

Media release

Zurich/Geneva, 22 April 2021

CFO Survey: Glimmers of hope but with a big question mark

Two-thirds (65%) of Swiss CFOs are optimistic again and see positive growth prospects for the economy as a whole over the next 12 months. Most CFOs (69%) also expect a positive performance for their own company. Despite the optimism, however, the situation remains unstable. This can be seen from the current turnover: two-thirds (66%) of companies have not yet reached pre-crisis levels, and half do not expect a full recovery this year. The pandemic also remains the biggest risk for companies and it also exacerbates other risks, for example in supply chains, digitalisation and cyber security. With regard to the long-term consequences of the pandemic, a majority of the 125 CFOs surveyed agree: working with their clients will continue to be digitalised and office staff will not permanently work exclusively from home. Companies must therefore rely increasingly on flexible and targeted solutions to find a suitable balance with regard to remote working and client interaction.

Hopes are rising that the Swiss economy will soon put the pandemic behind it. Almost two-thirds (65%) of Swiss CFOs expect an upturn in the economy for Switzerland in the next 12 months. After last year's steep decline, they hope that the economy will recover strongly - only 13% expect a negative outcome. This is a significant improvement: last autumn only 28% expected a positive development, and in March 2020 the figure was just 11%. Despite the potential for an economic upswing, however, the situation remains fragile.

The economic outlook continues to be strongly determined by the pandemic and the related political and regulatory measures. "The potential for a sustainable recovery of the Swiss economy in the next 12 months is definitely there," explains Reto Savoia, CEO of Deloitte Switzerland. "Nevertheless, there are big question marks behind these hopes. Delays in the vaccination campaign, or new virus mutations and an accompanying extension of the restrictions, would seriously jeopardise economic recovery."

Two-thirds of all companies do not yet see a recovery in turnover

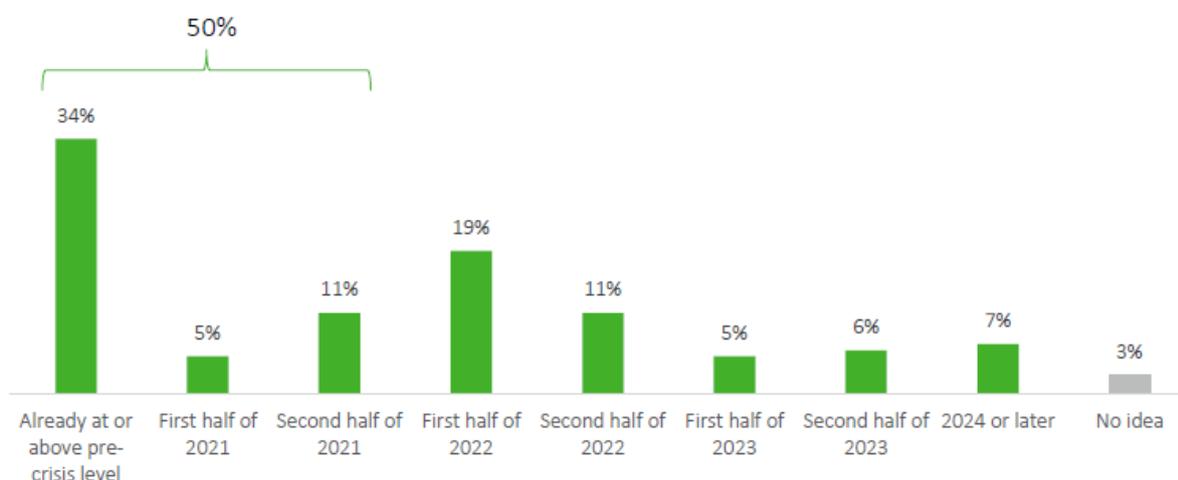
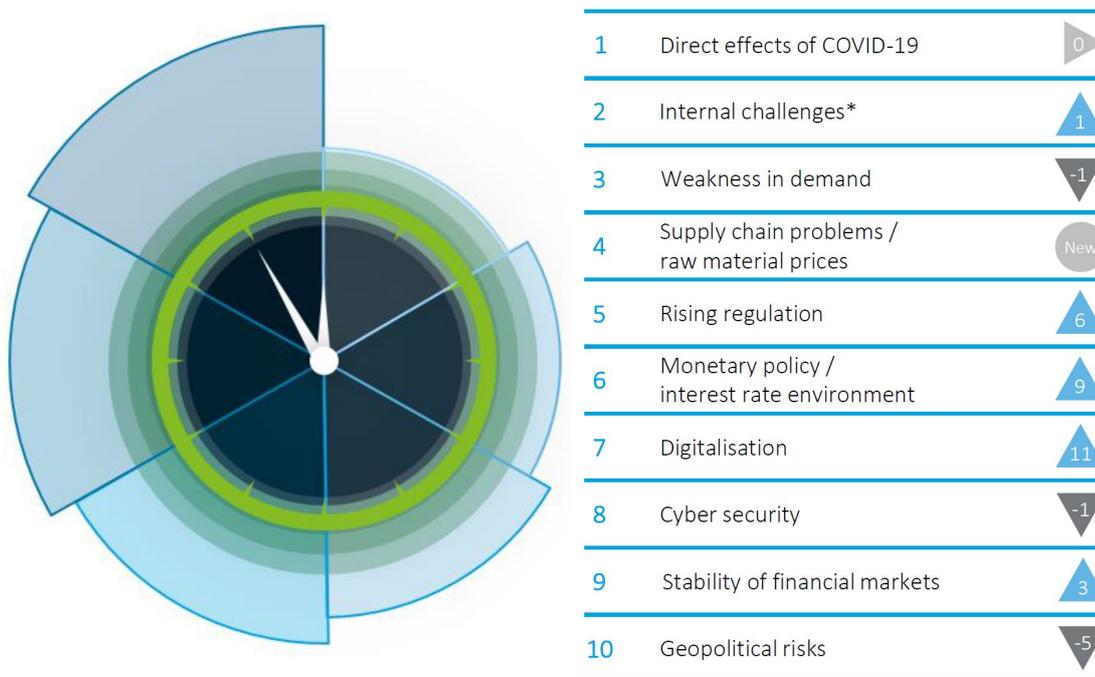


Chart 1: When do you expect your company to return to its pre-crisis turnover level?

69% of CFOs have a positive financial outlook for their company over the next 12 months, and only 15% expect a deterioration. Looking at the figures in detail, however, there is a clear improvement in all areas. According to CFOs' expectations (+57%), expenditure on discretionary items such as marketing and training will increase, and most CFOs are also hoping for a positive development in turnover (+30%). Despite this optimism, most companies have not yet reached

their pre-crisis turnover level. Only 34% are already back at or even above pre-crisis levels, and two-thirds (66%) have not yet reached it (16% believe they will reach this mark this year, while 50% do not expect to be back to pre-crisis levels until next year at the earliest. Comparing these figures with last year's surveys, there is reason for optimism - in June 2020 the turnover of only 12% of companies was at pre-crisis levels, and even in the autumn the figure was only 18%. "The fact that 50% of the CFOs surveyed do not expect better turnover this year than before the crisis shows us that we still have a long way to go," says Alessandro Miolo, Managing Partner for Audit & Assurance at Deloitte Switzerland.

Supply chains at risk from pandemic



* "Internal challenges" include a number of issues such as strategy implementation, project management and succession planning, among others

Figure 2: Risks for companies from the perspective of Swiss CFOs

As in previous surveys, the pandemic continues to be seen by CFOs as the biggest risk to their companies and the economy (see Figure 2). The pandemic also affects other risks, such as supply chain risks and digitalisation and cybersecurity risks. In recent months, the pandemic has significantly accelerated digitalisation. Many companies have had to digitalise a large number of their processes in a very short time, which in turn has increased cybersecurity risks and for CFOs digitalisation and cybersecurity are therefore among the top 10 risks over the next 12 months.

CFOs also identified securing supply chains and commodity prices as new challenges. The pandemic has put a lot of pressure on supply chains worldwide. "The pandemic has clearly shown how important resilient supply chains are," says Alessandro Miolo. This is also shown by Deloitte's [Global Resilience Report 2021](#), for which around 2,200 executives worldwide and 104 from Switzerland were surveyed. While less than a quarter (24%) of respondents from Switzerland had already diversified their supply chains before 2020, in comparison more than a half (54%) worldwide had done so. "Swiss companies have less control over their supply chain than their global competitors. This can be problematic for a country as internationally connected as ours. It is therefore important that companies improve through digitalisation and other arrangements to create more flexible and resilient supply chains," says Alessandro Miolo. Also, following the implementation of the indirect counter-proposal to the Corporate Responsibility Initiative, it is important that companies should develop targeted strategies now to secure and diversify their supply chains.

CFOs are not in favour of permanent remote working after the pandemic

What will be the long-term impact of the pandemic? For 68% of CFOs it is clear that even after the pandemic working with clients will be more digital than before, for example with digital tools used to collaborate bilaterally or together with alliance partners in a much more targeted way in the future, and in the use of CRM tools to further improve services.

Well over two-thirds of the CFOs surveyed (71%) do not expect their employees to work permanently and exclusively from their home in the future. In addition, 31% believe that employees in their finance function would be less productive in a when working from home permanently (and only 10% hold the opposite view). The fact that a broad majority of CFOs do not believe that there will be 'remote working only' in the future is also reflected in the wishes of most employees, as a recent [Deloitte study on the topic of home offices](#) shows. According to this study, a clear majority (74%) would like to

be able to go back to the office after the pandemic - at least on some days of the week. "It is gratifying to see that the opinions of most employees coincide with those of CFOs for the most part," says Reto Savoia. "A strong cooperation between management and employees is important to regain innovative strength and economic success."

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About the CFO Survey

The survey aims to capture the views of chief financial officers (CFOs) and heads of finance of relevant companies on business prospects, financing, risks and strategies, as well as to identify trends and turning points among Swiss companies. The CFO Survey is the only survey of its kind in Switzerland and has been conducted semi-annually since autumn 2009. The current 41st survey on the first half of 2021 was conducted from 2 to 31 March. A total of 125 CFOs took part. The participants represent both listed companies and privately held companies and come from all relevant sectors of the Swiss economy.

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