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The 33rd Quarterly C-Suite Survey: Big Data, Women on Boards and CETA

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- ❑ This is the 33rd edition of the C-Suite Quarterly Survey, conducted on behalf of KPMG; published and broadcast by *The Globe and Mail's Report on Business* and *BNN*.
 - Previous quarters' surveys are available at GandalfGroup.ca .
- ❑ This quarter's survey asked executives about:
 - Big Data
 - Women on Boards and in Senior Management
 - Free Trade with Europe; CETA
 - The Economy
- ❑ Methodology: telephone interviews with 160 C-Suite executives from ROB1000 companies between November 20th and December 5th, 2013.



- ❑ Half of executives say their companies are likely to implement a “Big Data” strategy or have already done so.
 - A minority have done so to date & they tend to be in the services sector (e.g. financials, retail, et al). Most in resources say it is not relevant or needed.
- ❑ Few executives are concerned with the lack of female representation in senior management and on boards.
 - This is overwhelmingly a male view.
 - Only a small percentage (13%) of companies have policies in place to address this inequity.
 - Most oppose regulations designed to increase the representation of women on boards and in senior executive positions.
- ❑ While most believe that the proposed CETA will have a neutral impact on their business, most feel the agreement between Canada and the EU will have a positive impact on the economy.
- ❑ Executives widely expect moderate growth for both Canada and the US in the coming year, although relatively more expect strong growth for the US than for Canada.



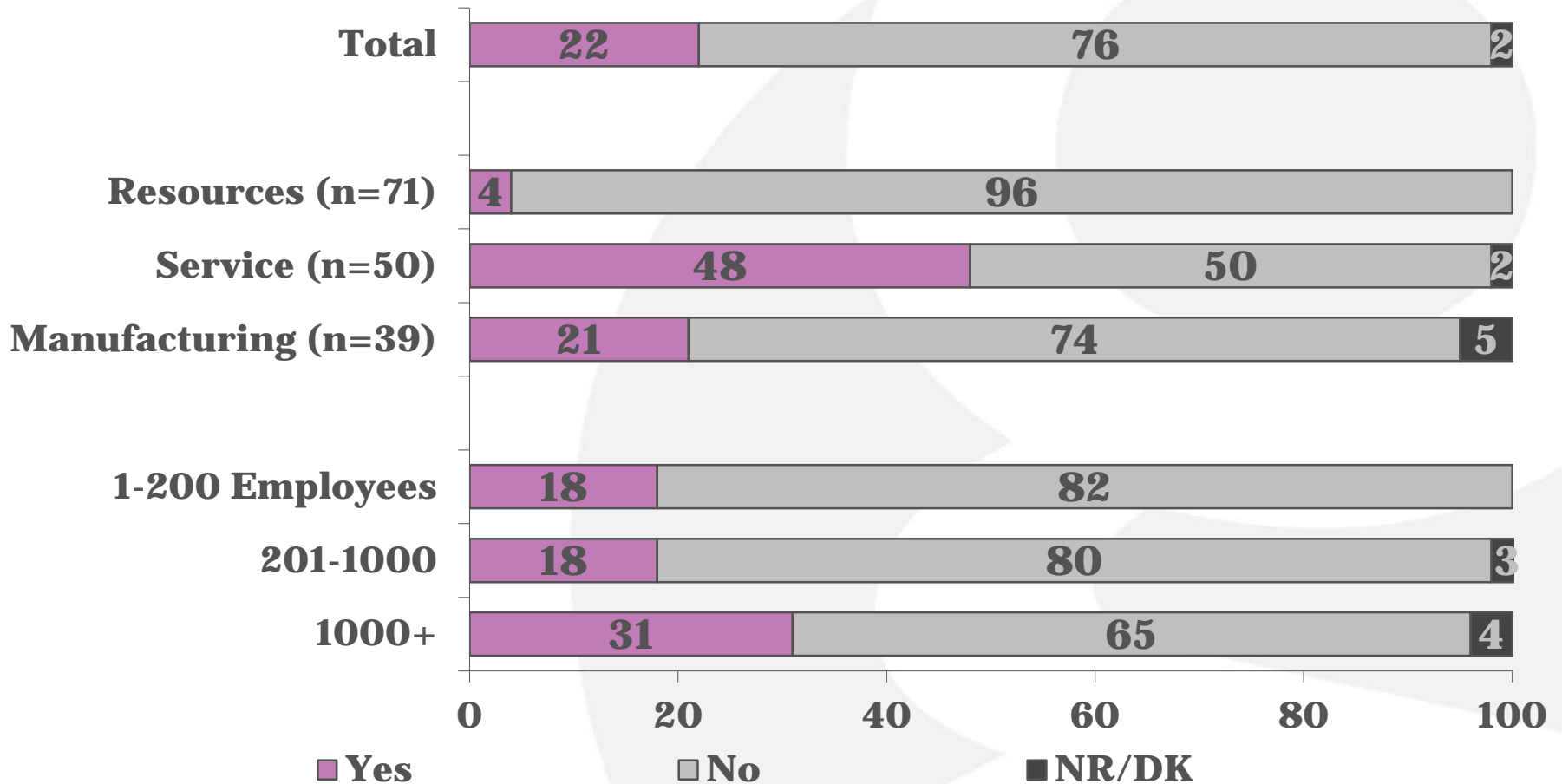
- ❑ 22% of executives say their company has put in place initiatives to leverage predictive analytics.
 - That jumps to half (48%) in service sector but sits at just 4% in the resources sector.

- ❑ Of those who haven't yet, 33% said they are likely to in the future, although most of those are just "somewhat likely".
 - Service sector and large (1000+ employees) companies are the most likely to consider these initiatives.



Have you implemented a “Big Data” strategy?

“The use of “big data” involves the storage and analysis of commercial, online and other electronic data to offer predictive analytics and inform corporate strategies. Is your company currently implementing a “big data” initiative and predictive analytics in this way?”

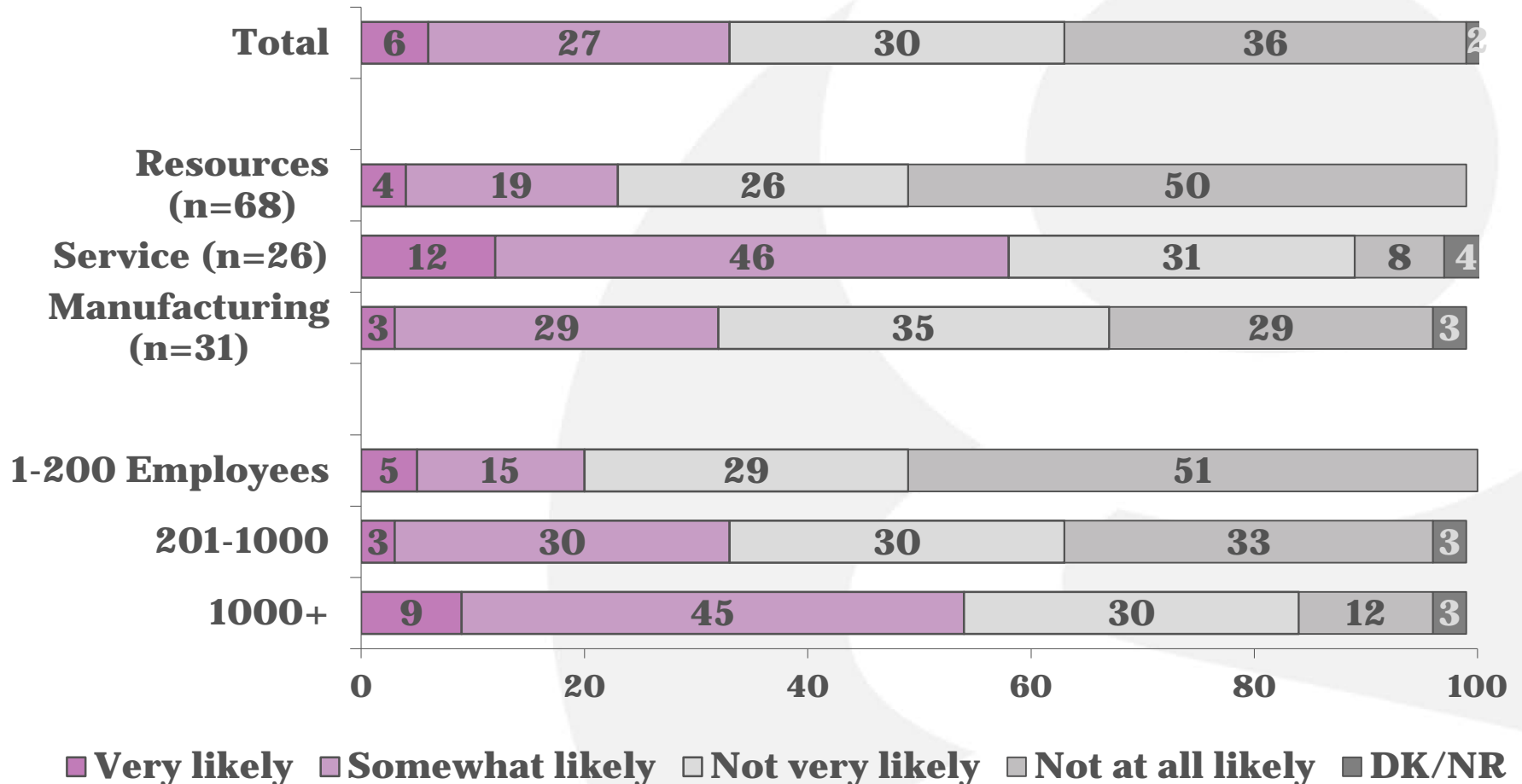




Plans to Implementing Big Data

“How likely is your company to consider implementing a plan to leverage big data in the future? Very likely, somewhat likely, not very likely or not at all?”

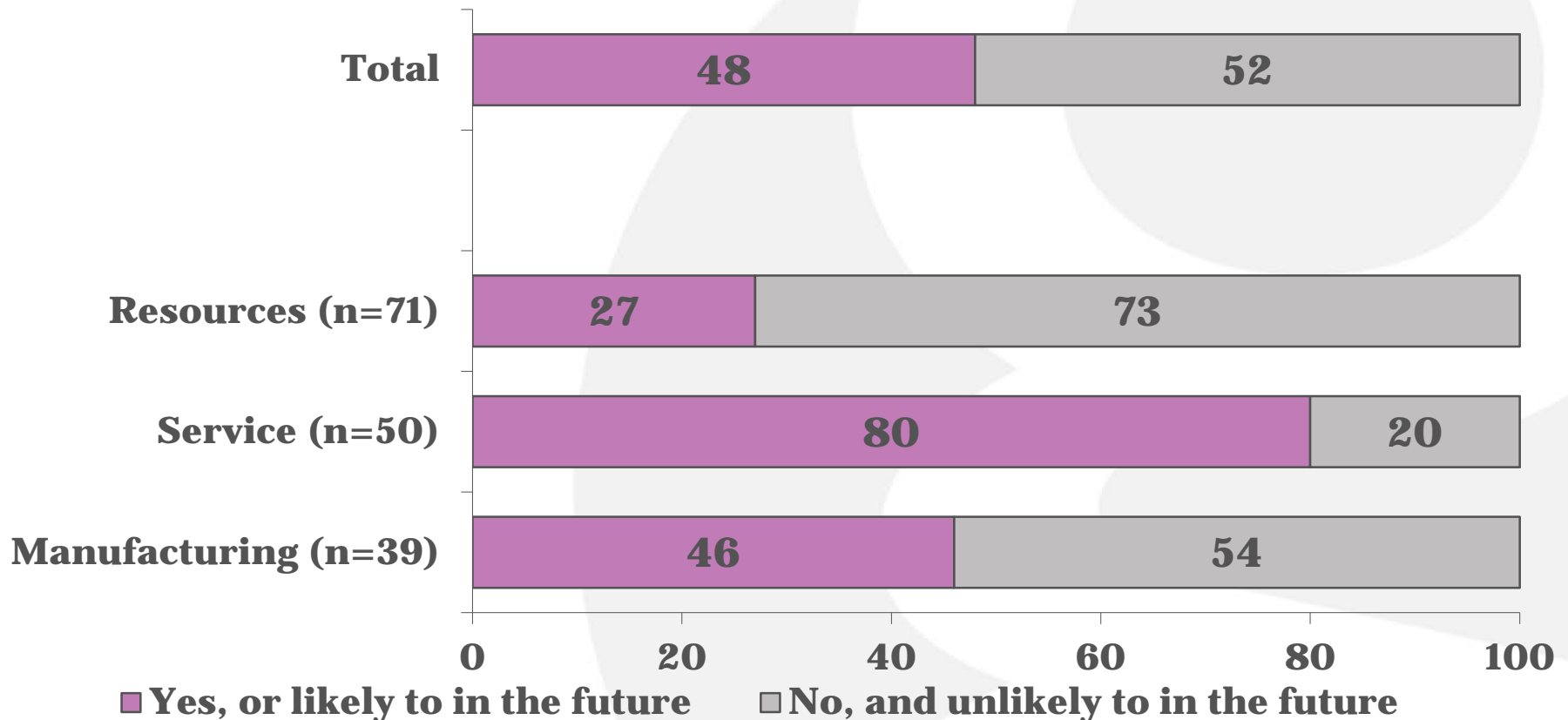
(Among those that have not implemented a Big Data strategy; n=126)





Have you implemented a Big Data strategy or are you likely to?

“The use of "big data" involves the storage and analysis of commercial, online and other electronic data to offer predictive analytics and inform corporate strategies. Is your company currently implementing a "big data" initiative and predictive analytics in this way?” & “How likely is your company to consider implementing a plan to leverage big data in the future? Very likely, somewhat likely, not very likely or not at all?” (Combined totals of those saying yes or very/somewhat likely vs. total of all others.)



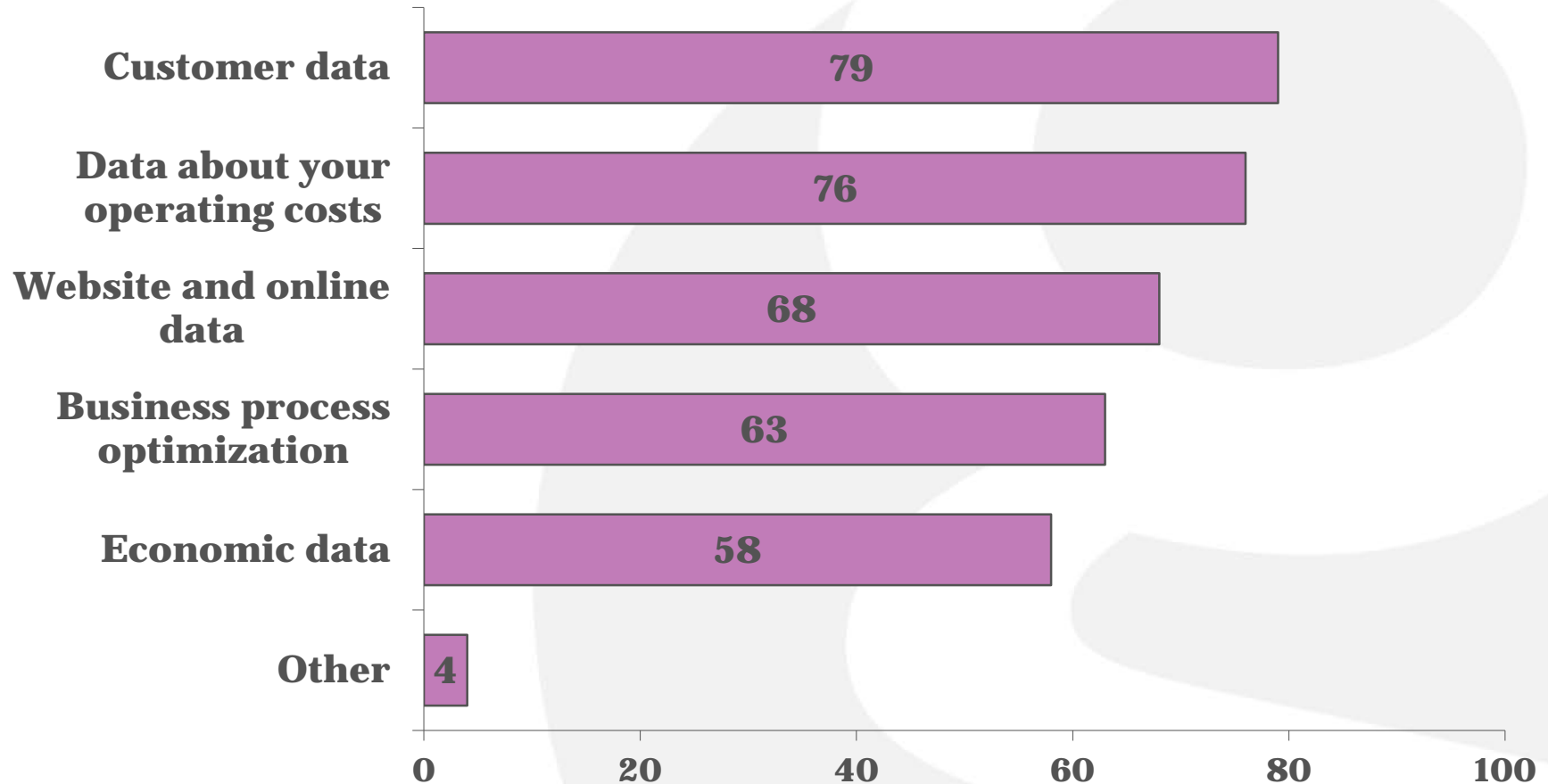


- ❑ Those who are looking to big data strategies for help are not limited to consumer/customer information or driving sales.
- ❑ Many are also looking at business processes and economic data.



What type of data are you relying on for analytics?

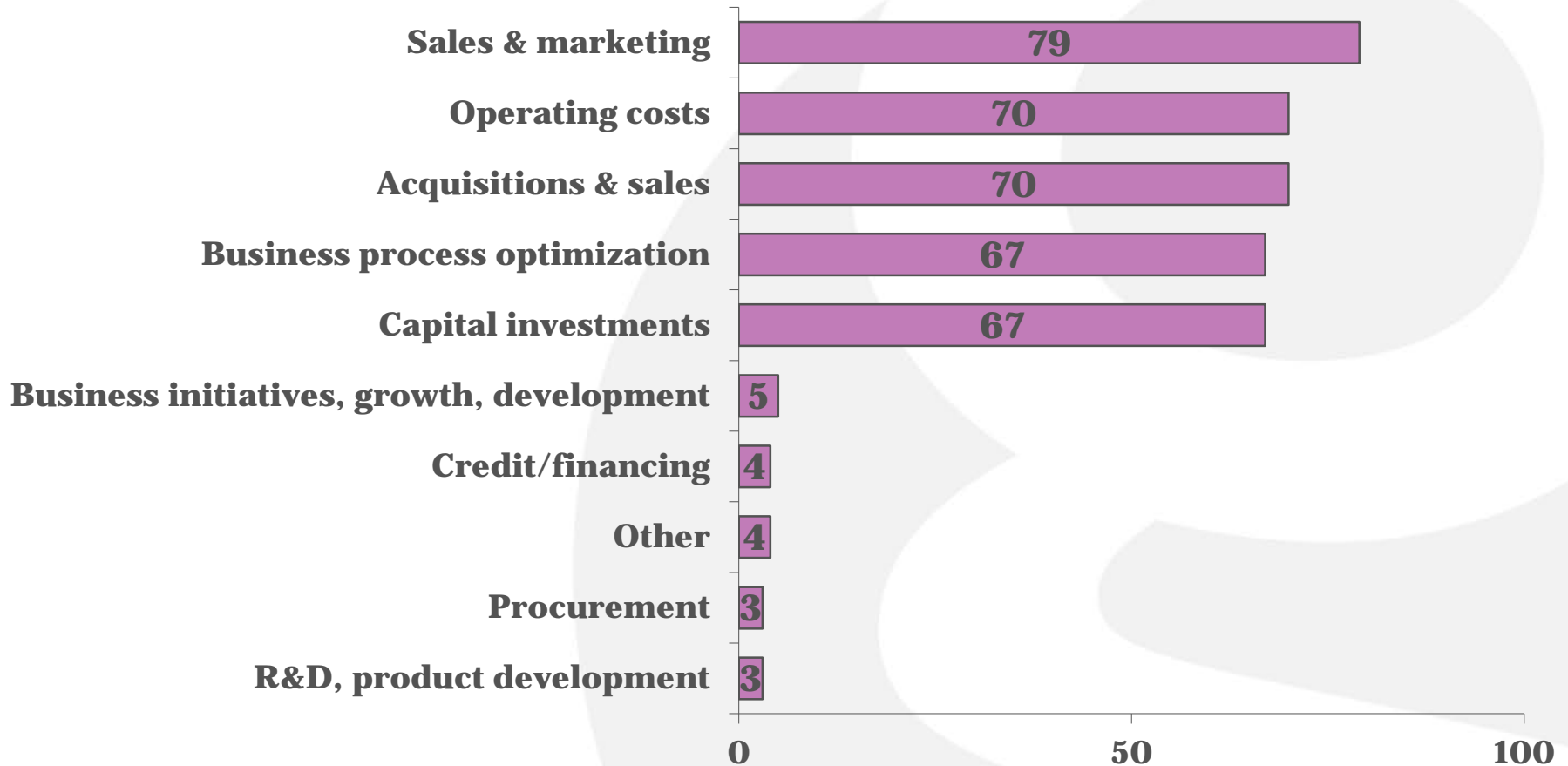
“Can you tell me which of the following types of data you are including in your big data initiatives and analysis? Are you using:” % **Saying yes to each**
(Among those implementing or likely to implement a Big Data plan; n=76)





What parts of your Business would Informed by “Big Data”?

“Can you tell me what sort of strategies or decision-making at your company the analysis of big data might inform? Would it include:” % **Saying yes to each**
(Among those implementing or likely to implement a Big Data plan; n=76)



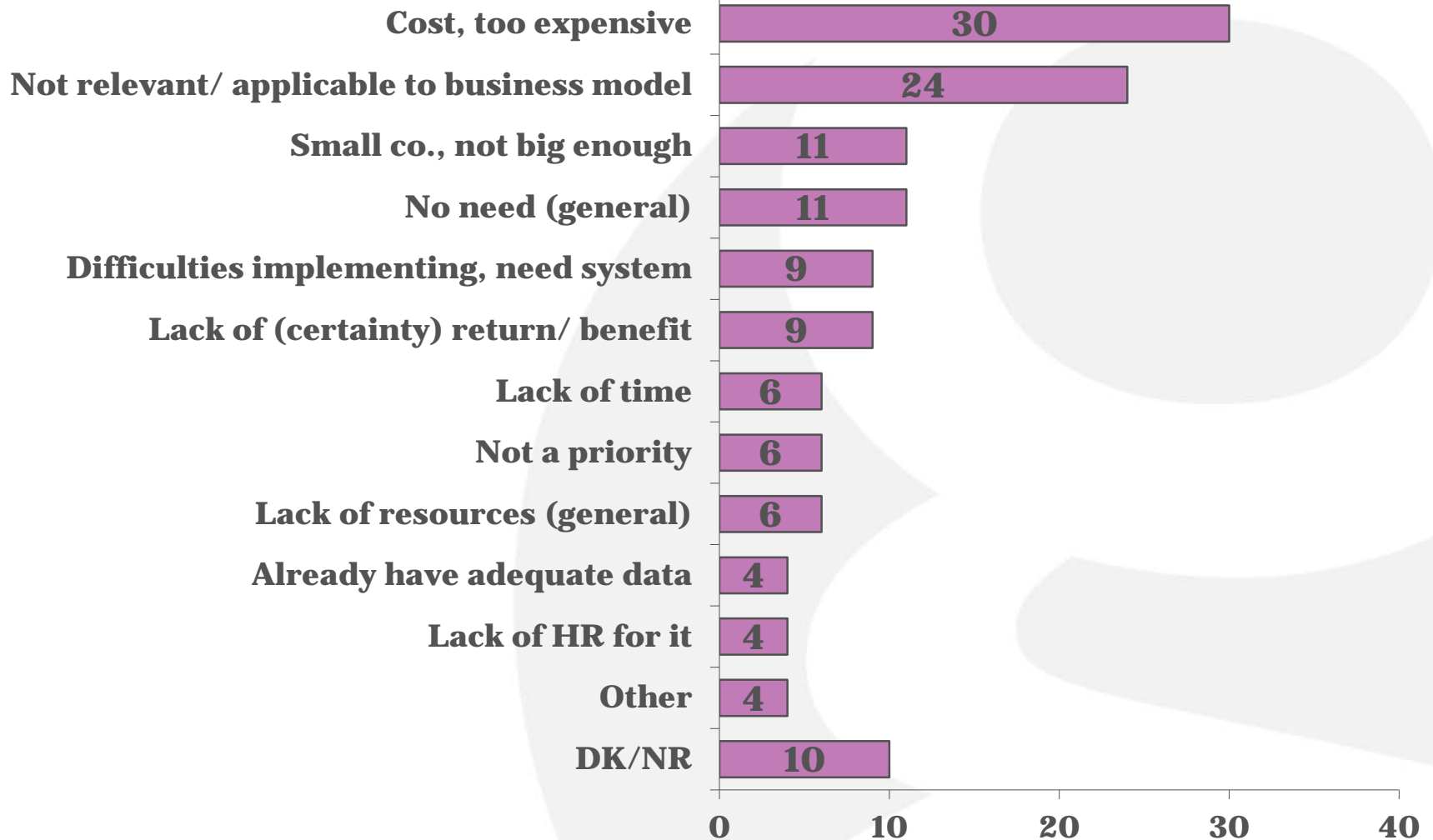


- ❑ Cost is one important reason (cited by 30%) why many companies might not have adopted big data initiatives yet.
- ❑ However executives who said it was unlikely their companies would get into big data were more likely to say it was not relevant to them.
 - Examples from those who said it is not relevant to their businesses:
 - e.g. “As a mining company the data is geological information and we get that so there is no need for a big data initiative; we don’t require that kind of data.”
 - “Nature of our service and products are not tied to swings in consumer preferences; clients would do that analysis, we would be the recipient of what they need.”
 - Just over half agreed other companies in their sector will adopt big data strategies over time – resources executives comprise many of those who disagreed, that they do not see this taking off in their sector.
 - Only 42% of resources executives agreed that many companies in their sector would adopt big data. Among all other companies 65% agreed with this.
- ❑ Others noted that these systems are very difficult to implement:
 - “The technology is expensive and not that easy to implement.”
 - “The tool to track it is difficult, it can cost \$100K, there’s the vastness of data itself, and how to capture it.”



Reasons for Not Investing in Big Data

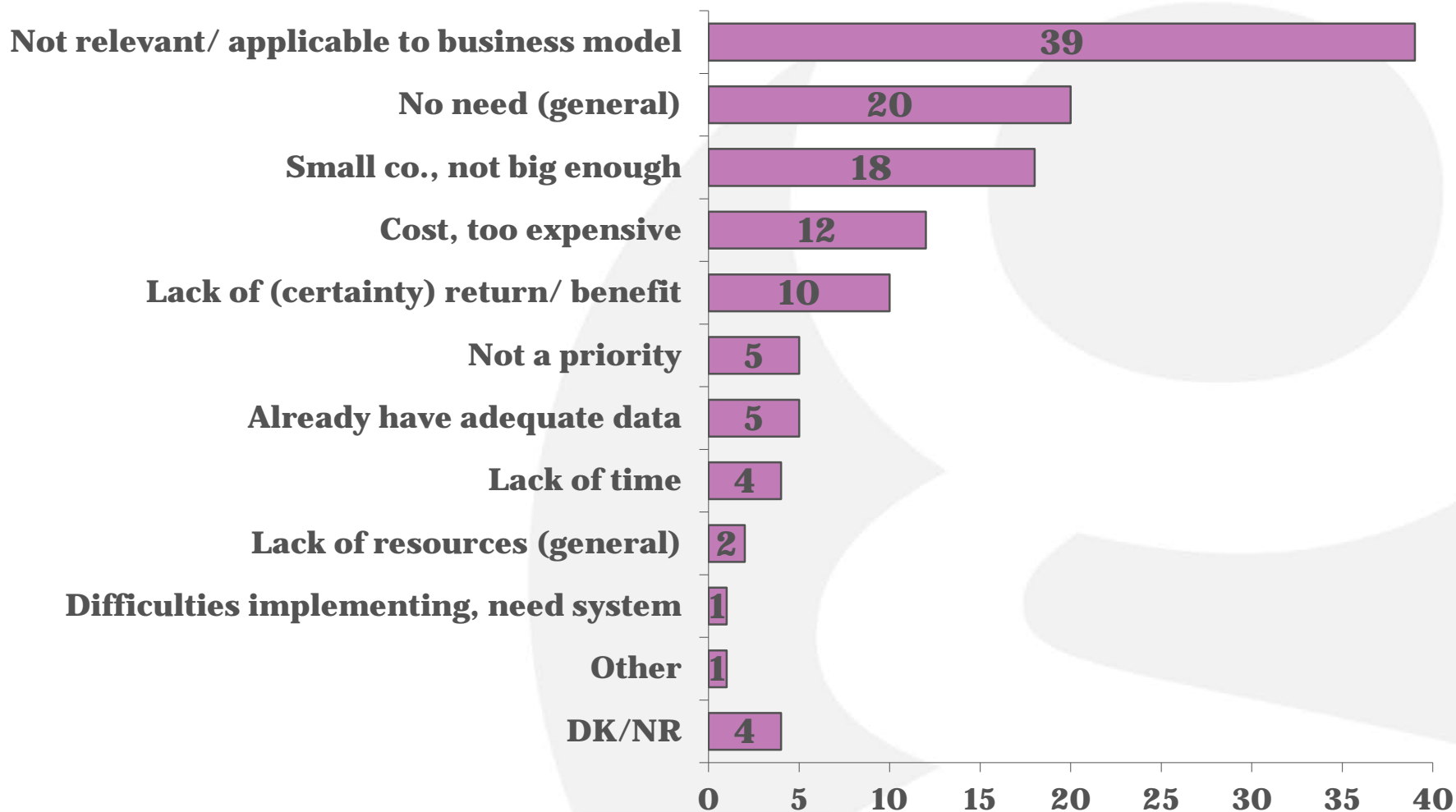
“What are the two main reasons why companies like yours might not be adopting a Big Data initiative?”
(Open ended)





Reasons for Not Investing in Big Data – Among Those Who Will Not

“What are the two main reasons why companies like yours might not be adopting a Big Data initiative?”
Among those who have not and are unlikely to invest in Big Data (n=82)





- ❑ Executives have mixed feelings about big data. They believe there are long-term benefits for business as a whole. But they say individual companies have to be careful when it comes to the cost-benefit of new systems they adopt.
 - 72% agree the adoption of big data by North American companies is likely to make those businesses more productive and profitable.
 - 68% also agree that these strategies involve a lot of cost with little certainty of reward; 21% strongly agreed.
- ❑ Many worry about information overload as it is.
 - Half agreed they and other corporate leaders receive a lot of data already, but “little or no true information.” Companies who are turning to big data strategies were in fact no less likely to agree with this.
 - Service sector companies and those who are turning to big data were more likely to agree that internal practices are preventing them from getting insights from data.
- ❑ There is moderate concern about privacy.
 - 39% agreed they were “concerned about the use of big data by Canadian & US companies because of the privacy implications.”

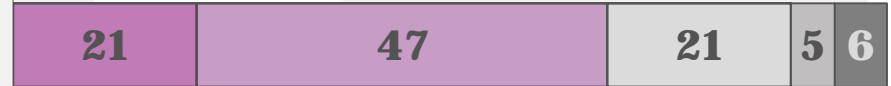


"I'm going to read some statements about why private sector companies use "big data" and I'd like you to say whether you strongly or somewhat agree or strongly or somewhat disagree with each:"

The adoption of big data initiatives by North American companies is likely to make those businesses more productive and profitable



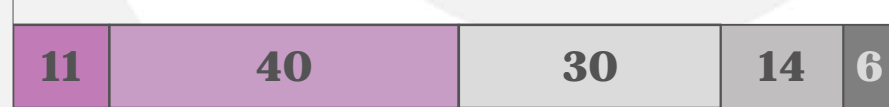
Implementing a big data strategy involves a lot of cost with little certainty of reward



Many businesses in my sector will embrace the use of big data over time



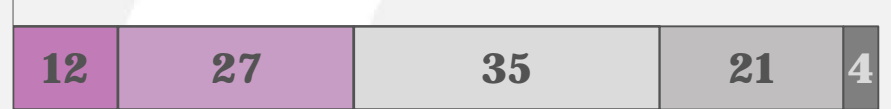
Leaders in my organization receive a lot of data, but little or no true information from that data



My organization's current processes prevent us from obtaining faster, more accurate and insightful performance information



I am concerned about the use of big data by Canadian and US companies because of the privacy implications



0 50 100

Strongly agree
Strongly disagree

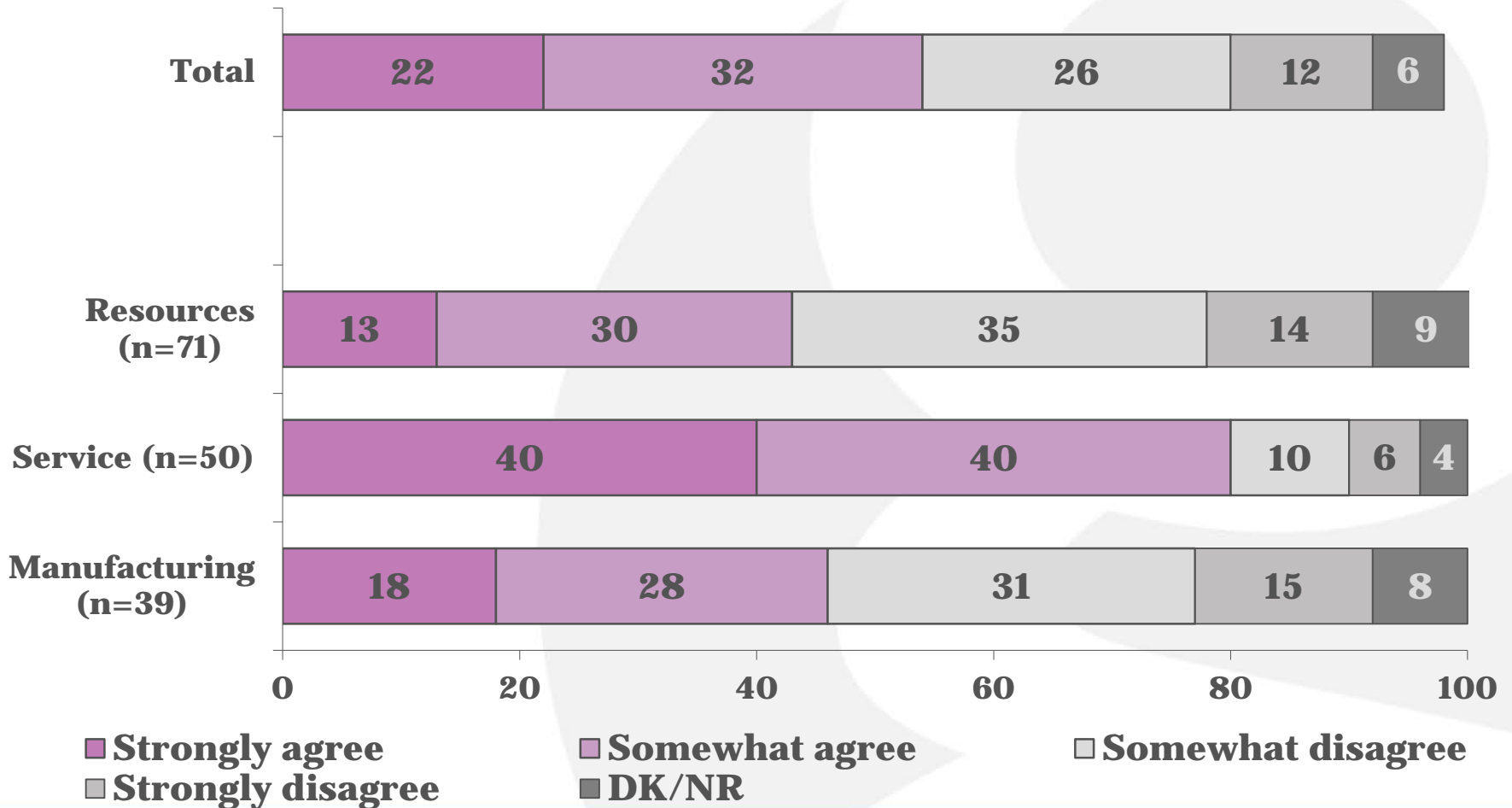
Somewhat agree
DK/NR

Somewhat disagree



Other Co.'s Interest in Big Data Over Time

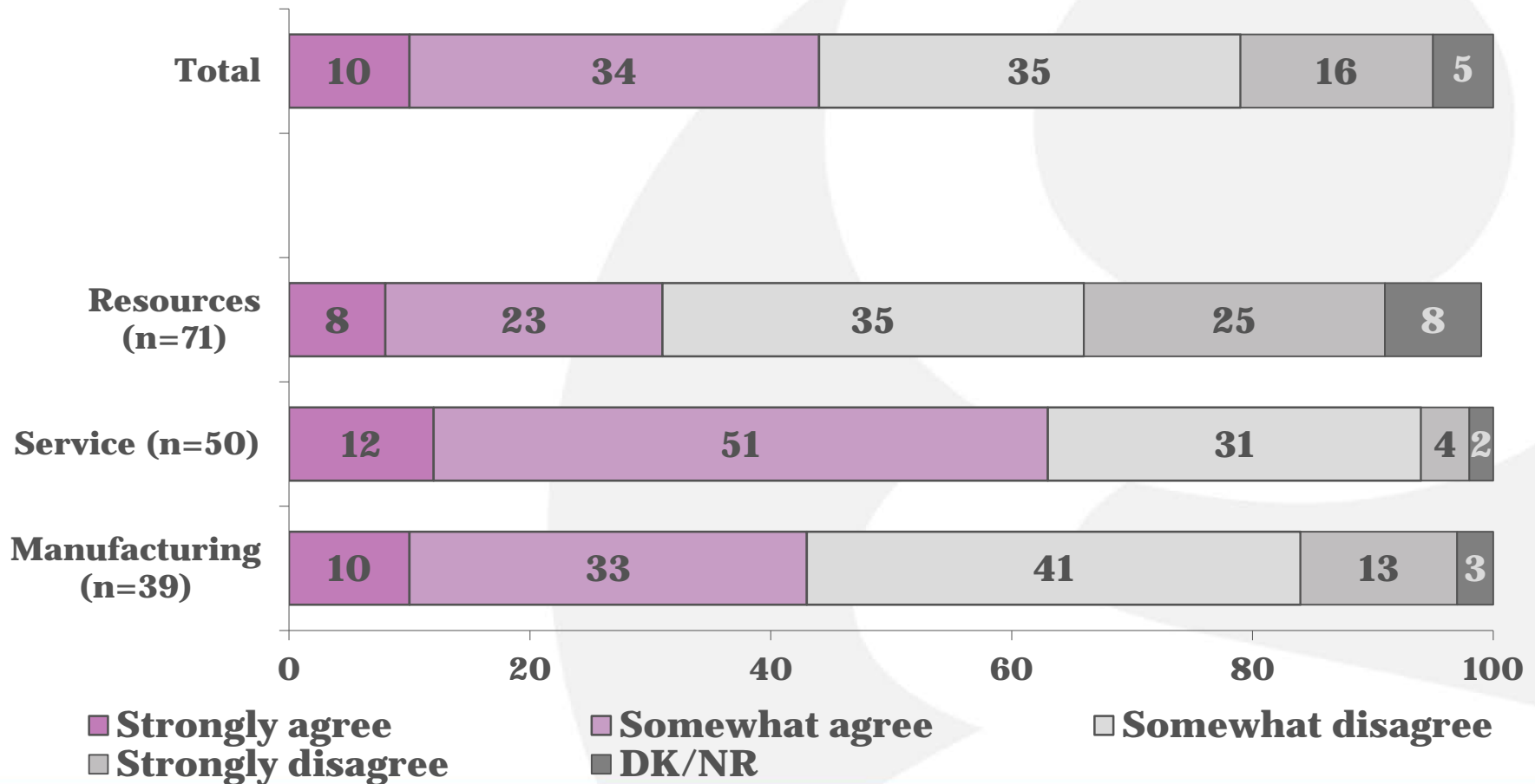
"I'm going to read some statements about why private sector companies use "big data" and I'd like you to say whether you strongly or somewhat agree or strongly or somewhat disagree with each:"
Many businesses in my sector will embrace the use of big data over time





Internal Processes Hindering Performance Data

“I'm going to read some statements about why private sector companies use "big data" and I'd like you to say whether you strongly or somewhat agree or strongly or somewhat disagree with each:”
My organization's current processes prevent us from obtaining faster, more accurate and insightful performance information



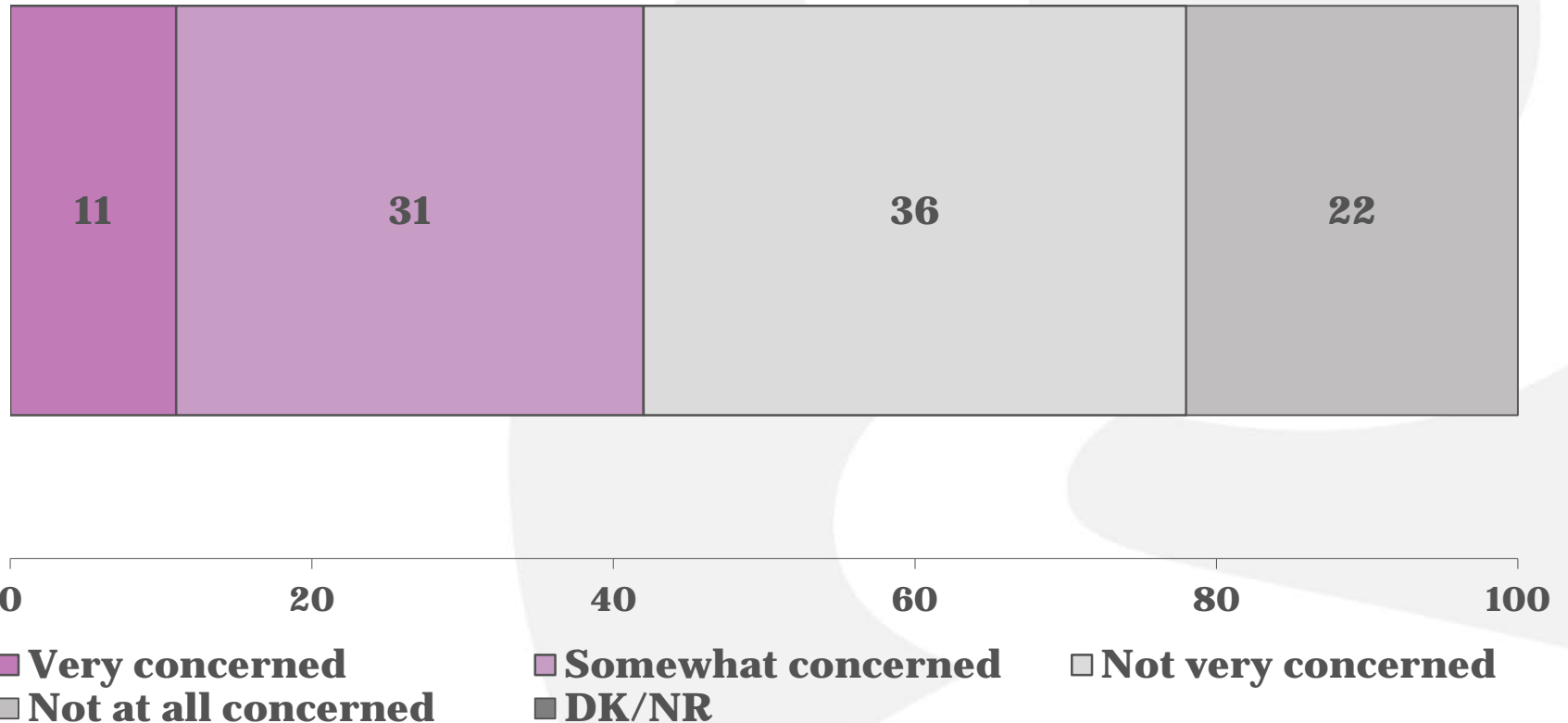


- ❑ A minority of executives are very or somewhat concerned about the number of women on boards and in senior management positions at leading Canadian corporations.
 - Few are very concerned about this issue.
 - 22% are “not at all concerned”
 - Notably, the level of concern is not associated with certain sectors, company size nor number of women on boards.
 - Of the 160 interviewed for this survey, 19 were women (12% of the sample).
 - Among female executives, the vast majority are concerned about the number of women on boards and in senior management, while 36% of male executives said the same.



Concern about # of Women on Boards and in Senior Management

“How concerned are you about the number of women on boards and in senior management positions at leading Canadian corporations? Are you very concerned, somewhat concerned, not very concerned or not at all concerned?”





- ❑ Roughly two thirds (64%) say they are satisfied with the number of women in their company's executive ranks.
- ❑ Fewer are satisfied with female representation on their boards (51%).
 - Those who have little or no female representation on their board are less likely to say they are satisfied compared to those with 2 or more female directors.
 - However there were many with no female directors who said they were not dissatisfied
- ❑ Notably, 60% say they have no women on their boards currently and just 7% have two or more.
- ❑ On average 9% of the directorships with the companies whose executives were surveyed are held by female directors.
 - Those with the least female directors are more likely to be smaller employers and in the resources sector.



Satisfaction with # of Women on Boards and in Senior Management

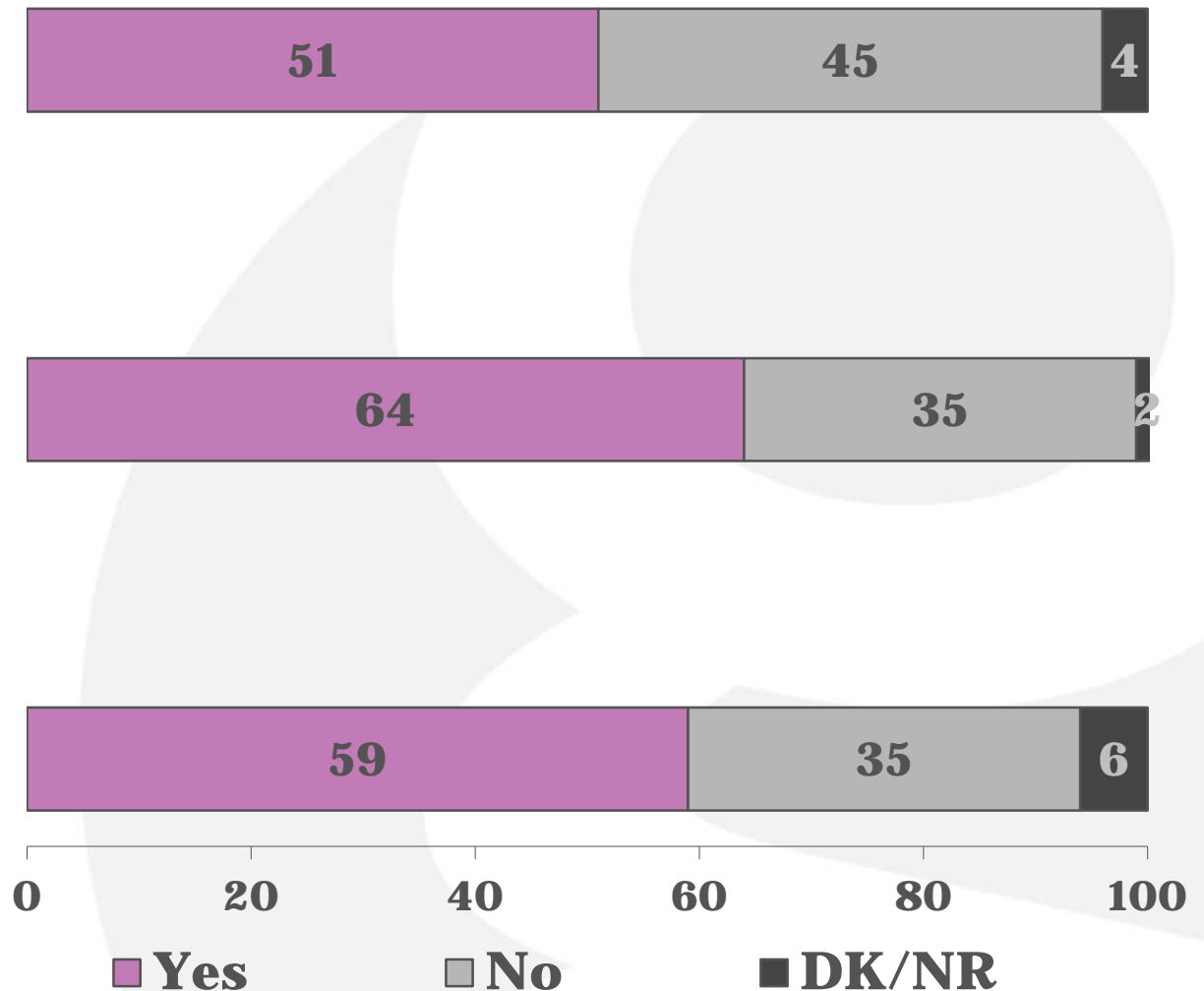
“Are you satisfied with the number of women on your company's board?”

&

“...with the number of women in your company's in executive ranks?”

&

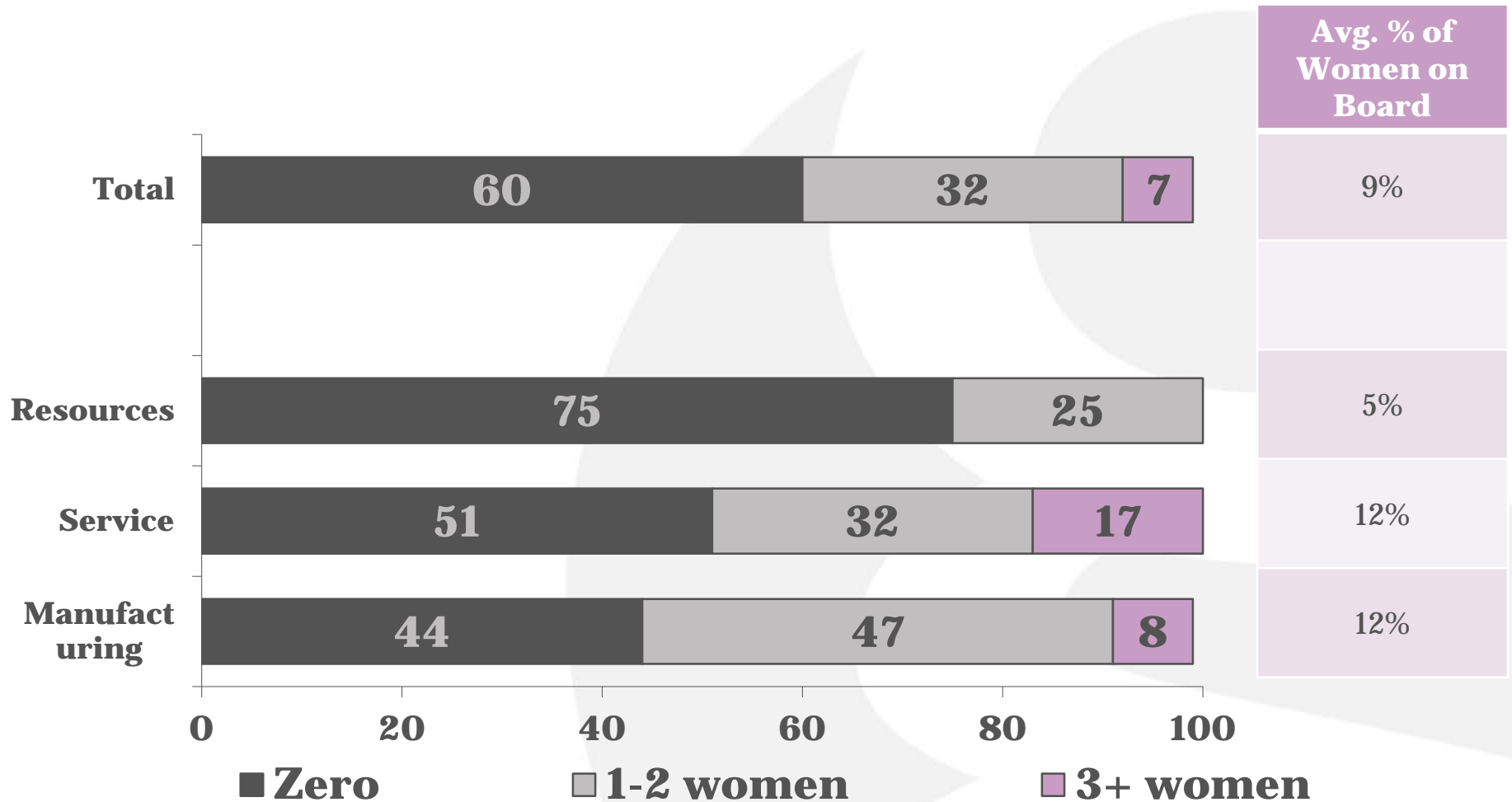
“...with the way that your board reflects Canada's ethnic diversity?”





of Female Directors on Corporate Boards

“How many female directors do you have on your corporate board?” (n=156 – NR, DK & NA removed)



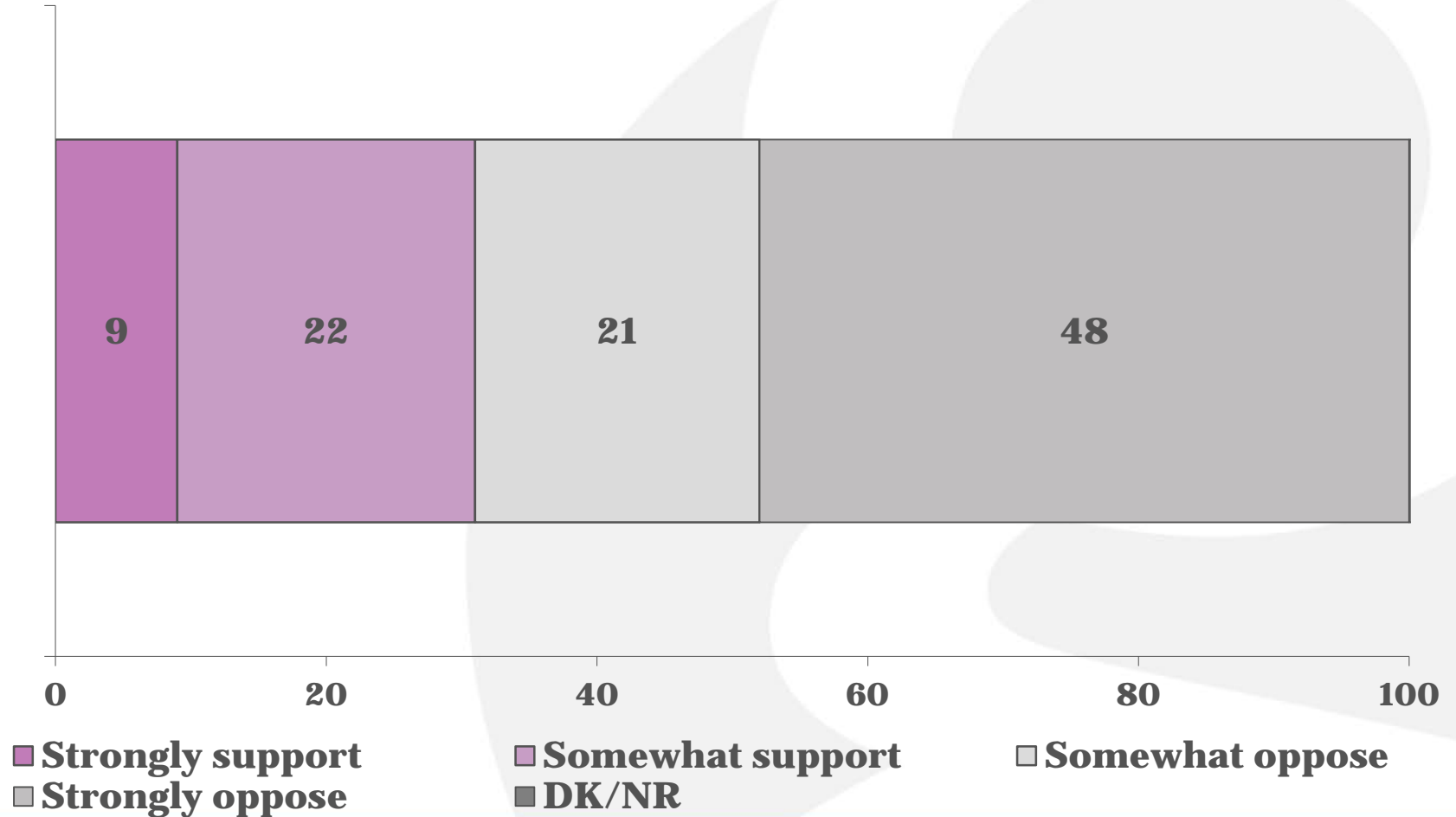


- ❑ Just 13% say their company currently has a policy or process in place for increasing the number of women in senior roles.
- ❑ A majority would oppose requirements for publicly-listed companies to meet any kind of minimum threshold for women in the senior ranks, and nearly half (48%) say they would oppose that strongly.
- ❑ More executives are open to the “comply or explain” approach being considered by the OSC, but a majority are still opposed to this. Strong opposition is twice the level of strong support.
 - Most female executives supported female-representation requirements and “comply or explain.”
 - Those with no female directors at their company were more opposed to this, but even those with 2 or more directors were mostly opposed.



Support for Requirements to Increase Representation of Women

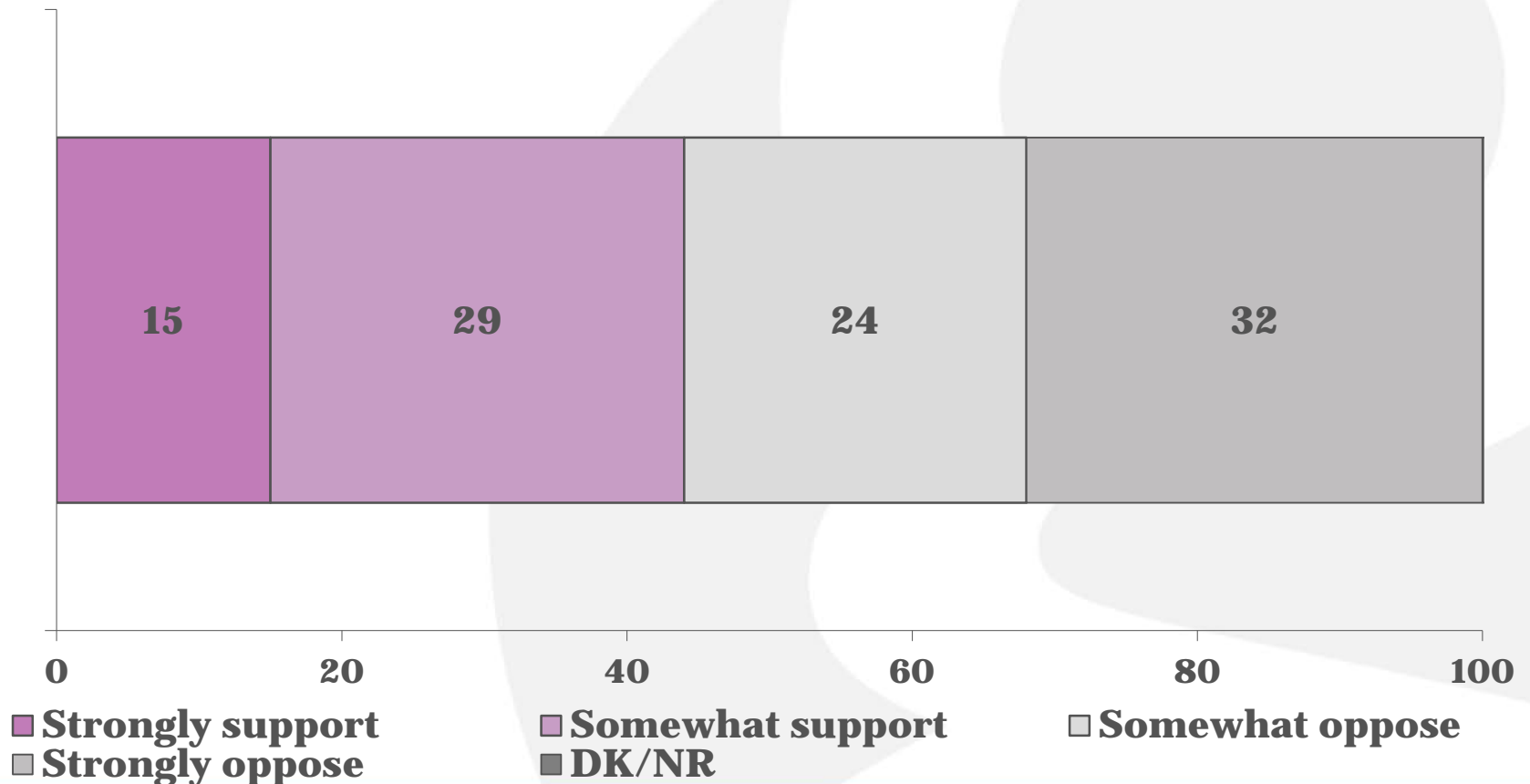
“Would you support or oppose requirements for publicly-listed Canadian companies to increase the representation of women on boards and in senior executive positions to a minimum level or threshold? Would that be strongly or somewhat?”





Support for Comply or Explain Approach

“The Ontario Securities Commission is considering a more voluntary approach to increasing the number of women in senior roles at Canadian companies. This so-called "comply or explain" approach would require companies to report annually on their percentage of female executives and board members and either describe their policies for increasing them or explain why they have no such policies in place? Do you support or oppose this approach? Would that be strongly or somewhat?”

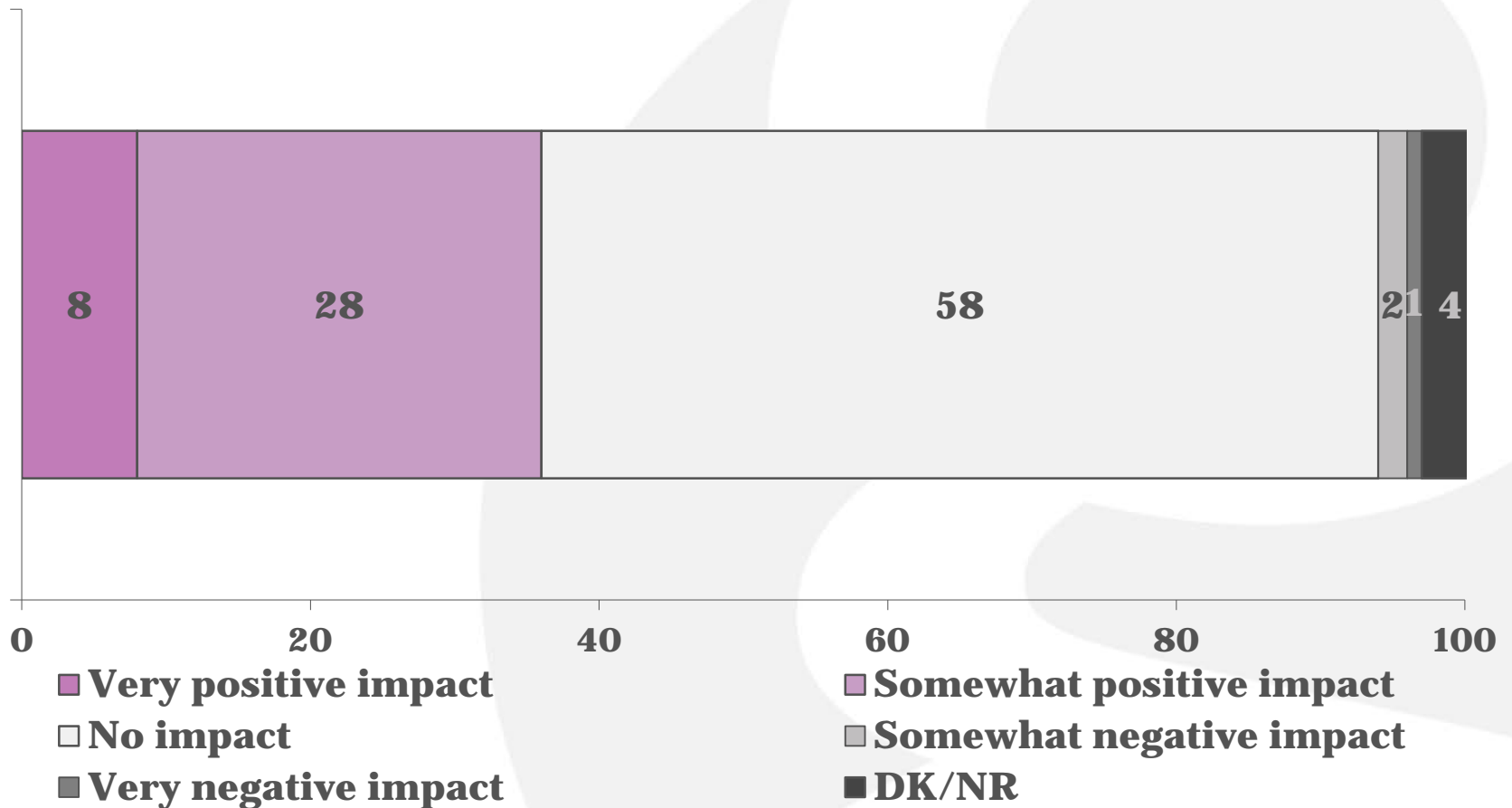




- ❑ 34% say the agreement in principle between Canada's government and the EU on a comprehensive economic and trade agreement will positively impact their business if implemented.
- ❑ Virtually none (3%) think it will have a negative impact. Most say it will likely have no impact on their company (58%).
- ❑ The vast majority (82%) think the impact for the economy will be at least somewhat positive, with 18% saying it will likely be very positive.



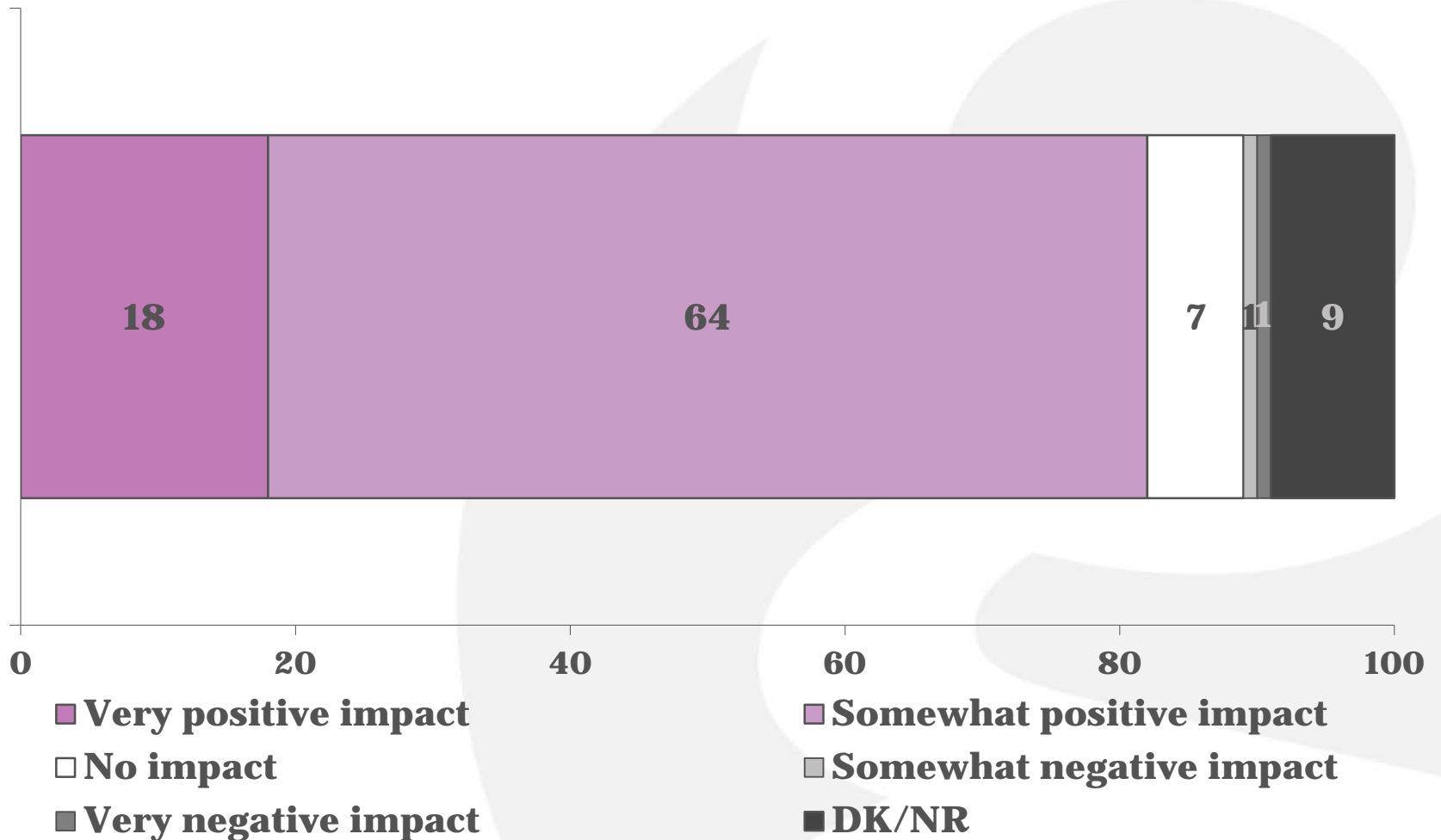
“Prime Minister Stephen Harper recently announced an agreement in principle between Canada and the European Union on a Comprehensive Economic and Trade Agreement. Based on what you know, if the agreement is implemented what sort of impact is it likely to have for businesses such as yours?
Would it have a:”





CETA Impact on Canadian Economy

“Assuming the agreement is implemented, how positive or negative will the impact be on the Canadian economy? Would it have a:”



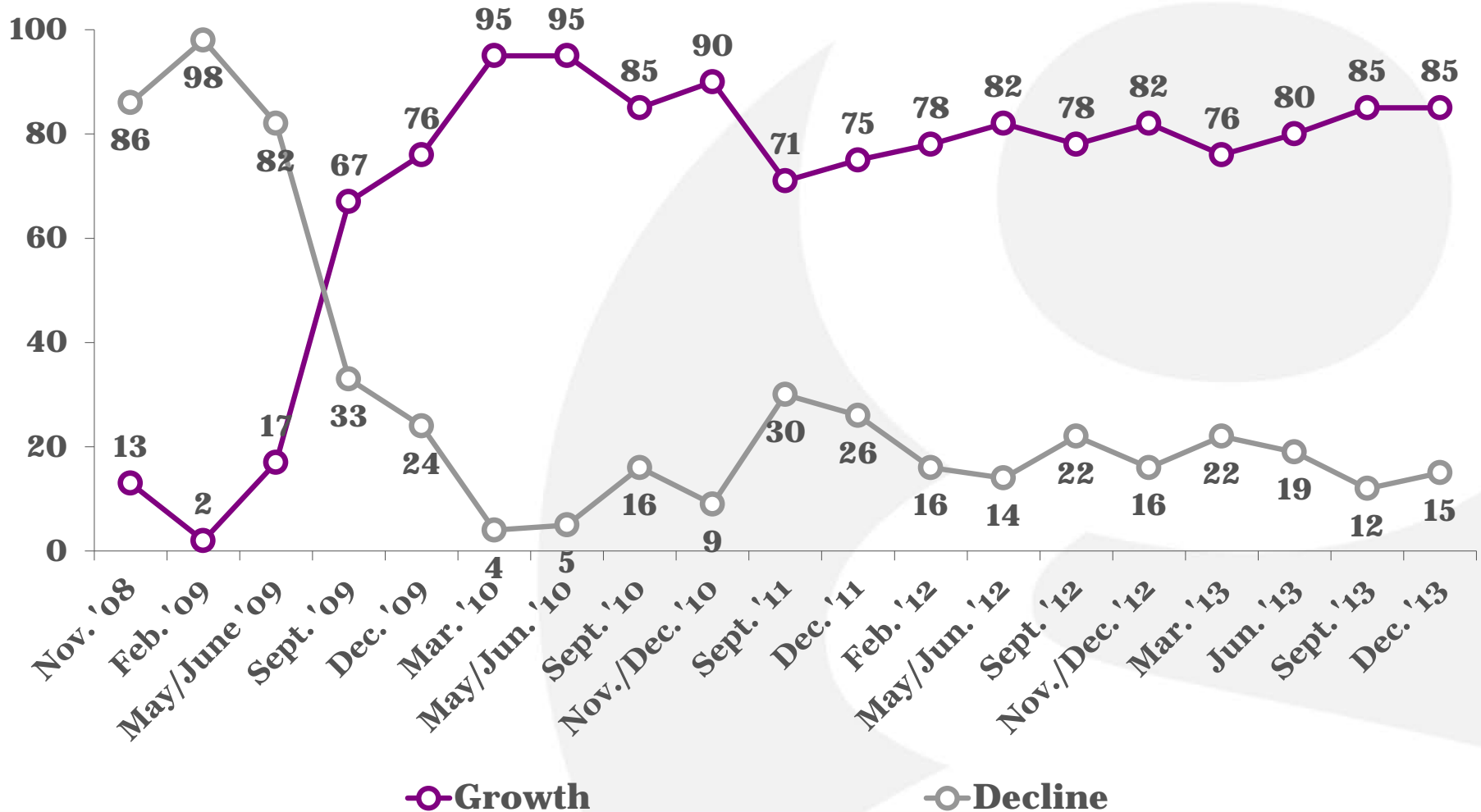


- ❑ Virtually no executives envision strong growth for Canada's economy in the next 12 mos., while slightly more (11%) predict strong growth for the US economy. The vast majority expect only moderate growth in each country.



Current Growth Levels In The Canadian Economy

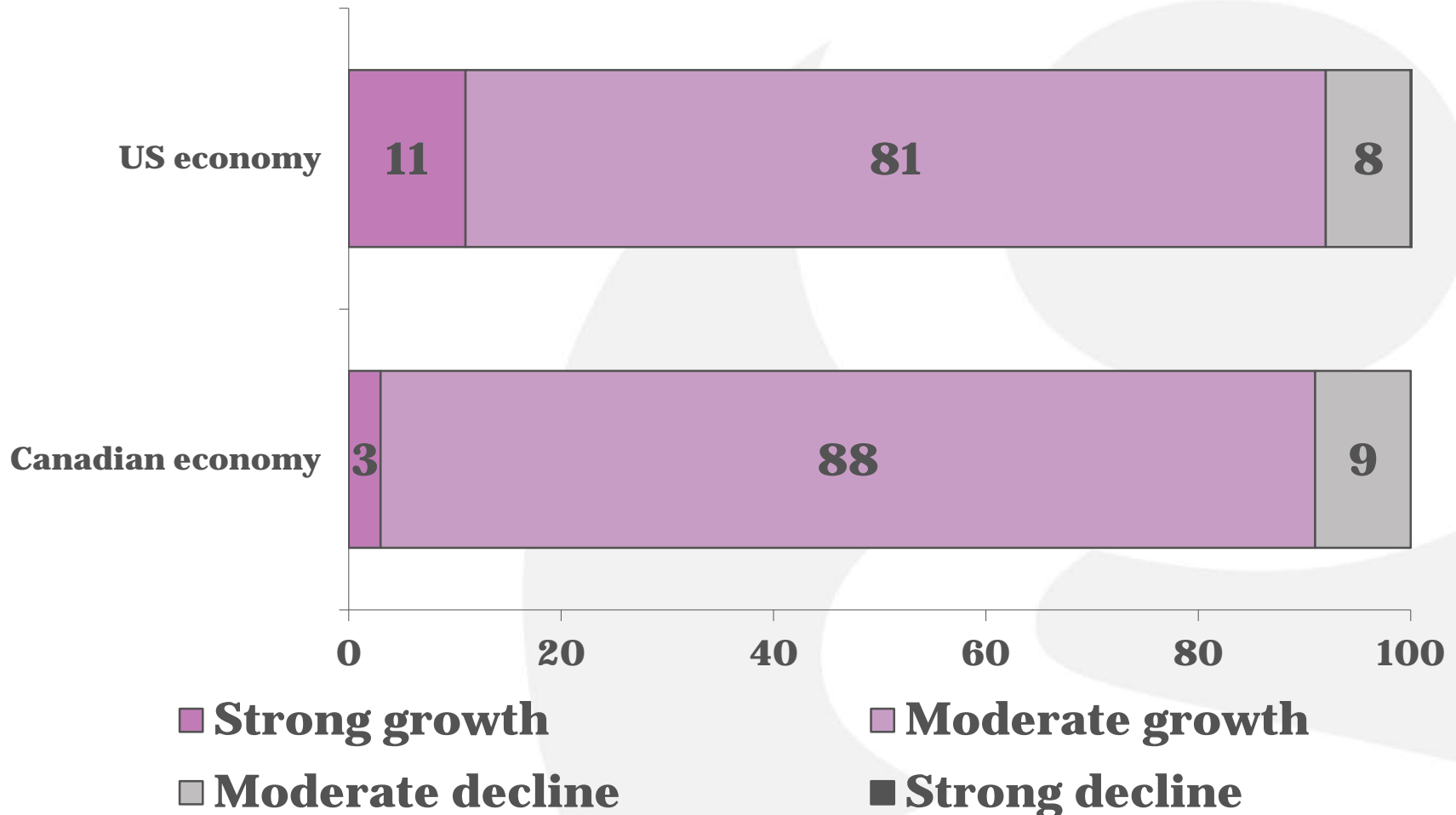
“Which of the following do you think best describes the Canadian economy at the current time - strong growth, moderate growth, moderate decline, strong decline?”





Expectations of the Canadian and US Economies

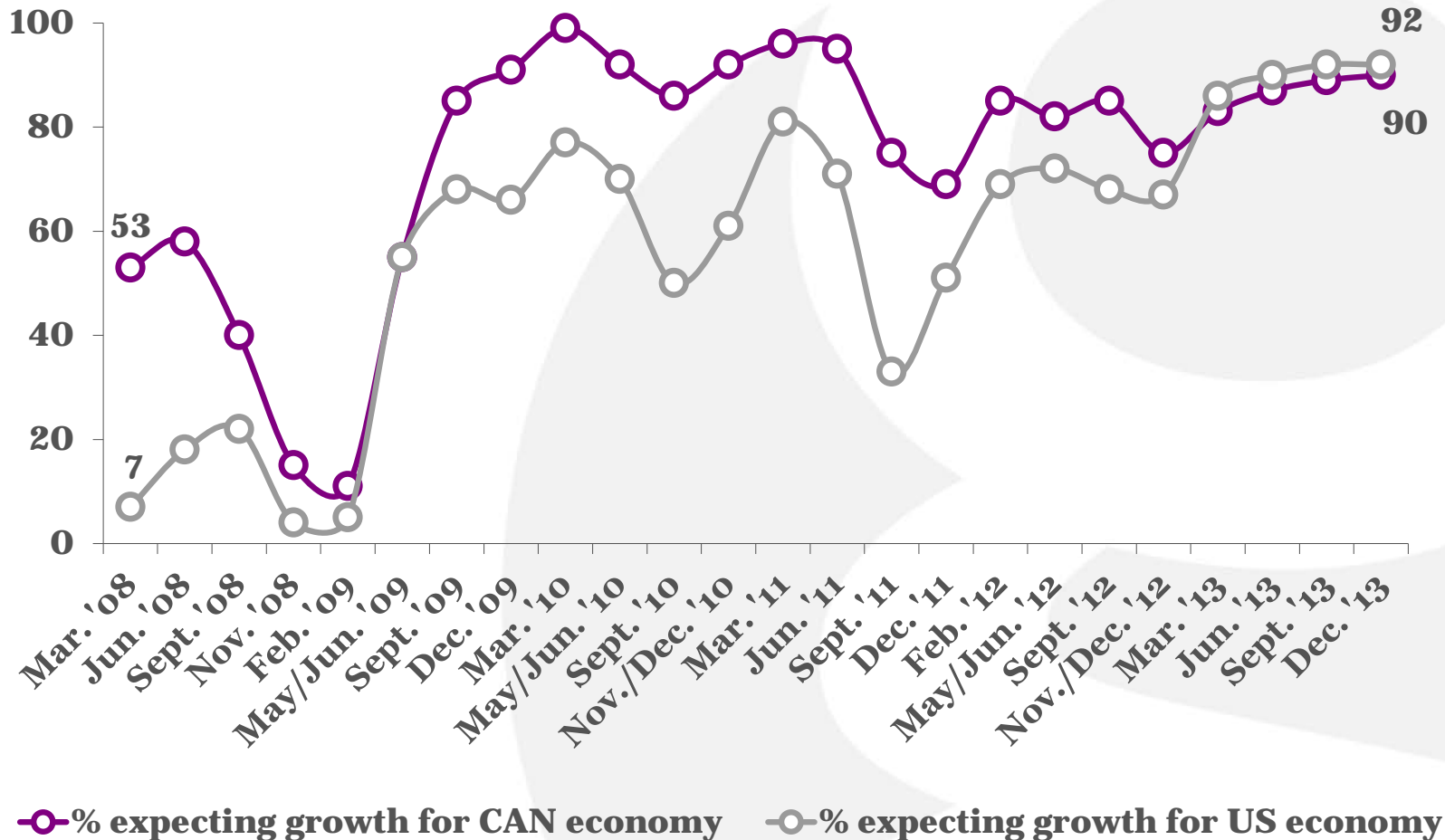
“What are your expectations for the **U.S. /Canadian** economy over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”





Expectations of the Canadian and US Economies

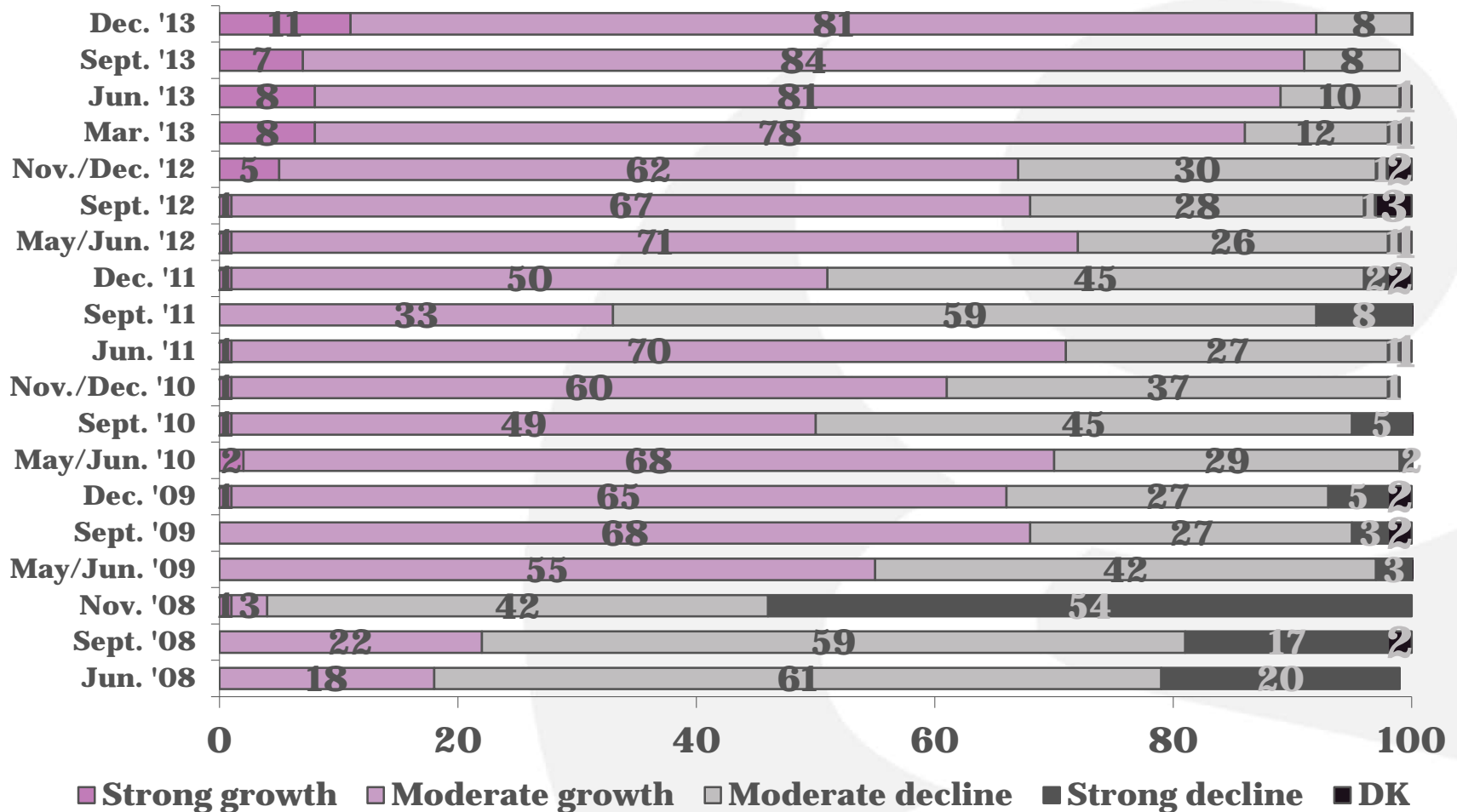
“What are your expectations for the **U.S. /Canadian** economy over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”





Expectations of The US Economy

“What are your expectations for the U.S. economy over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”

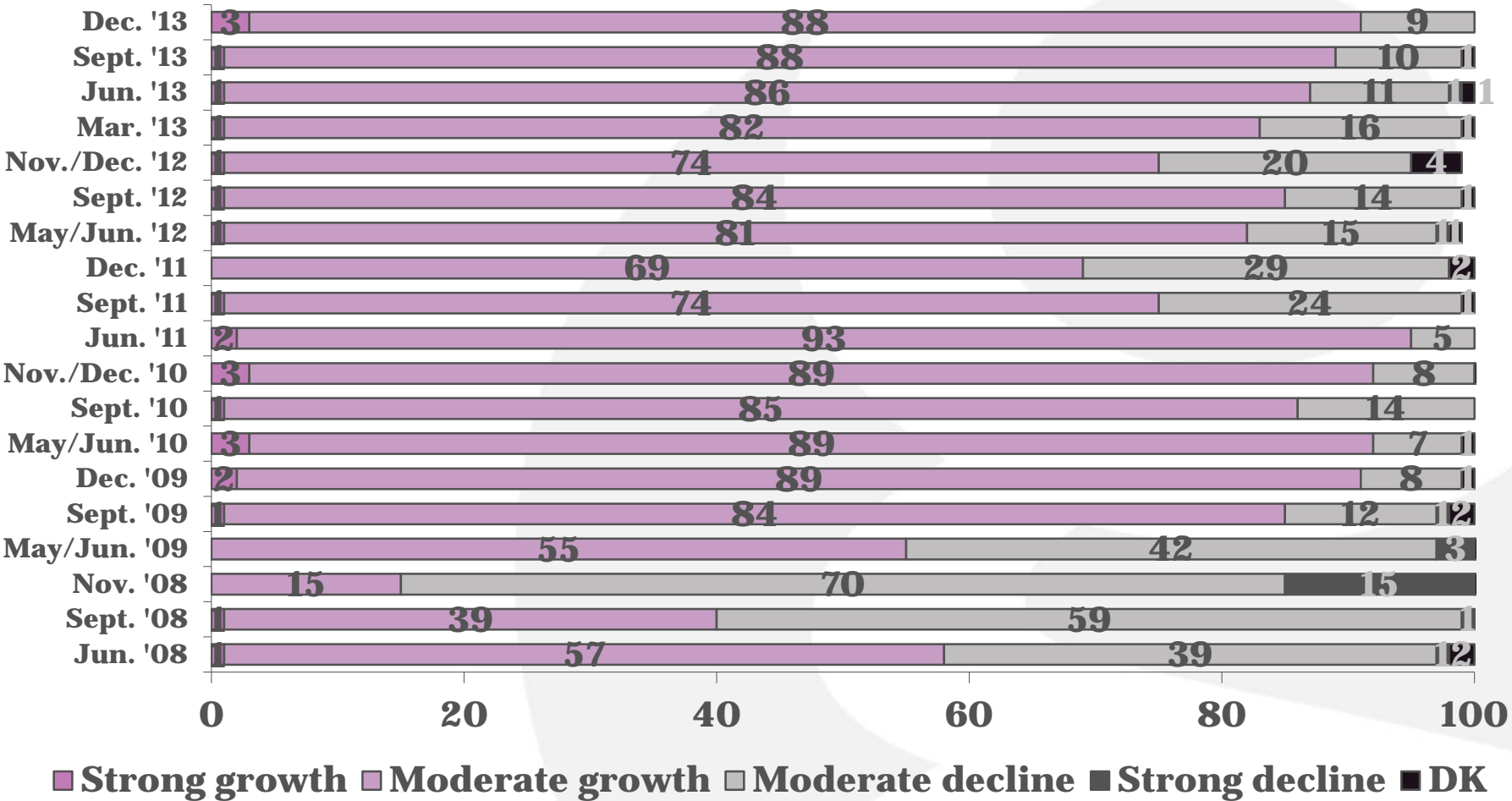


Projections For The Canadian Economy



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“What are your expectations for the Canadian economy over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”





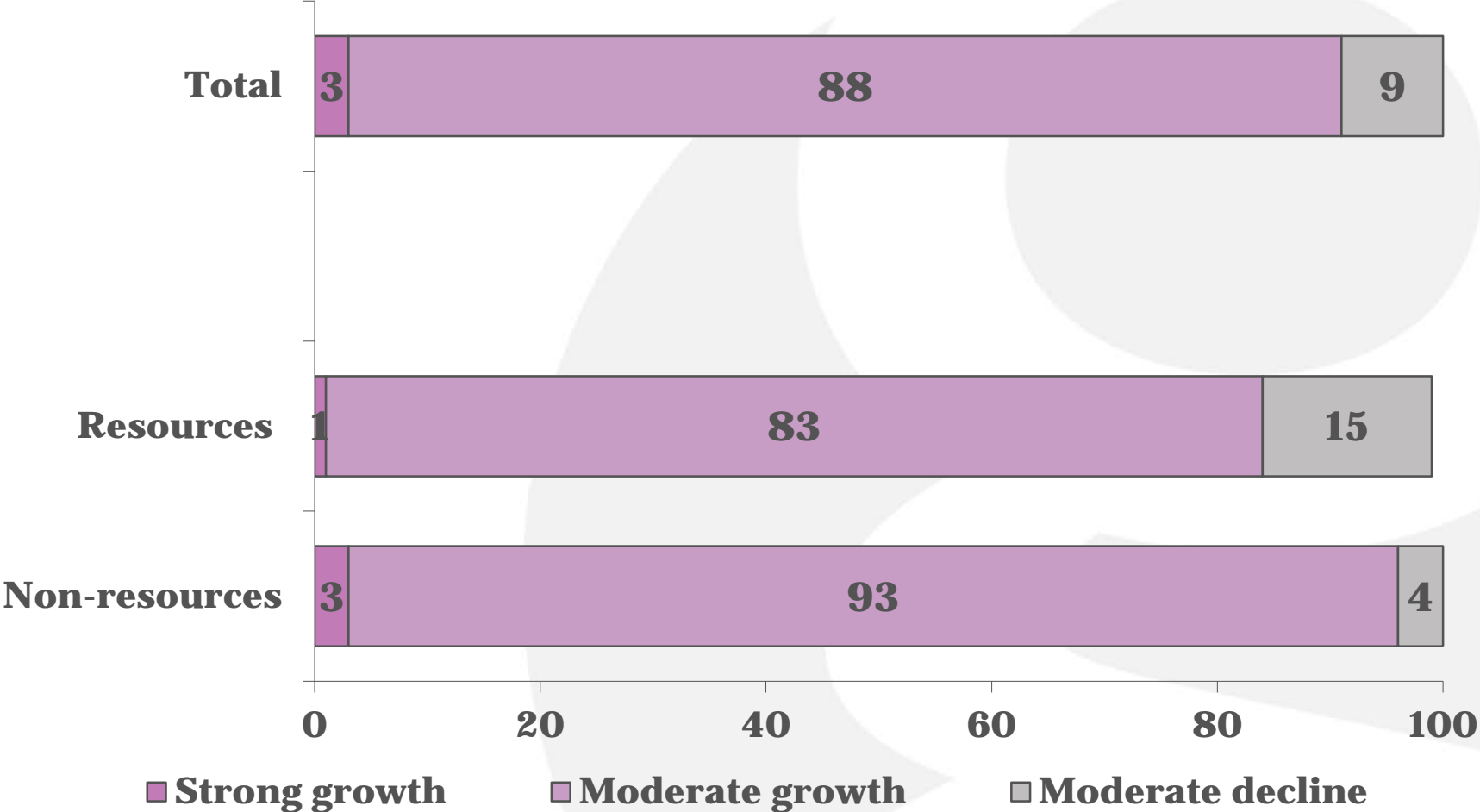
- ❑ Executives in the resources sector continue to be the most pessimistic in their expectations for Canadian economy and their own companies.
- ❑ While the resources sector was the most bullish about the national economy and their own fortunes in 2011, it has now consistently been the least optimistic throughout 2013.

Projections For The Canadian Economy



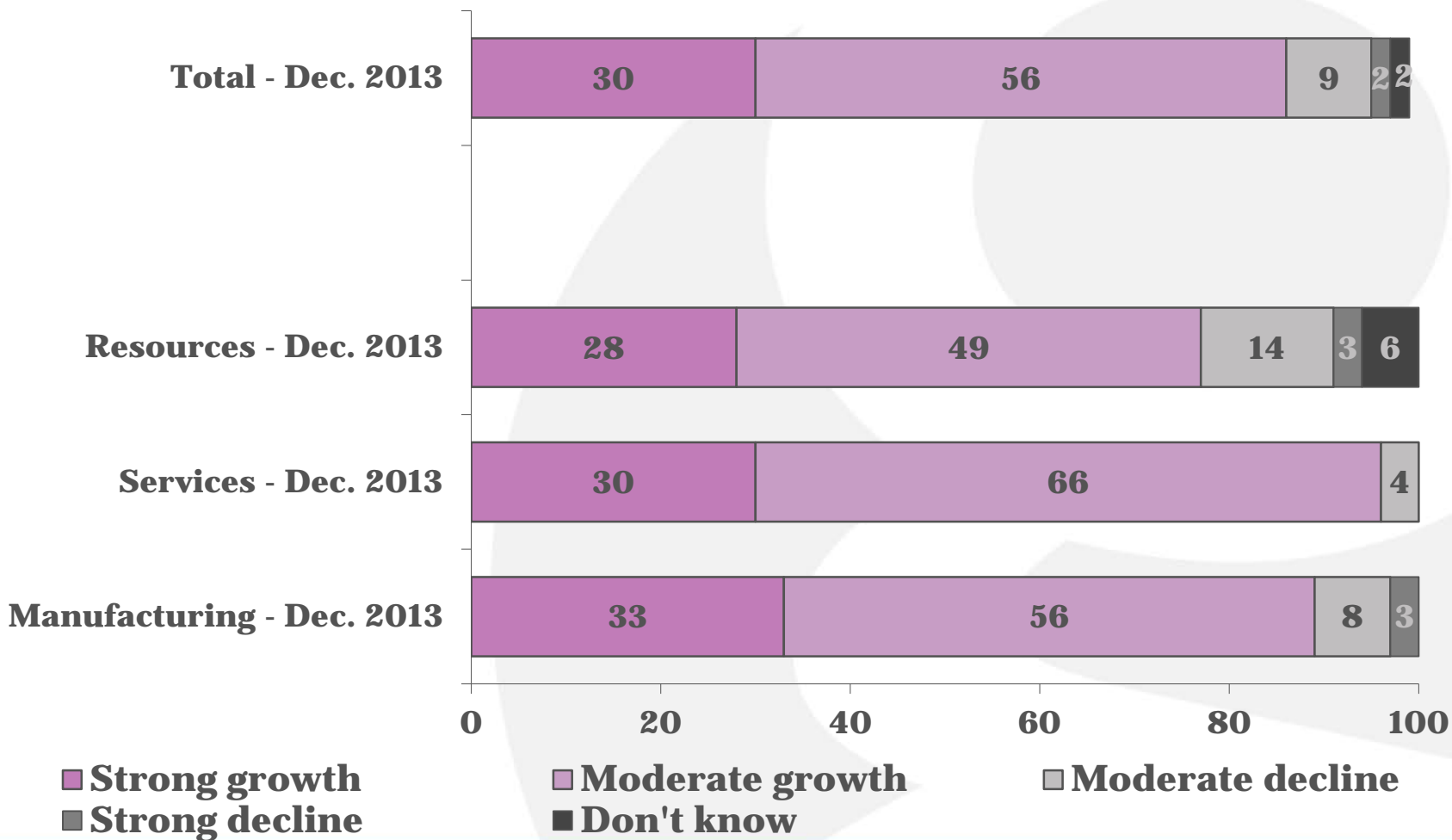
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“What are your expectations for the Canadian economy over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”



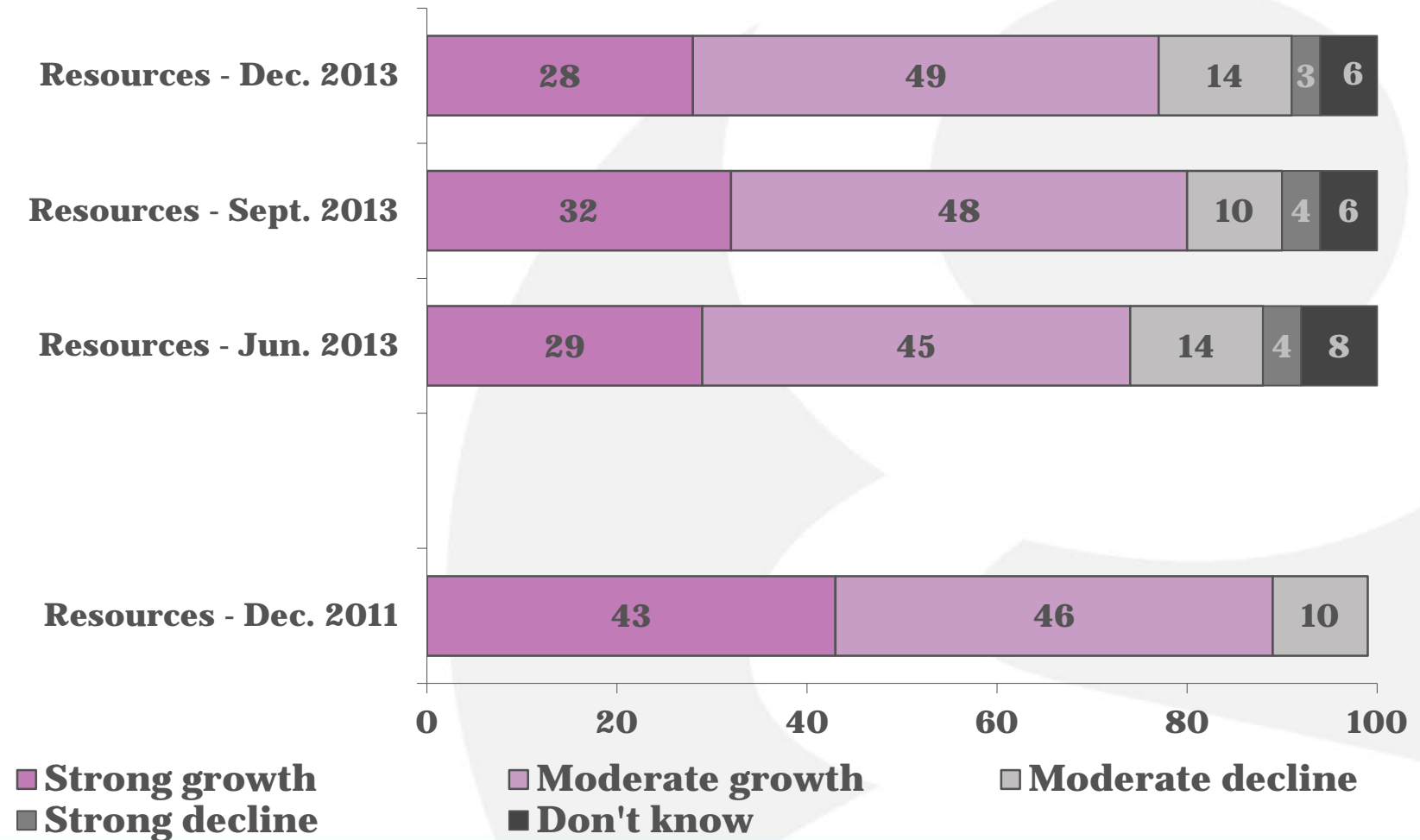


“What are your expectations for your company over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”





“What are your expectations for your company over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”





Projections For Your Company

“What are your expectations for your company over the next 12 months, strong growth, moderate growth, moderate decline, strong decline?”

