



**27th Annual Global CEO Survey | 2024**

# Thriving in an age of continuous reinvention

As existential threats converge,  
many companies are taking steps  
to reinvent themselves. Is it enough?  
And what will it take to succeed?



**Highlights of the Energy,  
Utilities & Resources  
industry in Brazil**



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# Introduction

Even more concerned about the viability and resilience of their companies in the long term than last year, CEOs in Brazil and around the world are already taking significant steps to reinvent their businesses and ensure prosperity. This is one of the highlights of the **27th Global CEO Survey**, conducted with more than 4,700 business leaders worldwide, including Brazil.

Facing the magnitude of the imminent transformations in various areas, leaders know that their approaches must be bolder today and in the future. Although CEOs are more optimistic about global economic growth than last year, an increasing number of leaders in Brazil and worldwide doubt that their organizations will survive for more than ten years if they maintain their current course.

In the Energy, Utilities & Resources (EU&R) sector, this concerns nearly one-third of CEOs.





In this report, we present the findings from the survey with leaders in the EU&R sector, organized into three themes:

## The reinvention imperative

The state of the economy and the CEOs' anxiety regarding the long-term viability of their business models.

## Looming existential change

The status of two megatrends—climate change and technological disruption (exemplified here by generative AI)—that are set to drive further reinvention.

## Your reinvention playbook

Essential actions that companies can take to stimulate continuous reinvention.





# Explore the findings



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# The reinvention imperative

An analysis of the economic scenario and the CEOs' anxiety regarding the long-term viability of their business models



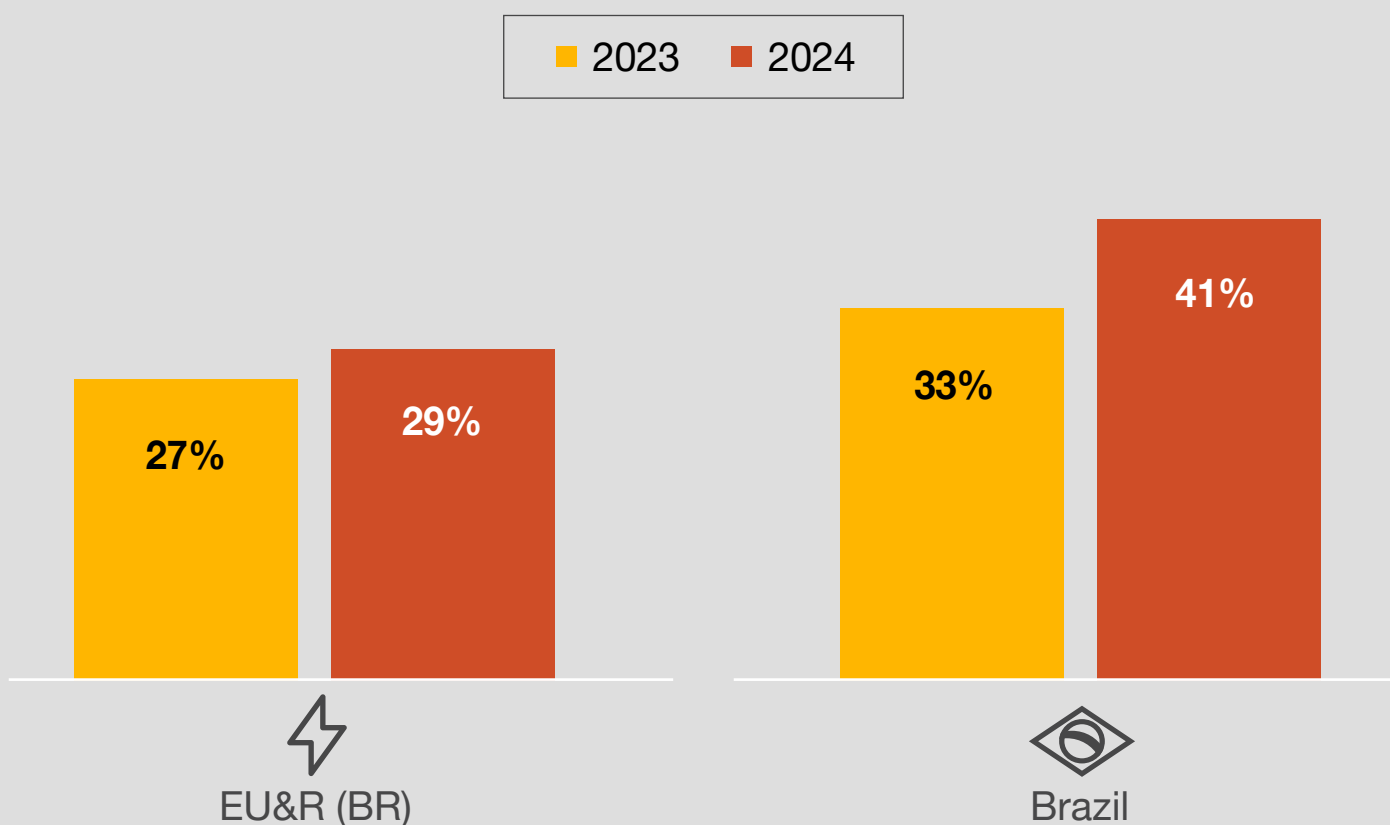
Technological disruption, climate change, and other accelerating global megatrends continue to force CEOs to adapt.

This generates unease among CEOs about the sustainability of their businesses: 41% of participants in Brazil (45% globally) doubt that, on their current trajectory, their companies will remain viable beyond the next decade—an increase from last year.

While CEOs in the Energy, Utilities & Resources (EU&R) sector also report growing concerns about the long-term viability of their businesses over the next decade (rising from 27% in 2023 to 29% in 2024), this uptick is less pronounced than the Brazilian average.

## Given the current path, how long will your business be economically viable?

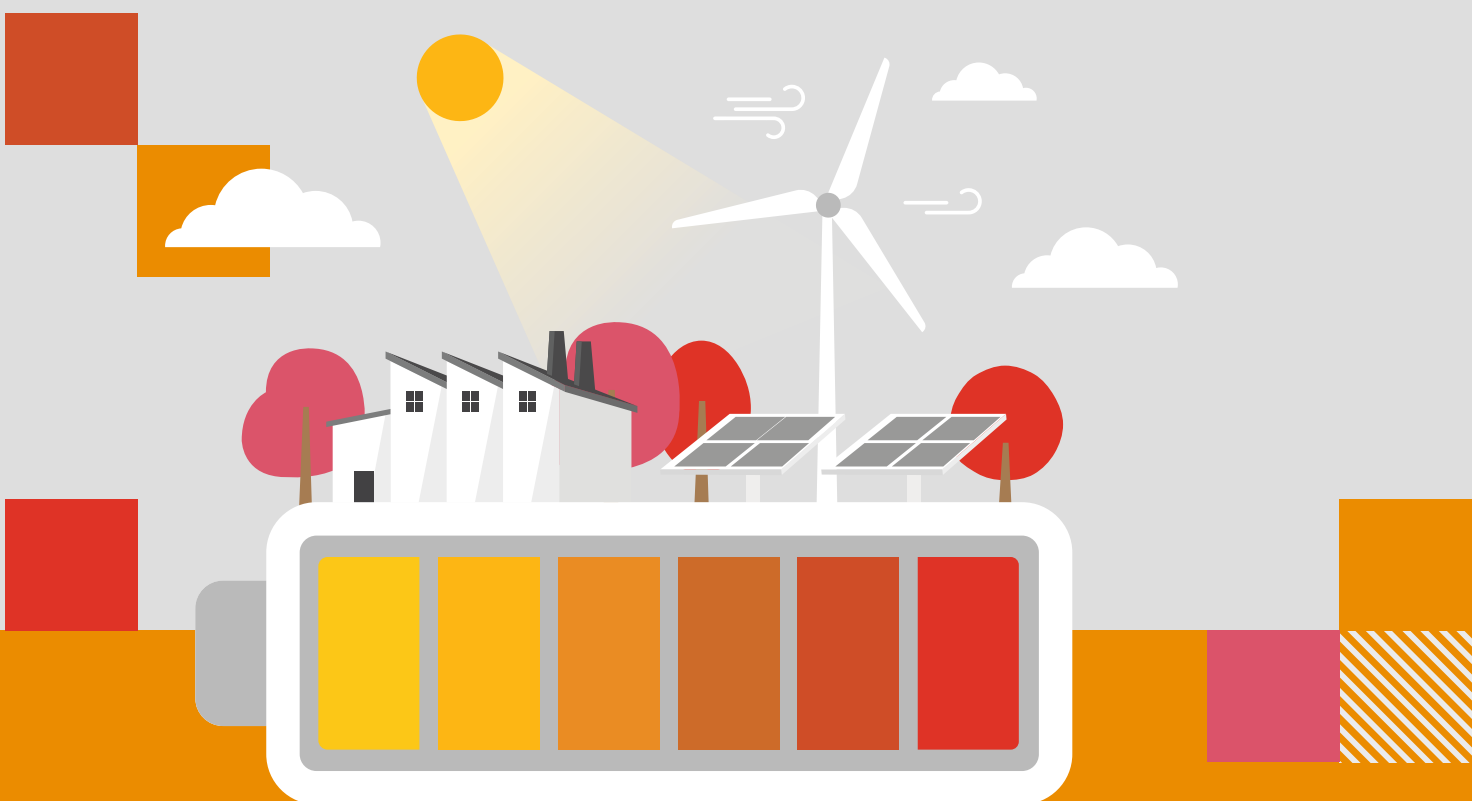
10 years or less





CEOs in the EU&R sector in Brazil, in the country as a whole, and the global average have more confidence in the growth prospects of their own countries than in a global expansion, even though they are more optimistic than last year about the global economy's performance: the expectation of a slowdown in global economic activity decreased in 2024, while the forecast for an improvement increased (32% of CEOs in the EU&R sector in Brazil, compared to just 5% last year—a more significant increase than the Brazilian average: 36% versus 17%).

There are reservations in this optimism, however: in all three categories (EU&R, Brazil, and the world), the percentage of those indicating a possible global economic slowdown next year exceeds the share of those anticipating an acceleration. EU&R CEOs are also much less confident than last year in the prospects of revenue growth for their own companies over a 12-month horizon (45% versus 73% in 2023). Considering the three-year outlook, however, the confidence of EU&R leaders has slightly increased (from 59% in 2023 to 61% this year).

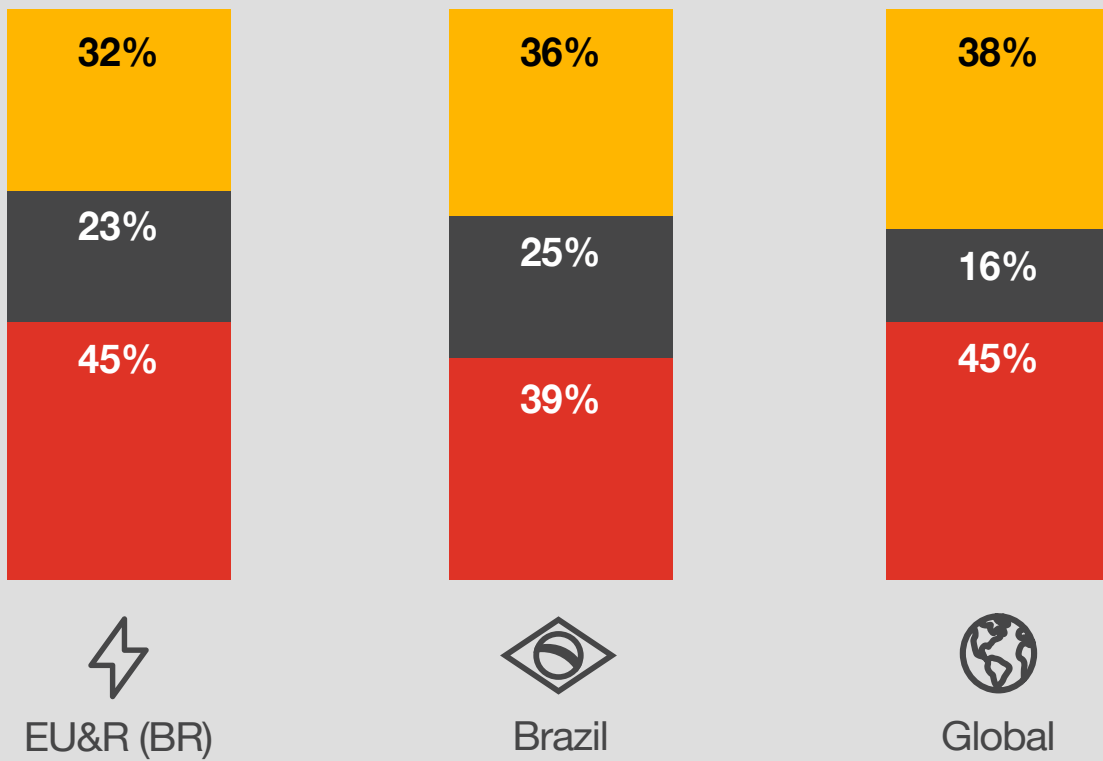




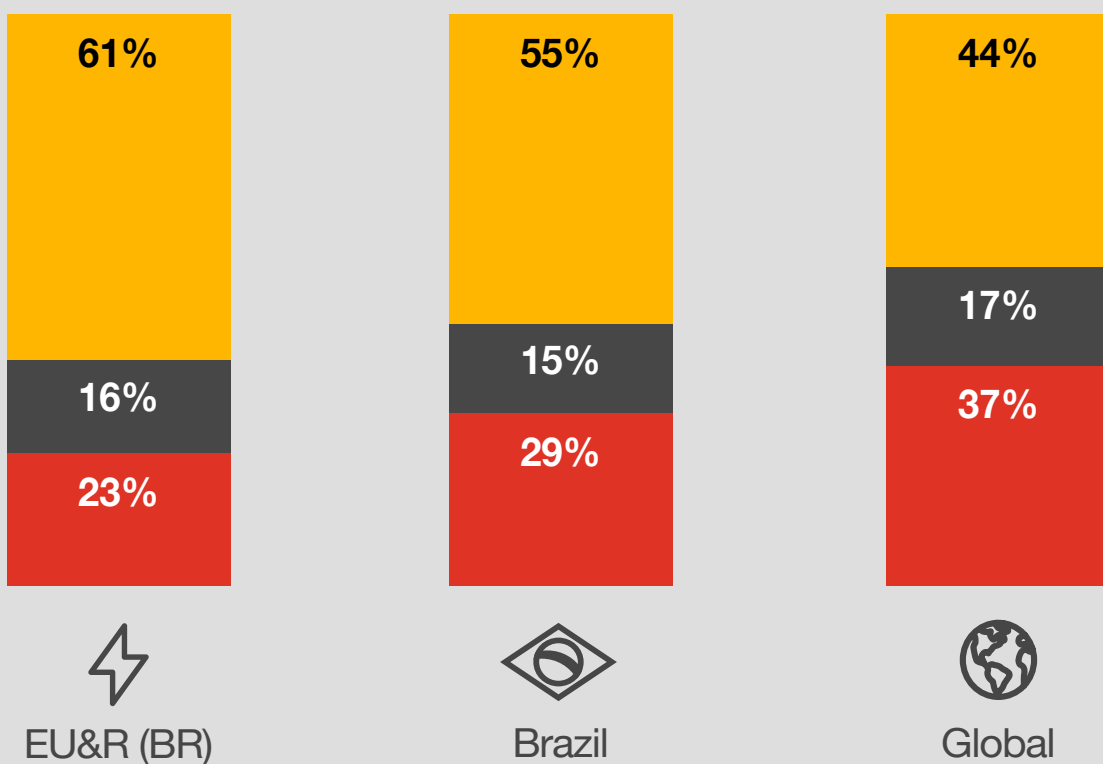
# CEOs' expectations regarding the economy in the next 12 months

⬆️ Improve    = Stay the same    ⬇️ Decline

## Global growth



## CEO's country growth



Note: Not all numbers add up to 100% due to percentage rounding, multiple-choice response options, and the decision, in some cases, to exclude the display of specific responses, such as "other", "none of the above", and "don't know".

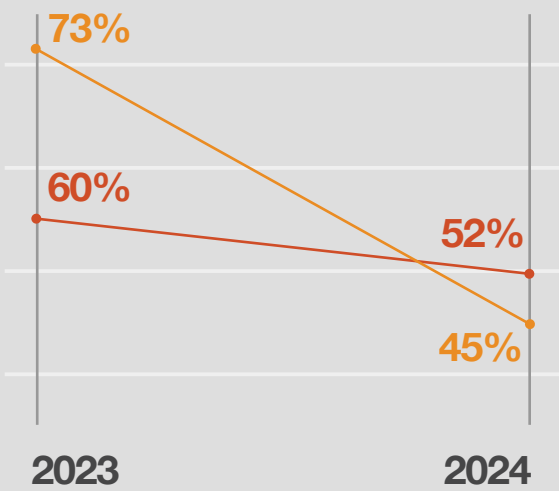




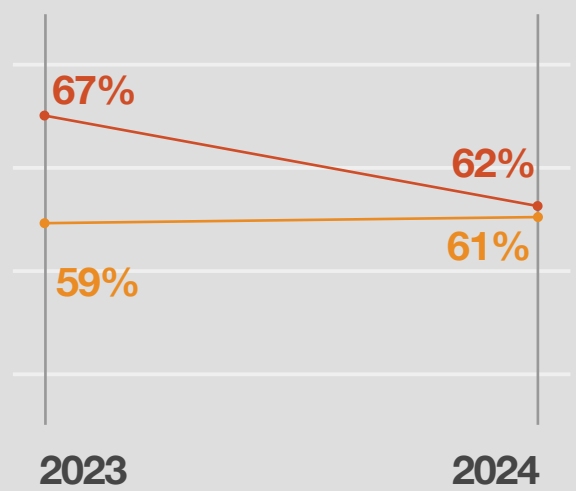
## Confidence in the company's prospects for revenue growth



Next 12 months

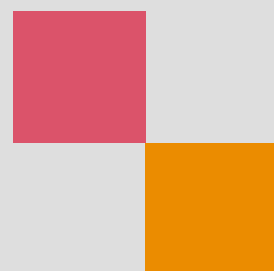
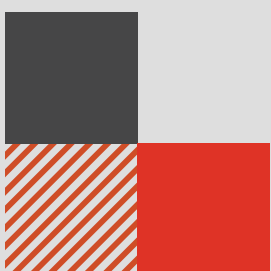


Next 3 years



### The impetus to reinvent is intensifying

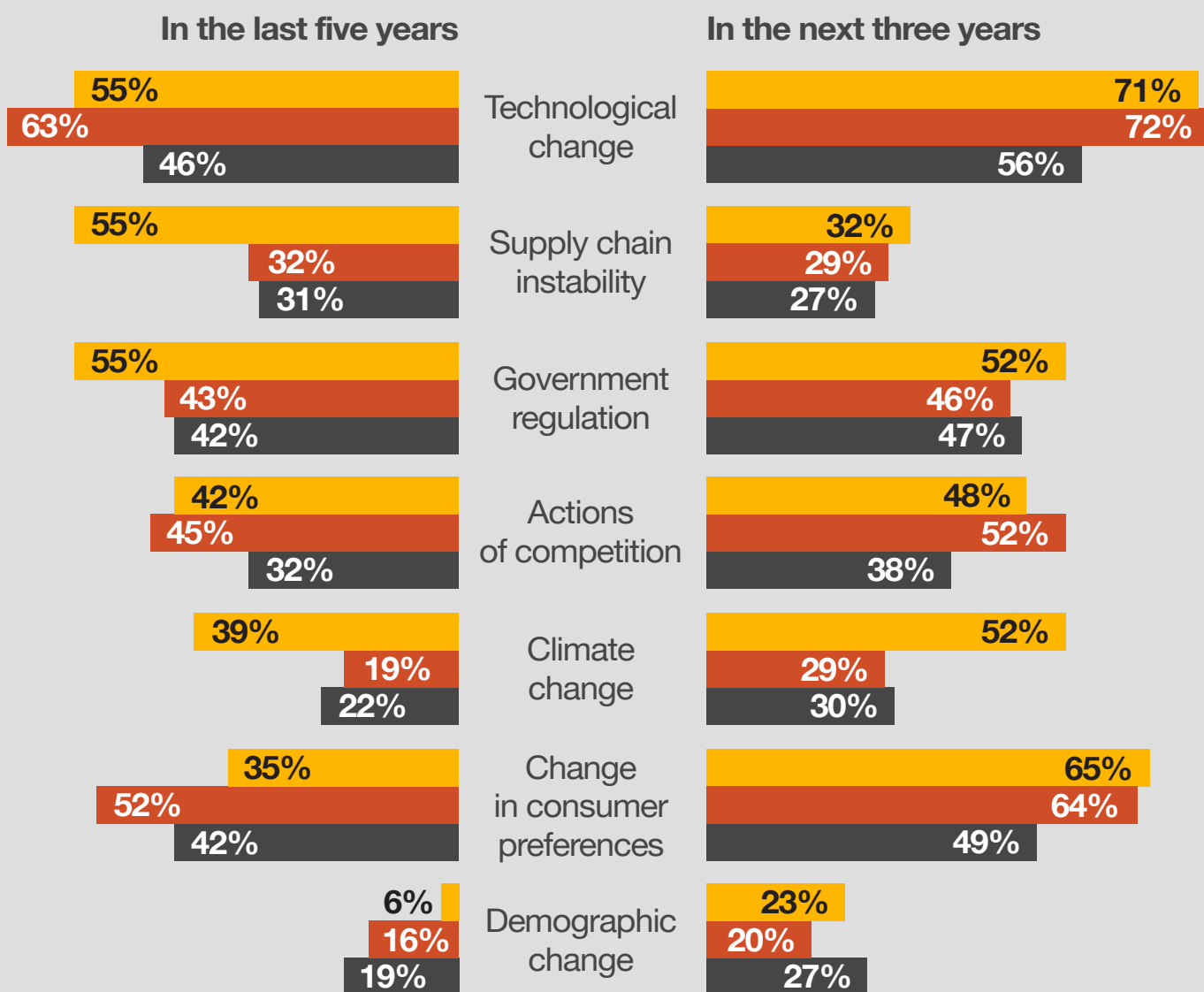
Another sign of the growing need for reinvention is the increase in pressure that CEOs expect to face over the next three years due to changes in the business model. Compared to the last five years, CEOs foresee that changes associated with technology, consumer preferences, and the climate, among others, will significantly impact how they create, deliver, and capture value. Only the effects of supply chain instability and government regulation are expected to decrease in relative terms over the next three years in the sector.





## Factors changing the creation, delivery, and capture of value

**Question** – Indicate the extent to which the following factors have driven/will drive changes in the way your company has been creating, delivering, and capturing value (showing only ‘to a large extent’ and ‘to a very large extent’ responses).



In the EU&R sector, the growing importance of these trends is accompanied by an increase in CEOs’ perception of exposure to critical short-term threats (macroeconomic instability, inflation, and climate change) – movement that contrasts with the decrease recorded in the Brazilian average.

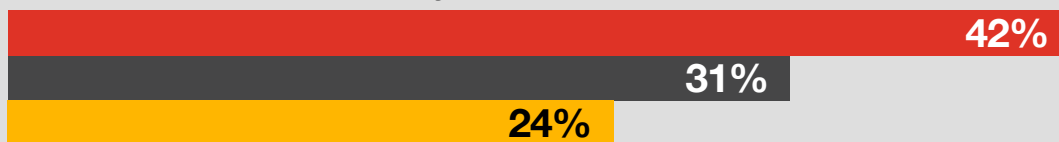


## Exposure to threats in the next 12 months

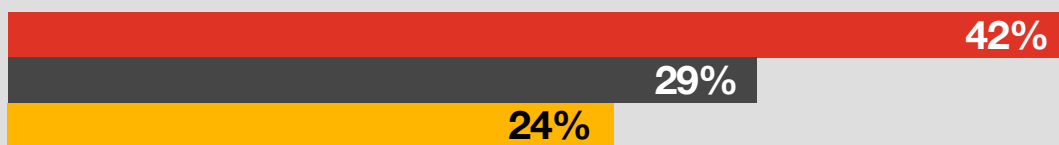
**Question** – How exposed\* do you believe your company will be to the following threats in the next 12 months? (showing only ‘to a large extent’ and ‘to a very large extent’ responses).



### Macroeconomic instability



### Inflation



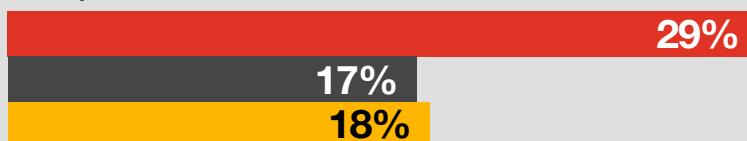
### Climate change



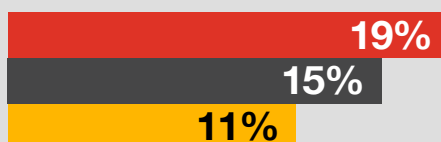
### Cyber risks



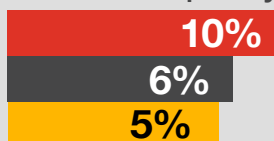
### Geopolitical conflicts



### Health risks



### Social inequality



\*Exposure is measured as the likelihood of significant financial loss.



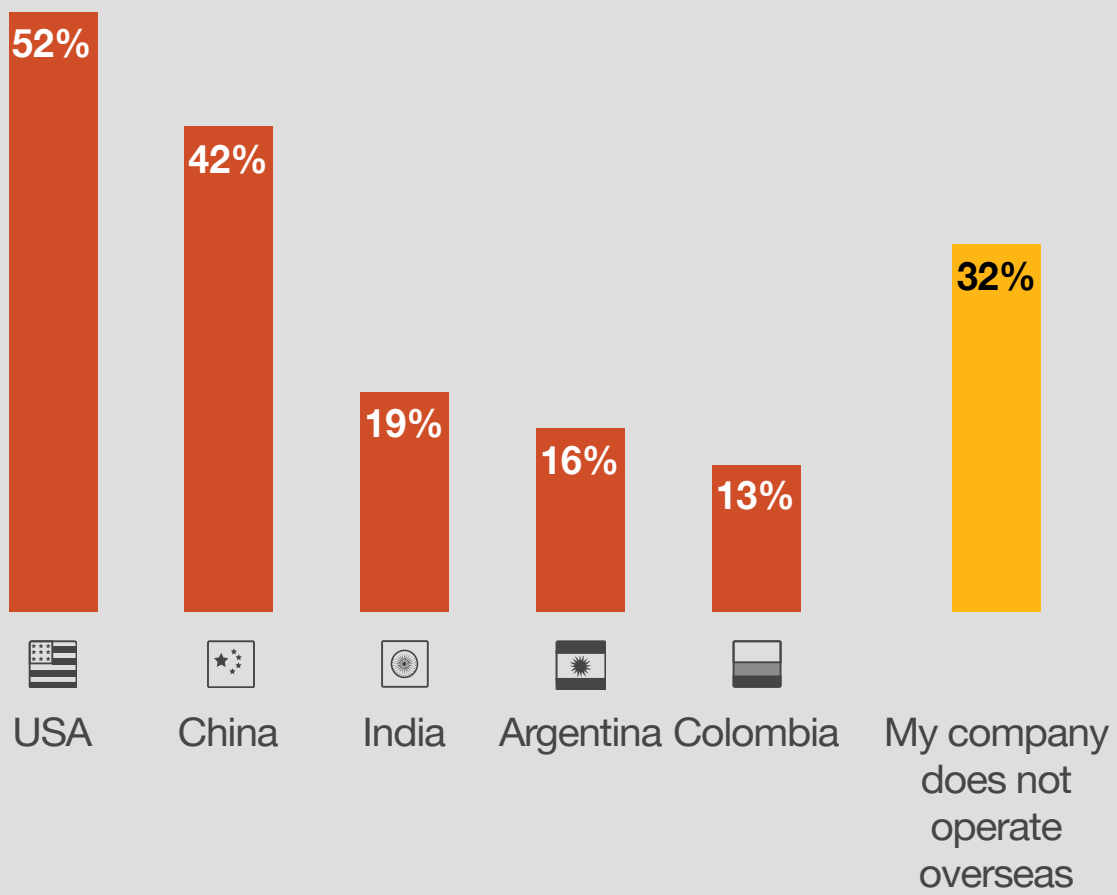
## Growth in other countries

Regarding the markets considered most relevant for growth, the EU&R industry in Brazil follows the general average in the country: the United States appears at the top of the list, with a greater weight than last year (47%, compared to 39%). Argentina comes in second, with 30% mentions—a percentage above the 13% of 2023—surpassing China. Previously in the top five positions, Germany, France, and India have lost relevance.

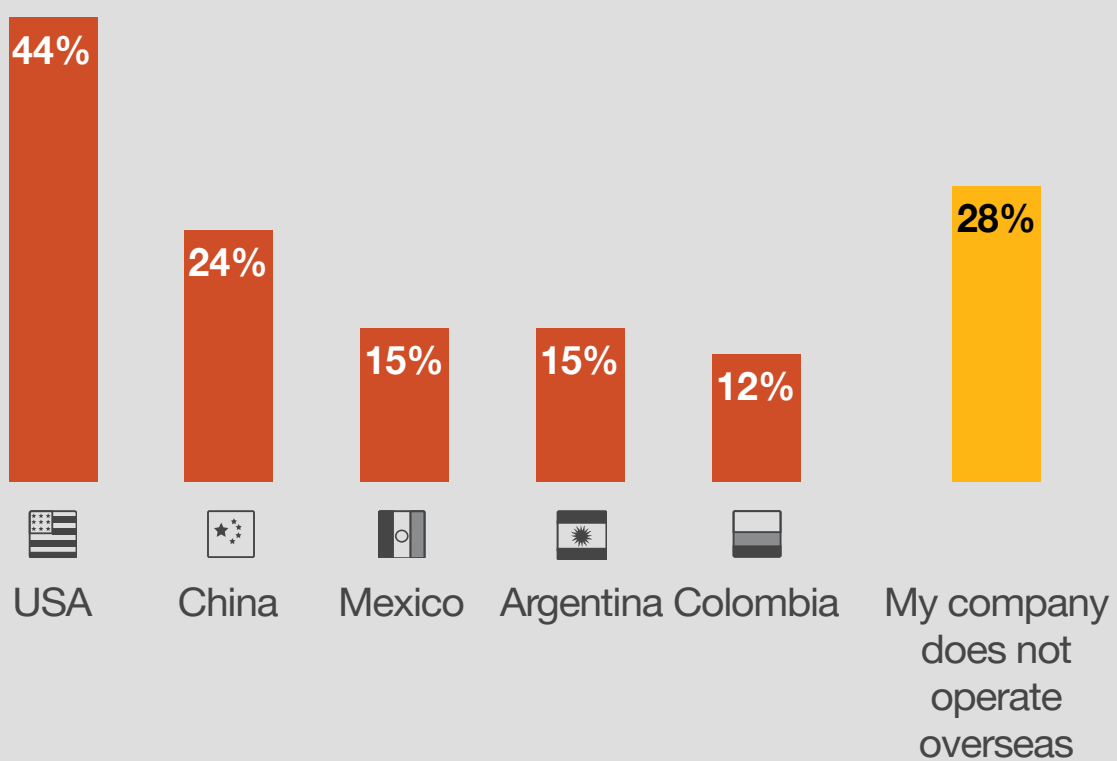




## Key markets for the CEOs of the EU&R sector in Brazil



## Key markets for CEOs of all sectors in Brazil





# Looming existential change

The status of two megatrends — climate change and technological disruption (exemplified here by generative AI) — that are set to drive further reinvention.

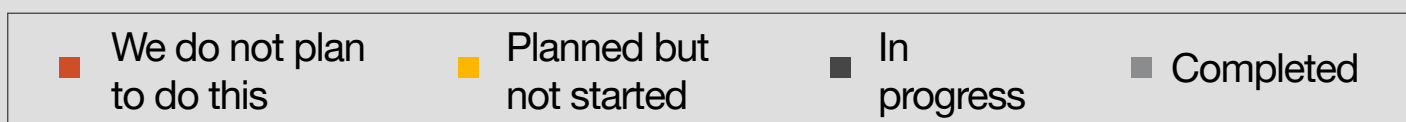


## Climate change

CEOs in the EU&R industry report progress in meeting their stated goals: 97% have efforts underway or already completed to improve energy efficiency, and 91% to innovate in products and services with low climate impact.

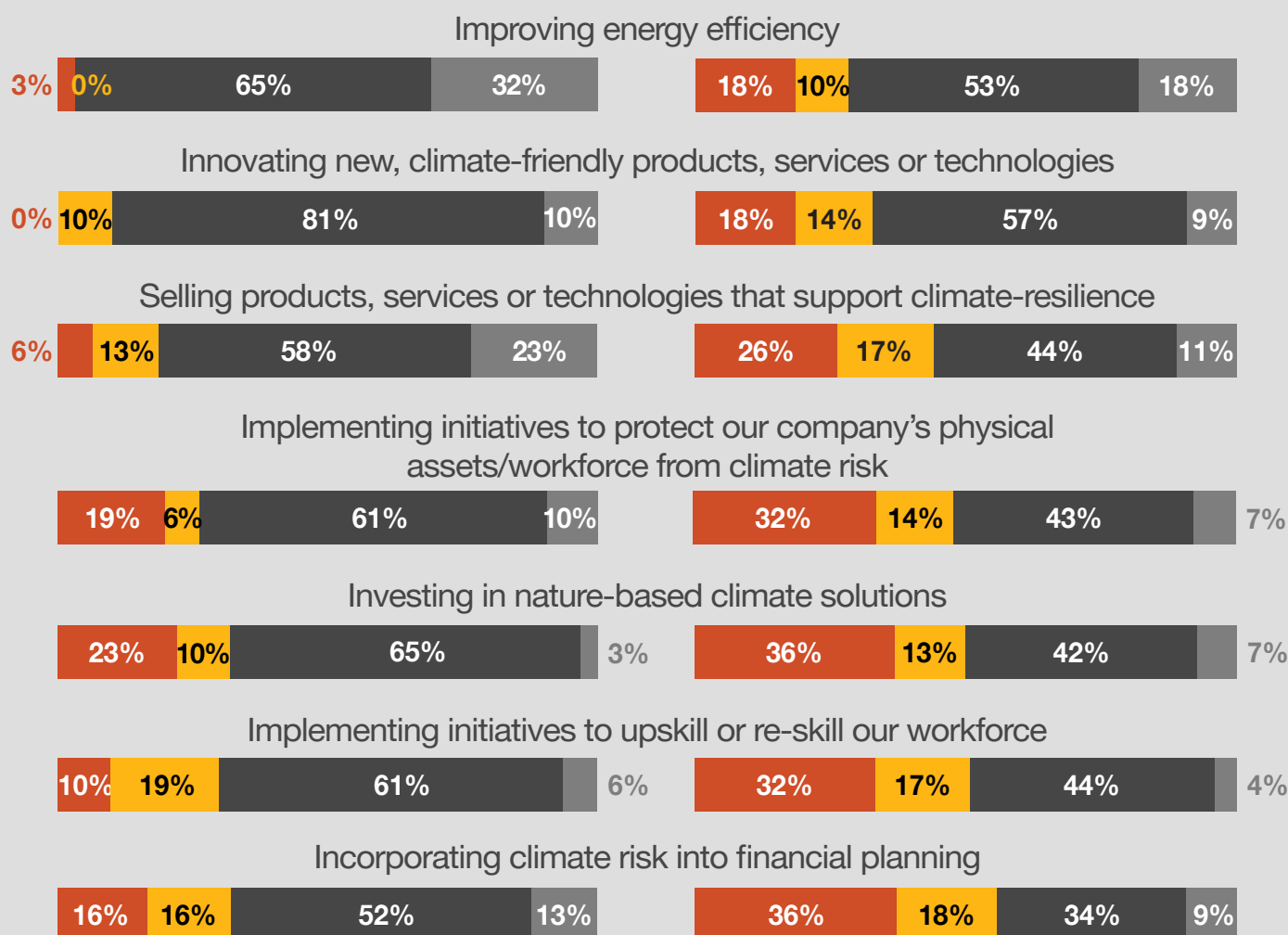
### CEOs have plans for decarbonization and other climate actions

**Question** – Which of the following options best describes your company’s progress in these initiatives?



EU&R (BR)

Brazil





## Opportunities and challenges of AI

A second megatrend with systemic and existential implications for businesses is technological disruption. We specifically examine generative AI, which can completely change business operations.

The adoption of this technology in the EU&R sector and the adaptation of the technological strategy to deal with the innovation it represents align with the average of Brazilian and global companies. However, the sector CEOs' expectations regarding generative AI for the next 12 months and three years are higher than the national and global average.







# Expectations regarding the impacts of generative AI

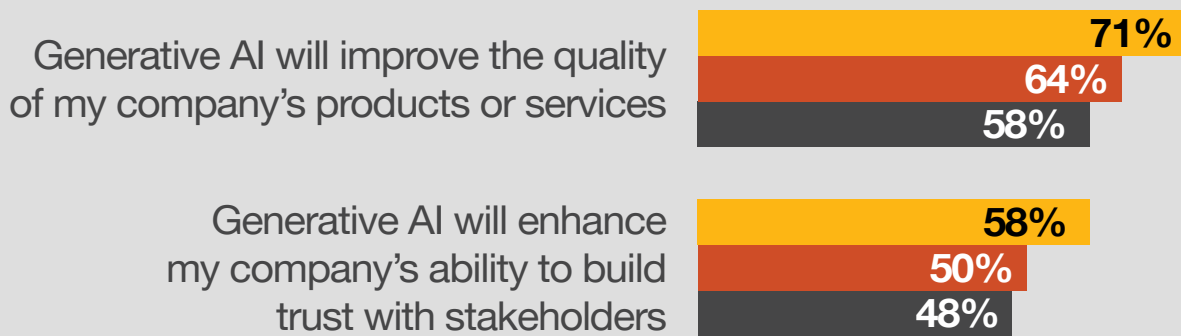
(showing Only 'Agree' responses)



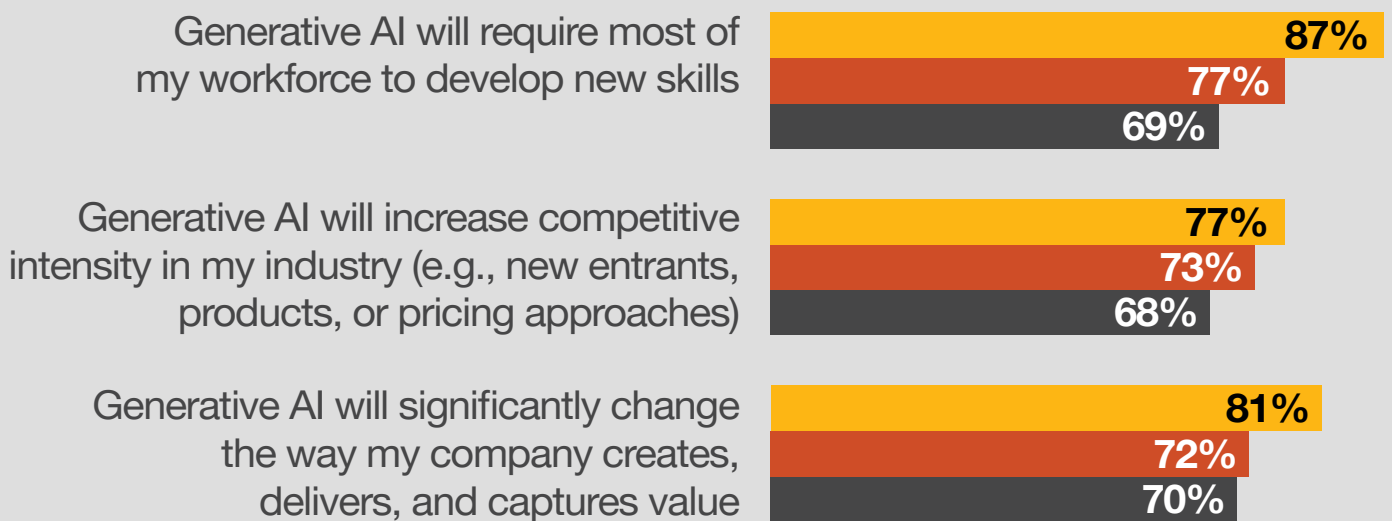
## In the last 12 months



## In the next 12 months



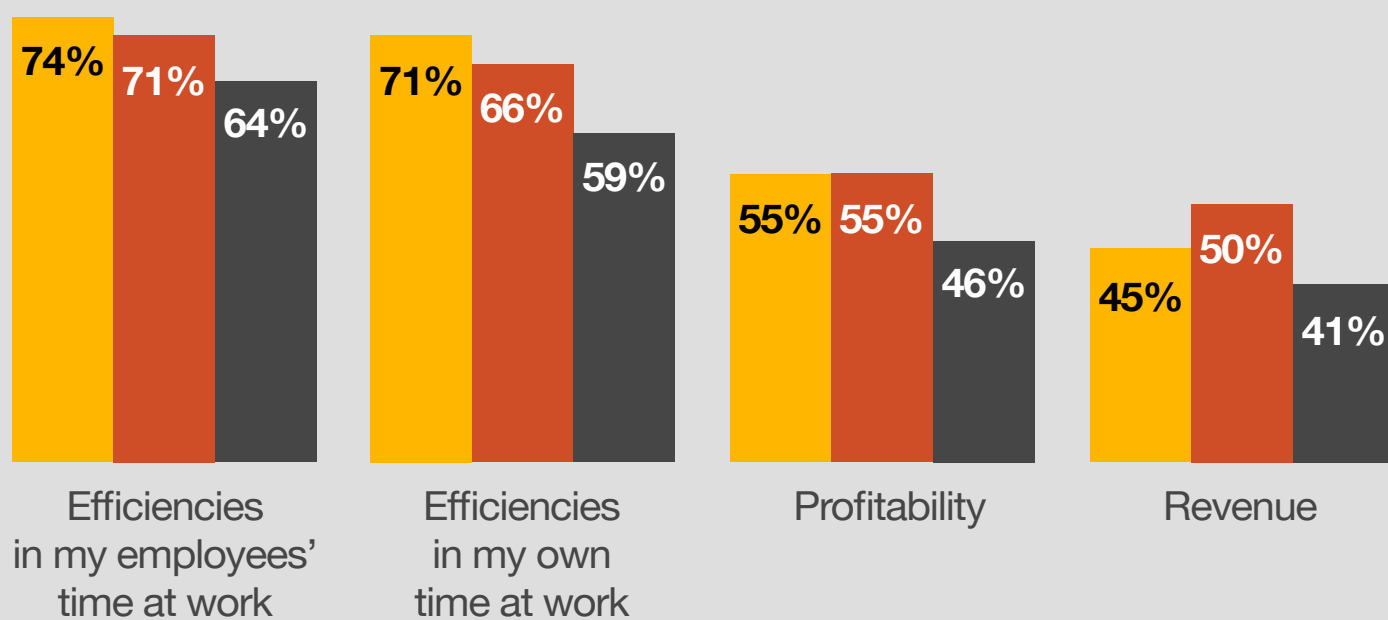
## In the next 3 years





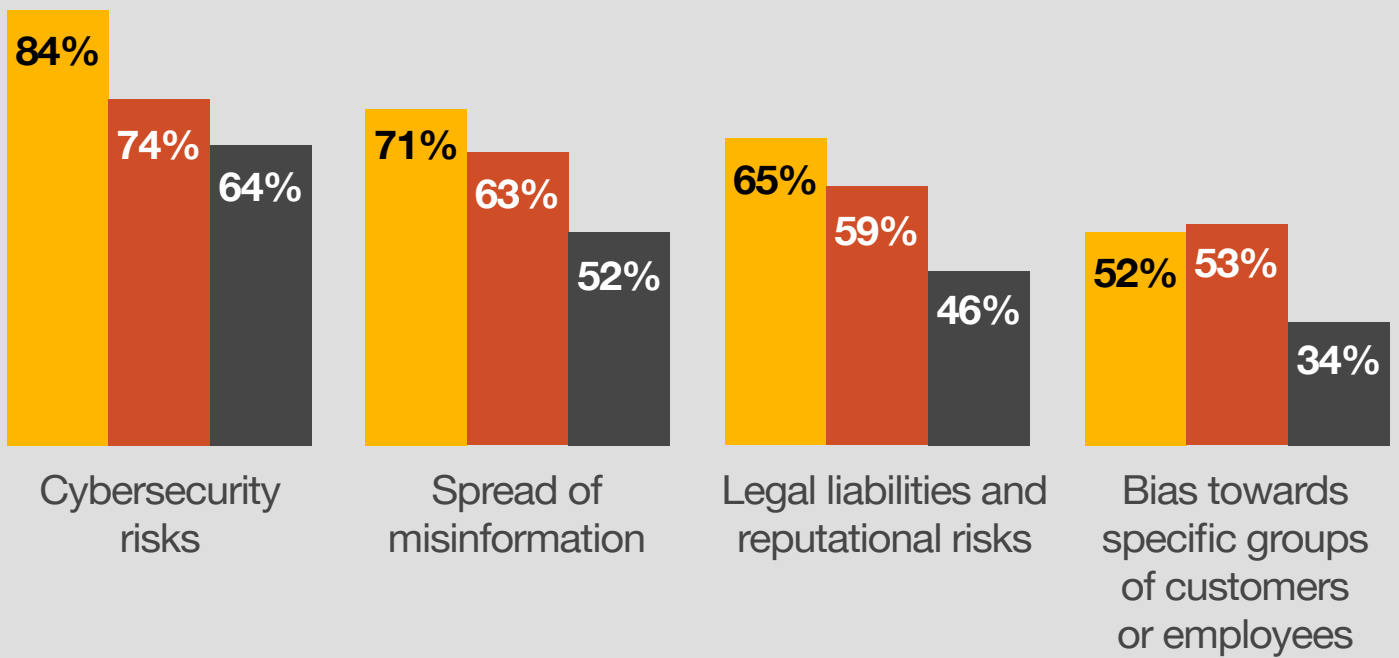
In the social sphere, the impact of generative AI remains uncertain. It's anticipated that a portion of the efficiency improvements (expected by 74% of executives in Brazil's EU&R sector) will be realized by reducing routine and bureaucratic tasks in the short term. Such efficiency gains will likely lead to the redistribution of roles, necessitating workforce reskilling and the pursuit of new talent, as opportunities for growth and revenue become increasingly apparent. Currently, 39% of CEOs within Brazil's EU&R sector plan to increase hiring in 2024.

## CEOs foresee several positive impacts of generative AI in 12 months





CEOs in the EU&R industry in Brazil show more concern than the country's and global average about all risks related to generative AI. The main one is cybersecurity, mentioned by 84% of them. The spread of misinformation comes in second place.





# Your reinvention playbook

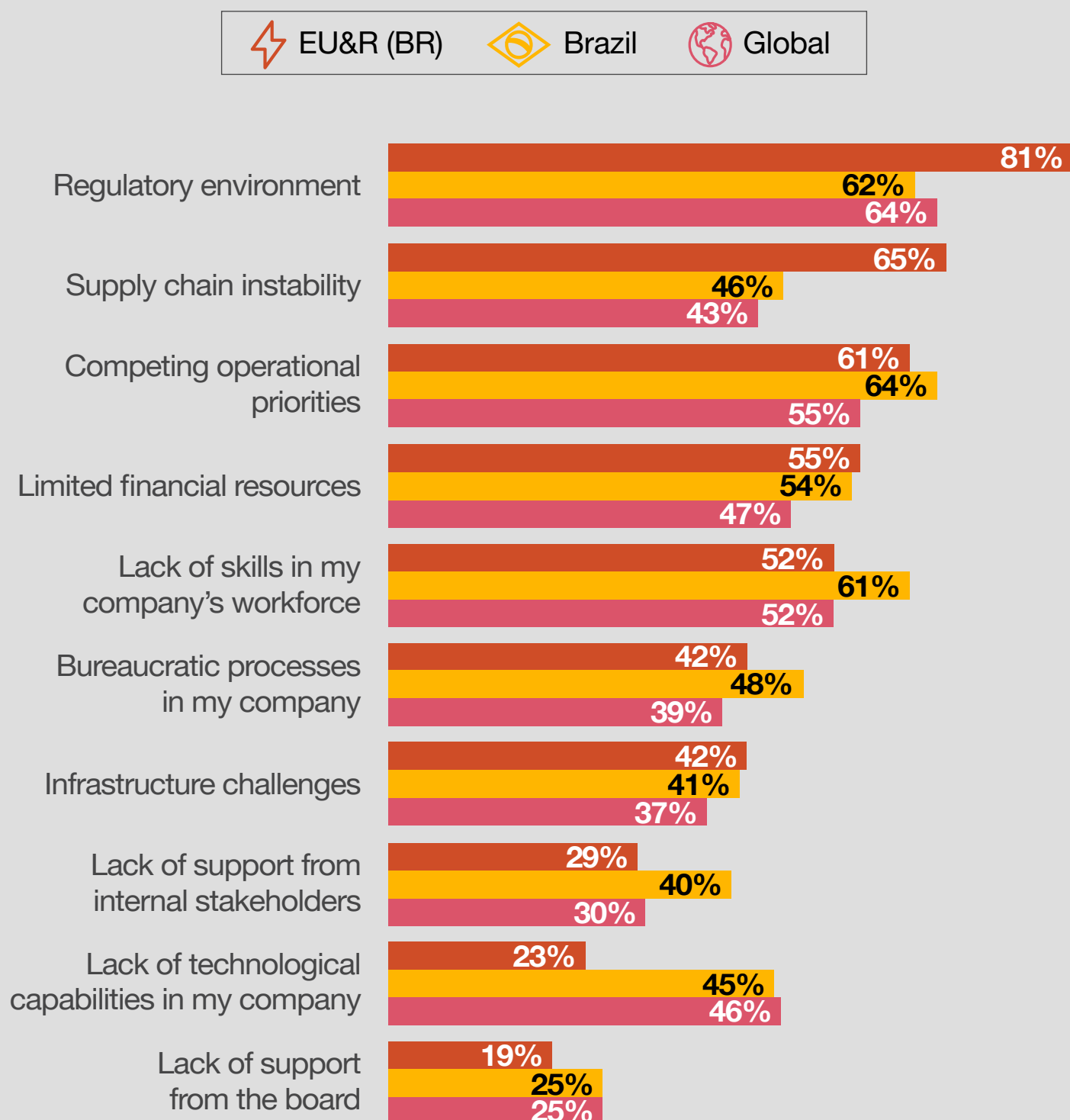
Essential actions to stimulate  
continuous reinvention



We asked CEOs about obstacles they commonly face when undertaking large-scale corporate change efforts. In the Brazilian EU&R industry, The regulatory environment is identified as the primary inhibitor of reinvention (at least to a moderate extent), significantly above the Brazilian and global average. Next comes supply chain instability.

## Main obstacles to corporate reinvention

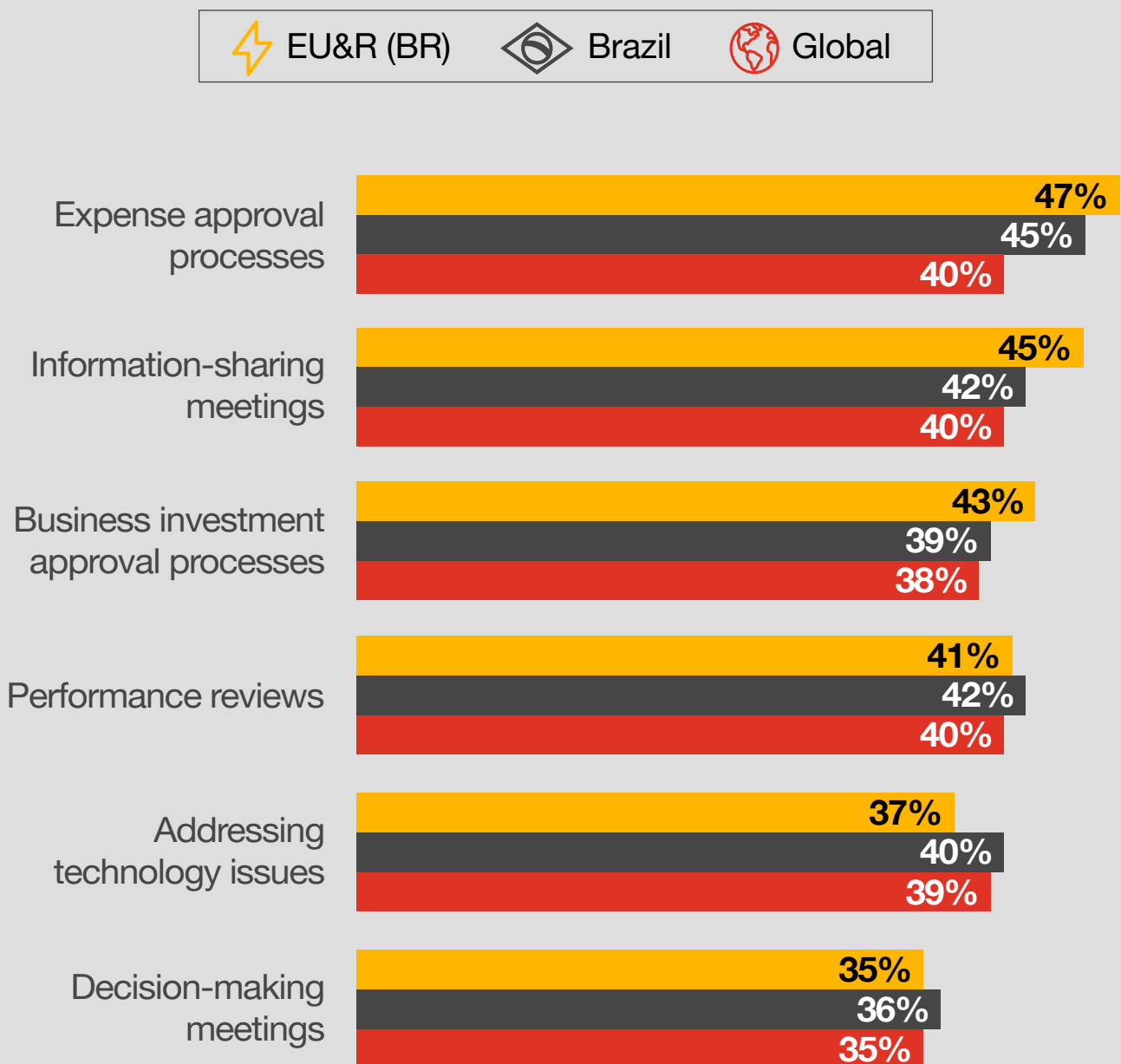
(Showing only ‘to a moderate extent’, ‘to a large extent’ and ‘to a very large extent’ responses)





Many perceived constraints to reinvention fall directly within the CEO’s sphere of influence. Bureaucratic processes, competing operational priorities, limited financial resources, workforce competencies, and technological resources are subject to some CEO intervention, as is efficiency, an area of concern for many leaders. CEOs in the EU&R sector say that nearly half of the time spent on expense approval processes, information-sharing meetings and business investment approval is inefficient—a result worse than the Brazilian and global averages.

### Percentage of time considered inefficient in some activities





The right moves for each company will depend on its strategy, operational model, industry context, and competitive landscape. An important issue is the agile reallocation of resources — a recognized attribute of high-performance companies that remains critical for CEO attention.

In total, 61% of leaders in the EU&R sector (52% in Brazil) reported reallocating up to 20% of resources from one year to the next, with 35% (21% in Brazil) mentioning a reallocation of 10% or less. In the global average of the survey, higher levels of annual reallocation were associated with greater reinvention and higher profit margins.

In setting priorities, many CEOs view climate change as an industry disruptor with **various opportunities** and risks. In the EU&R segment, 52% of CEOs expect climate change to impact how their companies will create, deliver, and capture value in the next three years — compared to just 29% in Brazil.

In the EU&R segment, 48% of leaders in the EU&R segment (34% of all Brazilians) state that companies have accepted minimum return rates for low climate impact investments that are lower than those for other investments.





Return requirements are essential aspects of resource allocation decisions in companies. Therefore, evidence that CEOs are relaxing their return expectations to meet the climate challenge is a promising sign of progress regarding climate change. Other PwC research also reveals a shifting trend in private investors' interest towards **green technology** for sectors with a higher emission rate.

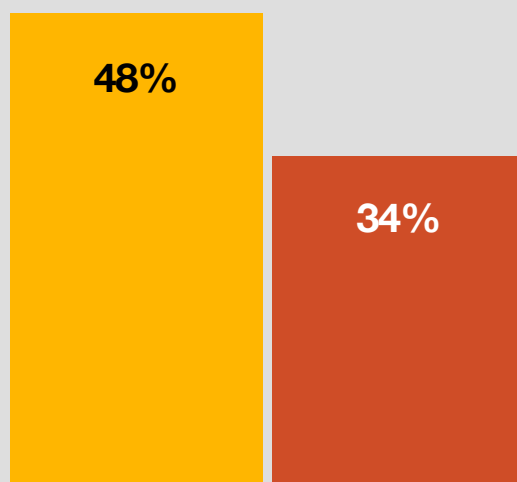
## Companies in the sector are more likely than the average Brazilian company to accept lower return rates for climate-friendly investments



EU&R (BR)



Brazil



Accepted lower return rates than for other investments

Note: Climate-friendly investments were defined as 'e.g., transitioning to energy-efficient operations, developing greener products and services, implementing emission-reducing technologies.'

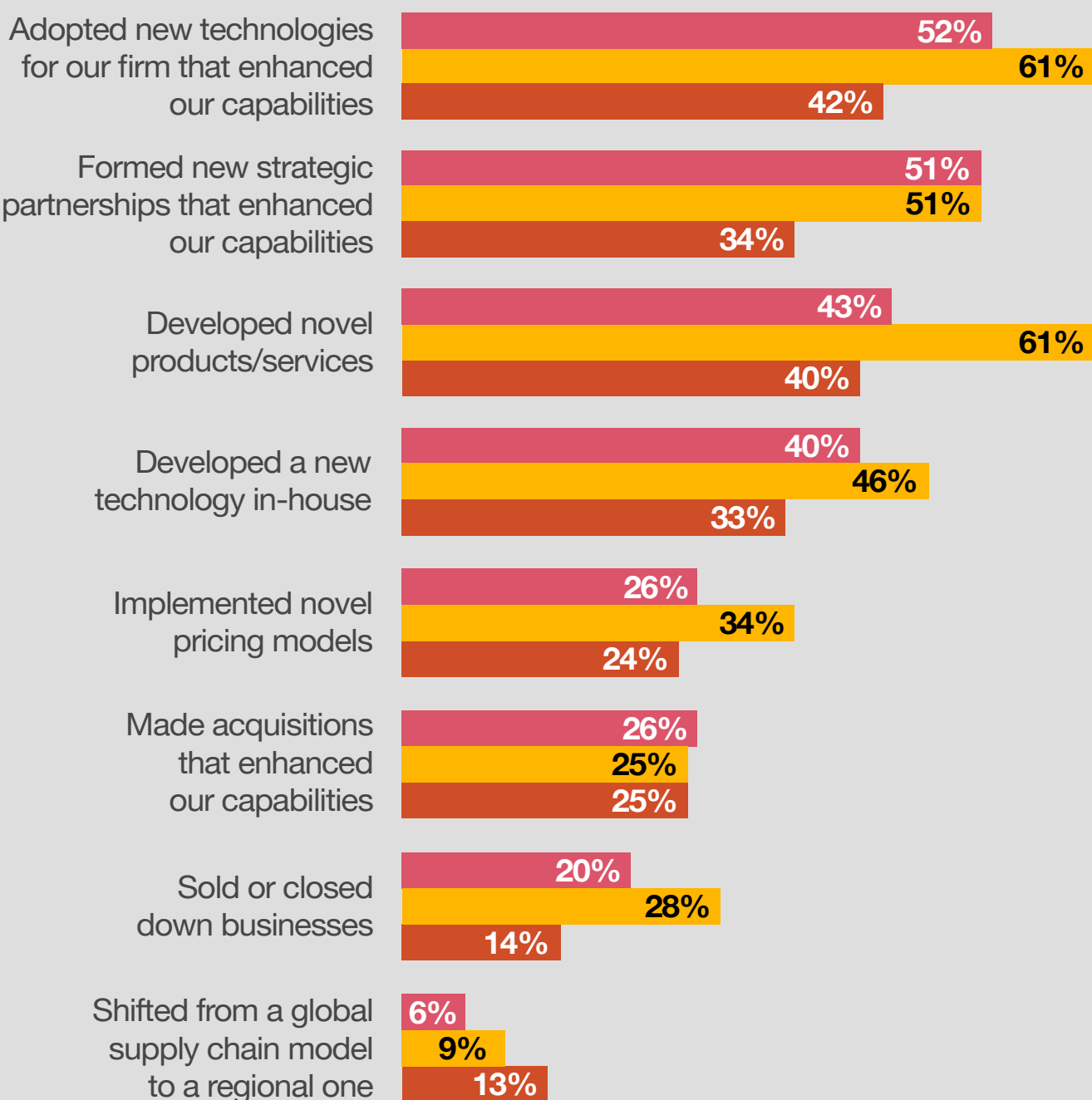




CEOs are also striving to adapt their companies to new market conditions. In the EU&R industry, the survey reveals that adopting new technologies, forming new strategic partnerships and developing new products or services, among other initiatives, were the actions that most impacted business reinvention.

### Actions that most impacted business reinvention

(showing only 'to a large extent' and 'to a very large extent' responses)





## Your next step:

### **1. Understand—and embrace—continuous reinvention**

As the pressure to adapt rises, more CEOs should prioritize significant changes to drive the reinvention of their business models.

To succeed, leaders must consider a broader range of initiatives—and apply them in combination (e.g., investing in service partnerships to overcome capacity shortcomings in the operational model and keep up with technological advancements).

### **2. Understand how megatrends interconnect**

By analyzing trends affecting the region and industry in which a company operates, CEOs can begin to identify opportunities based on the company's strengths. Grouping these trends based on common characteristics helps highlight their potential impact and identify how they reinforce each other.

### **3. Seek inspiration in nature**

Despite the need for more significant advances in climate action across all fronts, one specific area of focus might be natural climate solutions. CEOs should look for possibilities to create business models with a positive impact on nature that not only mitigate risks and strengthen financial returns but also benefit society.



#### 4. Raise the stakes on your AI strategy

Most companies are still defining their objectives and reasons for using generative AI. Those at the forefront of this process are aligning their generative AI strategy with digital and AI strategies, investing in enhancing their employees' skills, and encouraging experimentation in their organizations, focusing on identifying use cases that can be scaled.

#### 5. Move fast, move responsibly

In the rush to explore the potential of generative AI, don't overlook its possible pitfalls, as they can also evolve rapidly. The key is to assess all dimensions of generative AI risk, starting with strategy, and understand how they will affect each employee. Set **clear risk-based priorities** and establish strict internal controls around data privacy and AI model training.

#### 6. Engage, empower and enable your people

It's crucial to align change priorities among leaders and followers and to foster a culture of trust so employees feel safe proposing more efficient ways of working. Be transparent and invite employees to play an active role in reinvention. Additionally, redesign career paths around skills, not job positions, so employees have more autonomy and opportunities as roles change.



## 7. Prioritize connections with value

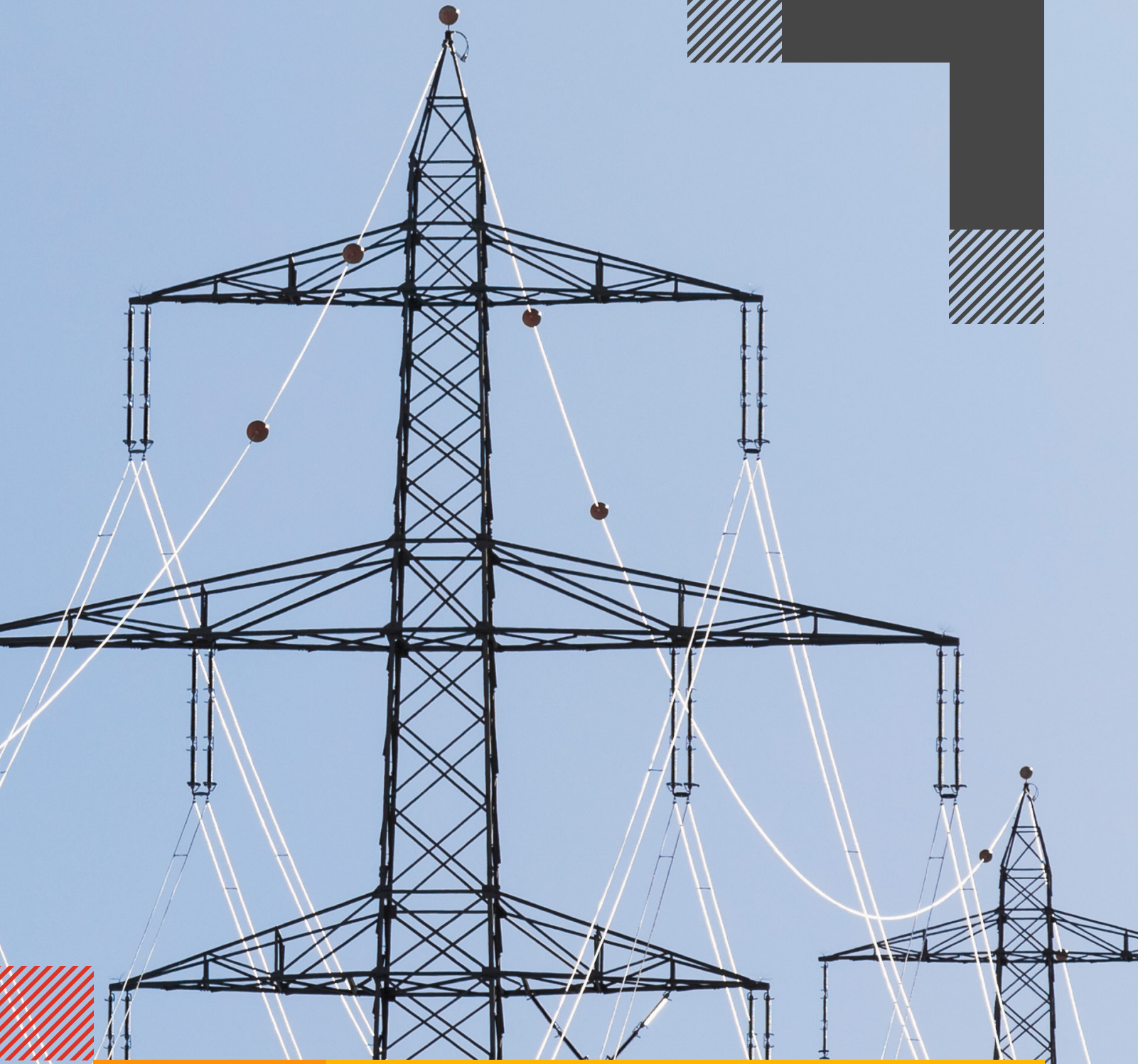
CEOs and their leadership teams need a clear understanding of how deals, projects, or other investments create value—and be willing to make tough decisions, whether reallocating resources from legacy businesses or redefining the company’s industry boundaries and ecosystem partners.

## 8. Partner with your CFO on climate strategy

With their traditional focus on value and long-term performance, CFOs are natural and trusted partners for CEOs in dealing with issues such as resource allocation, long-term capital expenses, or mergers and acquisitions to build more sustainable business models. They also have a range of tools that can be used to integrate sustainability into the core of the strategy.

## 9. Challenge conventional wisdom

Staying ahead of trends as business fundamentals change requires each leader to challenge conventional wisdom. This includes rethinking notions about competitive advantages in the industry, customer relationships, and the perceived structural advantages of regulation. To thrive in this new world, it’s necessary to understand how ecosystems are crystallizing around customer needs.



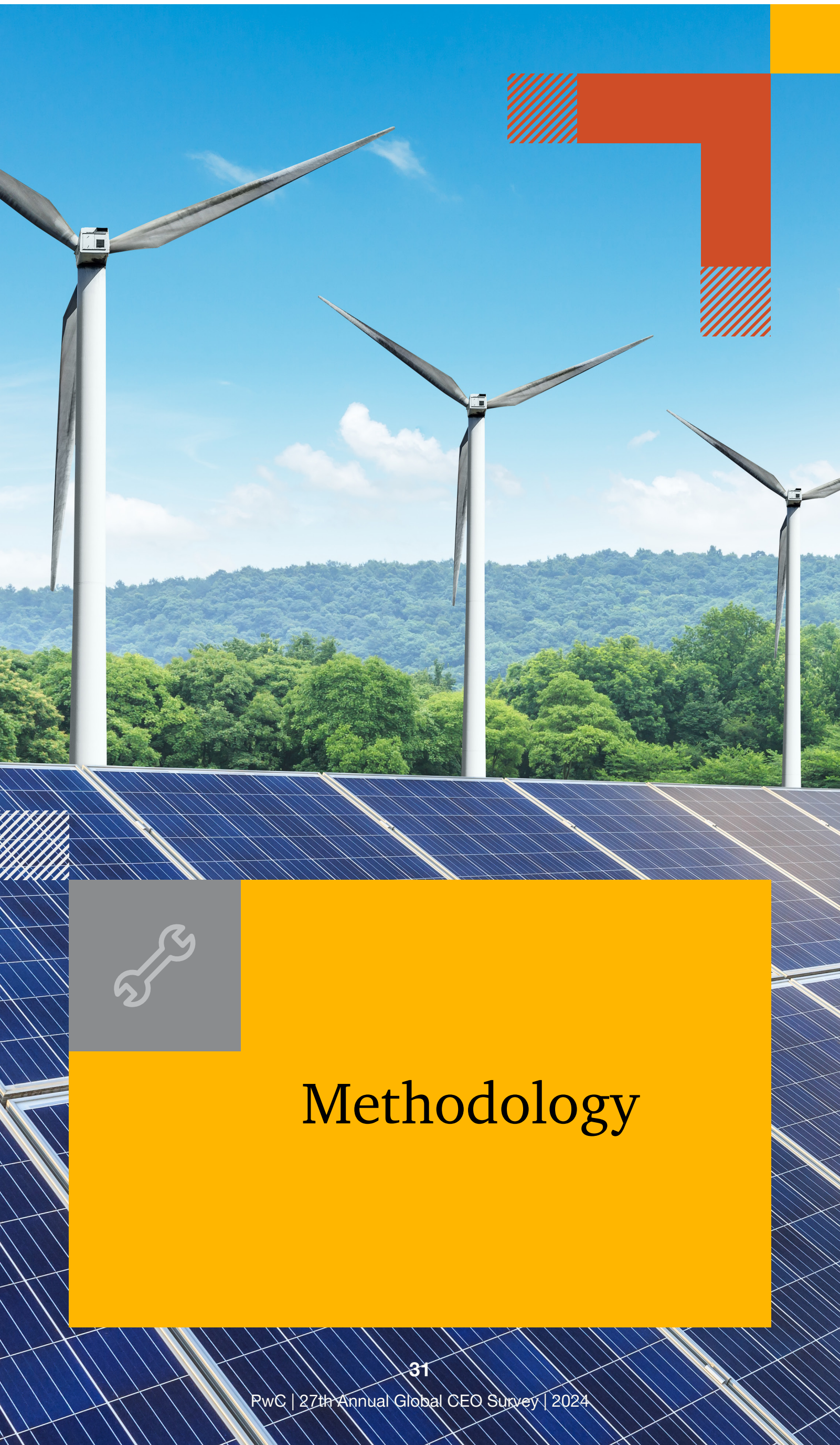
# Sustaining the change



This year's survey reflects CEOs' awareness that they live through pivotal moments of strategic change, demonstrating a sense of urgency and a tendency towards action. The data indicate that the effectiveness of leadership is becoming increasingly valuable in maintaining motivation, questioning the status quo, and gaining momentum.

Some of these leadership imperatives may seem familiar. They all increase the pressures on CEOs to lead the strategic discovery journey necessary to develop enduring value-creation approaches. By entering an era of continuous reinvention, CEOs have a unique opportunity to reshape their organizations and themselves to succeed in times of disruption and turn aspirations into reality.





# Methodology





PwC surveyed 4,702 executives in 105 countries and territories from October 2 to November 10, 2023. The global and regional numbers in this report are weighted according to the nominal GDP of countries to ensure that CEOs' views are representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,702 CEOs, including 4,088 men, 521 women, and 93 who identified with another gender or preferred not to say. Further details by region, country and industry are available on request. All quantitative interviews were conducted on a confidential basis.





# Contact us



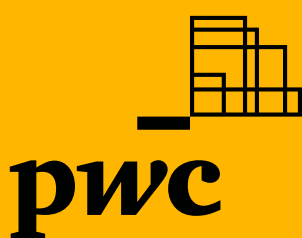
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