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Save-to-thrive

Sector findings across 378 European respondents

Covid-19 is driving more companies to pursue cost reduction...

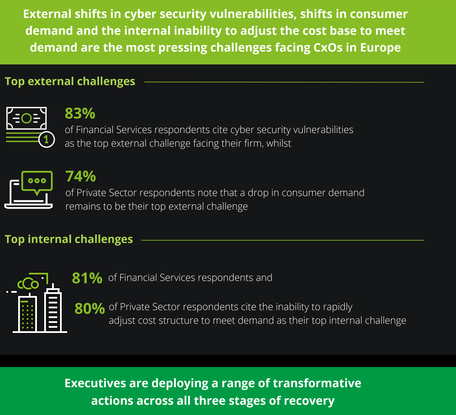
Positive revenue growth outlook is down by 45 and 46 percentage points across the European Financial Services and Private sectors respectively

Respondents for Private Sector

- **106** Consumer
- **74** Energy, Resources & Industrials
- **47** Life Sciences and Healthcare
- **58** Technology, Media & Telecommunications

Respondents for Financial Services

- **39** Banking
- **20** Insurance - General
- **11** Insurance - Life and Annuity
- **23** Capital Markets



External shifts in cyber security vulnerabilities, shifts in consumer demand and the internal inability to adjust the cost base to meet demand are the most pressing challenges facing CxOs in Europe

Top external challenges

83% of Financial Services respondents cite cyber security vulnerabilities as the top external challenge facing their firm, whilst

74% of Private Sector respondents note that a drop in consumer demand remains to be their top external challenge

Top internal challenges

81% of Financial Services respondents and

80% of Private Sector respondents cite the inability to rapidly adjust cost structure to meet demand as their top internal challenge

Executives are deploying a range of transformative actions across all three stages of recovery

European Private Sector		European Financial Services
Respond		
Automation **65%**		**62%** Automation
Business rationalisation through M&A or divestments **62%**		**55%** Business rationalisation through M&A or divestments
Transform supply chain **61%**		**55%** Transform supply chain
Recover		
Automation **67%**		**71%** Automation
Labour & non-labour cost reduction **60%**		**59%** Labour & non-labour cost reduction
Business rationalisation through M&A or divestments **59%**		**56%** Business rationalisation through M&A or divestments
Thrive		
Automation **69%**		**63%** Automation
Business rationalisation through M&A or divestments **60%**		**56%** Transform business process
Transform supply chain **59%**		**55%** Labor & non-labour cost reduction

Top Operating Model priorities across Europe

IT infrastructure and digital channels are key, and remote work will remain popular now that the COVID-19 crisis has proven its viability.

- **Enable remote work**
- **Enhance IT infrastructure**
- **Enable pre-sale, sale and post-sale activities through digital channels**
- **Simplify the organisation structure**
- **Liquidity or credit to ensure business continuity**

Revenue sources will be fundamentally different in the new normal

Financial Services

- **Digital channels** are expected to **grow 74% more** than Physical channels
- **New products and services** are expected to **grow 17% more** than Existing pre-COVID offerings
- **Domestic operations** are expected to **grow 13% more** than International Operations

Private Services

- **Digital channels** are expected to **grow 62% more** than physical channels
- **New products and services** are expected to **grow 12% more** than Existing pre-COVID offerings
- **Domestic operations** are expected to **grow 32% more** than International Operations

Reach out to learn more or visit
https://www2.deloitte.com/uk/en/pages/operations/articles/global-cost-survey-save-to-thrive.html

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