

# GROWTH COMPANY

## RESEARCH

### 2023

A MINDSET FOR  
HIGH-PERFORMANCE

---



**CRITICALEYE**

The peer to peer Board Community



In our latest research on leaders of fast and high-growth companies, taken at our Growth Company Retreat 2023, we see how much the landscape has changed for AIM-listed and PE-backed businesses since last year. While it's still vitally important to react quickly to changing market conditions, leaders are also focused on operational excellence in the present, alongside growing their organisations to create longer-term value for investors.

Against a backdrop of falling confidence in UK economic growth, leaders in this year's survey are prioritising growth through M&A, alongside a new focus on customers which came top of the list of priorities for the first time ever. Exit timelines are becoming longer and investors are continuing to support medium to longer-term growth. Despite this, shareholders and investors continue to be the most challenging external stakeholders for our leaders.

The figures also show that growth company leaders are acutely aware of the need to attract and retain

talent to drive this growth. In a poll taken at the Retreat, 40 percent highlighted talent and people as the biggest operational and strategic challenges their businesses were facing. Similarly, retaining key talent and developing skills came second in the top five priorities for the year ahead.

Encouragingly, leaders also recognise their own shortcomings, with 25 percent identifying leadership capability as one of the biggest challenges. Executives are confident in the ability of their management team but maintain a healthy appreciation of the need to regularly look up and out from the business, with 83 percent saying they are too inwardly focused.

Finally, mentoring and peer-to-peer learning remain the most effective leadership development tools in our 2023 research. It's clear both executives and non-executives will need this external support to respond to a challenging economic climate over the coming months.



**Jamie Wilson**  
Managing Director, Group Services  
Criticaleye

# KEY FINDINGS FROM CRITICALEYE'S

## GROWTH | COMPANY | RESEARCH | 2023



**Customer focus** has jumped to the top of the priority list



**Mentoring** and **peer learning** are the most effective development tools



**Confidence in UK growth** has fallen significantly



**70%** say their Chair provides the right support



The Board is the most **challenging internal stakeholder**



**Communication** and **people skills** are hampering top team performance



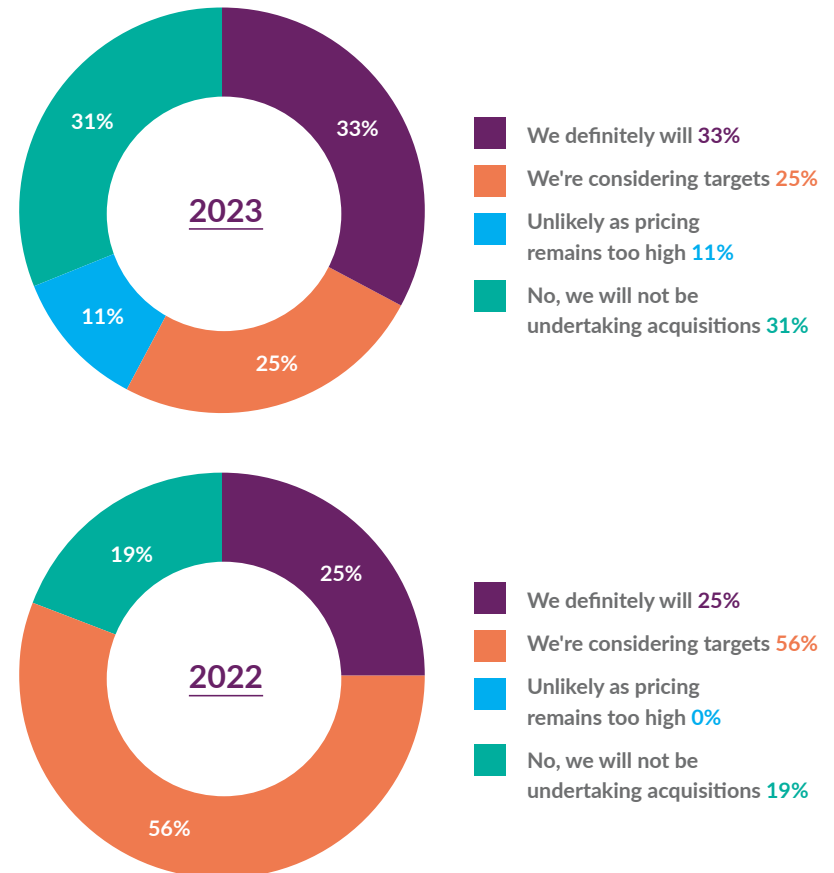


# STRATEGY

CRITICALEYE OFFERS SENIOR  
EXECUTIVES A UNIQUE OPPORTUNITY  
TO DISCUSS AND REFLECT UPON  
STRATEGY WITH PEERS AND EXPERTS

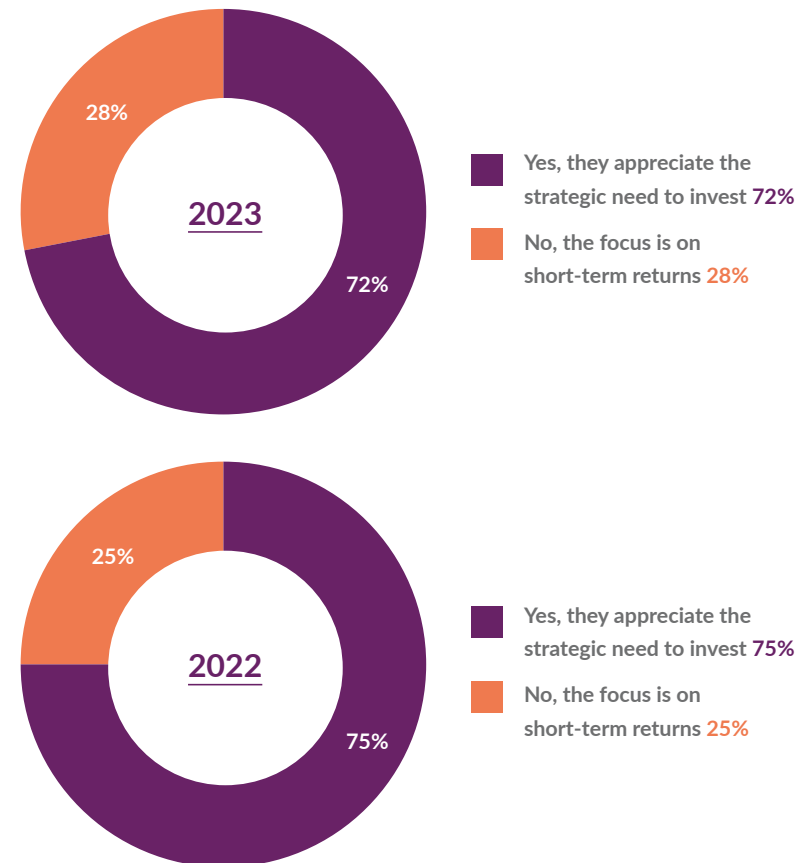
Growth businesses  
conducting M&A  
will rise 8% in 2023

Do you expect to conduct M&A  
over the next 12 months?



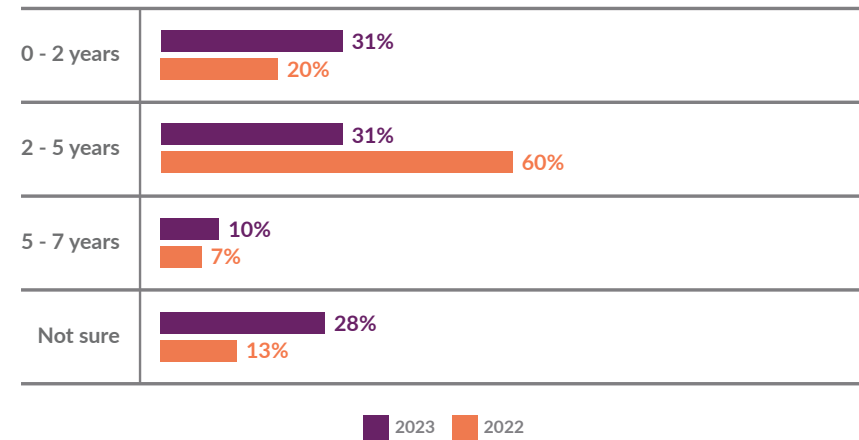
## Investors continue to support a longer-term view from management teams

Are your investors allowing you to make investments in medium to long-term growth?

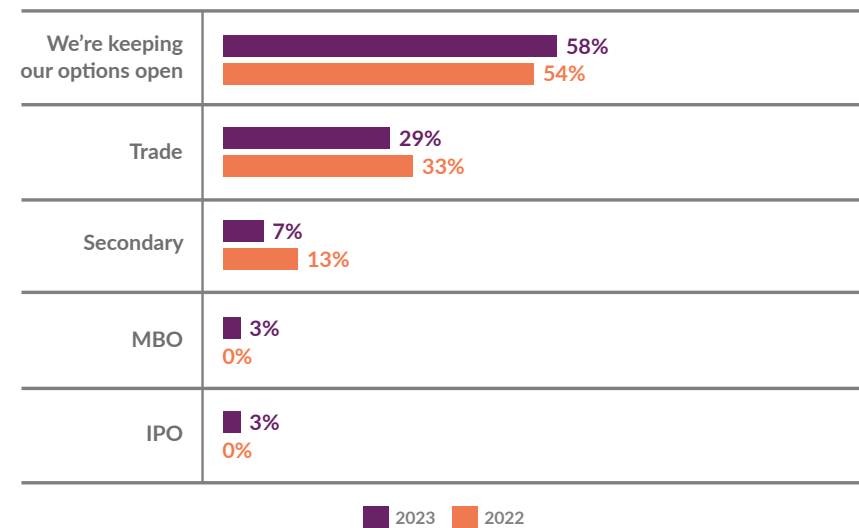


Although timelines are lengthening, businesses maintain a flexible approach on what exit route to take

### When do you expect to exit?

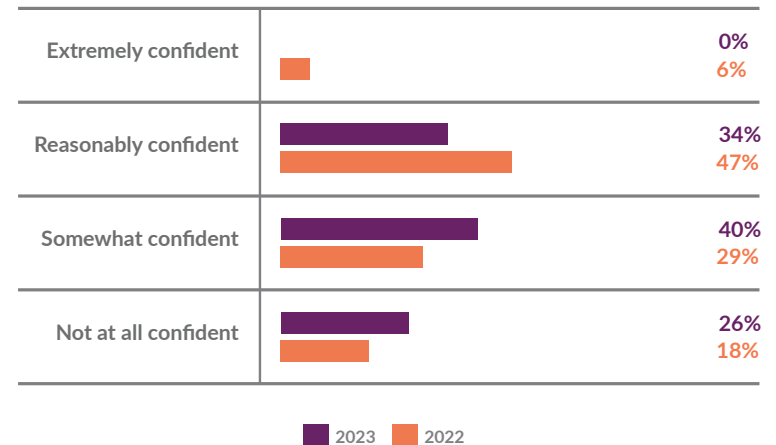


### What is your most likely exit route?

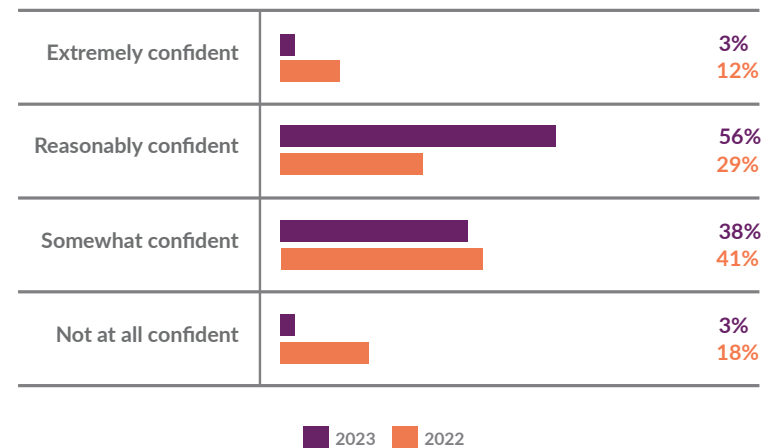


## Confidence in the UK economy has fallen

How confident are you that the rate of growth in the UK economy will increase over the next 12 months?



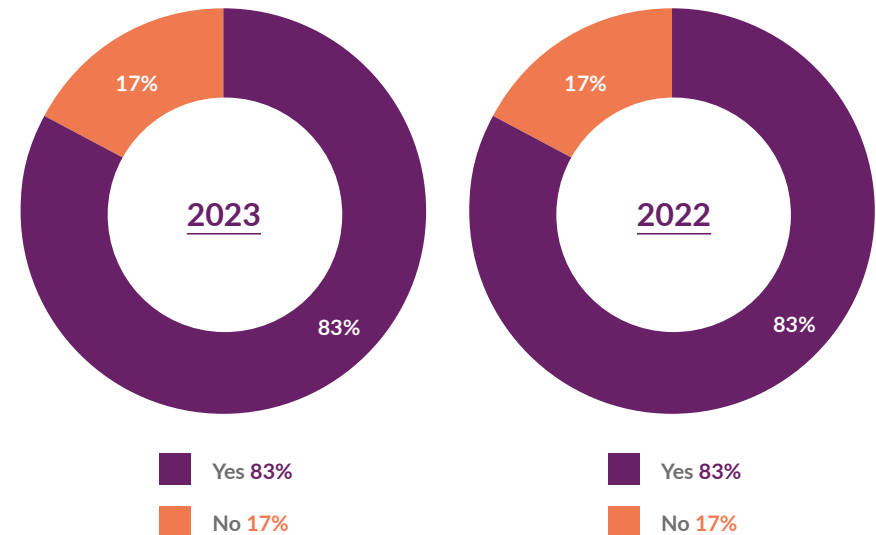
How confident are you that the global economy will grow over the next 12 months?



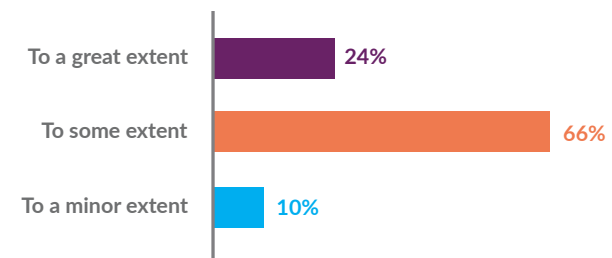


Growth businesses  
remain confident  
in the ability of their  
management teams

Does your executive team have the ability to execute on the medium to long-term strategy?



Does your senior leadership team have the ability to navigate strategic uncertainty?



# Customer focus has jumped to the top of the priority list for growth businesses

## Top 5 Priorities in 2023

- ✓ 1. Customer focus
- ✓ 2. Retaining key talent and developing skills
- ✓ 3. M&A
- ✓ 4. Employee engagement and productivity
- ✓ 5. Improved performance management

## Top 5 Priorities in 2022

- ✓ 1. Employee engagement and productivity
- ✓ 2. Retaining key talent and developing skills
- ✓ 3. Innovation
- ✓ 4. M&A
- ✓ 5. Improved performance management

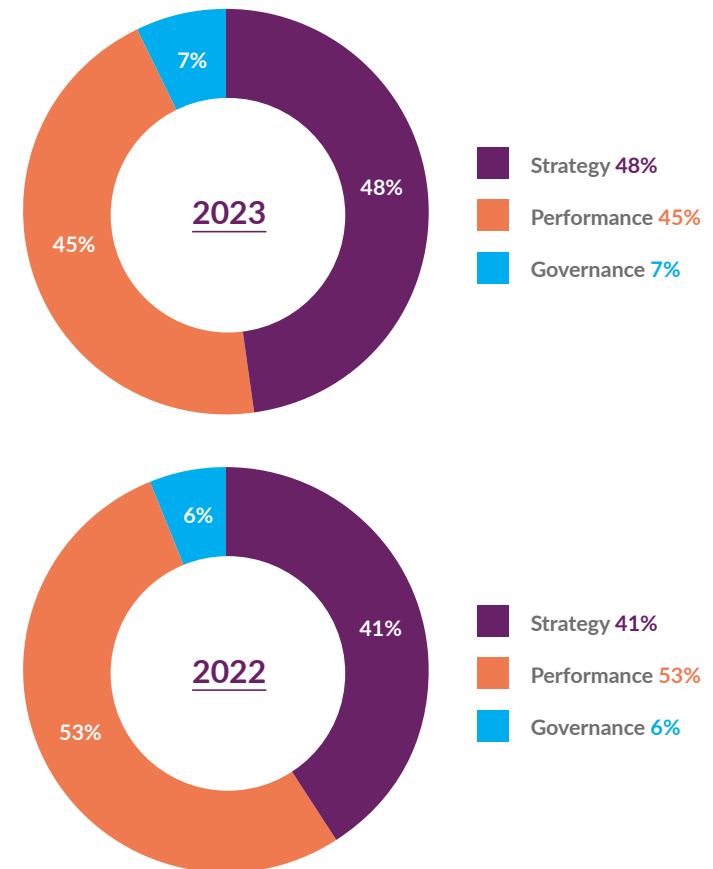


# LEADERSHIP

CRITICALEYE ENABLES AND DEVELOPS GREAT  
LEADERSHIP WITH THE PERFECT MIX OF  
DISCUSSION AND HIGH-IMPACT CASE STUDIES

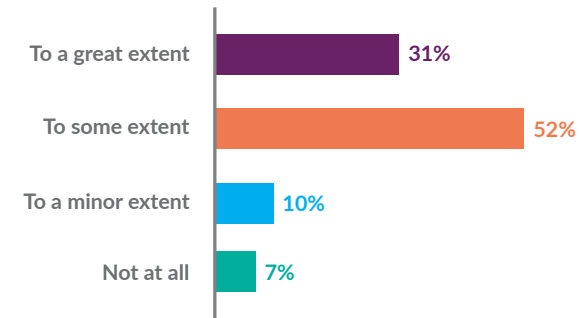
**Strategy has overtaken performance as the area in which leaders need to improve the quality of debate**

In which of the following areas do you need to improve the quality of debate in the leadership team?

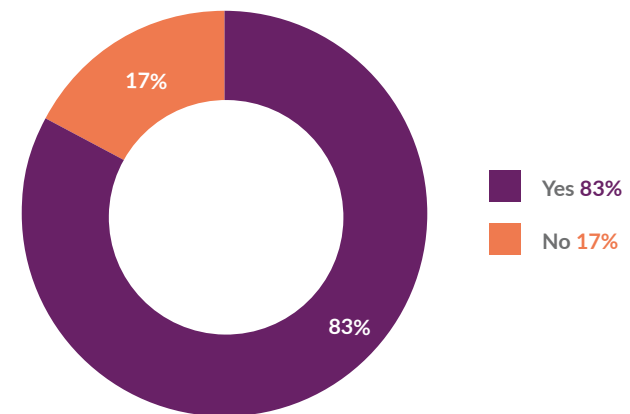


**83% of growth  
company executives  
say they are too  
inwardly-focused  
and this impacts  
performance**

Is your senior leadership team too inward-looking and focused on the day-to-day?



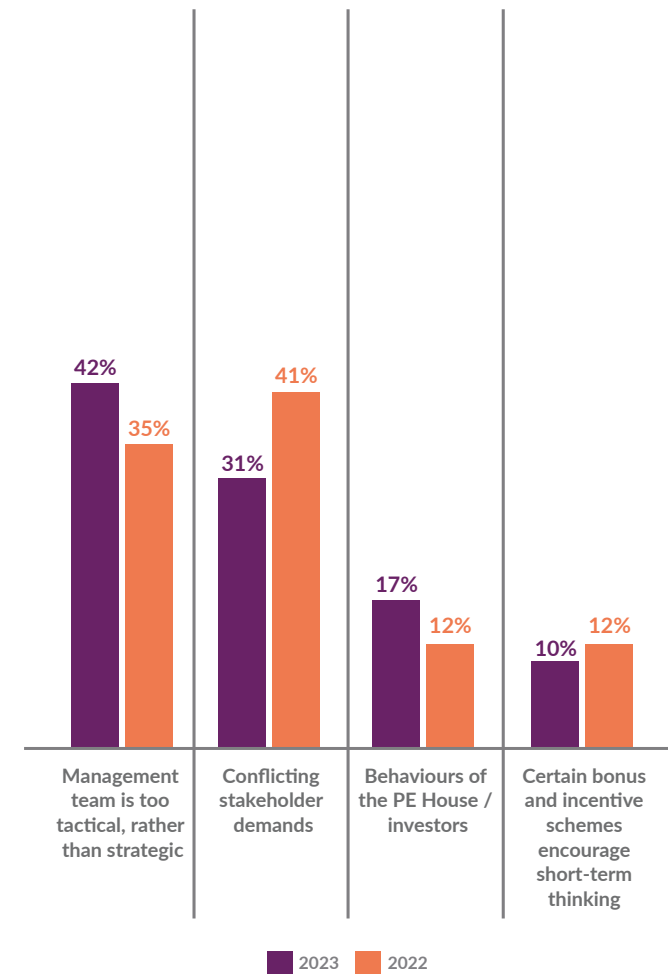
Does being too focused on the day-to-day have a detrimental impact on business performance?





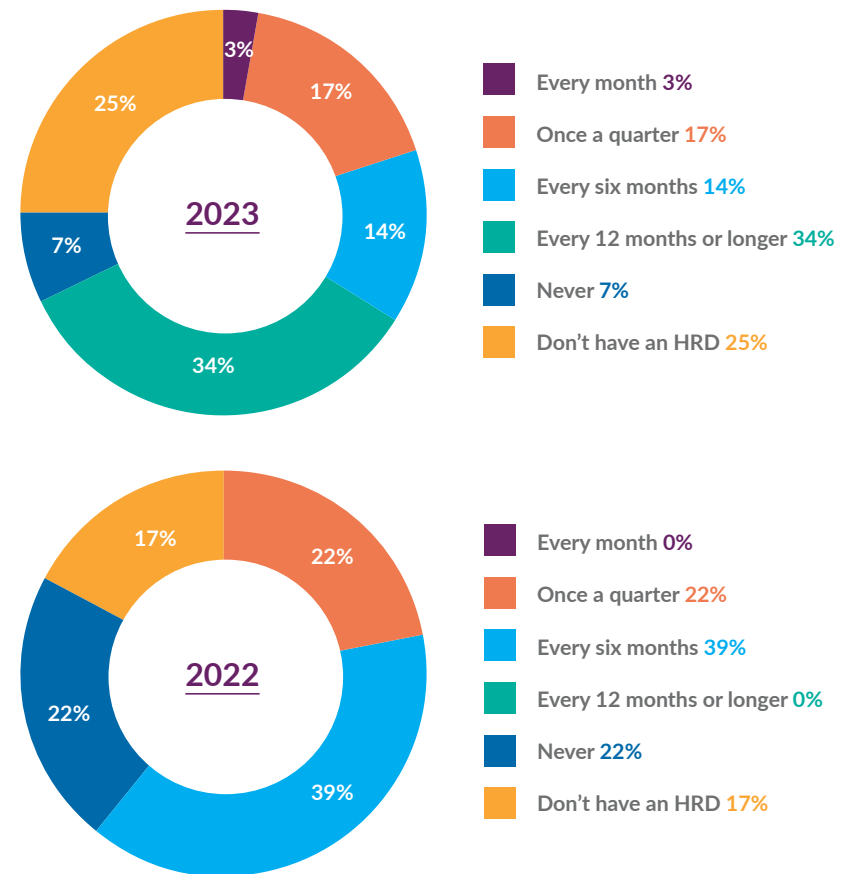
Conflicting stakeholder demands has been overtaken by tactical leadership as the main reason for being too short-term in approach

Why do management teams become too focused on short-term goals?



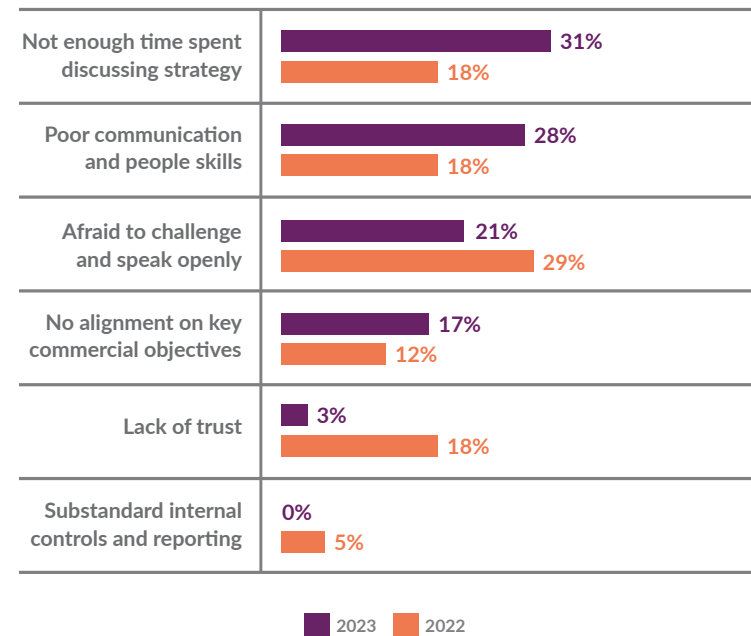
Although Boards are discussing leadership development with HRDs more regularly, over a third still only cover it once a year

How often do the HRD and Board meet to discuss the leadership development needs of senior executives?



Making time to discuss strategy and poor communication and people skills are creating challenges for growth company leaders

In your experience, what do you regard as the primary reason for failure in your leadership team?



# Peer to peer learning and mentoring continue as the most effective leadership development tools

The most effective leadership development tools for senior executives in 2023

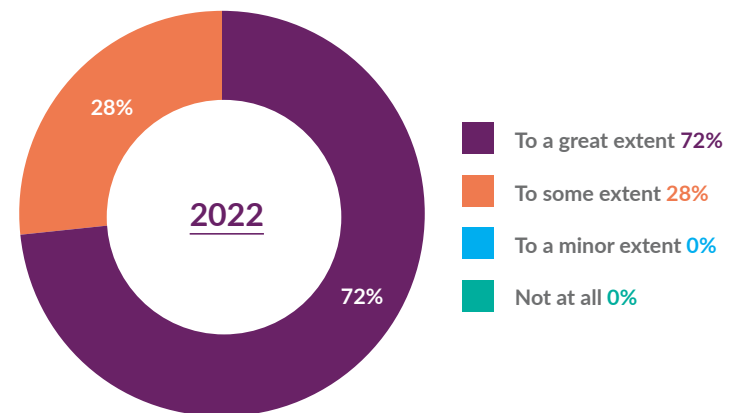
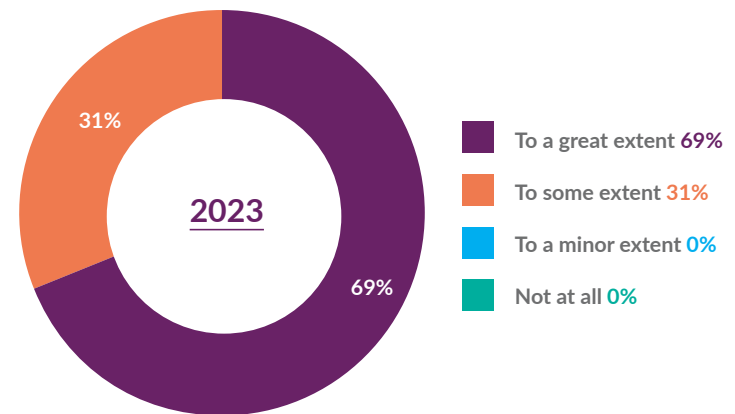
1. | Mentoring 
2. | Peer to peer learning 
3. | Chair 
4. | 360 degree feedback 
5. | New role / assignment 

The most effective leadership development tools for senior executives in 2022

1. | Peer to peer learning 
2. | Mentoring 
3. | 360 degree feedback 
4. | New role / assignment 
5. | Chair 

Senior executives in growth companies agree, looking outside their organisation and sector enhances business performance

Is business performance enhanced if executives have access to reference points outside of their organisation / sector?







# STAKEHOLDERS

CRITICALEYE PROVIDES THE RIGHT REFERENCE POINTS  
TO MANAGE AND NAVIGATE INCREASINGLY IMPORTANT  
STAKEHOLDER RELATIONSHIPS

Click [here](#) to see leaders from across our Community talk about the support senior executives are looking for from Chairs and NEDs in 2023.

Featuring:

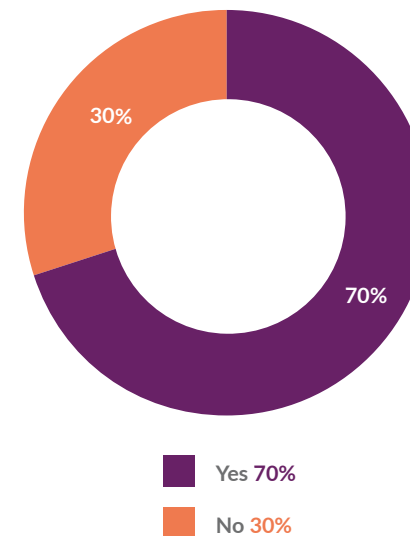
**János Filakovsky**  
CEO  
Biomapas

**Beth Henson**  
Group HRD  
ADS Group

**Priya Chowdhary**  
CFO Europe  
Encyclis

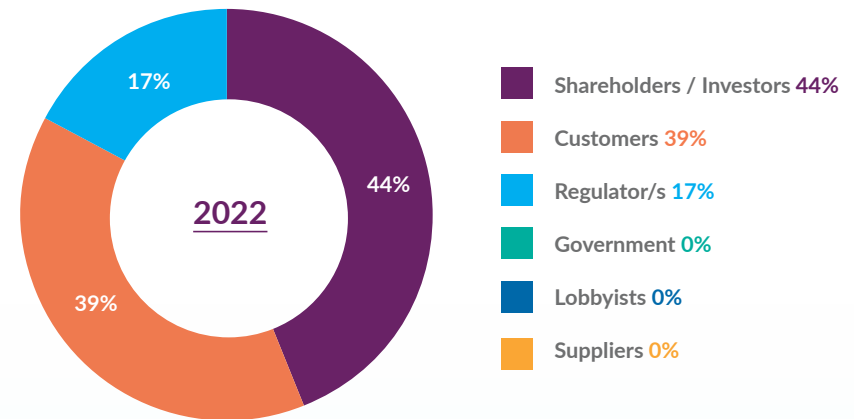
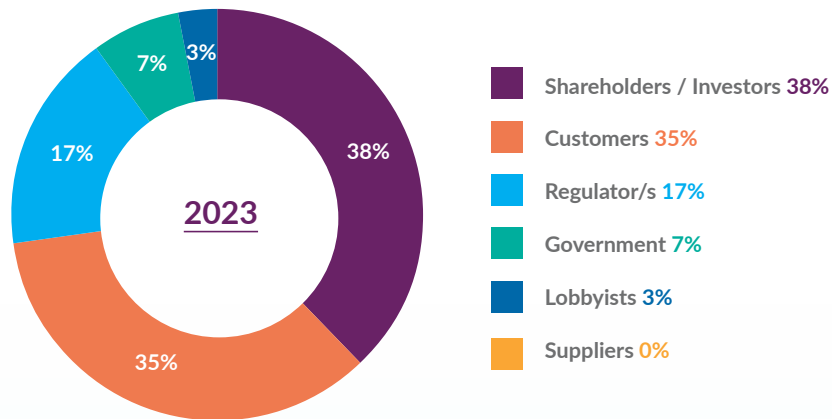
**Steve Deverill**  
Managing Partner  
Eton Bridge Partners

Does your Chair add value in terms of the support provided to the executive team?

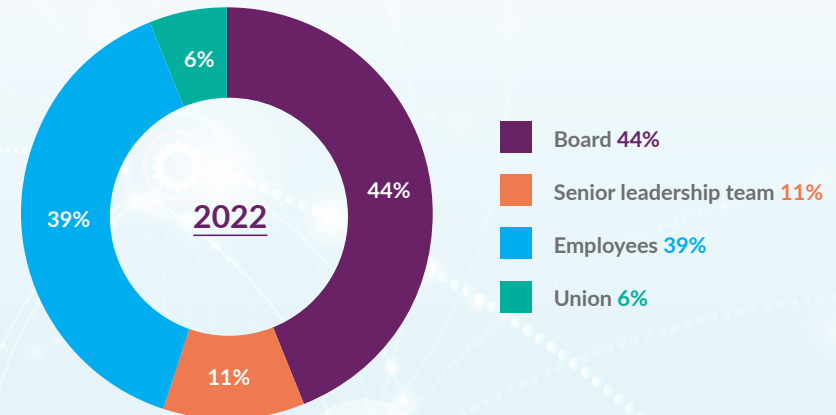
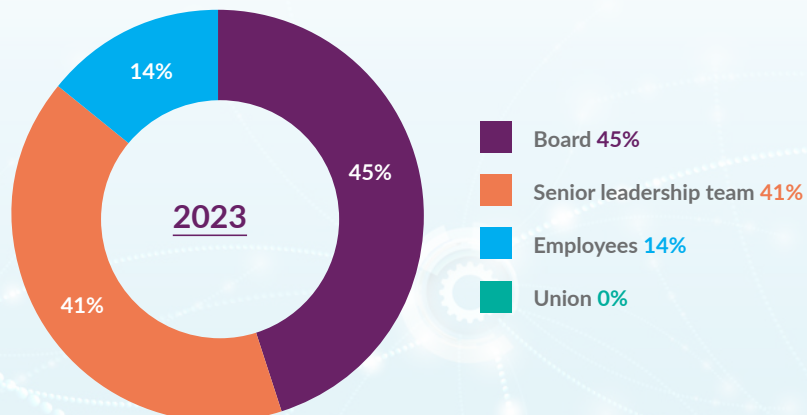


# Shareholders and Boards remain the most challenging stakeholders for executives operating growth businesses

## Who is your most challenging external stakeholder?



## Who is your most challenging internal stakeholder?



# POLLS TAKEN AT THE GROWTH COMPANY RETREAT 2023

What do you see as the biggest overall operational/strategic challenge for your business?



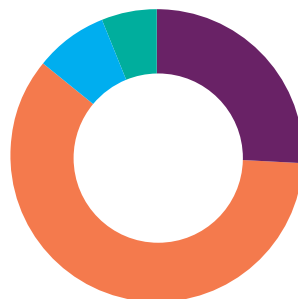
- Talent / People 40%
- Leadership capability 25%
- Finance 15%
- Boardroom alignment 10%
- Shareholder / investor unrest 10%
- Sustainability / ESG 0%

Do you have a strategic senior leadership team?



- Yes 58%
- No 42%

How optimistic are you that you can drive fast growth over the next 18 months?



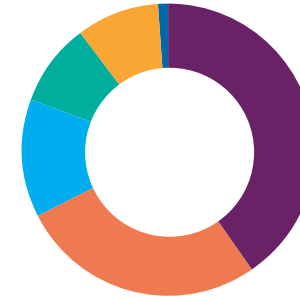
- To a great extent 26%
- To some extent 60%
- To a minor extent 8%
- Not at all 6%

What do you see as the biggest risk to your business?



- Cyber-attack 35%
- Market disruption 20%
- Customer satisfaction 20%
- Health and safety 15%
- Financial 10%
- Compliance / regulator 0%

Do you expect to conduct any of the following over the next 12 months?



- Aquisition 40%
- Refinancing 27%
- None 13%
- Divestment 9%
- Exit 9%
- IPO 2%
- Delisting 0%
- Secondary buy-out 0%

SAVE  
THE DATE

  
**CRITICLEYE**  
The peer to peer Board Community

**GROWTH COMPANY  
FORUM**

THURSDAY 28TH SEPTEMBER 2023



# WHAT OUR LEADERS SAY



## What support do CEOs need from their Boards

In this video, we asked senior executives and non-executives from across our leadership Community about the support senior executives are looking for from Chairs and NEDs in 2023.

Thanks to János Filakovszky, CEO, Biomapas; Priya Chowdhary, CFO Europe, Encyclis; Beth Henson, Group HRD, ADS Group; and Steve Deverill, Managing Partner, Eton Bridge Partners.

[CLICK HERE](#)  
TO WATCH THE VIDEO



## High Impact Leadership Podcast: Episode 3

In this episode of our High Impact Leadership series Criticaleye's CEO, Matthew Blagg, speaks to Mary Jo Jacobi, Non-executive Director of Savannah Resources plc and the NED for Engagement of the Weir Group plc (plus a Criticaleye Board Mentor).

Thanks to our speakers for exploring what it means to be a high performing executive in today's challenging environment.

[CLICK HERE](#)  
TO LISTEN TO THE PODCAST



## Leaders driving growth through agility

Taken at our CFO Retreat, in this video we asked leaders about organisational agility, and why it is important for businesses seeking to drive growth.

Thanks to Salar Farzad, former CFO, Gattaca plc; Ben Dodds, CFO, Group Lotus; Jane Hesmondhalgh, Corporate Vice President & CFO, Microsoft Commercial Business; and Duncan Painter, CEO, Ascential UK.

[CLICK HERE](#)  
TO WATCH THE VIDEO



## Criticaleye Asia Podcast - Leading High Impact Transformation: Episode 9

In this episode of Criticaleye's Asia Podcast series, our General Manager, APAC, Michael Crompton, speaks to Louise Chaplin, Partner & Head of Board Practice, Eton Bridge Partners and Yen Yen Tan, Independent Director, OCBC Bank (plus a Criticaleye Board Mentor), about the transition from an executive to a non-executive role and share best practice tips for aspiring NEDs.

Thank you, to our speakers for exploring what it means to be a new NED across a global framework.

[CLICK HERE](#)  
TO LISTEN TO THE PODCAST



## Leaders looking outside the business to the future

In this video we asked leaders about looking outside their organisations, mitigating risks and preparing for the future.

Thanks to Mel Karam, CEO, Bristol Water; Stephen Pain, former VP Strategy, Stewardship, Unilever (plus a Criticaleye Board Mentor); and Sally Uren, CEO, Forum for the Future.

[CLICK HERE](#)  
TO WATCH THE VIDEO

DO YOU WANT TO JOIN OUR GROWING COMMUNITY OF NEDS, CFOS, CEOS, HRDS AND OTHER LEADERS? CONTACT [INFO@CRITICALEYE.COM](mailto:INFO@CRITICALEYE.COM) FOR MORE INFORMATION ABOUT HOW WE SUPPORT AND DEVELOP SENIOR EXECUTIVES AND THEIR TEAMS ACROSS A WIDE RANGE OF SECTORS AND ORGANISATIONS.



“At Criticaleye, we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



**Charlie Wagstaff**  
Managing Director, Criticaleye

---

# We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve  
**Better**  
Performance



## Inspiring Leaders to Succeed

### Our Values

**Respect:** an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

**Collaboration:** working together to share knowledge and expertise is a defining characteristic of effective executive teams

**Challenge:** strategies and ideas need to be constructively challenged to reach the best outcome

**Trust:** leaders need to trust their colleagues and peers in order to work effectively and drive results

**Integrity:** we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

For more information, please email: [info@criticaleye.com](mailto:info@criticaleye.com)

#### Criticaleye (Europe) Ltd

22 Tudor Street  
London EC4Y 0AY  
United Kingdom

T: +44 (0) 20 7350 5110

#### Criticaleye (Asia) Ltd

Rooms 1909-13  
19th Floor, Tai Yau Building  
181 Johnston Road, Wanchai, Hong Kong

M: +852 6114 3865

[www.criticaleye.com](http://www.criticaleye.com)

