

GROWTH COMPANY RESEARCH 2022

LEADERSHIP WITH NEW HORIZONS

The world has changed radically since Criticaleye last carried out Research with its Community of growth company leaders in 2019. Geopolitical and health emergencies have combined with rising inflation and supply chain pressures to result in one of the most challenging business environments in living memory.

Amid such uncertainty, private-equity backed and AIM-listed business, which form the main pool of respondents for this research, must be able to react quickly and adapt. However, as you'll see over the following pages, this is not straightforward as the complexity of managing stakeholders continues to increase.

Worryingly, 84% of leaders told us that their top team is too inward-looking. Successful businesses must keep a steady eye on the future, but leaders warn that conflicting stakeholder demands are triggering short-termism.

It's interesting to observe that over half of respondents (56%) stated that their Chair does not add value to the business by supporting the executive team, a significant deterioration from 27% in 2019. There is also a real focus on results, with 53% saying that the quality of debate in the leadership team around performance must improve, up from 37% in 2019.

Ultimately, success depends on having the right talent in place throughout the organisation, and leaders say that employee engagement and productivity will remain their top priority for the next 12 months. They also recognise the need to invest in their own development and agree that peer-to-peer learning is the best way of doing this.



Charles Ostroumoff
Business Development Manager
High Growth Companies, Criticaleye

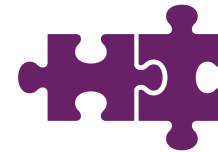
Key Findings from Criticaleye's Growth Company Research 2022



84% of growth leaders believe the top team is too **inward-looking**



Conflicting stakeholder demands are triggering short-termism



81% of growth businesses are planning for M&A



53% of leaders say debate on performance **must improve** (up from 37%)



Peer-to-peer learning is the most effective leadership development tool



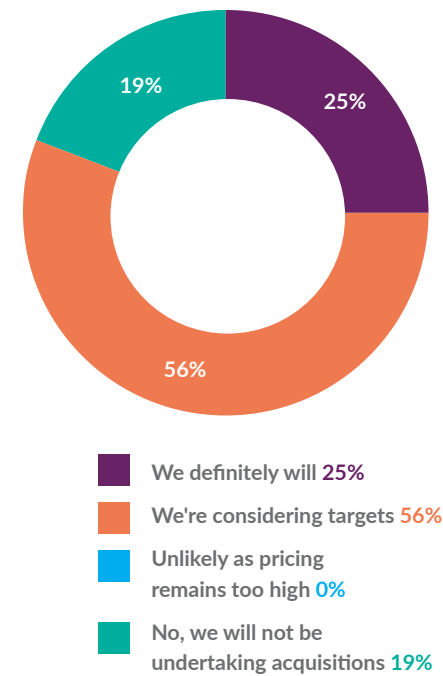
56% say the Chair does **not** add value, vs 27% in 2019

Strategy

Criticleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

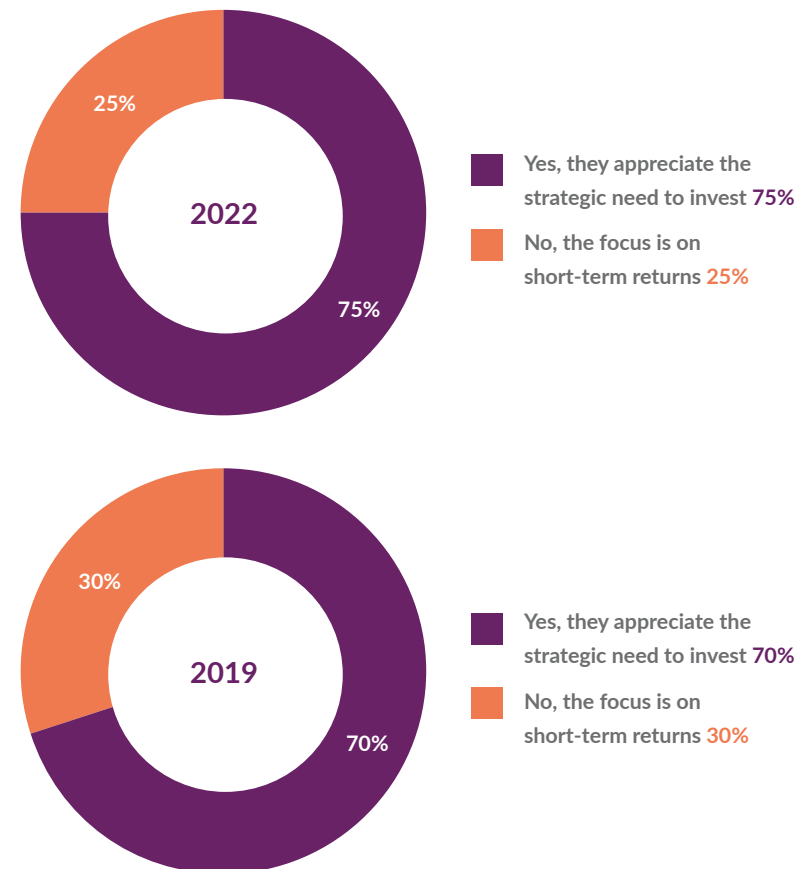
**Most growth
businesses (81%)
are planning for
M&A activity
this year**

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



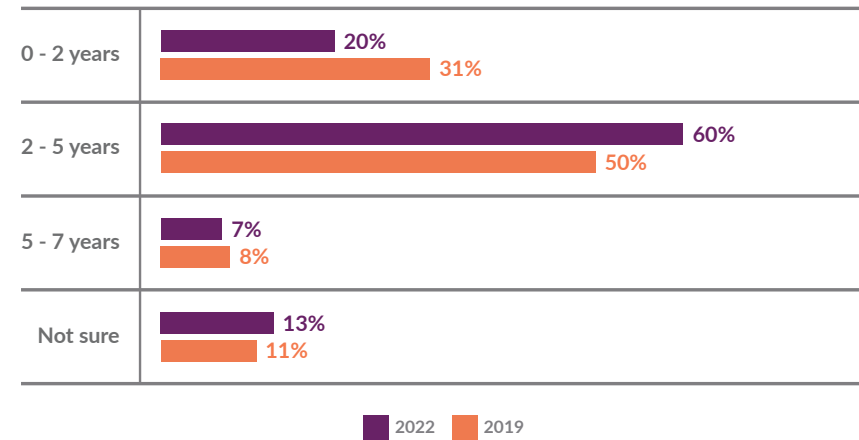
Investors are increasingly focused on medium to long-term strategy in a post-pandemic world

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

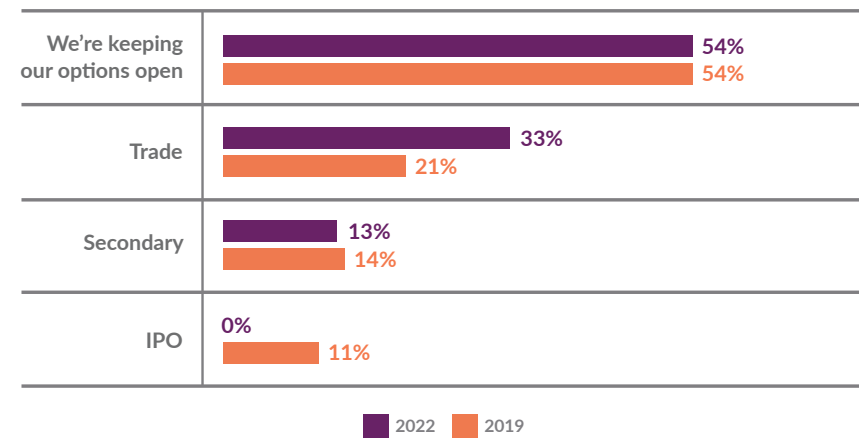


Although exit
timeframes remain
consistent with pre-
pandemic levels, trade
sales are increasingly
the route of choice

When do you expect to exit?

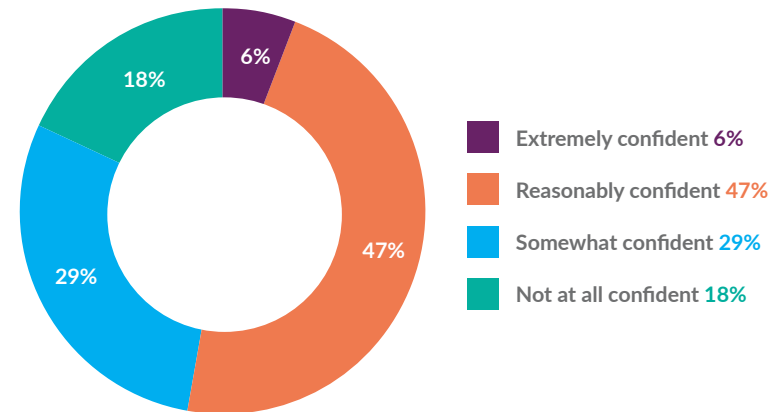


What is your most likely exit route?

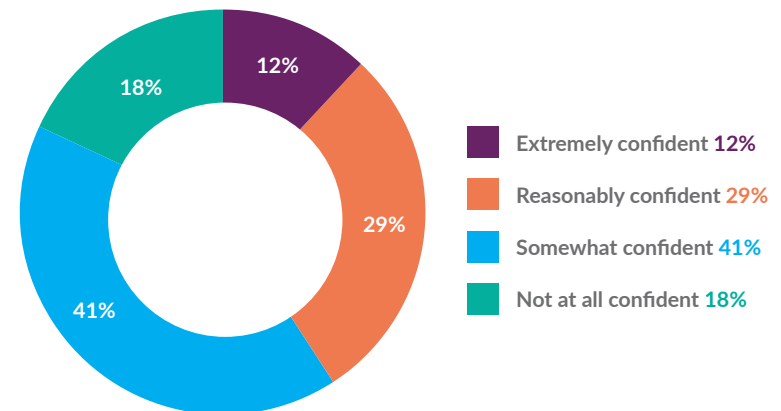


Leaders remain optimistic that economic growth will continue over the next 12 months

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

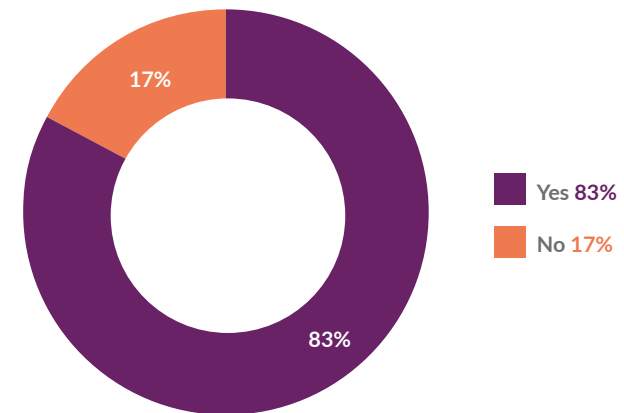


How confident are you that the global economy will grow over the next 12 months?

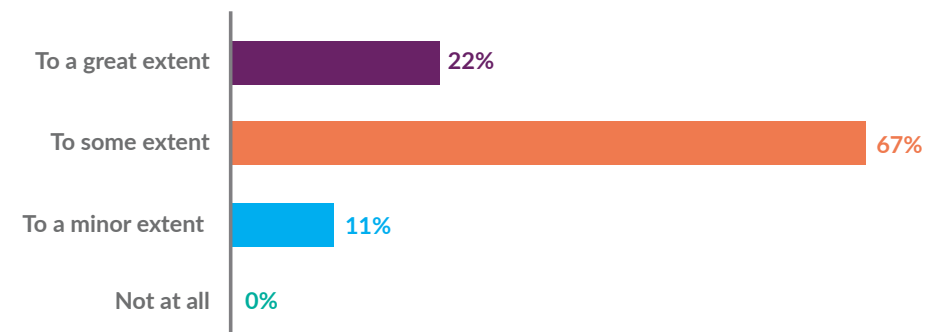


There is confidence
that leadership teams
can deliver on longer-
term plans despite the
ongoing uncertainty

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?



Talent and productivity remain crucial to the success of high-growth businesses

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

Top 5 Priorities in 2019

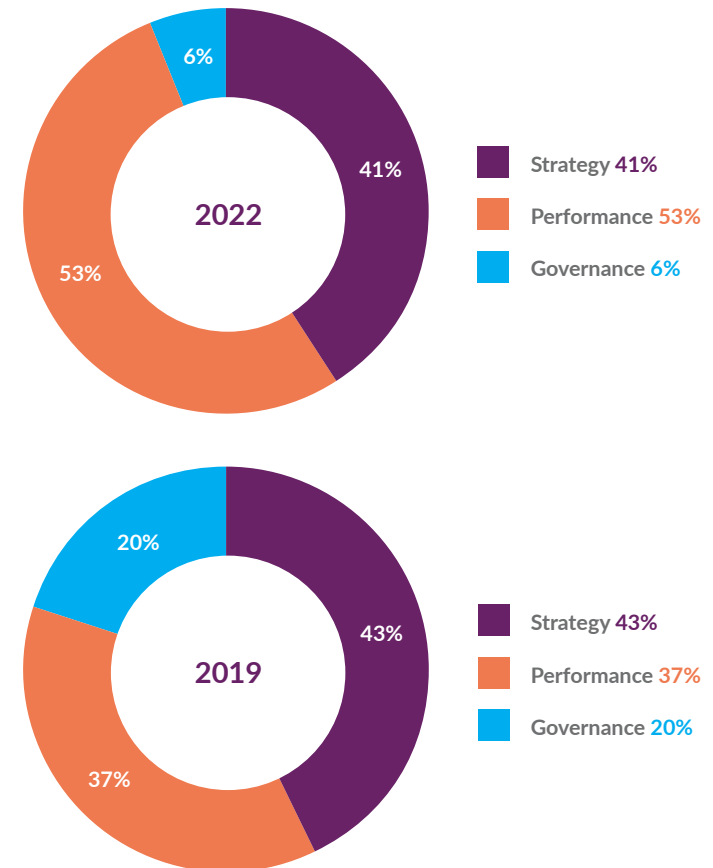
- ✓ 1. Employee engagement and productivity
- ✓ 2. Retaining key talent and developing skills
- ✓ 3. Innovation
- ✓ 4. Improved performance management
- ✓ 5. M&A

Leadership

Criticaleye enables and develops great leadership with the perfect mix of peer-to-peer discussion and high-impact case studies

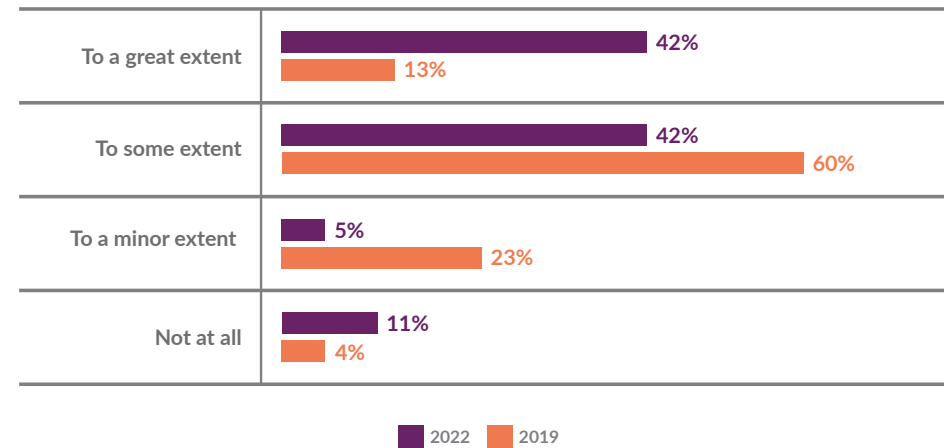
Leaders stress the current need to improve debate around business performance

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

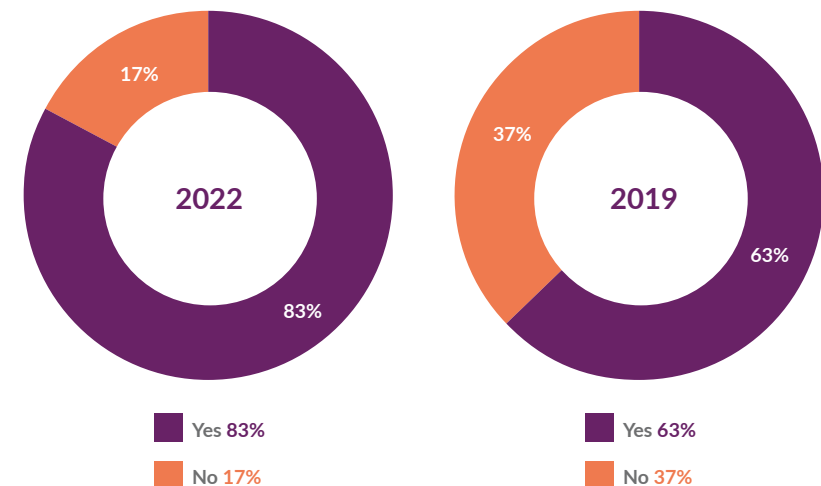


Inward-looking, operational leadership continues to be a significant problem

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

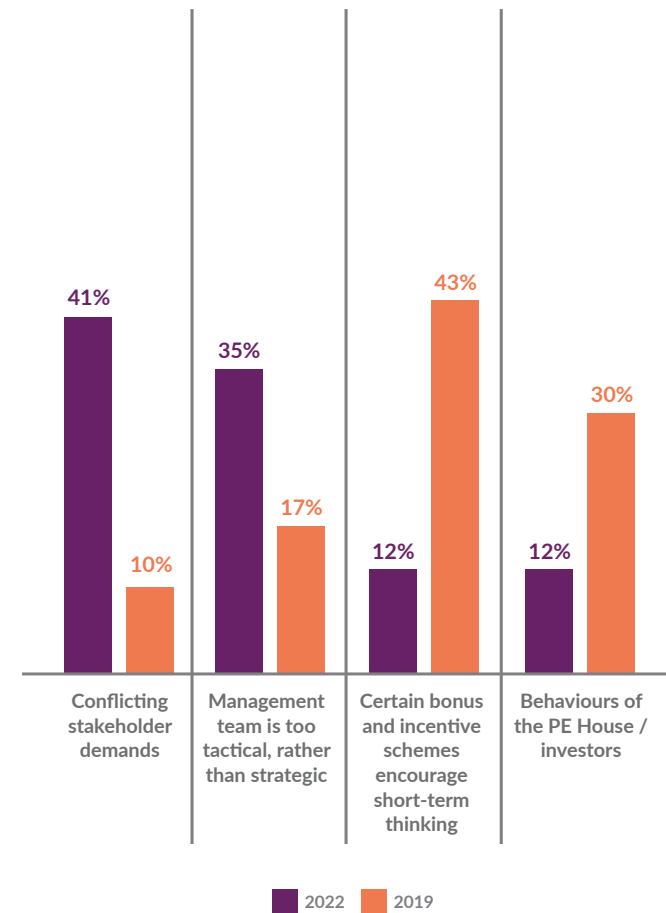


Does being too focused on the day-to-day have a detrimental impact on business performance?



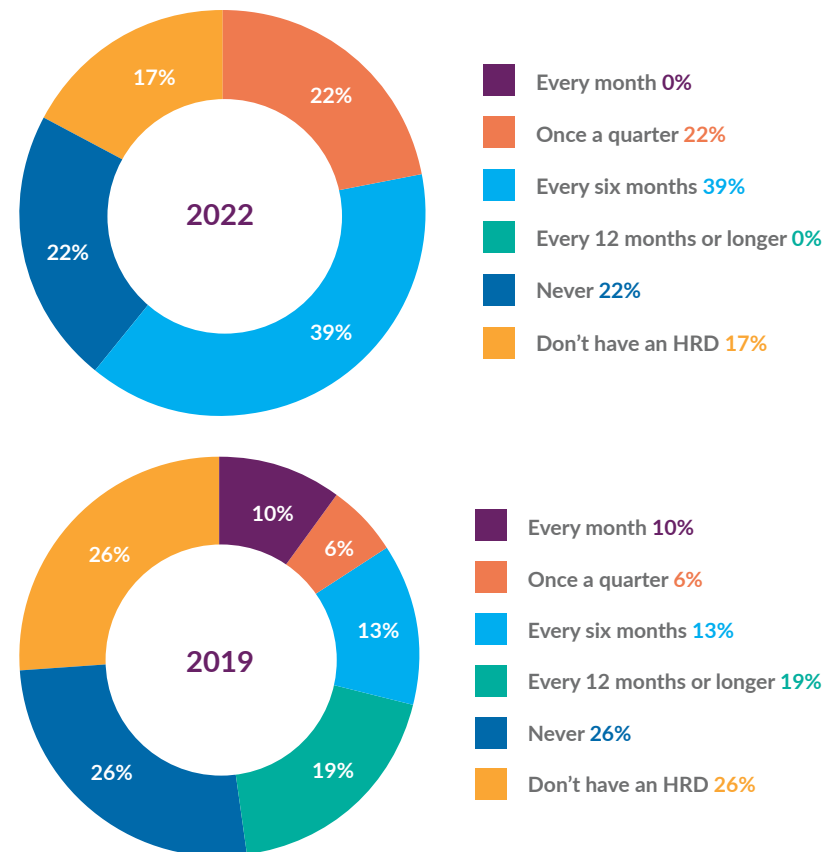
Conflicting
stakeholder
demands are
encouraging an
overly short-
term approach

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



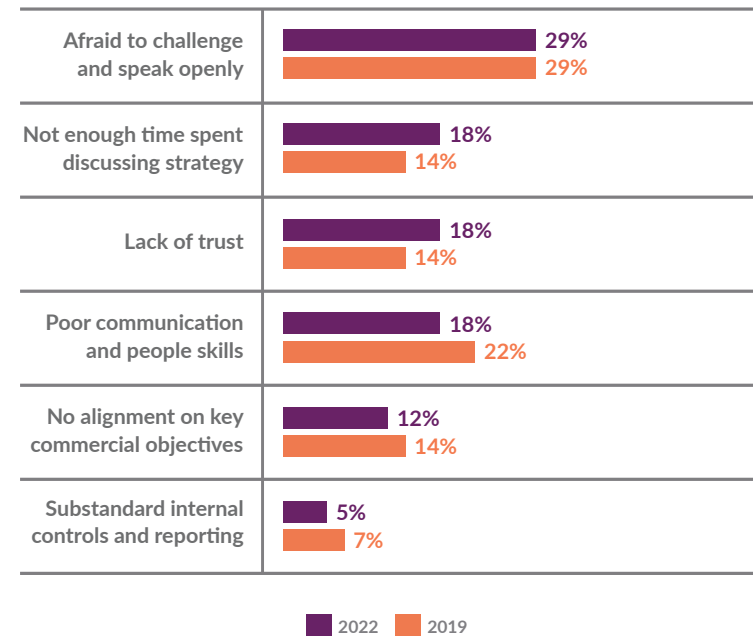
Although leadership development is becoming more of a priority, one in five growth businesses is yet to recruit an HR Director

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



Fear of speaking openly and a lack of trust are persistent problems in leadership teams

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

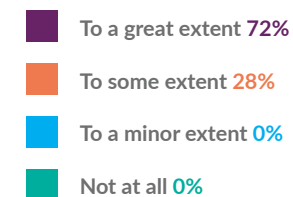
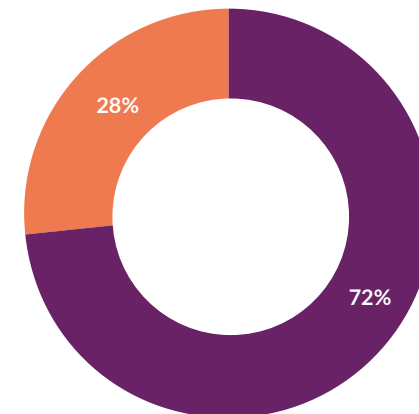


Peer-to-peer learning and mentoring are the most effective leadership development tools in growth companies



Senior executives in growth businesses unanimously agree that 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?

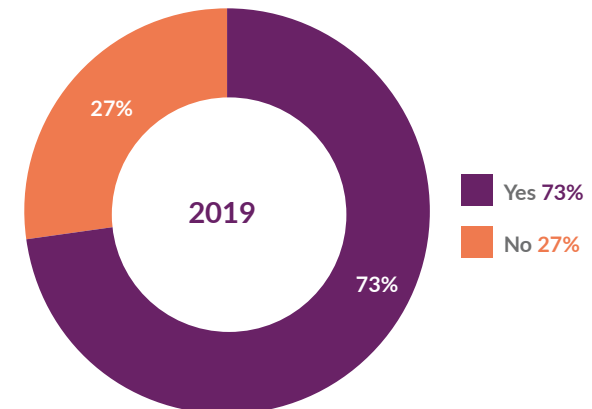
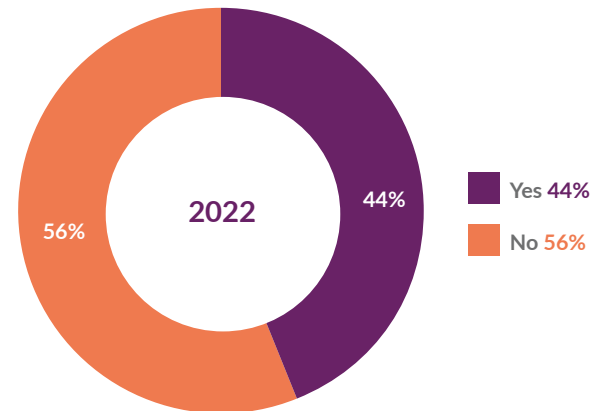


Stakeholders

Criticleye provides the right reference points to manage and navigate increasingly important stakeholder relationships

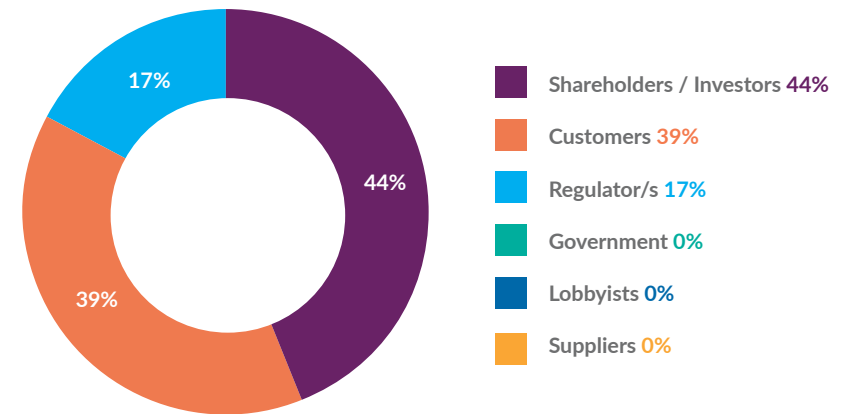
**The value
provided by
growth company
Chairs has dropped
dramatically**

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

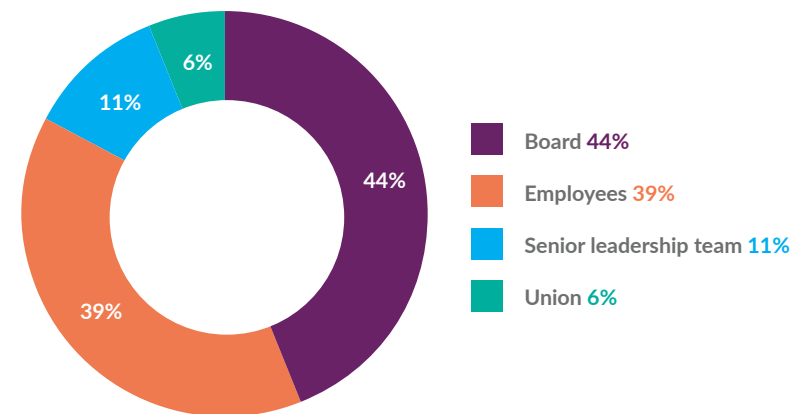


Shareholders and investors are the most challenging external stakeholders for growth businesses in 2022

Who is your most challenging external stakeholder?



Who is your most challenging internal stakeholder?



Polls taken at the Growth Company Retreat 2022

Do your investors / shareholders have confidence in your growth story?



■ Yes 83%
■ No 17%

Is ESG fast becoming a box-ticking exercise?



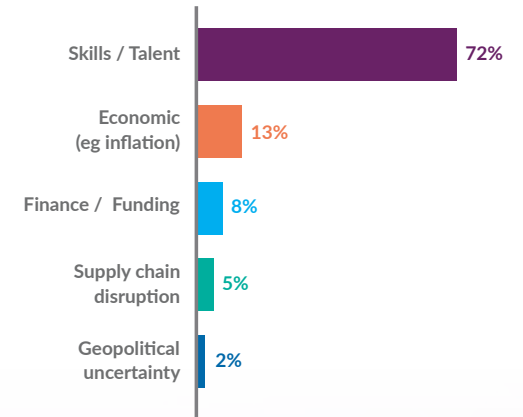
■ Yes 39%
■ No 61%

Are you beginning to see cracks in the resilience of your leadership team after such a turbulent period?



■ Yes 62%
■ No 38%

Please identify the biggest barrier to growth in your organisation



SAVE THE DATE: THURSDAY 29TH SEPTEMBER 2022



GROWTH COMPANY FORUM

NEW LEADERSHIP FOR A HYBRID WORLD

WHAT OUR LEADERS SAY



Sustainability through innovation and partnerships

In this video, we ask leaders, including Zahra Bahrololoumi, Executive Vice President and CEO for UK and Ireland at Salesforce; Michael Lewis, CEO of E.ON UK; and Peter Lacy, Chief Responsibility Officer and Global Sustainability Services Lead at Accenture, about the importance of innovation and partnerships so that businesses can meet their sustainability goals.

[CLICK HERE TO WATCH THE VIDEO](#)



Criticaleye Asia Podcast: Managing Complexity as a Leader

In this episode of Criticaleye's Asia Podcast series, our Managing Director, Charlie Wagstaff, speaks to Min Yih Tan, SVP Global Mobility Network, Shell and Bhawna Gandhi, HR Director, Corporate Service, APAC, Sodexo.

Thanks to our guests for covering managing complexity across global and local leadership roles.

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



Addressing leadership isolation

In this video, we ask leaders, including Mark Scanlon, CEO of Tenet Group; Ashley Phillips, former MD of Ørsted Sales UK; Melanie Lane, CEO of Shell Recharge at Shell; Scott Fawcett, MD of Component Solutions at Essentra; and Lorcan O'Connor, Group CEO of Córas Iompair Éireann, about isolation in the top role and how executives can get the right support outside of their organisation.

[CLICK HERE TO WATCH THE VIDEO](#)



Criticaleye Podcast: Leadership with New Horizons

In this episode, Criticaleye's CEO, Matthew Blagg, and Director of Content, Marc Barber, cover key outtakes from our HR Director Retreat 2022.

Find out more on how HRDs are addressing the long-term workforce and development challenges, and focusing on purpose and ESG.

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



What's on the Board agenda in 2022

In this video, we ask non-executives in our global Community about their top priorities this year.

Thanks to Criticaleye Board Mentors, Sally Bridgeland, Chair of Impax Asset Management; Brian May, NED at ConvaTec Group; Neil Griffiths, NED at City Pub Group; and Jane Griffiths, NED at Johnson Matthey, for commenting.

[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 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

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