
Chief Executive CANADA CEO SURVEY

IN PARTNERSHIP WITH



3Q – August 2024

Chief Executive Group

Chief Executive | CORPORATE BOARD MEMBER | ©StrategicCFO360 | StrategicCHRO360

Table of Contents

	Page
About This Report	3
Key Findings	4
Core Index Findings	5
Priorities & Challenges	13
Who We Surveyed and What They Do	18

About This Report

About the Survey

Chief Executive Group improves the performance of CEOs, senior executives and public-company directors, helping you grow your companies, build your communities and strengthen society. In the course of our best practices, benchmarking and qualitative research, we regularly survey thousands of top executives to provide insights to business decision-makers.

MacKay CEO Forums is the highest impact, least time intensive and most diverse peer learning organization for over 1000 CEOs, Executives and Business Owners in Canada.

In August 2024, we surveyed Canadian CEOs in partnership with MacKay CEO Forums, with 297 CEOs participating. This report presents the findings.

To receive future research insights and/or subscribe to our complimentary newsletters, visit us at <https://chiefexecutive.net/chief-executive-newsletter-signup/>.

If you have inquiries about the data or methodology, please contact Research@ChiefExecutiveGroup.com.



Chief Executive Group
105 West Park Drive, Suite 400
Brentwood, TN 37027
ChiefExecutiveGroup.com



MacKay CEO Forums
MacKayCEOForums.com

Key Findings

Optimistic... with a caveat

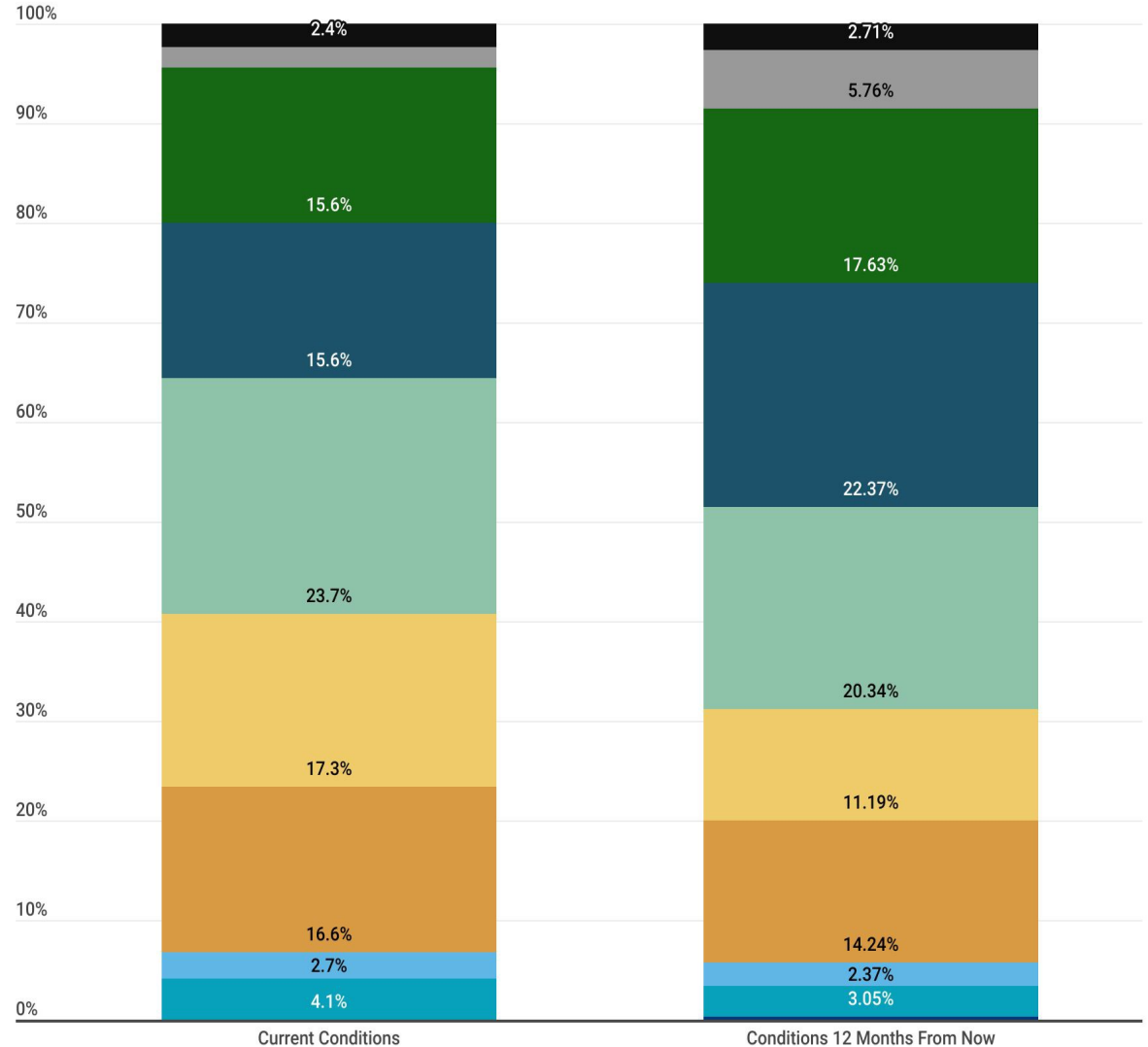
- ▶ Canadian CEOs aren't feeling very confident in the current business environment across Canada, rating business conditions on average a mere 5.9 on a scale where 1 is Poor and 10 is Excellent.
- ▶ Continued high interest rates and cost of capital, declining productivity, government spending and the persistent challenges pertaining to finding and retaining talent are just some of the main challenges they say are affecting their ability to grow—and even survive.
- ▶ But when asked about their outlook for the next 12 months, nearly half said they expect it will get better—forecasting conditions will improve to 6.3 out of 10—a 6 percent improvement in business conditions compared to today.
- ▶ Similarly, their optimism for improving conditions into 2025 include slowing inflation and expected rate cuts, which they hope will reignite demand, as well as a potential change in Ottawa in the next election that many said would hopefully better support businesses.
- ▶ The data shows significant variances by region, with Atlantic provinces being most pessimistic about the future—rating their outlook 4.4/10—while CEOs operating across BC and the Prairies gave a rating of 6.4 and 6.5 out of 10, respectively, when asked about 2025.



Canada CEO Survey Core Index

Current Conditions

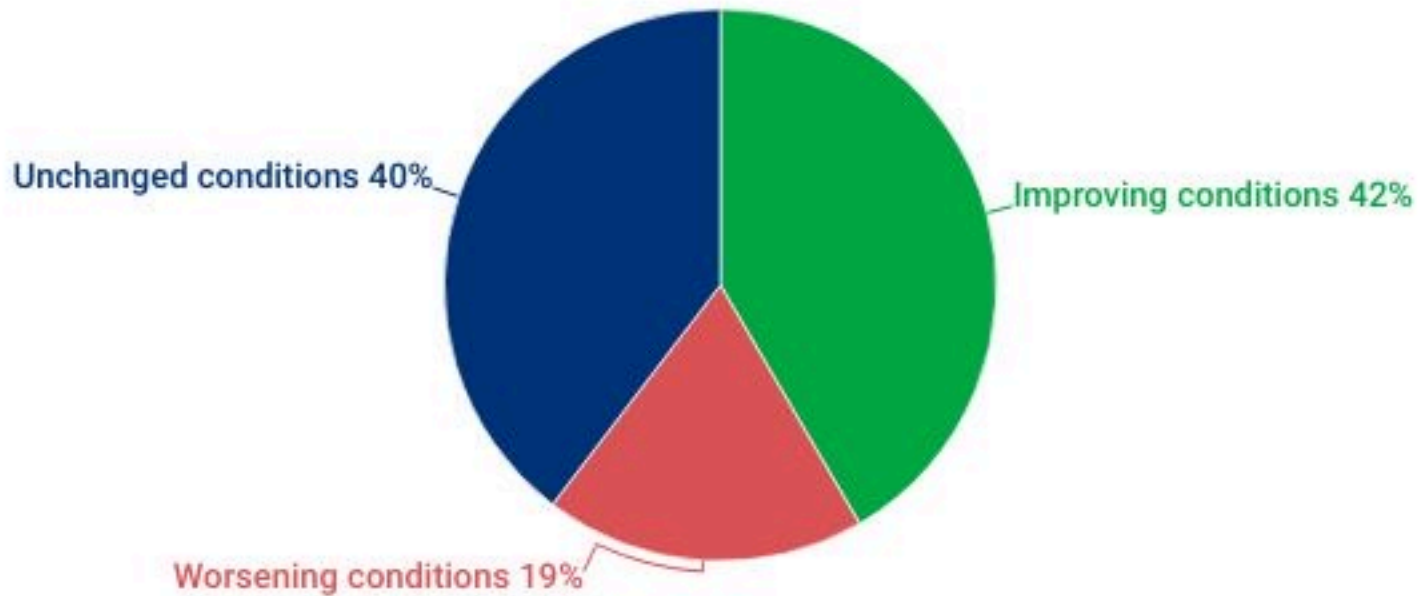
1 (Poor) 2 (Weak) 3 4 5 (Good) 6 7 (Very Good) 8 9 (Excellent) 10



- ▶ Canadian CEOs rate current business environment 5.9 out of 10, on a scale where 1 is Poor and 10 is Excellent.
- ▶ Continued high interest rates and cost of capital, declining productivity, government spending and the persistent challenges pertaining to finding and retaining talent are just some of the main challenges they say are affecting their ability to grow—and even survive.

12-Month Outlook

- ▶ When asked about their outlook for the next 12 months, 42 percent said they expect it will get better—forecasting conditions will improve to 6.3 out of 10—a 6 percent improvement in business conditions compared to today.
- ▶ Their optimism for improving conditions into 2025 include slowing inflation and expected rate cuts, which they hope will reignite demand, as well as a potential change in Ottawa in the next election that many said would hopefully better support businesses.



Variations in Outlook by Region

- ▶ The data shows significant variances in 12-month forecasts by region:
 - ▶ CEOs in the Atlantic provinces are the most pessimistic about the future—rating their outlook 4.4/10.
 - ▶ CEOs operating in BC and the Prairies were the most optimistic, with a rating of 6.4 and 6.5 out of 10.

What is your assessment of current business conditions on a 1-10 scale—and what do you expect overall business conditions to be like one year from now?

	Current Conditions	Conditions 12 Months From Now	Var. +/-
Maritimes/Atlantic	5.00	4.43	-11%
West/BC	5.84	6.43	10%
Prairies	6.28	6.52	4%
Central (QC/ON)	5.66	6.01	6%

**Data for Yukon, NWT and Nunavut was too thin and not statistically relevant and is therefore not shown in this table.*

Variations in Outlook by Sector

- ▶ The data also shows variances by sector:

What is your assessment of current business conditions on a 1-10 scale—and what do you expect overall business conditions to be like one year from now?

	Current Conditions	Conditions 12 Months From Now	Var. +/-
Advertising/Marketing/Media/PR	4.83	6.50	35%
Agriculture/Forestry/Fishing/Hunting	6.00	5.83	-3%
Construction/Engineering	5.64	6.48	15%
Energy/Utility	5.56	5.69	2%
Financial Services	6.11	5.93	-3%
Government and Non-Profit	6.19	6.34	2%
Health Care	5.89	6.22	6%
Manufacturing (Consumer Goods)	5.91	6.00	2%
Manufacturing (Industrial Goods)	6.00	6.30	5%
Professional Services	5.66	5.97	5%
Real Estate	5.83	6.25	7%
Retail Trade	5.86	6.36	9%
Technology & software	6.17	6.56	6%
Wholesale/Distribution	5.54	6.46	17%
Other	6.50	6.75	4%

Variations in Outlook by Ownership Types

- ▶ And by ownership types:

What is your assessment of current business conditions on a 1-10 scale—and what do you expect overall business conditions to be like one year from now?

	Current Conditions	Conditions 12 Months From Now	Var. +/-
Public	5.97	6.10	2%
Family-Owned	5.96	6.44	8%
Employee-Owned	5.75	6.45	12%
Partnership	5.81	6.12	5%
Sole Proprietorship	5.53	5.91	7%
Private Equity-Backed	6.25	6.82	9%
Other Investor Owned	5.94	5.90	-1%

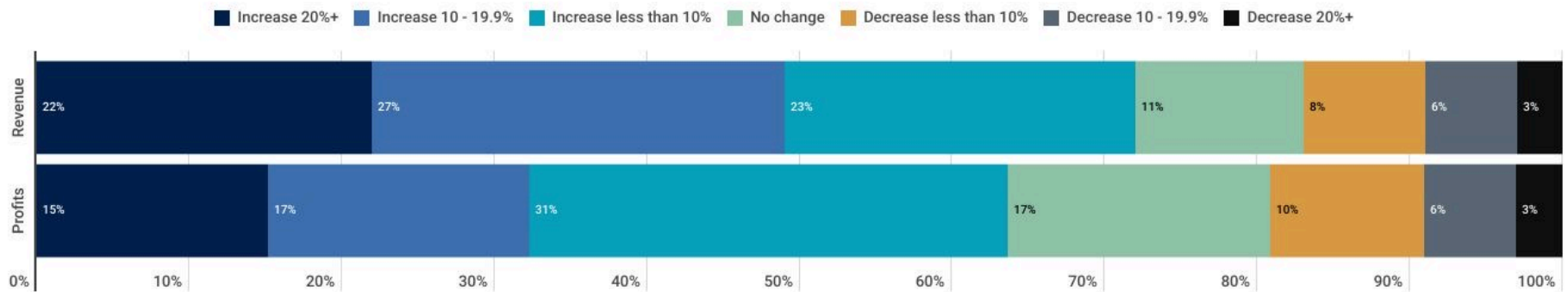
Data for venture capital companies was too thin and not statistically relevant and is therefore not included in this table.

Chief Executive

Profit & Revenue Forecasts

- ▶ Overall, 71 percent of the CEOs participating in the survey said that despite challenging conditions, they still expect to increase revenue over the next 12 months.
- ▶ 63 percent say the same about their profits.

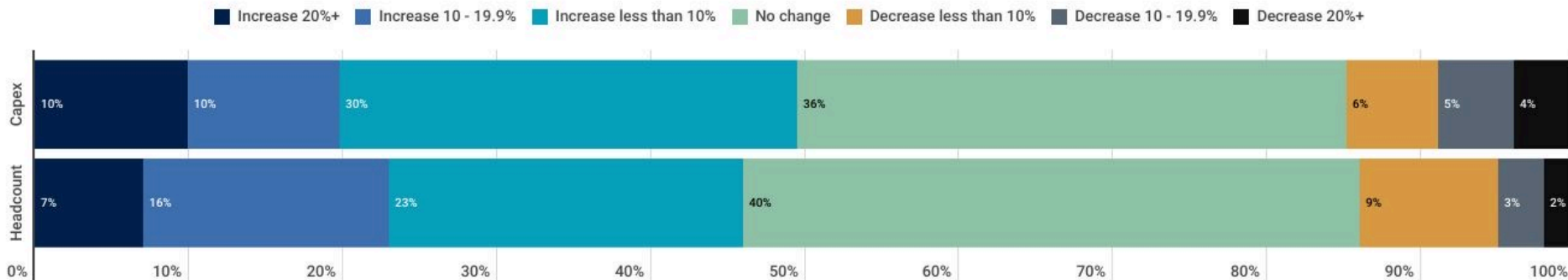
Over the next 12 months, what changes do you forecast for your firm compared to the past 12 months?



Capex & Hiring Forecasts

- ▶ When it comes to hiring and deploying cash, 46 percent said they plan to add to their workforce in the coming year, and 49 percent expecting to increase capital expenditures during that time.
- ▶ For both measures, the majority of those forecasting increases say it will be by less than 10 percent.

Over the next 12 months, what changes do you forecast for your firm compared to the past 12 months?





Priorities & Challenges

Top of Mind

Which issues are currently top of mind for you, as CEO?

	% of CEOs
The Canadian economy	66%
Federal politics / policies	51%
Talent recruiting, development and retention	51%
Labour (availability and cost)	50%
Provincial and local policies	44%
Cybersecurity and data privacy	40%
Corporate taxes	38%
The global economy	35%
Workplace culture (e.g., WFH, gig economy, productivity, etc.)	34%
U.S. politics / policies	32%
Technological advancements	31%
Consumer demand	29%
Geopolitical events	28%
Regulatory compliance	27%
CAD / currency / FX	23%
Climate / environmental issues	22%
Societal pressures / changes	19%
Disruption (e.g., new competitor models, points of entry)	18%
Other	8%

Priorities for the Next 12 Months

Thinking about your company's growth, which of the following would you consider priorities for the remainder of the year into 2025?

	% of CEOs
Retaining and engaging employees	60%
Improving cost structure (scale, process improvements, etc.)	54%
Achieving target profitability	51%
Gaining market share	45%
Expanding into new markets	42%
Recruiting and training employees	37%
Developing new products/services	30%
Digitally transforming processes	23%
Completing a transaction/M&A	18%
Increasing price realization	12%
Other	8%
Reshoring	2%

Potential Roadblocks Ahead

Which of the following situations are you most concerned could impede your ability to meet targets over the coming months?

	% of CEOs
Inflation	46%
Cost of capital / interest rates	45%
Consumer demand	40%
New regulations	33%
Tightening of the labour market	30%
New or continued geopolitical crises	23%
Emerging competition / market disruptor	23%
Disruptions in the supply chain	20%
Other	12%
Weakening M&A landscape	7%

Policy Views

- ▶ When asked specifically about the federal, provincial or local policies that are either hurting or helping businesses, more than three-quarters (79 percent) said taxes were the top detractor to growth for Canadian companies.
- ▶ Environmental regulations (58 percent), immigration (55 percent) and labour/employment regulations (52 percent) rounded out the top four items hurting Canadian businesses

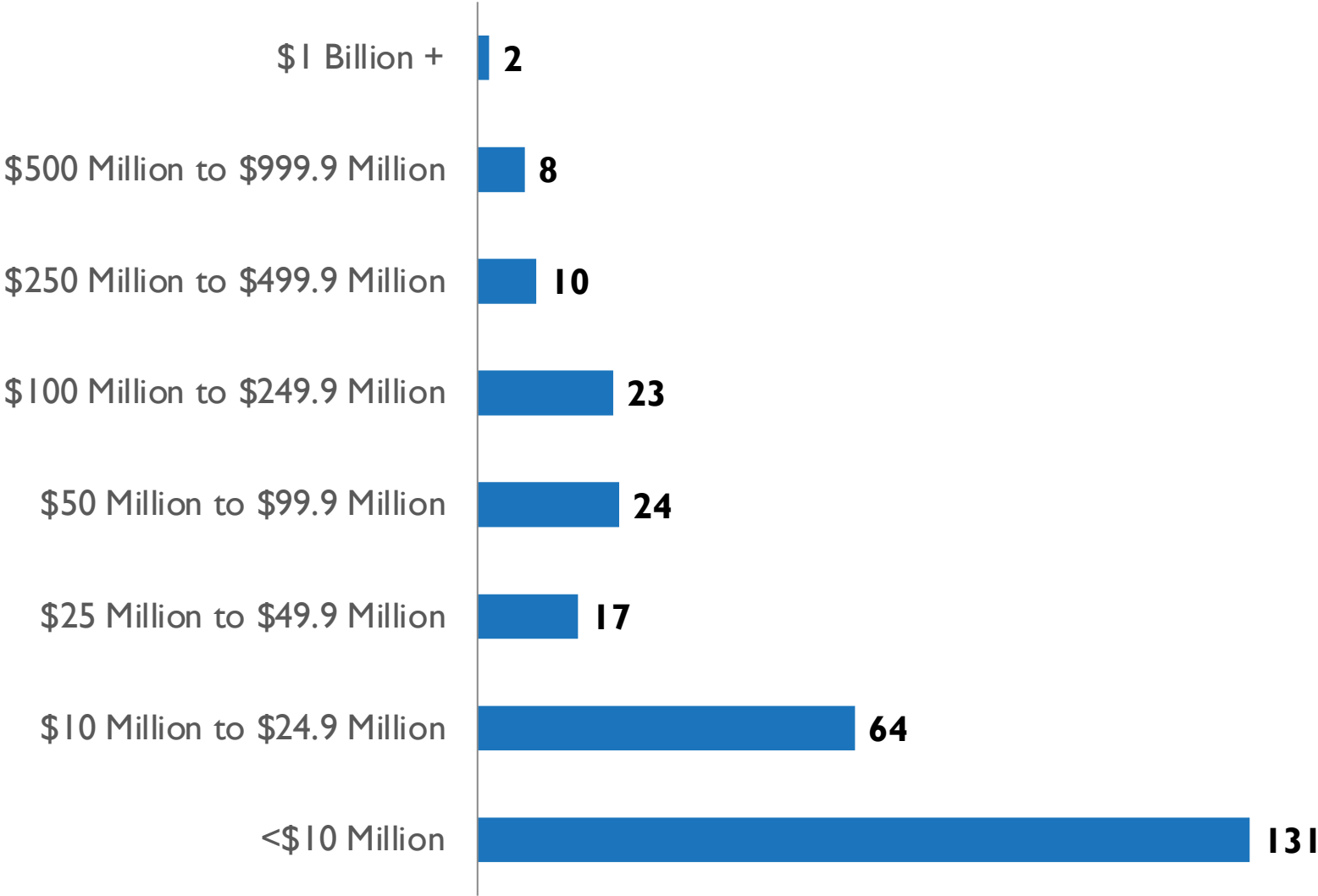
Please rate the impact of the current government's policies in helping or hurting Canadian businesses:

	Significantly hurts	Somewhat hurts	Neutral	Somewhat helps	Significantly helps
Carbon Pricing and Environmental Regulations	36%	23%	33%	6%	3%
Tax Policies	44%	35%	18%	3%	0%
Labour and Employment Regulations	20%	32%	44%	4%	0%
Trade and Tariff Policies	11%	16%	67%	6%	1%
Healthcare and Pharmacare Plans	13%	20%	53%	10%	4%
Immigration and Housing Policies	30%	25%	33%	10%	2%

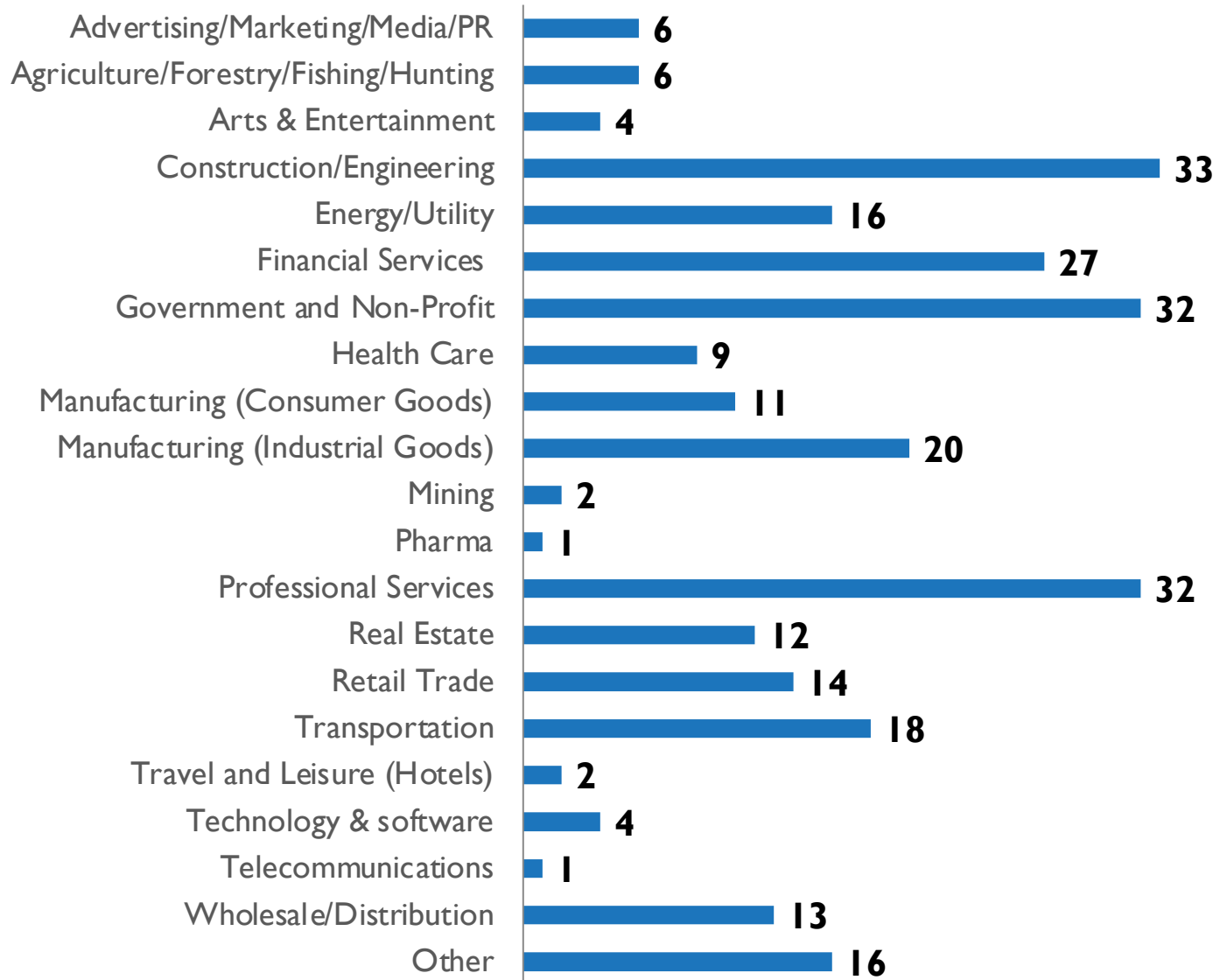


Who We Surveyed and What They Do

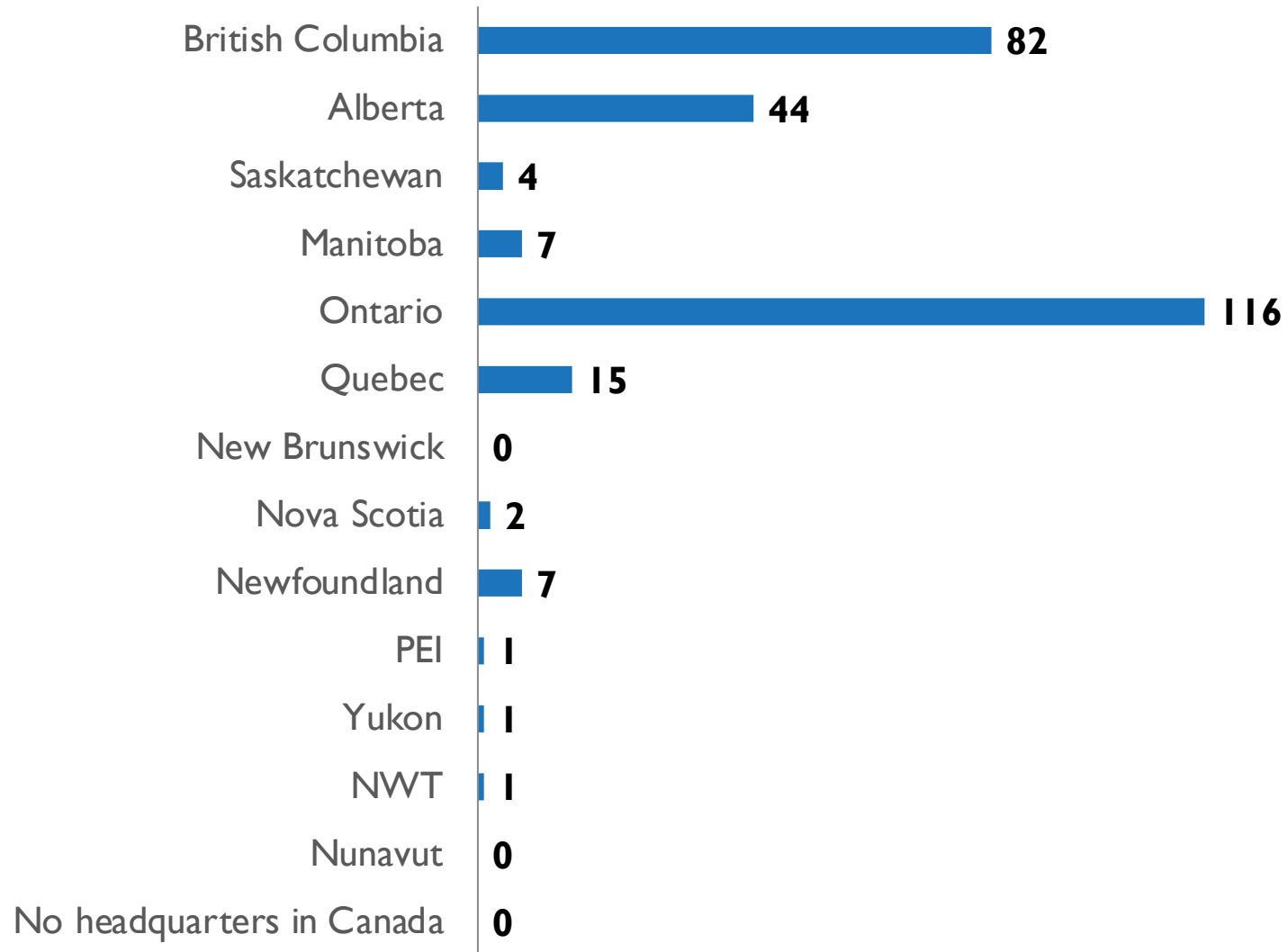
Respondents by Company Revenue



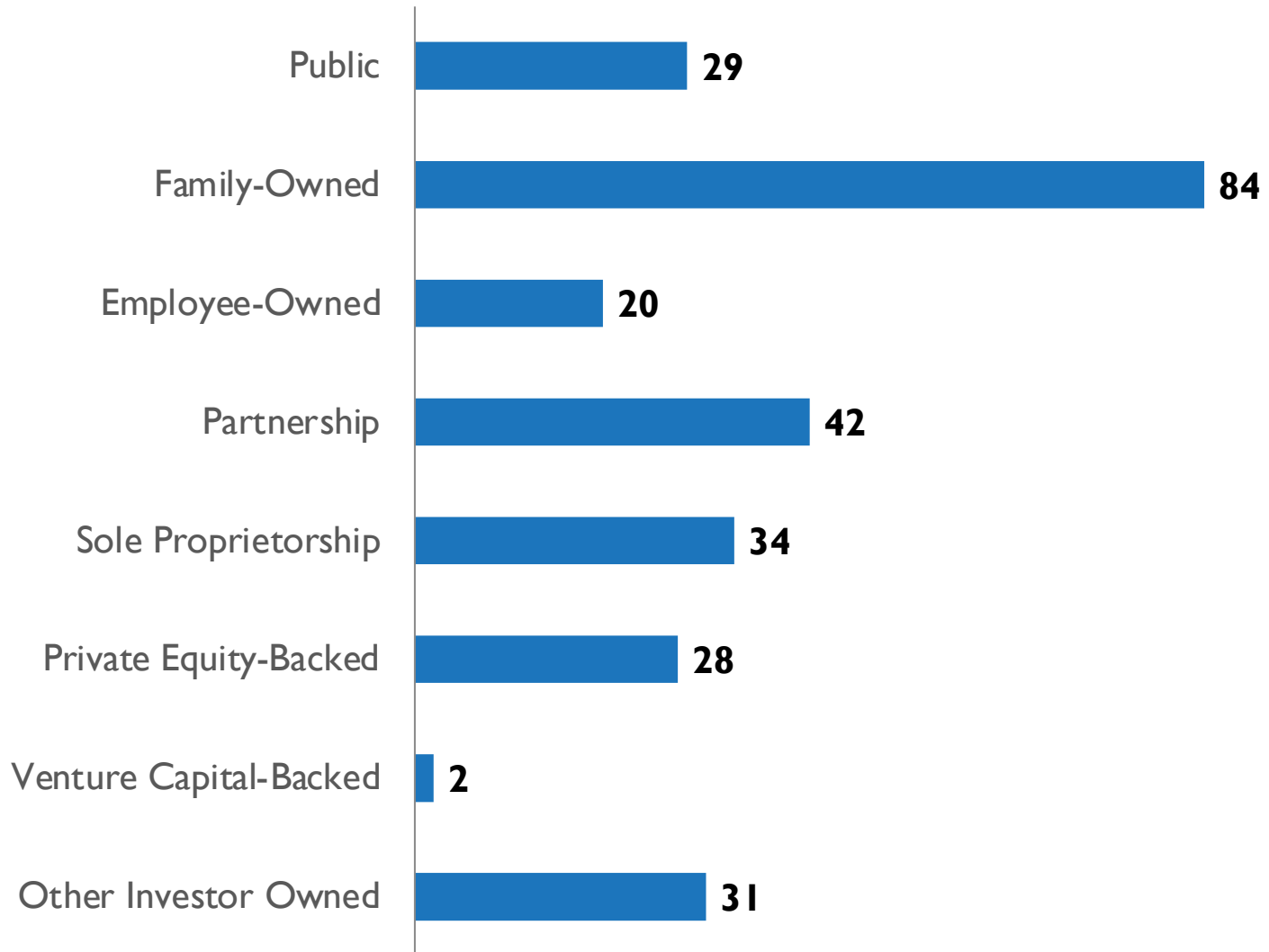
Respondents by Industry



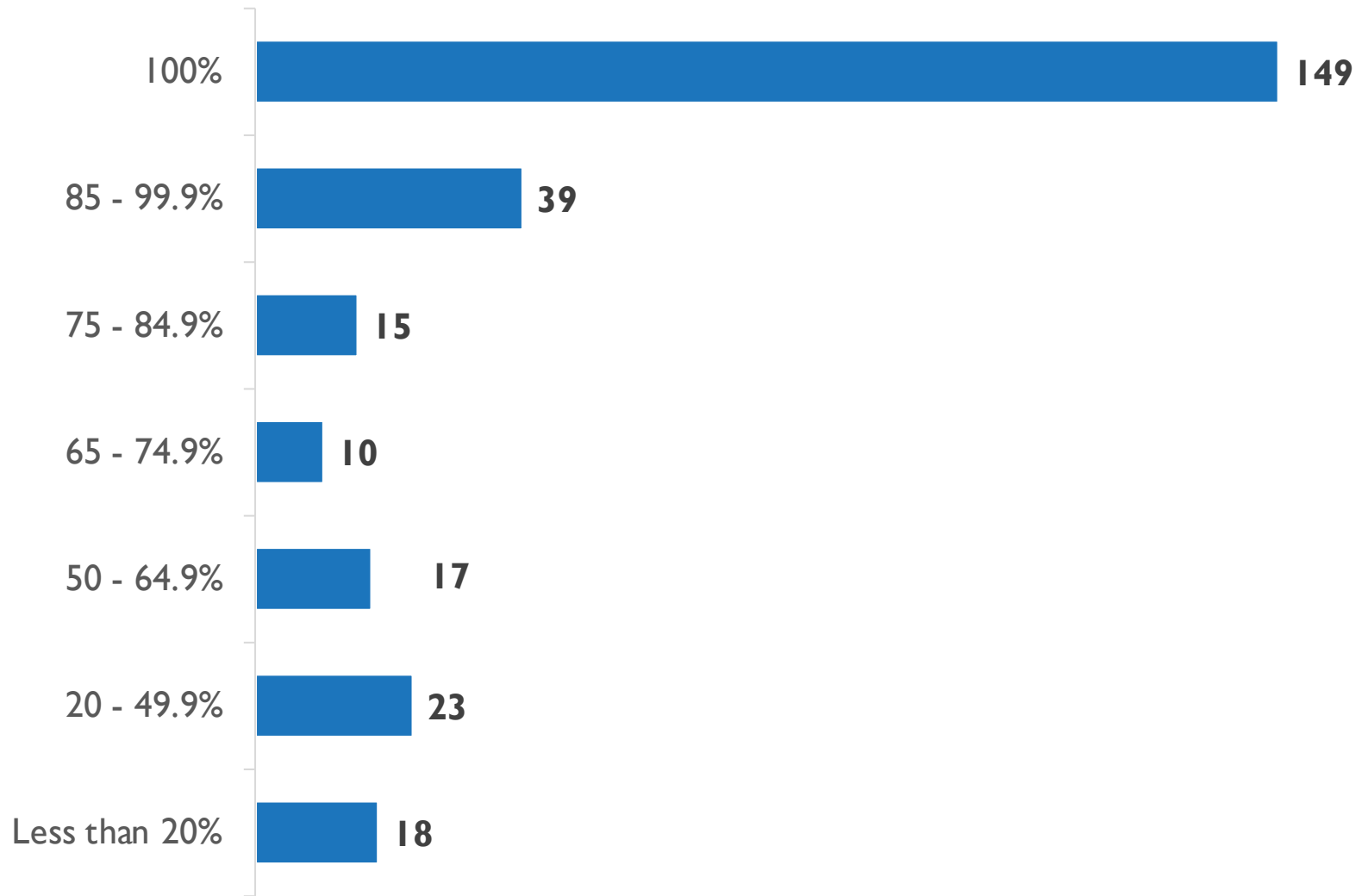
Respondents by Province



Respondents by Ownership Type



Respondents by Domestic Share of Revenue



Respondents by Domestic Share of Costs

