C-suite barometer

Latam most optimistic region

Business leaders in Latin America were the most optimistic about their commercial outlook, according to the regional results of the Mazars 2020 C-suite barometer. Surveyed for their views on the coming year, and further ahead, C-suite leaders in Latin America also predicted technology and new service, market and business model developments to be the most likely transformations over the next 3-5 years, as well as prioritising sustainability and implementing an overall 'long-term' business orientation. See more key findings from the region taken from our C-suite barometer, below.

A very positive global outlook

Just 17% of C-suite leaders in Latin America predicted a drop in revenue in 2020 compared to 2019, according to the Mazars 2020 C-suite barometer. And some 91% of expect to grow in 2021 – making Latin America the most optimistic of all regions, with a figure well above the global average (71%).

While the reasons for the optimism are varied, it could be explained by the overall rapid response of large and medium sized companies to the pandemic, the hope that vaccination programmes will increase, and the implementation of new business models that were formerly reserved for more advanced economies.

With every crisis comes opportunity and, considering the shift to more digital and tech-enabled ways of working, there are significant growth prospects as new services, markets and businesses models open up as a result.

Although manufacturing companies were severely affected in the initial stages of the pandemic, in particular the automotive sector, the shift to 'nearshoring' could also bring opportunities to the region. Optimism should, however, be tempered as IMF research showed a contraction in the region's economy of -7.1% in 2020 and a slight recovery predicted for 2021 (4.1%).

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Technology and new services, markets and models most likely transformations in coming 3-5 years

Businesses across Latin America need to improve their technological capabilities and implement them into their business models, according to the survey. Asked about which transformations they view as the most likely to occur over the next 3-5 years, some 57% of C-suite leaders in Latin America answered 'technology' and 'new services, markets and business models.'

These transformations are already underway across the region as quarantine measures have led people to work from home and to purchasing goods online. How businesses react to this new environment, including enabling teams to do their best work from home and building business models that reflect the 'new normal', will be key to growth and commercial success.

Sustainability high on the C-suite agenda

Although Covid-19 has been in the spotlight and will remain so until vaccinations move forward worldwide, sustainability is still high on the C-suite agenda. Latin America is, in fact, the region where the highest proportion of executives (50%) see sustainability as a long-term investment.

The region still needs to confront serious issues when it comes to sustainability, and business leaders in 2021 and beyond will have to confront serious challenges. Executives are generally aware of the importance of sustainability in the region – for environmental, social and commercial reasons – but struggle to create sustainability strategies and put them into action. Accountability, new public policies, regulations, and a common framework for sustainability reporting are some of the main drivers that can turn positive sentiment into concrete action.

Orientation set to become longer-term

Considering the unprecedented impact of Covid-19, long-term orientation for businesses has increased from 45% in the past six months, to 58% in the next six months*, according to the barometer. This orientation is likely to continue and even increase as companies experience unexpected risks first-hand. Our study, Internal Audit during the Covid-19 crisis, found there was a clear need to shift audit plans in response to the pandemic and re-consider risks given the pandemic's impact.

With this in mind, it is no surprise that long-term orientation is linked to increased investment in R&D and decreased investment in managing suppliers, as shown in the barometer report.

* Responses gathered in Q3 2020

Latin America ranks third for female majority of decision-makers

Although Latin America has seen improvement on gender equity in business, there is still a long way to go. Some 13% of those businesses surveyed in Latin America have a female majority of decision-makers, according to the barometer. This puts Latin America third globally, behind Western Europe and the US.

The Covid-19 pandemic might even increase, and make invisible, some of the struggles of the female workforce. A recent study from ILO on the impact of Covid-19 and gender-based policies in business found 68% of companies do not have a published and internally shared gender-based policy . Recently imposed working from home policies might also gain a gender-based policy approach that could see remote working as making it possible for women to fulfil their workload while at the same time taking care of domestic work and family care. This could normalise the situation and be harmful to achieving gender equity in the long-term.

The Mazars 2020 C-suite barometer surveyed over 500 business leaders around the world, including representatives from sixteen sectors in more than 20 countries. You can see the global results and analysis here.