

Corporate Leadership in a VUCA World

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Trust is a complex concept:
from compliance-supporting thin trust,
to opportunity-creating thick trust.



Thin trust

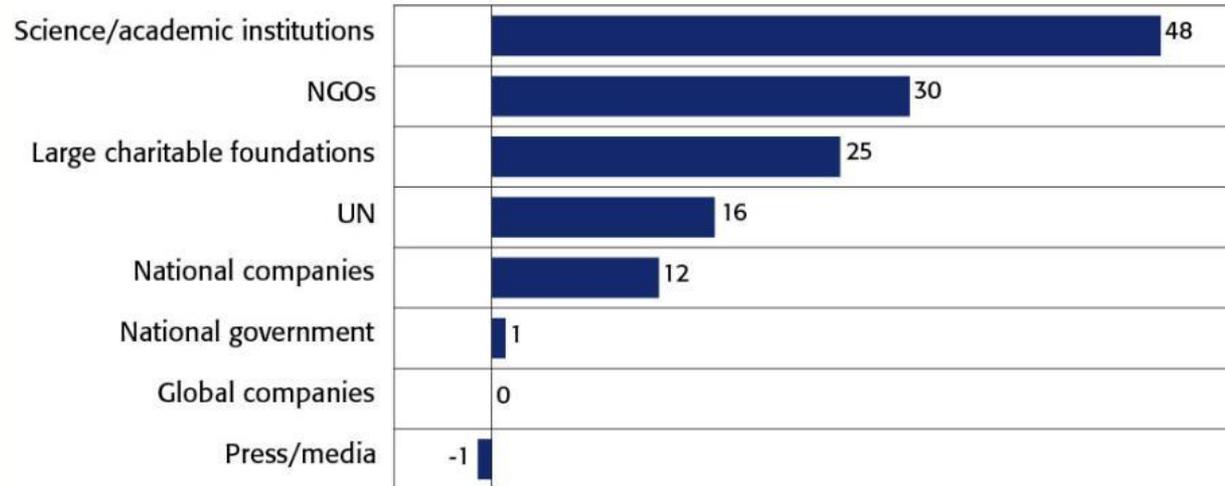


Thick trust - dynamic,
supportive stakeholder networks

National governments, global companies, press and media are the least trusted institutions globally

Trust in Institutions

Net Trust,* Average of 25 Countries,** 2016



R16_4t_net

*"A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"

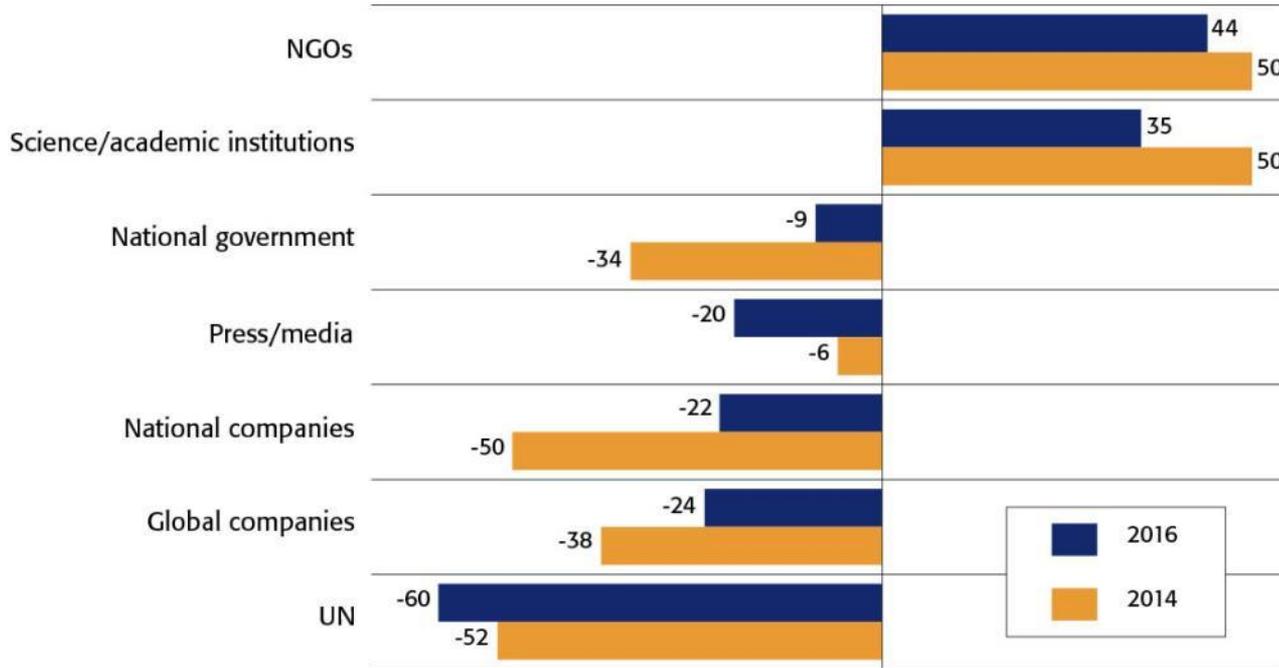
**Includes Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Ghana, Greece, India, Indonesia, Israel, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, South Africa, South Korea, Spain, Turkey, UK, and USA

Q. Please tell me how much you trust each of the following institutions to operate in the best interest of our society

Consumer trust in business remains low, but it has improved

Trust in Institutions

Net Trust,* Israel, 2014–2016



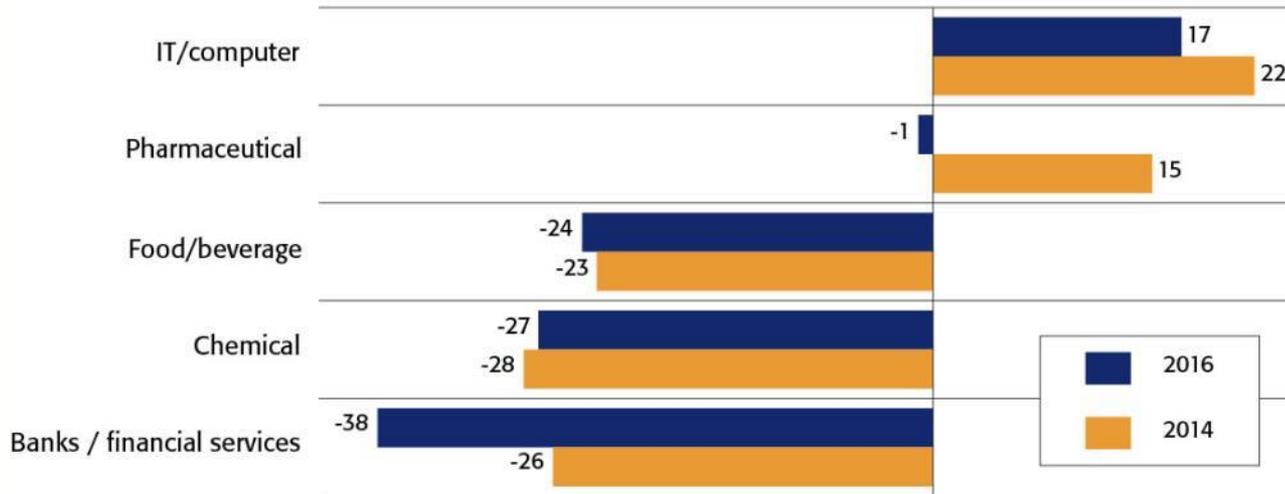
R16_4_trk_Israel

*"A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"

Consumer trust in most industry sectors has gone down

Net Trust* in Industry Sectors

Israel, 2014–2016

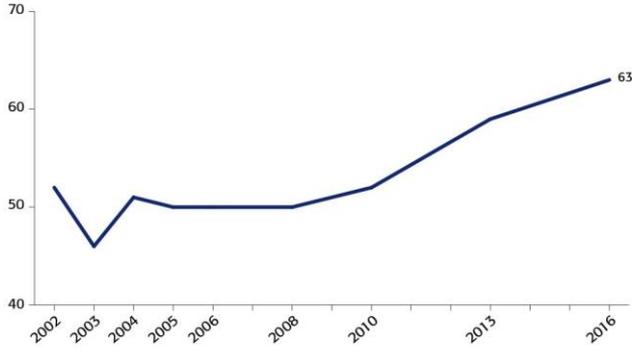


R16_12_trk_Isr

*High trust (4+5) minus Low trust (1+2)

Implications of low trust

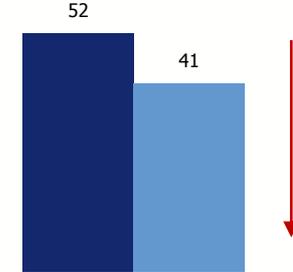
Governments Should Require Large Companies to Work toward a Better Society
 *Agree,** Average of 21 Countries,** 2002–2016



R16_17at

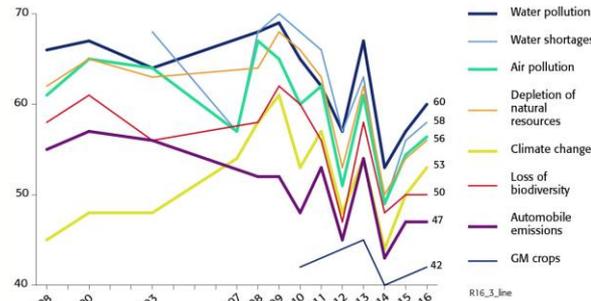


“Large Companies Pay Their Fair Share of Taxes in Our Country”
 Agree (1+2), Average of 16 Countries,* 2009–2015



Seriousness of Environmental Issues

Very Serious,” Average of 14 Countries, 1998–2016



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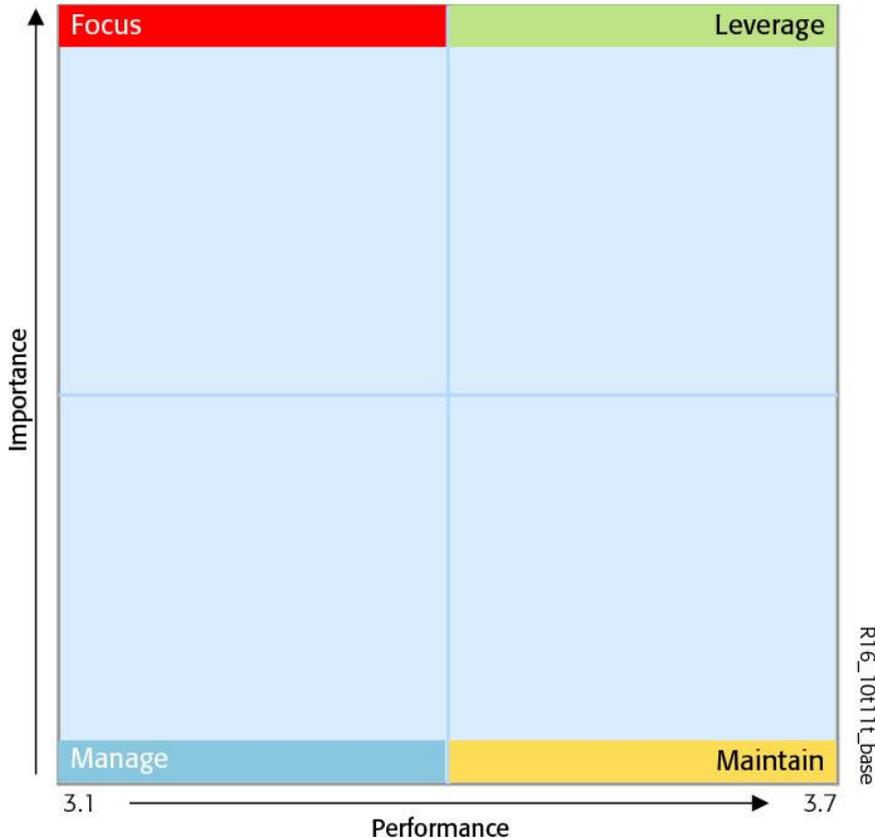
*Includes Brazil, Canada, China, Germany, India, Indonesia, Kenya, Mexico, Nigeria, Russia, Spain, Turkey, UK, and USA
 Not all countries were asked in all years.



What drives trust?

Drivers of Trust

Performance vs Importance, All Companies, 2016

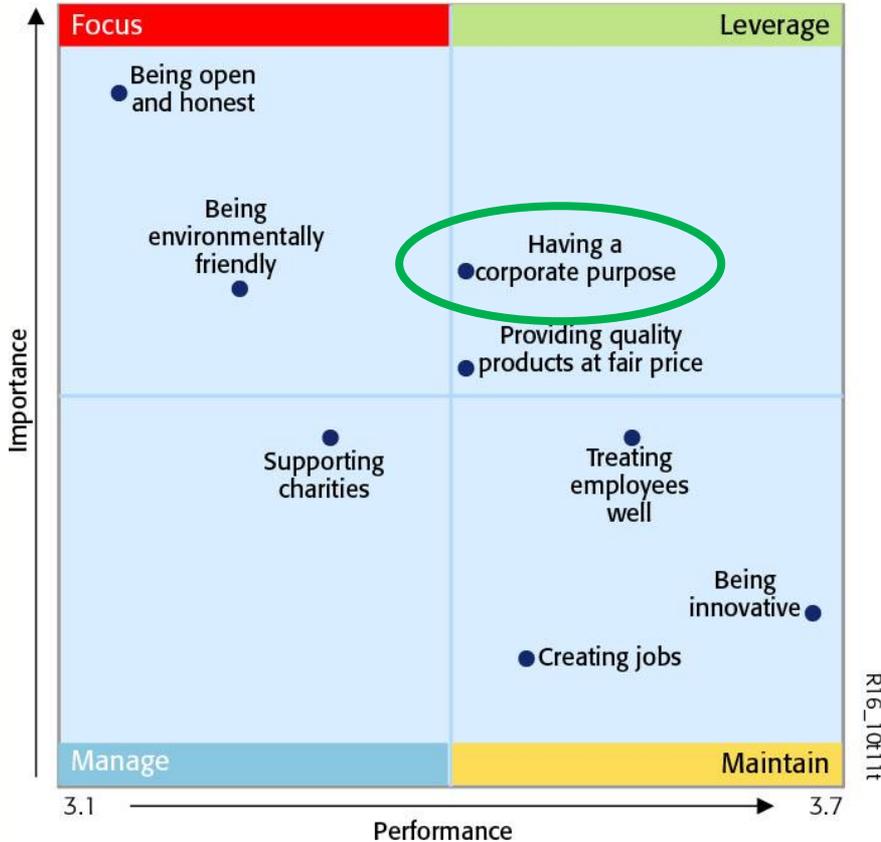


- Creating jobs
- Providing high quality products at a fair price
- Being environmentally friendly
- Treating employees well
- Supporting charities and good causes
- Being open and honest
- Being innovative
- **Having a corporate purpose**

Purpose and transparency drive trust

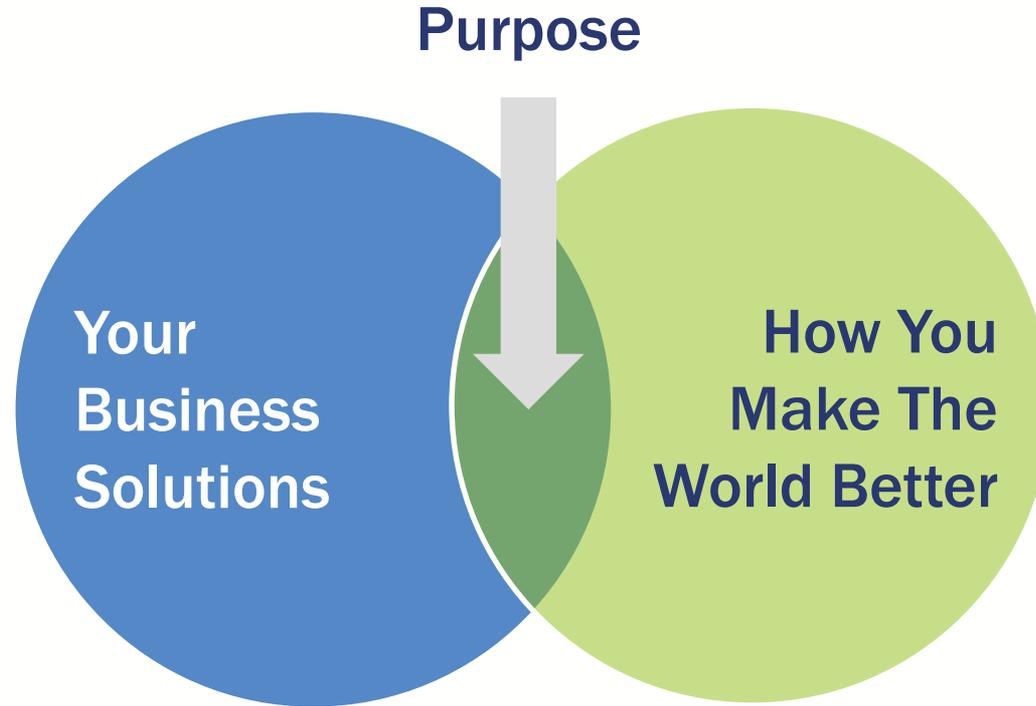
Drivers of Trust

Performance vs Importance, All Companies, 2016



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In its simplest form, Purpose is about marrying business value with societal value



Hundreds of companies are mentioned as having a strong purpose – below are the top 5*



*No company receives more than 6% mentions in any region



Q. Some companies and brands are thinking about their overall purpose. That is, how they can make a positive difference in society through their products, services and operations in a way that enables them to be financially successful. Can you think of a company or brand that comes to mind as having a strong purpose in this way?

But a majority of people are unable or unwilling to name a company that has strong purpose



55%

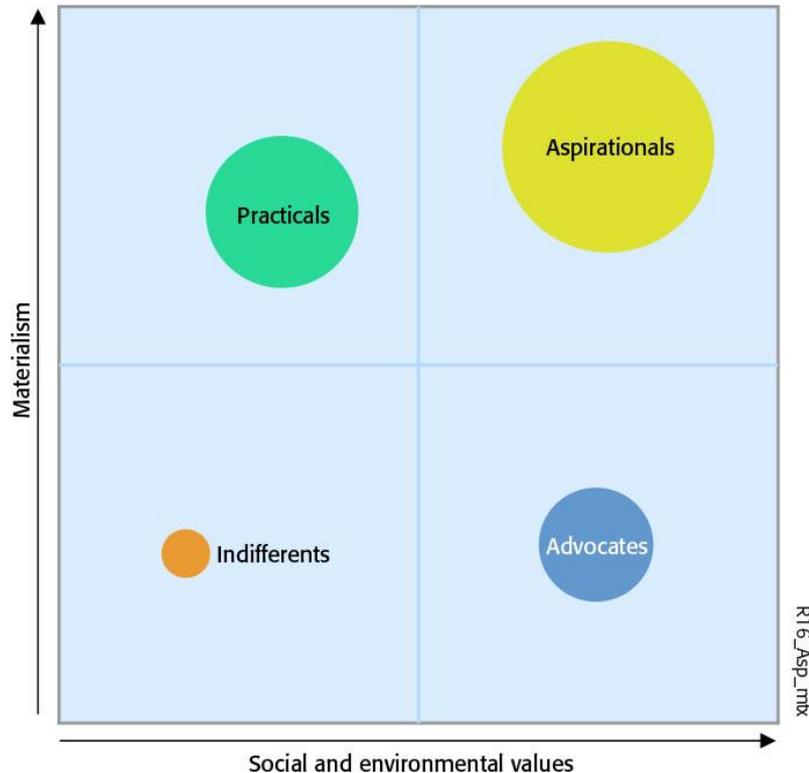
of people globally are

unable

to name a company
with a strong purpose

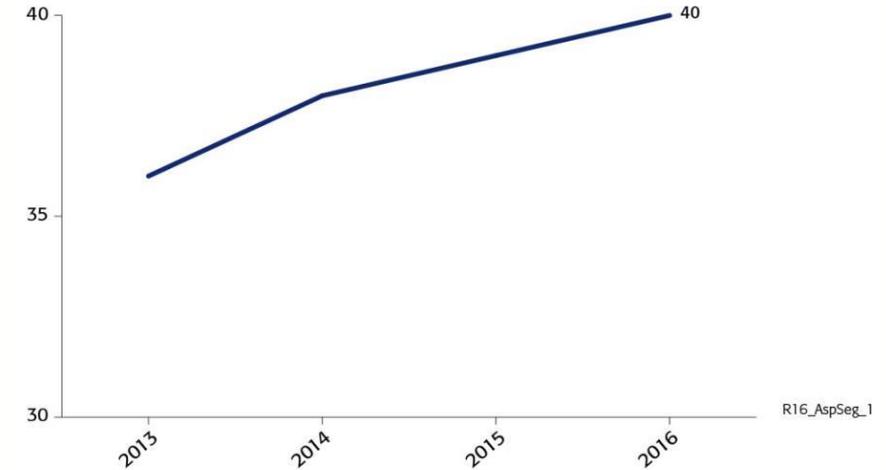
The Aspirational: a consumer segment looking for purposeful brands

Consumer Segmentation
Average of 21 Countries, 2016



Aspirational Segment Size

Average of 20 Countries Asked Each Year,* 2013–2016



*Includes Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Spain, Turkey, UK, and USA
Not all countries were asked in all years.

LEADERSHIP

LEADERSHIP *RECOGNIZED*

Strategically simplify

