021 Gartner CEO Survey: The Year of Rebuilding

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Initiatives: [Executive Leadership: Digital Business](#); [CIO Role Evolution](#); [CIO Leadership of Strategy, Governance and Operating Models](#); [Executive Leadership: Enterprise Strategic Planning and Execution](#)

The annual global Gartner survey shows that CEOs and senior business executives remain confident about growth prospects. Executive leaders should apply this research to their postcrisis business and digital business strategies.

Additional Perspectives

- [Summary Translation: 2021 Gartner CEO Survey: The Year of Rebuilding](#)
(11 May 2021)

Overview

Key Findings

- More CEOs anticipate economic boom (60%) than stagnation (40%) in 2021 and 2022.
- Ten percent of CEOs don't expect 2019 revenue levels to return until after 2022.
- CEOs' top priorities show confidence — 56% mention growth; cost focus fell by 17%.
- CEOs' digital focus rose again — 36% gave a tech-related top priority; 20% said "digital."
- Mentions of digital "transformation" fell significantly — a sign of digital ambition decay.
- Investment appetite dulled. Intent to invest more fell for every area except digital capabilities.
- Most CEOs don't have CDOs, but 83% have CIOs, and the top ask of them is digitalization.
- M&A prioritization ballooned, and CEOs hunting new markets rose noticeably.
- American and APAC CEOs see home region opportunities more than Europeans do.
- Enduring societal behavior change arising from the pandemic is expected by 81% of CEOs.
- Expected customer behavior shifts — constrained demand, more tech use and digital flexibility.
- Better profit returns are investors' top demand (21%), while ESG priority rose.
- Taking a public social justice stance is risky, or employees are split, or both, say 61% of CEOs.
- Climate change mitigation, say 45% of CEOs, is having a significant impact on their businesses.
- CEOs see AI as the most industry-impactful technology, but only 18% said so, down from 29%.
- Just over 30% of CEOs see quantum computing's long-range relevance.

Recommendations

Executive leaders engaging the CEO and the board to support and drive digital business success should:

- **Counteract digital complacency risk and brace for C-suite churn.** Reconnect the digital business mission as new leaders join. Target techquisitions. Invest in ESG/CSR analytics. Contribute to diversification with new and scaled-up digital products and services.
- **Inject insight to propel current growth.** Directly apply the data science capabilities you have built to find new markets and revenue growth hot spots. Focus on analyzing post-COVID-19 customer behaviors and trade location shifts.
- **Floodlight the long-range technologically infused future.** Anticipate involvement in long-range business strategy. Personally prepare to answer the biggest questions on technology and society. To do that, become CIO or CTO “++” if relevant.

Survey Objective

Gartner’s annual CEO and Senior Business Executive Survey examines the current major business concerns and priorities of large-company CEOs and other C-level business executives. It tracks the variation of business leader priorities year over year and asks questions about business executive attitudes toward the importance of specific contemporary business and technology-related challenges. Interpreting subjective, opinion-based survey data can be a subtle art — especially when the target job role is constrained in what it is permitted to say directly. The unsaid or small changes of tone and nuance can sometimes speak volumes. The Gartner CEO survey has been operating for over a decade in its current form, allowing us to see across a whole economic cycle and sometimes uncover important weak signals in the noise.

How to Use This Research

We realize you are busy and unlikely to read this research end to end. It is not designed for that. Instead, we anticipate you will skim and dip into items of specific interest. We suggest you:

- Browse the front-page findings — Click on their links to reach the subheadings that are arranged in the same order inside the report, within a frame of the three major advisory recommendations.

- Skim the charts throughout the document — see what stands out and is relevant to you.
- Copy and paste key charts into your own presentations to stimulate management conversations.

This is an overview report of the survey data. A collection of more specific drill-down analysis and advisory reports will be published, assessing particular issues, questions and focal points in more depth.

Data Insights

Business Priorities and CEOs' General Outlook for 2021-2022

2021 is the year when all CEOs are rebuilding their companies in the aftermath of the COVID-19 pandemic and the overdue economic cycle downturn that it invoked. For many, the task will be recovering revenue, profit and growth to prepandemic levels. A more fortunate smaller group will be adapting their businesses to profitable advantage from increased — but differently shaped — demand. A particularly hard hit, but relatively small minority in a few industries, will be focused on surviving through to 2022. All will be working hard to decode what the postpandemic world looks like and redeveloping mid- to long-range business strategy to intersect it. In most cases, that will uncover a round of new structural changes to capability, location, products and business models. A wave of M&As will ensue. Prior transformation programs may be tapered down and replaced with new directions. Themes such as more environmental business or changes to the trading landscape between nations may require a rethink about how and where digital business capability is most effectively applied.

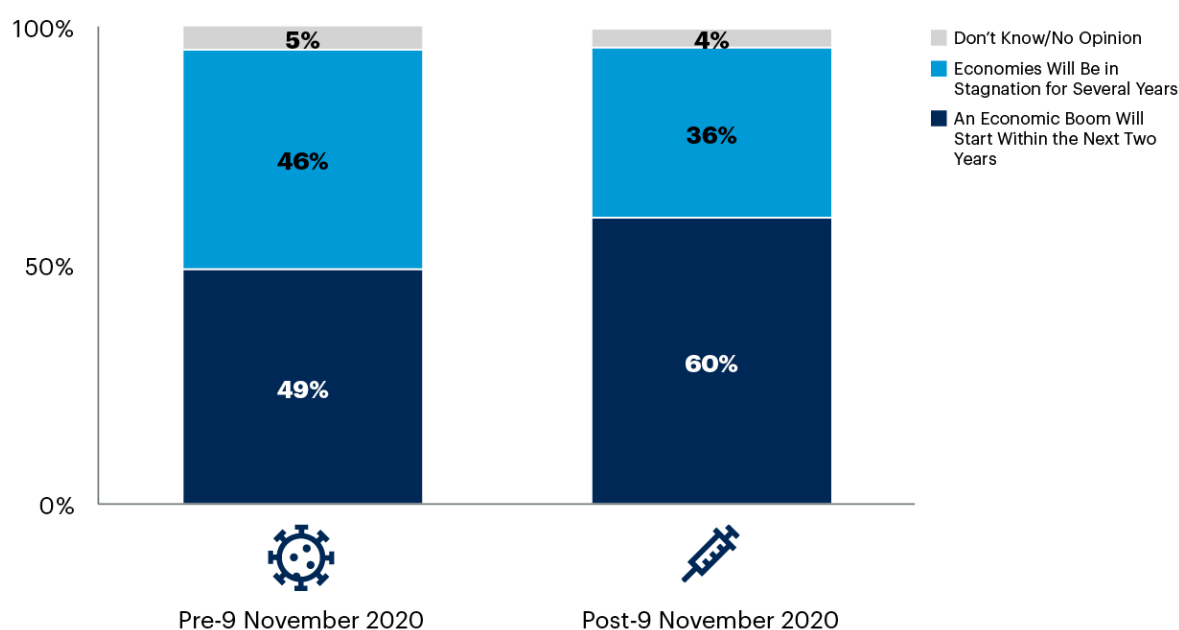
More CEOs Anticipate Economic Boom (60%) Than Stagnation (40%) in 2021-2022

Seemingly endless COVID-19 population lockdowns and negative news headlines can make the business outlook seem gloomy. But CEOs see through it. They are betting that mass vaccination programs will thwart the virus in many regions through the middle of 2021. What the majority anticipate after that is the arrival of something of an economic boom.

That primary scenario was apparent as soon as the first vaccine was announced in November 2020 (see Figure 1). The way CEOs will play the aftermath of this crisis is unlike their elongated period of caution after the banking financial crisis of 2009. This time, the majority are anticipating a fast, sharp recovery and are already making moves to take advantage. Though some might crave a doldrums period in which to catch their breath, executive leaders should instead brace themselves for a slew of new initiatives and fast-paced drive.

Figure 1. CEOs' Economic Outlook Improved After the First COVID-19 Vaccine Was Announced

Economic Recovery



n = 354, All Answering Respondents

Q: Please tell us which of two opposing viewpoints most closely represents your view — Economic Recovery

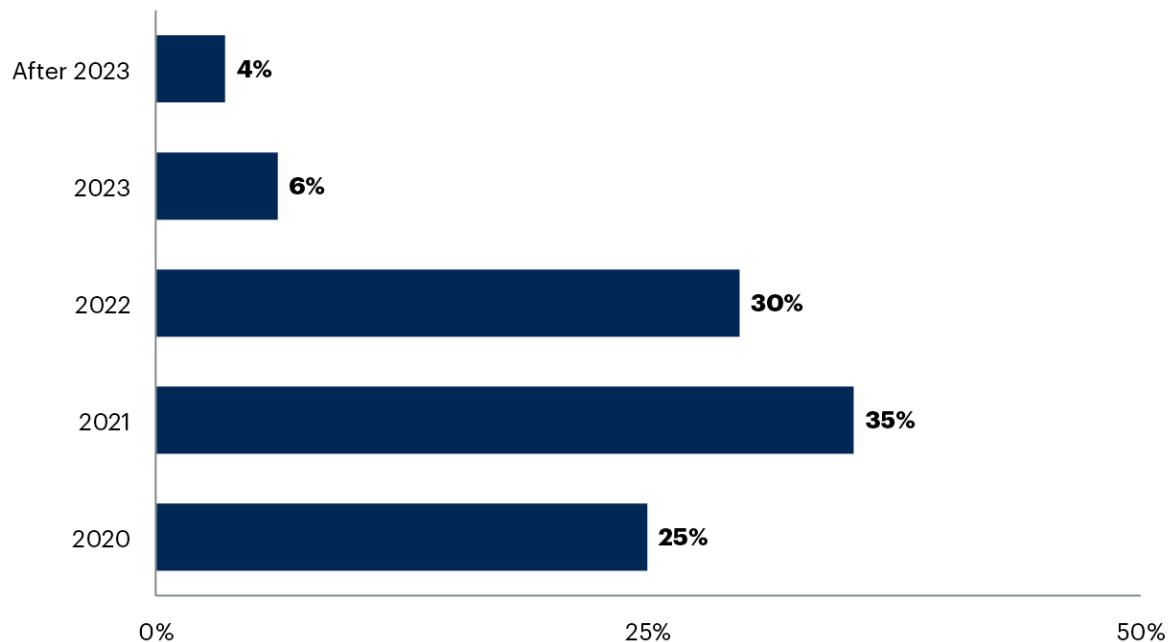
Source: 2021 Gartner CEO and Senior Business Executive Survey

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Ten Percent of CEOs Don't Expect 2019 Revenue Levels to Return Until After 2022

More evidence of the comparatively rapid recovery scenario is visible when CEOs are asked about their anticipated return of revenue (see Figure 2). Overall, a majority expect to be back at 2019 revenue levels by the end of 2021, and only 10% expect it to take until beyond the end of 2022.

Figure 2. When CEOs Believe Revenue Will Return to 2019 Levels**When CEOs Anticipate Returning to or Exceeding 2019 Revenue Level**

n = 448, All Respondents, Excluding "Don't Know/Private/Cannot Say"

Q: We anticipate returning to or exceeding our 2019 revenue level in:

Source: 2021 Gartner CEO and Senior Business Executive Survey

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Executive leaders should, therefore, anticipate somewhat faster easing of controls on expenditures and increasing capacity to invest in development and change projects (compared to their experience of the banking financial crisis aftermath). However, many CFOs will have fairly large balance sheet holes to fill and financial reserve buffers to rebuild.

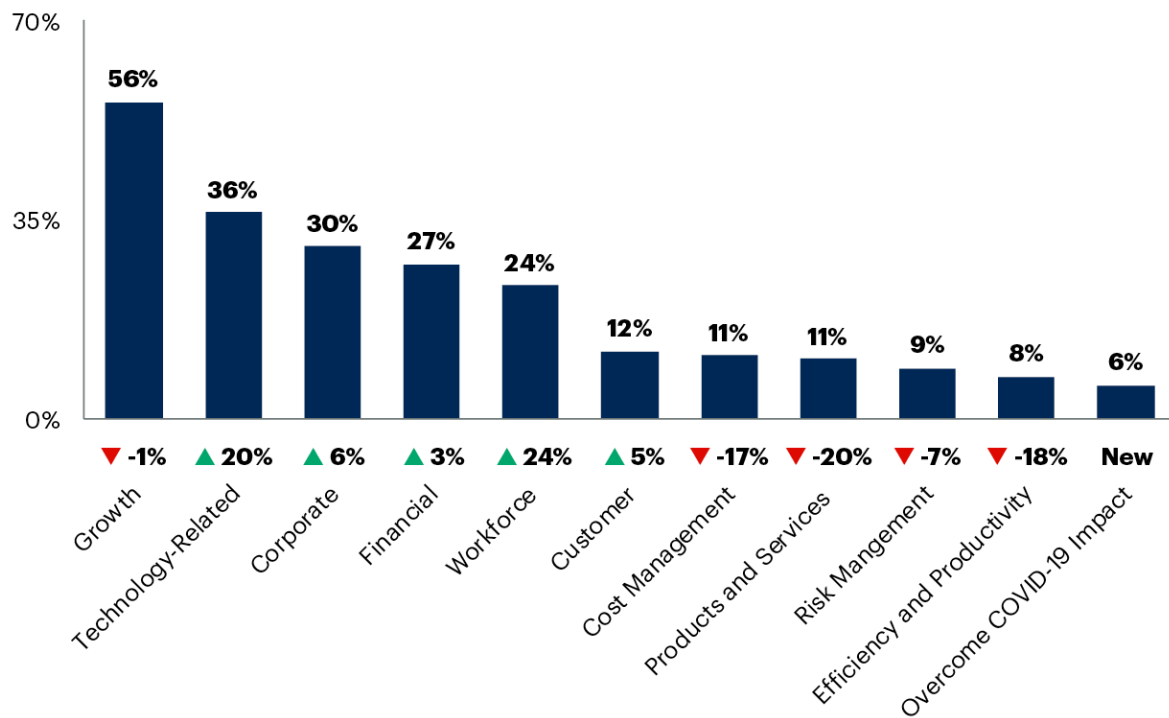
CEOs' Top Priorities Show Confidence — 56% Mention Growth; Cost Focus Fell by 17%

The methodology for our key survey question on business priorities has remained the same since 2012. We ask respondents for their "top five strategic business priorities for the next two years." It is an open question that they answer in their own words. We categorize the responses using a frame we have evolved from the data over the years. Figure 3 shows this year's results. The red and green arrows show the change from the previous year.

Figure 3. CEOs' Top Strategic Business Priorities for 2021-2022

CEO Business Priorities, 2021 and 2022 — Top 11

Summary Top Three Mentions, Coded Responses



n = 465, All Respondents

Q: To start, please tell us about your organization's top 5 strategic business priorities for the next 2 years (2021/2022).

Source: 2021 Gartner CEO and Senior Business Executive Survey

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The pleasant surprise is that CEOs' growth focus remains top, and it has barely been dented by the crisis. This is further evidence that they are peering through it and already seeing the opportunity on the other side. The category of technology-related mentions is second and has increased. With all the emphasis the crisis placed on remote working and digital commerce, this is to be expected (detail of what's inside the technology-related category is in Figure 5).

The corporate action category is in third position and has risen a little. Here lie major structural and directional changes to the business such as new strategy, M&As and reorganization. In fourth position is the financial category – the biggest increase of emphasis this year here was on cash flow, as might be expected in a downturn period. The workforce category in fifth position showed a marked rise because CEOs became concerned for the well-being of their people, mainly because of the need to retain talent. If the business recovers quickly, the CEO cannot afford to lose people who will be needed to take advantage.

The midposition and small increase of emphasis on customers may surprise some. However, CEOs are not always as directly customer fixated as observers imagine. Within this category this year, customer retention was an obvious priority (while emphasis on “customer needs” fell). Even more unexpected might be the fall of emphasis on cost, in seventh position. Our prior surveys showed that CEOs were reducing costs and preparing for an economic downturn in 2018 and 2019. Then, of course, in 2020, they made rapid cost cuts during the pandemic. So a lot of that work is behind them, not ahead.

Product and service innovation and development is not much of an emphasis for most CEOs this year. Nor is risk management, but most of them have been forced to be very active in that area already over the past year, so perhaps it’s a fallow subject for a while. A substantial drop in emphasis on productivity and efficiency is to be expected, because simple demand and supply management and safe operations are more important now. However, this topic might be one that rises quickly in the next couple of years if CEOs have to reengineer margins to deliver on investors’ top demand for higher profit returns, as Figure 18 indicates. The 11th category on this year’s chart is new. Some CEOs offered simply “coping with COVID-19” as a priority. This response is to be expected in the minority of severely hit industries and from businesses struggling to survive.

Executive leaders should read this priority list as displaying a remarkably strong and confident CEO recovery posture, considering the severity of the economic storm that COVID-19 has wrought. However, it would be wrong to read the high showing of the “technology-related” category as an unconditionally positive signal for technology leaders.

Counteract Digital Complacency Risk and Brace for C-Suite Churn

The 2021 CEO survey appears to show that headline interest in and commitment to digital business change has increased. While that may be true, the underlying nature of the digital aspiration may have shifted. We think CEOs show some signs of digital ambition decay.

Compared to 2020, the simple business priority of technology-related change went up. Mentions of “digital” rose, and commitment to increase investment in “digital capabilities” rose a little, while other investment increase intent fell back. However, within that technology-related category, mentions of digital *transformation* halved, and there were other subtle indicators. For example, mentions of product innovation were reduced when CEOs were asked to explain what they meant by digital business. However, mentions of e-commerce were up. We think this shows CEOs regressing somewhat toward an e-business-style agenda. The center of attention has become more about digital commerce catch-up and scaling and digital remote working, rather than deeper digital value proposition and business model innovation. That’s not a problem for now but the risk is that today’s pragmatism cements itself as tomorrow’s complacency. We have seen that happen before — for example in the early 2000s when mainstream companies were busy scaling down IT even as the digital giants were building their foundations of power. Digital disruption of industries will accelerate more this decade, and any lack of strategic ambition to reach the next horizon could become dangerous quite quickly.

In the immediate aftermath of the crisis we expect to see many CEOs replaced or retired. Some long-tenured leaders, who were overdue to leave, stayed on to manage through the crisis. Additionally, the postpandemic period will be the start of a new chapter for many companies, with a different strategic direction that will require at least a leader refresh and, possibly, a different style of leader altogether. The coming and going of CEOs will be part of a broader churn of C-suite leaders that could be quite disruptive and jarring.

Recommended Actions for Executive Leaders

- **Reconnect the digital business mission as new leaders join.** It was reported to us that one CEO said to his technology leader, “We’ve done digital, why don’t we pause it for a while.” That’s a problem. Momentum lost will be hard to regain. Instead, focus on what the current business imperatives are — and rebuild a digital agenda that connects directly to them in ways that will clearly and obviously move the needle.
- **Target techquisitions.** Many CEOs are keen to use the business cycle turning point to execute M&As as part of their growth strategy. Executive leaders should propose tech companies as part of the mix. What small and midsize digital and tech-related companies could be acquired that would help advance the enterprise’s digital business capability?

- **Invest in ESG/CSR analytics.** Financial investment fund flows have been moving toward ESG very substantially over the last couple of years causing [regulators to evolve standards](#). Many boards and CEOs will wish to attract these investment sources by demonstrating conformance to a standard. Tracking and analyzing environmental and social performance is an area of data and analytics endeavor that will tie directly into that imperative.
- **Contribute to diversification with new and scaled-up digital products and services.** In the hunt for postpandemic growth, many CEOs will want to diversify the products that the company offers, to substitute for those of waning popularity. This creates an opportunity for digital executive leaders to advance the case for scaling up revenue-generating digital products and services experiments or initiating new ones.

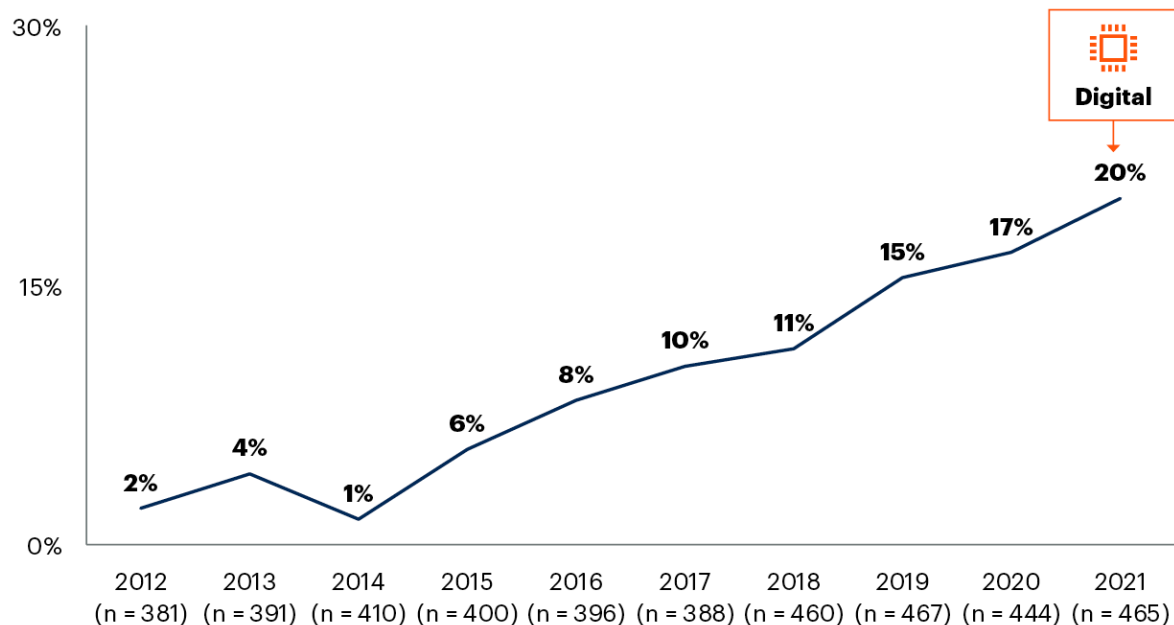
CEOs' Digital Focus Rose Again — 36% Gave a Tech-Related Top Priority; 20% Said "Digital"

The major categories of issues that business leaders focus on — like cost, growth, risk and staff — are fundamental and enduring. It is, therefore, quite remarkable that technology-related change was again the second-highest priority for CEOs and that over a third mentioned it as one of their top three business priorities, as Figure 3 illustrates. As recently as 2013, this category was outside the top 10.

Figure 4 evidences the evolution of the trend in a different way. Because respondents give answers in their own words (rather than picking from a list), we can watch for the progress of issues via frequency of use of a key term. In this case, the rise of CEOs' use of the simple word "digital" is very clear, and it continued between 2020 and 2021. It surprises many people that the term has not yet become unfashionable. That may yet happen. At this business cycle turning point, it would be wise to recall that the once-ubiquitous term "e-business" has all but disappeared.

Figure 4. Unprompted Use of the Word “Digital” When CEOs State Their Top Business Priorities

Unprompted Use of the Word “Digital” When CEOs State Their Top Business Priorities



n = varies

Q: To start, please tell us about your organization's top 5 strategic business priorities for the next 2 years (2021/2022).

Source: 2021 Gartner CEO and Senior Business Executive Survey

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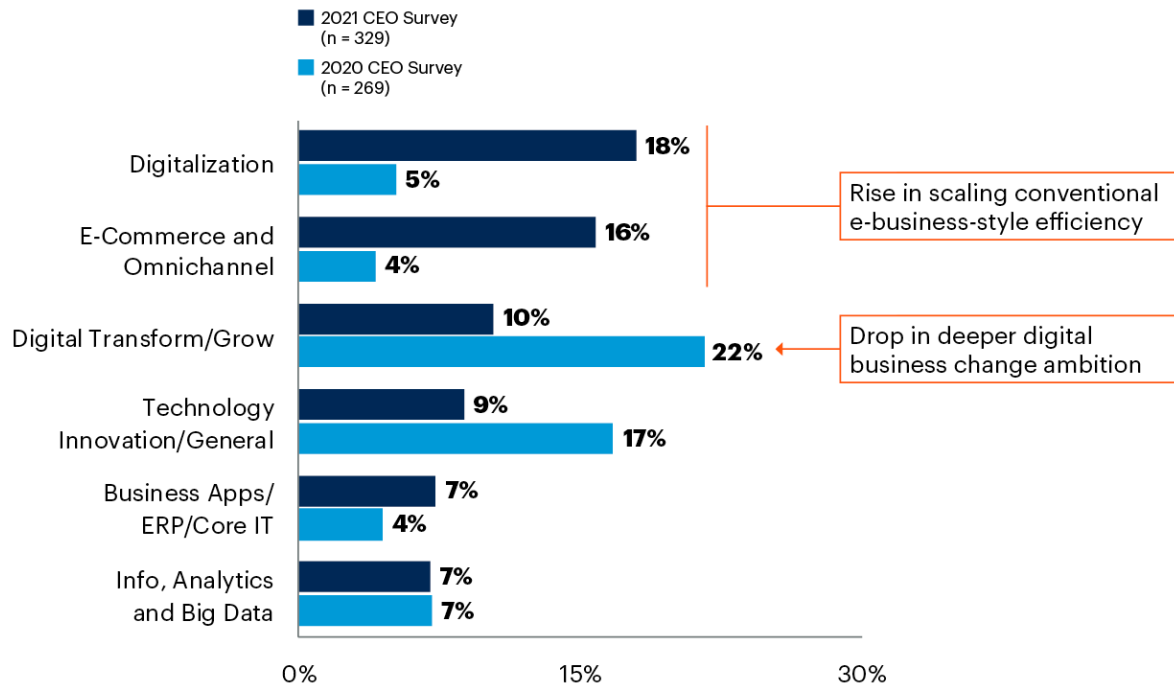
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Mentions of Digital “Transformation” Fell Significantly – A Sign of Digital Ambition Decay

One problem is that the term “digital” has become so expansive and elastic that it almost lacks common meaning. The same word used by a CEO at different times or in different contexts could connote quite different agendas for the application of technology. We suspect this is allowing a proportion of CEOs to slide backward in digital innovation risk taking, while at the same time saying digital is more important. Greater volume of activity doesn’t mean they are leaning in to more innovative change. Within the second technology-related business priority, use of the fuzzy term “digitalization” trebled, while mentions of e-commerce and digital commerce quadrupled (see Figure 5). However, mentions of digital transformation halved.

Figure 5. Subtopics Within the Technology-Related Category of CEO Top Business Priorities

Business Priorities 2021/2022 — Technology
Percentage of Mentions Within Category



n = 305; 298, All Respondents

Q: To start, please tell us about your organization's top 5 strategic business priorities for the next 2 years (2021/2022).

Source: The 2021 Gartner CEO and Senior Business Executive survey

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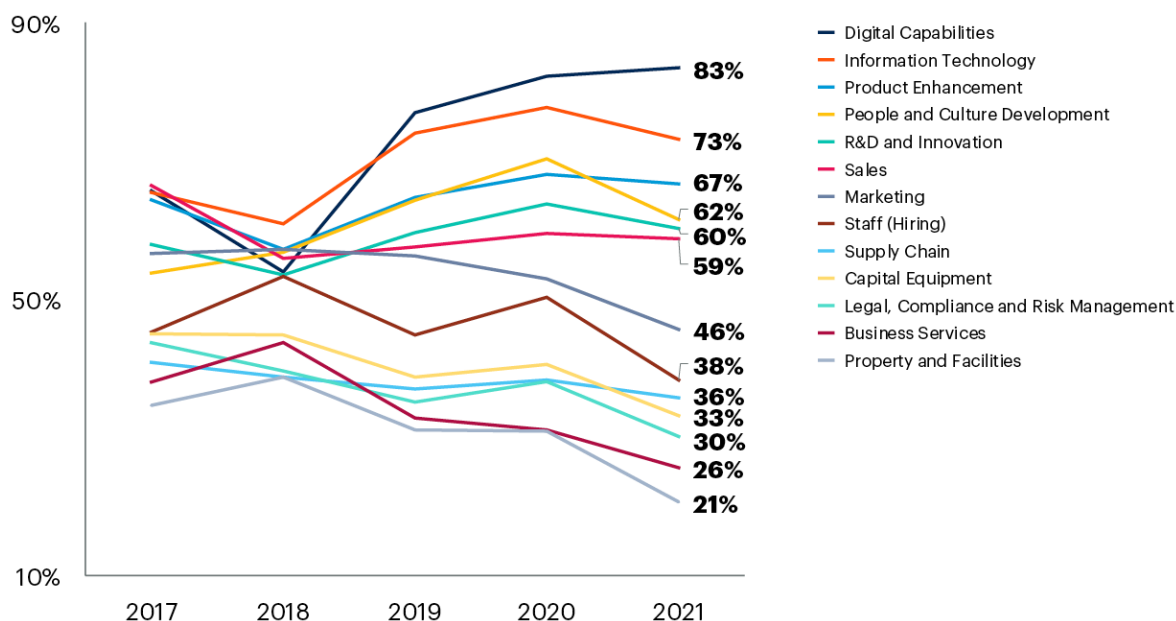
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Investment Appetite Dulled. Intent to Invest More Fell for Every Area Except Digital Capabilities

Every year, we ask survey respondents whether they intend to increase, decrease or leave unchanged investment in various areas of the business year over year. The multiyear chart of investment increases (only) is shown in Figure 6. It's no surprise that in the final quarter of 2020, fewer CEOs and senior executives were confidently intending to increase investment in 2021. However, they did show a higher propensity to increase investment in "digital capabilities," though not in "information technology."

Figure 6. CEO Investment Increase Intentions Year Over Year

Investment Increases — Change Year Over Year



n = 465, All Respondents

Q: Compared to fiscal year 2020, how will your organization's investments in the following business areas change in fiscal year 2021?

Source: 2021 Gartner CEO and Senior Business Executive Survey

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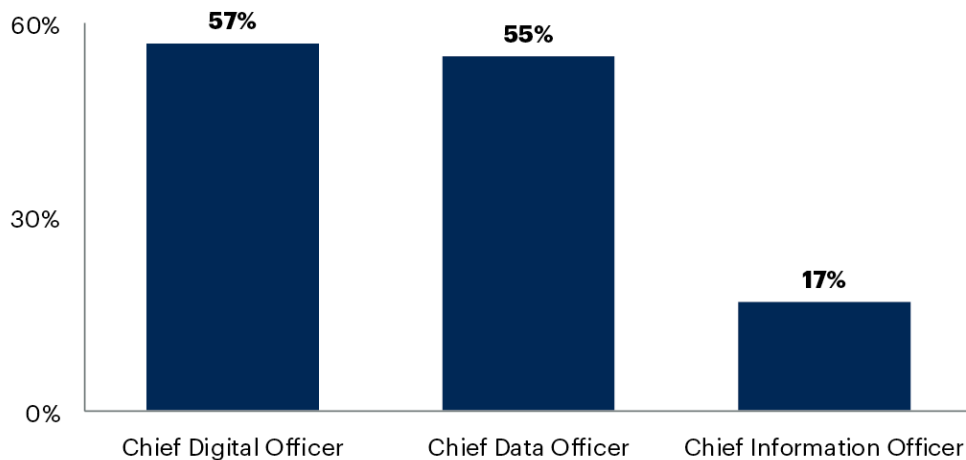
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Most CEOs Don't Have CDOs, but 83% Have CIOs and the Top Ask of Them Is Digitalization

CEOs have almost uniquely higher confidence that they will be investing more in digital capabilities than in IT. Which C-level leader will be tasked to execute? It has been a decade since we saw the beginning of the rise of the chief digital officer and the chief data officer roles. Back then, some commentators believed that the CIO and CTO job roles would be supplanted. That has not happened. In one question about priority tasks for a variety of different C-leader roles, respondents were offered the opportunity to answer "we do not have this role." That data for CIO, digital officer and data officer is shown in Figure 7. While the vast majority acknowledged that they have a CIO, less than half acknowledged a digital officer or data officer. Even cursory checks with other sources (such as LinkedIn) will confirm this reality.

Figure 7. Percentage of CEOs Reporting Absence of Three C-Level Technology-Related Roles

Do Not Have This Role



n = 465, All Respondents

Q: What is the number 1 issue you or your CEO is pushing each of your executives to focus on, within their respective functional specialization?

Source: 2021 Gartner CEO and Senior Business Executive Survey




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For each of these roles, what is the top issue that the CEOs believe they are asking them to focus on? We asked that, and the results are in Figure 8. Digitalization appears top for both CIO and digital officer. Because that term has fairly general meaning, we believe CEOs are really wanting and expecting both roles to frame and set an agenda for the use of technology. Nowadays, it is less the case that digital officer is technology strategy finder and CIO order implementer. Also shown in the chart is the perhaps slightly disappointing view CEOs have for the priority of a data officer, if they have one. Guarding data seems to be a higher priority than exploiting it. Overall, these technology leader results suggest that most CEOs are still not sharply defining or specifically directing what they think the company should be doing with digital technology or data assets.

Figure 8. CEOs' Top Focus Point for Each Technology-Related C-Level Role

CEOs' Top Focus Point for Each Technology-Related C-Level Role

 CIO	 CDO (Digital)	 CDO (Data)
Digitalization	Digitalization	Data Security and Risk
New Technology in General	Strategy and Innovation	Data Science, Analytics and BI
Efficiency	Customer Experience	Customer Data and Digital Services
Data and Analytics	Efficiency and Automation	Data Exploitation and Access
Cybersecurity	AI, Data and Analytics	MDM and Data Integration
ERP	E-Commerce	Data Pooling, Convergence, Lake

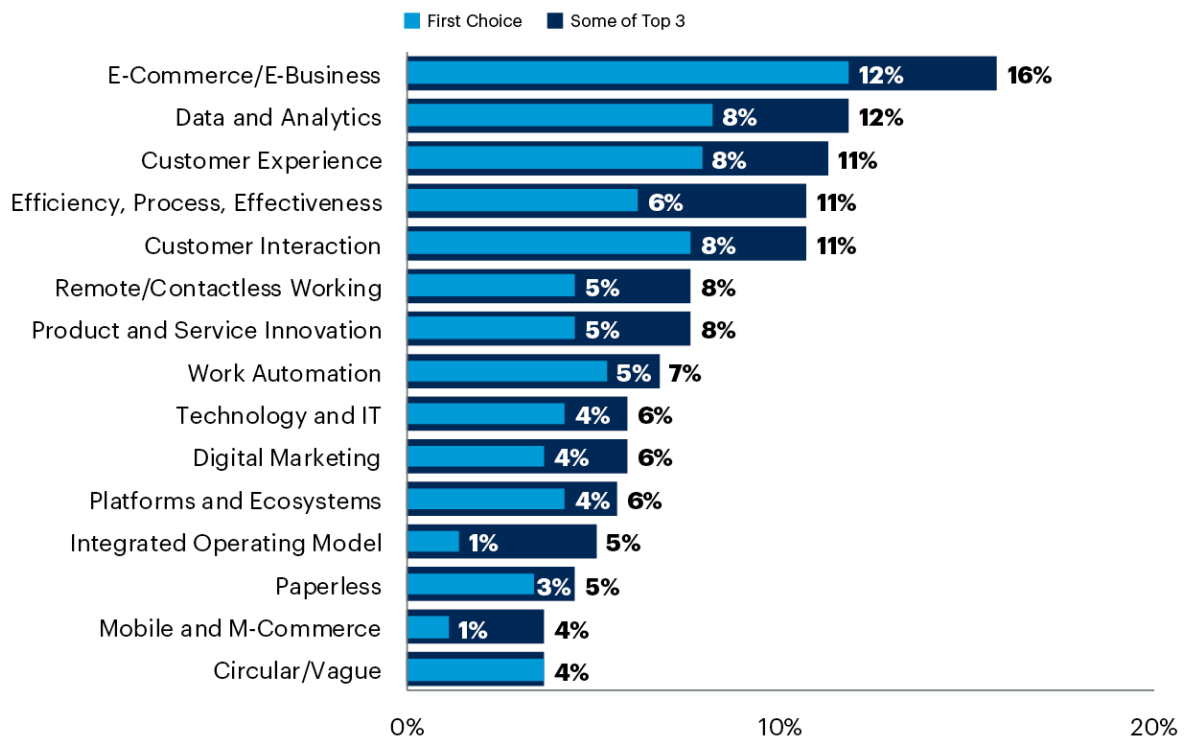
n = 465, All Respondents
Q: What is the number 1 issue you or your CEO is pushing each of your executives to focus on, within their respective functional specialism?
Source: 2021 Gartner CEO and Senior Business Executive Survey
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CEOs' common use of the broadly drawn term "digitalization" caused us to probe their understanding of digital business directly. We asked them to say what digital business means in the context of their business and industry. The results are shown in Figure 9. Overall, they confirm that CEOs remain heavily focused on the market-facing parts of the business (rather than internal operating efficiency) when they think of digital. But the surprise and disappointment is that they have not increased focus on the product innovation aspect. In fact, that meaning has reduced a little since the last time we asked this question in 2018. This is another signal that the depth of CEOs' digital innovation intent may have regressed somewhat during the crisis.

Figure 9. CEOs' Meaning of the Term "Digital Business"

Meaning of Digital Business — Top 15

Sum of Top Three Mentions. Coded Responses



n = 355, All Respondents

Q: In a business context the term "digital" does not have an agreed definition. In your own words, what do you mean when you think about "digital business" in the context of your business and industry?

Source: 2021 Gartner CEO and Senior Business Executive Survey




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The pandemic crisis is often referred to as a "reset" moment for society and for enterprises. This happens every decade or so (for example, Y2K, the Dotcom crash and the banking crisis). The strategies pursued on either side of such a watershed are different. Alternative leadership styles and capabilities are often needed. So, it is highly likely that there will be a lot of CEO rotation in 2021 and into 2022 as boards of directors reformulate who they need to drive the business into the "next normal" and the remainder of the 2020s. Under these circumstances, some of the anchor roles in the C-suite provide important continuity. We set out to discover what CEOs think the most important focus is for CFOs, COOs and CHROs. The results are shown in Figure 10.

Figure 10. CEOs' Top Focus Areas for Three Key C-Level Executive Roles

CEOs' Top Focus Areas for Three Key C-Level Executive Roles

 CFO	 COO	 CHRO
Cash Flow/Preservation	Efficiency, Productivity and Automation	Talent/People Development
Cost Management	Cost Management	Talent/People Retention
Profits and Profitability	Digital/Tech Change	Talent Attract and Acquire
Investment Management	Operational Excellence	Culture — Defend/Improve
Management Information/Forecasting	Profitability	Employee Engagement/Motivation
M&A	Rescaling/Scalability	Skills/Learning/Training

n = 465, All Respondents

Q: What is the number 1 issue you or your CEO is pushing each of your executives to focus on, within their respective functional specialism?

Source: 2021 Gartner CEO and Senior Business Executive Survey

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Cost management is high in the results for CFO and COO, despite being a significantly declining item in CEOs' own statements of overall business priorities. We see that as evidence of delegation. CEOs will be working hard on where the company should be headed next, and in some cases, preparing to hand it on to the next business leader. In the meantime, the remaining cost control work will be dealt with by these other executives.

The CFO top item of cash flow reminds us that business is still recovering and precarious. Solvency is not a given when the risk of sudden supply chain disruptions and government-required lockdowns remains a key part of the daily business reality.

The top COO item is particularly interesting. CEOs' disinterested lack of mentioning productivity and efficiency as an unprompted top business priority was a noticeable issue in this survey in previous years. Again this time, the subject placed low (10th) in Figure 3 and mentions declined significantly. It's almost as if CEOs see it as a hygiene factor to be fully delegated to a COO, and to such an extent that it doesn't feature in their foreground thinking. The current distancing of CEOs from this subject, might change in a year or two if they need to better structurally reengineer average margins to return higher profits to shareholders (as Figure 18 suggests investors are likely to increasingly demand).

Throughout the survey, there were mentions relating to employee safety and welfare. However, we think it is likely that the high watermark for that CEO concern passed fairly quickly through 2020. Instead, what we see in the CHRO priorities is a clear need to develop, retain and attract talent. CEOs know that if they want to take advantage of the rapid economic recovery they anticipate in late 2021, they will need a strong talent base.

Inject Insight to Propel Current Growth

The top business priority for CEOs and senior executives in 2021 is growth, as shown in Figure 3. However, that growth might not be easy to find. Often, it will not be of the same shape and kind as the growth they were pursuing prepandemic. For example, it's likely airlines will need to reshape their networks to new routes and rebalance toward more leisure and less business travel. Financial services companies may find the need for contactless payment has risen and the need for cash reduced. Real estate and construction may need to focus more on suburban and rural locations and less on downtown — while offering more flexible working space and fewer dedicated headquarters buildings. But these are all suppositions.

Eighty-one percent of business leaders believe the pandemic will cause significant and enduring behavior changes — both imposed and learned, as Figure 16 illustrates. Now, they need to find out for sure what those short-term and more enduring trends will be. They need to know specifically, and in detail, where the market action is moving, so they can redirect their enterprises to intercept it.

Recommended Actions for Executive Leaders

- Directly apply the data science capabilities you have built up over the last few years to find new markets and revenue growth hot spots. In prior economic downturns perhaps, the management team could mine for new seams of growth in an analogue way. Experience, intuition, human networking and knowing who to talk to all still have important roles to play. However, this will be the first economic cycle recovery of the “big data” and data science era. Those who have built the tools to acquire, organize and analyze diverse data sources at scale should be at a competitive advantage if they apply their differential capability. Don’t be the management team that possessed the powerful new analytic tools but fell back into old habits and failed to use them.
- Focus on analyzing post-COVID-19 customer behaviors and trade location shifts. It’s probably fair to say that none of us really knows what we will do with our money in the midterm or our lifestyles in the longer term. We will all make our own individual decisions and then influence each other in complex ways. Will holidays abroad matter more or less? Will we return to the same attitudes toward disposable consumption or move to a more thoughtful environmental investment in experiences and higher-quality, more durable goods? Will more boomers retire or stay on in the workforce? The list of unknowns is many. As patterns unfold, business leaders will need to be constantly updated on the emerging behavioral trends. Additionally, the places in which it is best to get knowledge work done or physical production operated will shift. We don’t know what the effect of new international trade relationships will be. Nor do we know the impact of carbon taxes on the cost of transportation or the availability of reasonable cost labor in different locations as revised human life choices change career choices and relocations. Again and again, data gathering and analysis will provide the decisive insight that commands the best market outcomes.

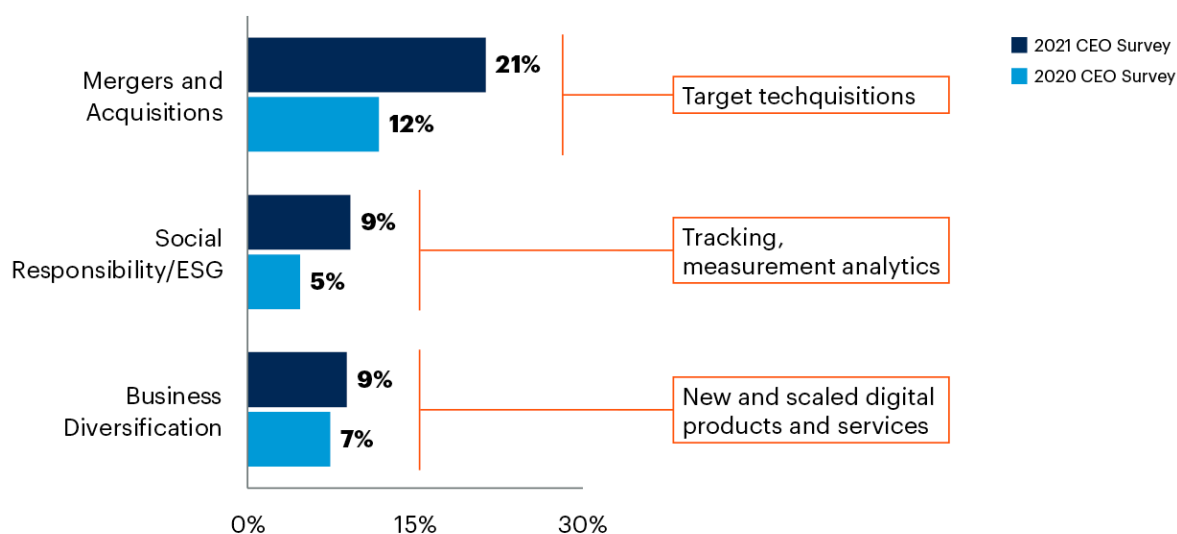
M&A Prioritization Doubled to 21%, and CEOs Hunting New Markets Rose Noticeably

Within CEOs’ third strategic business priority of corporate action, mergers and acquisitions were the top items, rising 75% year over year (see Figure 11). This shows CEOs and senior executives seeking advantage from a cyclical downturn going shopping for structural inorganic growth. The second issue was an almost doubling of ESG and social responsibility intent. Though regulation is a driver for that, a lot of it is due to customer demands for greener and more ethically sourced products — another growth-hunting vector. Their third priority was mentions of diversification — the search for new products and services.

Figure 11. Top Priorities Within the Corporate Category

Business Priorities 2021/2022 — Corporate

Percentage of Mentions Within Category



n = 305 (2021), 298 (2020); All Respondents

Q: To start, please tell us about your organization's top 5 strategic business priorities for the next 2 years (2021/2022).

Source: The 2021 Gartner CEO and Senior Business Executive survey

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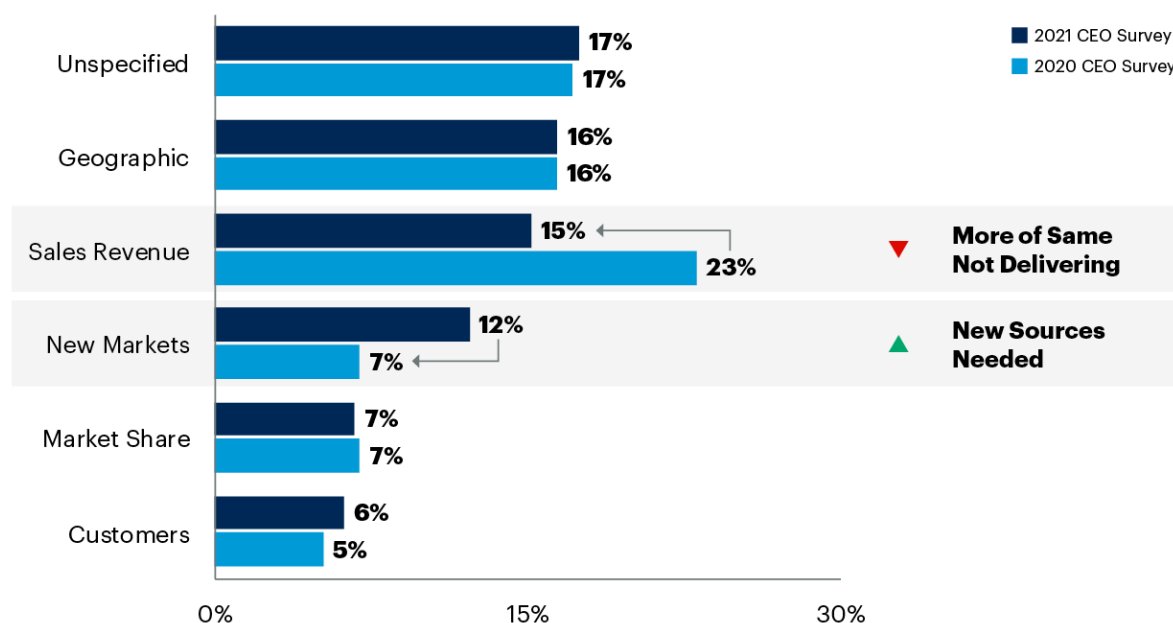
Technology and digital executive leaders can help in various ways. Techquisitions can bolster digital business progress, while also providing access to potential fast-growth market sectors. For example, a fintech might have fast growth in online international currency exchange remittance payments. Conducting more detailed tracking and analysis of ESG factors could help business leaders focus on the specific issues that move customer behavior and drive growth most. Scaling up existing digital product experiments or bringing backroom prototypes to the market could be good timing to meet this drive for new growth, if the COVID-19 crisis has caused a reduction in demand for the traditional offer. Business model changes to acquire recurring revenue subscriptions might be valuable. For example, B2B customers of capital equipment might be more open to online preventative maintenance digital services, if economic conditions are reducing their ability to commit to machine replacement.

Confirmatory evidence of the hunt for new markets was evident within the top strategic business priority of growth. As Figure 12 shows, there was significant reduction in mentions of sales revenue growth, within the growth priority category. This means CEOs are finding it hard to obtain simple incremental sales revenue growth using the recipe that has served them well in the past. However, mentions of “new markets” rose substantially. Those might be geographic, but most often they are different market segments (e.g., different ages of consumers, different sizes of companies).

Figure 12. Business Priorities Within the Growth Category

Business Priorities 2021/2022 — Growth

Percentage of Mentions Within Category



n = 402 (2021), 403 (2020); All Respondents

Q: To start, please tell us about your organization's top 5 strategic business priorities for the next 2 years (2021/2022).

Source: 2021 Gartner CEO and Senior Business Executive survey

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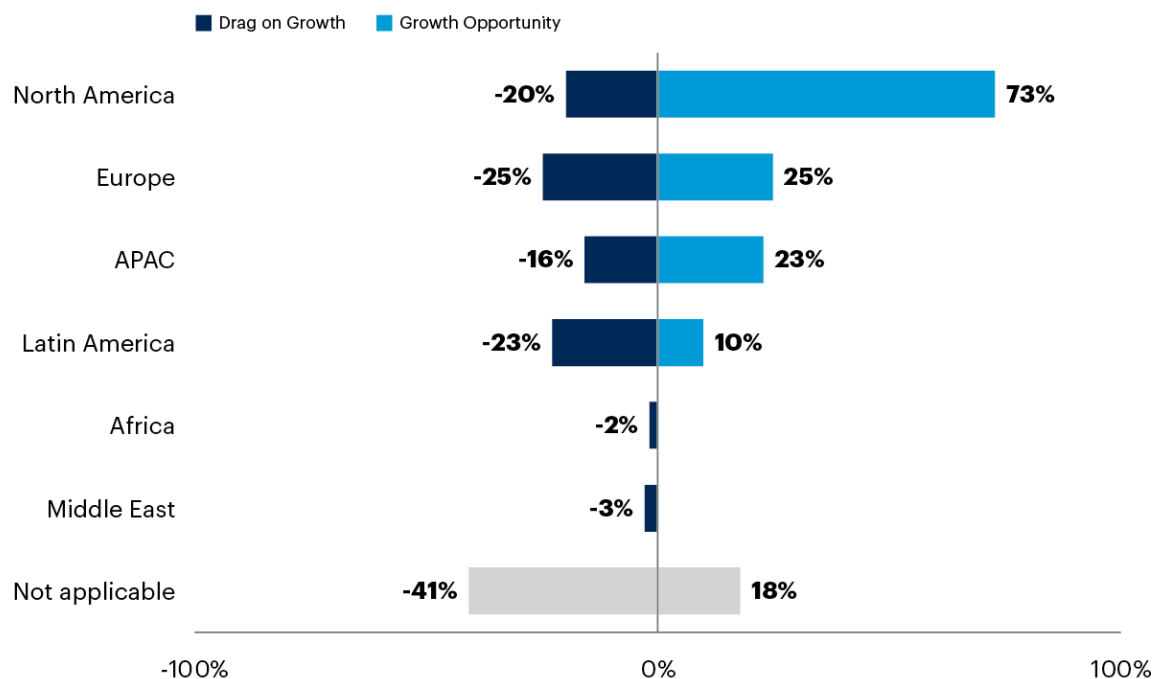
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American and APAC CEOs See Home Region Opportunities More Than Europeans Do

In the hunt for growth, one of the most complex issues facing CEOs is where in the world to look for it. With politicians bickering over trade rules and different countries experiencing varying societal pathways through the pandemic, demand for goods and services is in high geographic flux. Often, CEOs of international businesses try to adjust the geographic portfolio mix of revenue sources when facing turbulent times. Placing more sales and supply effort into countries with strong economies and reducing it in those with weak demand can help improve the overall sales outcome and its predictability. With that in mind, we asked CEOs where they expect to see the greatest growth opportunities and drags on growth in 2021 and 2022. The results are shown in Figures 13, 14 and 15, for North American, European and APAC respondents, respectively. Note that in these charts “not applicable” means the respondent identified none of the regions as providing growth or opportunity being a drag on growth.

Figure 13. North American CEOs' Views on Where Growth Opportunities and Drags Are Geographically

Country or Region — The Greatest Opportunity/Drag on Growth in 2021-2022
Sum of Top Two Mentions — North America Respondents



n = 146, All Respondents in North America

Q: Which two countries or geographic regions do you expect will provide the greatest growth opportunity/will be the greatest drag on your business in 2021-2022?

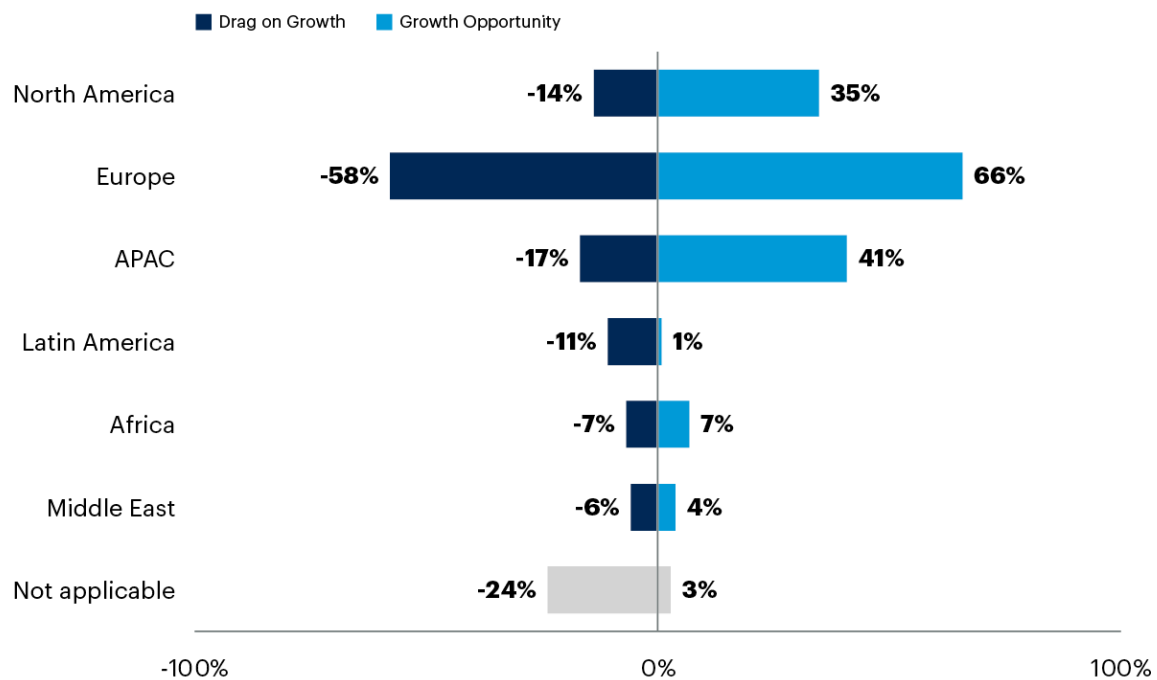
Source: 2021 Gartner CEO and Senior Business Executive Survey

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North American CEOs and senior business executives see their biggest net opportunity at home and the biggest net drag in Latin America to the south.

Figure 14. European CEOs' Views on Where Growth Opportunities and Drags Are Geographically

Country or Region — The Greatest Opportunity/Drag on Growth in 2021-2022
Sum of Top Two Mentions — Europe Respondents



n = 71, All Respondents in Europe

Q: Which two countries or geographic regions do you expect will provide the greatest growth opportunity/will be the greatest drag on your business in 2021-2022?

Source: 2021 Gartner CEO and Senior Business Executive Survey

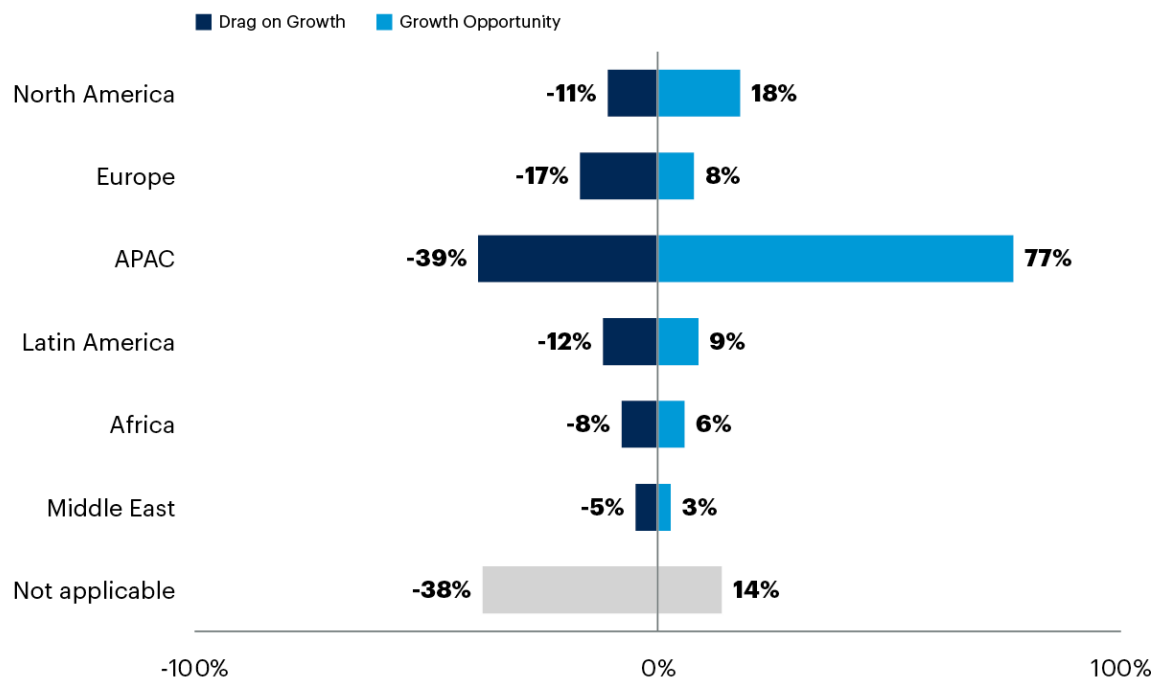
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In comparison, European respondents are far less confident about their home region, with the respondents seeing it as drag almost canceling out those who see it as an opportunity. They see more net opportunities in other regions such as North America and APAC.

Figure 15. APAC CEOs' Views on Where Growth Opportunities and Drags Are Geographically

Country or Region — The Greatest Opportunity/Drag on Growth in 2021-2022
Sum of Top Two Mentions — APAC Respondents



n = 66, All Respondents in APAC

Q: Which two countries or geographic regions do you expect will provide the greatest growth opportunity/will be the greatest drag on your business in 2021-2022?

Source: 2021 Gartner CEO and Senior Business Executive Survey

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APAC respondents are more focused on their home region than are the other two. They see more opportunity than challenges at home. When they do look elsewhere, they see North America as a bigger net opportunity than Europe.

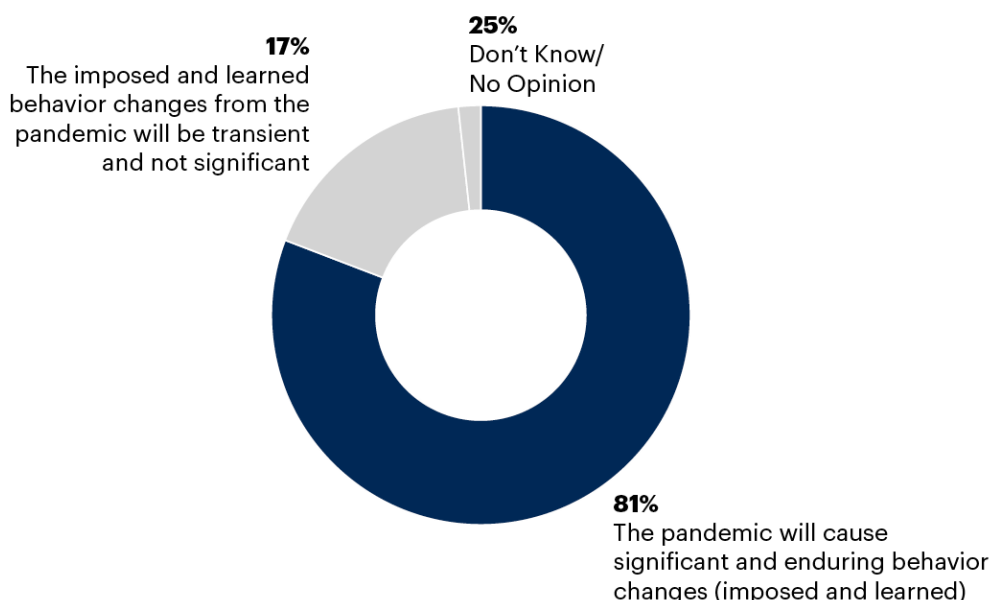
Executive leaders should be mindful of the rapidly changing dynamics of geographic market opportunity. This might arise at a national level, but it could also be very localized — for example, differing between central urban, suburban and extra urban locations. Geographic trend analytics are likely to be important in discriminating the best revenue and margin opportunities. Map-based data visualizations could be influential in key C-suite discussions about resource allocation.

Enduring Societal Behavior Change Arising From the Pandemic Is Expected by 81% of CEO

In the aftermath of the so-called “great recession” and financial crisis of 2008/2009, many believed that behaviors would be fundamentally changed. Yet within a few years, credit card debt and other factors returned to the way they were before. “This time it’s different” is sometimes too quickly said. However, one thing on which 81% of CEOs agree is that the behavior changes resulting from the pandemic are more likely to be significant and enduring than transient and insignificant (see Figure 16). For example, perhaps the balance of working from home versus at the office will be changed forever. However, it is likely people will eventually return to similar levels of travel for the purpose of meeting extended family, because that bond is anthropological.

Figure 16. Pandemic and Economic Crisis Impact on Individual, Societal and Organizational Behaviors

Pandemic and Economic Crisis Impact on Individual, Societal and Organizational Behaviors



n = 464, All Answering Respondents

Q: Please tell us which of two opposing viewpoints most closely represents your view — Pandemic and Economic Crisis Impact on Individual, Societal and Organizational Behaviors

Source: 2021 Gartner CEO and Senior Business Executive Survey

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If they are right, then analyzing and understanding the nature of those enduring changes will be key factors in determining the most effective business strategies for the remainder of the 2020s.

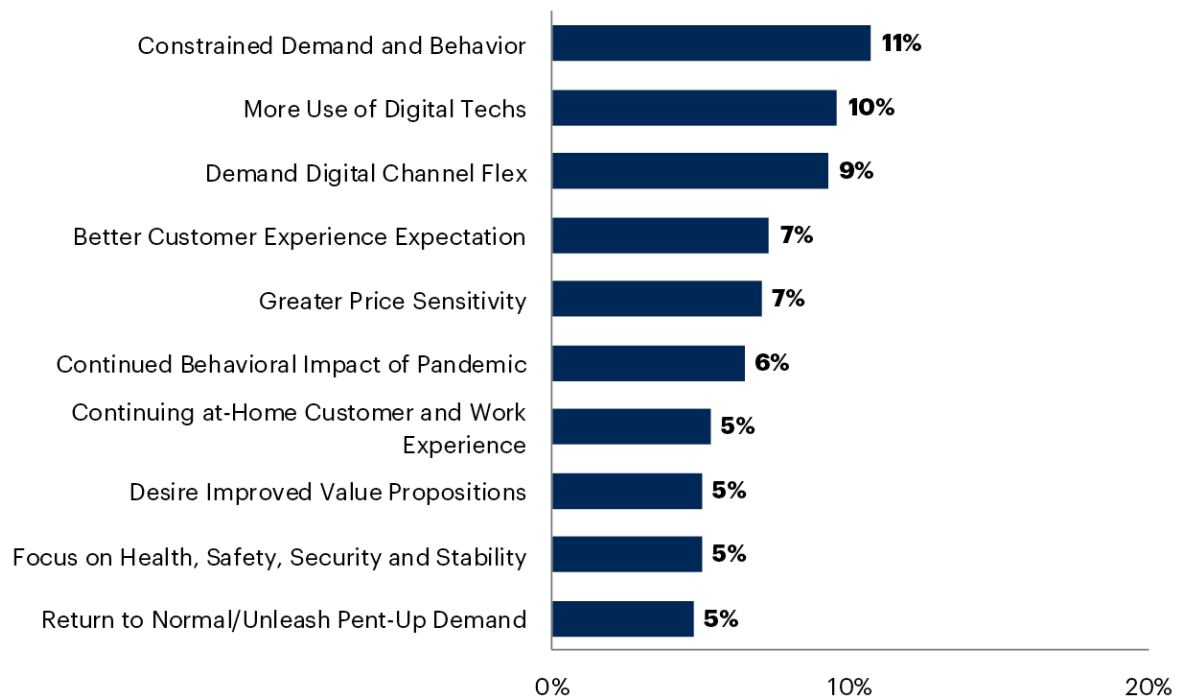
Expected Customer Behavior Shifts — Constrained Demand, More Tech Use and Digital Flexibility

What CEOs anticipate as the most likely changes in customer behavior in 2021 and 2022 are shown in Figure 17. The highest concern is that customer demand will be constrained. Perhaps consumers – and CFOs – will hold back on expenditures, preferring to increase savings instead.

Figure 17. CEOs' Biggest Anticipated Shift of Customer Behavior in 2021-2022

Biggest Shift of Customer Behavior in 2021-2022

Coded Responses



n = 355, All Respondents

Q: In a few words — what is the biggest shift of customer behavior that you will be dealing with in 2021-2022?

Source: 2021 Gartner CEO and Senior Business Executive Survey

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For technology, sales, customer service and marketing executives, the next three anticipated shifts are noteworthy. Each item was more commonly cited than price sensitivity or a desire for better value propositions. The use of digital technology, demand for digital channel flexibility and demand for a better customer experience suggest that a focus on serving customers digitally will be very important.

Floodlight the Long-Range Technologically Infused Future

Recommended Actions for Executive Leaders

- Anticipate involvement in long-range business strategy. What point has your company reached in the planning cycle? At some stage, it is likely to undergo significant strategy revision to reframe its approach to long-term postpandemic changes. Will that happen in mid-2021 or not until 2022? In which quarter, with which strategic consulting firm and who will be helping the CEO lead the initiative? Make sure you have your own answers to these questions so you know how to feed into that work most effectively.

- Personally prepare to answer the biggest questions on technology and society. Many executive leaders have a tendency to “stay in their lane,” professionally focusing their attention mostly on their own domain of expertise and designated role scope. However, at times of great change, the CEO needs all executives to bring the broadest possible insight on a wide variety of issues. The team must debate and resolve matters it has perhaps never engaged with before. It must peer into the crystal ball and decide how things might change in the future. Read more widely by breaking out of the biases of the online “[filter bubble](#)” that you have created for yourself (by selecting topics) and the algorithms have created for you. Change browser, change search engine, clear all cookies, select a different news aggregator, make a habit of reading sources generally opposed to your personal political view. If you are a technology-focused executive, make a point of regularly reading business and industry news sources. Read more futuristic sources and speculative material even if it slightly irritates your practical and tactical demeanor.

- If relevant to your role, become CIO or CTO “++” — adding aspects of the typical role capabilities of digital officer and data officer. Most companies don’t have a digital officer or a data officer, as is shown in Figure 7. Yet the significant investment many other companies have made in developing these roles suggests they are substantive. CIOs or CTOs should reframe how they think about their own job scope to include wearing these alternative titles as unofficial hats. Digital officers help find and set business strategy direction for the innovative use of technology. Data officers help to better exploit the power of data as an asset in the business and operating models. Bring this double-plus version, the all-encompassing apex tech leader, into the room when the long-range strategy work is in play. Leave the IT systems delivery manager part of the job outside the door.

Better Profit Returns Are Investors’ Top Demand (21%), While ESG Priority Rose

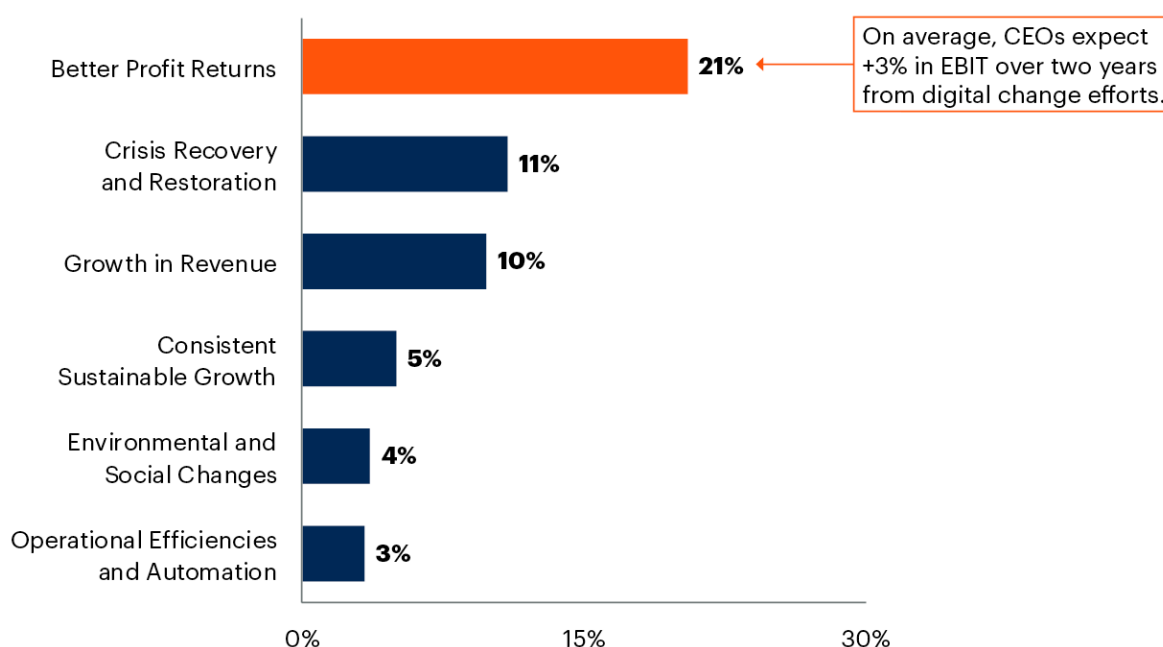
Over the last one to two years, business news sources have been high on editorials suggesting that capitalism is undergoing a kind of pluralistic structural social reform. If true, this could be the kind of megatrend that strongly shapes business strategies in the 2020s.

When asked an open question about anticipated shifts in investor expectations over the 2021-2022 period, the top response category was better profit returns (see Figure 18). Mentions of ESG expectations were a long way behind.

Figure 18. CEOs' Anticipated Biggest Shift of Owner or Investor Expectations in 2021-2022

Biggest Shift of Investor or Owner Expectations in 2021-2022

Coded Responses



n = 355, All Respondents

Q: In a few words — what is the biggest shift of investor or owner expectations that you will be dealing with in 2021-2022?

Source: 2021 Gartner CEO and Senior Business Executive Survey

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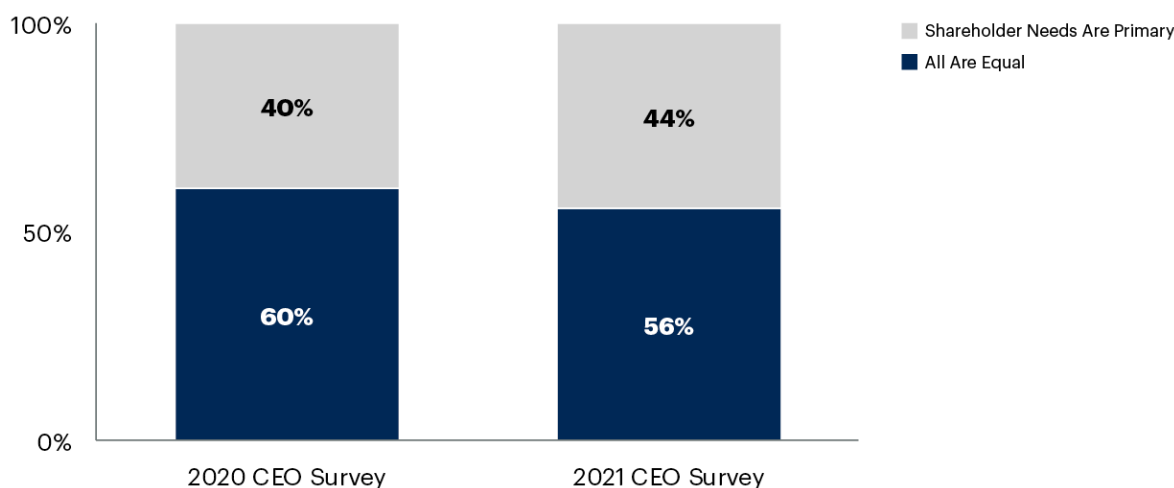
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However, within the corporate category of top business priorities, social responsibility and ESG mentions almost doubled year over year from 5% to 9%. So we might conclude that ESG has become a live issue, but it is a relatively immature trend. Executive teams will be challenged to come up with strategies that do not trade off ESG with profits, but instead deliver both outcomes in synergy. For example, might it be possible to make less polluting electric cars that also deliver higher profit returns?

Overall, CEO and senior business executive perspectives on corporate purpose remain fairly balanced between those who see the investors as primary and those who think stakeholders are equal. But we note that if there is a direction of movement between those views, it might actually be toward the investors. Year over year, the balance has tipped a little more in the investor direction. Money talks (see Figure 19).

Figure 19. Views of CEOs and Sr. Business Execs on Corporate Purpose

Customer, Employee, Supplier, Community and Shareholder Needs



n = 442 (2021), 432 (2020); All respondents, excluding don't know/no opinion

Q: Please tell us which of two opposing viewpoints most closely represents your view — Corporate Purpose

Source: 2021 Gartner CEO and Senior Business Executive Survey

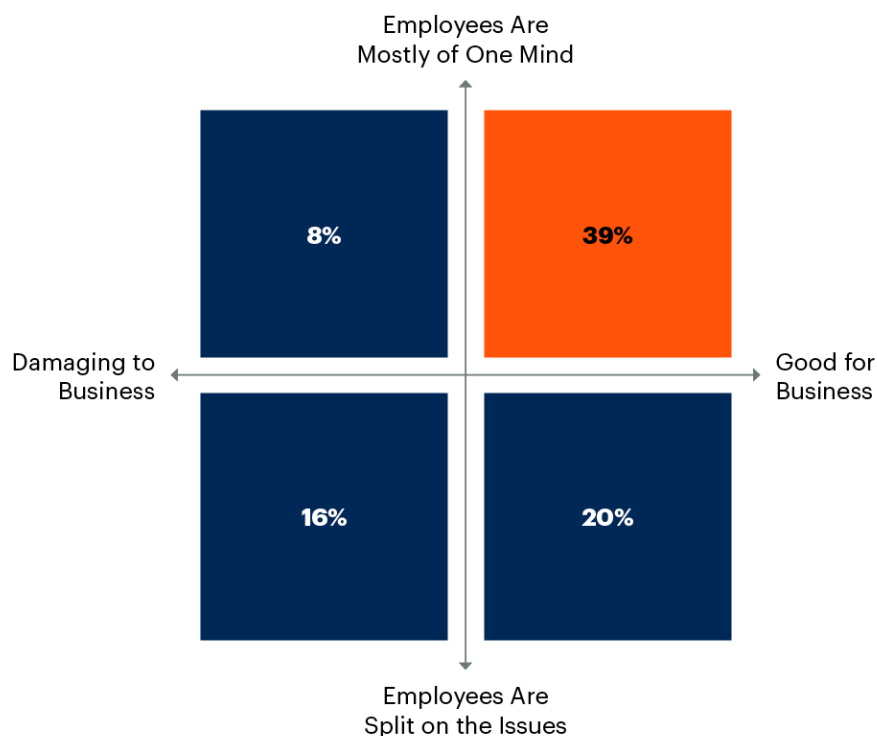
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Taking a Public Social Justice Stance Is Risky, or Employees Are Split, or Both, Say 61% of CEOs

Also in the last two years, key matters of social justice have risen to the foreground of mass public social and political debate in many countries. Here we are referring to such subjects such as “#me too” women’s equality, Black lives matter and transgender rights. In the past, companies often worked hard to stay out of such issues and remain overtly apolitical. The apparently dominant idea was that “business is business,” and it just works within society’s beliefs and rules, but it doesn’t take an active role in shaping them. The paradigm appears to be changing, so we tried to discover the level of practical comfort CEOs and senior business leaders have with the notion of the company taking a public stance on a social justice issue. The result is in Figure 20.

Figure 20. CEOs' Views on Taking a Public Stance on Social Justice Issues

Views of CEOs and Sr. Business Executives on Social Justice Stance

n = 464, All answering respondents

Q: Please tell us which of two opposing viewpoints most closely represents your view — Social Justice Stance — Employee Consensus/Impact on Business

Source: 2021 Gartner CEO and Senior Business Executive Survey

Note: 17% no opinion on one or both areas.

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In this difficult-to-navigate area, 39% of respondents feel that taking an active stance is good for business and that their employees are mostly of one mind. For them, the value of taking a stance outweighs any downside risk — for example, in how different customers or investors might respond to the brand. They also believe that taking a stance won't cause a schism inside their staff ranks and internal culture.

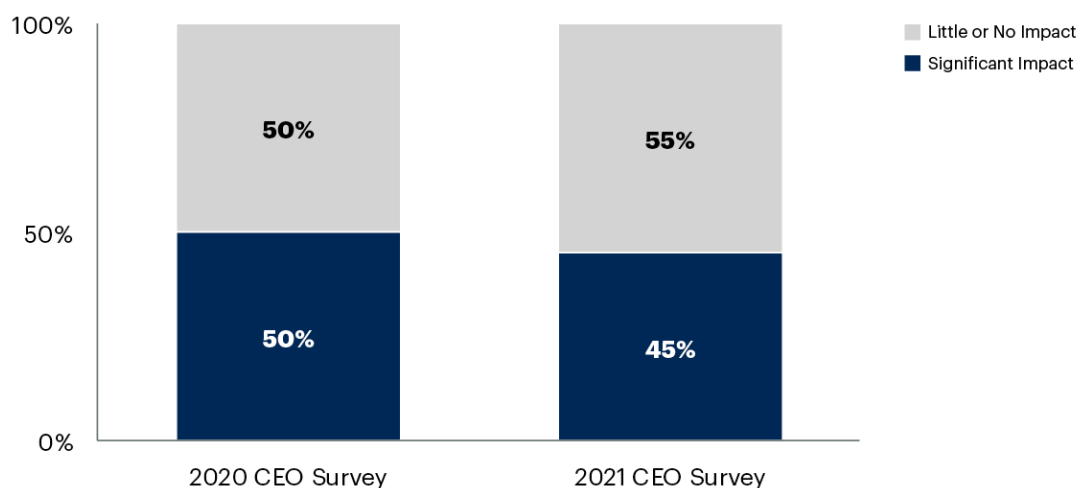
However, that leaves 61% still tiptoeing very carefully over one or both of those concerns. The majority is not yet confident and comfortable navigating the business through this area of change. How companies approach this kind of subject is likely to be a key consideration in their next long-range strategy exercise. Executives should prepare themselves to engage in those discussions, not avoid them. Technology executives should consider how social analytics can be used to monitor shifting social views and guide the debates.

Climate Change Mitigation, Say 45% of CEOs, Is Having a Significant Impact on Their Businesses

Within ESG, there is the “E” for environmental. Within the E, the biggest issue facing economies and governments today is climate change. To deal with it, societies must often make changes, including decarbonization. It’s not a new issue, but it seems to be gaining momentum — so how does it sit with business leaders today? Figure 21 shows the views of CEOs and business executives on whether climate change mitigation actions will have a significant impact on their businesses. On this, they are fairly evenly split, and year over year, concern about it seems to have waned a little.

Figure 21. CEOs’ View of Climate Change Mitigation Impact

Level of Impact of Climate Change Mitigation on the Business



n = 447 (2021), 421 (2020); All Respondents, Excluding Don't know/No opinion

Q: Please tell us which of two opposing viewpoints most closely represents your view — Climate Change Mitigation

Source: 2021 Gartner CEO and Senior Business Executive Survey

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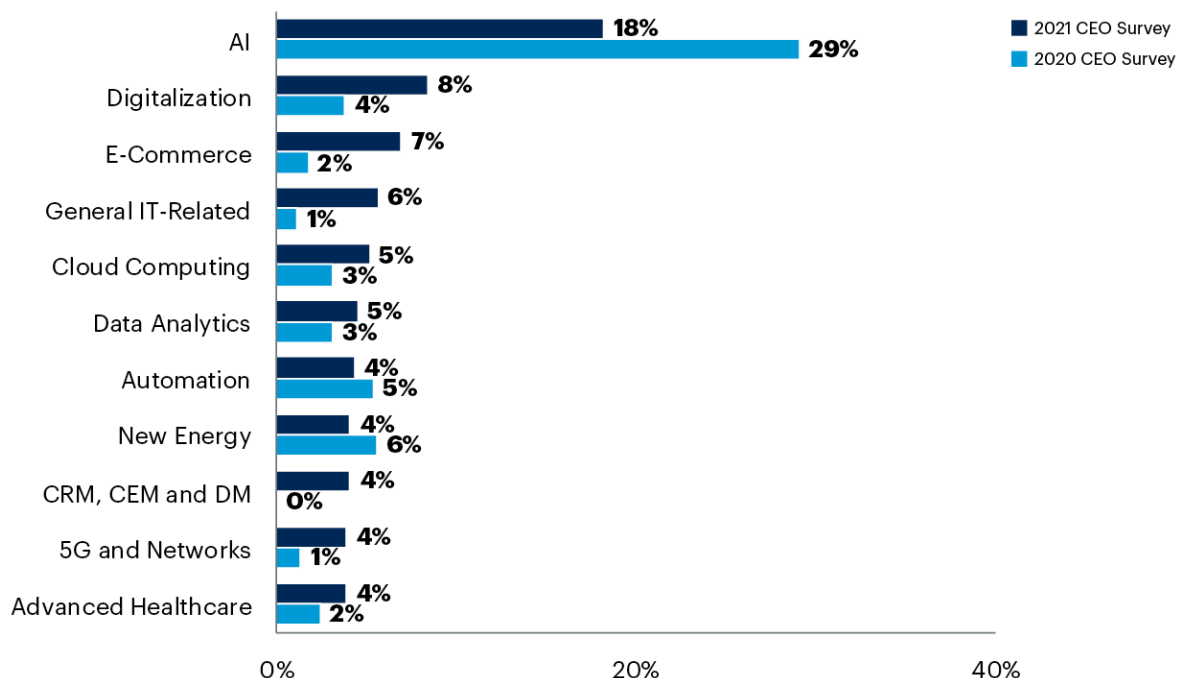
Every day, it seems that another major company declares a carbon-neutral goal and target year. We have no doubt this will be one of the big framing factors for the long-term 2020s business strategy determination. Technology executives should work with environmental leaders on ways to measure and monitor activities and reductions to increase trust with customers and investors via a transparent fact base.

CEOs See AI as the Most Industry-Impactful Technology, but Only 18% Said So, Down From 29%

Advances in technology are so powerful today that this becomes a framing factor for what business strategies will be — not just a tool to help enact them. As CEOs lead their companies, it is incumbent on them to try to understand what future opportunities and disruptions new technologies will bring. To test their thinking, we asked which new technology will most significantly impact their industries over the coming three years. To avoid biasing, this was deliberately an open question, not a pick list. The categorized responses are shown in Figure 22.

Figure 22. The New Technology That CEOs Believe Will Most Significantly Impact Their Industries Over the Next Three Years

The New Technology That CEOs Believe Will Most Significantly Impact Their Industries Over the Next Three Years
Coded Responses — Showing Top 11



n = 444 (2020), 461 (2021); All Respondents Excluding NA/None/DK

Q: The new technology that will most significantly impact our industry over the next three years is ...

Source: 2021 Gartner CEO and Senior Business Executive Survey

Note: Numbers may not total 100% due to rounding.

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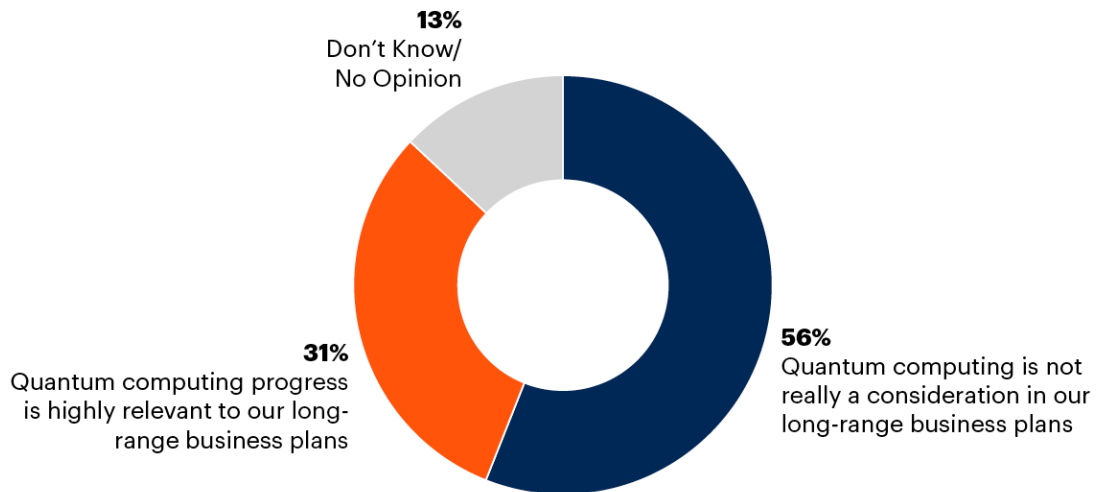
CEOs mentioned AI as their top pick, but notice how much that has fallen back in the space of just one year. Executive leaders should remind themselves that no matter how worldly wise, CEOs get sucked into hype cycles like everyone else. Items 2 and 3 might raise eyebrows. Digitalization is so conceptually broad that it's questionable whether it is a technology. E-commerce might have a substantial impact — but it's a quarter century old, not new, and not even a “technology” — more a business method. These are glimpses of insight into a problem all CEOs face. They can't be expert at everything, and the technology agenda moves so quickly, it is easy for them to become a bit out of touch. Yet this is one area that really could be “make or break” in their next long-range strategy formulation. So, they badly need good, insightful advice to avoid falling into thinking traps.

Other items on the top 11 list shown are worth calling out. Advanced healthcare and new energy (sources) are not really digital or information technologies. Despite the dominance of microprocessor-based tech today, we should always be mindful that it is not the only game in town. The presence of 5G and networking on the list was notable. Telecom technology is not always in the foreground. Notice also that some technologies much talked about in the business press are not visible on this list. Blockchain was barely mentioned (only 2% of respondents), and only one respondent mentioned quantum computing.

Just Over 30% See Quantum Computing's Long-Range Relevance

When a question prompts a subject explicitly, the way CEO respondents answer is often different. Let's be honest, business leaders don't like to be caught out not having a view. It's a necessary part of the job to project an air of confidence and awareness.

Figure 23 shows the result of asking for the views of CEOs and senior executives on quantum computing. Nearly a third appear to agree that it will be highly relevant to their long-range business plans. If that is so, then how precisely will it have a bearing? They probably sense that something big is going on with it — but don't yet know really what that will be. That's why smart technology executive leaders must find their way into the room when the postpandemic business strategy discussions are happening.

Figure 23. Views of CEOs and SBEs on the Long-Term Relevance of Quantum Computing**Quantum Computing**

n = 354, All Answering Respondents

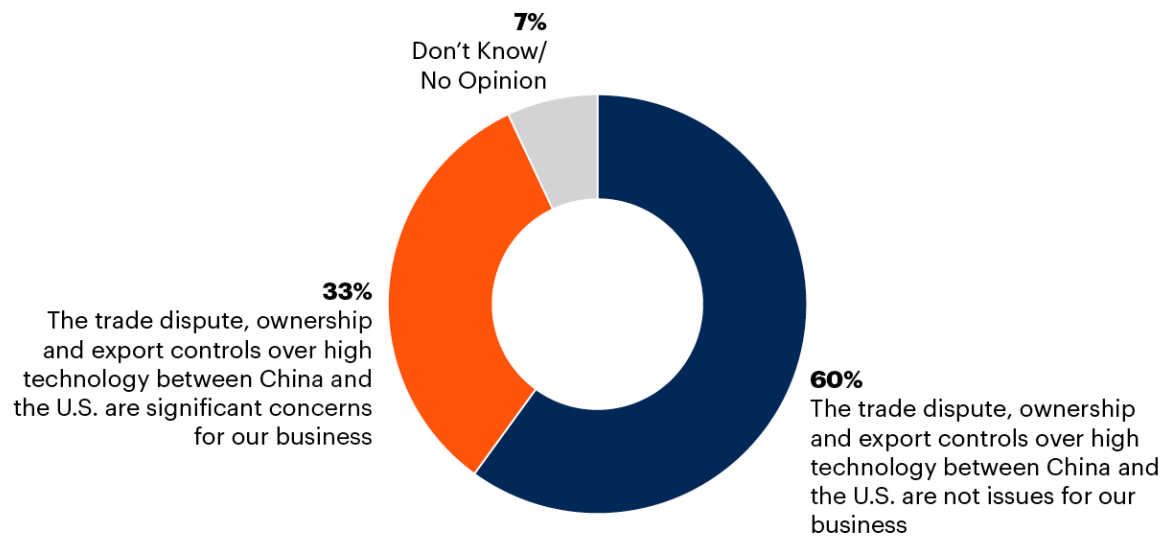
Q: Please tell us which of two opposing viewpoints most closely represents your view — Quantum Computing

Source: 2021 Gartner CEO and Senior Business Executive Survey

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Newer technologies such as 5G, AI, blockchain and quantum computing appear to be at the forefront of an emerging economic race between the world's two leading countries, the U.S. and China. Business leaders trying to forge long-range strategies will need to judge carefully what restrictions may be placed on their access to these technologies and where they might be restricted from deploying them. One-third of CEOs and senior executives today already think that the emerging trade disputes between the countries over these technologies are a significant concern for their businesses (see Figure 24).

Figure 24. CEO and SBE Views on the Significance of Technology Trade Disputes**Technology Trade Dispute**

n = 354, All Answering Respondents

Q: Please tell us which of two opposing viewpoints most closely represents your view — Technology Trade Dispute

Source: 2021 Gartner CEO and Senior Business Executive Survey

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All thoughtful senior business executives need to be aware of these factors and to keep themselves up to date on the implications. One thing we can be totally certain of without a survey question: the 2020s will not be a boring decade.

Additional Research Contribution

Angela Kreiter and Veronica Lim, Gartner Primary Research Management Team

Evidence

Gartner conducted this research from July 2020 through December 2020, with questions about the period 2020 to 2023. One-quarter of the sample was collected in July and August, and three-quarters from October through December.

In total, 465 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 390 online surveys and 75 telephone interviews.

By job role, the sample mix was:

- 287 CEOs
- 115 CFOs
- 29 COOs or other C-level
- 34 chairpersons, presidents and board directors

By geographic region, the sample mix was:

- 183 North America
- 109 Europe
- 97 China, Japan, Australia and other APAC
- 56 Brazil, Mexico and other Latin America
- 13 Middle East
- 7 South Africa

By enterprise revenue, the sample mix was:

- 46 \$50M to <\$250M
- 122 \$250M to <\$1B
- 226 \$1B to <\$10B
- 71 \$10B or more

The survey was developed collaboratively by a team of Gartner analysts that examines technology-related strategic business change, and was reviewed, tested and administered by Gartner's Research Data and Analytics (RDA) team. The results of this study are representative of the respondent base and not necessarily business as a whole.

Recommended by the Authors

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[Survey Analysis: Executive Leaders Should Align to Board Priorities for 2021](#)

[Preparing for CEO Succession](#)

[The CHRO's Role in an Evolving CEO Succession Planning Process: An Interview With Spencer Stuart's CEO Succession Specialists](#)

[Apply Digital Business to Sustainability](#)

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