

For immediate press release

71% of CEOs forecast revenue increase

What strategies will Australian CEOs be pursuing in 2010? As the global financial crisis recedes, a national survey of 148 Australian CEOs shows they expect to move from survival mode to sales.

MELBOURNE (November 25, 2009): The national membership organisation for chief executives, **The CEO Institute**, has released the latest business outlook survey of its members' expectations for the second half of FY 2010. Confidence appears to be soaring, with a marked increase since the March 2009 survey.

- 71% expect their business revenue to increase in the next six months. In March 2009, 35% of CEO Institute members expected their revenue outlook to worsen in the second half of 2009.
- 20% say their revenue is "highly likely" to increase in the first six months of 2010.
- 53% of CEO Institute members say economic conditions are returning to normal.

Little gloom, no doom

Chairman & CEO of The CEO Institute, Ken Gunn, says the results confirm anecdotal evidence that Australian businesses have proved to be extremely resilient in the face of the global economic crisis. Gunn says: “Many people were surprised when our March 2009 survey — bang in the middle of the gloom and doom period — found CEO Institute members to be relatively upbeat about their prospects in the second half of the year. Back then, almost a third of our members (27%) thought their business outlook would improve through 2009, which seemed laughable to some at the time. Well, they have been proved right.

“Now, we see more than 7 in 10 CEO Institute members expecting their revenue to increase in the first six months of 2010. This is a very positive result and a tribute to the collective wisdom of our CEOs,” Gunn says. “When everyone else was saying ‘Run for your lives!’ in March, many CEOs were looking at their numbers and saying ‘Wait a minute ... it’s not that bad’.”

Best strategy for 2010

One task stands out above all others for the CEOs surveyed: “maintaining sales” (46%). All other key factors were grouped far below the sales focus:

- Obtaining finance: 15%
- Motivating staff: 14%
- Refining leadership: 14%
- Retaining staff: 11%

The spotlight on sales is hedged with a concern for profitability. One CEO remarked that the challenge was “our ability to meet customer demands in a profitable way”. There is also caution about how international developments could affect the upswing in Australia. Another CEO said: “On a global basis my concern is that the US has not taken their full punishment and the world economy plunges again.”

Optimism, not hedonism

Ken Gunn says: “Optimism about the future is tempered with a strong focus on keeping a tight rein on costs. We know from anecdotal evidence gathered when our members get together to discuss and solve their specific business problems that maintaining sales profitability is a core issue. How do you do that? By weeding out non-performers, maximising customer service and targeting profitable niches.”

Gunn says that in the post-GFC climate, CEOs are desperate to learn how their successful peers are achieving results. “This is a whole, new environment. Nothing is certain. You need someone to bounce strategies off, which is why our membership [at The CEO Institute] has blossomed. Your brilliant strategy may have a hole in it that only another CEO can spot and resolve.”

ENDS/////



About The CEO Institute

The CEO Institute was founded in 1992 as a peer-to-peer membership organisation for Chief Executives. With more than 800 members nationwide, its members meet regularly in small groups to share ideas, experiences and challenges and to be exposed to leading edge business thinking. Access to the diverse perspectives of their peers enhances members' knowledge and expertise enabling them to lead their organisations more effectively. It is Australia's leading network of business leaders.

NATIONAL MEDIA CONTACT: Ken Gunn, Chairman & CEO

P (03) 9885 5122 | M 0413 009 301 | E keng@ceo.com.au

STATE MEDIA CONTACTS:

NSW: Yvonne Howie, Chief Executive, NSW

P (02) 9904 3744 | M 0408 270 928 | E yvonneh@ceo.com.au

VIC: Barry Westhorpe, Chief Executive, VIC

P (03) 9885 5122 | M 0402 137 901 | E barryw@ceo.com.au

SA: Jeremy Harris, Director, SA

M 0411 220 698 | E jeremyh@ceo.com.au

WA: Bree Mitchelson, Executive Manager, WA

P (08) 9368 1687 | M 0401 516 064 | E breem@ceo.com.au

The CEO Institute | 1632-1638 High Street, Glen Iris VIC 3146 | P (03) 9885 5122 | F (03) 9885 5786

www.ceo.com.au