

Success personified in the Fourth Industrial Revolution: Where do Mexican executives stand?



Deloitte 2019 Industry 4.0 Readiness Survey

January 2019

Introduction

Deloitte Global's second-annual Readiness study sought to assess business and government readiness for the Fourth Industrial Revolution, also known as Industry 4.0.

The global study found that, a year further along in their Industry 4.0 journey, leaders are more knowledgeable about the effects Industry 4.0 is having on their businesses, their industries, and the world around them. This year's survey of 2,000 C-suite executives across 19 countries aimed to uncover how leaders are taking action to address this new, deeper level of knowledge, where they are making the most progress, and what sets the most effective leaders apart.

About Mexico:

- 125 respondents
- Mexican executives stand out from their global counterparts in a few key ways:
 - the emphasis they place on societal impact when evaluating their organization's performance
 - their confidence in their abilities to build workforces for their future
- Yet compared with executives around the globe, Mexican leaders are less likely to agree that social initiatives contribute to their profitability, less likely to have robust decision-making processes, less concerned with ethical use of technology, more inclined to invest in technology to *protect* their business rather than *disrupt* the market, and are less likely to plan to train their employees for Industry 4.0

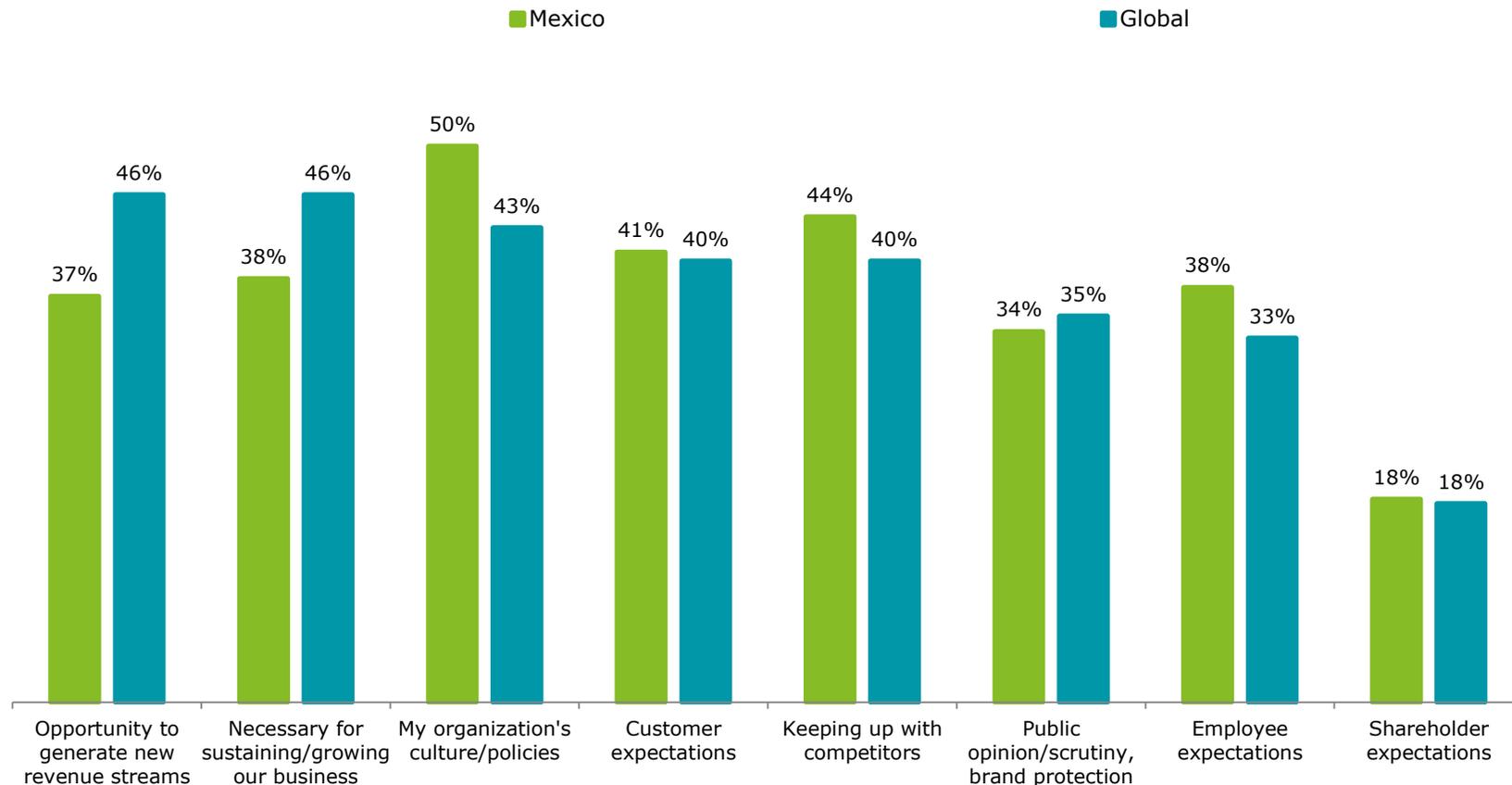
Social impact—Organizational success driven by societal impact; culture, rather than revenue, motivates societal initiatives

- **Mexican executives are much more likely to indicate that societal impact is the most important factor to evaluate their organization’s annual performance (Mexico 46 percent, global 34 percent).**
- **When it comes to what motivates them to undertake initiatives that have a positive social impact, Mexican leaders are more likely to cite their organization’s culture and policies (Mexico 50 percent, global 43 percent). They’re less likely to say generating new revenue streams is a motivator (Mexico 37 percent, global 46 percent).**

Which of the following are the most important factors your organization uses to measure success when evaluating its annual performance?
(% Ranked First)

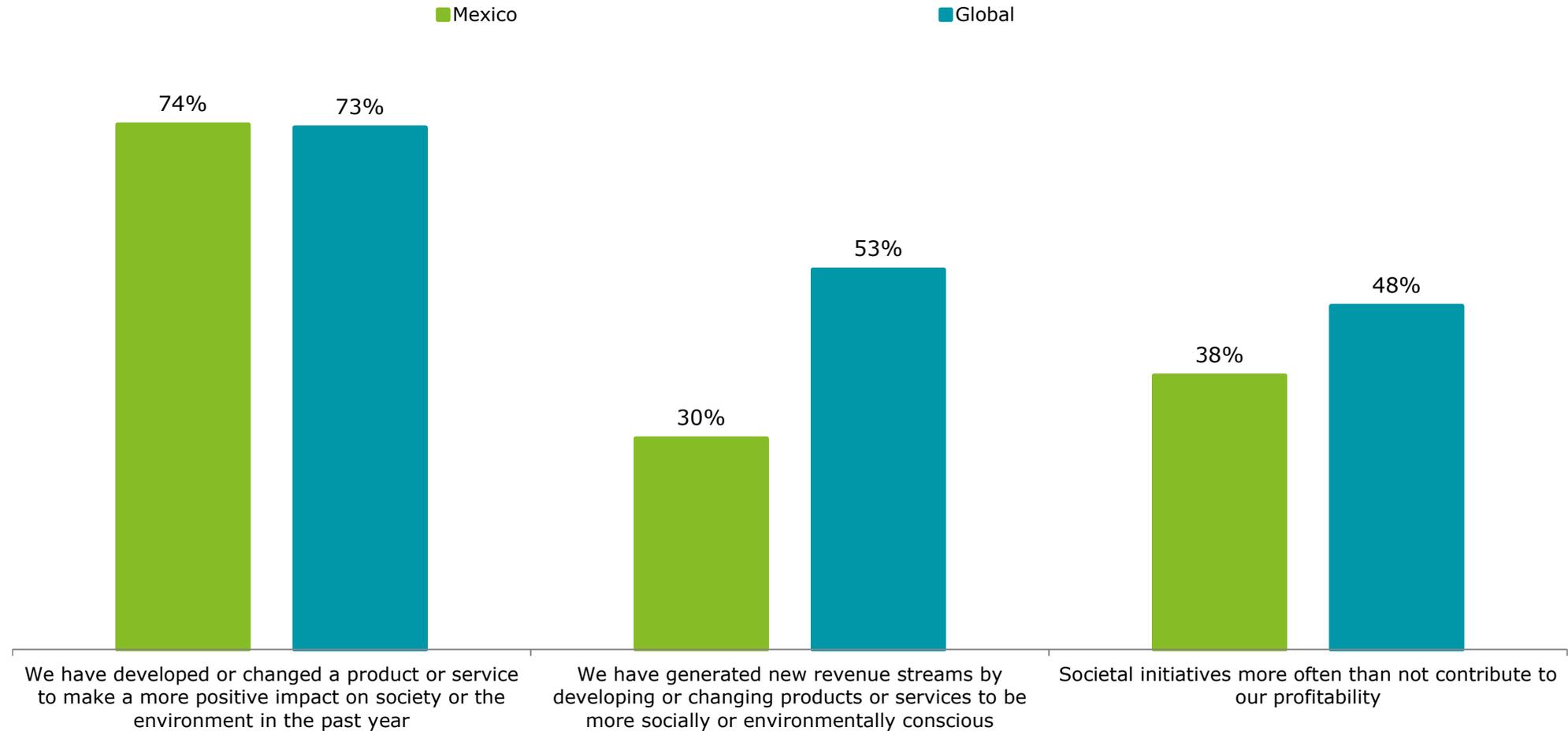


What, in your view, motivates your organization to undertake initiatives it hopes will have a positive social impact? (Select top 3)



Social impact—struggle to make profit from socially-driven changes

- **Mexican leaders say their organizations have developed a product or service to have a positive impact on society just as often as their global counterparts (Mexico 74 percent, global 73 percent). But, they are not achieving the same business benefits as a result: just 30 percent have generated new revenue streams from these changes – the second fewest of any country – compared to 53 percent globally, and only 38 percent agree that their societal initiatives more often than not contribute to their profitability (versus 48 percent globally).**



Percentage who agree with each statement.

Strategy—Unstructured decision-making processes

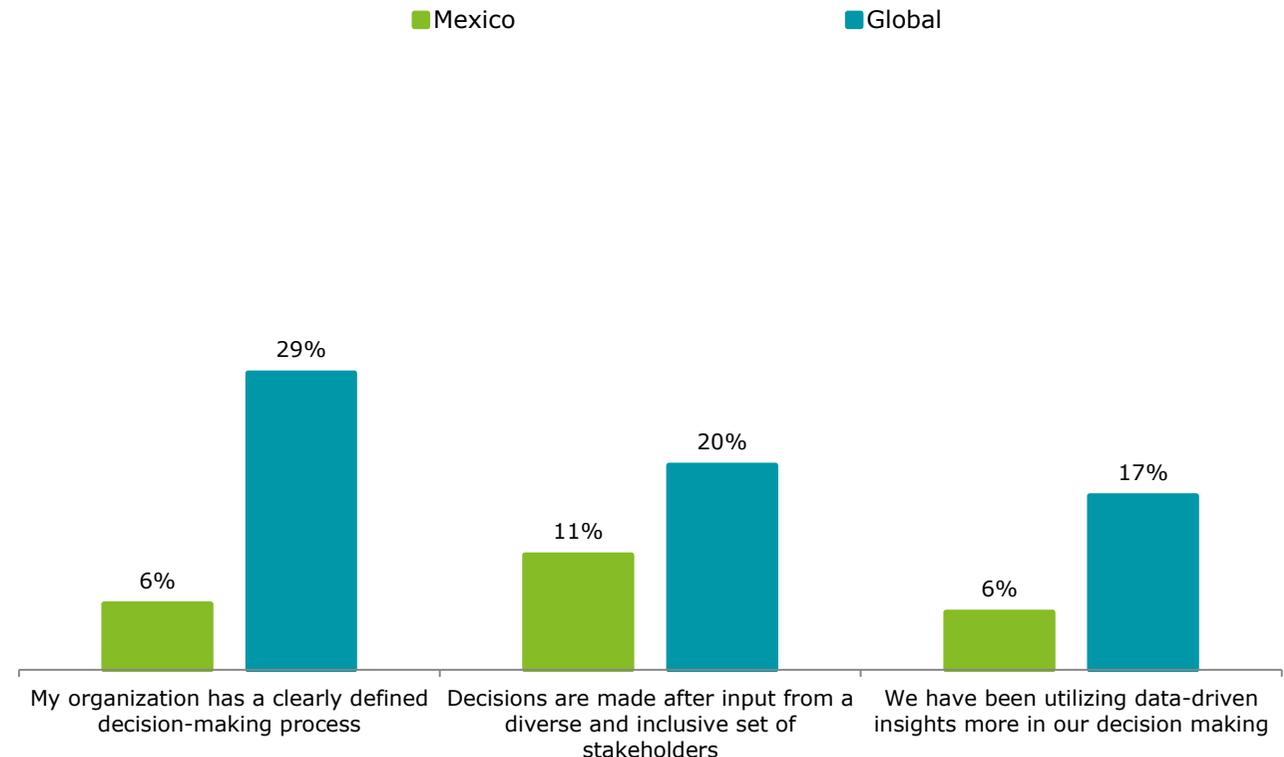
- **Mexican executives are slightly more likely than their global counterparts to believe they have permission from their leadership to fail and learn in the context of innovation (Mexico 74 percent, global 69 percent).**
- **Only 6 percent of Mexican leaders indicate their organization has a clearly defined decision-making process, compared to 29 percent globally. Executives in Mexico are also less likely to make decisions after input from a diverse and inclusive set of stakeholders (Mexico 11 percent, global 20 percent) or use data-driven insights to guide their decisions (Mexico 6 percent, global 17 percent).**

Which statement best represents your personal views?



- In general, I believe I have permission from my leadership to fail and learn in the context of innovation
- I rarely believe I have permission from my leadership to fail even in the context of innovation

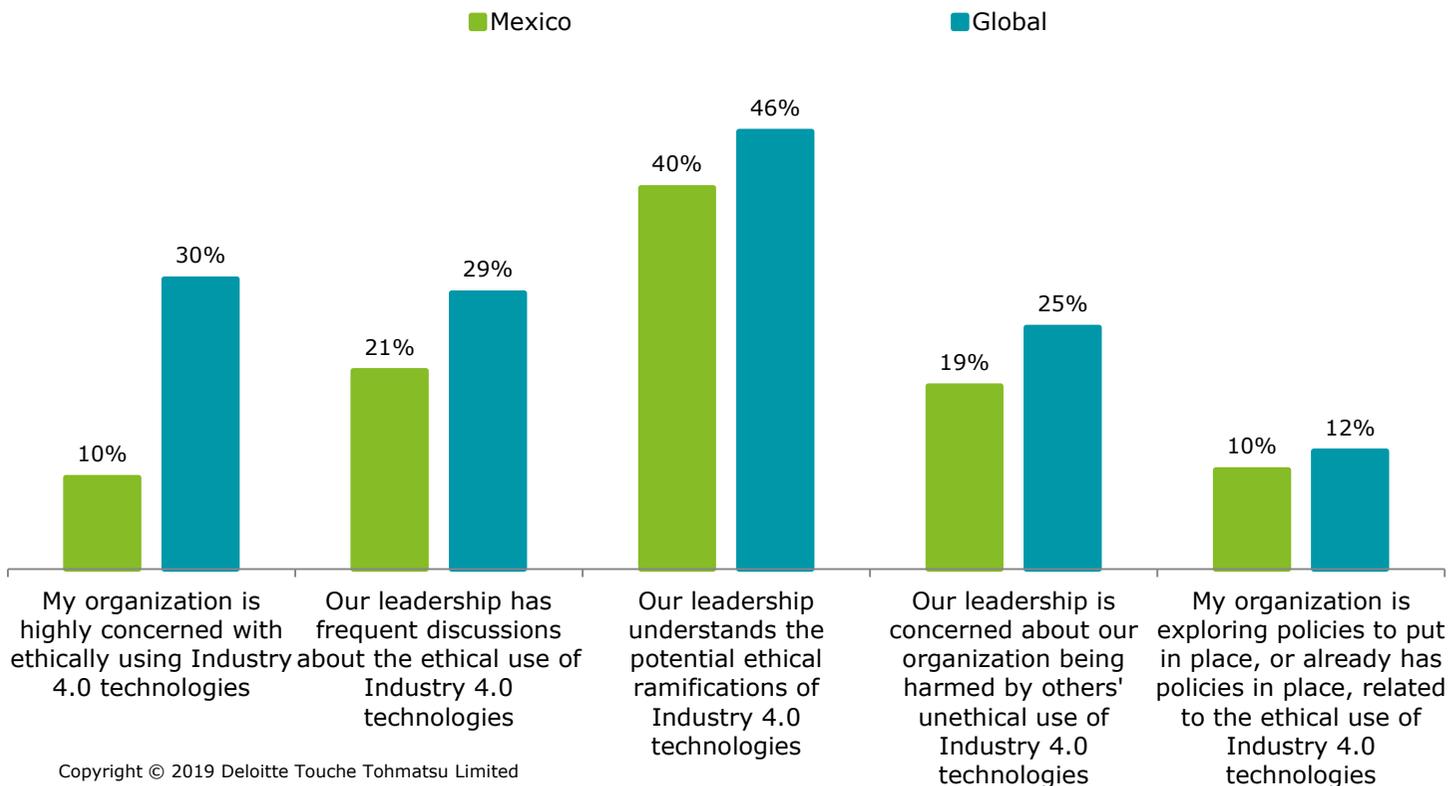
To what extent do you agree with the following statements regarding how major strategic decisions related to Industry 4.0 are made in your organization?
(% Completely Agree)



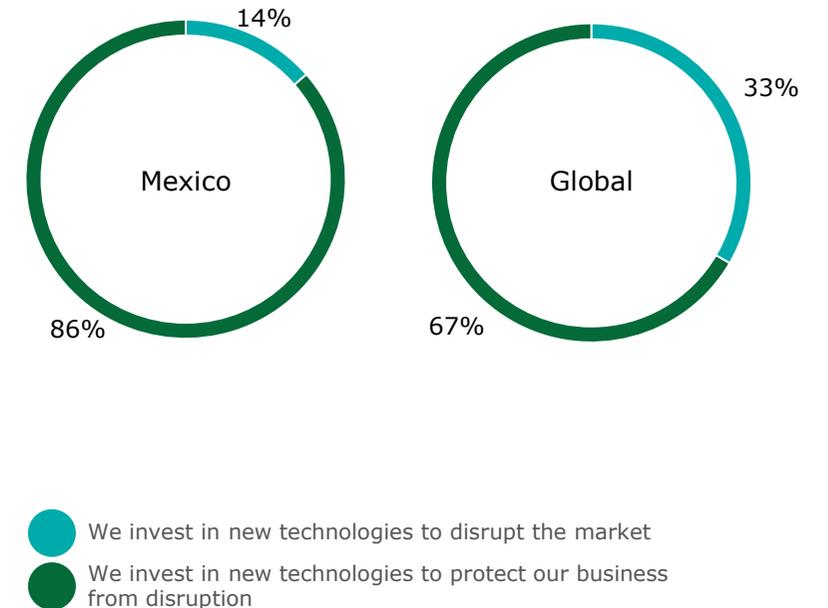
Technology—less concerned with the ethical use of Industry 4.0 technologies; investing in technology to play defense

- **Just 10 percent of Mexican leaders indicate their organization is highly concerned with ethically using Industry 4.0 technologies, compared to 30 percent globally. They are also less inclined to say their leadership understands the potential ethical ramifications of these technologies (Mexico 40 percent, global 46 percent) and frequently discusses their ethical usage (Mexico 21 percent, global 29 percent).**
- **Only 14 percent of Mexican executives say their organization invests in new technologies to disrupt the market, compared to 33 percent across the globe.**

To what extent do you agree with the following statements with regard to the ethical use of technology?
 (% Completely Agree)

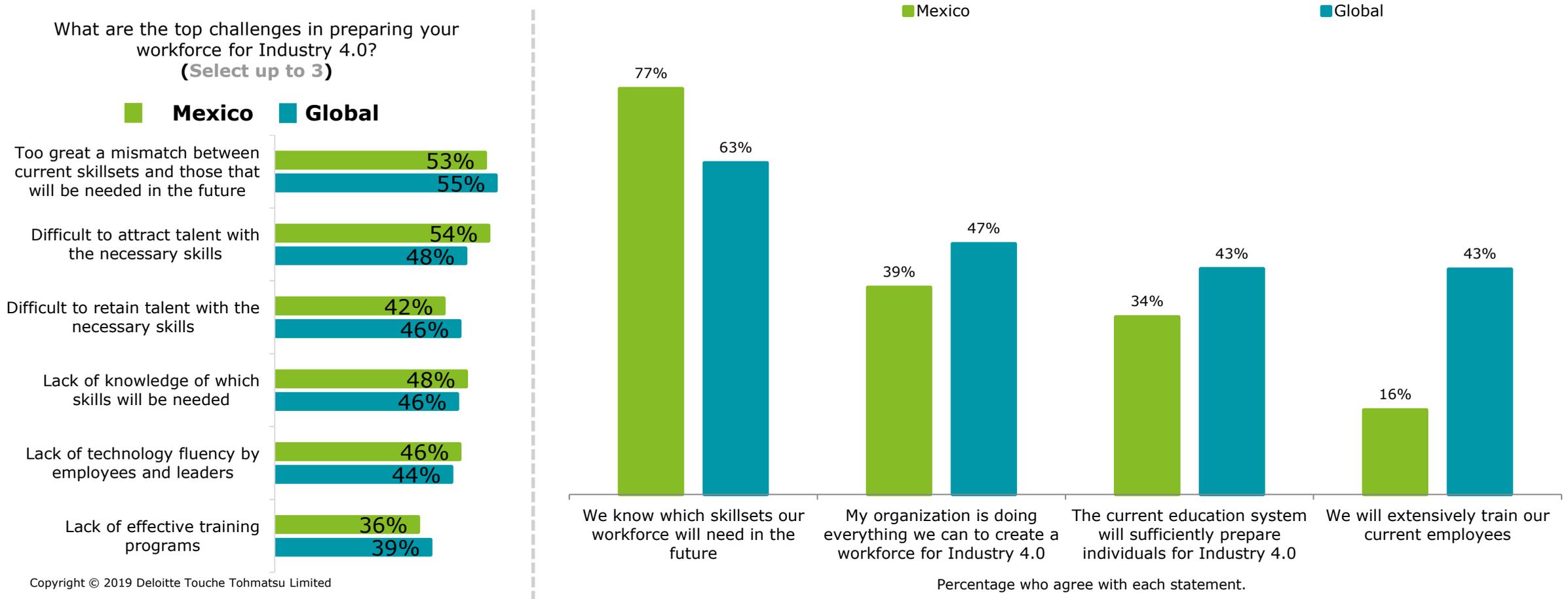


Which statement best represents your personal views about your organization's Industry 4.0 technology investments?



Talent—Confident in what skills will be needed; but not committed to training

- **When it comes to preparing their workforce for Industry 4.0, Mexican executives are having more difficulty attracting talent with the necessary skills (Mexico 54 percent, global 48 percent), and are finding a mismatch between current and needed skillsets as often as their global counterparts (Mexico 53 percent, global 55 percent).**
- **Mexican executives are more confident that they understand which skillsets their workforce will need in the future (Mexico 77 percent, global 63 percent), but just 16 percent say they will extensively train their current employees, compared to 43 percent globally. Fewer Mexican executives believe their organization is doing all it can to create a workforce for Industry 4.0 (Mexico 39 percent, global 47 percent).**





Methodology

This research is based on a survey of 2,042 global executives—125 of whom were based in Mexico—conducted by Forbes Insights from June to August of 2018. Survey respondents represented 19 countries from the Americas, Asia, and Europe and came from all major industry sectors. All survey respondents were C-level executives, including CEOs/presidents (11%), with the rest evenly divided among COOs, CFOs, CMOs, CIOs, CTOs, CHROs, Chief Digital Officers, and Chief Sustainability Officers. All executives represented companies with revenue of US\$1 billion or more, with more than half (50%) coming from companies with more than US\$5 billion in revenue.

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