



2021 KPMG U.S. CEO Outlook

Pulse Survey

Our latest CEO Outlook is being released amidst the rollout of the COVID-19 vaccine as CEOs continue to lead their organizations through a period of vast change and uncertainty.

Featuring insights from 500 CEOs at large companies around the world, including 140 in the United States, this edition provides a timely look at the key challenges and opportunities in driving business growth over the next three years and CEOs' responses to the ongoing pandemic.

While economic uncertainty persists, many U.S. CEOs remain confident in the growth prospects of the domestic economy and their businesses and, in response to the pandemic, are shifting their organizations' focus to the social component of their Environmental, Social and Governance (ESG) programs. CEOs recognize that achieving meaningful progress on diversity, equity and inclusion is an imperative.

The pandemic has altered customer expectations for the long term and CEOs are focused on sharply accelerating their efforts to create a seamless digital customer experience. Moving quickly in this area put their organizations years in advance of where they expected to be and many CEOs plan to continue to invest in technologies that will help bolster the customer experience.

CEOs also continue to lean into their values and purpose as they look to address the needs of their stakeholders. They are taking a range of steps to support their people and strengthen their organizations – with a big focus on employee well-being and mental health and sustaining corporate culture.

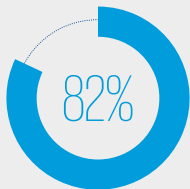
While the pandemic continues, CEOs are leading with courage, conviction and purpose and making critical investments that will position their organizations for future growth.



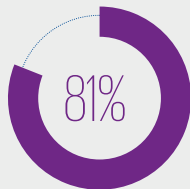
Paul Knopp
Chair and CEO
KPMG U.S.



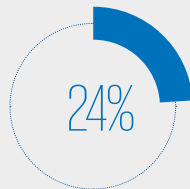
Economic outlook



82% are confident in the growth prospects of the **domestic economy**



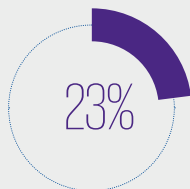
81% are confident in the growth prospects of **their company**



24% are confident in the growth prospects of the **global economy**



56% predict **2.5% to 5% growth**



23% expect **5% to 10% growth**



Greatest threats to growth

Identified as the greatest threats to their organizations' growth



Regulatory risk



20%

Tax risk



19%

Cyber security risk



16%

Operational risk



12%

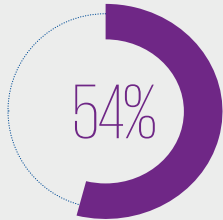
Supply chain risk



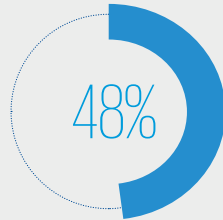
11%



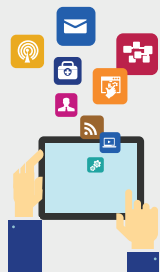
Digital Acceleration and the Customer Experience



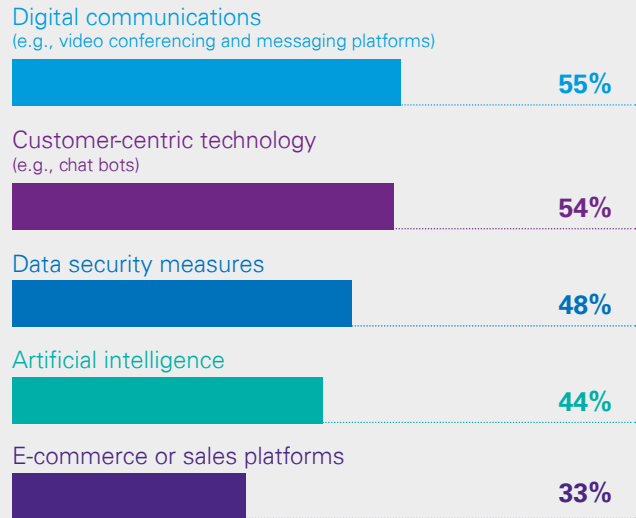
say a long term impact of the pandemic is that they plan to **conduct customer engagement and queries predominantly via virtual platforms**



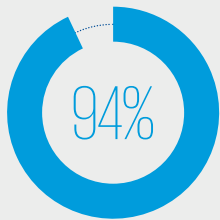
say the pandemic has sharply accelerated progress in creating **seamless digital customer experiences**



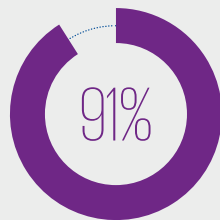
Compared to a year ago, CEOs said they plan to invest more in the following technologies:



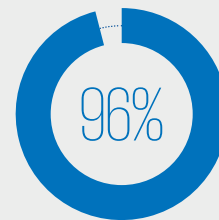
ESG



say their focus **will shift towards the social component** of ESG programs in response to the pandemic



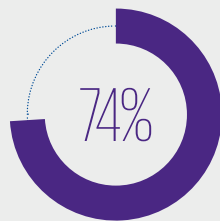
say the United States re-entering the **Paris Climate Agreement** will cause their company to have more stringent ESG practices



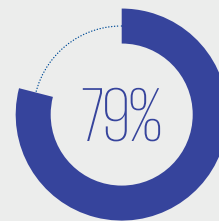
say the **scrutiny of their organizations' diversity performance will continue to** increase over the next three years



say **progress on diversity and inclusion** has moved much too slowly in the business world



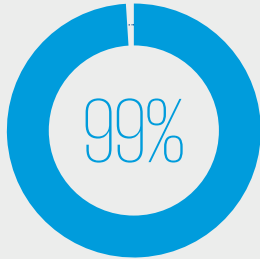
say there is still a huge amount to do to **build more diversity on boards**



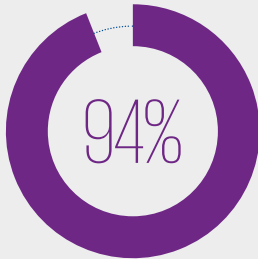
want to **lock-in the sustainability and climate change gains** they have made during the pandemic



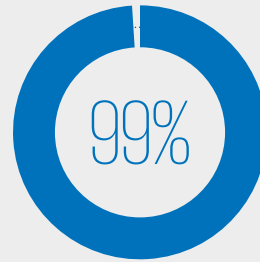
Corporate Purpose



say their corporate purpose has **helped them understand** what they need to do to meet the needs of stakeholders



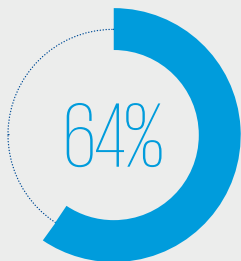
say they use their corporate purpose to **help drive action** in addressing the needs of stakeholders



feel a **stronger emotional connection** to their purpose since the pandemic began



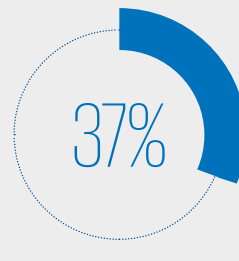
CEO Response to Pandemic



say they will increase HR resources dedicated to managing **employee well-being and mental health**



plan to further increase the use of **digital collaboration and communication tools**



say their organizations will implement more **virtual interviews with potential employees**

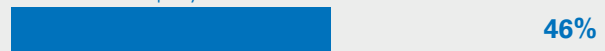


CEOs took a range of steps to sustain their corporate cultures during the pandemic, such as:

Increased visibility of leaders with employees



Increased employee communications



Greater focus on regulatory compliance

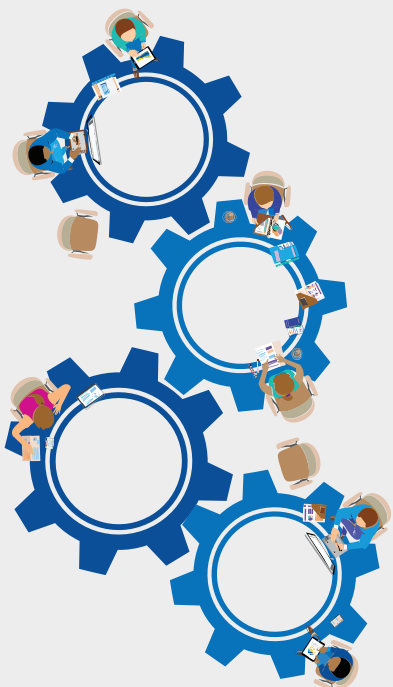
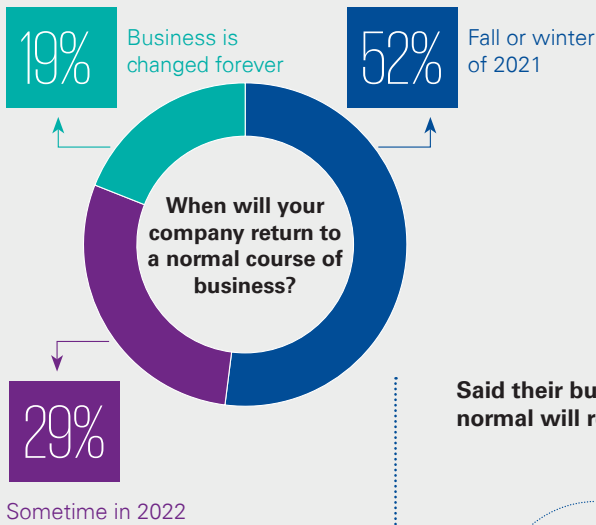


Additional resources for employees to collaborate

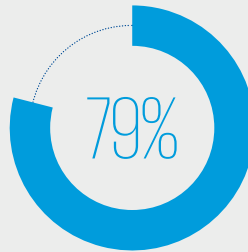




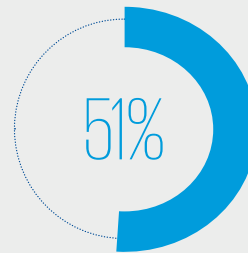
The New Normal



Said their business' return to normal will rely on:

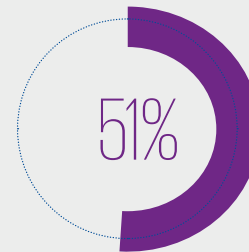


the encouragement of governments in key markets to **lift COVID-19 restrictions**



a successful COVID-19 **vaccine rollout and an adoption rate** in key markets with more than half of the population vaccinated

Said their most pressing concerns regarding the distribution of the vaccine are:



geopolitical concerns pertaining to all employees in all countries having access to the vaccine at the same time



misinformation about the safety of the vaccine that would cause employees not to take it

The 2021 KPMG CEO Outlook Pulse Survey features insights from 500 CEOs at large companies globally (\$500M+ in annual revenue), including 140 in the United States, who were surveyed about key challenges and opportunities in driving business growth over the next three years and CEOs' responses to the ongoing pandemic.

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