

Advisory

# *Global CEO Survey 2014 Mongolian Edition*

*November 2014*



**pwc**

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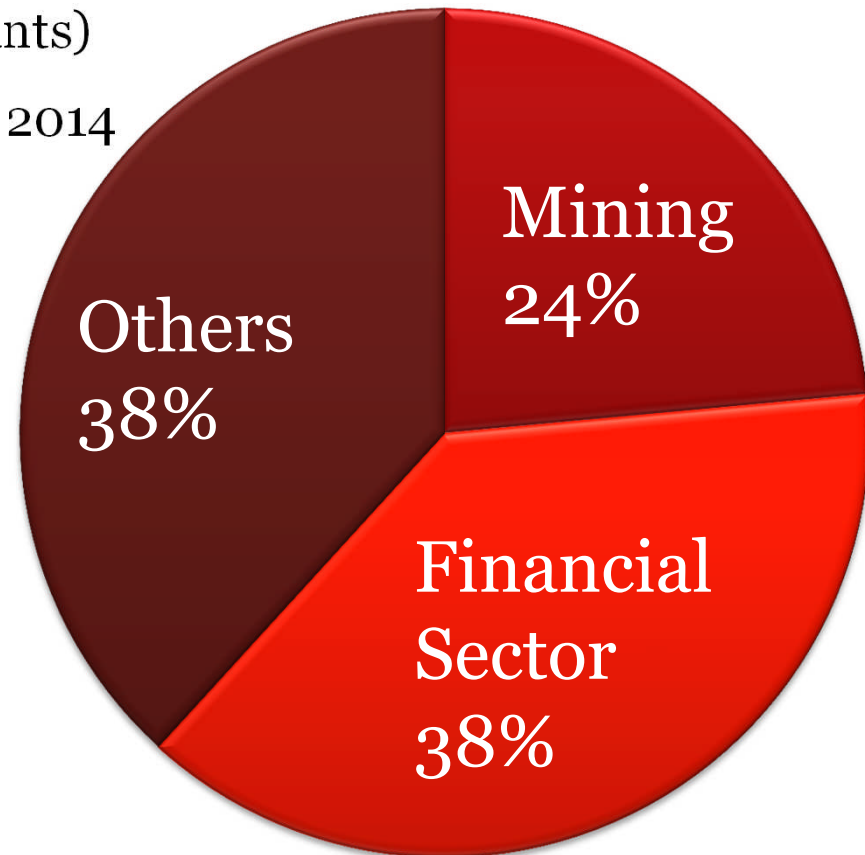
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## ***PwC's CEO Survey***

- 17 consecutive years Annual Global CEO Survey (2014)
- 1344 CEOs in 68 countries
- For the third time in Mongolia
- Aims to inform and stimulate the debate on how businesses are facing today's challenges
- Global and local growth
- Risks and opportunities
- Impact of economy and governments on business

## ***2014 Mongolian edition***

- 40 participants (last year 30 participants)
- The survey was conducted in October 2014
- [www.pwc.com/mn](http://www.pwc.com/mn)
- Others include:
  - Trading
  - Automotive
  - Education
  - Real Estate
  - Marketing and Communications
  - Construction
  - Recruitment
  - IT Consulting



Split of Participants by Industry

# Questions



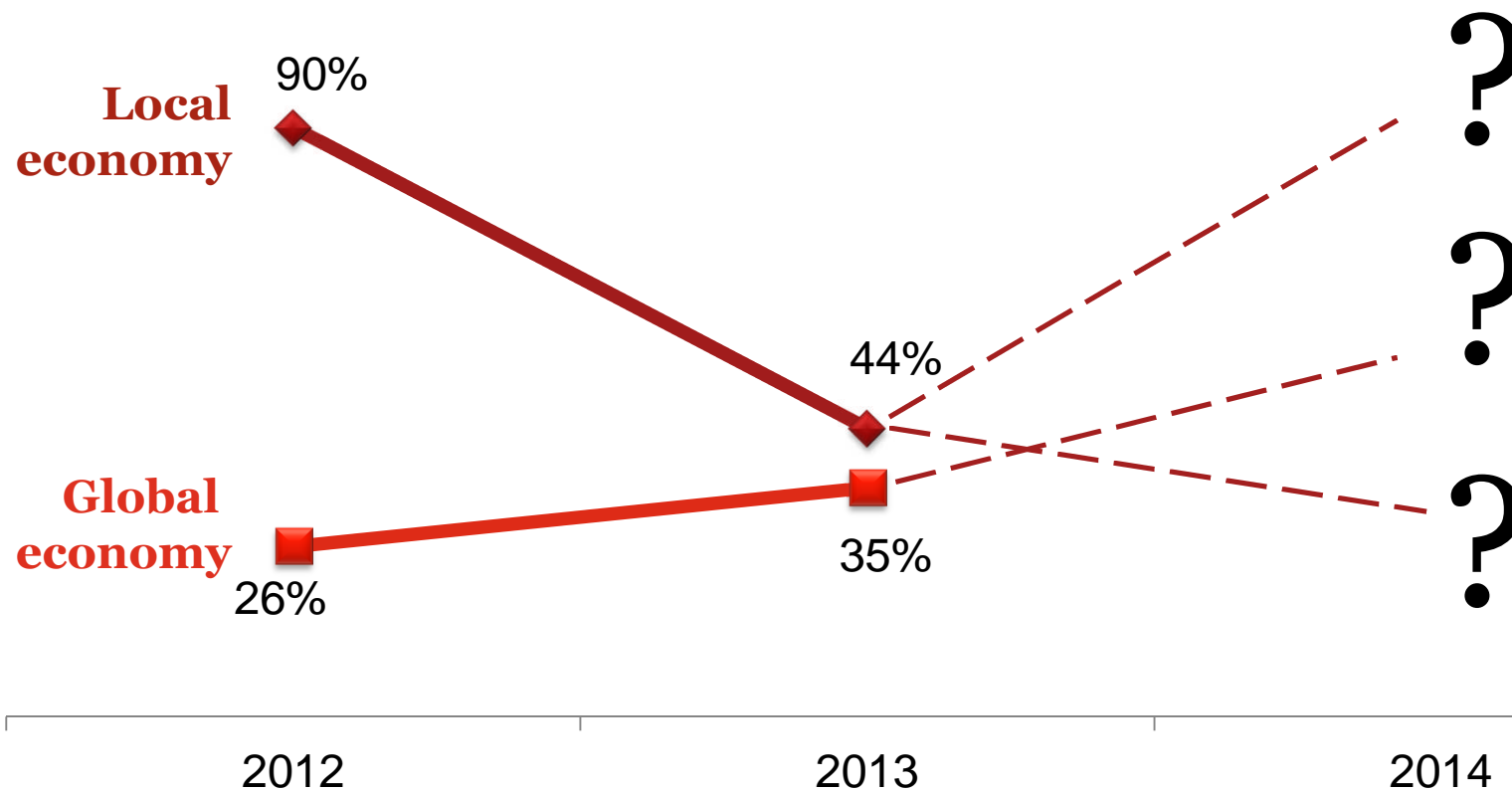
1. Do you believe the global economy will improve, stay the same, or decline over the next 12 months?
2. Do you believe the local (Mongolian) economy will improve, stay the same, or decline over the next 12 months?
3. How confident are you about your company's prospects for revenue growth over the next 12 months?
4. How confident are you about your company's prospects for revenue growth over the next 3 years?
5. Which of the following do you see as the opportunity to grow your business in the next 12 months?
6. Please find below a list of potential economic and policy threats to the growth of your business. How concerned are you, if at all, about each of these?
7. Please find below a list of potential business threats to the growth of your business. How concerned are you, if at all, about each of these?
8. Restructuring of existing business, which of the following restructuring activities do you plan to initiate in the coming 12 months?
9. Global trends: What are the top three global trends which you believe will transform your business the most over the next 5 years?
10. Addressing the global trends, to what extent are you currently making changes in the following areas, in order to capitalise on the global trends that you believe will transform your business?
11. Addressing the global trends, if you are making changes to capitalise on transformative global trends, to what degree are the following areas of your organisation prepared to make these changes?
12. What current planning time horizon are you working to, and ideally where would you like to be?
13. Of the following ways in which the government could improve the policy setting process with regard to regulation, which do you think would have the biggest impact in Mongolia?
14. Which three areas do you think should the government priorities be in Mongolia?
15. How effective do you think the government has been in achieving the following outcomes in Mongolia?
16. What is the name of your company/organisation?
17. Have talent constraints impacted your company's growth and profitability over the past 12 months in the following ways?
18. In general, has it become more difficult or less difficult to hire workers in your industry compared to a year ago, or is it unchanged?
19. What do you expect to happen to headcount in your company over the next 12 months?
20. With which of the following groups do you currently face the greatest challenges with regard to recruitment and retention?
21. Thinking about the range of stakeholders in your business, to what extent do each of the following have a significant influence on your business strategy?
22. To what extent do you think your stakeholders' trust in your industry has changed over the past 5 years?

# *What MN CEOs think in 2014*



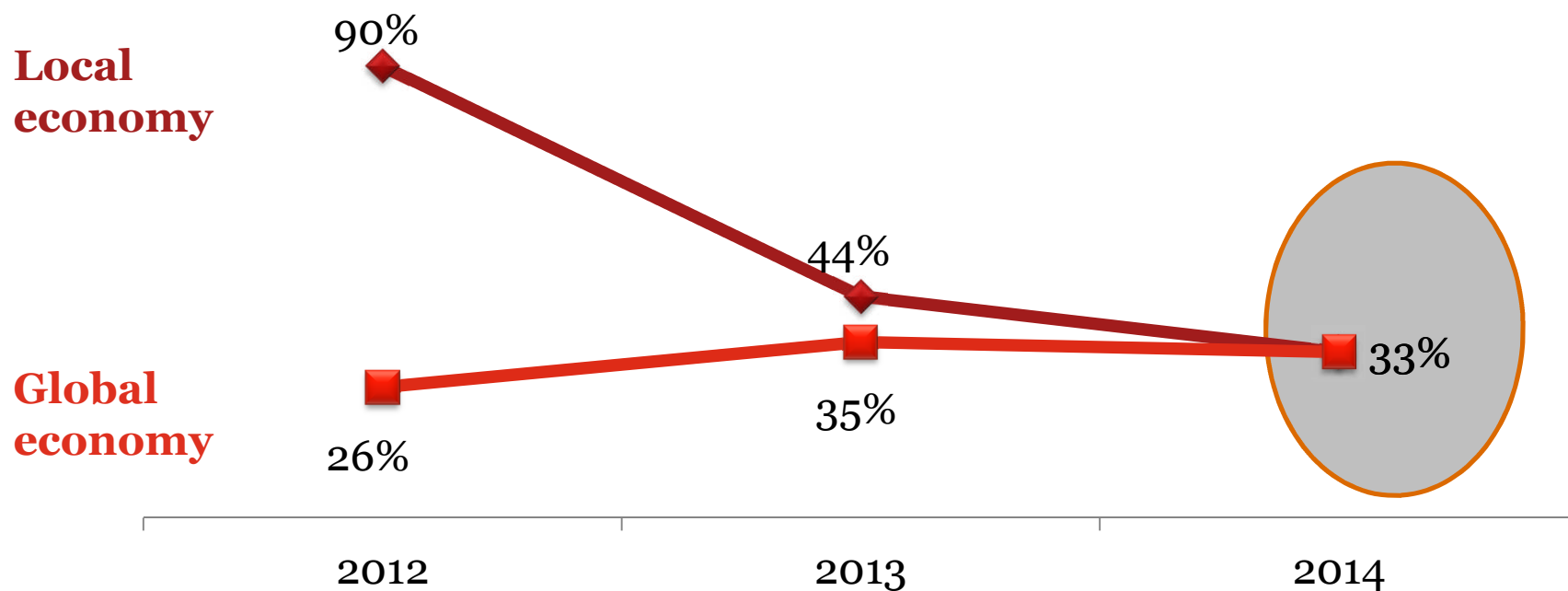
## ***Mongolia: Confidence in Growth***

Percentage of CEOs in Mongolia confident in improvement of local/global economy



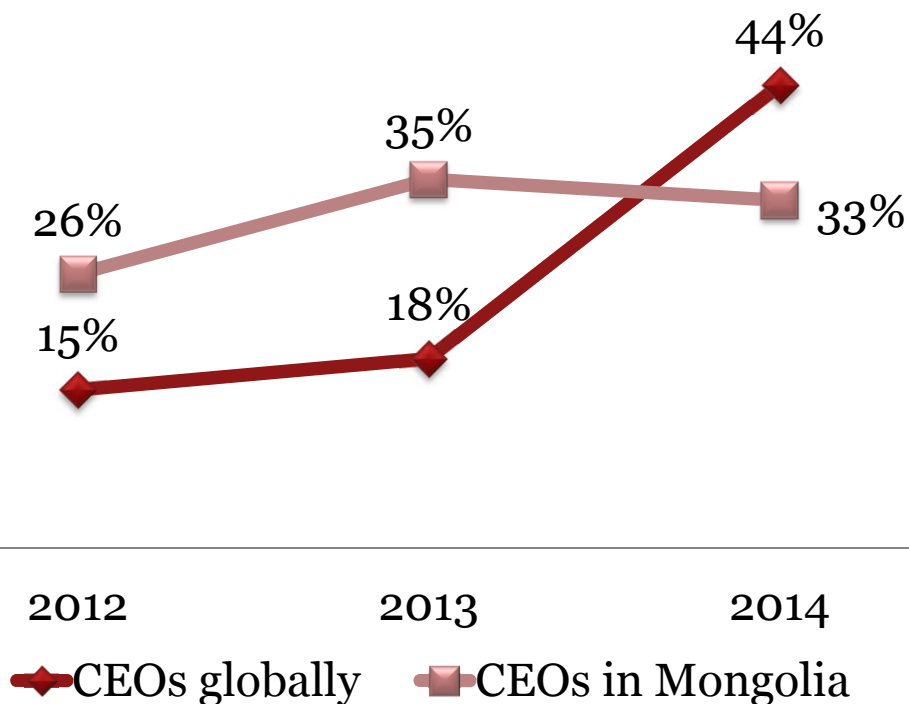
## ***Mongolia: Confidence in Growth***

Percentage of CEOs in Mongolia confident in improvement of local/global economy

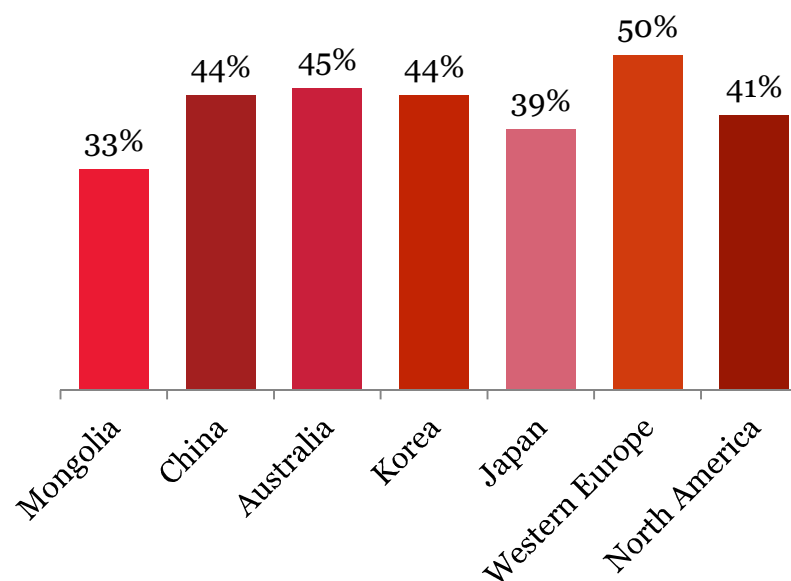


## Global Economy: Confidence in Growth

**2012-2014: % of MN and Global CEOs confident in improvement of the global economy**

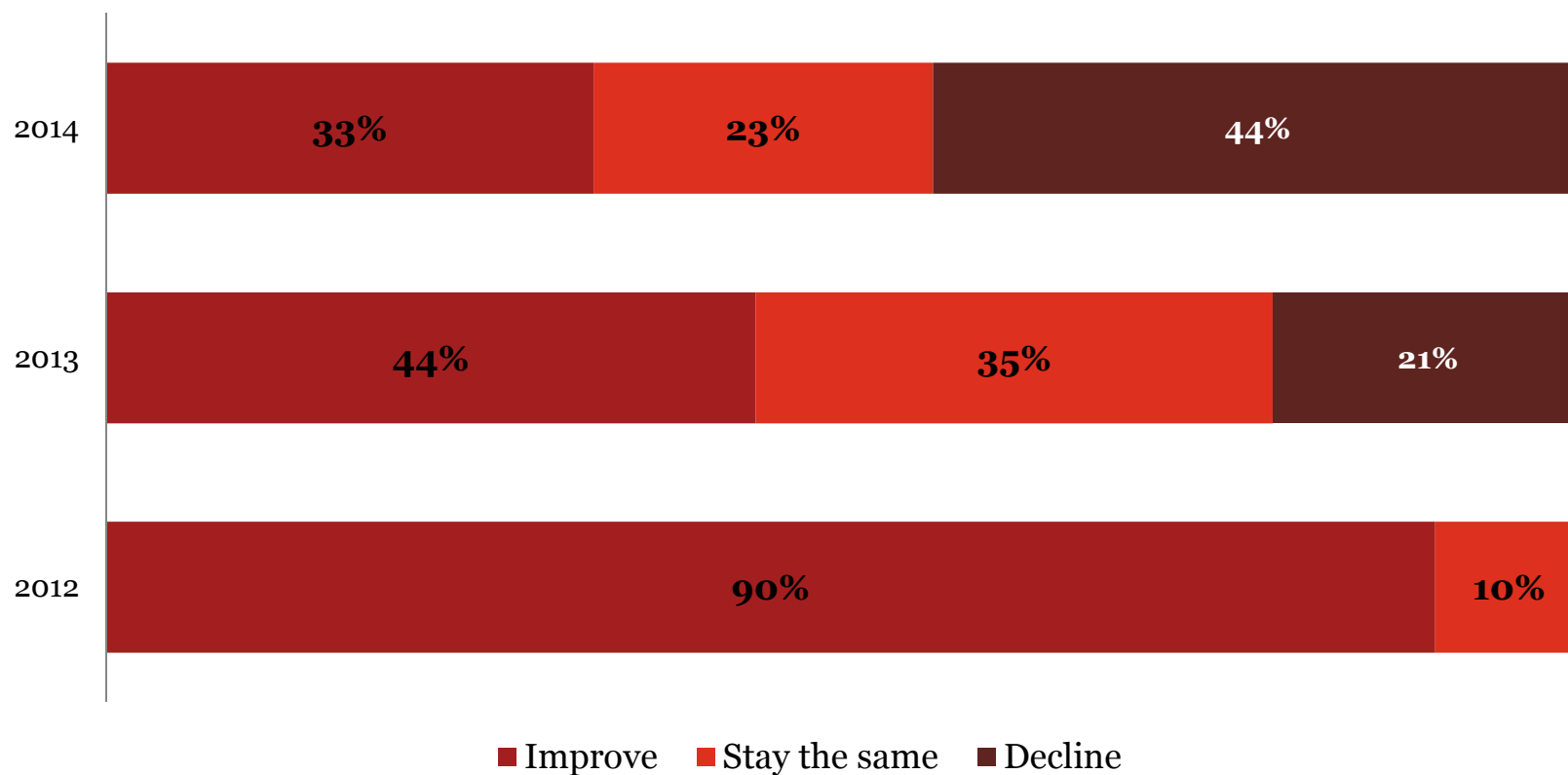


**2014: % of CEOs confident in improvement of the global economy (selected countries)**



**Q1: Do you believe the global economy will improve, stay the same, or decline over the next 12 months?**

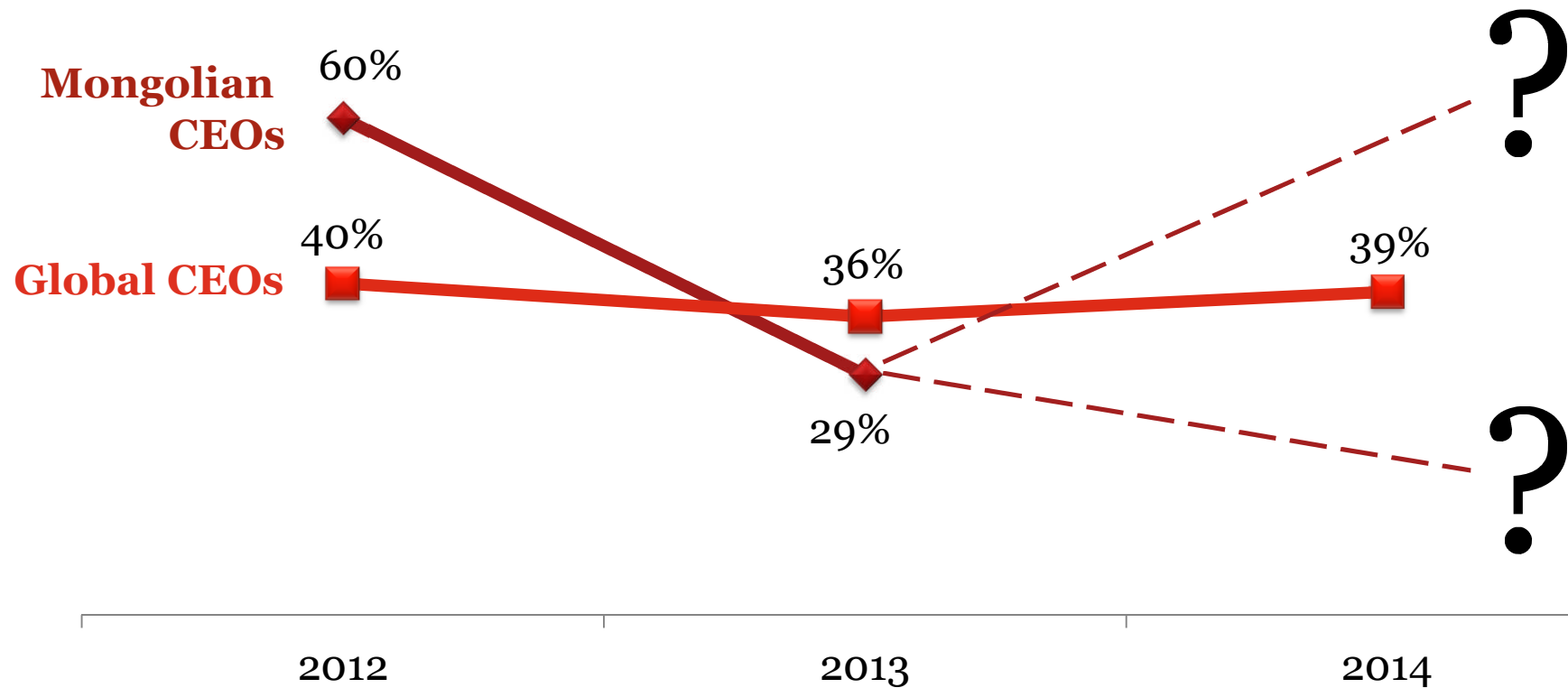
## *Local economy: Confidence in Growth by MN CEOs*



Q2: Do you believe the local economy will improve, stay the same, or decline over the next 12 months?

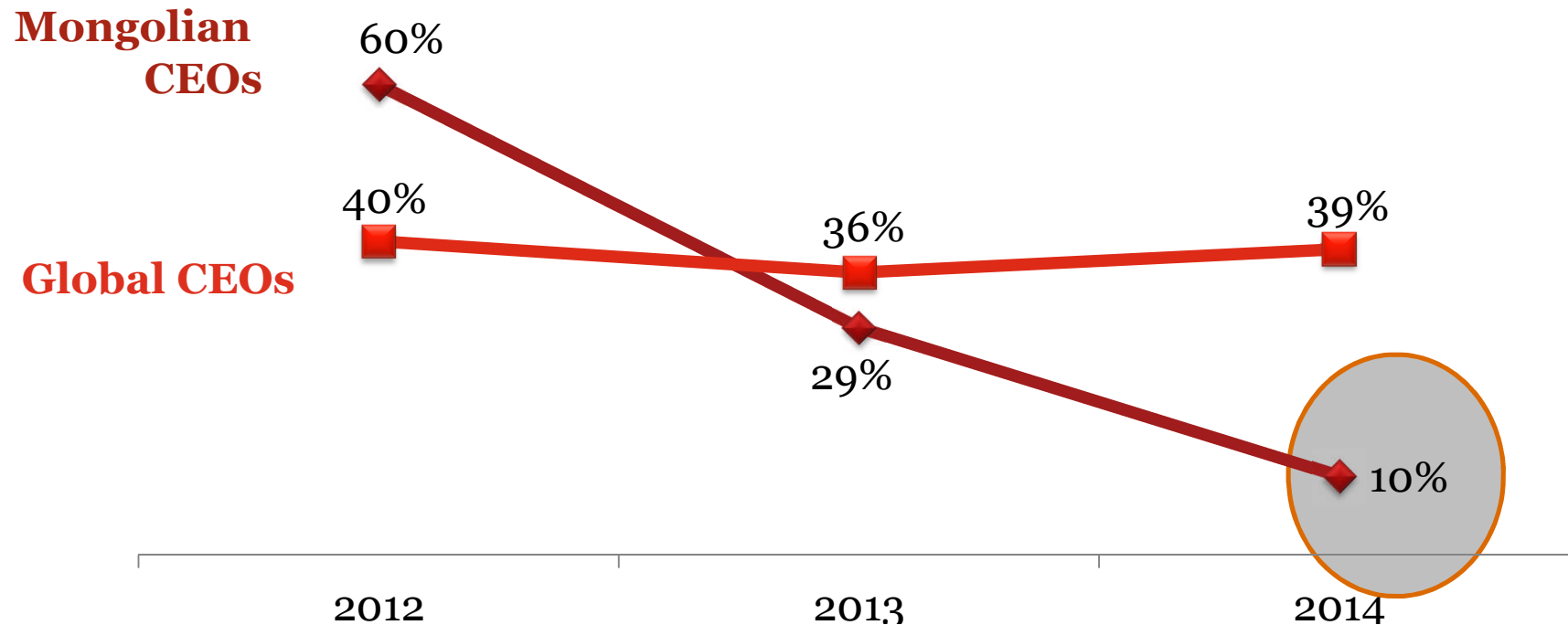
## Revenue expectations

Percentage of Mongolian/Global CEOs very confident in their company's prospects for revenue growth over next 12 months



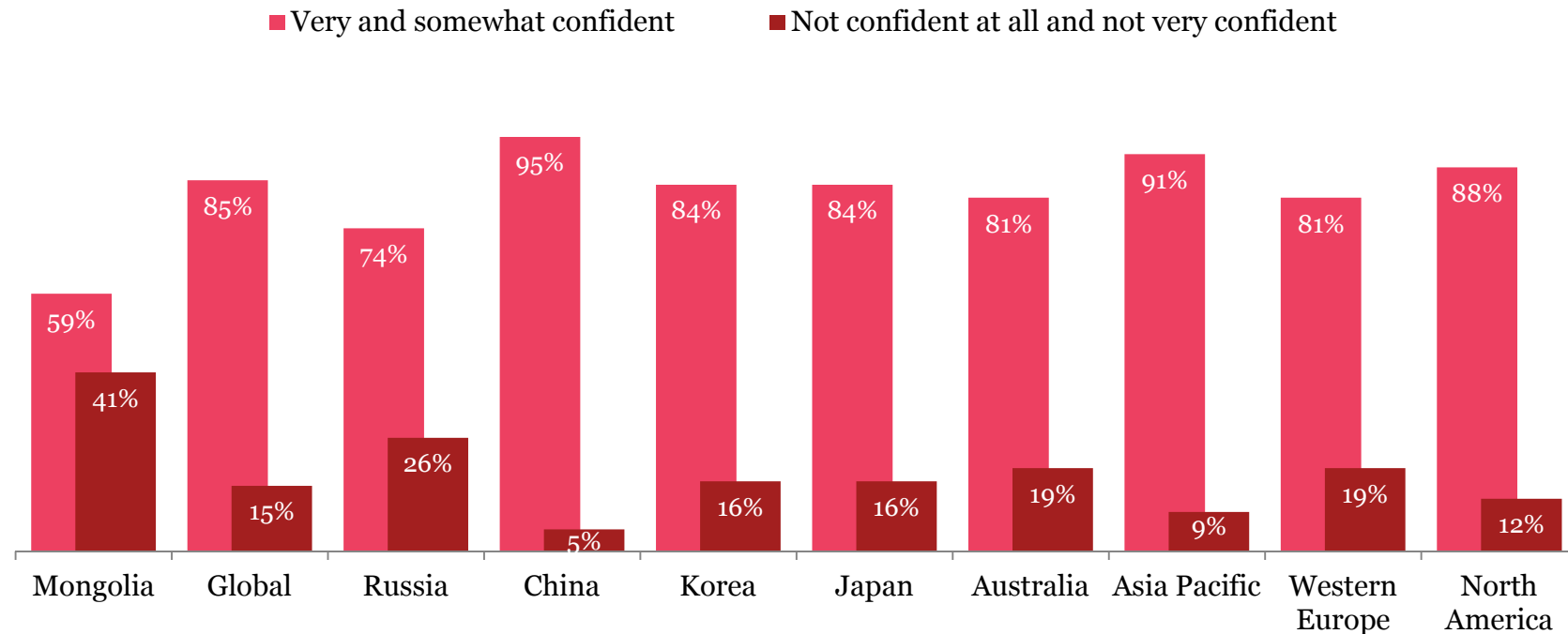
## Revenue expectations

Percentage of Mongolian/Global CEOs very confident in their company's prospects for revenue growth over next 12 months



## ***12 month revenue expectations***

### **% of CEOs optimistic vs % of CEOs pessimistic about revenue growth**

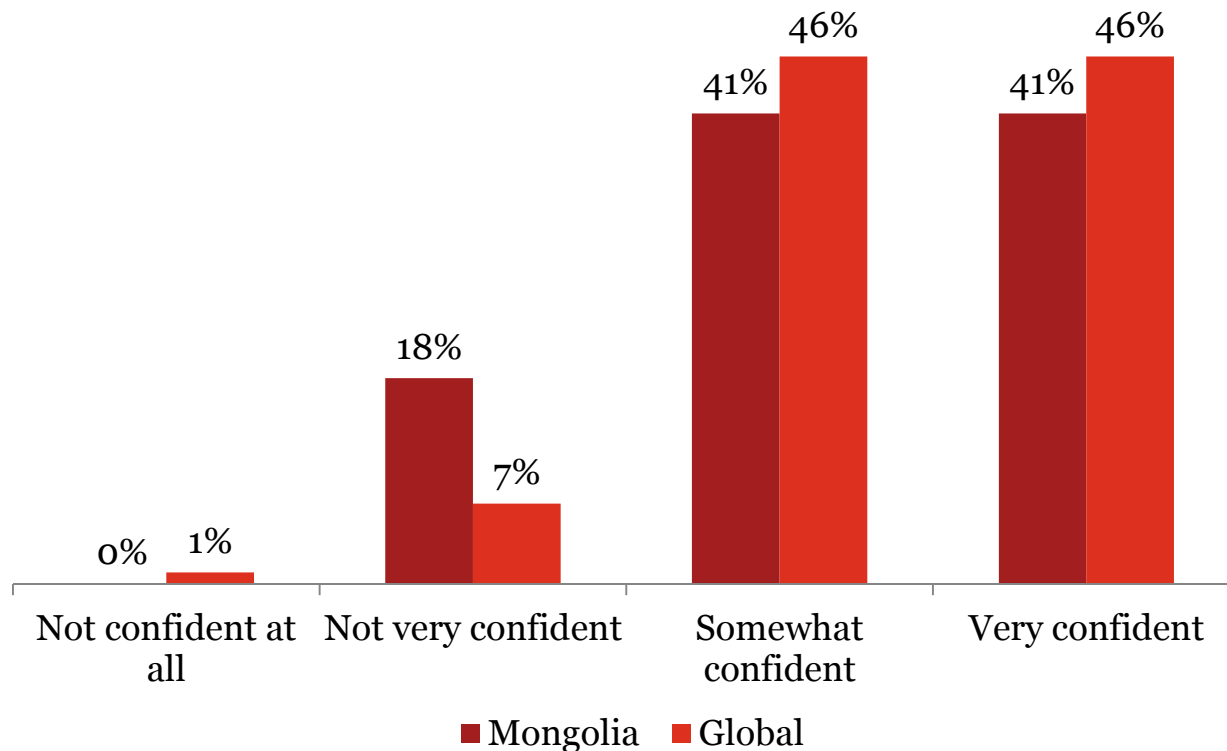


Q3: How confident are you about your company's prospects for revenue growth over the next 12 months?

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## ***3 year revenue expectations***

Mongolian/Global CEOs' response about their company's prospects for revenue growth over next 3 years



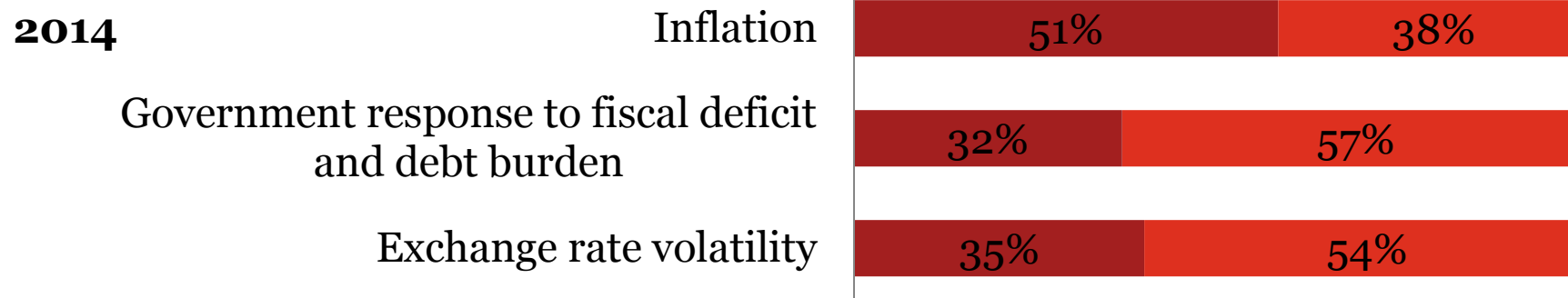
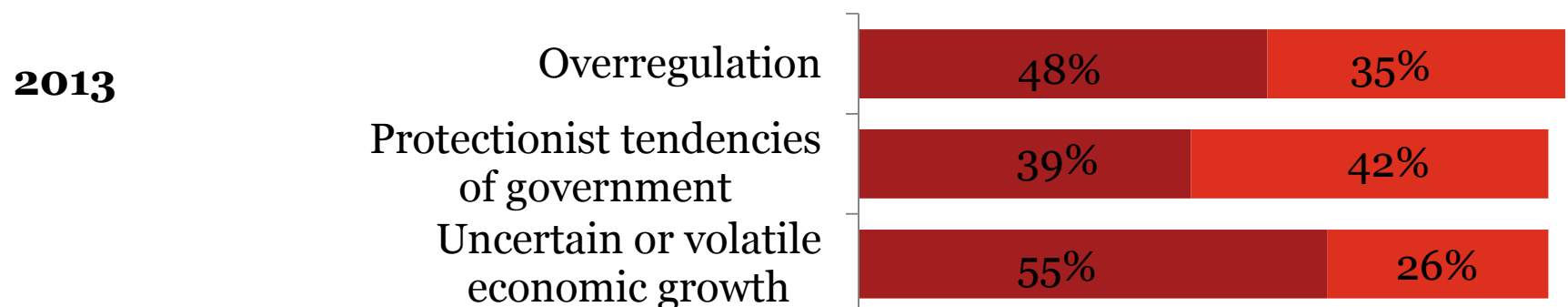
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Q4: How confident are you about your company's prospects for revenue growth over the next 3 years?

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## Top 3 Economic and Policy Threats

% of MN CEOs somewhat and extremely concerned in



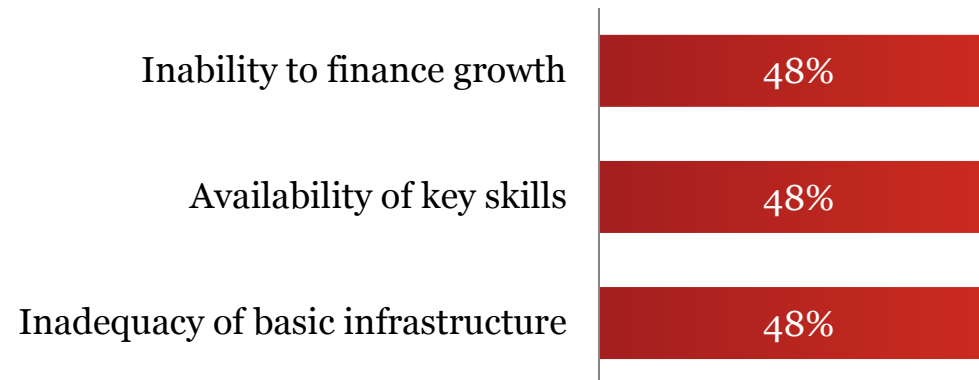
■ Somewhat concerned ■ Extremely concerned

Q6: Please find below a list of potential economic and policy threats to the growth of your business. How concerned are you, if at all, about each of these?

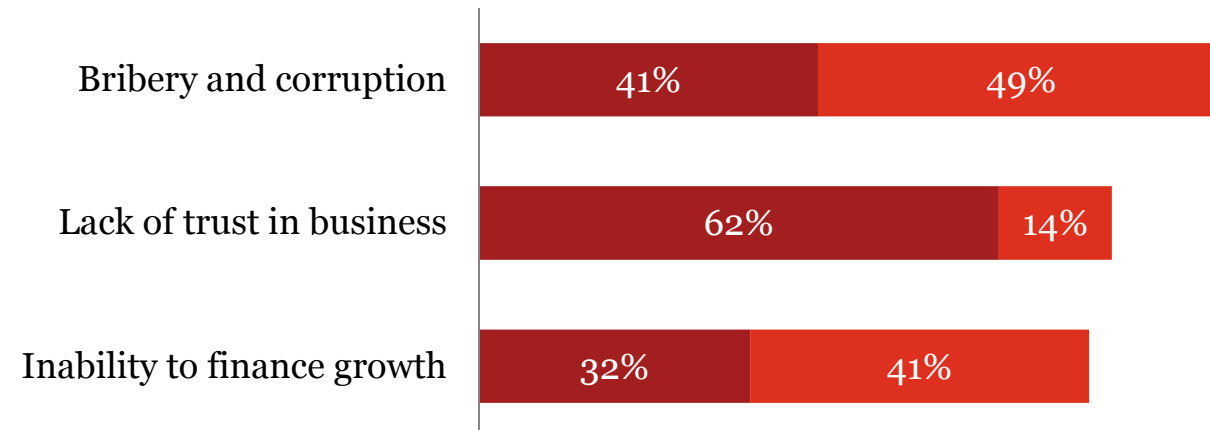
## Top 3 Business Threats

% of MN CEOs somewhat and extremely concerned in

**2013**



**2014**



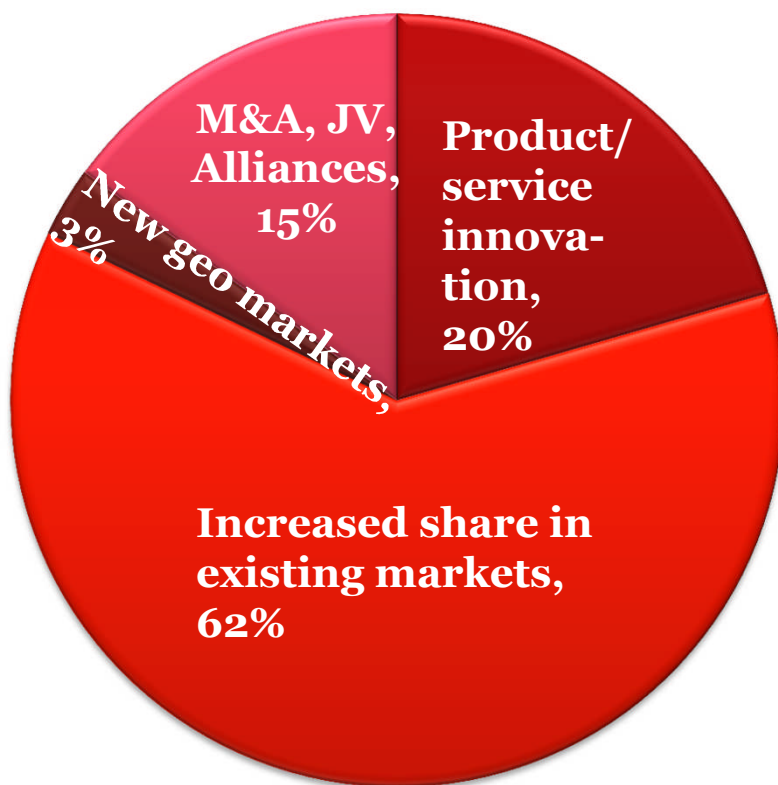
■ Somewhat concerned ■ Extremely concerned

Q7: Please find below a list of potential business threats to the growth of your business. How concerned are you, if at all, about each of these?

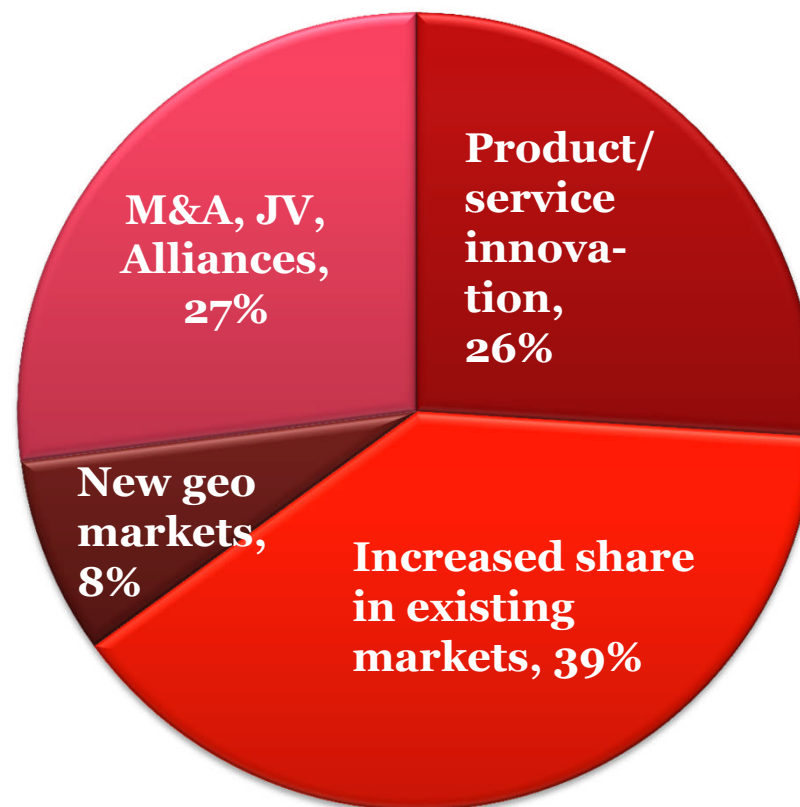
***What MN CEOs will do  
in 2014 - 2015***



## *Where will growth come from?*



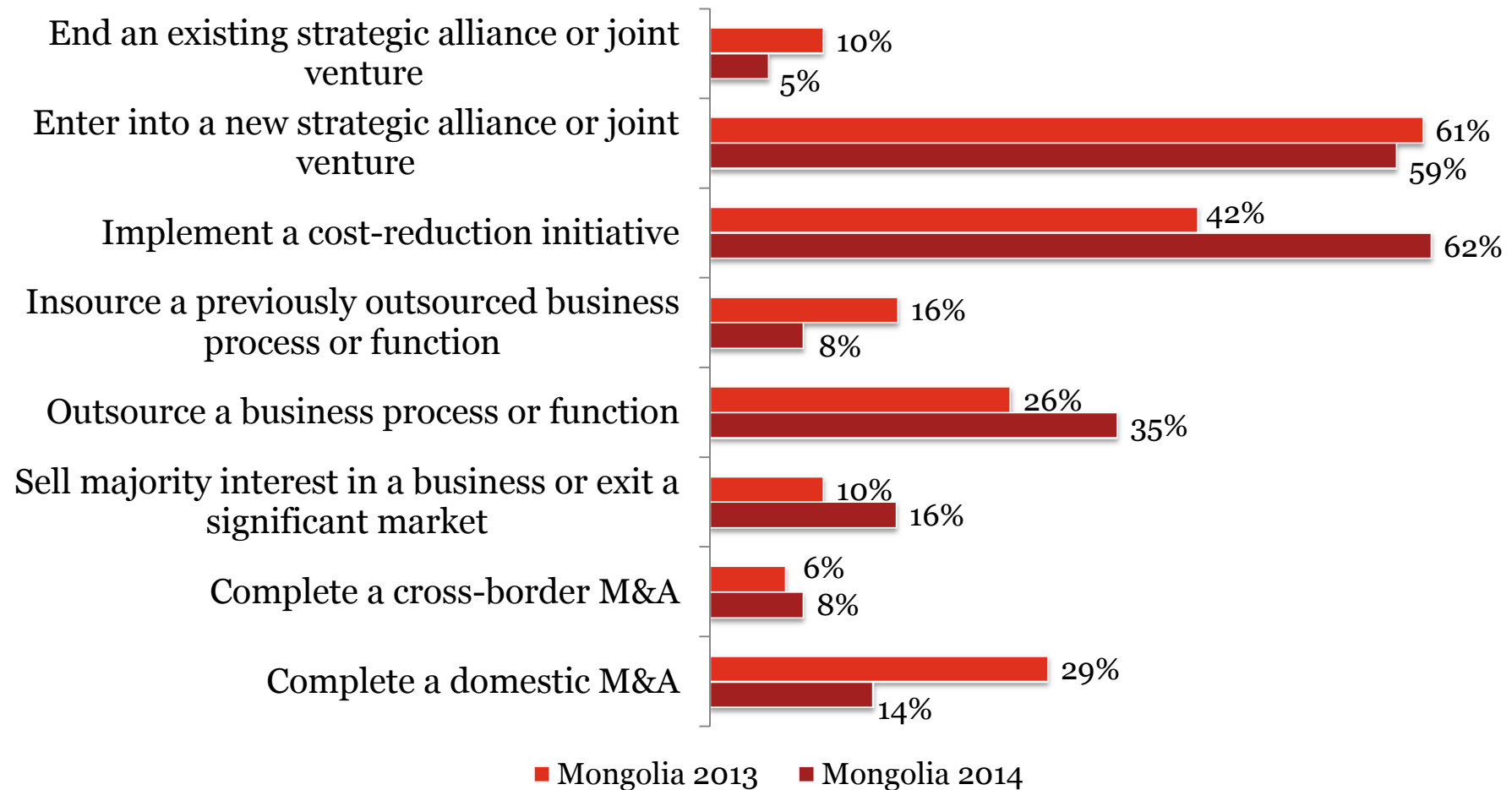
Mongolia 2013



Mongolia 2014

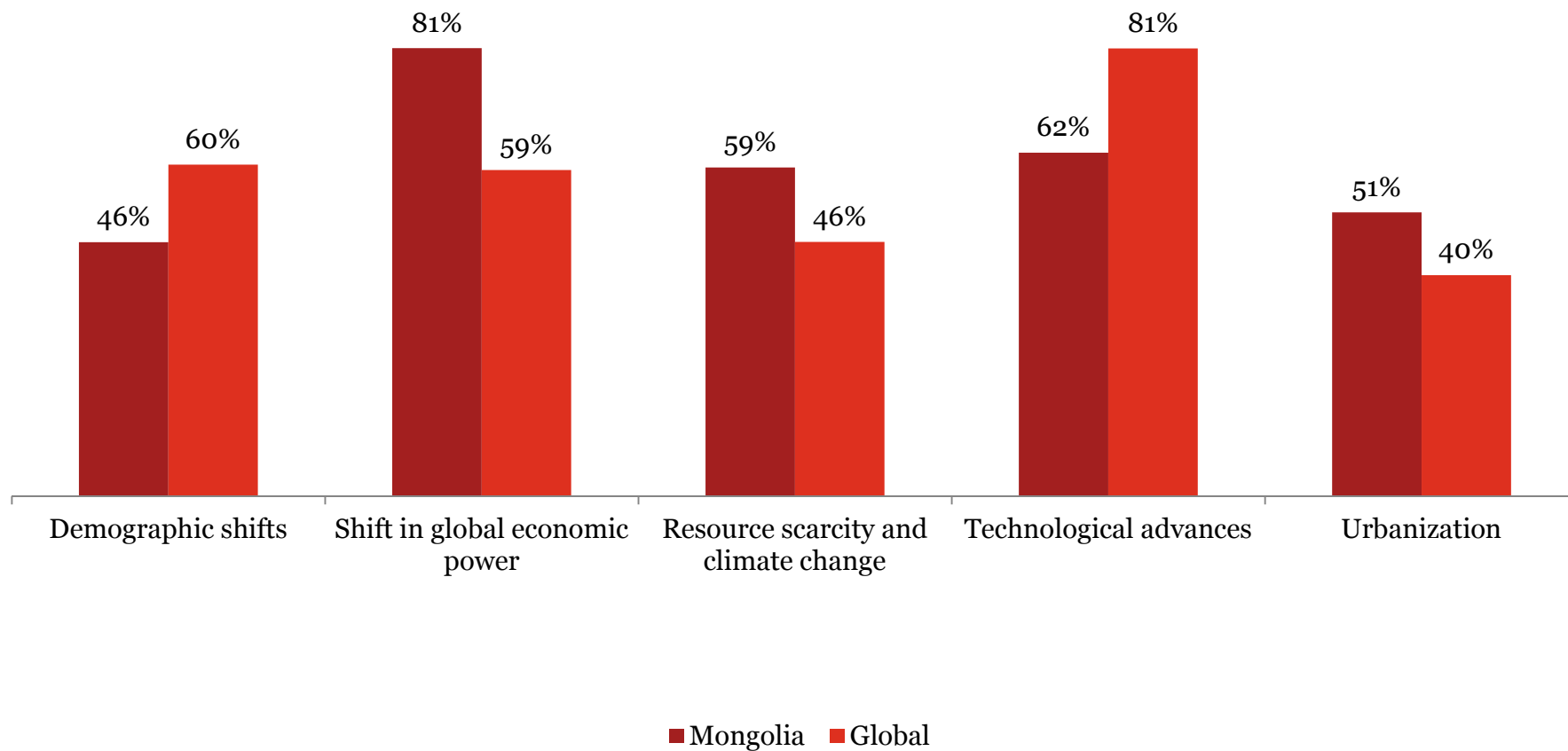
Q5: Which of the following do you see as the main opportunity to grow your business in the next 12 months?

## ***CEO response: restructuring initiatives***



Q8: Which of the following restructuring activities do you plan in the coming 12 months?

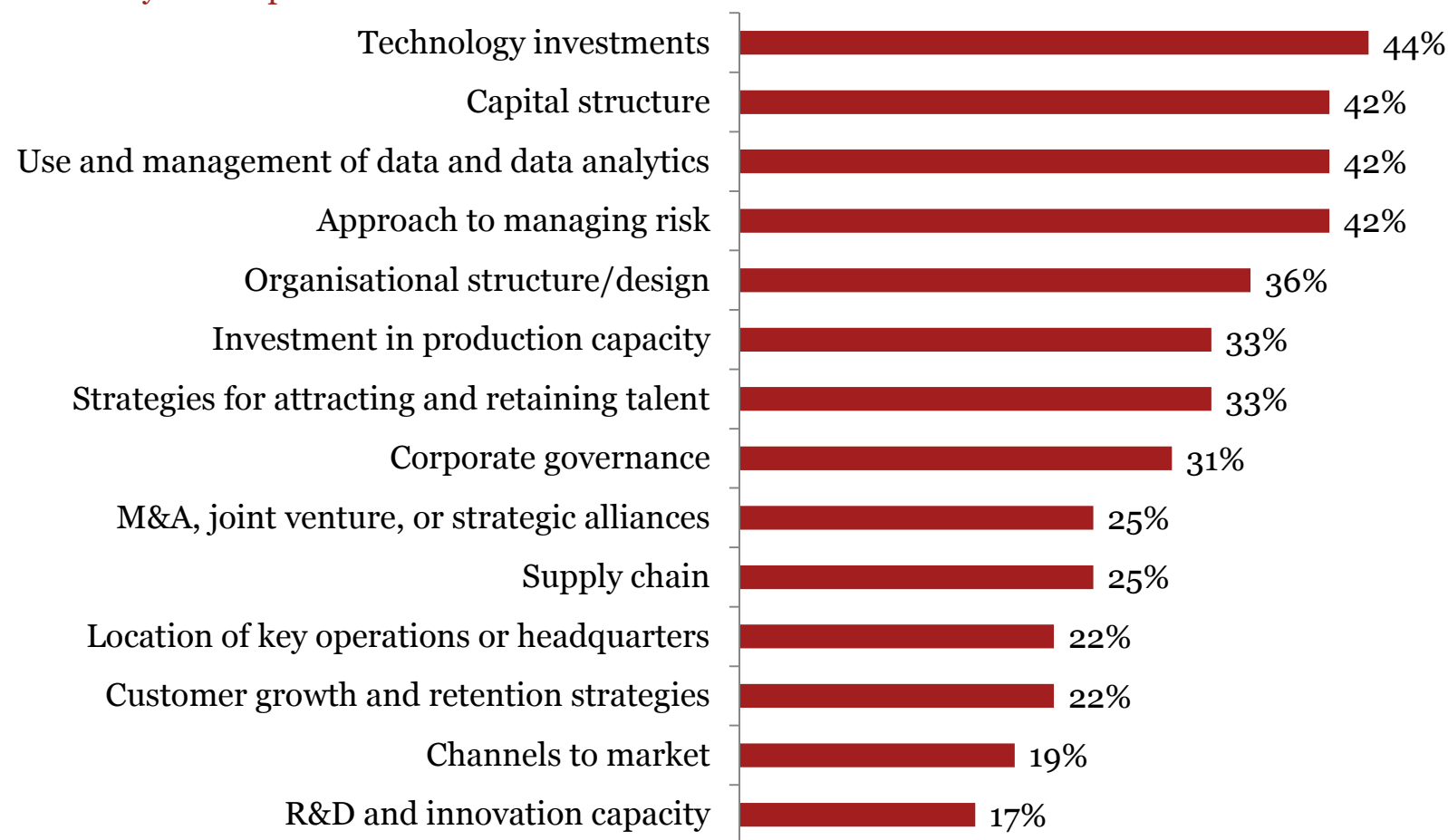
## Global Trends



Q9: What are the top three global trends which you believe will transform your business the most over the next 5 years?

## ***CEO response: addressing the Megatrends***

% of MN CEOs who either have “concrete plans to implement change programme” or have “change programme underway or completed”

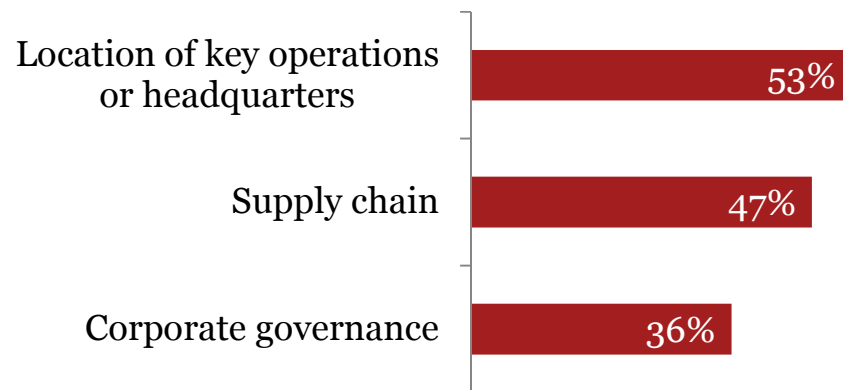


Q10: To what extent are you currently making changes in the following areas, in order to capitalise on the global trends that you believe will transform your business?

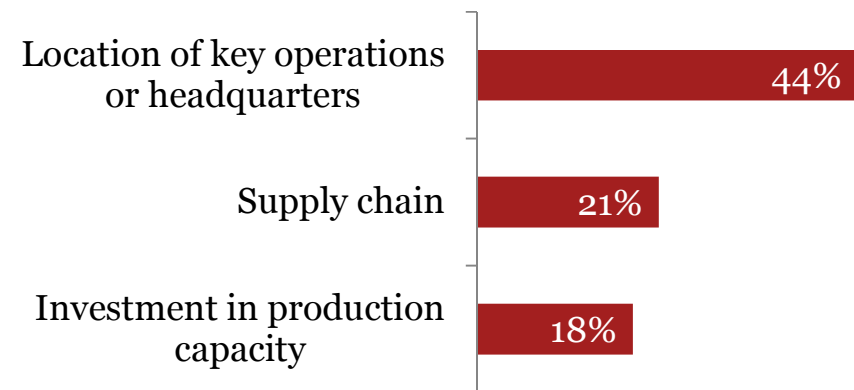
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## ***CEO response: what will stay the same***

### **% of MN CEOs who think no change is needed**



### **% of China CEOs who think no change is needed**



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**Q10: To what extent are you currently making changes in the following areas, in order to capitalise on the global trends that you believe will transform your business?**

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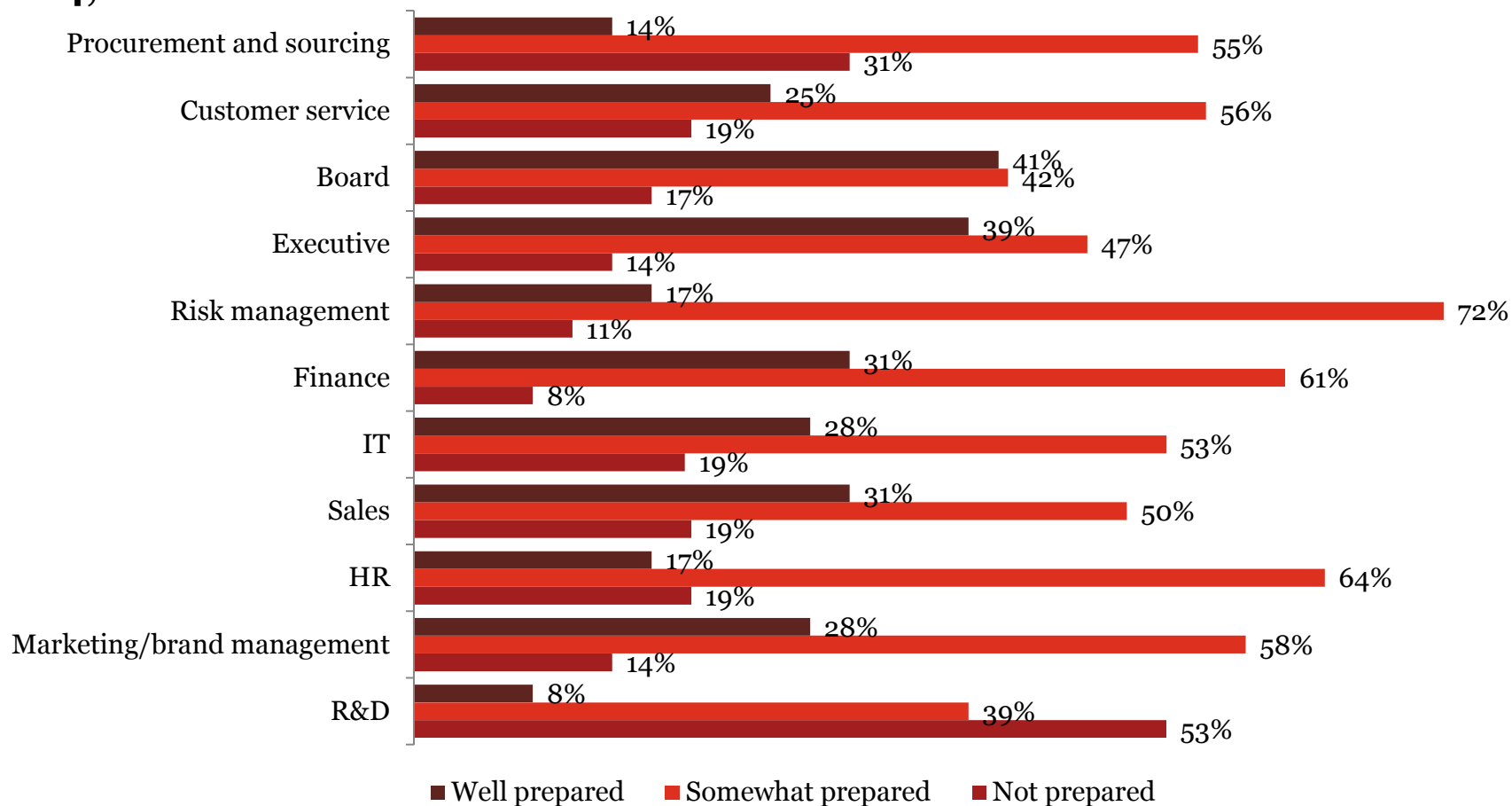
## ***CEO response: change agility***

<b>% of CEOs who said there is “no need to change”</b>	<b>Global 2014</b>	<b>China 2014</b>	<b>Mongolia 2014</b>
Approach to managing risk	14%	11%	11%
Channels to market	17%	11%	31%
Corporate governance	24%	11%	36%
Customer growth and retention strategies	8%	8%	14%
Investment in production capacity	24%	18%	31%
Location of key operations or headquarters	47%	44%	53%
M&A, joint venture, or strategic alliances	17%	9%	31%
Organisational structure/design	10%	11%	28%
R&D and innovation capacity	11%	5%	31%
Strategies for attracting and retaining talent	6%	6%	8%
Supply chain	23%	21%	47%
Technology investments	8%	11%	19%
Use and management of data and data analytics	10%	9%	8%
<b>Average</b>	<b>17%</b>	<b>13%</b>	<b>27%</b>

Q10: To what extent are you currently making changes in the following areas, in order to capitalise on the global trends that you believe will transform your business?

# Management functions: ready for change?

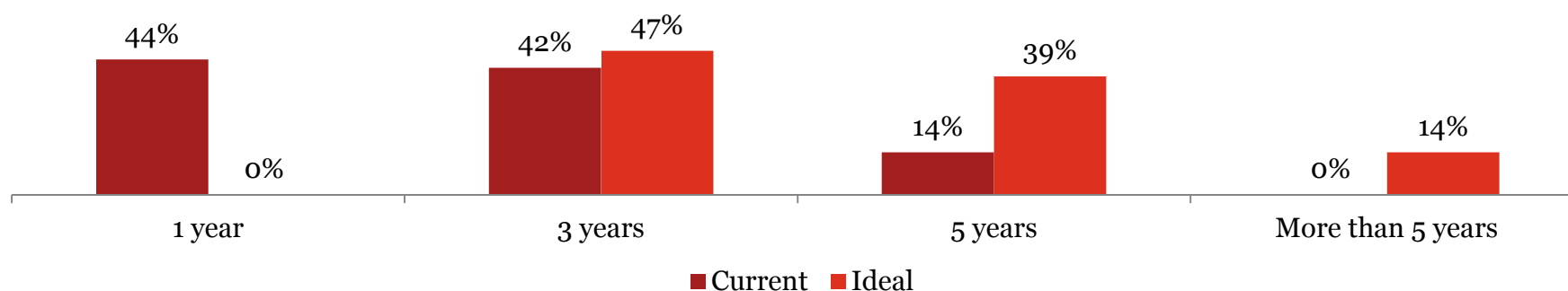
## 2014, MN CEOs



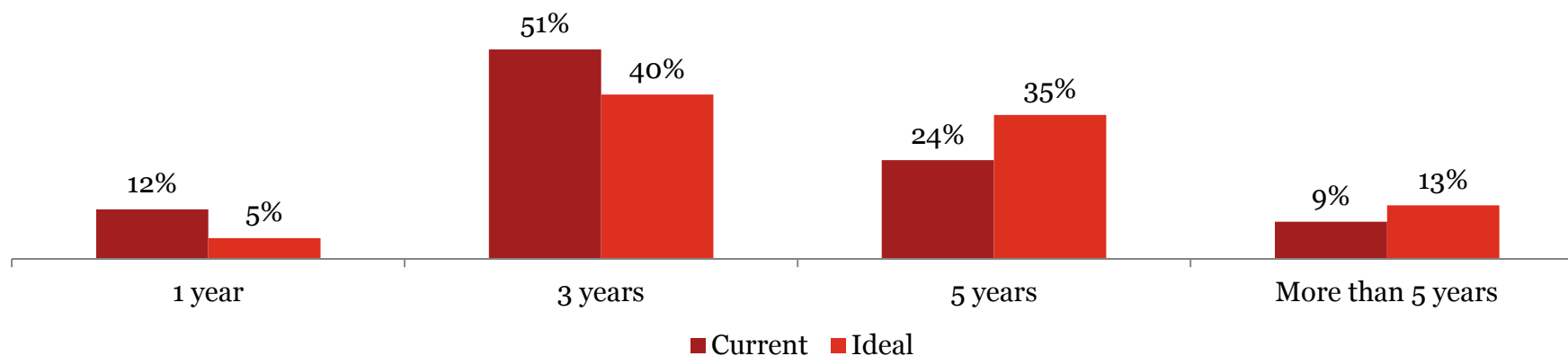
Q11: If you are making changes to capitalize on transformative global trends, to what degree are the following areas of your organization prepared to make these changes?

## *Planning: currently at 1-3 years, ideally at 3-5 years*

### **Mongolia 2014**

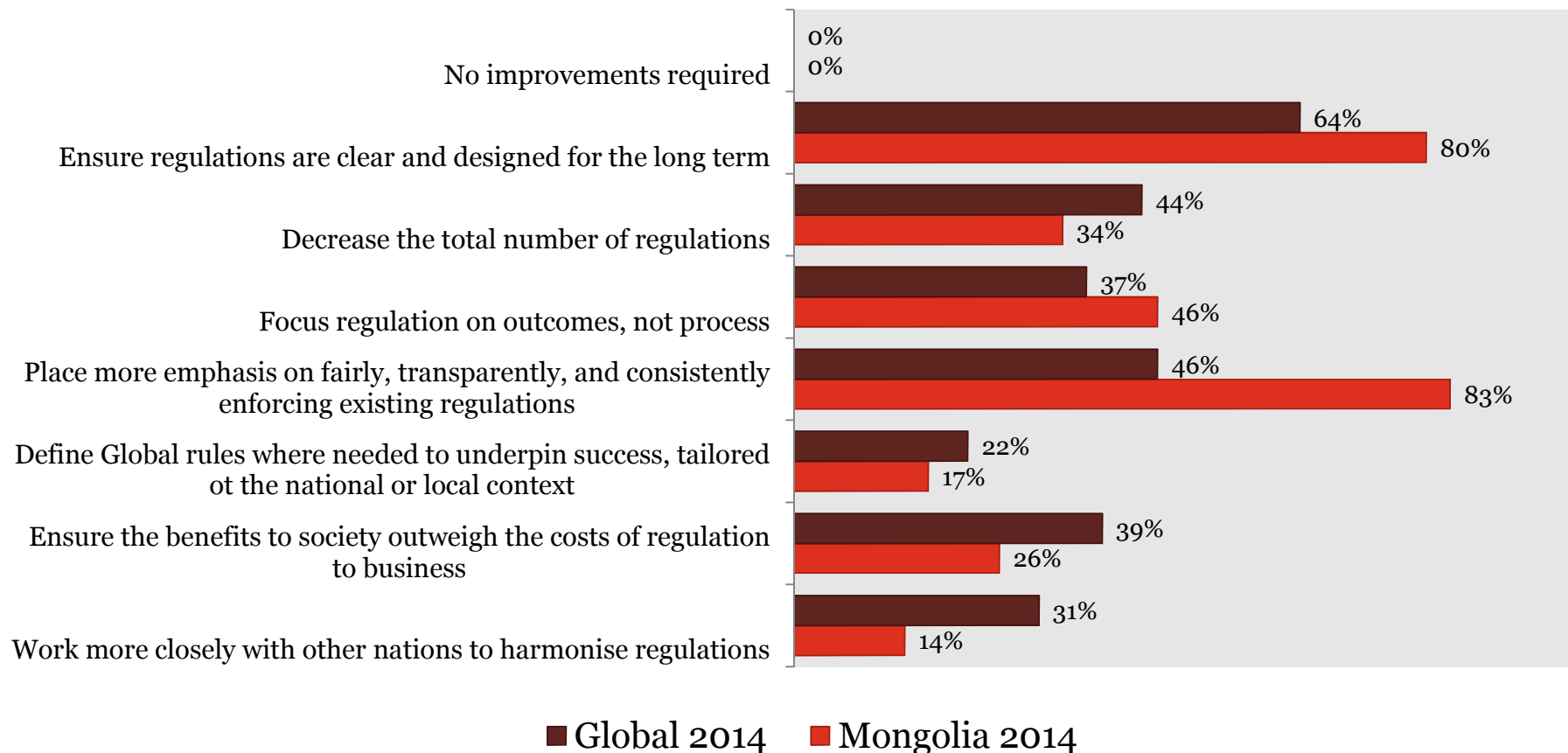


### **Global 2014**



Q12: What current planning time horizon are you working to and ideally where would you like to be?

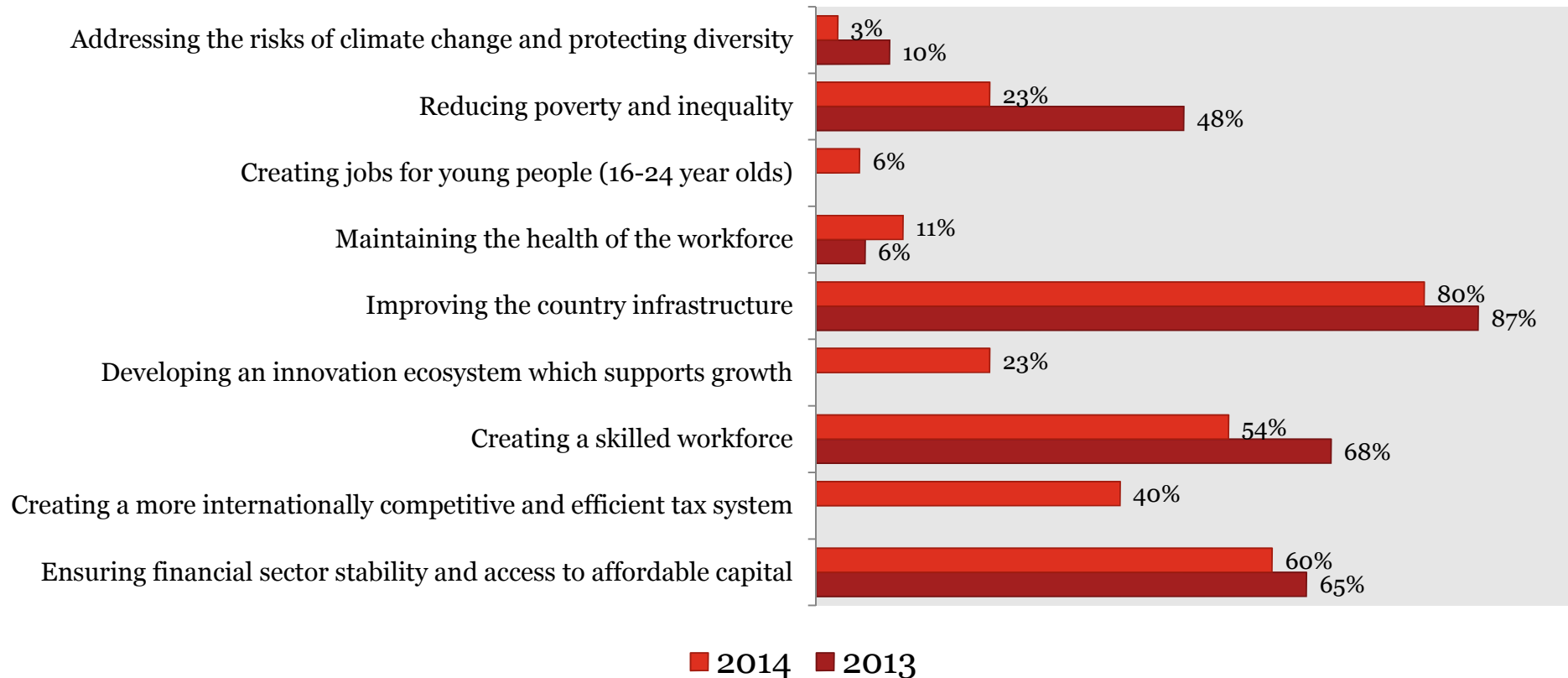
## ***Government regulations: what will make the biggest impact in Mongolia?***



Q13: Of the following ways in which the government could improve the policy setting process with regard to regulation, which do you think would have the biggest impact in Mongolia?

# Government priorities

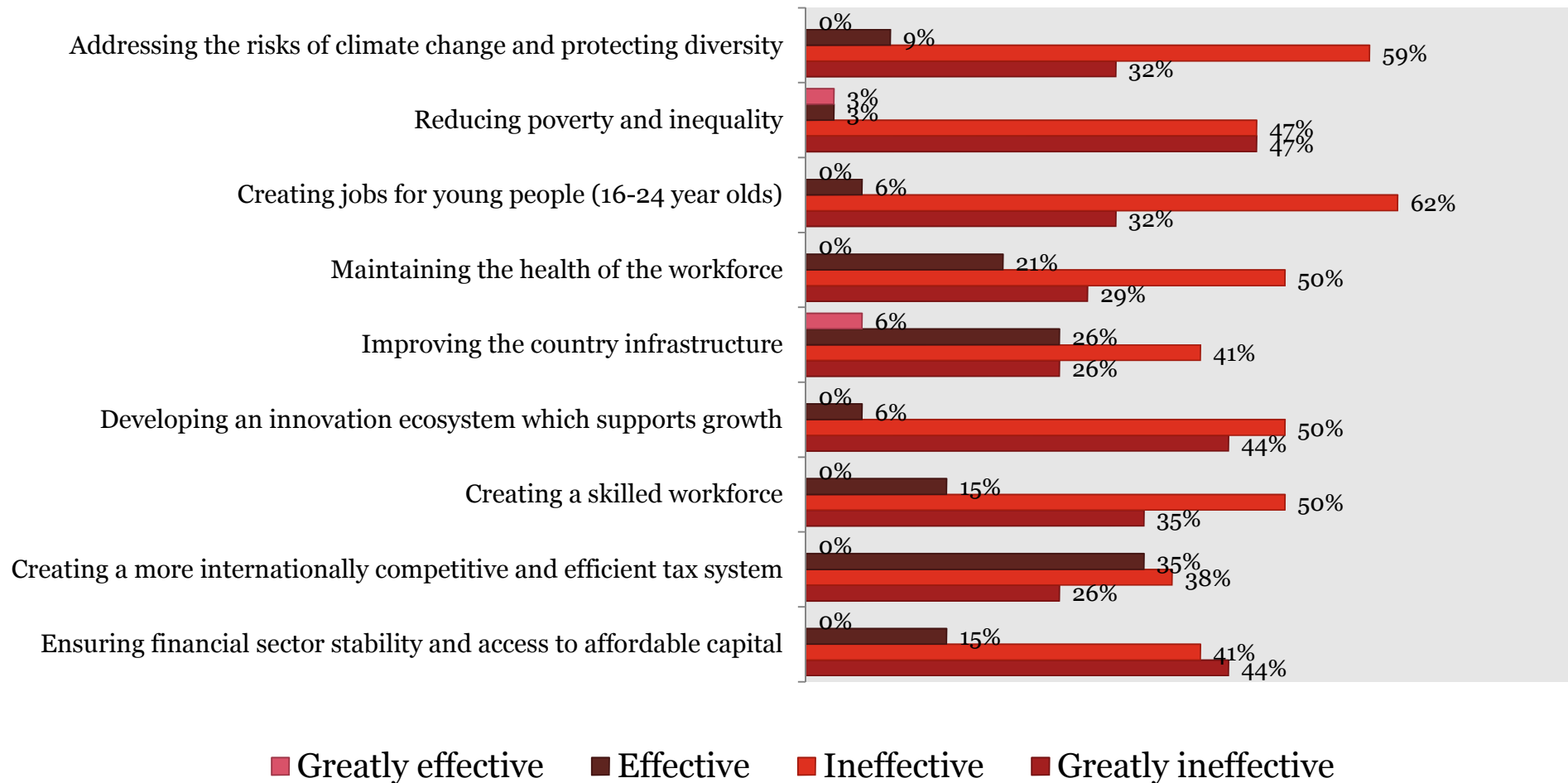
## MN CEOs



Q14: Which three areas do you think should be government priorities in Mongolia?

# Government effectiveness

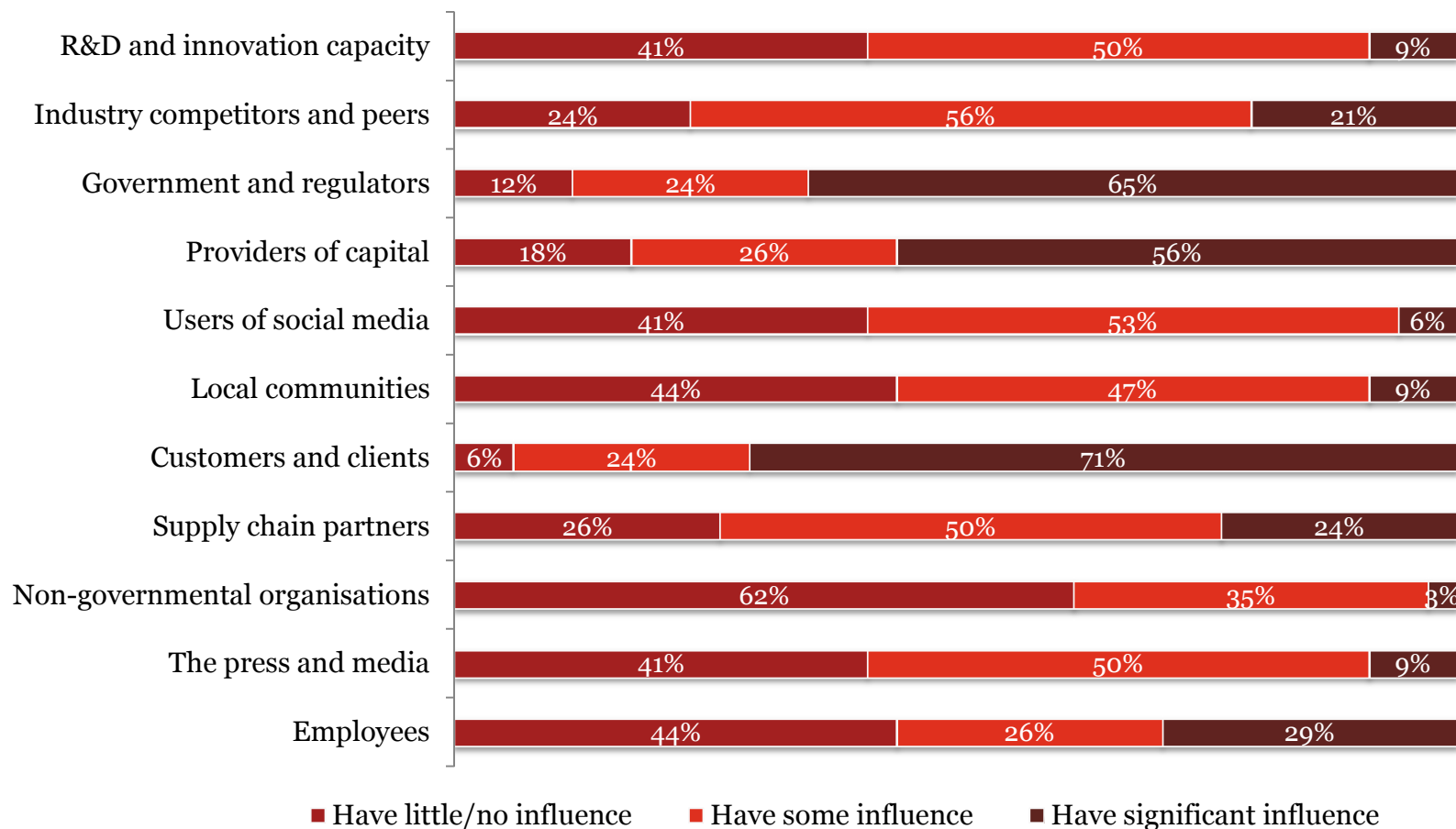
## Mongolia 2014



Q15: How effective do you think the government has been in achieving the following outcomes in Mongolia?

# Stakeholders with influence

## Mongolia 2014



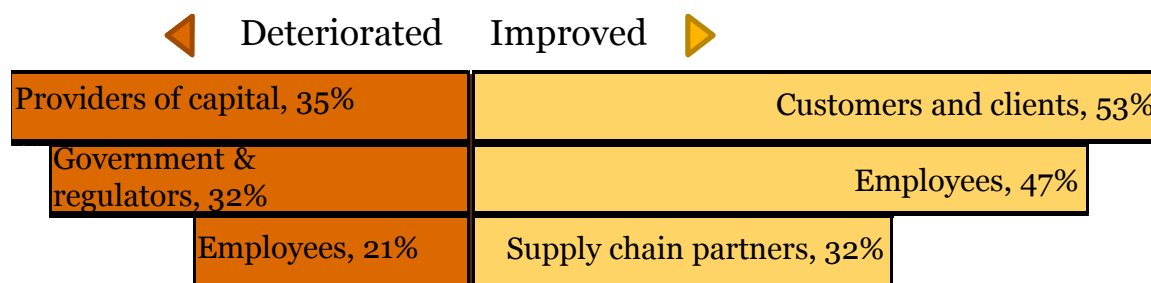
Q16: Thinking about the range of stakeholders in your business, to what extent do each of the following have a significant influence on your business strategy?

# Stakeholders' trust

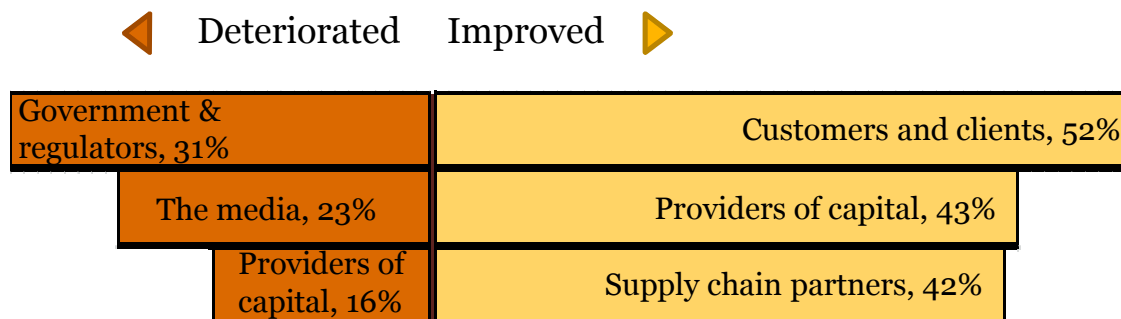
Level of trust stakeholders have in their industry over the past five years –  
Top 3 'deteriorated' and top 3 'improved'



Mongolia



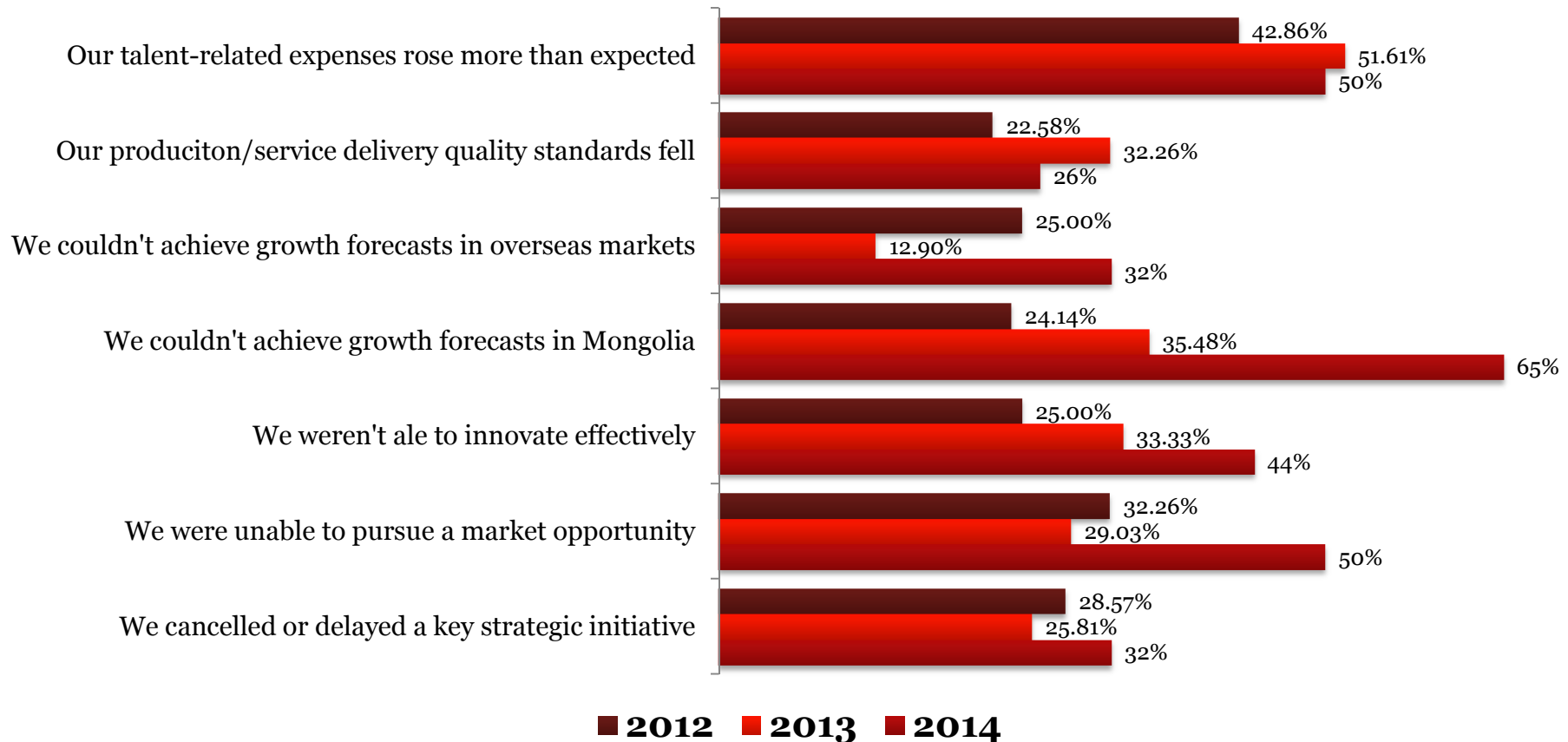
Global



Q17: To what extent do you think your stakeholders' trust in your industry has changed over the past 5 years?

# Talent constraints

## Impact of talent constraint on business in Mongolia in 2012, 2013 and 2014:

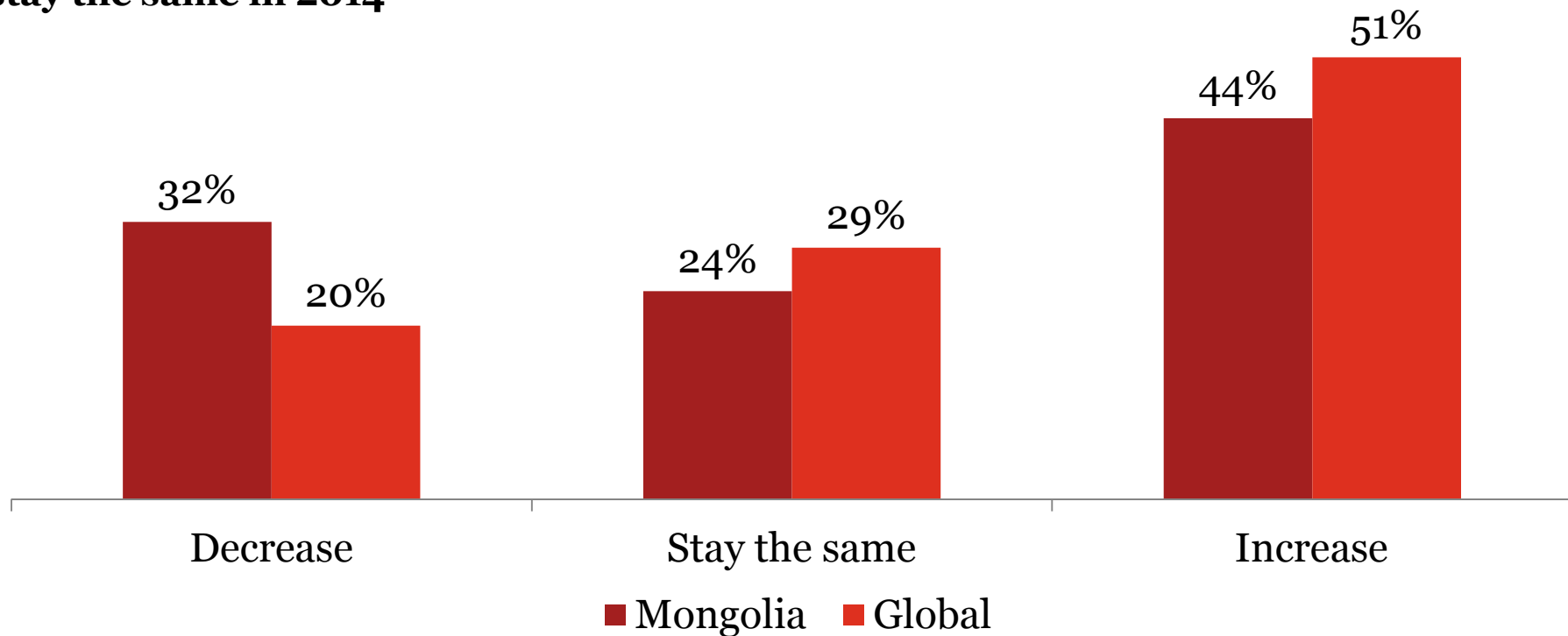


Q18: Have talent constraints impacted your company's growth and profitability over the past 12 months in the following ways?

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## *Headcount movement*

**% of CEOs who said the headcount will increase, decrease, stay the same in 2014**



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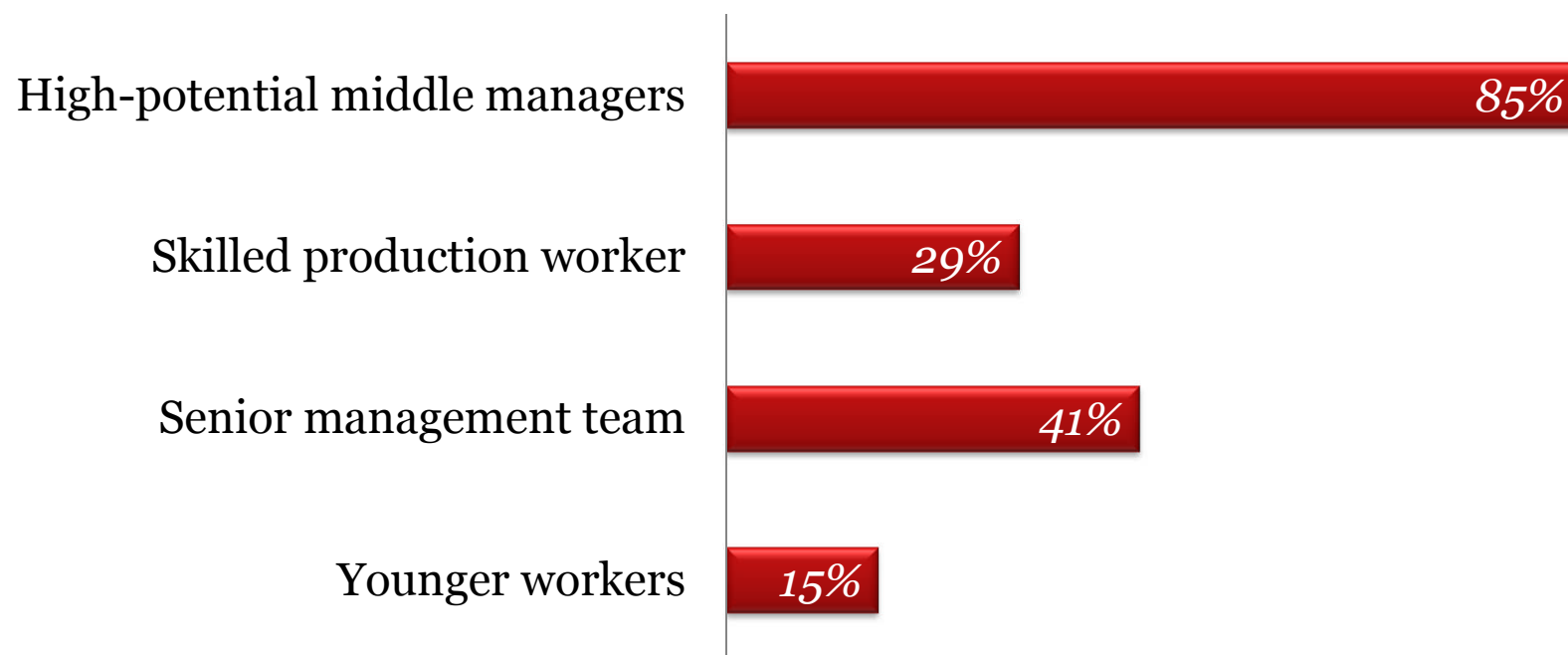
Q20: What do you expect to happen to headcount in your company over the next 12 months?

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## ***Recruitment and Retention Challenges***

**% of MN CEOs who said they face challenges with recruitment and retention of**



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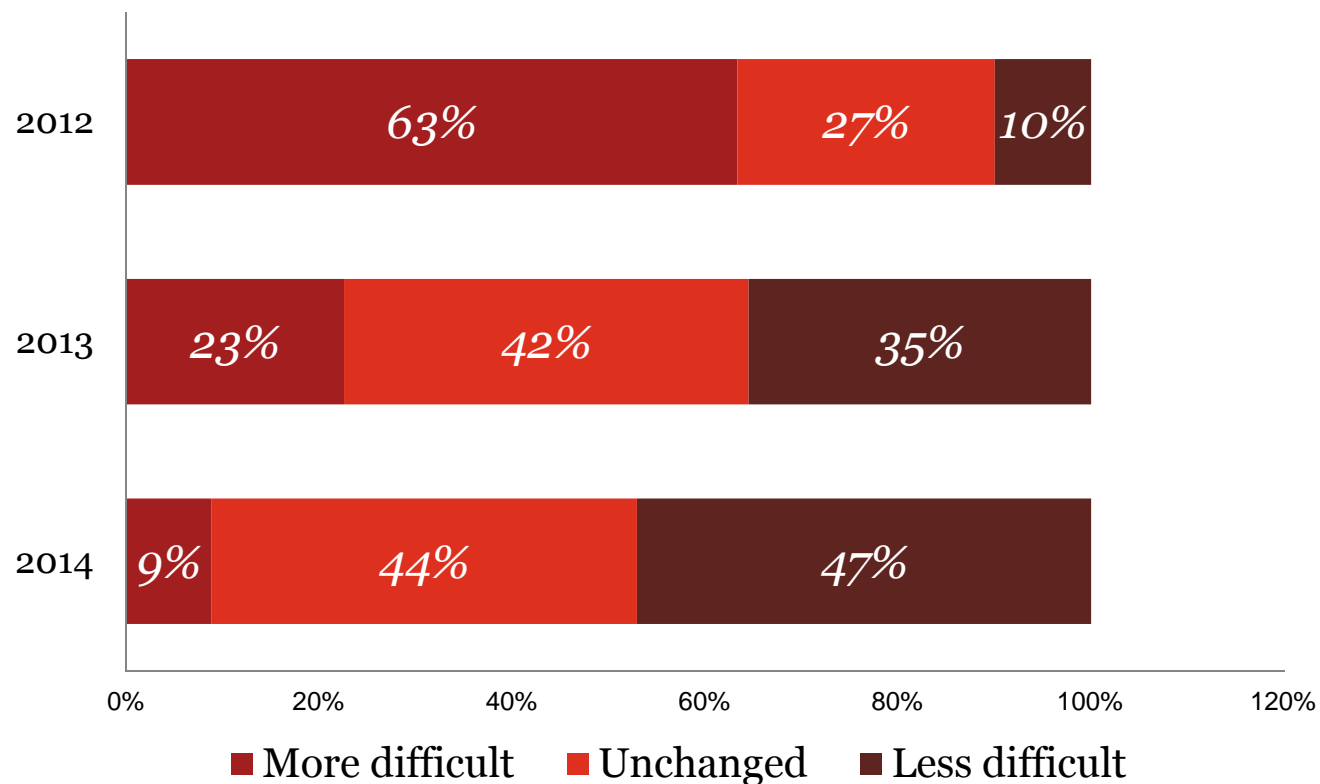
**Q21: With which of the following groups do you currently face the greatest challenges with regard to recruitment and retention?**

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## ***Talent availability***

### **Ease of hiring talent in Mongolia**



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Q19: In general, has it become more difficult or less difficult to hire workers in your industry compared to a year ago, or is it changed?

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## ***For deeper discussion on the Mongolian CEO Survey, please contact:***

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# *Thank you!*

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