



## Major Challenges for the CEO in 2019

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Based on research and readings from Gartner, Forbes, PWC and the Conference Board, many of the challenges facing CEOs this coming year are more than just business issues. They are broad macroeconomic, political and social issues, indicating that running a business today requires an awareness of the global, regional and local environment that the organisation functions in, perhaps more than ever before.

So globally what seem to be the top 7 concerns repeatedly coming up from the experts and the CEOs themselves.

1. The global geopolitical climate. The UK as I write is highly uncertain in terms of Brexit. The USA, China, Russia and others have no clear path as to how they will interact, with lots of discussions and murmurs of trade wars behind closed doors. There have also been comments in a few quarters about a looming global recession in 2019, although places like the IMF think it highly unlikely. And then in South Africa we face an upcoming election. Pick your month. It probably will be different to the previous one in some way in terms of global geopolitical climate.
2. Cyber threats continue to be a huge concern of CEOs especially when your technology is key to your business. As more and more personal data is held, it won't only be Facebook being hauled over the coals for data breaches. As more and more customer data is held by organisations, because let's face it, loads of personal customer data enables so much better targeted marketing, so the criminals will realise what a fantastic source of information this is, and find ever more ingenious ways to hack into company data.
3. Speed of technological change continues to be a factor. In some ways this is beneficial and many organisations are turning to growing the digital side of their business as one way to accomplish growth of their businesses. On the other hand, the availability of the right skills is a challenge. Most companies report difficulties in finding people with certain key skills. Despite high unemployment in South Africa, key skills have been, and are likely to continue to be, very critical, and hard to obtain, in the near future. Especially, according to reports, those skills relating to technology.



4. Building executive teams around them with the right skills and experience is still a challenge at CEO level. Having each executive position of the executive team filled with the perfect person is a wish for many. Lots of time and effort goes into scouring the markets for the right talent to make up executive teams. After all, the CEO is only as good as his or her team.
5. Regulation is always a top concern of CEOs and it still is, especially as far as over-regulation and adherence to regulation goes.
6. Reputation is becoming a bigger issue for CEO's. Several factors have led to this. One is the cyber attacks and lack of customer data security. Another factor is fraud and corruption. And another factor is around race and gender harassment. These will continue to be a focus of companies for the next few years.
7. And on a personal level it continues to be life balance. In fact with all we have mentioned above, maintaining life balance remains a difficult task for the CEO. This is a personal concern rather than a business concern in the minds of most people. However, as most people know, personal issues effect business issues. CEO's who are not in a good space psychologically, struggle with problem solving, decision making, and creative thinking. Managing themselves is a key requirement for CEO's and key executives. And they struggle with the same personal issues everyone else does. I know of a few companies who require their executives to regularly engage with a mental health professional as well as get the regular physical health check ups

In Africa surveys, two other issues get mentioned a lot.

1. Social stability. An unstable society is a very difficult one in which to do business. While South Africa has some stability, I think everyone is keen for the elections to be over and done with. Numerous



decisions have been postponed because of the current political environment. There is still quite a lot of "wait and see" attitude.

2. Uncertain economic growth is another factor mentioned by CEOs operating in Africa. For the past while it has been very difficult to predict economic growth (often due to the above point) and so it becomes difficult to make accurate forecasts for company performance.

It is not an easy environment in which the CEO and executive team has to function. In fact possibly never before has the environment in which companies are run been so unstable and unpredictable. This means plans need to be flexible and companies need to be able to change as needed. They have to be able to dance on their toes, because they can be required to make changes at any time. It also means the CEO needs a lot of information and input from experts in economics, politics, labour, etc, to make the right decisions. Broader societal issues rather general business risks are the big concerns to growth. Executives need advisors with a wide range of skills, experience and knowledge to negotiate their way successfully through the next few years.