



FINANCIAL
TIMES



**AGILITY IN STRATEGIC
PLANNING WHITE PAPER**

Insights into key challenges facing
senior managers and how the FT helps

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Executive summary

Business leaders face a delicate balancing act in setting strategy.

Senior business leaders are optimistic about their prospects for 2015. Almost half the respondents (48%) to our *Global Business Outlook Study* expect global economic conditions to improve over the next six months. However, this optimism is tempered by a global economic environment that remains fragile – 38% of respondents say financial stability is a key goal for the next 12 months, while 36% will focus on cost cutting.

Executives are seeking high quality market information as they look to emerging markets beyond the BRICS for growth.

Almost three-quarters (72%) of respondents to our 2014 Global Impact study, *Beyond BRICS*, expect the economies of emerging markets to grow far more strongly in the next two years than those of Europe or the US. In addition, two-thirds (65%) expect to see prestigious new brands, products and services coming from emerging markets in the next few years. Almost three-quarters of respondents (73%) regard the FT as a critical tool for businesses operating in emerging markets.



72% of executives expect the economies of emerging markets to grow more strongly than Europe or the US.

Time-poor business leaders and their teams need quick access to trusted sources of market intelligence.

It has never been more important for high-level decision makers to maintain visibility of global markets as they grapple with difficult choices about the future direction of their companies. As decision-making becomes a more collaborative process in many organisations, there is a stronger need for this information by a secondary tier of leaders and managers too.

At the same time, the rise of digital media means there is more information available to them than ever before. Yet business leaders and managers are time-poor, and they must focus on the sources they trust most when making key decisions.

Speed read: what is this report about?

This report looks at the key challenges facing senior executives and business leaders. At its core is extensive research, conducted by Financial Times (FT), into this group's views on economic challenges and priorities for growing the business, as well as how to remain strategic and run their business efficiently.

Supported by the need for access to reliable market intelligence and tools to enhance business decision making, the report includes a range of suggestions and examples of how FT's news service can help senior management teams overcome these challenges.

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Maintaining market visibility

Senior business leaders understand the need to plan strategically and proactively for the medium to long-term, rather than allowing their companies' destinies to be shaped by reactive responses to the shifting sands that confront them daily.

Yet effective strategic planning has never been more difficult – business leaders must develop a coherent vision for the future in an operating environment of unprecedented volatility and unpredictability. Faced with such uncertainty, it has never been more important for high-level decision makers to maintain visibility of global markets, and to gain deeper understanding of the factors that are influencing them.

“Accuracy of information is critical if you are to make the right decision about where the business goes.”

Auret Van Heerden,
CEO, Equiception.

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The challenges to strategic planning are numerous: the macro-economic backdrop is uncertain; competition is rising, often from disruptive new market entrants; companies are expanding into new product areas and markets where they have little or no experience (especially in emerging economies); margins are under pressure; and the regulatory burden has markedly increased in many industries in the aftermath of the global recession.

Above all, says Auret Van Heerden, CEO of the Dutch business consultant Equiception, leaders are struggling with visibility. “Accuracy of information is critical if you are to make the right decision about where the business goes,” he says. Without accurate and up-to-date information, delivered in or close to real-time, business leaders have no hope of making smart choices – or of adapting their plans to reflect changing circumstances.

Where do business leaders turn for this information?

The European Opinion Leaders Survey 2014, undertaken by market research organisation IPSOS, suggests the *Financial Times* (FT) is a crucial source. The research concludes that more opinion leaders describe the FT as influential than any other publication. More say that it is respected and agree that it keeps them well-informed. Amongst business leaders who responded to the survey, more than one in two cited the FT as influential – again, ahead of any other publication.

These findings reflect the role the FT plays in helping senior business executives to set a compelling strategic direction for their companies while remaining agile enough to manage short-term turbulence. Its inputs can help senior leadership teams to constantly reassess the terms of reference under which they operate – and to communicate more effectively with one another.

Such abilities can be key differentiators, a recent report by the consultancy McKinsey argues¹. “[There is] a growing recognition that traditional strategic-planning processes are insufficient to absorb the shocks and disruptions characterizing their markets and to stimulate the ongoing deliberation that a top-management team requires,” McKinsey concluded. “Increasingly, they recognize a need to rethink their approach to strategic planning and to embrace a more frequent strategic dialogue involving a focused group of senior executives.”

About this research

This research is based on three quantitative surveys, as well as qualitative interviews with key business leaders and opinion formers.

The studies cited in this paper are:

- *The European Opinion Leaders Survey 2014*, which considered the readership habits of 1,279 senior opinion formers – including from business, government, the media, and academic institutions – in 17 European countries.
- *The FT Global Business Outlook Survey*, an FT research study into the views of 423 senior company executives working in a broad range of industries and markets.
- *Beyond BRICs 2014*, an FT research study into the views of emerging markets held by 543 senior company executives in different industries and markets.

¹ Rethinking the role of the strategist, McKinsey & Company, November 2014
http://www.mckinsey.com/insights/strategy/rethinking_the_role_of_the_strategist

Business leaders' expectations for 2015 and beyond

Senior business leaders are optimistic about their prospects for 2015. Almost half the respondents (48%) to the FT's recent *Global Business Outlook Study* expect global economic conditions to improve over the next six months – fewer than one in five (19%) foresee a decline.

Closer to home, 51% of business leaders are looking forward to an improvement in local economic conditions over the next six months, while 52% expect their particular industry to pick up.

Business leaders' expectations for the year ahead

Your company's results	67%	21%	12%
Your industry's economic conditions	52%	33%	15%
Local economic conditions	51%	26%	23%
Global economic conditions	48%	33%	19%



Source: FT Global Business Outlook Survey 2014

These leaders are even more upbeat about the performance of their own companies. More than two-thirds (67%) expect their company's results to improve over the next six months, including 20% who are looking forward to a significant improvement. Only 12% are concerned that their results are set to deteriorate.

As they seek to exploit new opportunities, these leaders will need accurate and up-to-date information on the evolving outlook for their markets and industries, as well as valuable insights on the likely impact of wider changes in the economic environment. Finding authoritative sources for this information is vital.

The *European Opinion Leaders Survey* reports that senior figures in business, government, the media and academia are more likely to rely on newspapers than any other medium as they seek to stay on top of the constantly shifting agenda. For current affairs and events, 52% of opinion leaders say newspapers are the most reliable source of information, close to twice as many as the next most trusted medium, television on 27%. For international news, the figure rises to 57% for newspapers against 24% for television.

As an example, a recent special report on Azerbaijan provided in-depth insight into the country's current economic, political and business environment, from the impact of low oil prices to the threat of regional conflicts ([Read full article](#)). The combination of news, data and opinion articles serves to deliver the wider perspective that business leaders require. Another example is the FT's [InDepth series](#), which offers detailed examinations of key global current events – the recent UK general election or the eurozone crisis – as well as business and economics issues, such as quantitative easing and the collapse in oil prices.

“Understanding what’s happening in international markets is absolutely critical in keeping our advisory offering up to speed – and it’s not feasible for me to be constantly travelling to events to obtain these insights. What I like [about the FT] is the confrontation of different opinions but also the matching up of various sources of information; I need perspective with events in order to understand what is crucial and to anticipate what is coming ahead.”

Strategic Marketing Manager,
Leading Finance Company, Paris

Case study: From macro to micro

The European arm of a major lending institution makes decisions every day on the basis of its big picture views on economies, markets and individual companies, but also requires very specific insights in key niches.

The company's corporate subscription to the FT helps the business to shape its macro views of the markets in which it operates, but the paper's content also provides a starting point for internal and external conversations about strategic issues. "It's an authoritative and independent source of information that is read by our peers and which provides a basis for people to debate," says the Chief Strategy Officer.

A good example, he suggests, has been the paper's recent coverage of declining prices in the oil sector, where the company has been building an increasing presence. "Those articles have certainly been an influence on the questions I've been putting to our underwriting team," he says.

"For us, the FT is a database we depend upon for essential intelligence – lending is a complex speciality and we need an array of information about macro and political developments in the European Union and around the world," he adds. "Then we go from macro to micro, where the FT often gives you a deep dive."



Setting strategic priorities

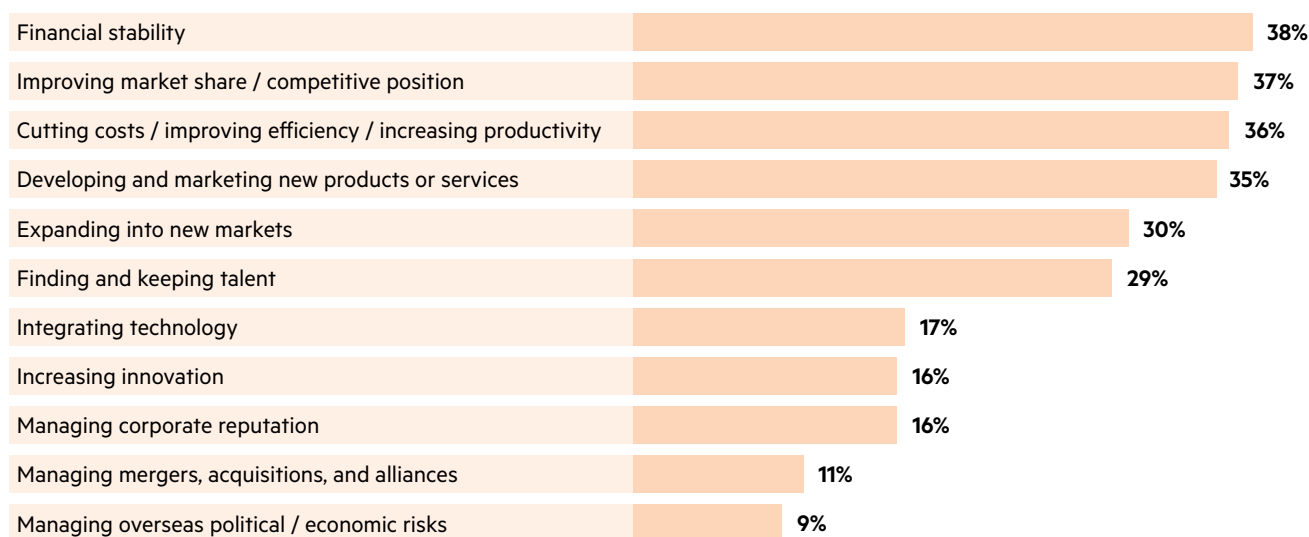
In a global economic environment that remains fragile, business leaders need to prioritise initiatives that deliver resilience and drive competitive advantage.

The FT's *Global Business Outlook Study* suggests business leaders are struggling with this delicate balancing act as they map out the strategic direction of their companies. When asked about their top priorities for the year ahead, more than a third (38%) of respondents said financial stability was a key goal for the next 12 months, while almost as many (36%) picked out cutting costs and improving efficiency.

Despite this, growth measures scored highly too: 37% of business leaders said improving market share would be a key objective; 35% plan to focus on developing and marketing new products or services; and 30% are looking forward to expanding into new markets.

Question posed:

Which of the following are the most important goals for your organisation in the coming year?



Source: FT Global Business Outlook Survey

New horizons

Regarding business leaders' ambitions to expand into new markets, certain regions and markets are of particular interest. Almost a third of respondents (31%) picked out Asia Pacific as potential growth markets for their organisations, with the Middle East (21%) and Latin America (20%) also scoring highly.

FT readers are particularly focused on emerging markets, as our 2014 study, *Beyond BRICS*, demonstrated. Respondents interviewed for this research, who were recruited from a global feedback panel and 55% comprised of C-suite executives, are looking to these markets for growth. Almost three-quarters (72%) said they expected the economies of emerging markets to grow far more strongly in the next two years than those of Europe or the US. In addition, two-thirds (65%) expect to see prestigious new brands, products and services coming from emerging markets in the next few years.

The impact of information sources

The study also suggests there is much work to be done by companies seeking to capitalise on these opportunities. Fewer than half the respondents (46%) said their companies already had offices or staff in one or more emerging market.

Very large numbers of these businesses see the FT as a crucial source of news and market intelligence as they seek to raise their game. So much so that almost three-quarters of respondents (73%) regard the FT as a critical tool for businesses operating in emerging markets.

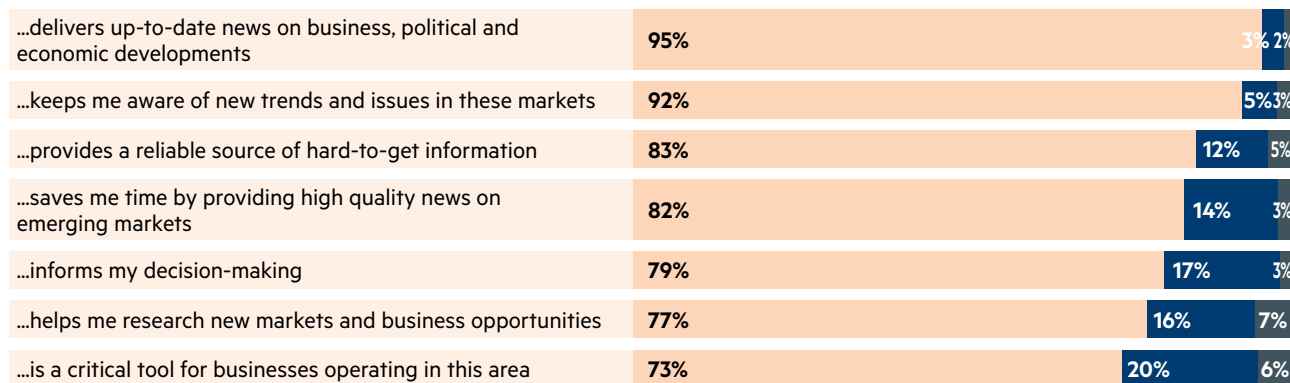
The FT's ability to attract well-respected experts across emerging markets also enables it to provide a range of perspectives that business leaders will struggle to obtain elsewhere. For instance, its *Beyond BRICS* blog features guest writers from leading think tanks, independent research bodies and industry representatives.

“Factual, concise content is what you get [from the FT]. But you also have the option of deeper analysis - not just the what, but the why too; some research sources are a bit superficial, but what you read in the FT has more substance and detail, which is what we need to form a solid strategy.”

Lawrence Chapman,
Senior Manager, Retail Sector

Question posed:

To what extent do you agree or disagree with the following statements about editorial in the Financial Times?



Agree Neither Disagree

Source: *Beyond BRICS 2014*

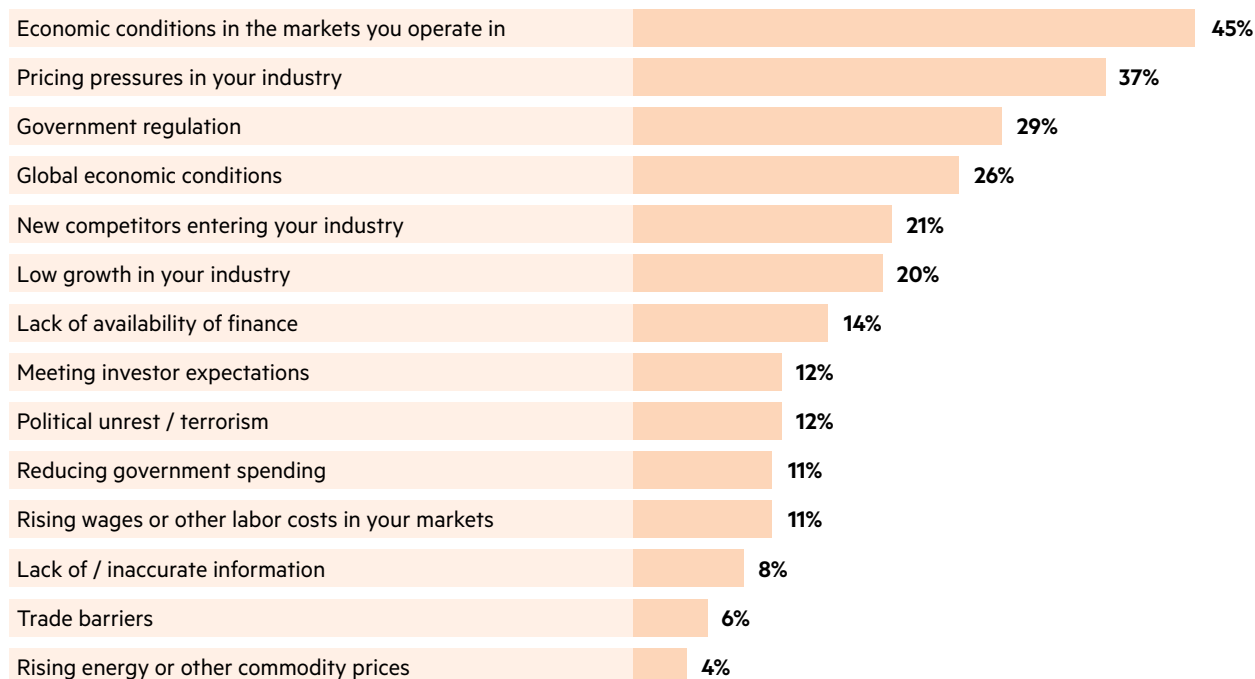
Overcoming roadblocks

As businesses seek to achieve their priorities for the year ahead, there will be many challenges to overcome.

The *Global Business Outlook Study* highlights areas of concerns for business leaders, including pricing pressures, a serious concern for 37% of respondents, while government regulation (29%) and new competition (21%) are also significant anxieties.

Question posed:

Which of the following are the biggest external challenges to meet your goals for this coming year?



Source: FT Global Business Outlook Survey

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How to stay agile in an ever-changing market

Common problems are likely to have common solutions, or at the very least shared lessons by those who have dealt with them.

Inevitably, part of the response to these challenges will be to set measurable targets by which companies can assess their progress. More than one in two business leaders (53%) say higher revenues will be among their primary measures of success as they strive to achieve their goals, but there will be other important yardsticks too. These include customer retention and referrals (a primary measure of success for 37% of respondents), financial stability (31%), improved market share (24%), staffing level and quality of talent (22%), expansion into new markets (21%) and new products launched (20%).

Equally, where market conditions dictate – or performance suggests change is needed – senior leaders must be prepared to change tack. That doesn't mean abandoning the original plan, but agility is a crucial element of operating strategically.

Accurate and up-to-date information is a pre-requisite for companies if they are to be nimble enough to gain or maintain competitive advantage. "The FT helps me day-to-day to keep on top [of change] and keep evolving, even if it goes against what my initial strategy is," says Auret Van Heerdan of Equiception. "That's the point: if a market is going one way, I need to adapt to that."

"It really strengthens my position as a strategic adviser – in my sector it would mean that I have less of a competitive edge if I didn't read the FT."

***Strategic Marketing Manager,
Finance, Paris.***

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A Vehicle for Innovation

The FT's coverage gives business leaders the inside track on how their peers have got to grips with similar difficulties. For example, the [FT's management coverage](#) includes practical advice and examples of solutions to challenges ranging from how to react to rivals' product launches to how to break into a new market sector.

Receiving these types of insights on an up-to-the-minute basis is key for executives as they grapple with the fast-changing nature of their competition in today's marketplace. "It really strengthens my position as a strategic adviser – in my sector it would mean that I have less of a competitive edge if I didn't read the FT," says a strategic marketing manager at a leading finance company in Paris.

For opinion leaders, the FT is seen as an important profile-building tool and a vehicle through which they can elevate their status as thought leaders. In the European Opinion Leaders Survey 2014, more than half (56%) of the respondents reported publishing an article in either a national or international publication. The FT provides a platform for many leaders in their industry sectors to share their thinking, through blogs, letters and opinion articles for example (<http://www.ft.com/comment>).

Making better-informed business decisions

There has never been so much information available to business leaders as they grapple with the difficult decisions facing their companies.

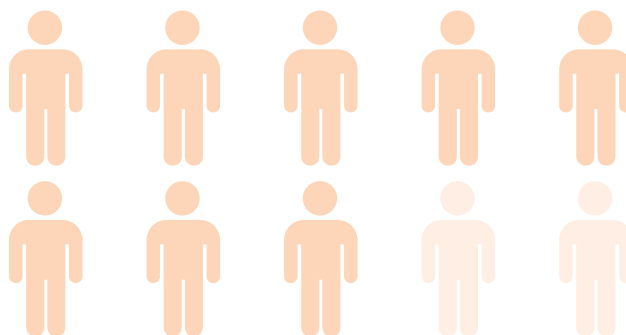
Digital media – from social networks to online news portals – has proliferated in recent years. Twitter, for instance, had grown from 30 million monthly active users at the beginning of 2010, to 288 million by the end of Q1 this year². External agencies such as consultants offer their own running commentaries on market trends, which are often freely accessible. Data and analytics tools are growing in sophistication too.

The rise of new communication technologies is also a key factor driving fresh models of leadership that encourage more inclusive decision-making. For instance, a 2013 survey by IT consultancy Avanade found that 77% of decision makers are using enterprise social technologies, and 82% of businesses that use collaboration tools want to use even more in the future³. The changing nature of decision-making is increasing the importance for leadership teams, rather than just individuals, to possess in-depth economic and business knowledge. Against this backdrop, the FT becomes an increasingly important source of knowledge right across an organisation.

FT: the global choice for business insights.

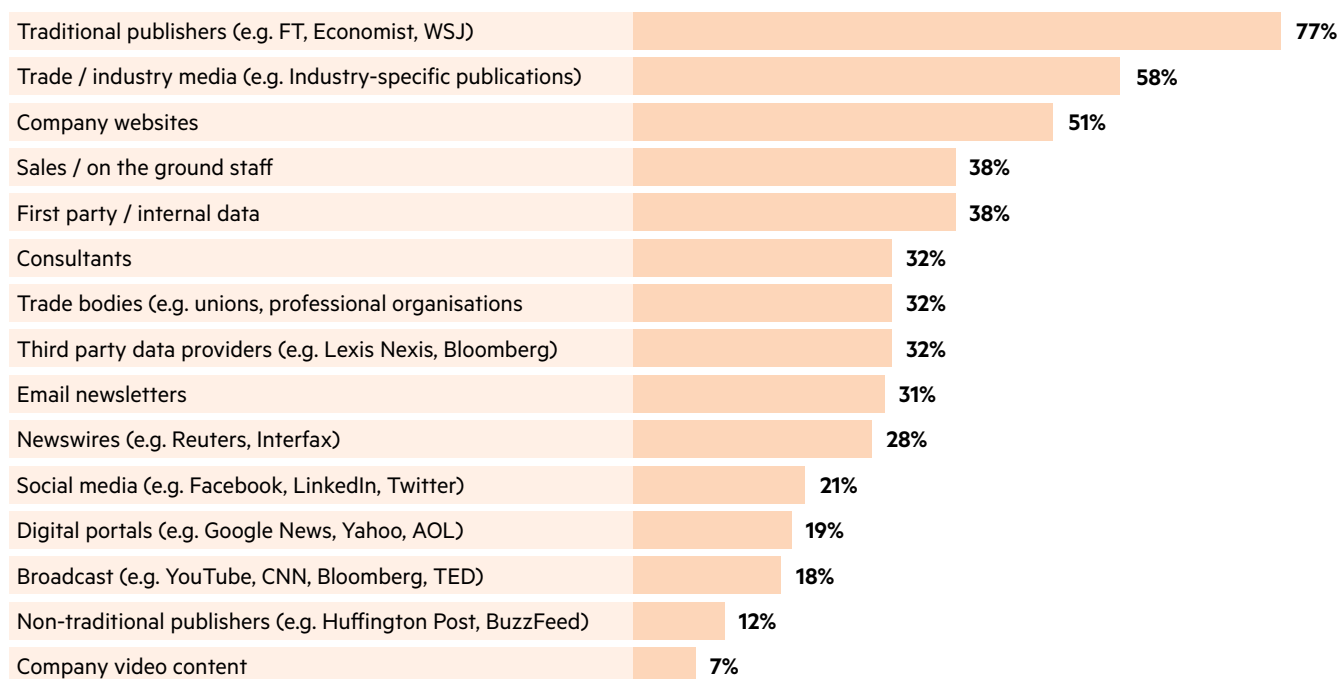
The *Global Business Outlook Study* also suggests that business leaders are more likely to turn to traditional publishers such as the FT than any other source.

Almost eight in ten respondents (77%) say they rely on traditional publishers to inform their business decisions:



Question posed:

Which of the following sources do you use to inform your business decisions?



² Number of monthly active Twitter users worldwide from 1st quarter 2010 to 4th quarter 2014 (in millions), Statista, March 2015-03-26
<http://www.statista.com/statistics/282087/number-of-monthly-active-twitter-users/>

³ Is enterprise social collaboration living up to its promise?, Avanade, May 2013
<http://www.avanade.com/-/media/documents/resources/social-collaboration-global-study.pdf>

The conclusions of the *European Opinion Leaders Survey* support this finding. More than one in three opinion leaders (36%) describe the FT as an “important read”. And while the decline of print media is a much-talked about trend, the FT’s print readership amongst opinion leaders is stable – 31% of respondents read the print version of the newspaper, broadly flat on the last survey in 2011 when the figure was 33%.

“I do think there’s a lot of benefit for having objective, impartial, well-written structured news and I think the FT delivers facts, but it also provides some opinion. The quality is exceptionally high – you know you’ll get a balanced view that will be informative and helpful in shaping your thinking.”

Director,
Big Four Professional Services Firm

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Conclusion: FT as a crucial business tool

Business leaders the world over face the same difficulties: as they work to prepare and transform their organisations for the challenges and opportunities that lie ahead, they need reliable sources of accurate, insightful and timely information.

Without these inputs, they cannot make sound judgements on how to balance the risks their businesses face against the potential returns on offer. This anxiety is pervasive. A recent PwC survey⁴ found that while 61% of CEOs see more opportunities for growth today than three years ago, they have mounting anxieties about a broad range of business risks. “CEOs are exploring how they can create new value in a complex and contradictory environment,” the consultant reports.

The FT can be a key partner in that process of exploration, providing news and analysis to help business leaders and their teams make sense of such complexities. While business leaders are optimistic about the global economic conditions and the growth opportunities available to their organisations, they need in-depth industry insights in order to take advantage of them in an increasingly competitive marketplace. The FT helps by delivering the macro picture of current affairs, global economics, industry and market trends, while also digging deeper into emerging risks and opportunities facing specific sectors.

Armed with this knowledge, business leaders and their teams are able to set strategic priorities and overcome roadblocks in a fast and unpredictable global economy. They achieve this by applying the FT’s analysis from a global network of elite leaders, academics and journalists, who provide breaking news, as well as views on key competitors and actionable insights. This information is a vital component of decision-making, not only around the creation of new products and services, but also of new commercial models to create value for a company and its shareholders.

Getting ahead: FT content and tools

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The FT delivers the information business leaders and their teams need to keep on top of critical issues that impact their decision-making in an increasingly tailored manner.

Economic calendar: the FT’s tear sheets and interactive calendar can help business leaders to understand a company’s share price, along with overlays which show company articles tracked and published against share price at the time.

Special reports: these reports provide time-saving overviews of key business topics, countries and industries.

Theme and topic tracking: business leaders can follow specific keywords that instantly notify them of the latest happenings related to a specific industry or business.

E-alerts: customised e-alerts enable business leaders to keep on top of news related to their company and its rivals, their industry, and the markets they’re operating in.

Blogs: various blogs deliver analysis and commentary on trending issues, regulation, and market movements, such as Beyond BRICS and Brussels Blog.

Markets, companies and global economies: review key FT.com sections to get an overview on market and company environments.

Relevant content: customise how you ingest FT.com news through multi-platform and multichannel feeds for easier consumption and productive decision-making.

⁴ 18th CEO Survey (2015), PwC, January 2015
<http://www.pwc.com/gx/en/ceo-survey/2015/key-findings/growth.jhtml>

The logo for the Financial Times, consisting of the letters 'FT' in a bold, serif font, set against a solid orange square background.

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The Financial Times employs over 600 journalists to do a daily global information search, filter out noise and add insight. We help senior decision-makers make the right decisions by giving them a concise report on what matters.

Our readers trust the FT. We place a very high premium on the accuracy and authority of what we write. The strength of the 125-year-old FT brand means our journalists gain direct access to key influencers around the world. As every news report is directly sourced, we deliver a truly accurate and reliable assessment of change.

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