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Top Priorities For CEOs: Ensuring Long-Term Company Financial Health; Increasing Productivity And Performance Improvement; Attracting And Retaining High Calibre Employees



Canada's Most
Respected
Corporations

8th Annual Survey, 2002

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Toronto, ONTARIO (Friday, January 24th, 2003) – Canada's captains of industry are confident that their business has what it takes to compete in a global marketplace – but having said that, only four-in-ten plan to break into new markets in the next year. Relatedly, activity which is defined as “expanding into new markets either inside or outside of Canada” is ninth on the priority list (out of 12) that CEOs have for 2003. As for their priorities, focusing on the “long-term financial health of the company” is at the top of the list, followed by “increasing productivity and performance improvement” and “attracting and retaining high calibre employees”.

These are the findings from the Eighth Annual Canada's Most Respected Corporations Survey sponsored by KPMG and conducted by Ipsos-Reid. The survey was conducted between August 6th and November 30th, 2002. The survey involved a randomly selected sample of 314 of the leading CEOs in Canada. With a sample of this size, the results are considered accurate to within ± 4.7 percentage points, 19 times out of 20. The margin of error will vary within regions and for other sub-groupings of the survey population.

86% of CEOs Bullish On Competing in the Global Marketplace

A majority (86%) of Canadian CEOs indicate that their business has what it takes to compete in a global marketplace – up from 76 percent in 2001. Only 12 percent disagree with this point of view. Agreement levels are also intense – 41 percent of CEOs strongly agree with the view that they have what it takes to compete (up from 34% in 2001).

Despite Enthusiasm, Most CEOs are Keeping Their Powder Dry

While a healthy four-in-ten (40%) CEOs believe that it's more important for their company to expand into new markets than to solidify their current market, most (60%) believe that it's more important to solidify their current market than to expand. This has remained a consistent theme with Canadian CEOs since 1999. In 1999, 57 percent indicated that it was better to solidify, 61 percent in 2000, 52 percent in 2001, and 60 percent in 2002. As for expanding into new markets, 40 percent indicated this view in 1999, 37 percent in 2000, 45 percent in 2001, and 40 percent in 2002.

So, What Are the Priorities?

While market expansion may not be the flavour of the year for six-in-ten, other priorities have got CEOs attention. The top priorities for CEOs for 2003:

- Ensuring the long-term of the financial health of the company (98%)
- Increasing productivity and performance improvement (93%)
- Attracting and retaining high calibre employees (92%)
- Customer loyalty growth (85%)
- Risk management (72%)
- Ensuring trust from shareholders (71%)
- Increasing short-term profitability (70%)
- Corporate governance (67%)
- Expanding into new markets either inside or outside of Canada (64%)

- Expanding into new products or services (60%)
- Transparency and public reporting (58%)
- Growth through merger and acquisition (50%)

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