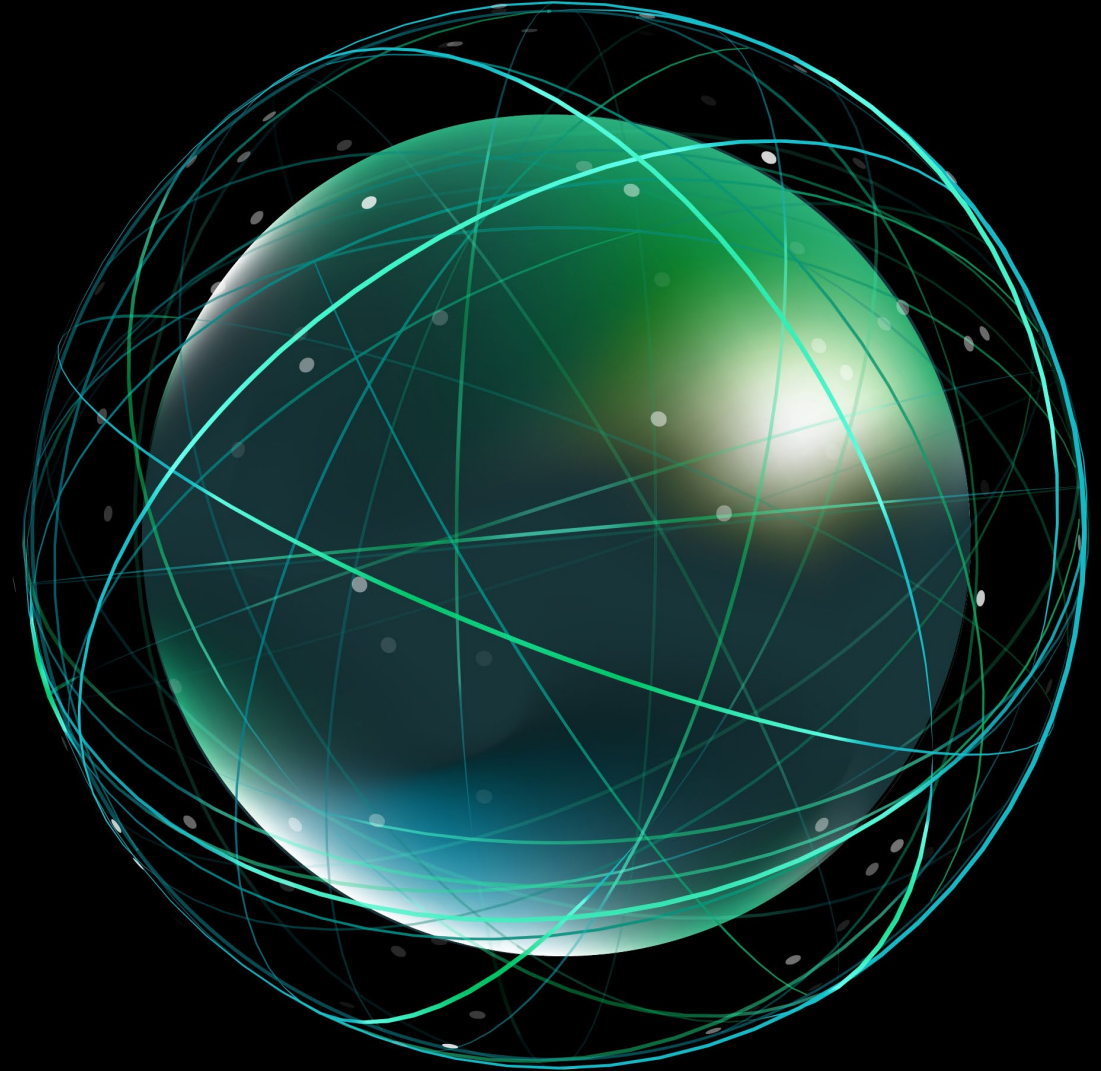


Monitor
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2024 Chief Strategy Officer (CSO) Survey

As the world faces heightened uncertainty, CSOs are optimistic, resilient, and evolving

August 2024



Chief strategy officers are optimistic, resilient, and evolving

Over the last year, uncertainty has been all over the news, with global markets sending mixed and occasionally confusing signals. These signals speak to the challenges facing strategy and business leaders today—how to create advantage and capture value in a landscape characterized by **disruptive technologies, geopolitical and economic uncertainty, changing consumer and stakeholder expectations, and complex policies and regulations** around sustainability, tech, and data. In this environment, we conducted our fifth annual global survey of chief strategy officers (CSOs).

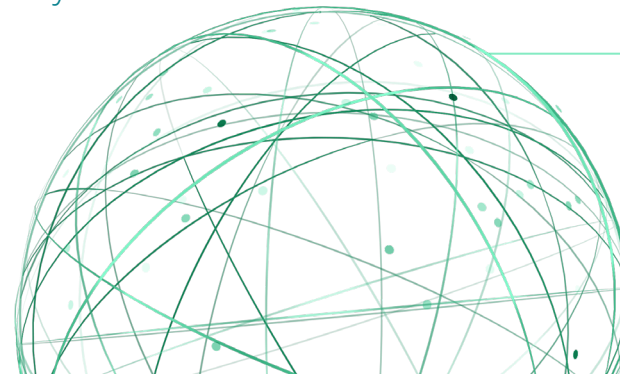
CSOs offer unique perspectives that can resonate across businesses and industries. Often reporting directly to the CEO, CSOs advise on special projects, collaborate cross-functionally on high-impact decisions, lead corporate development, keep a pulse on markets, and are increasingly responsible for executing strategies.

In this year's survey, we set out not only to **pulse strategy leaders on their outlooks, growth agendas, and focus areas** but also to **better understand how they are adapting their approaches to strategy** in the face of these pressures. In a recent Monitor Deloitte report, "**Strategy Now,**" we explored how strategy is changing and outlined the new options, challenges, and opportunities for strategy leaders. That report suggests strategy should be *resilient, agile, inclusive, and bold* to better match the challenges businesses face today. We wanted to explore this assertion in this year's survey data.

Strategy should be resilient, agile, inclusive, and bold to better match the challenges businesses face today.

Here's what we found: CSOs surveyed offered **optimism, resilience, and a commitment to evolution**.

- **Optimistic outlook:** Despite economic and geopolitical instability, most CSOs are optimistic that their organizations will successfully navigate the year ahead, a sentiment that may be indicative of planning for new capabilities, such as artificial intelligence (AI).
- **Drastic shifts in investment areas:** CSOs are investing in emerging areas, including AI and ecosystems, for competitive advantage. A lag in activation may be representative of the early stages these areas are in, which presents an opportunity for CSOs to take an active role.
- **Evolving ways of approaching strategy:** CSOs report increased confidence in their core strategic initiatives, a shift that could be related to changes in shaping, executing, and collaborating on strategy, consistent with traits outlined in "Strategy Now."
- **Obstacles to overcome:** CSOs report facing real challenges as they navigate these forces and the evolution of their function, including managing across time horizons, talent shortages, and competing strategic priorities.



Read on for more highlights from the most recent global Chief Strategy Officer Survey.

What's inside

The outlook and priorities of CSOs in 2024

CSOs face geopolitical and economic uncertainty but remain optimistic about their organizational performance.

Current investment areas and the CSO engagement gap

Investment priorities are changing but do not always align with CSOs' roles and engagement, which is unexpected given the importance of their leadership on topics related to competitive advantage and growth.

Embracing new approaches to strategy

CSOs surveyed report new ways of leading strategy, consistent with the perspective in "Strategy Now," and signaling their shift toward a more resilient, agile, inclusive, and bold approach to strategy execution.

What comes next for CSOs

Time, talent, and conflicting priorities pose challenges for CSOs and organizations in achieving their strategic priorities. The "Strategy Now" principles may help manage these challenges, and specific questions are offered to help guide CSOs and strategy leaders.

Authors

Survey methodology and acknowledgements

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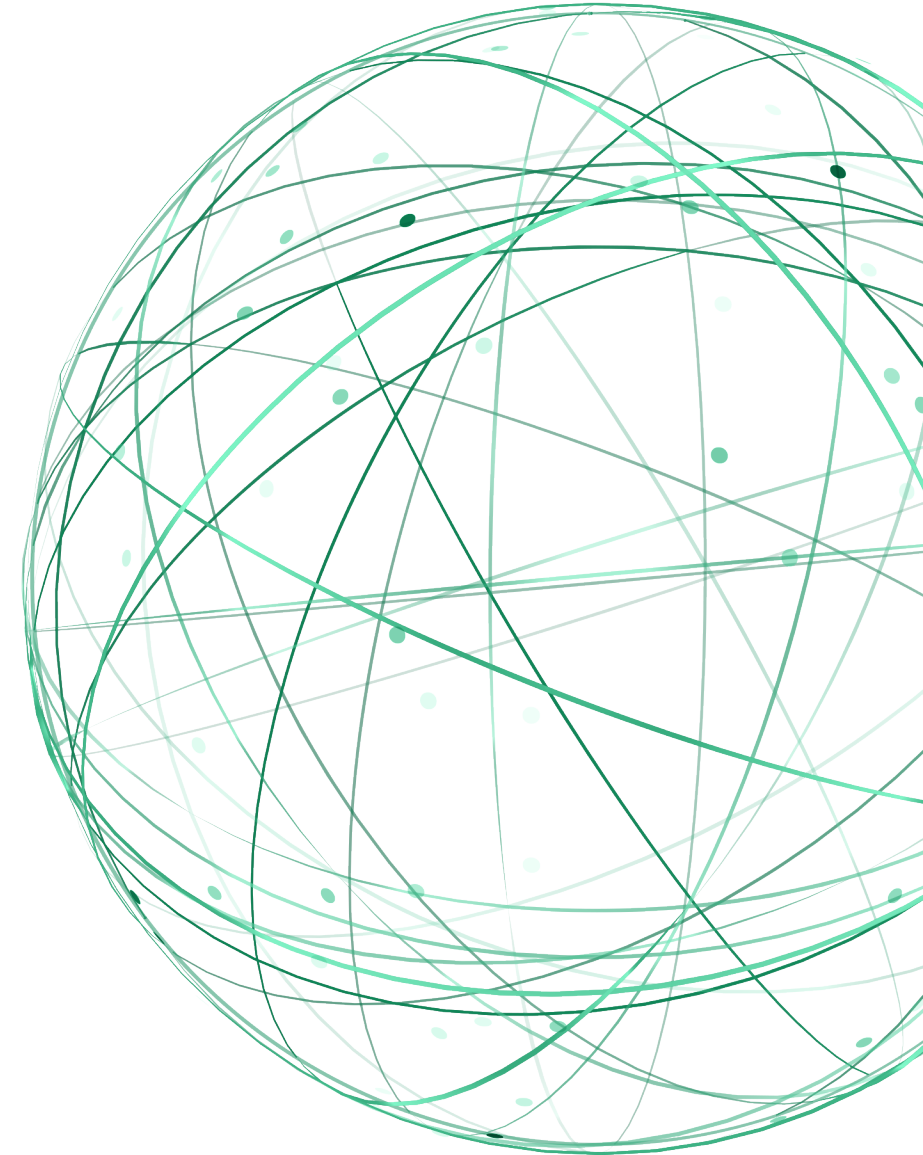
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Outlook and priorities

Despite broad pessimism and uncertainty, CSOs surveyed are optimistic that their organizations will successfully navigate the year ahead

In 2024, strategy leaders are...

Positive about their organization's potential despite real pessimism about business conditions:



Organizational outlook

64%

reported being **optimistic** about their **organization's performance** in the next 12 months.



Economic outlook

11%

reported being **optimistic** about the **global economy** in the next 12 months.

Navigating uncertainty, focusing on core growth, and quickening their pace:

Top **external issues** that may disrupt their business strategy in the next 12 months

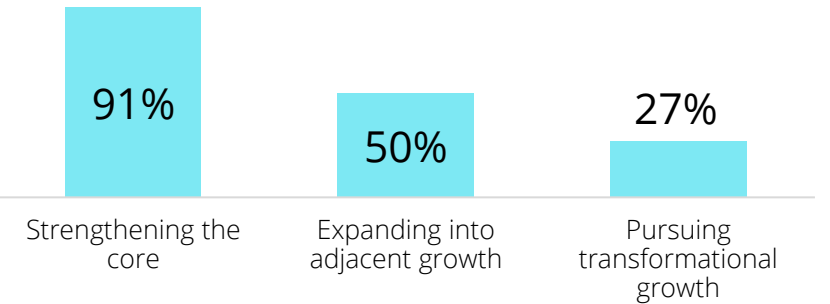
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Geopolitical instability

2

Financial market uncertainty

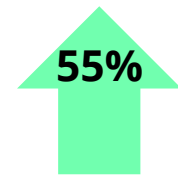
Most respondents are focused on **core growth**, indicating a relatively balanced portfolio



Facing pressure to **accelerate** the pace of strategy development and execution



of respondents say the strategy development **timeline** is shrinking.

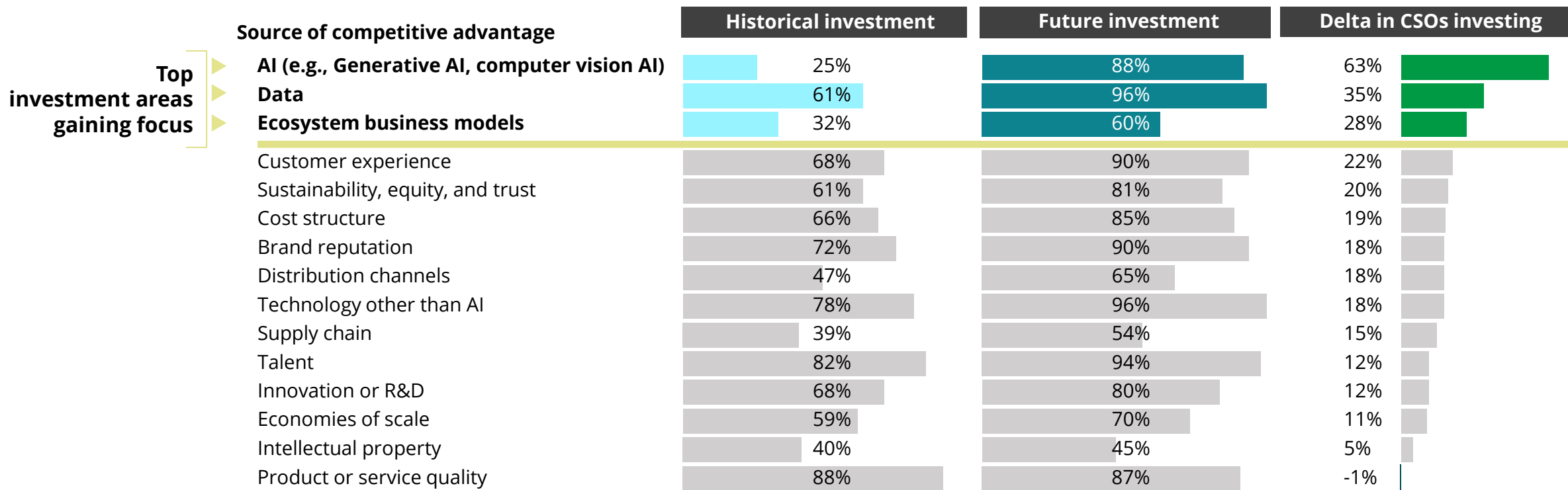


of respondents say strategy refresh **frequency** is increasing.

For CSOs surveyed, organizational performance in the next year revolves around managing geopolitical and financial risks—risks that are perceived to be substantial given general pessimism about the global economy and industrywide trends. To manage these risks, CSOs are focusing on core business growth.

Investments and the engagement gap

Drastic shifts are happening in the percentage of respondents investing in new areas—including AI, data, and ecosystems—to drive future growth and performance



Potential reasons for the focus on AI and ecosystems

AI: Driving efficiency and productivity

CSOs surveyed were overwhelmingly aligned on the organizational benefits they anticipate for their AI efforts: 80% indicated **efficiency and productivity** as a leading benefit, with top use cases of **automation, optimization, and customer service**.

Ecosystems: Driving growth, innovation, and new business models

No single benefit stood out for CSOs surveyed on the topic of ecosystems, but benefits tended to be focused on growth, with top use cases centering on improving **customer experience**, creating **new business models**, accessing **new customers and markets**, and facilitating **innovation and product development**.

Investments and the engagement gap

However, CSOs are not as involved in activating these efforts as expected

CSOs surveyed reported they are often not the one setting direction on issues at the top of the strategy agenda, suggesting a gap in alignment/leadership:



AI engagement gap

Only **28%**

reported playing a “lead role” in AI strategy development despite a 63-percentage-point increase in CSOs investing in AI.



Ecosystem engagement gap

Only **26%**

reported ecosystem strategy as a priority for them despite there being a 29-percentage-point increase in expected investment.

The survey results identified a discrepancy between priority investment areas and the involvement of CSOs. Given the CSOs’ critical role in detecting industry shifts and spearheading special projects, it is surprising that they are not more actively engaged in leading and shaping strategic investments:

Over half (54%) of CSOs surveyed reported playing a supporting (as opposed to lead) role in shaping AI strategy. Some of this may be due to early trials with AI being driven by tech leaders as Generative AI emerged and companies tried to quickly understand the hype.

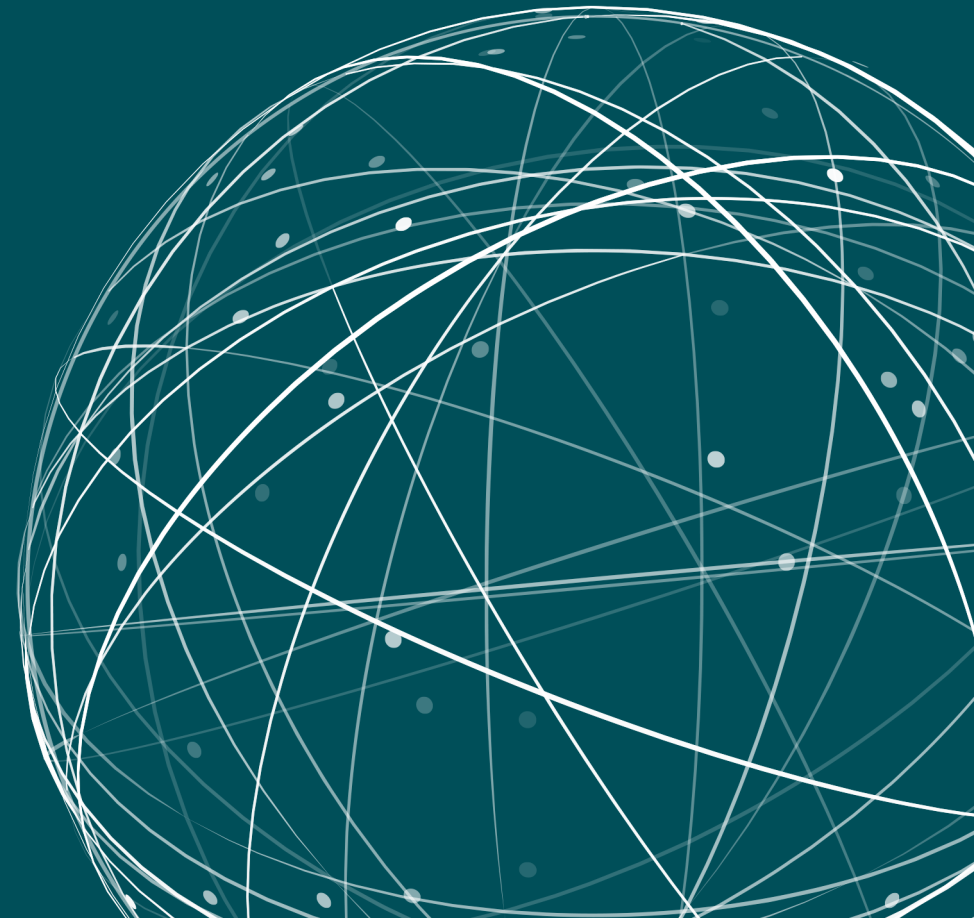
Likewise, **ecosystem strategy—an organization’s ability to work collaboratively within or across industries**—has been an emerging priority for organizations for some time. However, of the CSOs surveyed, **31% indicated they have had no role** in their company’s ecosystem strategy.

There are many reasons strategic investments may not align with where strategy leaders are focusing in the context of a specific company, but it is essential that CSOs are at the table for decisions in such important areas and this should be an intentional choice.

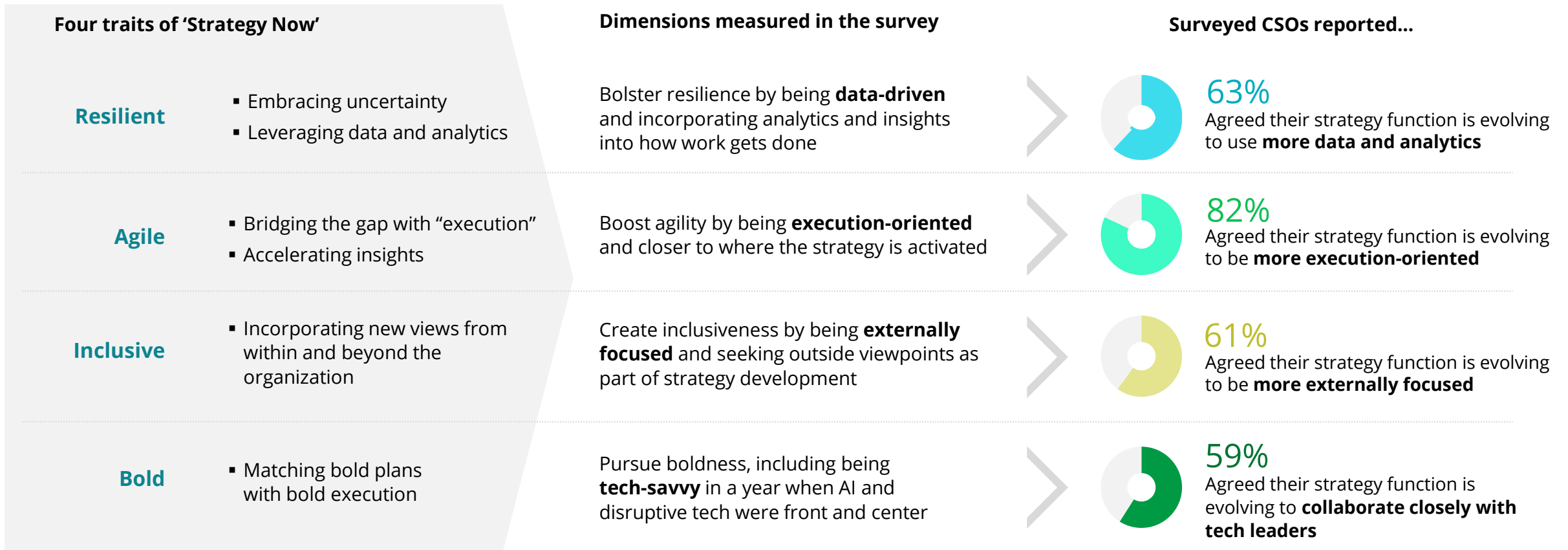
Adopting the traits of 'Strategy Now' may increase confidence in growth outlook and a CSO's ability to shape key strategic priorities



Want to learn more about the evolution of strategy?
Check out Deloitte's perspective on "[Strategy Now.](#)"



CSOs surveyed are evolving how they approach strategy, consistent with traits of 'Strategy Now'

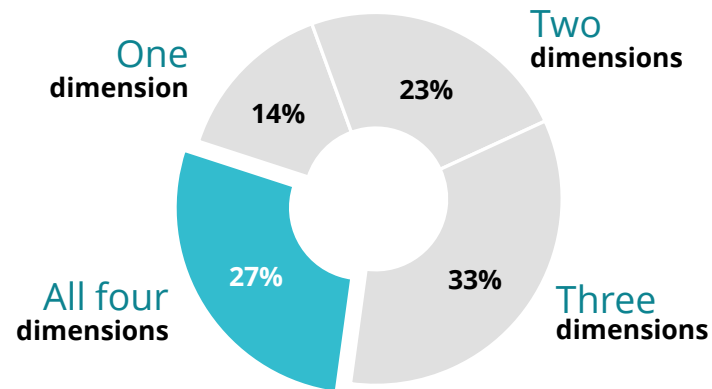


While this year's survey did not set out to directly test "Strategy Now," it was an opportunity to find evidence of the evolution of strategy in the market. Based on responses to the above questions, the traits of "Strategy Now" appear to reflect the experiences of strategy leaders worldwide. Well over half the respondents agreed their function was evolving to be more in line with each dimension.

New approaches to strategy

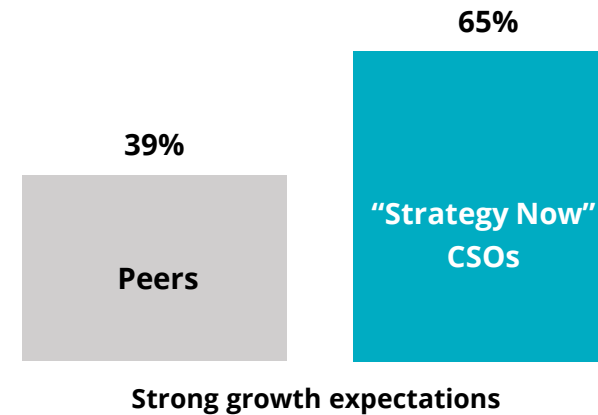
Adoption of more aspects of 'Strategy Now' appears linked to CSO confidence and optimism in the growth of their organizations

27% of CSOs are activating all four dimensions: the "Strategy Now" cohort.



Count of "Strategy Now" dimensions reported by each CSO as a % of total respondents. Does not add to 100% based on rounding and other respondents (<3%).

This "Strategy Now" cohort is far more confident in strong growth in the next year than its peers.



Does not add to 100% as it shows relative % of each cohort reporting "strong growth expectations"

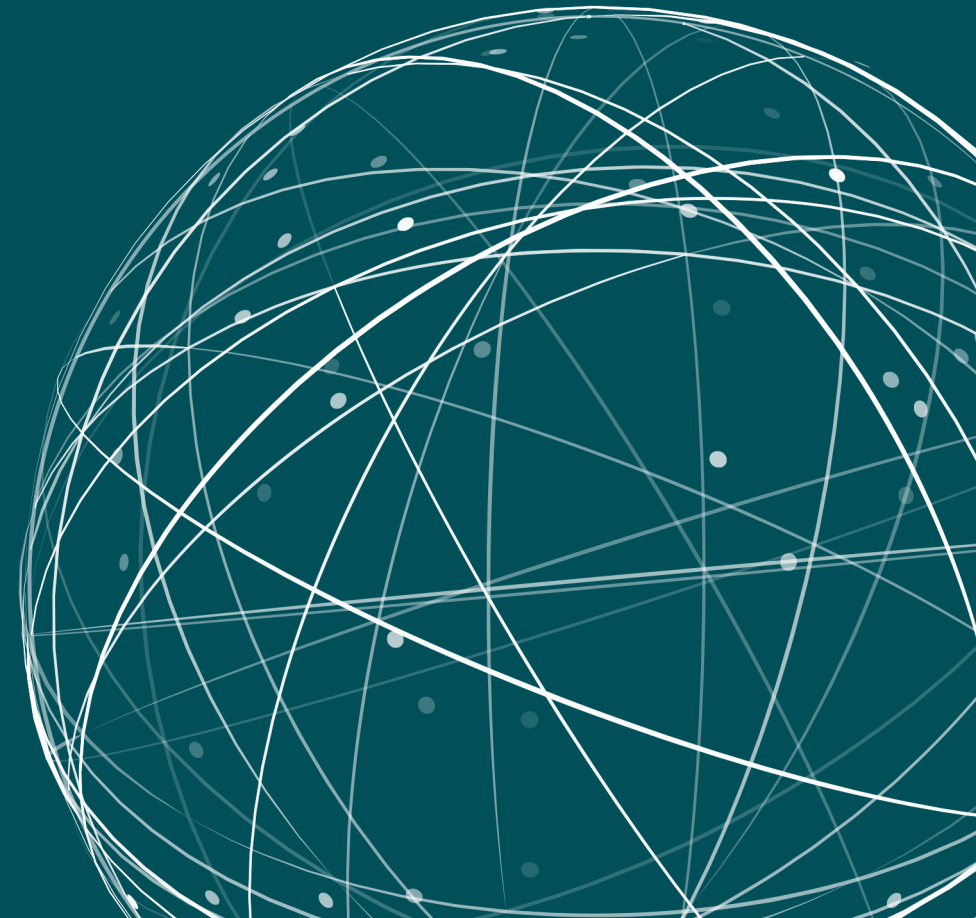
CSOs surveyed who are collectively more data-driven, execution-oriented, externally focused, and tech-savvy have an apparent confidence. Their optimism resounds in a year marked by uncertainty and change.

What comes next

CSOs and their strategy teams hold a unique vantage point for stewarding their organizations through today's uncertain times. Their cross-functional mindset and natural inclination to growth enables them to remain optimistic despite market and geopolitical uncertainty and volatility.

However, CSOs are not immune to these trends. While they are optimistic about their outlook, they identified real challenges on time, talent, and priorities that could hinder their ability to close the "engagement gap" and achieve their ambitions more broadly and that reinforce the need to continuously evolve their role.

The principles of "Strategy Now" can provide a framework and set of guidelines to help CSOs think about how they adapt.



What comes next

Time, talent, and competing priorities are three of the biggest challenges facing CSOs this year



Balancing time horizons

Only ~10%

say they are **spending enough time** on long-term market sensing—meaning ~90% were not spending enough time—despite 68% noting that this is one of the role's core responsibilities.

Organizations look to CSOs to support execution while advising on potential disruption.

CSOs may need to find a way to manage the tension between the near and long term.



Talent constraints

51%

cite **talent and labor shortages** as a key issue expected to disrupt or influence their strategies. Likewise, **strategy functions decreased in size** for the first time since 2021.

Organizations ask more of their CSOs and on a faster timeline, but CSOs have constraints.

CSOs may need to find a way to experiment with new approaches, despite the challenge.



Competing priorities

#1 Barrier

CSOs surveyed note the top barrier to their organization achieving their AI and ecosystem goals is **competing strategic priorities** (61% and 59%, respectively).

Organizations rely on CSOs to help resolve strategic mis-alignment.

CSOs may need to leverage their relationships with stakeholders to support emerging areas.

While these challenges impact every CSO and their organization differently, one way to navigate them, and potentially increase your organization's confidence, could be to adopt "Strategy Now" traits.

What comes next

A starting point for CSOs looking to adapt for today's environment

Amp up your **resilience**

- What data, insights, and tools are you leveraging to develop, monitor, and adjust your strategy? How are you leveraging AI to drive outcomes faster and/or manage expectations better?
- To what extent are you incorporating long-range scenario planning into your strategic planning cycle? How are you stimulating dialogue within the organization across multiple possible futures?

Double down on **agility**

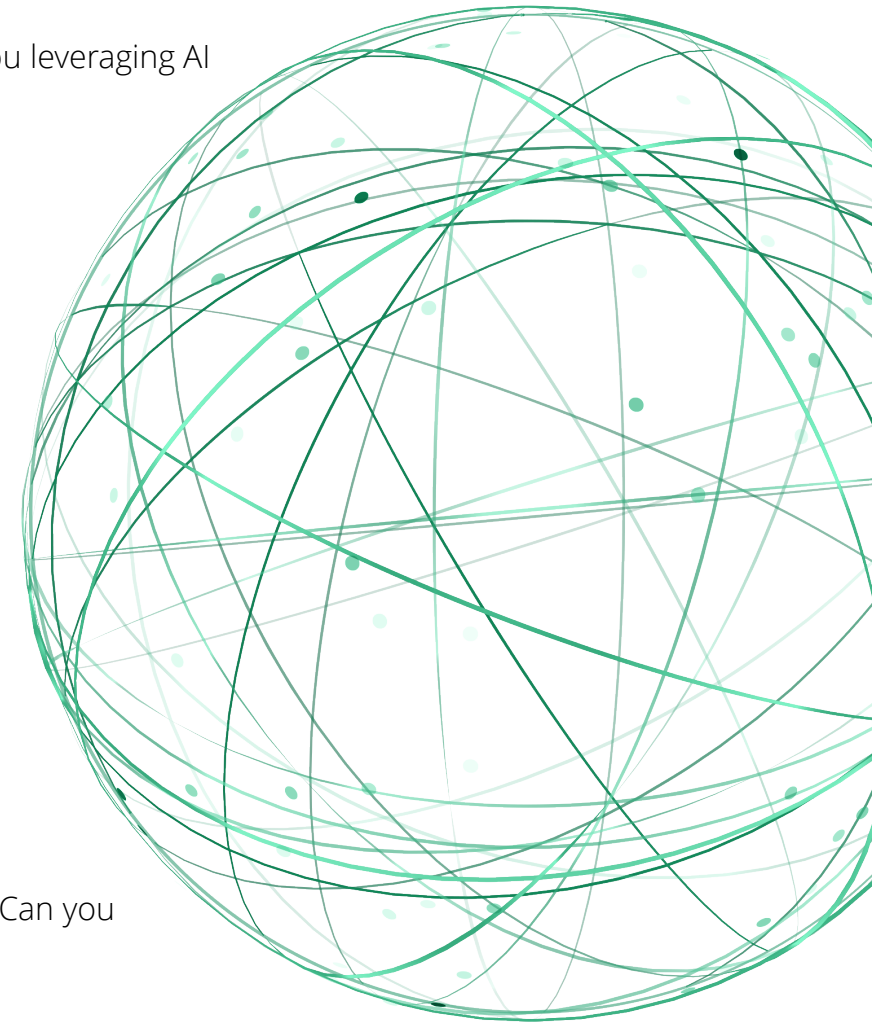
- How can you, as a CSO, be more engaged in the execution of the strategy and stay closer to the business and functional leaders?
- How can you ensure insights are moving more rapidly from the businesses into the strategy and vice versa? Have you created a feedback loop and aligned on an appropriate “burden of proof” for accelerating decision-making?

Shift your strategy to be more **inclusive**

- To what extent does your organization have a way to prioritize value to other stakeholders—employees, vendors, and communities—in its strategies?
- How are you incorporating diverse perspectives (internal and external) into your strategy, market sensing, corporate development, or capability-building efforts?

Aspire to be **bolder**

- What are the steps you are taking as a CSO to understand how new technologies can help unlock growth? Can you achieve the growth you hope for without taking more of a leading role in AI strategy development?



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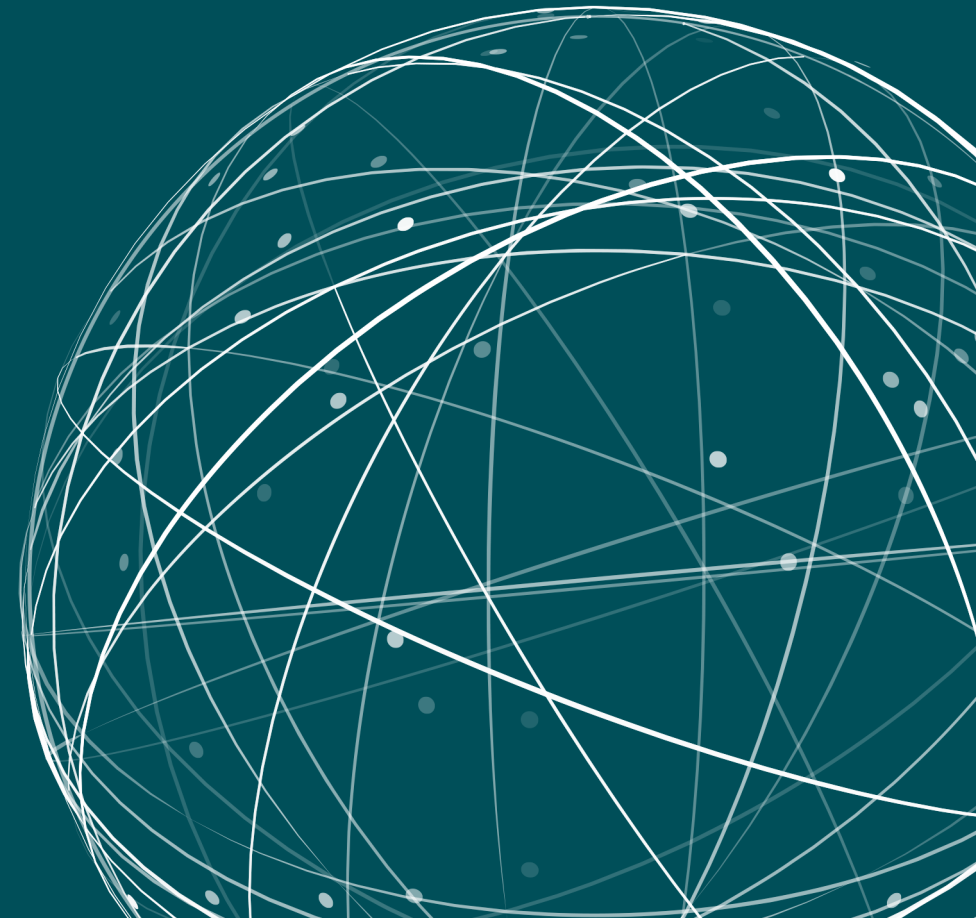


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Want to learn more about the role of the Chief Strategy Officer? Check out Deloitte's [Chief Strategy and Transformation Officer Program](#) and ["The making of a successful chief strategy officer: Insights from the field."](#)

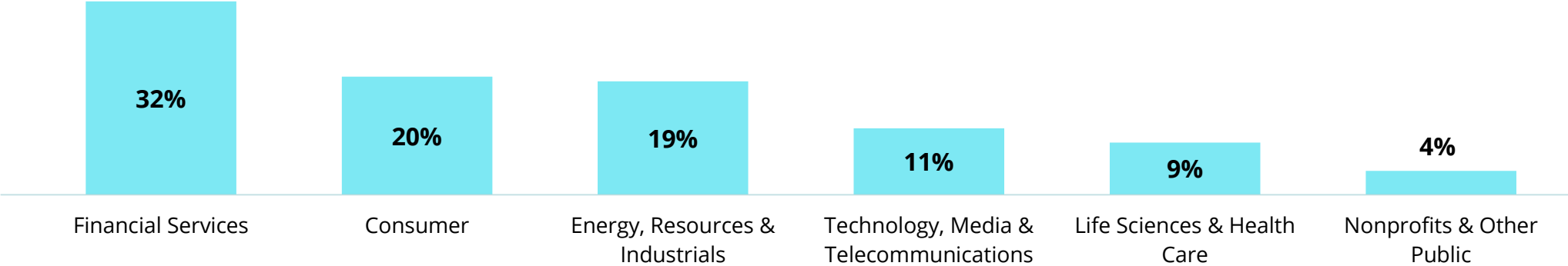
Methodology and Acknowledgements



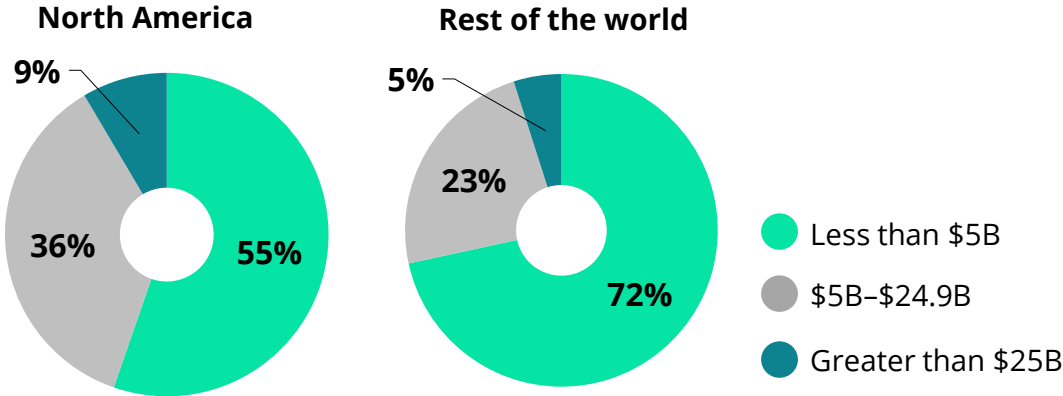
Survey methodology and demographics

This year's survey was fielded from November 2023 to January 2024. With 128 respondents, the fifth iteration of Monitor Deloitte's Chief Strategy Officer Survey covered a diverse spectrum of strategy leaders.

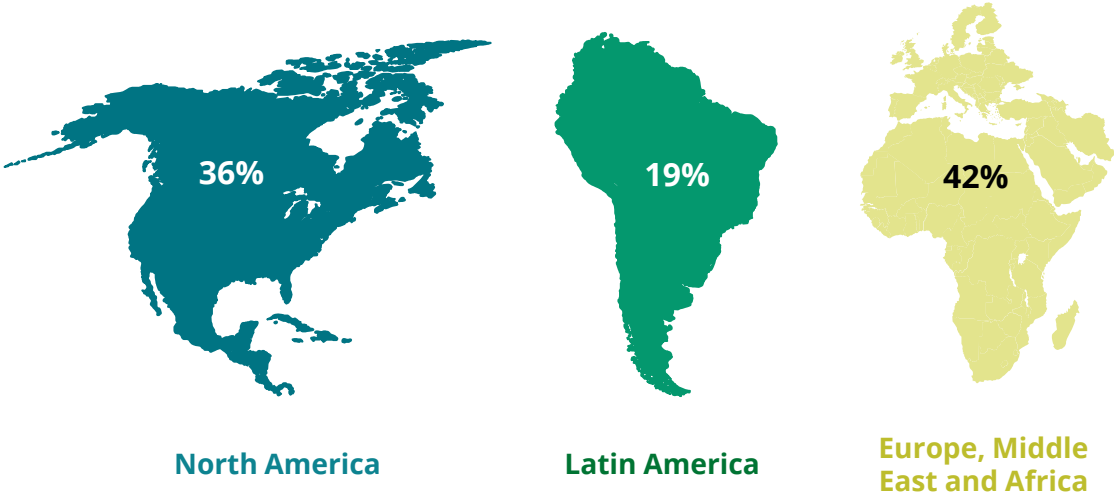
Respondent industry breakdown*



Respondent organizational revenue size



Respondent geographical location**



(*) Note: Total does not equal 100% as not all CSOs identified an industry. (**) The total does not sum to 100% as Asia Pacific (AP) is not shown; AP data was limited this year.

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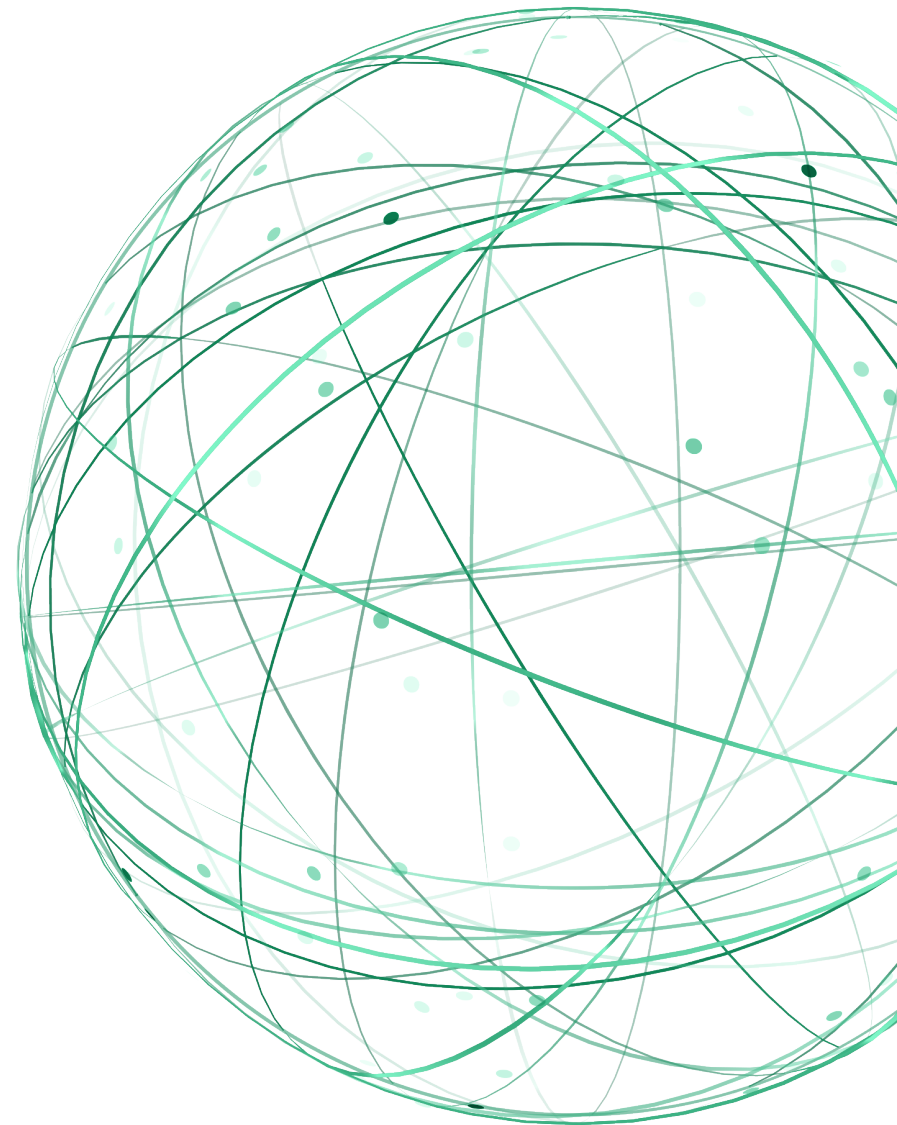
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The role of the CSO and the role of strategy as a corporate function continues to evolve, as CSOs are getting an increasingly important role in the C-suite and are expected to set the short- and long-term direction for the business. Whether you seek to build your strategy function, enhance your organization’s strategic planning capability, or pursue a specific growth mandate, we can leverage our long heritage in strategy and a range of proprietary tools to help you succeed.

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