



CEO Recovery Insights

Expectations & Strategies
for the Mid-Market Comeback

REPORT: Expectations & Strategies for Mid-Market Comeback

OBJECTIVE: Understand CEO expectations on timing and impact of recovery

WHEN: Study fielded June 22 – 28, 2020

WHO: 172 CEOs of mid and lower mid-market businesses

Summary of Findings

CEOs perspective on timing of economic recovery vary greatly; Many say conditions are expected to begin to improve in 5 months or less (43%), but most (57%) believe it will be 6 months or more.

Almost no one sees their businesses “significantly weakened” by the COVID-19 crisis looking out 6- months, and most CEOs expect to be “normal” or “stronger than before” in this timeframe.

With modest to high-growth goals coming into 2020 pre-pandemic, 2/3 of CEOs don't expect to meet their growth targets for the year. But that means another 1/3 expect to hit their targets or exceed them.

CEOs recognize need for COVID-19 trends to diminish, but overwhelmingly (64%) view their organizations' ability to execute their recovery plans as critical to meet revised 2020 goals.

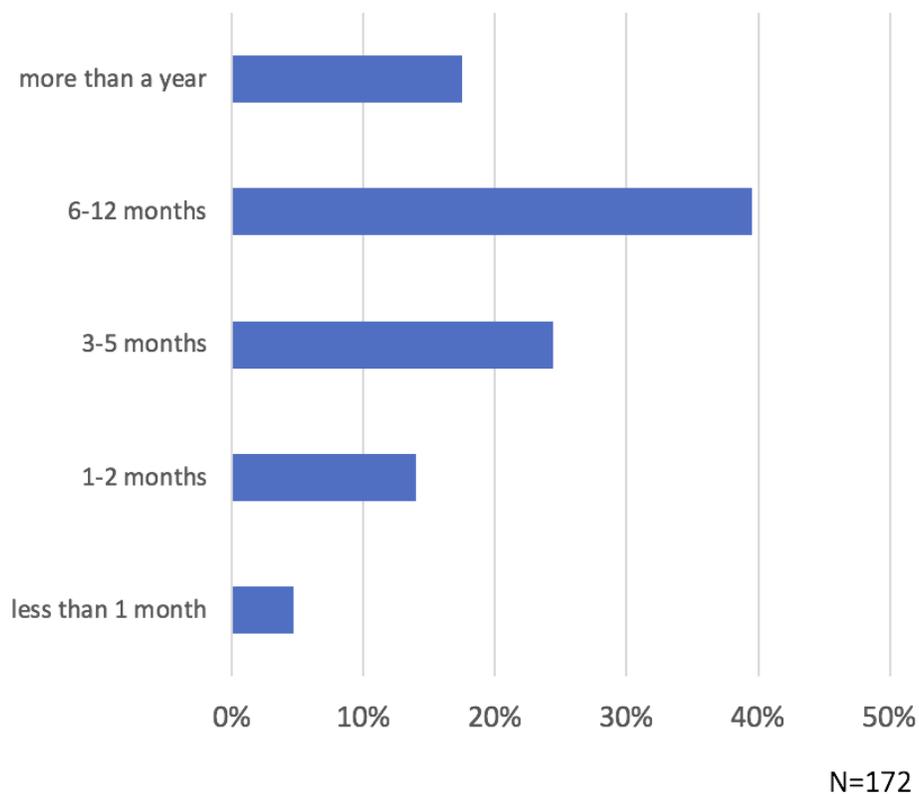
Key company growth strategies include some combination of targeting new customers and markets, deploying new offerings, and ramping up digital marketing capabilities.

CEOs' advice to their peers largely around staying focused, keeping the course, paying attention to company culture, and not giving up. “We'll all get through this”.

Most CEOs see economic conditions improving in December 2020 or later

- Economic conditions are not expected to begin to improve for 6 months or more (57%) while a good number of CEOs expect things to improve in 5 months or less (43%)

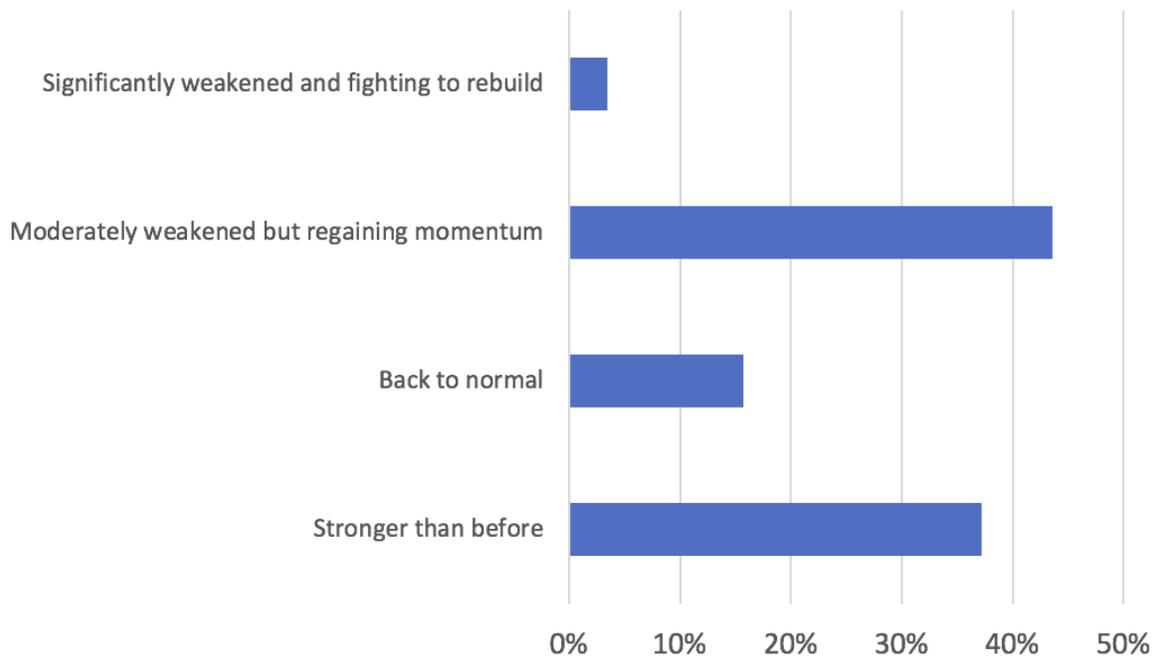
When will economic conditions in U.S. begin to improve?



By year end, majority of businesses are back to normal or stronger

- In slight contrast to prior chart, most businesses expect to be back to normal or strong than before by year end (53%)
- Largest grouping of CEOs see they are moderately weakened, but gaining momentum by December 2020 (44%)

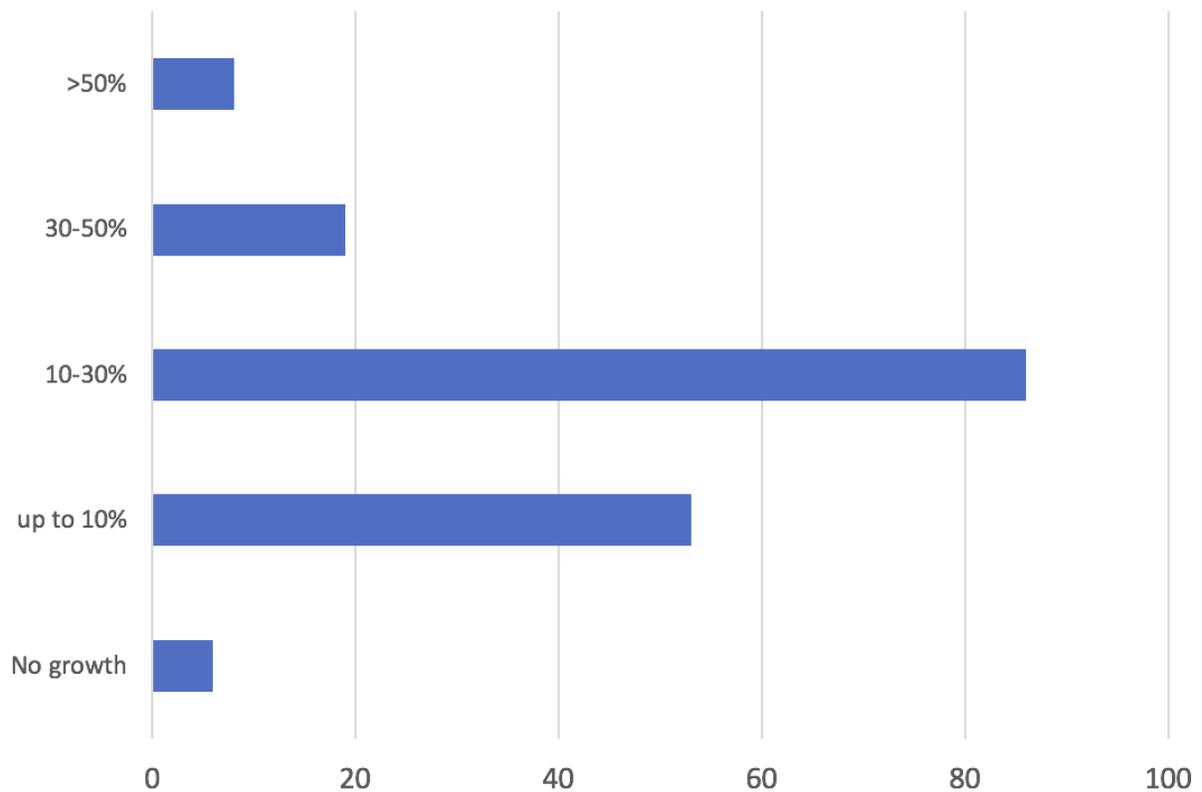
Where do you expect your business to be 6 months from now?



Most businesses had expected moderate to high growth coming into 2020

- Even though many economists had forecasted a slowing economy for 2020, 66% of CEOs had modest to high growth forecasts as they came into the year

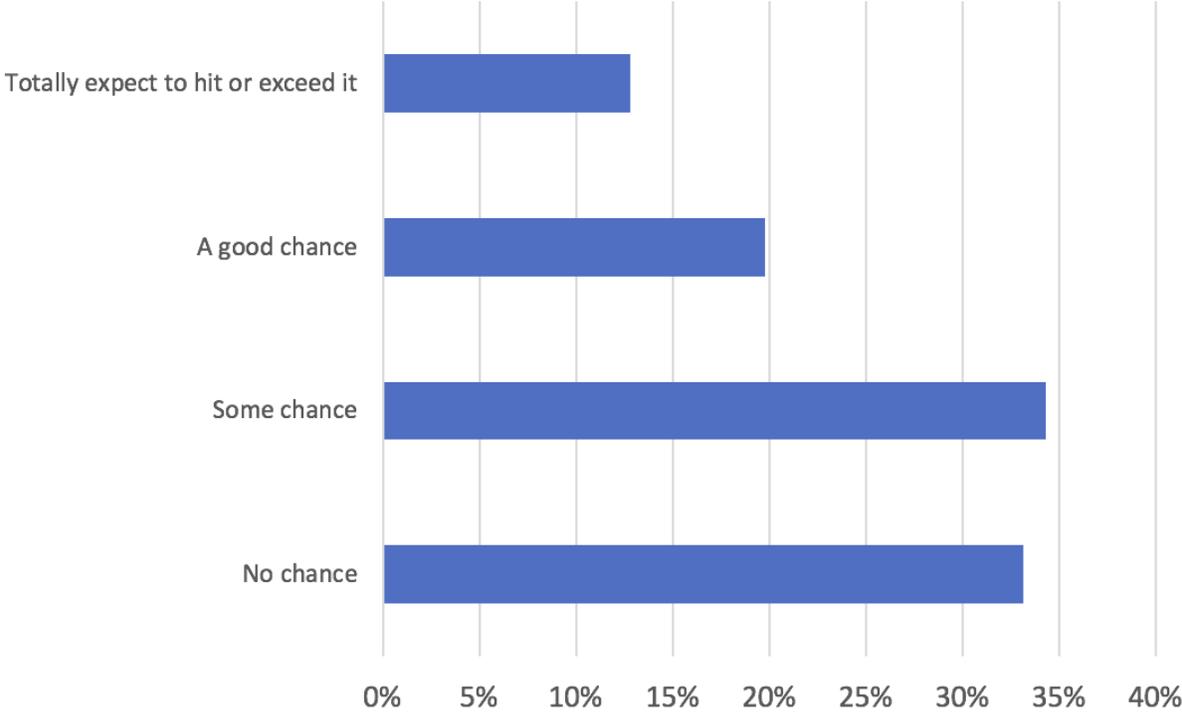
What was your revenue growth objective coming into 2020?



CEOs still hopeful, expecting chance of hitting 2020 goals

- 67% of CEOs see at least some chance of making original 2020 growth targets
- Yet, 33% see no chance of meeting their initial 2020 plans

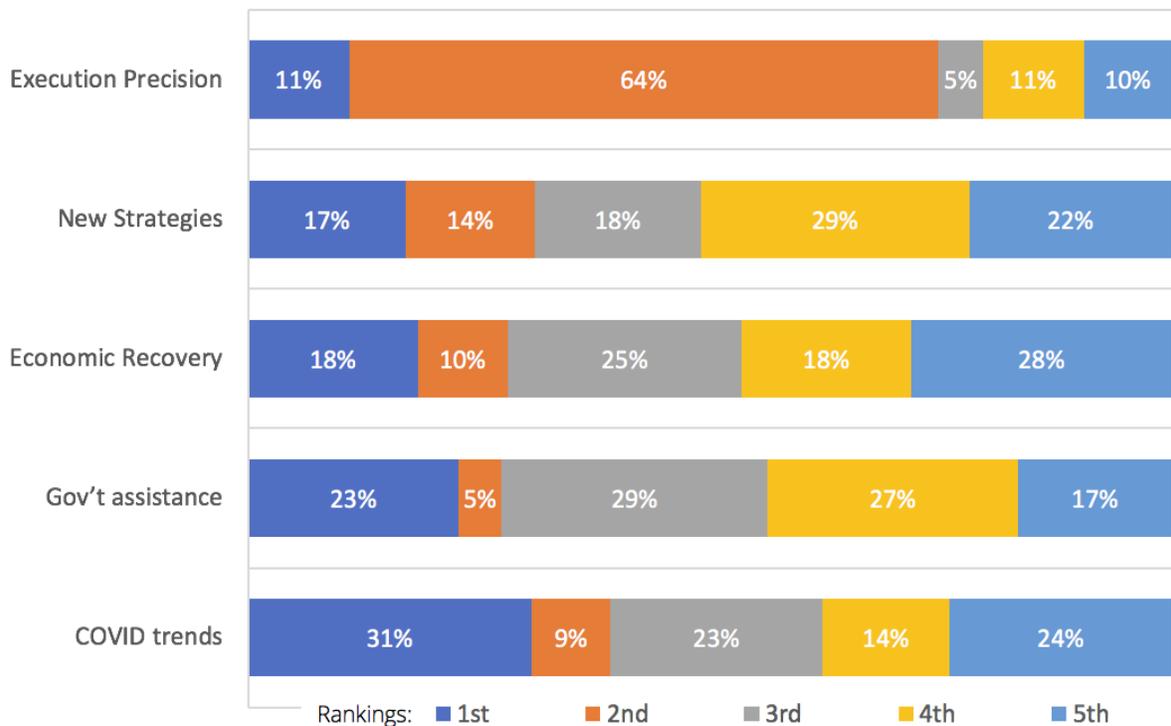
What chance do you have of making your original 2020 growth target?



COVID-19 trend is leading factor for hitting business goals, followed by ability to execute

- Primary “triggers” for recovery appear to be slowing COVID trends and government assistance
- But CEOs recognize their success is subsequently a function of their organizations’ ability to execute their plans with precision

How important are these factors in ensuring you hit new 2020 goals (ranked 1-5)?

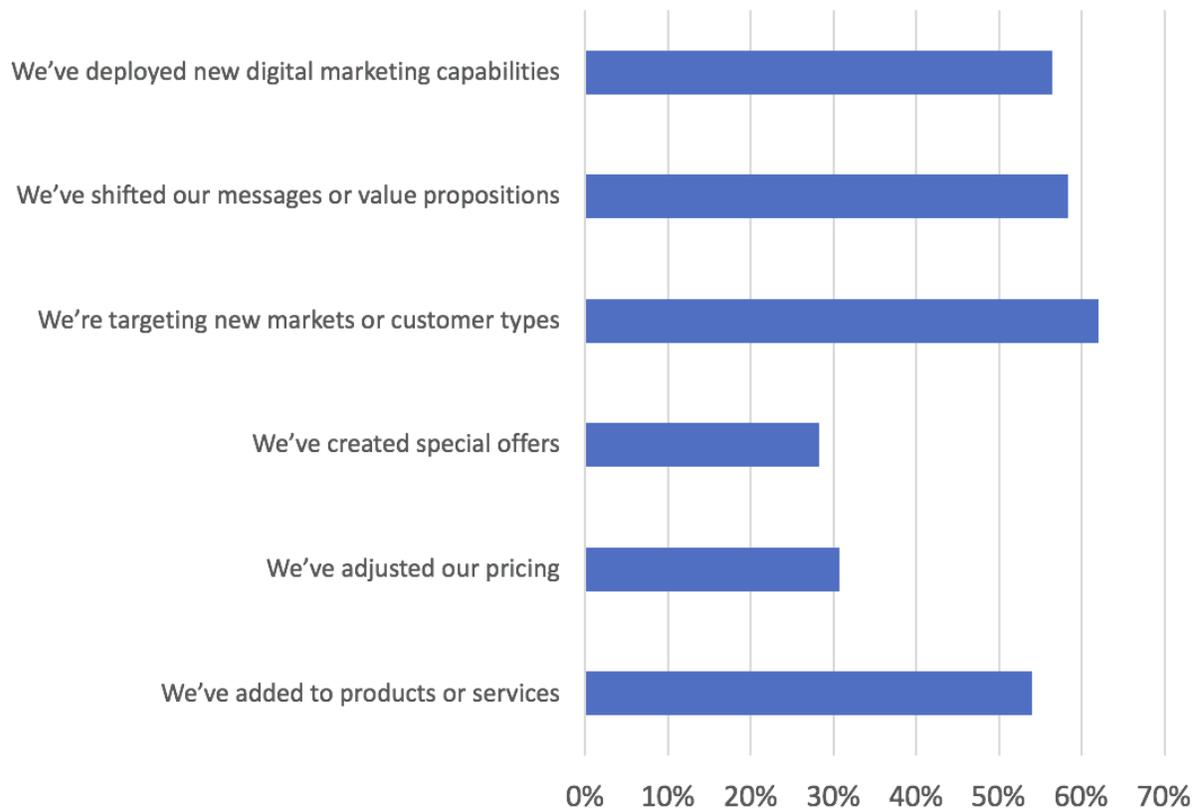


DATA may not add to 100% due to rounding

Market expansion leads recovery strategies

- CEOs are seeking multiple avenues in their recovery strategies
- Updated value propositions, digital marketing capabilities, new offerings, closely follow targeting new customers and markets as lead strategies

What strategies are being pursued in CEO recovery plans?



Advice to CEOs from CEOs – “Persevere”

Of the 172 CEOs who engaged our survey, 134 of them had advice for other CEOs. Their comments largely fell into these categories.

Future

“Use this time to rethink your business model. This is an opportunity to create the business that will succeed in the future. We've been forced to get "unstuck" - let's make the most of it.”

Adapt

“Need to be nimble and innovative to capitalize on opportunities and respond to changing market conditions.”

Market

“Understand how the market for your products and services has shifted, then quickly make adjustments.”

Fearless

“You must stay positive, motivated, and calm during a crisis, if for nothing else, to set the mood for your team.”

Customers

“Take this opportunity to deepen your relationships with your existing customers by helping and they will become your advocates.”

People

“The people of your organization are very important, and they are experiencing personal problems caused by this pandemic. Let them know you care about their situation.”

Finances

“Make sure you're in a good cash/debt position to survive and possibly take advantage of new opportunities.”

Caution

“With a 10-yr mindset, this will ultimately be a blip. Remember who you are, where you're going, and how you can get there. Don't shift unless your market has fundamentally shifted.”

Conclusion

Mid and lower mid-market company CEOs face varied circumstances, with both challenges and opportunities in the COVID-19 economic recovery. With a broad range of expectations in timeframes and recovery magnitude, these CEOs share a largely positive outlook for the future. Their responses and commentary point to adaptability, persistence, and optimism as the mantra for success to all who seek a healthy recovery.



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