



Winter 2024

Fortune/Deloitte CEO survey

**The Chief Executive Program**

# Survey methodology

107 CEOs representing more than 20 industries participated in this Fortune/Deloitte CEO Survey. 95% of respondents are from organizations based in the United States, and the remainder are from organizations based outside of the United States.

Fielded February 13-23, 2024, the survey consisted of 14 questions that explore market outlook and predictions, Generative AI, and business priorities. The following pages present key findings.

Surveyed CEOs include Fortune 500 CEOs, Global 500 CEOs, and select public and private CEOs in the global Fortune community.

This Winter 2024 survey is the twelfth edition of the Fortune/Deloitte CEO survey series. Information on previous surveys is available [here](#).



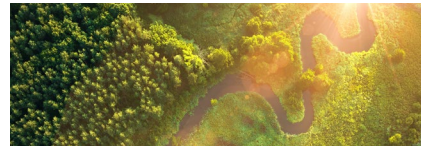
# Winter 2024 Fortune/Deloitte CEO Survey Insights

Increased optimism with an eye on global events

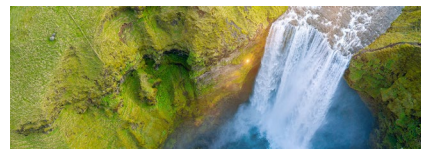
The majority of CEOs surveyed in the Winter 2024 survey describe 2023 in one word: challenging – which has topped the list for the fourth year in a row. Over the next 12 months, they also see reasons for significantly increased optimism regarding their organizations and the global economy. A majority of CEOs (65%) surveyed rank geopolitical instability as the top expected external business disruptor, while regulation, inflation, financial/market instability, and talent shortages also are expected to drive headwinds for CEOs.

Although optimistic about their organizations, many CEOs (45%) say they are prioritizing measures to optimize operating costs in order to drive organizational growth. Increasingly, they are turning to Generative AI (GenAI) and new technologies to do that. The majority of CEOs (57%) surveyed say they plan to embed new technologies in their business model to find opportunities for growth, and many (56%) have already leveraged GenAI to increase efficiencies. Read on for more highlights from the most recent Fortune/Deloitte CEO survey.

## Key takeaways



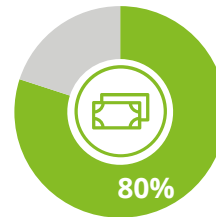
**Optimistic Outlook:** The majority of CEOs are optimistic about the performance of their companies and industries, while optimism around the global economy also continues to rise; They believe the US Federal Reserve will reduce interest rates by the fall.



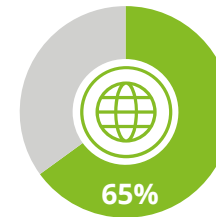
**Disruptors:** Geopolitics are at the top of CEOs' minds this year, while they still expect disruption from regulation, inflation, other sources of financial/market instability, labor and skills shortages, and crises of trust.



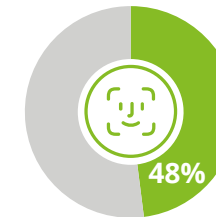
**Generative AI:** Adoption rates continue to increase as CEOs look beyond efficiencies and automation to Generative AI capabilities to find new insights, reduce operational costs, and speed up innovation.



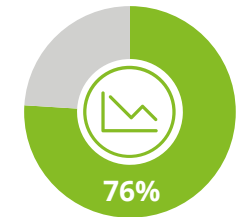
are optimistic about their company performance, an increase from 69% in October 2023




say geopolitical instability is the biggest external disruptor; When asked about their biggest challenge, most reported geopolitical uncertainty



plan to implement GenAI to discover new ideas and insights



believe the US Federal Reserve will reduce interest rates by the end of Q3 this year



“ CEOs are carefully balancing near-term growth and long-term transformation priorities. Though in its early days, Generative AI presents an important opportunity to increase efficiencies, optimize costs, and accelerate innovation. At the same time, they are cautiously optimistic about the global economy, its impact on their industry and the performance of their organizations.

— Jason Girzadas, CEO, Deloitte US

”

# Outlook and growth

**CEOs remain optimistic about their organizations and industries, but now show increased optimism toward the global economy—a significant change from Fall 2023.**

Among the CEOs surveyed, 27% are optimistic about the global economy, compared to just 7% in Fall 2023 and 12% a year ago. Pessimism about the global economy is down to 24% from 76% 18 months ago. CEOs are growing more optimistic about their organizations, with 22% reporting high optimism, and 46% prioritizing new services and products over the next 12 months. That said, CEOs are also working to optimize operating costs to drive growth, and 57% plan to embed new technologies in their business models. External factors such as interest rates and inflation remain concerns, but nearly  $\frac{3}{4}$  of respondents expect the US Federal Reserve to reduce interest rates by the third quarter of this year.



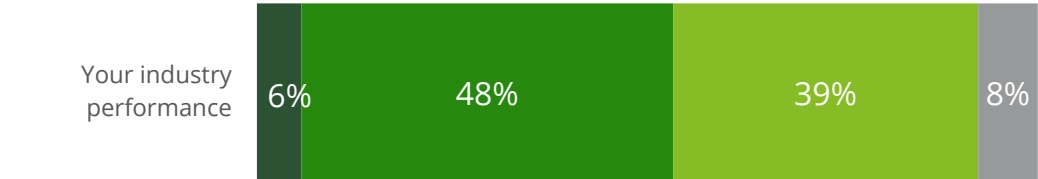
# CEOs brighten their outlook on the global economy, their industries, and companies

CEOs are markedly more optimistic regarding the global economy and the performance of their industries and organizations over the next 12 months



## What is your personal outlook toward the following areas over the next 12 months?

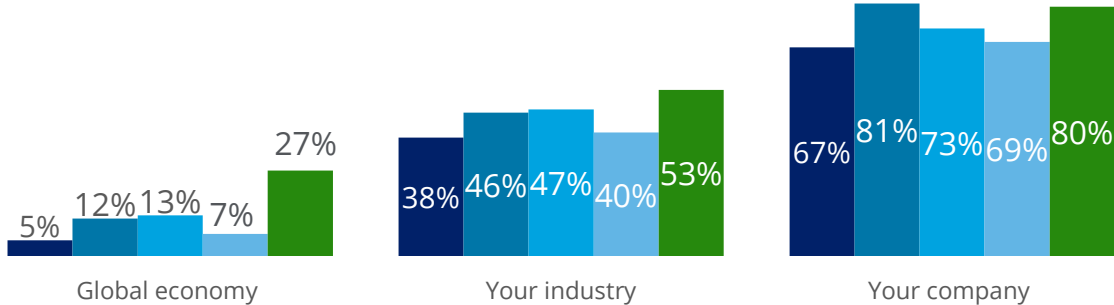
February 2024 responses



Very optimistic Optimistic Neutral Pessimistic Very pessimistic

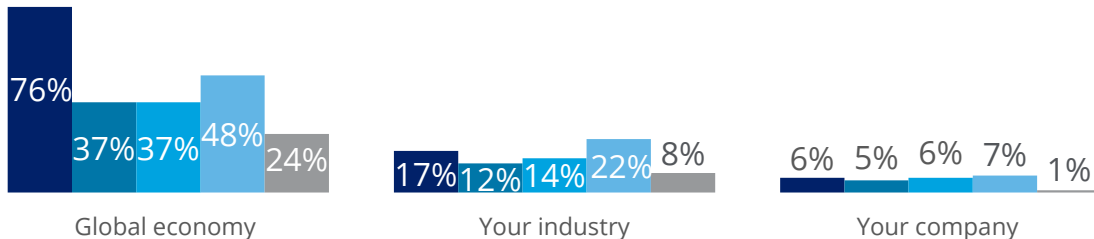
## Comparison to past surveys—Optimistic/Very optimistic

October 2022 February 2023 June 2023 October 2023 February 2024



## Comparison to past surveys – Pessimistic/Very pessimistic

October 2022 February 2023 June 2023 October 2023 February 2024



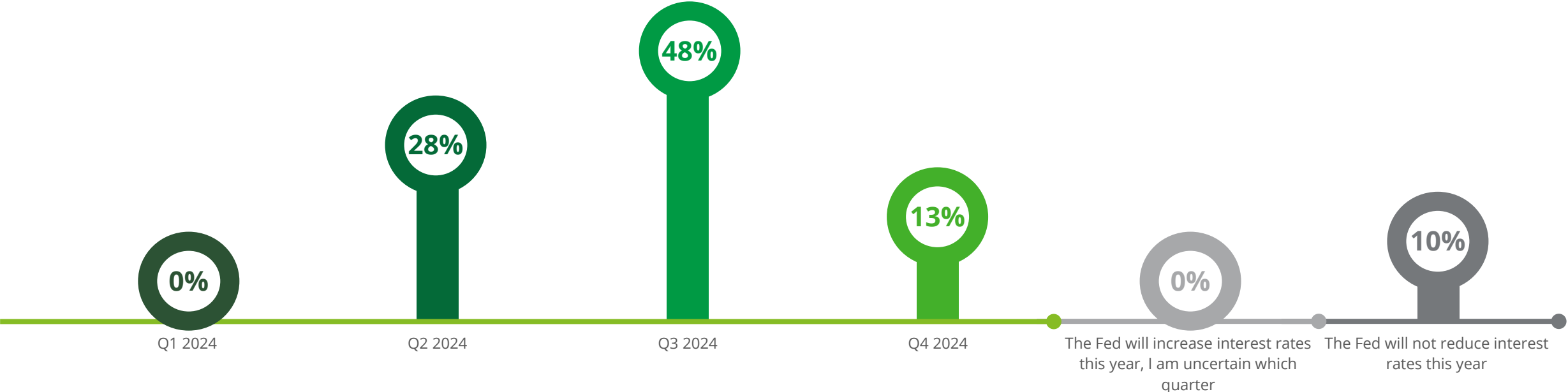
Note: Due to rounding, percentages may not always appear to add up to 100%.

# CEOs' expectations for interest rate reductions

Most CEOs surveyed believe the US Federal Reserve will cut interest rates by the end of the third quarter, but 1 in 10 doubt they'll be reduced in 2024



When do you think the US Federal Reserve will reduce interest rates?

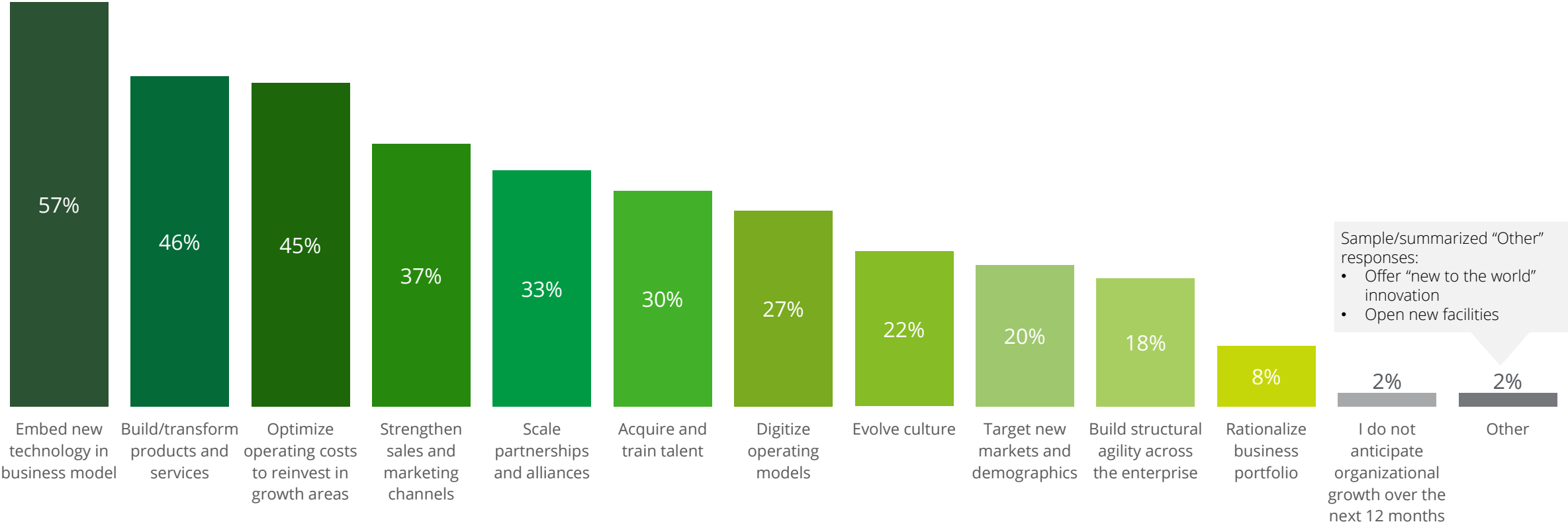


# Even with optimism, CEOs still look for ways to optimize costs to reinvest in growth areas

CEOs are expecting growth in 2024 as they focus on embedding new technologies, building new products and services, and optimizing operating costs



In the Fortune/Deloitte Fall 2023 survey, 88% of respondents indicated that they expect some organizational growth over the next 12 months. What business initiatives or programs are you prioritizing to drive growth over the next 12 months?



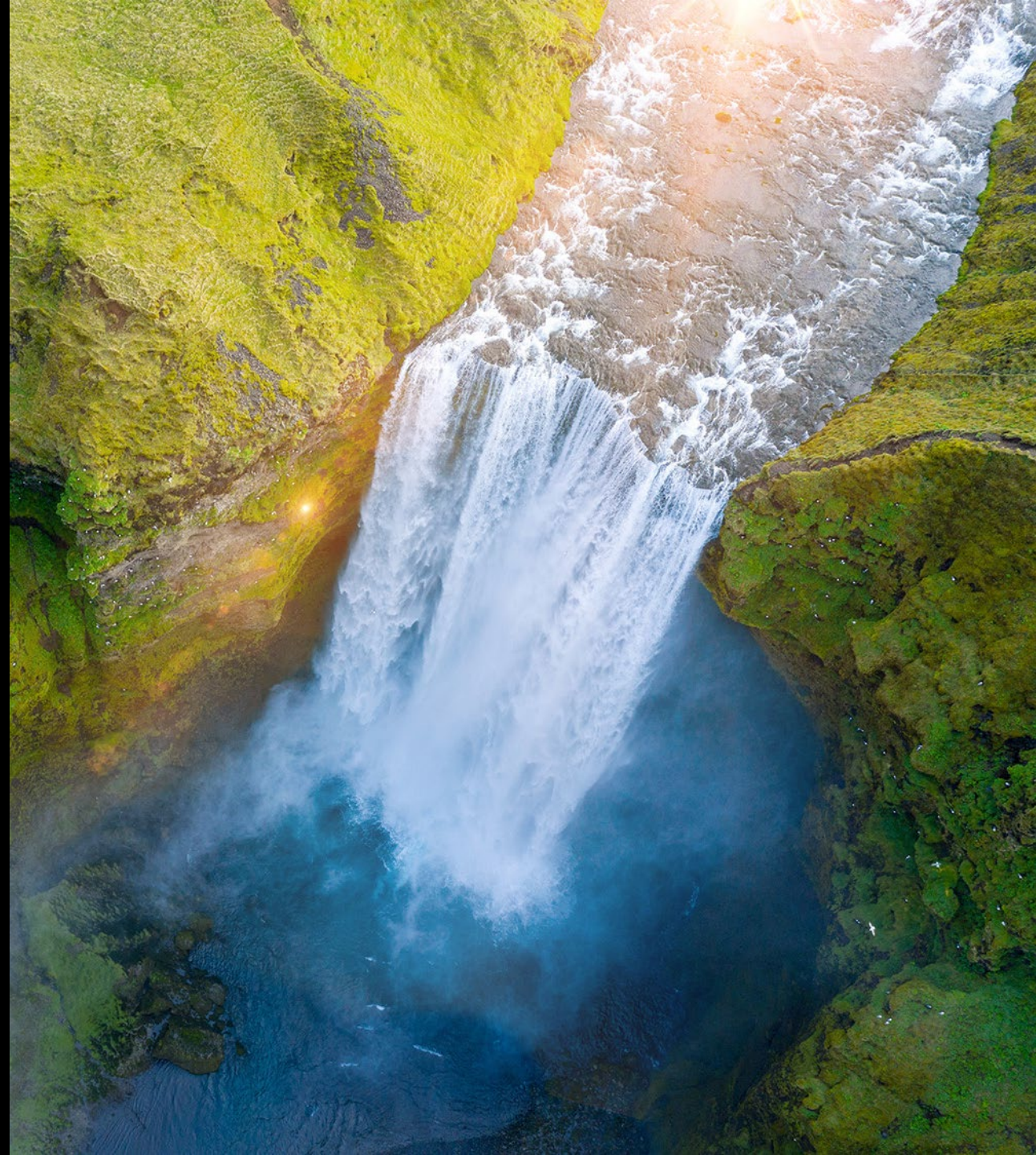
Note: CEOs were asked to select their top 3.  
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# Disruptors


**Geopolitical instability once again leads as the top disruptor for CEOs, followed by regulation, while concerns related to inflation decrease.**

Geopolitical instability took the lead as the external disruptor most likely to affect business strategy over the next 12 months, an increase of 14% points over the Fall survey. Inflation, which tied with geopolitical instability in the Fall at 51%, fell to 27%, along with other sources of financial/market instability. Regulation remains a key concern for CEOs, at 36%. Concerns about labor and skills shortages continue to decrease, dropping almost by half from a year ago, to 25%.

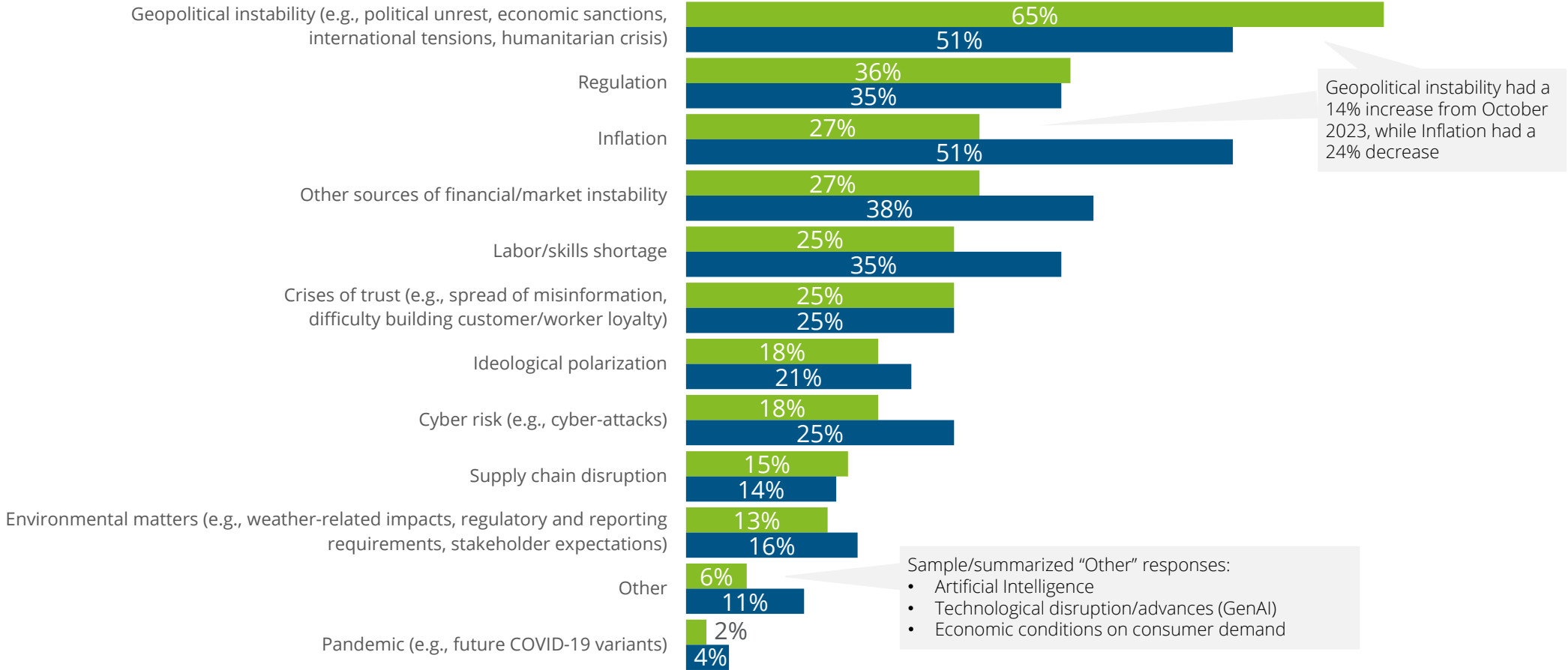


# Geopolitical instability takes the lead as the top disruptor for CEOs in 2024

CEOs still expect disruption from regulation and inflation, but they are focused on the effects of geopolitical events over the next 12 months

 **What external issues do CEOs expect to influence or disrupt their business strategy within the next 12 months?**

■ February 2024 ■ October 2023



Note: CEOs were asked to select their top 3.  
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# Generative AI

## **CEOs report increased implementation and see possibilities in GenAI's more mature capabilities.**

CEOs report a noticeable increase in adoption of Generative AI (GenAI) since Fall 2023, moving from potential implementation to active usage, a shift that could indicate an accelerated uptake of the technology.

Over half (56%) of respondents rank increase efficiency/productivity and reduced costs as the top benefit they hope to achieve through GenAI, and 58% are already implementing GenAI to automate manual tasks, up from 40% in October 2023, and 45% are using the technologies to reduce business operational costs.

Looking forward, as technologies continue to mature, the next wave of GenAI adoption may be on the horizon with an increasing number of CEOs looking to GenAI as a tool to generate value. Nearly half of CEOs are likely to implement GenAI to accelerate innovation (51%) or discover new ideas and insights (48%) signaling a trend towards more strategic applications of the technology. Artificial intelligence continues to stand out as a frontrunner for CEOs looking ahead: Artificial Intelligence tops the list of predictions for "the next big thing" for the coming year, highlighting its expected significance in shaping business landscapes.



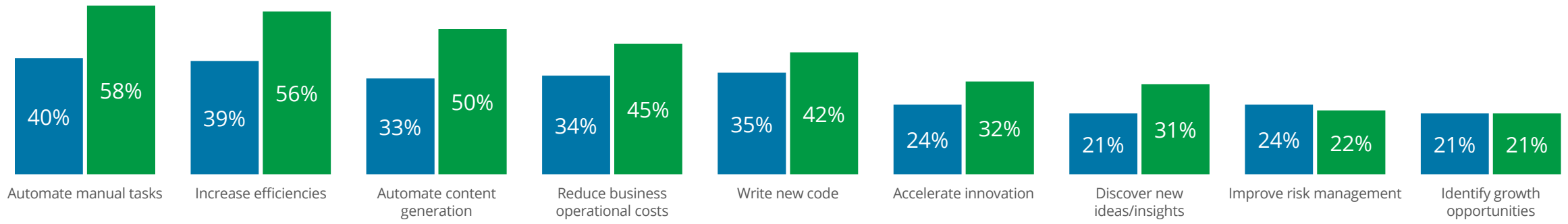
# CEOs make gains in implementing Generative AI for automation and efficiencies

58% of CEOs are using GenAI for automation, up from 40% in October 2023

 To what extent is your organization currently planning to implement Generative AI to improve how you do business:

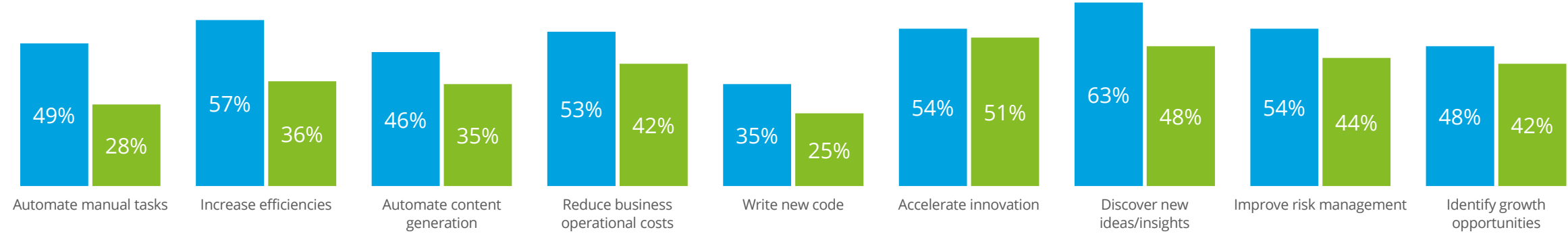
### Already implementing

■ October 2023 ■ February 2024



### Likely to implement

■ October 2023 ■ February 2024



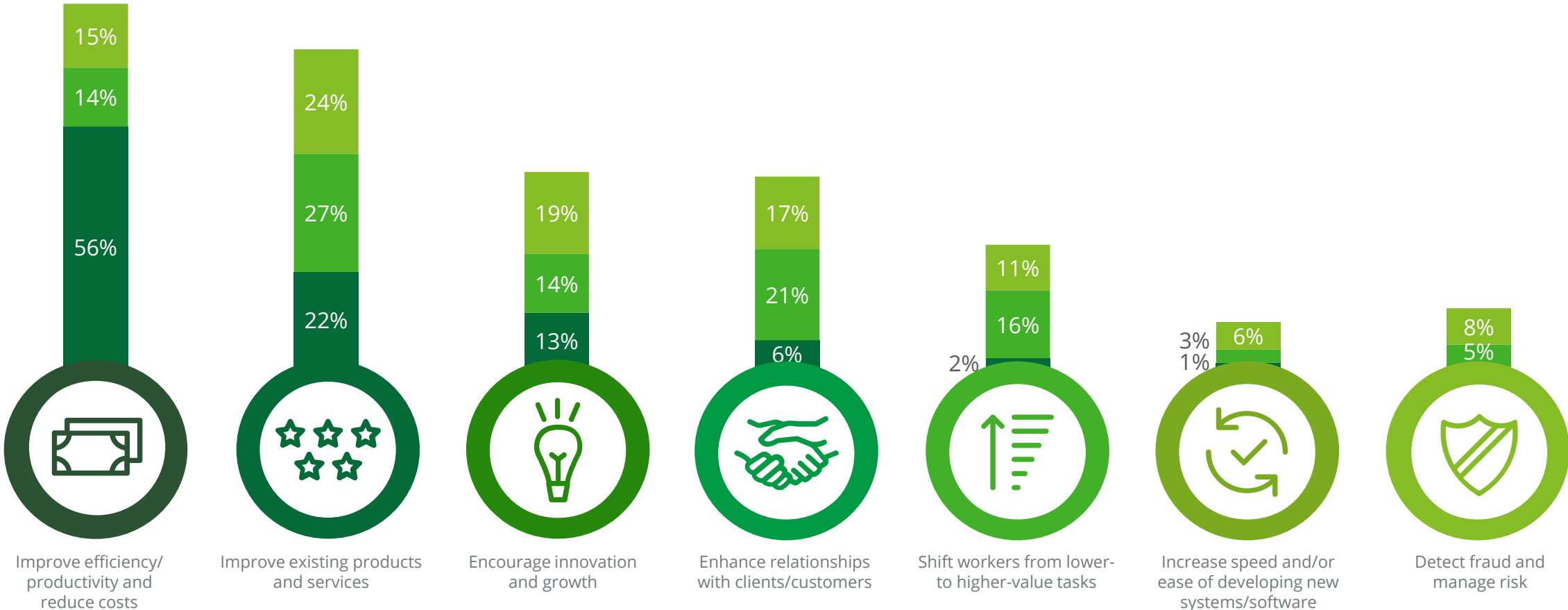
# CEOs primarily see Generative AI as a tool to improve efficiency and reduce costs

They are also leveraging the technology to find ways to improve products and encourage innovation and growth



What are the key benefits you hope to achieve through your Generative AI efforts?

■ Ranked #1 ■ Ranked #2 ■ Ranked #3



Note: CEOs were asked to rank in order of importance.  
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# Succession

## **Most CEOs and Boards are involved in planning for their succession.**

The majority of CEOs report that they are significantly involved in planning for their succession in every stage of the process, especially in pipeline creation and development of a succession plan. Forty-two percent of CEOs report that their boards have a well-defined process in place, yet nearly 28% do not feel there is a strong bench of viable CEO candidates. Eighty-four percent of CEOs indicated that they are involved in identifying candidates, and 66% said a candidate's demonstrated successes would play a critical role in their selection decision.



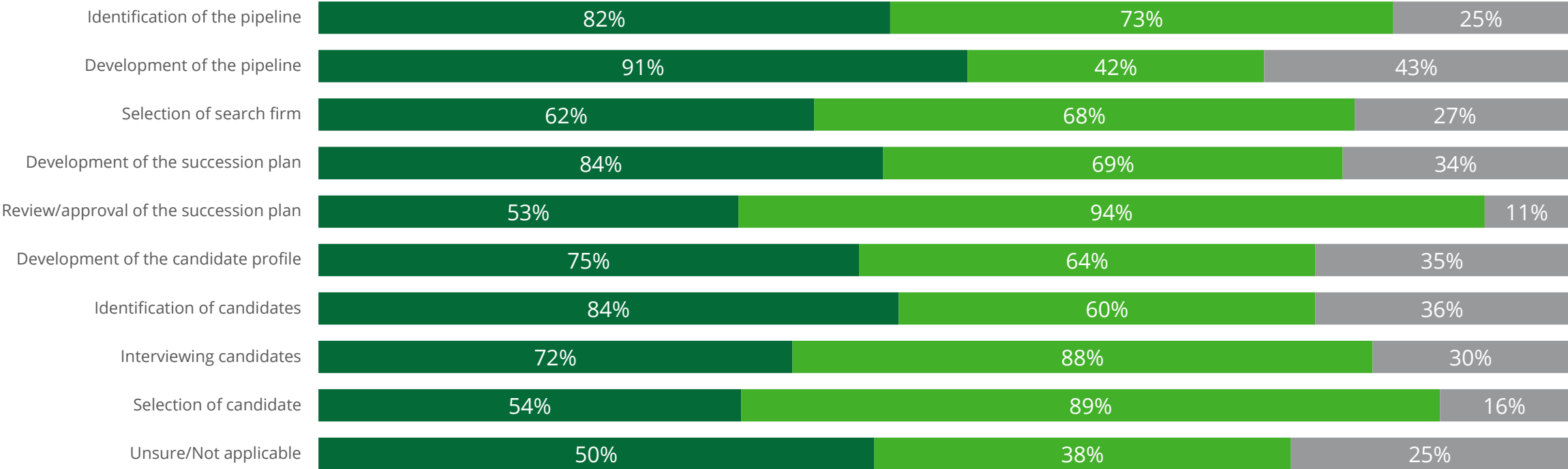
# CEOs are playing a significant and early role in their succession planning

From pipeline development to interviewing candidates, CEOs report some degree of involvement in choosing who will succeed them



## Describe the involvement of your organization and board in the CEO succession planning process

■ Myself (CEO)
 ■ Full board and/or responsible board committee
 ■ Other member of management



Other

Sample/summarized "Other" responses:

- Focus on execution and development of the management team as part of the process

Note: CEOs were asked to select all that apply.

# When it comes to succession planning, CEOs report their boards have a well-defined process in place

Yet, there may be questions around the readiness of the CEO successor candidate pool

 Please indicate your level of agreement regarding each of the following statements pertaining to the CEO succession plan readiness and successor criteria:

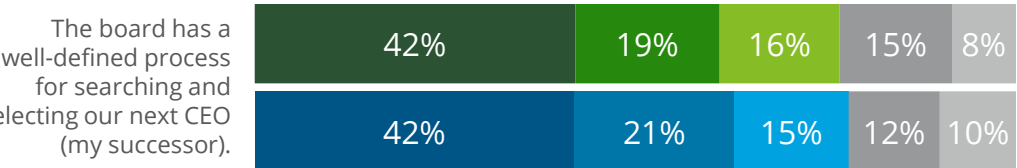
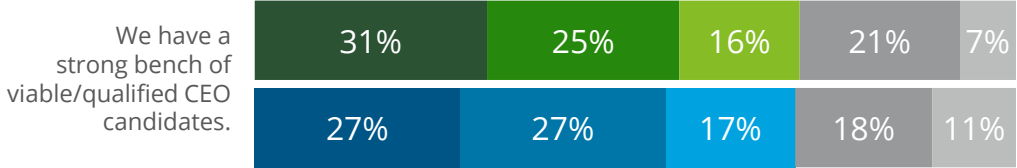
### Succession plan readiness

February 2024

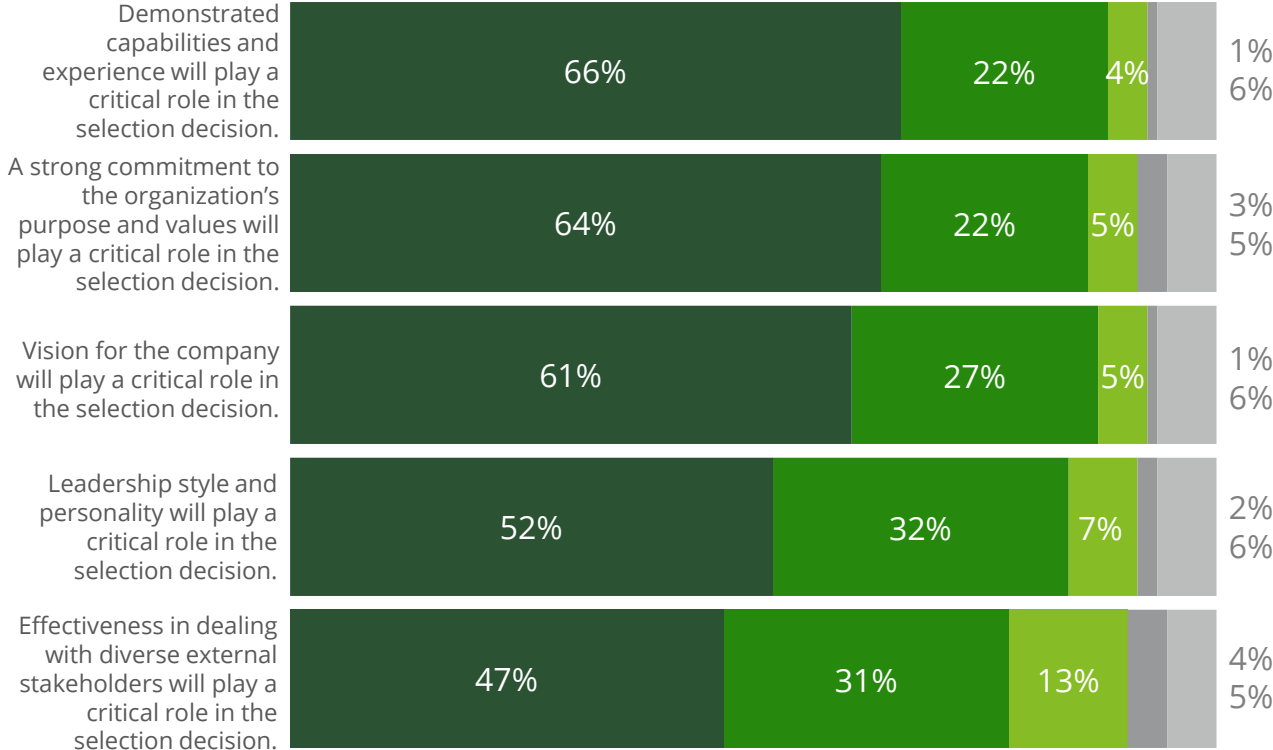
Strongly agree Somewhat agree Neutral/Unsure Somewhat disagree Strongly disagree

June 2022

Almost a third (28%) “disagree” or “strongly disagree” regarding a strong bench of viable/qualified CEO candidates.



### Successor criteria



Other  
Sample/summarized “Other” responses:  
• Strategy for growth



# CEO reflections

**“Challenging” tops the list for the fourth year in a row when reflecting on the previous year.**

When asked to describe 2023 in one word, a majority of CEOs note "challenging," followed by "volatile", following similar patterns to Winter 2023 and Winter 2022 surveys. It is no surprise given that a majority of CEOs state the biggest challenge they face is "geopolitical uncertainty," followed by "growth," "regulatory environment," "workforce engagement," and "macro uncertainty." One CEO describes their challenge as "Managing through the high level of geopolitical and economic uncertainty to drive growth."

When CEOs were asked about their view on “the next big thing” that could impact their business, Artificial Intelligence topped the list. Some respondents are looking ahead to note the potential impact of AI use cases, such as "real AI applications" and "risk concerns around AI."

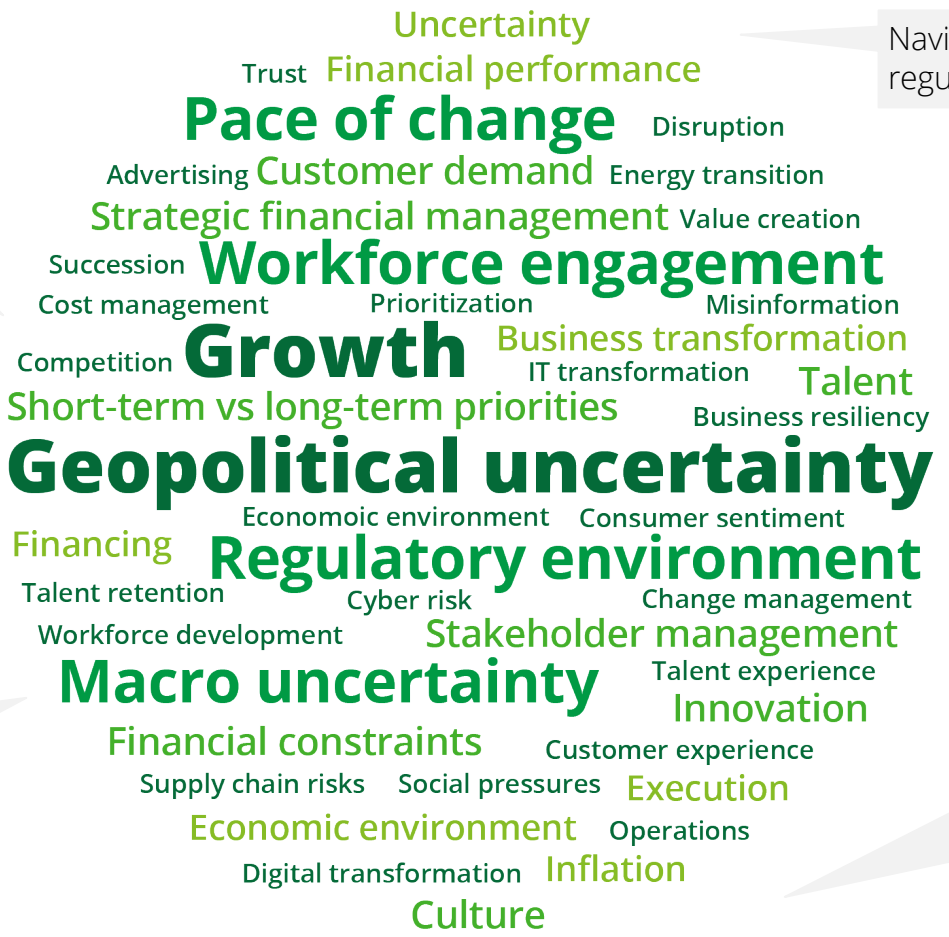


# Geopolitical uncertainty tops the list of challenges for CEOs

Similar to Fall 2023, managing through uncertainty and driving growth pose challenges for leadership



The biggest challenge I face as a CEO today is:



Navigating ongoing waves of new regulation

Complexity. Number of stakeholders, geographies, and product lines

Delivering consistent, attractive, long-term growth

Uncertain external, geopolitical landscape

Managing through the high level of geopolitical and economic uncertainty to drive growth

Ensuring we remain the leading innovator in our sector while fostering a culture of inclusion and empathy among our employees

Note: Topics in the word cloud are edited for clarity.  
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# 2023 was another “challenging” year for CEOs

Looking back at a year of headwinds, transition, and transformation



Describe 2023 in one word:



**Top 5 words looking back at 2022**

- Challenging
- Volatile
- Transformational
- Resilience
- Tough

**Top 5 words looking back at 2021**

- Challenging
- Volatile
- Unpredictable
- Roller coaster
- Recovery

**Top 5 words looking back at 2020**

- Challenging
- Change
- Tough
- Resilience
- Unprecedented

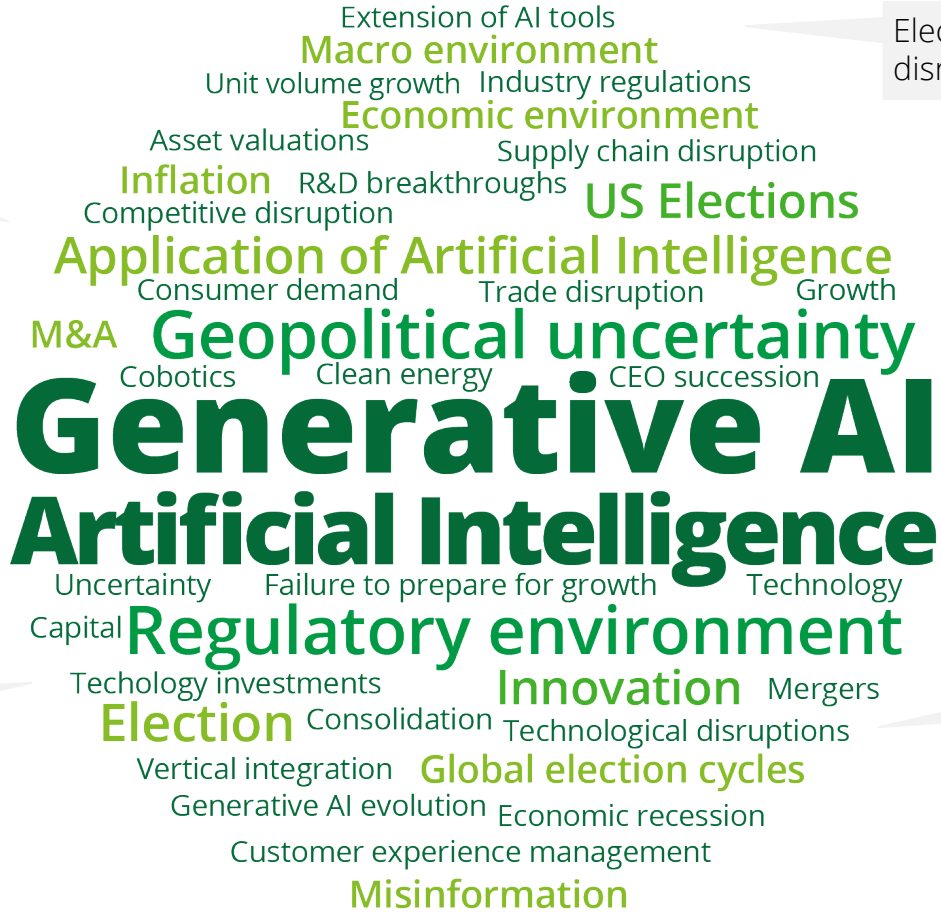
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# Generative AI continues its transformation of business for CEOs

As GenAI adoption continues to be the next "big thing," CEOs are focusing on geopolitical uncertainty, regulatory environments, and domestic and global election cycles and their impacts on business



What's the next "big thing" that could impact your business in the next 12 months?



Election-related macro-economic disruptions

Real AI applications, not just hype

Risk concerns around AI

Gen AI applications beyond sandbox ideas and use cases

CEO succession

Election cycles globally

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