2021 DELOITTE GLOBAL RESILIENCE REPORT (formerly known as the “Industry 4.0 Readiness Report”)

Global summary

• In the wake of a tumultuous 2020, Deloitte expanded its fourth annual Readiness Report beyond the scope of Industry 4.0 digital technologies to explore the broader concept of resilience. Deloitte surveyed 2,260 C-suite executives across 21 countries to understand how organizations were coping with the unexpected challenges they faced in the past year and tap their opinions about what made their organizations more or less able to withstand disruption.
• The following deck examines how Germany’s executives stand out from their global counterparts on key themes. We surveyed 126 executives in Germany.

KEY GLOBAL FINDINGS:

Many global CXOs believe disruption is here to stay. Our research reveals that resilient organizations – those consisting of flexible, adaptable, long-term, innovative mindsets and cultures – are better positioned to overcome disruptions and help usher in a “better normal” post pandemic.

— **Resilient organizations outperform in times of disruption.** Global leaders who said their organizations have done very well cultivating resilient cultures were about three times more likely than those lacking resilient cultures to say they weathered the events of 2020 well compared to peers/competitors.

— **2020 accelerated resilience for some; exposed gaps for more.** 2020 held organizations’ “feet to the fire” and was the prod many needed to fast-track technologies and processes. Yet, 66% of global CXOs still don’t feel completely ready to lead and 70% said they don’t have complete confidence in their organizations’ abilities to pivot and adapt to disruptive events.

— **Resilience is deliberate.** CXOs may not know exactly which threats are looming and when, but they can design organizations that are more likely to withstand and prosper through disruptions. Leaders of resilient organizations understand the below traits aren’t immutable and don’t just occur organically. They require desire, effort, investment, and action to cultivate and maintain.

We identified five attributes of resilient organizations that enable and promote nimble strategies, adaptive cultures, and the implementation and effective use of advanced technology. Businesses that can bounce back from unexpected challenges typically are:

- **Prepared.** Most successful CXOs plan for all eventualities. Those organizations that successfully balance short- and long-term priorities feel they have pivoted effectively to adapt to the events of 2020.
- **Adaptable.** Leaders recognize the importance of having versatile employees, especially after a year like 2020. To that end, flexibility/adaptability was, by far, the workforce trait global CXOs said was most critical to their organizations’ futures.
- **Collaborative.** CXOs indicated the importance of collaboration within their organizations, noting that it sped decision-making, mitigated risk, and led to more innovation.
- **Trustworthy.** CXOs understand the challenge of building trust. Those who are succeeding are those focusing on improving communication and transparency with key stakeholders and are leading with empathy.
- **Responsible.** There is broad acknowledgment that business has a responsibility beyond profit. CXOs who did very well at balancing the needs of all their stakeholders also felt their organizations can quickly adapt and pivot in response to disruptive events.
Germany country profile

- We surveyed **126 executives** in Germany.

**GERMANY BUSINESS PROFILE:**

- **Number of employees**
  - <5K: **42%**
  - 5K to 9,999: **17%**
  - 10K to 19,999: **13%**
  - 20K to 49,999: **15%**
  - >50K: **13%**

- **Revenue**
  - 23%  
  - 23%  
  - 29%  
  - 10%  
  - 16%  

- **Industry**
  - Consumer **33%**
  - Financial Services **21%**
  - Government & Public Services **15%**
  - Energy, Resources & Industrials **11%**
  - Life Sciences & Health Care **5%**
  - Technology, Media & Telecom **15%**

- **Annual growth (over the next year)**
  - Negative: **31%**
  - 0% to 5%: **44%**
  - 6% to 10%: **17%**
  - 11+: **8%**

**GERMANY RESPONDENT PROFILE:**

- **Job title**
  - CEO **16%**
  - CIO **18%**
  - CFO **24%**
  - CTO **23%**
  - COO **11%**
  - Other CXOs **8%**

- **Age**
  - 25-34 **23%**
  - 35-44 **39%**
  - 45-54 **23%**
  - 55-59 **11%**
  - 60-69 **9%**

- **Gender**
  - Men **91%**
  - Women **9%**

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The majority of German executives are expecting occasional disruptions on this scale in the near future (similar to the rate of global executives overall). German executives are also slightly more likely than their global peers to believe the climate crisis is of greater magnitude than that of COVID-19. German executives are a bit less confident in their own ability to lead through uncertainty and their organization’s ability to pivot in response to disruption – compared to their global peers.
## Prepared

- Like their global counterparts, German executives who took specific actions PRIOR to 2020 (or are in progress), seem to be better weathering the events of 2020 compared to their peers.
- German executives lag global executives in saying they've done well/very well at balancing short- and long-term priorities.

### % of CXOs who said their organizations are weathering the events of 2020 well/very well, as compared to their competitors/peers:

<table>
<thead>
<tr>
<th></th>
<th>Done prior to 2020 or in progress (Germany)</th>
<th>Planning to do in the next 5 years (Germany)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of CXOs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support remote working</td>
<td>62%</td>
<td>33%</td>
</tr>
<tr>
<td>Provide employees with flexible working options</td>
<td>50%</td>
<td>46%</td>
</tr>
<tr>
<td>Implement processes that enable the organization to easily redeploy workers to different roles</td>
<td>50%</td>
<td>37%</td>
</tr>
<tr>
<td>Have training or rotational programs to enable workers to reskill</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Diversify our supply chain across multiple vendors/partners</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>Diversify revenue streams</td>
<td>56%</td>
<td>33%</td>
</tr>
<tr>
<td>Enable organization to create new business models and market opportunities</td>
<td>59%</td>
<td>27%</td>
</tr>
</tbody>
</table>

### Key actions CXOs say their organizations have taken or plan to take

<table>
<thead>
<tr>
<th></th>
<th>Planning to do in the next 5 years (Global)</th>
<th>Done prior to 2020 or in progress (Global)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of CXOs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support remote working</td>
<td>68%</td>
<td>28%</td>
</tr>
<tr>
<td>Provide employees with flexible working options</td>
<td>65%</td>
<td>32%</td>
</tr>
<tr>
<td>Implement processes that enable the organization to easily redeploy workers to different roles</td>
<td>56%</td>
<td>35%</td>
</tr>
<tr>
<td>Have training or rotational programs to enable workers to reskill</td>
<td>56%</td>
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<td>54%</td>
<td>33%</td>
</tr>
<tr>
<td>Diversify revenue streams</td>
<td>51%</td>
<td>39%</td>
</tr>
<tr>
<td>Enable organization to create new business models and market opportunities</td>
<td>50%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### % of CXOs who said their organizations have done well/very well at balancing short- and long-term priorities:

- **46%** Germany
- **54%** Global
Given the events of 2020 and planning for the future, which of the following workforce traits have become most critical to your organization? (Select top 3)

<table>
<thead>
<tr>
<th>Trait</th>
<th>Germany</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility &amp; adaptability</td>
<td>61%</td>
<td>54%</td>
</tr>
<tr>
<td>Technological savvy</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>Courage to challenge the status quo</td>
<td>28%</td>
<td>37%</td>
</tr>
<tr>
<td>Critical thinking</td>
<td>28%</td>
<td>37%</td>
</tr>
<tr>
<td>Values that align with those of our organization</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Expertise &amp; proficiency in the roles for which employees were hired</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>Creativity</td>
<td>25%</td>
<td>28%</td>
</tr>
<tr>
<td>Curiosity &amp; growth mindset</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Empathy</td>
<td>16%</td>
<td>22%</td>
</tr>
<tr>
<td>Inclusiveness</td>
<td>10%</td>
<td>18%</td>
</tr>
</tbody>
</table>

% of CXOs—who said they have cultivated resilient cultures (well or very well) —indicating whether their organizations have implemented the following flexible workforce actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Germany</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement processes to easily redeploy workers when needed</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>Have training or rotational programs to reskill workers</td>
<td>52%</td>
<td>57%</td>
</tr>
<tr>
<td>Provide workers with flexible work options</td>
<td>51%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Adaptable

- Similar to the global response, flexibility/adaptability is the most sought-after workforce trait in Germany (even higher than the global average); courage to challenge the status quo and critical thinking also trend higher in Germany compared to the global average.
- Those who have cultivated resilient cultures also tend to support flexible workforces much more than those who have NOT cultivated resilient cultures. But providing flexible work options is not as relevant for German executives (compared to their global peers).
COLLABORATION WITHIN THE ORGANIZATION:

% of CXOs in Germany—who said their organizations have done well/very well weathering the events of 2020 compared to competitors/peers—indicating whether they’ve removed organizational silos:

- 54% Removed silos before 2020
- 33% Planning to remove silos in the next 5 years

Timeframe for having technology in place to enable remote work:

- 29% Already done prior to 2020
- 33% Already done in 2020 or in progress
- 42% Planning to do in the next 5 years

CXOs in Germany who said they had invested in technologies and systems that support remote working PRIOR TO 2020 and also said they could quickly adapt and pivot in response to disruption (79% Globally)

Remote work will likely be much more common post-pandemic than pre-pandemic globally.

% of workforce who worked or are expected to work remotely:

- 14% Before the start of COVID-19 and ensuing lockdowns
- 54% At the height of pandemic-related lockdowns
- 28% Once the pandemic and lockdowns have ended

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Collaborative

- German organizations that removed silos before or during 2020 have done better weathering the events of 2020 than their peers who have yet to do so.
- More German organizations had put remote work technology in place prior to 2020; 81% of those who ALREADY did invest in these technologies BEFORE 2020 indicated they were able to quickly adapt and pivot in response to disruption.
- Once the pandemic and lockdowns end, German CXOs expect a similar percentage of their workforce to remain remote compared to global executives.

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Trustworthy

- German executives lag their global peers for most of the trust metrics – most notably providing adequate mental health resources and keeping customers safe.
- Digital trust metrics also lag in Germany compared to the overall global average.

PHYSICAL AND EMOTIONAL TRUST:

% of CXOs who said their organizations have done well/very well in the following areas in 2020:

- Keeping employees physically safe: 71% in Germany, 76% globally
- Maintaining trust between leadership and employees: 65% in Germany, 65% globally
- Keeping customers physically safe: 63% in Germany, 73% globally
- Maintaining employee morale: 59% in Germany, 63% globally
- Providing adequate mental health resources: 45% in Germany, 59% globally

CXOs in Germany who believed they had kept their employees and customers safe and also said their organizations had done well/very well weathering the events of 2020 (65% globally)

DIGITAL TRUST:

% of CXOs who said their organizations have done well/very well in the following areas in 2020:

- Providing cyber threat detection, remediation, and prevention: 38% in Germany, 54% globally
- Implementing technology solutions with ethical principles in mind: 49% in Germany, 54% globally

CXOs in Germany who said their organizations had done well/very well providing cyber threat detection, remediation, and prevention and also said their organizations had done well/very well weathering the events of 2020 (69% globally)

CXOs in Germany who said their organizations had done well/very well implementing ethical technologies and also agreed somewhat/ completely that they adapted and pivoted well in response to disruptive events of the past year (78% globally)
Respondable

- German CXOs are behind the global executive average in the areas of diversity and inclusion (by nearly 10 points in each measure). They also rated themselves lower than global peers in honoring commitments to society and the environment.
- German executives also indicate lower scores for authenticity metrics (particularly for ESG transparency).

Supporting Employees:
CXOs in Germany who said their organizations had done well/very well creating inclusive cultures and also said their organizations had done well/very well creating agile cultures (76% globally) 66%

CXOs in Germany who said they believed their organizations had done well/very well employing a diverse workforce and also said their organizations had done well/very well creating agile cultures (73% globally) 64%

Supporting Society:

CXOs rated how well their organizations have done honoring societal commitments:

Germany Results:
- 1 (Not well at all) 4%
- 2 12%
- 3 33%
- 4 (We did okay) 30%
- 5 (Very well) 14%

Global Results:
- 1 (Not well at all) 2%
- 2 7%
- 3 28%
- 4 (We did okay) 32%
- 5 (Very well) 29%

CXOs rated how well their organizations have done honoring environmental commitments:

Germany Results:
- 1 (Not well at all) 0%
- 2 8%
- 3 33%
- 4 (We did okay) 39%
- 5 (Very well) 16%

Global Results:
- 1 (Not well at all) 1%
- 2 8%
- 3 31%
- 4 (We did okay) 35%
- 5 (Very well) 24%

Demonstrating Authenticity:

% of CXOs—who said their organizations are cultivating resilient cultures—indicating whether they excel (do well/very well) in the following authenticity areas:

- We have a reputation for valuing employees 75%
- DO NOT have a reputation for valuing employees 4%
- We have done well demonstrating a commitment to transparent ESG 69%
- HAVE NOT done well demonstrating a commitment to transparent ESG 7%
- We have a reputation for helping the community 78%
- DO NOT have a reputation for helping the community 3%

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CXOs’ perceptions of top societal issues

- While climate change was the top issue for global executives, it is even MORE critical for German executives. They are less concerned about health care/disease prevention than the global average.
- German executives tend to be on par with their global peers in terms of progress for most of the activities related to environmental-sustainability efforts and efforts to alleviate systemic bias.

**Which of the following societal issues do you believe will be the most critical for business to tackle over the next decade? (Select top 3)**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Germany</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change &amp; environmental sustainability</td>
<td>63%</td>
<td>47%</td>
</tr>
<tr>
<td>Gaps in education, skills and training</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Income inequality &amp; distribution of wealth</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>Resource scarcity</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Health care issues &amp; disease prevention</td>
<td>30%</td>
<td>42%</td>
</tr>
<tr>
<td>Immigration &amp; displaced populations</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Supply chain issues</td>
<td>16%</td>
<td>28%</td>
</tr>
<tr>
<td>Systemic bias and inequality</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Food insecurity/hunger</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Sexual harassment</td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Top-five actions organizations in Germany have already done or are currently doing as part of their current environmental sustainability efforts:**

<table>
<thead>
<tr>
<th>Action</th>
<th>Germany</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design products or services in more sustainable ways</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Train employees to be more environmentally sustainable</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Have a plan in place to reduce employee air travel after pandemic is over</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>Address environmental sustainability at one or more board meetings during the year</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Encourage or require partners to meet sustainability criteria</td>
<td>29%</td>
<td>28%</td>
</tr>
</tbody>
</table>

**Top-five actions organizations in Germany have already done or are currently doing as part of their efforts to alleviate systemic bias and inequalities within their organizations or beyond:**

<table>
<thead>
<tr>
<th>Action</th>
<th>Germany</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Require our employees and leadership to take ongoing trainings or educational sessions related to diversity and systemic bias</td>
<td>42%</td>
<td>38%</td>
</tr>
<tr>
<td>Fire employees for racist comments or actions</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Put in place specific hiring and retention goals to become a more diverse organization</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Drop business partners and suppliers for racist comments or actions</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Drop clients for racist comments or actions</td>
<td>33%</td>
<td>32%</td>
</tr>
</tbody>
</table>
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