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## Press release

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### **Business leaders' confidence bounces back, as they look to innovate at speed**

**LONDON** – More rapid and effective innovation is critical to future growth according to 95% of business leaders. Despite a complex mix of concerns such as economic uncertainty and inflation, access to talent, and the ongoing pandemic, business leaders' confidence is up by nine percentage points from last year. These are some of the key findings from **HLB's Survey of Business Leaders 2022 – Powering Your Innovation Engine** launched on Thursday 27 January. Others include:

- 54% expect the rate of global economic growth to increase, 30% expects it to stay the same in 2022
- 61% cite inflation as a concern
- 86% feel more confident in their ability to innovate as compared with pre-pandemic
- 69% agree or strongly agree that market disruption motivates you to innovate

*“Economic factors and the emergence of new COVID variants, as well as other macro trends around talent and cybersecurity will pose challenges to even the most progressive innovation strategies.”* States Marco Donzelli, Global CEO at HLB. *“Nevertheless, business leaders are grasping the opportunities that market changes present to innovate and understand how important innovation is to their future growth.”*

To gain insights into the concerns and priorities of business leaders in 2022, HLB surveyed 586 clients and senior executives from 46 countries. The report highlights that although the pandemic has been an exceptionally difficult and challenging period for business, leaders have emerged feeling more confident to challenge the way things get done and energised to grow their businesses through innovation. However, to innovate successfully, business leaders must tackle the challenges of funding, talent, and culture. These areas are explored in detail in the report which also includes guidance for business leaders to help them examine their firms' approach to innovation in more detail.

#### **Pandemic underlines need for innovation**

The vast majority of business leaders agree rapid and effective innovation is crucial to future growth and 89% believe they can do so at greater speed than before. But with only a small majority (55%) setting budget aside for innovation, funding can be a barrier for successful execution. Over three-quarters of the leaders polled said they are funding their innovation strategies from cash flow. 28% consider debt refinancing and 25% plan to raise equity funding, with smaller percentages exploring other financing options.

Finding and retaining innovators is another challenge CEOs looking to innovate need to overcome, with 1 in 3 stating capabilities of their people is a barrier to business innovation. Crucially, talent acquisition is the second from top area of weakness which leaders intend to focus on in 2022, cited by 42% of leaders versus 26% in 2021.

Other barriers to innovation identified in the survey are of an organisational nature, with lack of time (35%) being the biggest hurdle to overcome followed by factors such as operational structure (27%), lack of vision (26%) and keeping the status quo (26%).

#### **Access to tech key to successful innovation**

Access to emerging technology tops the list for key enablers of successful innovation by 44%, with AI, Cloud and RPA listed as most important. The report finds technology and innovation joined at the hip. Over half of businesses are focusing their innovation efforts around emerging technology and launching new products or services. 42% of leaders seek to adopt more emerging technologies to achieve growth in the next 12 months. Non-digital technologies are also considered of great strategic interest, with renewable energy cited by 61%, and electrification by 46% of business leaders.

#### **ENDS**

#### **About the research – HLB Survey of Business Leaders 2022**

Between September and November 2021, HLB collected 586 survey responses from business leaders across 46 countries and a range of industry backgrounds. Responses were collected via an online survey tool or telephone interview. The research sample was selected and controlled via HLB firms with their CRM data. In addition to the quantitative data, four in-depth expert interviews were conducted via video calls.

A copy of the full report can be found at [www.hlb.global/surveyofbusinessleaders](http://www.hlb.global/surveyofbusinessleaders)

Note that not all figures in this report sum up to 100% as a result of rounding percentages, excluding neutral responses or when respondents could choose more than one answer. The base for all figures is 586 (all respondents) unless otherwise indicated.

More data and information about this survey is available upon request. Please contact:

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