



6 Top CEO Priorities and How to Address Them

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Each year, CEOs are responsible for establishing the top priorities for their companies. It's the responsibility of the entire C-suite—including CFOs, CHROs, and CIOs—to work together to ensure the entire organization is aligned on achieving those priorities.

So what do CEOs care about most? We identified six leading priorities based on recent CEO surveys conducted by leading consulting companies:

- Finding Growth
- Taking on Risk
- Managing Regulatory Changes
- Leveraging Technology
- Pursuing Innovation
- People and Culture

While being aware of these priorities is critical, the most challenging part is ensuring a company and its workforce have the knowledge, speed, and agility to act on them.

Business leaders are discovering this ability is highly dependent on the quality of their enterprise systems. Aging or poorly designed systems for managing financials, people, and operations create constant setbacks in the attempt to move quickly and smartly to execute on priorities.

Successful companies are highly focused on finding new ways to grow.

Read on to learn more about the top priorities for CEOs and how organizations are increasingly turning to the cloud, and in particular to unified systems to help C-level executives keep the focus on those areas.

Finding Growth

Growth is a high priority for most CEOs. [A survey by KPMG](#) found that a slight majority (51 percent) of CEOs view growth as more important than achieving cost efficiencies. The study also revealed that nearly half of CEOs surveyed anticipate they'll make at least one acquisition in the next three years.

[A study by IBM](#), meanwhile, found that CEOs of more successful companies are highly focused on finding new ways to grow, including new products or services, new business models, deeper customer relationships, pursuing innovation as a long-term strategy, geographic expansion, and deeper ecosystems. While traditional growth strategies still lead the way, the study found that inorganic growth strategies are on the rise and will continue to fuel merger and acquisition activity.

The risk of standing still may be greater than the risk associated with change.

Transwestern, a leading real-estate management firm in the U.S., exemplifies the trend. "We're in an expansion and growth period and have announced aggressive goals to double our revenue in three years, and then double it again in three more years," says Steve Harding, CFO at Transwestern. "We plan to do that through organic growth, new and expanded lines of business, and mergers and acquisitions."

Taking on Risk

CEOs believe they need to be more aggressive about taking on risk. In fact, one in three CEOs in the KPMG study think they are not taking on enough risk as it relates to their growth strategies.

Competitive threats from both new market entrants and established competitors are compelling CEOs to have more appetite for risk, including finding ways to move more quickly into new product and services areas and regions. In many cases, the risk of standing still may be greater than the risk associated with change.

Growth plans almost always include some risk, and executives are increasingly finding they need to have insights about their entire operation. KPMG found that two-thirds of CEOs expect revenue from international operations to increase over the next three years. Executives need to look at both technology and the ways in which cultural differences impact risk assessments to ensure that they have a solid understanding of their potential risk exposure. Having a single, unified global system can increase their confidence levels for pursuing growth by alleviating concerns about outdated and inefficient enterprise systems managing their most critical business information.

Having finance and HR data and processes in the cloud “not only gives us the confidence to scale, but will support accelerated growth,” says Kevin Cheetham, CFO at online retail company CustomInk LLC. “We no longer have to worry about whether our finance and HR systems can support us.”

Managing Regulatory Changes

Managing regulatory changes—including corporate tax rates, environmental regulations, and financial reporting—is a major concern for CEOs, which makes it a big priority. In the KPMG study, regulatory concerns ranked as the second-most important topic for CEOs, only after global economic growth.

[A study by PwC](#) found over-regulation as the top concern among 79 percent of CEOs who responded. And it’s not getting any better: PwC reports companies are predicting a more diverse set of global regulatory regimes and requirements in the future.

With the pace of business continuing to accelerate, CEOs need ways to remain compliant without allocating a disproportionate amount of resources toward understanding new regulations and updating systems and processes to account for those changes. Executives are finding that cloud systems can be updated much more quickly and effortlessly compared to traditional enterprise systems. For example, a true cloud vendor, with a system that delivers updates to all customers at once, can immediately distribute a feature to support compliance for a new regulation without disruption of service.

“To deliver the best services and solutions to our clients globally, it’s important to have a technology foundation that unifies our people and costs so we can gain the insights we need across our business,” says Laurel Meissner, SVP and global controller at Aon Service Corp., a London-based provider of risk management and insurance. “Overseeing accounting, financial reporting, and compliance for a large global organization requires a comprehensive understanding of our day-to-day financial performance.”

CEOs should look to their finance, HR, and other operational leaders to simplify the process of remaining compliant with regulations so that those organizations can spend more time concentrating on growing the business.

Leveraging Technology

According to the IBM study, CEOs report that technology is a critical differentiator, regardless of what industry or segment they work in. The study cited mobile, social, and the cloud as the technologies having the biggest impact on their enterprise.

Technology is the avenue for reaching additional markets, gaining market and customer intelligence, and better engaging with talent, and is seen as a way to find growth, not cut costs. It’s almost impossible to overstate the impact that technology has had on business. What’s perhaps even more amazing is that in many ways, the

use and impact of technology is still in its early days. CEOs need to be looking for ways to continue to harness evolving technology to grow their business, tweak existing business models (or create entirely new ones), or apply old technologies in new ways. CEOs should also be looking to adjacent industries for ideas.

View innovation as a long-term strategy, not a short-term “fix.”

“We’ve long understood the competitive advantage of technology innovation in financial services, and we’ve embraced it as a core aspect of our philosophy,” says Jan Willem Kohne, global head of HR, IMC B.V., which provides financial and asset management services in the Netherlands and internationally.

He adds that a unified cloud system fits well within that strategy, as the cloud has allowed “new levels of visibility into our company that helps us make faster and smarter business decisions.”

In addition to helping a company move with more speed and agility, the right technology also helps attract the right talent, which in turn helps drive the business forward.

“Associates entering today’s workforce will expect modern technology, and we wanted to provide a best-in-class system that will help them be more efficient and effective in their jobs,” says Blair Lake, vice president of HR at healthcare company System Administrative Services LLC, on the company’s decision to deploy a unified cloud system. “Ultimately, we want to enable the healthcare professional to focus even more on the people they serve.”

More than two-thirds of CEOs surveyed by PwC view data and analytics as technologies they need to adopt more broadly—and that will drive the most benefits. Still, the survey indicates that CEOs haven’t fully mastered how to best make use of data to drive business outcomes,

and report they’re looking to their teams to leverage information to make better decisions.

Pursuing Innovation

CEOs report that transformational innovation within their own companies must be a high priority, especially in an environment where new market entrants can quickly rise up and challenge existing business models.

IBM found that 58 percent of market-leading CEOs pursue disruptive innovation, not purely incremental improvements. According to its study, “pioneers aren’t simply tweaking existing products and services; they’re reinventing their firms.” These CEOs also value agility and experimentation, and are more willing to accept failure as a precondition to success.

Modern organizations understand that it’s their workforce that fields disruptive innovations.

Increasingly, transformations need to happen simultaneously across multiple parts of the business, requiring organizational agility, a willingness to change, and embracing innovation as a core competency. CEOs view innovation as a long-term strategy, not a short-term way to “fix” parts of the business.

CEOs need to foster a culture where innovation is rewarded, and where teams feel that they have the freedom to challenge long-held assumptions. At Cincinnati-based First Financial Bancorp, innovation is a priority, says CFO John Gavigan. “Our clients’ success is at the core of what we do so it’s important that we continuously innovate and uncover new efficiencies that help make us a better financial partner.”

People and Culture

CEOs cite hiring the right talent as a priority. In the KPMG study, 78 percent of CEOs said they expect to increase headcount over the next three years. Yet they also worry about finding the right skills and potentially having to retrain existing teams to develop new talents. This concern is well-placed, as modern organizations understand that it's their workforce that fields disruptive innovations. Without the right people, and without giving them access to the right tools and the right information, an organization is open to being overtaken by a competitor who has embraced that truth.

Considering these worries, it's important to retain the best people and skillsets within the organization. Having a system that provides insights into both finance and human resources can help. Companies can identify current skillsets and talent gaps, and better understand how to retain top performers.

Having operational data in one cloud system also improves how people work together, says David Rae, president and CEO at Bill Gosling Outsourcing, a multinational service provider of complete contact center solutions. He adds that the approach has transformed the company.

"The bottom line for me is that we have happier employees that are more content in the job they're doing," Rae says.

Next Steps

Putting the focus on six critical areas—growth, risk, regulatory management, technology, innovation, and people and culture—impacts a broad range of teams throughout an organization. C-level executives, and those who report to them, need to examine the weaknesses and strengths within their organizations, identify opportunities to make a difference, and then take the necessary steps to help their organization's CEO execute on these leading priorities.

Executives also need to take a close look at their enterprise systems to determine how well they can support them when focusing on these priorities. In many cases, they may find that their systems can't support the speed and agility required to succeed in today's world, let alone give their teams access to real-time information to guide decision-making.

That's why C-level executives are increasingly choosing the cloud. Specifically, they are selecting cloud-based systems for managing and gaining insights into their most important operational data—finance and human resources—from a single system. With these unified systems, they are able to move more quickly to find growth, manage regulatory changes, attract and keep the best talent, and more.

"In our legacy system, we would often have to log off and log on again to get into a different area," says Angela Hammack, vice president of Special Projects at System Administrative Services, LLC. With a unified cloud, "everyone is on the same platform with the same source of data, which improves both accuracy and productivity."

For Bill Gosling Outsourcing, a unified system is "absolutely critical" for growth, says CFO Joe Fanutti. "Our people metrics and our financial metrics work hand in hand. The dashboards we've set up for our operations managers now include both financial and HR metrics."

David Rae adds that being able to view people and financial data together "has impacted the way our business operates, so much so that it now contributes to our strategy going forward as it relates to growth, expansion, and new opportunities for our clients and our employees."

By embracing these key areas, and having the right foundation in place, CEOs will be well on their way to outpacing their rivals.



Workday, Inc. | 6230 Stoneridge Mall Road | Pleasanton, CA 94588 | United States
1.925.951.9000 | 1.877.WORKDAY (1.877.967.5329) | Fax: 1.925.951.9001 | www.workday.com