

11th Annual Global CEO Survey

Compete & Collaborate

What is success in
a connected
world?*

What is success in your region?
Country summary: Japan

*connectedthinking

Country Summary: Japan

- 31% of respondents in Japan are very confident about revenue growth over the next 12 months (compared to 50% globally)
- 20% of respondents in Japan are very confident about revenue growth over the next 3 years (compared to 42% globally)
- Respondents in Japan are more concerned about the following:
 - Downturn in major economies
 - Availability of key skills
 - Over-regulation
 - Low-cost competition
 - Energy security
 - Scarcity of natural resources
 - Protectionist tendencies of national governments
 - Security of the supply chain
 - Technology disruption
 - Climate change
 - Inadequacy of basic infrastructure
 - Intellectual Property Rights
 - Terrorism
 - Pandemics and other health crises
- Respondents in Japan are less likely to agree that the following are key sources of competitive advantage:
 - Ability to adapt to change
 - Improved customer service
 - Ability to implement successful collaborative partnerships
 - Improved sourcing / supply chain management
 - Cross-cultural resources
 - Sole access to scarce resources
- Technological innovation is Japan's main source of competitive advantage
- 87% of respondents in Japan are looking to finance growth through internally generated cash flow (compared to 82% globally).
- 21% of respondents in Japan are planning a cross-border merger or acquisition in the next 12 months (compared to 31% globally)
- Asia and North America are important destinations for M&A activity.
- Respondents in Japan are more likely to see the following as obstacles to cross border M&A:
 - Conflicting regulatory requirements
 - Inadequate leadership
- Respondents in Japan are less likely to see the following as obstacles to cross border M&A:
 - Realising the expected value of the transaction
 - Conflicting workforce expectations
 - Stakeholder opposition
 - Backlash against foreign presence in the local markets
- 48% of respondents in Japan state that joint ventures will play a greater role in the growth of their business over the next 3 years (compared to 30% globally)
- 13% state that M&A will play a greater role in their business over the next 3 years (compared to 30% globally)
- Respondents in Japan are more likely to be concerned about the following:
 - Rising threats due to the person and/or property due to weather events and changing patterns
 - Increased pressure from stakeholders to deal with climate change
 - Disruptions to supply chain
 - Increased carbon emission regulations
 - Other cost increases (e.g. compliance, insurance)
 - Rising energy costs

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- Respondents in Japan are less likely to strongly agree/agree that:
 - Developed countries should accept more responsibility and costs than developing economies for mitigating climate change
- Respondents in Japan are more likely to strongly agree/agree that:
 - Governments should take more of a leadership role in determining mitigation strategies for climate change
 - Businesses need to collaborate more effectively with industry peers and business partners in mitigating climate change
 - I am more active in my private life than I am as a CEO in addressing climate change
- Respondents in Japan are less likely to strongly agree/agree that:
 - Establishing networks remains a secondary business activity for my company today
 - To date, the costs and risks of networks outweigh the benefits
- Respondents in Japan are less likely to be involved in:
 - Networks that share best practices
 - Networks that create innovation
 - Networks that influence policy
 - Networks that reduce costs
 - Networks that mitigate operational risk
 - Networks designed to find talent
 - Networks that address macro-threats (e.g. social, economic and environmental risks)
- Respondents in Japan are more likely to feel that the following networks are effective:
 - Accessing new skills or scarce talent
- Respondents in Japan are less likely to feel that the following networks are effective:
 - Learning best practice
 - Enhancing reputation or brand
 - Influencing government and regulatory policy
- 45% of respondents in Japan factor in the regulatory framework to a great extent when making business decisions (compared to 63% globally)
- Respondents in Japan are more likely to strongly agree/agree that:
 - The current government works to stimulate innovation
 - The current government has reduced the regulatory burden on corporations
- Respondents in Japan are more likely to strongly agree/agree that:
 - The people agenda is one of my top priorities
 - To compete for talent my organisation needs to change the way it recruits, motivates and develops employees
 - During periods of strategic change my management spends adequate time on people issues
 - My HR organisation is equipped to handle any change required to compete for talent
- Respondents in Japan are less likely to strongly agree/agree that:
 - My time is best spent on the people agenda
- Respondents in Japan are less likely to state that the following skills are critical to their company:
 - Ability to adjust to internal & external changes quickly
 - Ability to develop and lead others
 - Ability to collaborate
 - Creativity and innovativeness
 - Ability to anticipate and manage risk
 - Courage to challenge
 - Combined technical and business expertise
 - Analytical skills
 - Language skills
 - Global experience
- Respondents in Japan are more likely to have difficulty recruiting the following skills:
 - Creativity and innovativeness
 - Courage to challenge
- Respondents in Japan are less likely to have difficulty recruiting the following skills:
 - Ability to collaborate
 - Ability to anticipate and manage risk

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- Respondents in Japan are more likely to feel that the following are valuable in addressing skills shortages:
 - Hiring and developing talent from a more diverse pool
 - Automating labour intensive processes
 - Outsourcing business functions
- Respondents in Japan are less likely to have implemented the following changes in the past 3 years:
 - New business strategies
 - Implementation of new business processes
 - Implementation of new technology
 - Major quality improvement programmes
 - Major cost reduction programmes
 - Re-organisation of major functions
 - Implementation of new business models
 - Outsourcing major business functions
- Respondents in Japan are more likely to see the following as critical barriers:
 - Lack of change management skills and experience in senior management
 - Lack of agreement around the need for change
- Respondents in Japan are less likely to see the following as critical barriers:
 - Lack of collaboration across functions to execute the change
 - Lack of communication on the personal benefits of the organisational change
 - Lack of alignment of performance measures and financial rewards with the changes required
 - Lack of investment in building new skills, knowledge or mindsets in employees to adjust their behaviours
 - Dealing with internal politics
 - Lack of clarity about reasons for change
 - The ability to address cross-cultural differences

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