

STANTONCHASE
INTERNATIONAL

1990-2010 *20* YEARS

CEO Survey 2010

Turbulent Times

www.stantonchase.com

General Overview

It is now quite clear that our Survey managed to make a good impression in Serbian market and that the number of CEOs taking part in it is increasing every year. We wanted to be more optimistic in the previous Survey and we hoped that the concept of the Survey for 2010 would be more positive and dealing with brighter topics. Unfortunately it was not the case. We are all aware what the preceding year was like. The questions had to be in line with developments, but this time we really hope that the next Survey will be more on the positive side and that everyone will feel more relaxed while answering the questions. This time again we had both domestic and foreign CEOs participating in the Survey, thus showing the real picture and an overall opinion of the leading people in companies operating in our market.

The most of the CEOs have been in the leading position for over 5 years and the majority of the participants come from the Consumer Products and Financial Services. For the first time we have representatives of Government Institutions and Non Profit Organizations, so now with all the industries included we have the most objective overview of the opinions in the market.

The Industry which suffered least during the crisis period is Government Institutions and Non Profit Organization and this opinion is almost identical with both domestic and foreign CEOs, but General Managers from Serbia give mild advantage to the Life Science and Healthcare. Foreign CEOs placed the Consumer Products industry at the second place stating that this industry has gone through the crisis easier than the Life Science and Healthcare.

Serbian General Managers think that the sector which performed worst was Production, and then Business Development Sector.

Unlike them, foreign CEOs believe that Marketing/PR sector had the weakest results and they agree that Business Development Sector is at the second place. This is an interesting detail if we compare it with the Survey from 2009, because CEOs were then of the opinion that Business Development Sector was the one that progressed most and showed the best results. Obviously the situation in which companies found themselves caused the change of the opinion and frankly there have not been enough opportunities for the development of new products in the situation when the business itself was threatened.

Turbulent times require special skills. We asked CEOs which skills were the most important and they were all unanimous that experience in change management was the skill they used most. It is obvious that our leaders, accustomed to different circumstances, have enough experience, knowledge and skills to implement it. Another proof for this is the skill they identified as the second: flexibility as the second important.

The possibility to create new solutions was and remained the strongest motivating factor for CEOs, and the level of autonomy is again at the second place. CEOs obviously do not lack self-confidence. Therefore they did not fear for their positions and so that job security was the factor they needed least in order to perform well.

Regarding the lack of motivation we have difference in the opinion of domestic and foreign CEOs. Serbian General Managers find that the stress is still at the first place, whereas salary cuts and implementation of imposed solutions were the most frustrating for the foreign CEOs.

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As we have already pointed out self-confidence was not lacking, and according to CEOs, the decisions which had most effects were reduction of costs and business restructuring. Given that the flexibility was marked as a very important skill this could have been expected.

Most of the participants in the Survey believe they did everything that depended on them to reduce the negative effects of the crisis. They have supported this with the following comments:

- Taking into consideration the group structure there were no other solutions but cost cuts to the small extent and reorganization;
- Since we are a part of the big concern it is necessary to implement their processes in Serbia, which sometimes does not make much sense because we are not EU, whereas some local decisions were not realized because of this same Serbia-EU issue;
- I could have made more radical cuts at the beginning of the year, but I did not have full freedom in decision-making at that time;
- It was necessary to react faster and more decisively, with less care for social responsibilities;
- Co-workers awareness about main risk factors largely helped the decision-making and their support was crucial in successful dealing with crisis.

Again, like in the previous Survey, there were only a few of those who felt they made wrong decisions. When it did happen, their superiors were those who prevented them to act more determinedly.

Optimism is still scarce. Most of Serbian General Managers expect further deepening of the crisis, and foreign ones believe we could expect stagnation in this business year. Most of them had predicted the developments in 2010, but the optimism is in a mild decline compared to the previous Survey.

However, the majority of participants see the crisis as another professional challenge, so that the feeling of limited power to act is absent. Such attitude reveals a certain portion of optimism, meaning that leading people would invest all their expertise and energy to move things forward. This is best reflected in their comments:

- Periodical occurrence of business crisis from different reasons is possible. Corporate system needs to be adaptable in order to respond to business challenges in the time of crisis;
- I think these are "interesting times" in which decisions have a lot of weight, no matter if they are good or bad. Therefore, maintaining a fine balance which makes a company successful may only be enhanced in this period;
- Lower business volume makes it possible to redefine business processes;
- I see it as a professional challenge, in terms of increasing experience, finding different approaches to run the business and leading co-workers;
- It is easy to work in the circumstances of economic prosperity.

Most of the CEOs will remain loyal to the industry they work in, regardless of the mentioned challenges and expectations. Also, they find that the supply in the labor market was not of a higher quality, although a large number of leading staff ready for new challenges emerged suddenly in the market.

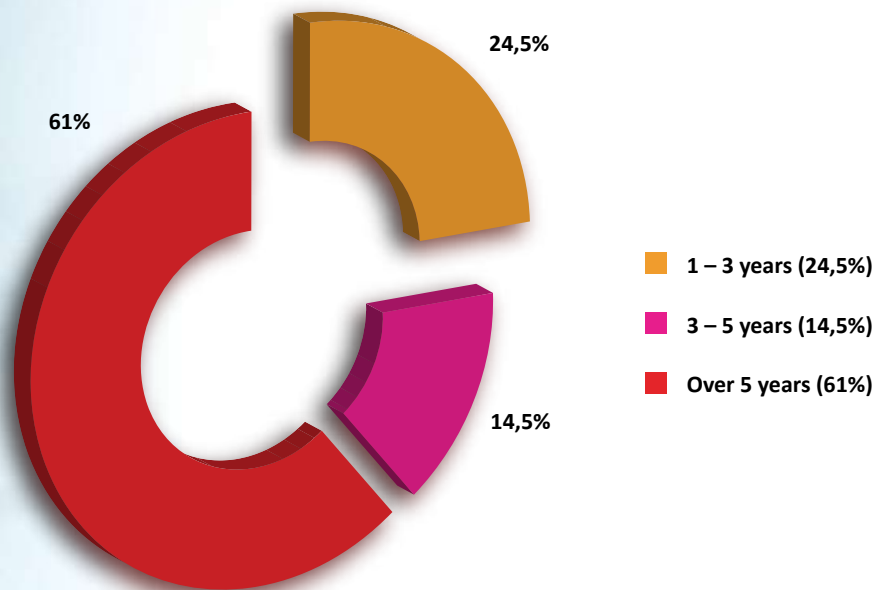
A truly interesting year, a year to remember, visible also in the answers we got in this Survey.

We wish you enjoy reading this Survey and all of us have a different concept for the coming Surveys as soon as possible.

Experience as a CEO

Most of the participants in the Survey have been CEOs for over five years.

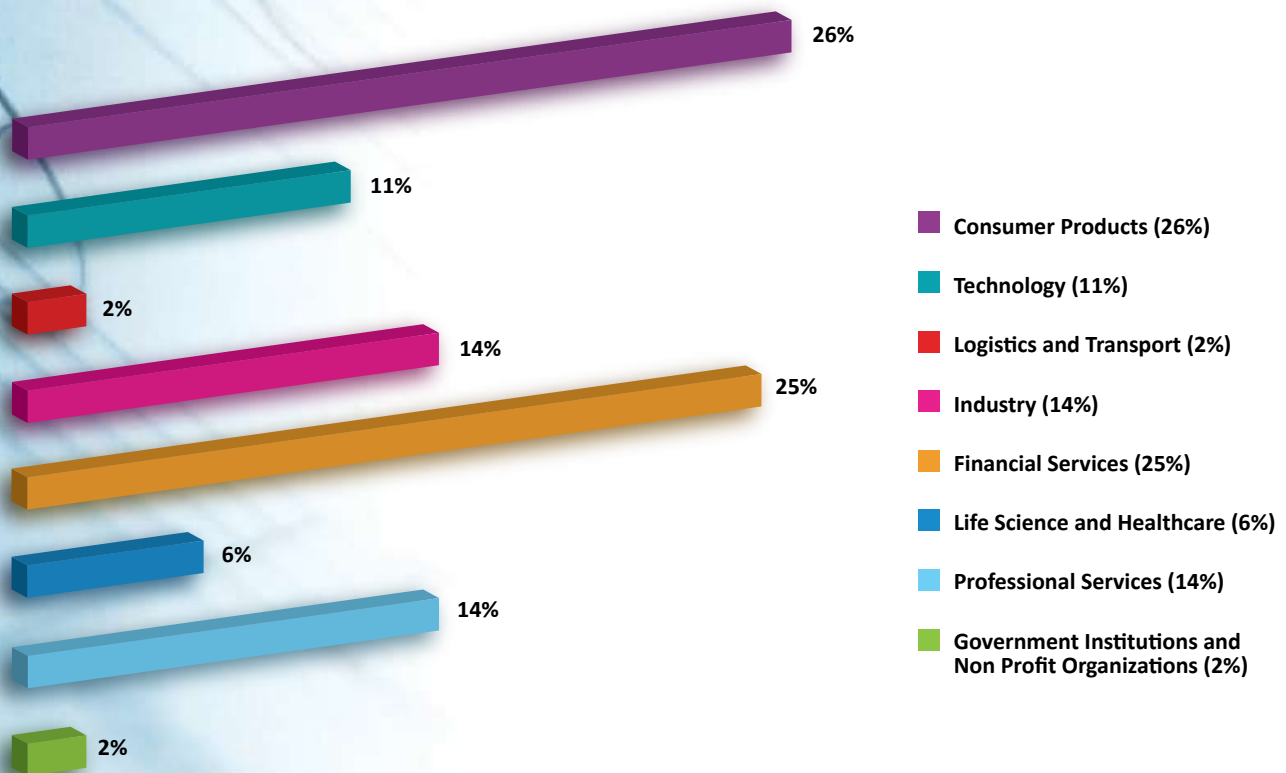
1. How long have you been a CEO?



Industries

Most of the participants in the Survey come from the Consumer Products and Financial Services. What is significant in this year is the fact that all the industries are included, which gives us a comprehensive overview of the market.

2. What industry do you work in?

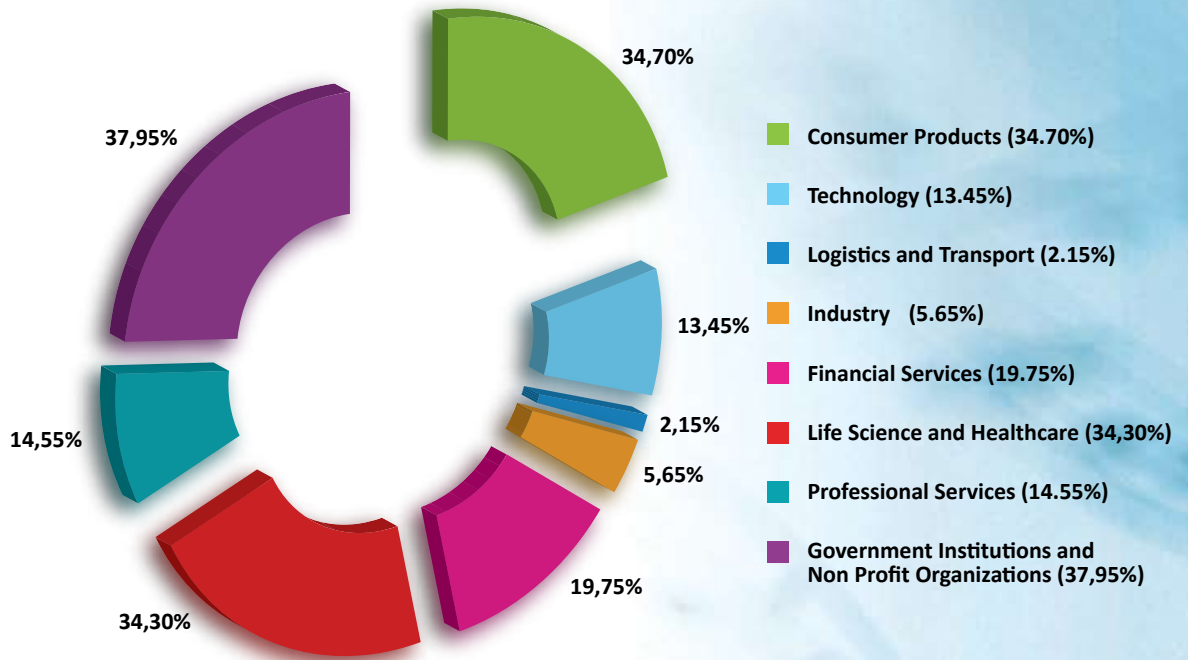


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Sectors which suffered least in the crisis period

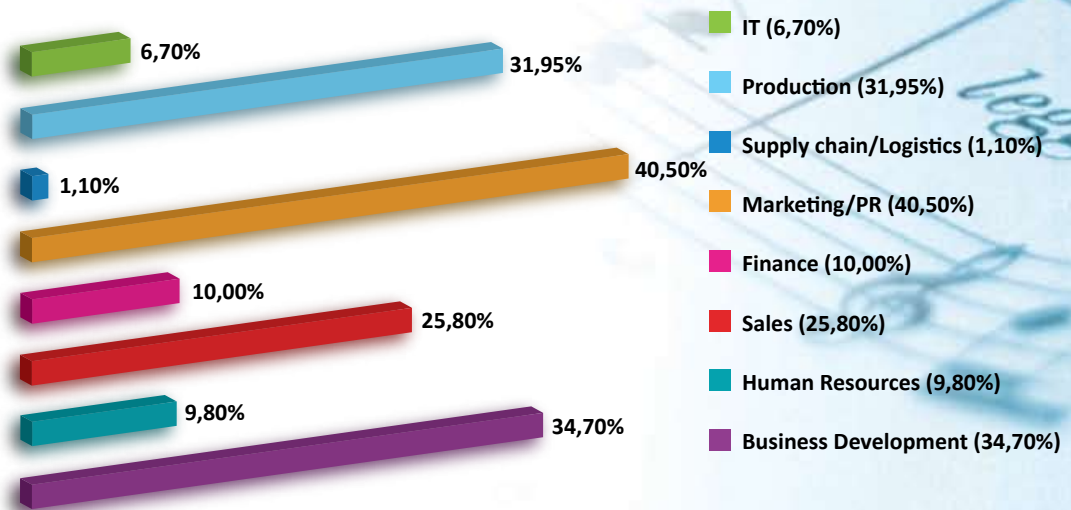
Government Institutions and non-profit organizations have suffered least in the crisis period, followed by the Consumer Products and Life Science and Healthcare.

3. In your opinion, which industry has suffered least in the period of crisis?



According to the opinion of CEOs the sectors that performed worst were Marketing and PR, and then Business Development and Production. This does not come as a surprise because Marketing was mostly struck by the cut in expenses and the other two indicators are faithful reflection of the situation in the market.

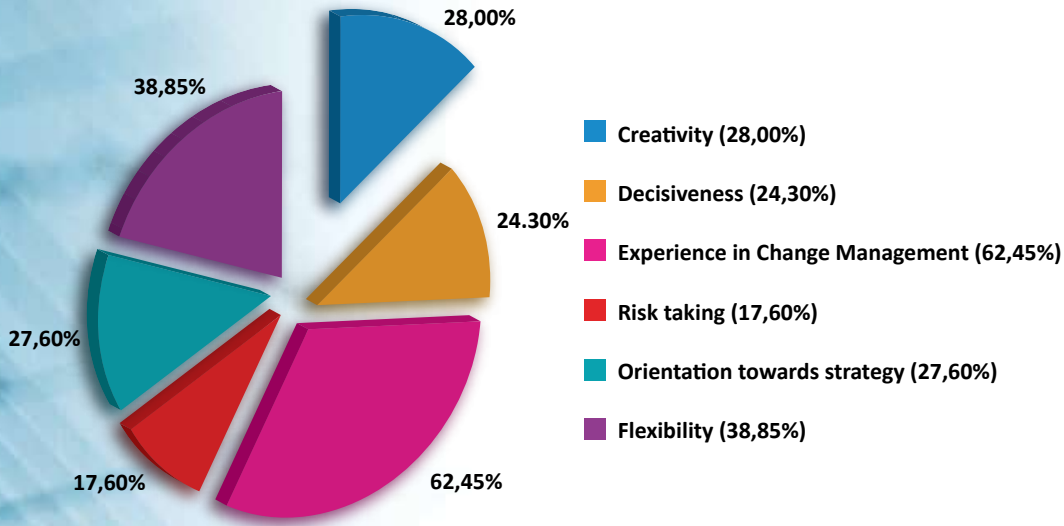
4. Which sector do you think performed worst in the period of crisis?



CEO skills

This year did not bring anything new and the experience in change management remains the skill required most from CEOs. Flexibility was also highlighted as an important skill, which is quite common to us and often overused.

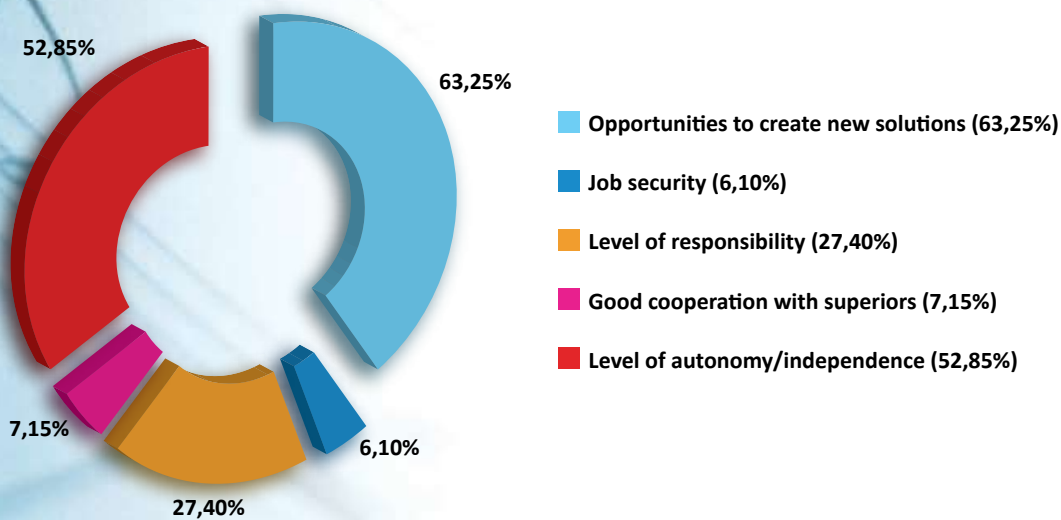
5. Which skills have you used most in the period of crisis?



Key motivation factors

Motivation factors did not change either. CEOs pointed out that possibility to create new solutions and level of autonomy were most important to them.

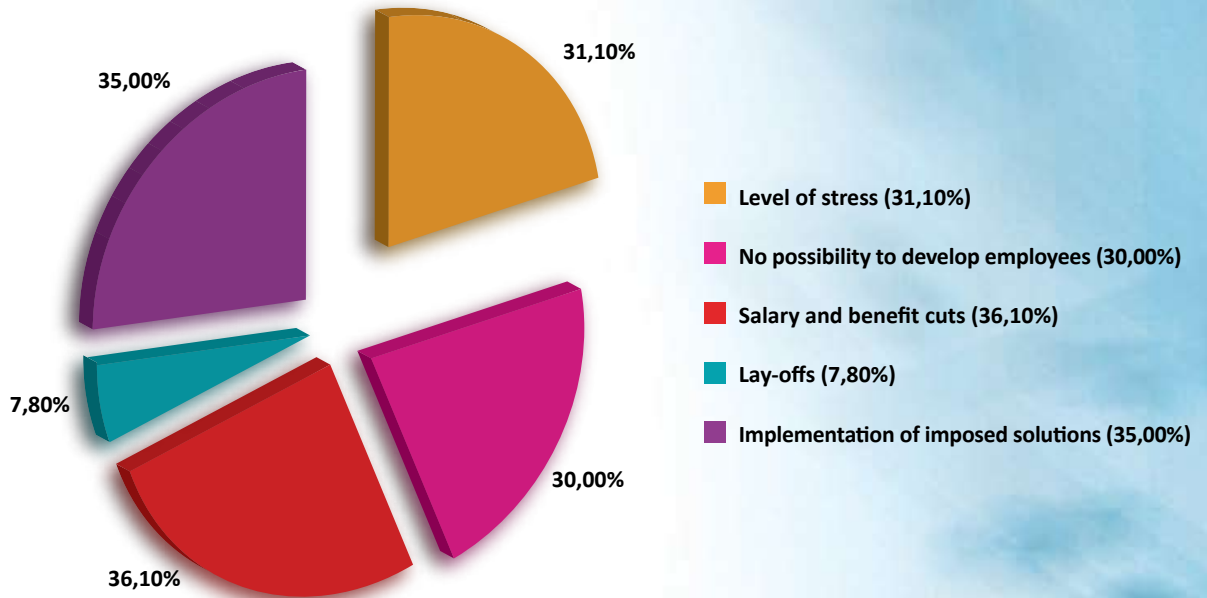
6. Which factors influenced most your job satisfaction and motivation in the previous year?



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On the other hand all the named factors contributing to the lack of motivation were more or less equally evaluated, except lay-offs.

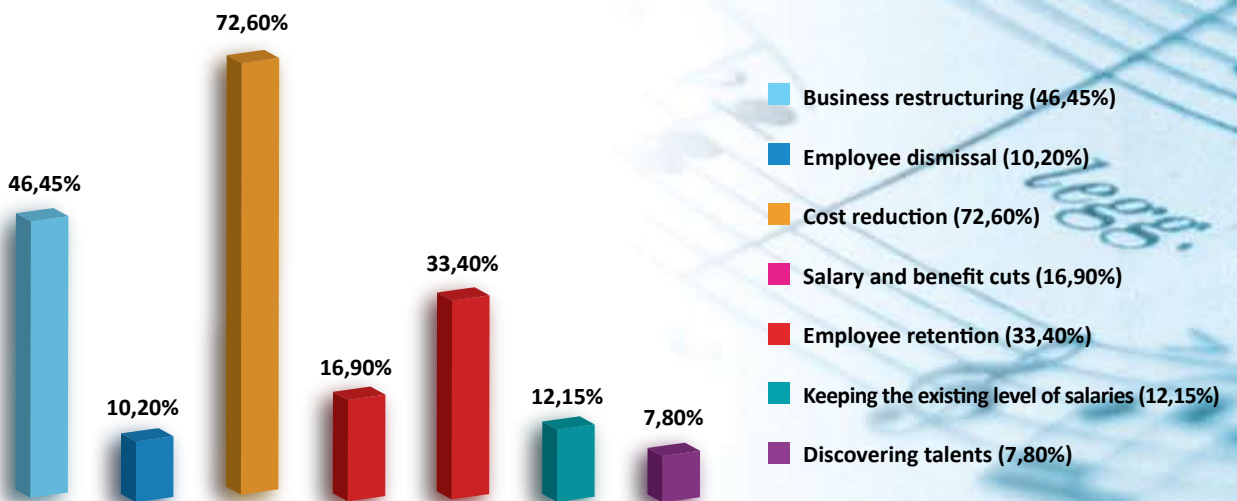
7. Which factors contributed to the lack of motivation in your job in the previous year?



Taking action

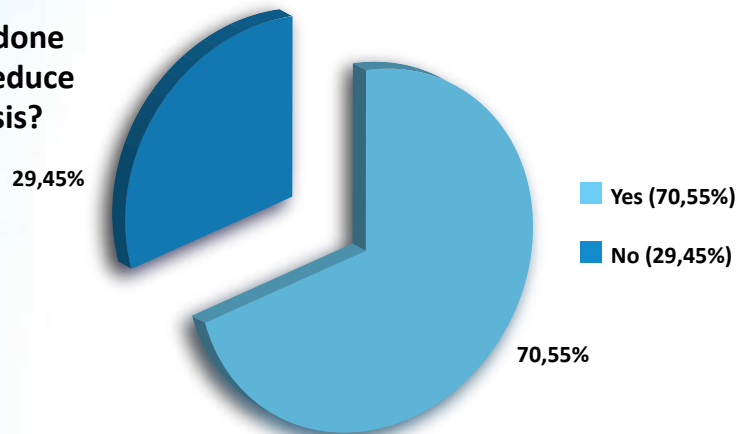
It could have been expected that cost reduction would be quoted as a decision which produced best effects. Business restructuring follows, along with employ retention, although previous answers show that this decision caused hardly any dilemma whether to reach it or not, when it seemed necessary.

8. Which of your decisions caused best results in the previous business year?

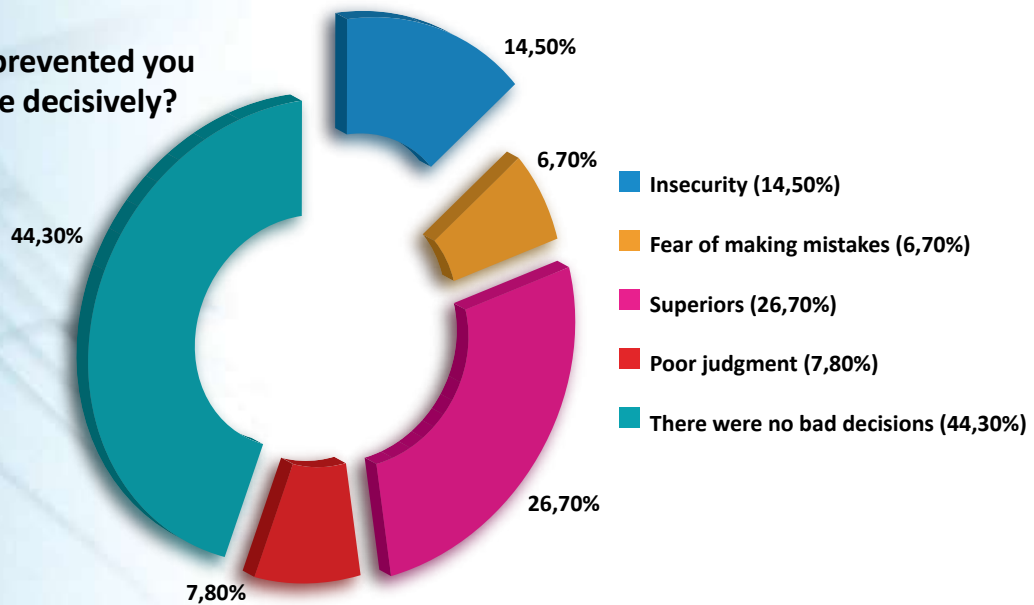


Most of the participants in the Survey believe they took all necessary measures in order to respond in the best possible way and made no wrong decisions. When the reaction was not entirely in line with the expected, it was, according to CEOs, mostly because of their superiors. The only difference compared to the last year Survey is that this gap between CEOs and their superiors was almost halved.

9. Do you think you have done everything you could to reduce negative effects of the crisis?

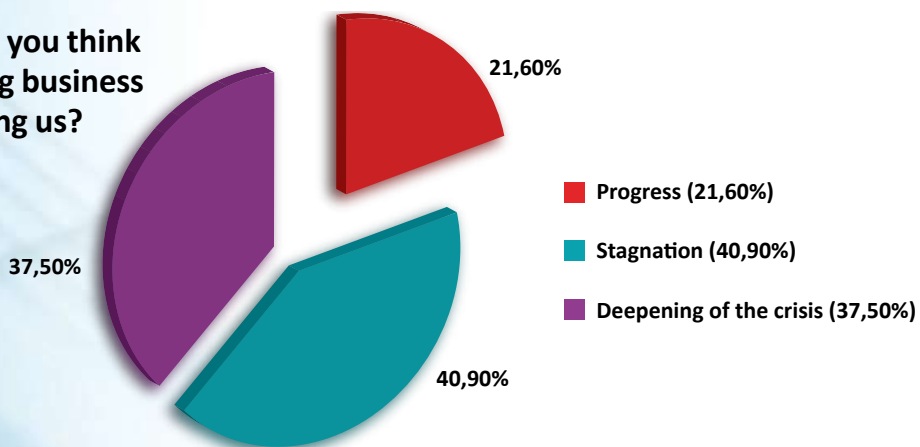


10. What prevented you to act more decisively?



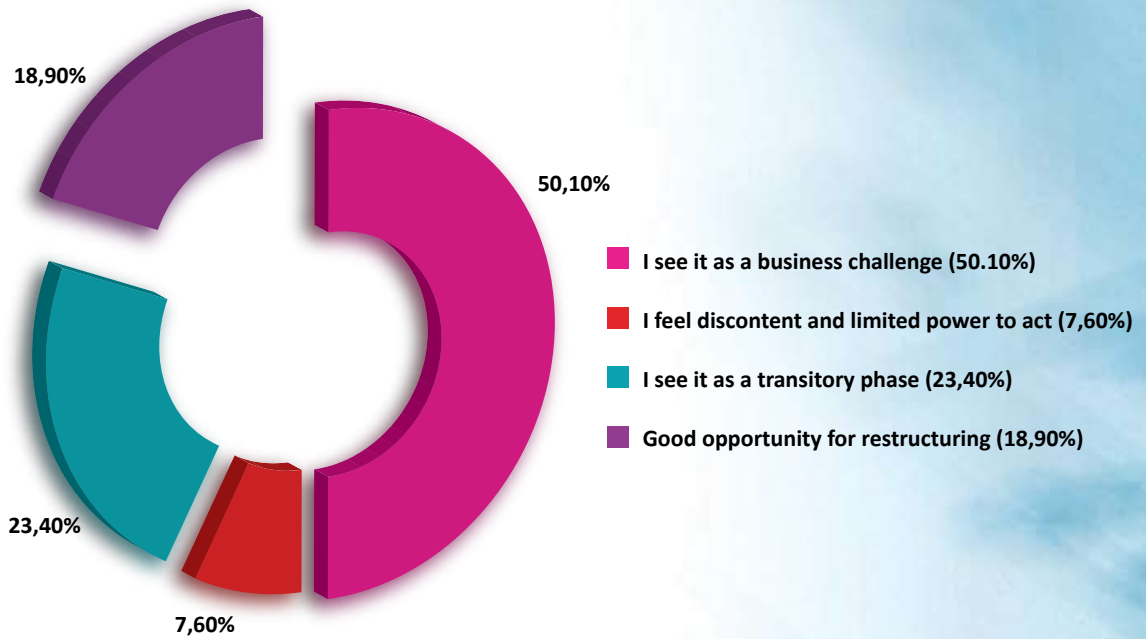
Optimism

11. What do you think the following business year will bring us?



Unfortunately there is still no optimism, because majority expects either stagnation or further deepening of the crisis. The positive thing is that CEOs did not loose their spirit. They see this situation as a professional challenge they are going to confront, and as just a transitory period.

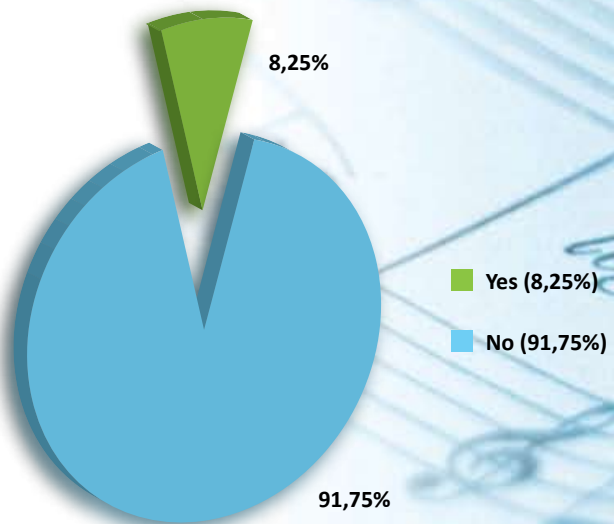
12. How does the economic situation affect you?



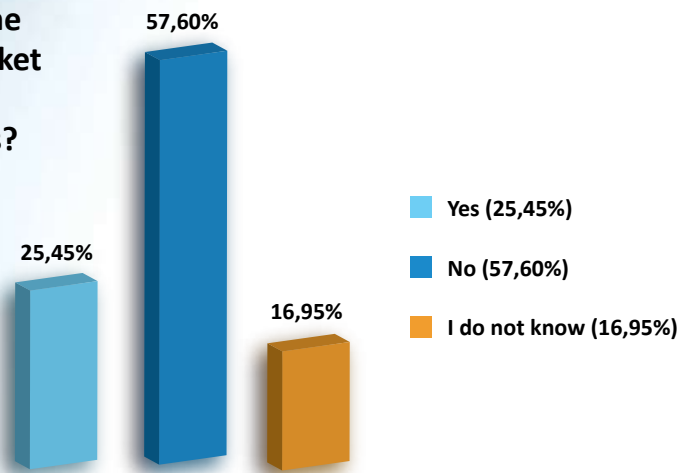
Changes

Most of the CEOs are loyal to their industry and would not change it at the moment. The reason for that might be their opinion that the offer in the market has not been very good.

13. Did you change the industry you work in?

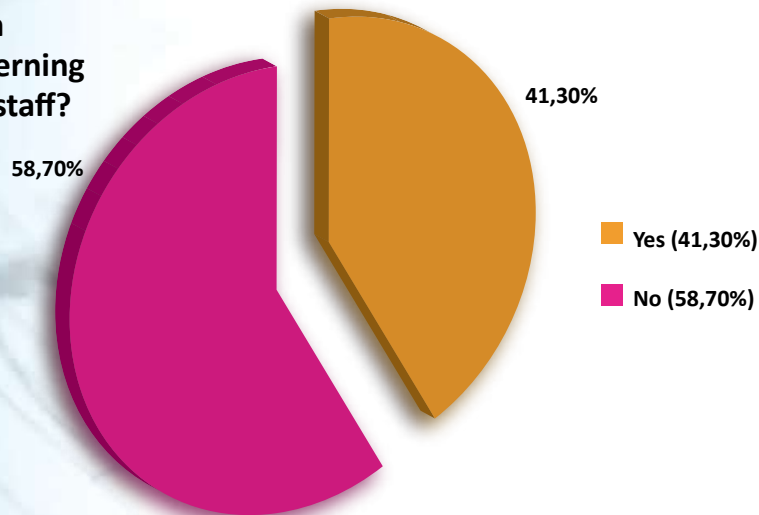


14. Do you think that the supply in the labor market was of a higher quality than the previous years?

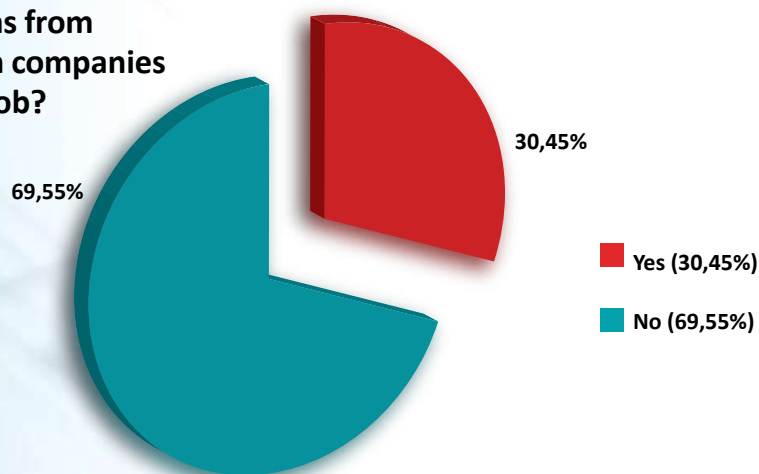


There is an increased interest in our services, because the number of CEOs who contacted Executive Search companies was quadrupled.

15. Did you contact Executive Search companies concerning the selection of staff?



16. Did you more readily accept invitations from Executive Search companies to change your job?



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About Stanton Chase

Stanton Chase International is an internationally specialized *Executive Search* company, which by using the expertise of its consultants, provides its clients with the best services of finding and assessing the top managerial staff. What makes us different is our knowledge of international, regional and local movements on the workforce market, as well as the accessibility to candidates from all over the world. Stanton Chase International is a company which consists of 70 offices in 44 countries around the world. According to the most recent research in this industry, the company is ranked one of the top 10 leading international *Executive Search* consulting firms in terms of size, speed of development and reputation. Among its clients the company is especially valued for its exceptional quality of business, above all for its successful work assessment in the complicated process of finding and choosing top management staff.

Stanton Chase Belgrade office was founded in 2002 and provides a full spectre of services in the area of Human Resources (HR) based on the multifaceted approach to the human resource needs of our clients. Such a multifaceted approach includes not only different services, but above all our ability to adapt to the needs of the client. Our complete activity during the selection of candidates or consulting is adapted to the specific needs of every client and is based on the type of industry that the client belongs to as well as their characteristic needs.

Today Stanton Chase Belgrade is placed among the leading Executive Search companies in Serbia.

Our team constitutes of consultants and researchers specialized for certain branches of industry. We particularly want to emphasise that our consultants have acquired their knowledge, skills and experience in leadership positions in the industries that they are specialized in.

Our specialized fields

We offer industry specializations in six dynamic fields:

- Consumer Products and Services
- Pharmaceuticals and Healthcare Industry
- Financial Services
- Information technology
- Logistics and transport

Using the latest methodology for the assessment of competences and personality profiles (on-line psychometric testing and strategic exercises in the form of business simulations) we provide a successful and fast assessment of the best staff relevant for project work.



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