A PIVOT POINT: REINVENTING TRANSFORMATION IN VOLATILE TIMES

HLB SURVEY OF BUSINESS LEADERS 2026

CONTENTS

KEY FINDINGS

88%
are confident in business growth despite ongoing volatility

53%
believe the rate of economic growth will increase

74%
are concerned or very concerned about cybersecurity

TOP 5 INVESTMENT PRIORITIES FOR LEADERS IN 2026

	Significantly increase investment	Increase investment	No change in current investment levels	Decrease investment	Significantly decrease investment
Digital transformation and emerging technology adoption	20%	45%	29%	4%	2%
Enhancing cyber and data security	20%	44%	31%	4%	1%
Automated and AI-powered decision-making	19%	43%	31%	5%	2%
Customer experience enhancement initiatives	15%	44%	37%	3%	1%
Business intelligence and data visualisation tools	16%	43%	34%	6%	1%

THE PROPORTION OF COMPANIES REPORTING A PROFIT MARGIN INCREASE OF FIVE PERCENT OR MORE HAS INCREASED FROM 25% TO 32% OF OUR OVERALL SAMPLE. THESE COMPANIES ARE:

1.3X more likely
To use adaptive planning techniques

1.7X more likely
To use AI for research and development

1.6X more likely
To increase spending on securing customer data

CEO FOREWORD

As the second half of the decade progresses, business leaders face intensifying pressure. Average concern levels across the risk radar have reached 63 per cent, the highest since this survey began. Financial pressures dominate, followed closely by operational vulnerabilities and political risk.

Even so, resilience is holding. Despite challenging conditions, roughly a third more businesses increased profit margins by five per cent or more this year, while fewer leaders reported comparable declines. Expectations are also turning more positive. Fifty-three per cent of respondents believe global economic growth will increase over the next twelve months.

One driver of stronger performance is the shift towards faster planning cycles paired with more agile execution. Nearly half of leaders now operate on adaptive or short-term planning horizons of under two years. Yet this does not signal a retreat from long-term ambition. Many organisations are operating at dual speeds, acting quickly on near-term opportunities while continuing to invest in longer-horizon initiatives with higher potential returns. This form of calculated courage allows firms to stay responsive without losing sight of future growth.

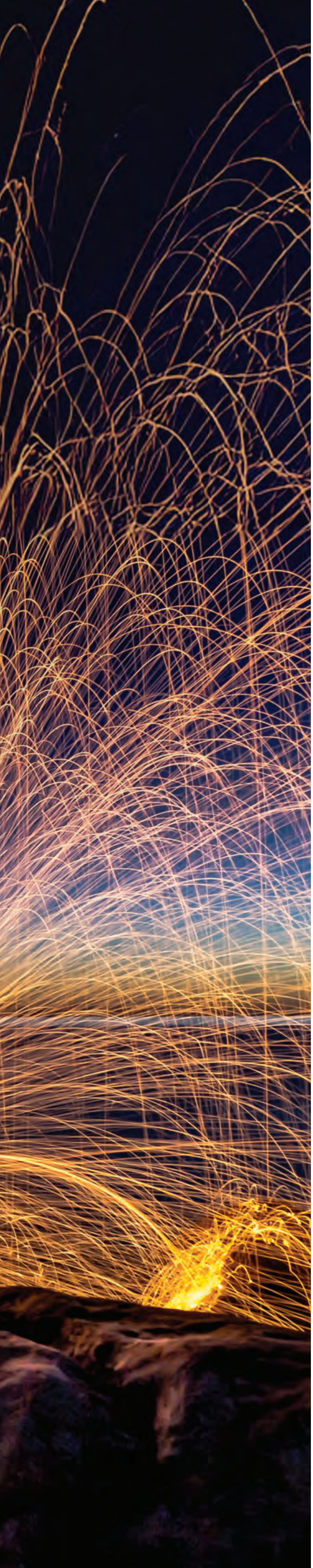
Technology sits at the centre of this transition. AI has moved from pilot to core capability, supporting faster learning cycles, deeper customer insight, and more efficient operations. Two and a half times as many leaders now report using AI across multiple functions. Yet technology adoption is not only about efficiency. Customer focus remains a central priority and now ranks among the top drivers of growth. Investment in analytics, personalisation, and service excellence reflects a growing recognition that sustainable performance depends on understanding customers with greater precision.

This report examines how organisations are navigating persistent volatility and turning disruption into opportunity. It draws on more than 1,100 responses from leaders across over 45 countries, alongside in-depth interviews with subject-matter experts. We thank all those who contributed. We hope the findings provide a stronger footing for strategic decisions in the year ahead and welcome further discussion on the insights presented here.

Marco Donzelli
Global Chief Executive Officer, HLB

LIVING WITH VOLATILITY

Disruption has become the routine of the 2020s. The decade opened with extraordinary advances in digital adoption, buoyed by new technologies and faster innovation cycles. Yet a global pandemic quickly counterbalanced these gains, supply chain reshuffling, and a surge in inflation that strained operations worldwide.

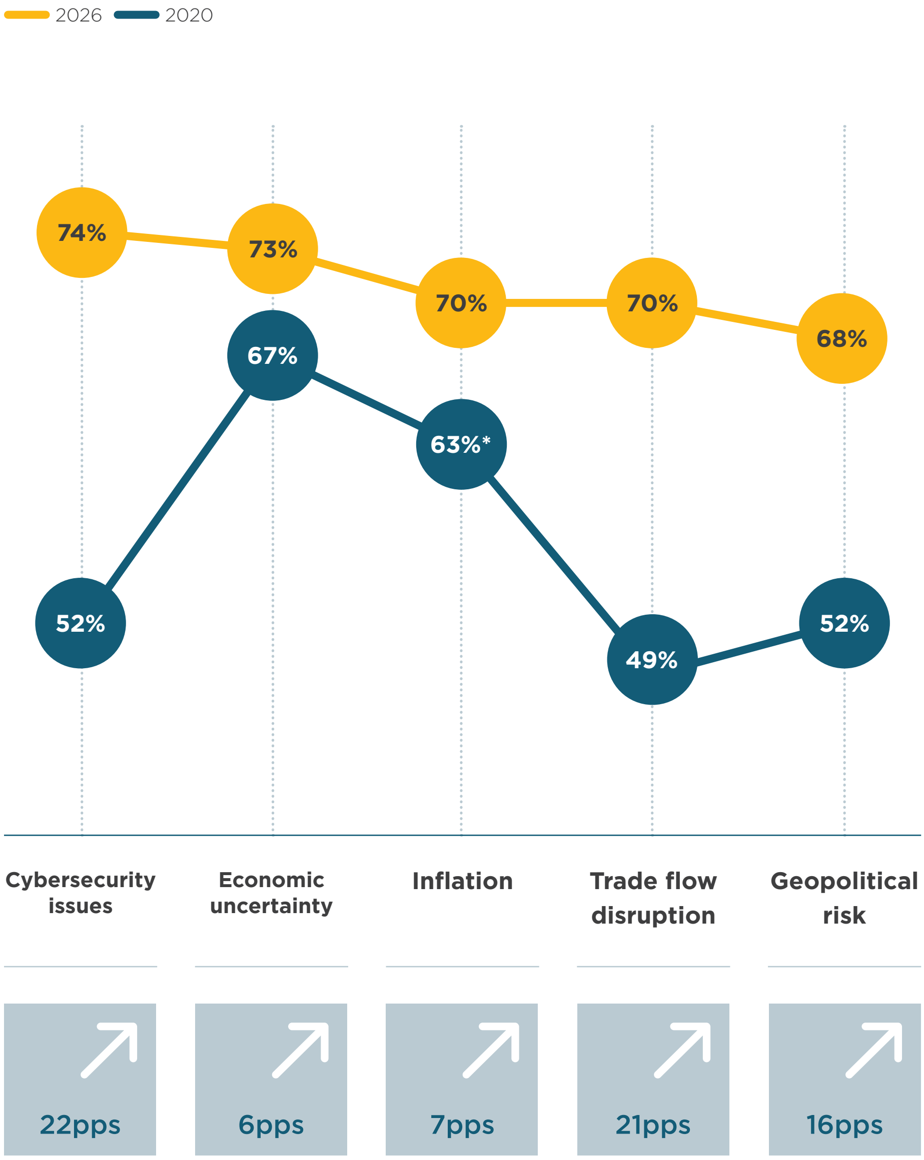


Two years after the pandemic, the pattern repeated itself. Breakthroughs in generative AI have coincided with renewed trade tensions and armed conflicts. Following the biggest global election year and the return of President Trump for the second term, new international alliances and fractures have emerged.

Leaders now operate on a near-constant seesaw, moving between periods of momentum and pressure within a few quarters, if not months. In 2026, leaders feel the most preoccupied by disruptions across three axes: technological, economic and political.

RISK RADAR RETROSPECTIVE 2026 VS 2020

How today's top five risks compare to the start of the decade.



*Inflation was introduced as a tracked risk in 2022.

These risks aren't new. But rather, they're continuous aggravators, following leaders through the decade. "Now, change is just constant. Faster. Constantly faster," notes Michael Hinshaw, author, speaker, Founder and President of McorpCX.

Rapid news cycles often intensify perceptions of change. Michael Ballé, a lean executive coach, consultant, and published author, feels that the information age has caused major damage to the planning function. "The businesses' motto has been: 'fail fast, break things'. But now, it's mostly just break things," he observes, as some businesses face tougher stakeholder expectations. Companies are no longer evaluated purely on EBITDA and other financial metrics, but mostly on the storytelling around them, according to Ballé. Naturally, this adds further to the volatility as some companies see inflated valuations, while others remain underappreciated.

Still, leaders remain optimistic. The majority treat the constant pressures as forces to be managed and, at times, leveraged. Evidence of this response is the increasing proportion of leaders who are very confident in revenue gains, rising from 35% to 42% year on year. That's not just wishful thinking.

Profit margins are also strengthening. Compared to last year, more companies report a 5% or greater profit margin increase, and just 8% report a sharp margin squeeze. Last year's figure was almost twice as high, at 14%.

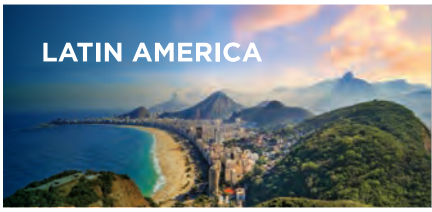
Overall confidence is edging up, too. The share of leaders anticipating an increase in global growth in 2026 has climbed seven points, pushing optimism to 53%. There are some regional variants in sentiment. Leaders in newly industrialised markets are even more assertive.

Effectively, we're seeing more companies thriving through volatility thanks to targeted improvements in three areas: faster planning cycles, technology-enabled agility, and customer-led growth.

MORE BUSINESSES HAVE STRENGTHENED THEIR PROFIT MARGINS THIS YEAR

Q: Over the last financial year, how did your profit margin change?

BUSINESS LEADERS' SENTIMENT ON ECONOMIC GROWTH VS MACROECONOMIC OUTLOOK PER REGION

	Q. Do you believe the rate of global economic growth will change in the next 12 months?	**Macroeconomic outlook**[1]
 **GLOBAL**	**53%** believe the rate of economic growth will increase **vs 17% decline**	**3.2%** forecasted globally
 **ASIA PACIFIC**	**61%** believe the rate of economic growth will increase	**4%** growth forecasted for the APAC region and **4.4% for China**
 **EUROPE**	**40%** believe the rate of economic growth will increase **vs 22% decline**	**1.2%** growth forecasted for Eurozone and **1.4% for the UK**
 **LATIN AMERICA**	**55%** believe the rate of economic growth will increase **vs 16% decline**	**2.1%** growth forecasted for the LATAM region
 **MIDDLE EAST AND AFRICA**	**74%** believe the rate of economic growth will increase	**3.7%** growth forecasted for the MENA region and **3.8% for the Sub-Saharan region**
 **NORTH AMERICA**	**58%** believe the rate of economic growth will increase **vs 17% decline**	**2%** growth forecasted for the US and **1.4 % for Canada**

PLANNING AHEAD UNDER PRESSURE

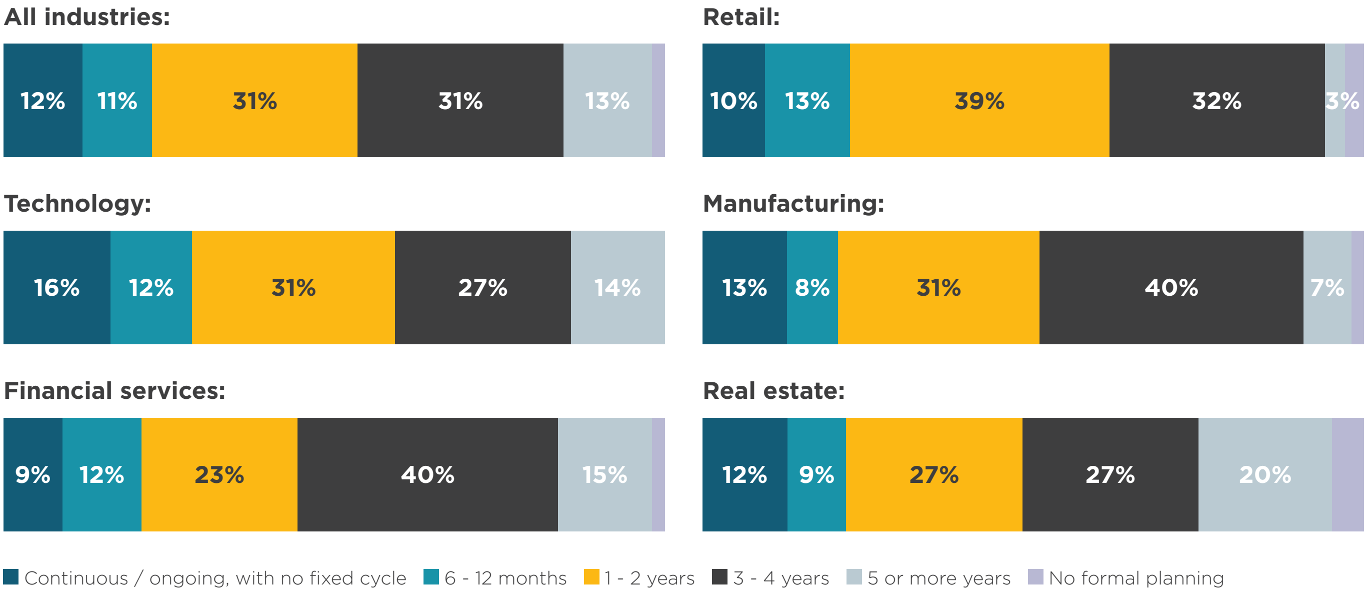
The current pace of change in market conditions calls for continuous adaptation. Consumer sentiments shift almost in a blip. Supply chain disruption is more frequent, and political changes add fuel to the fire.

To navigate uncertainty, leaders have channelled more efforts into creating leaner business models. In our 2022 survey edition, 62% told us they're now capable of innovating at greater speeds than in the past. The shift to faster operations has continued and is now paired with shorter and, oftentimes, dynamic planning cycles that companies in all regions have adopted. 42% of leaders rely on short planning cycles between 6 and 24 months, while 12% operate with a continuous, rolling strategy. Only 13% of respondents have cycles extending beyond five years.

"Management was like bowling, one ball after another, every three years you did your strategy. says Nils Müller, CEO and Founder of TrendONE. Now it's like juggling with seven balls. Once in a while, someone passes by with a new golden ball and says hey, catch this one. So there are always new opportunities and new threats - and also threats create new opportunities."

BUSINESS PLANNING CYCLES HAVE BECOME LEANER ACROSS INDUSTRIES

Q: Which of the following options best describes the time frame of your company's current strategic planning cycle?



Michael Ballé agrees that a lot of business planning is now driven by volatility. "Many leaders can't look at the horizon because there's no horizon anymore", he says. "I see businesses making super-fast decisions. But I don't always see a need for that." Ballé cautions leaders against showing a knee-jerk reaction. "When the moves you make go faster than the company's ability to take them, that's when nothing ever gets done." According to Ballé, sometimes it pays to go intentionally slower and resist the temptation to act on every hyped opportunity without properly validating the possible returns first.

SECTOR SPOTLIGHTS:

TECHNOLOGY

The technology sector operates with the shortest horizons: 28% of respondents use either continuous or sub-12-month planning cycles.[2]

Case: Global data analytics firm Teradata recently replaced its traditional three-to-five year roadmap with a rolling 12–18-month cycle, recognising that long-range IT strategies no longer withstand the speed of digital change.

The company now focuses on near-term outcomes supported by agile portfolio reviews, quarterly resets, and OKR frameworks that keep priorities adaptable.

RETAIL

Retail shows a similar move toward rapid cycles, with 62% of leaders planning continuously or within 2 years.[3]

Case: British grocer Sainsbury's abandoned its gradual digital rollout during the pandemic and compressed a multi-year strategy into months. Core services were migrated to the cloud, and new capabilities were deployed within a quarter to meet surging online orders.

Since then, the company has implemented leaner planning cycles across other functions to better respond to shifts in customer demand.

MANUFACTURING

Manufacturing displays the widest divergence. Just over half of respondents plan on rapid cycles, while the remainder rely on longer horizons, with 47% still using three-to-five+ year roadmaps.[4]

Case: While many automakers push for faster model releases, Toyota recently extended the lifecycle for its flagship models to 9 years. The company argues that demand, rather than competitive tempo, should dictate when new models are introduced.

Longer production cycles allow the company to maintain reliability and profitability without being drawn into rapid, costly redesign cycles.

HOW LEADERS APPROACH STRATEGIC PLANNING

Two distinctive schools of thought are emerging in how leaders plan for the future. An almost equal share — 46% and 42%— rely on adaptive planning or comprehensive long-term planning, suggesting that organisations are split between those favouring flexibility and those seeking stability through extended horizons.

This divide reflects the balancing act leaders face. As Müller notes, most are pursuing both quick wins and big bets. Short-term gains help maintain momentum, while investments in areas such as AI or next-generation battery technologies require planning five to ten years ahead. To reconcile these demands, more companies are adopting a multi-optionality approach, cycling continuously through orientation, strategy, and transformation.

The result is a form of 'dual-speed' operations. Organisations maintain the ability to pivot quickly when disruptions or opportunities arise, supported by adaptive planning and stronger executive decision-making, while still keeping sight of longer-term strategic ambitions.

To support this level of agility, over a third of respondents also use other techniques for strategic planning and decision-making, including options analysis, seeking diverse views to inform decisions (35%), and scenario planning (31%). For instance, Mercedes-Benz[5] uses game theory to optimise its strategic sourcing. By modelling how suppliers behave in competitive negotiations, the procurement team can define binding rules for all participants and identify the partners most likely to deliver both value and reliability.

This methodology helps the company optimise supplier selection and ensure fair competition. It also allows teams to anticipate market dynamics, reducing exposure to risks such as material shortages or cost volatility that could disrupt production.

Michael Ballé believes there are three important methods for planning in today's environment: "Firm deadlines, stress-testing strategies, and decision matrices. You have to understand your framework first. Then, you stress test your strategies. And you have a deadline on implementation".

Apart from better methodologies, leaders are also looking to emerging technologies. About a fifth already use AI to support forecasting and strategic planning, rising to just over a quarter for top profitability performers. But many seek to enhance these capabilities further.

Automated and AI-powered decision-making (62%) and business intelligence and data visualisation tools (59%) are among the top five areas tagged for increased investment through 2026. Real-time data and predictive analytics, market and competitive intelligence are also areas where half of business leaders are increasing investment.

By combining these three capabilities — data-driven decision-making, shorter operational planning cycles, and learner implementation capabilities — leaders can move into new verticals faster and command greater market share without diluting their profit margins as much.

HOW DO PROFIT ACCELERATORS STAND OUT?

Top-performing businesses in terms of profit growth are:

1.3X more likely

To use adaptive planning

1.2X more likely

To seek diverse perspectives

1.6X more likely

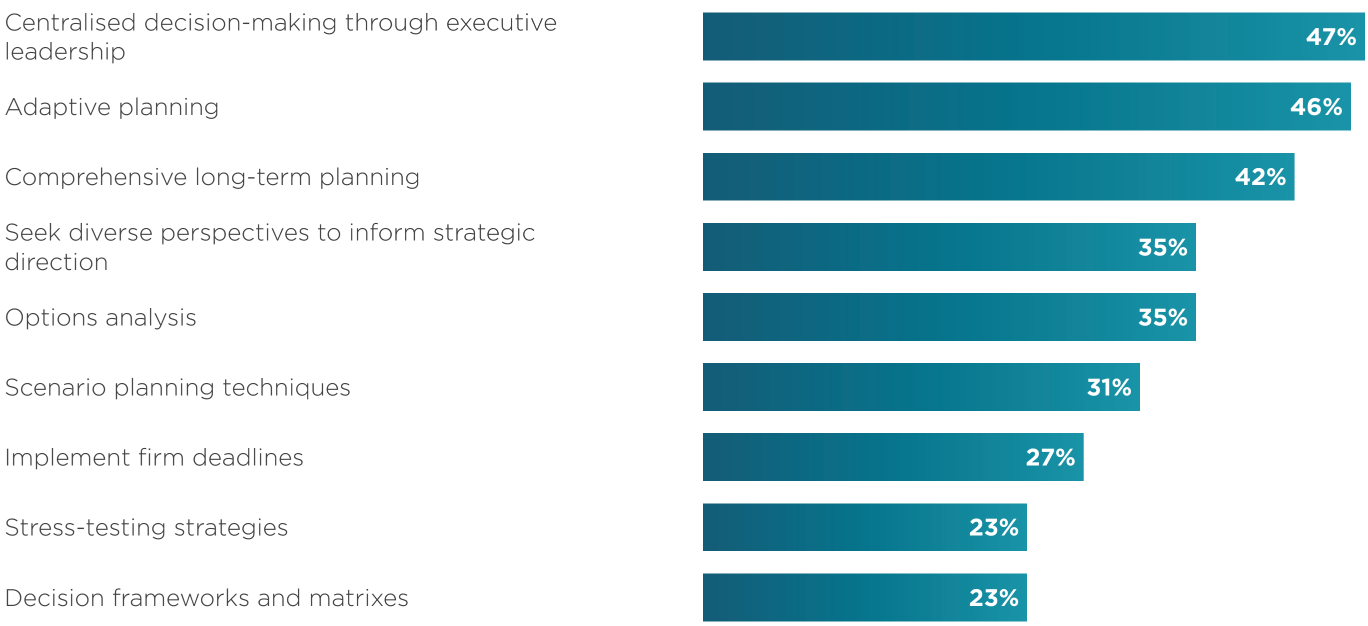
To invest in business intelligence and data visualisation tools

1.3X more likely

To invest in automated and AI-powered decision-making technology

TOP TECHNIQUES LEADERS USE FOR STRATEGIC PLANNING AND DECISION-MAKING

Q: Which of the following techniques does your company use for strategic planning and decision making?



RESPONDING WITH AGILITY

When it comes to execution, companies are increasingly focusing on 'getting their house in order'. The top priority for 58% of leaders is improving operational efficiency in the next twelve months. A focus on efficiency and process excellence has provided businesses with a firm foundation for confidence and expansion. This footing is essential to respond more quickly and with more agility to volatile and aggressive operating conditions.

Almost half also aim to reduce costs. Although this action has dropped down the list of immediate concerns, as businesses start to reap the benefits of AI automation. “With operational efficiency, you can make your processes and systems work better, and you can reduce the cost of delivering services. And that reduction of service cost is related, significantly, to reducing headcount,” says Michael Hinshaw. New technology adoption remains a key activation priority for 55% in 2026, as over a third of leaders continue to recognise gaps in their digital and AI capabilities.

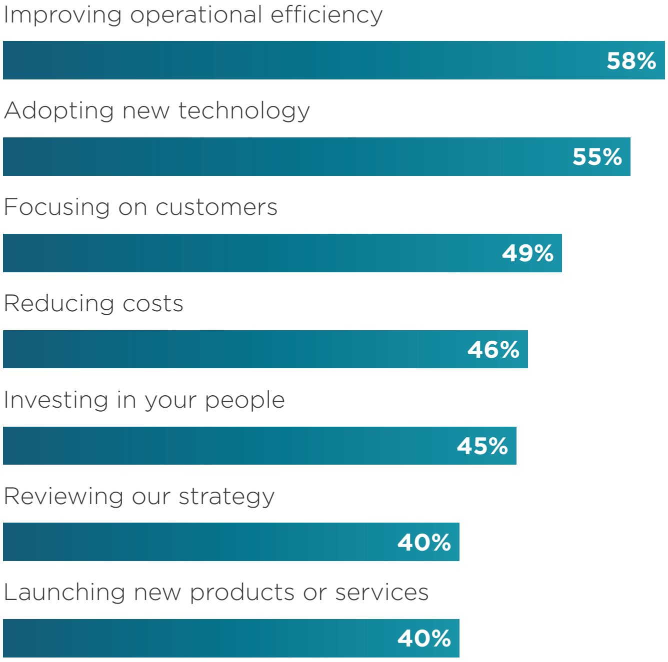
Leaders realise that emerging technologies are the crux of achieving faster business growth. “Business now happens in a non-linear dynamic,” adds Nils Müller. “Companies come into existence with a billion-dollar valuation within months, oftentimes thanks to intangible knowledge like patents, data, and algorithms.” Since the start of the decade, we’ve seen faster, tech-led companies disrupting industries like finance, insurance, and entertainment, among others. Müller expects that in the future, more and more banks will become mostly “algorithms and AI capabilities, like hyperscalers,” and heritage institutions may struggle to stay as competitive unless they transform, too.

Asset-heavy industries, as well, have gained greater speed and agility thanks to emerging technologies. Xiaomi’s entry into the electric vehicle market illustrates how rapid strategic cycles and extreme automation can accelerate diversification at remarkable speed. In 2021, the consumer electronics company created a dedicated EV subsidiary and, by December 2023, released its first EV model, the SU7. The demand surged immediately.

Xiaomi raised its 2024 delivery target three times, from 76,000 units to 130,000 by mid-November, and is expected to reach 400,000 in 2025[6]. Automation is central to this performance. Xiaomi reports that 100% of key body-shop processes are fully automated and that the overall automation rate is 91%, supported by 39 robots across the assembly line. It is one of only two systems in China capable of fully automated assembly of four doors, two hoods, and the fenders, achieving tolerances of ±0.5mm and exceptionally narrow body gaps. Robots also handle painting and finishing. Crucially, Xiaomi can reprogramme the system within 40 minutes via a quick colour-change protocol, enabling the SU7 range to be offered in nine colours — far above the industry average of six[7].

TOP ACTIONS FOR GROWTH IN 2026

Q: Which of the following actions are you planning to take in the next 12 months, in order to grow?



Examples like Xiaomi illustrate what many leaders now recognise — that digital technologies, lean processes, and faster execution cycles are crucial for gaining market momentum. And this momentum creates extra cash reserves to fuel subsequent growth. The most profitable cohort in our survey plays ‘offence’ this year. They’re 1.5X more likely to invest in new markets or segments and 1.4X more likely to bring new products or services to the market this year. Their ability to quickly enter new segments appears to be linked to more strategic usage of AI.

AI adoption levels have grown sharply. Only 9% of leaders say they are not using AI, vs above 20% in 2025 and in 2024 . Many companies have progressed beyond more entry-point use cases — content generation, sales support, and data mining — towards more complex usage scenarios. Document processing and process automation, focused on building a robust operational framework, are growing steadily and now command 33% adoption rates. In addition, more leaders are using AI for R&D and quality control.

The most profitable companies demonstrate even a more advanced AI capability set. 38% use AI for research and development, 36% for quality control, and 33% for customer service and customer analytics.

Pfizer[8] illustrates how AI adoption is moving into more sophisticated territory. The company now applies machine learning to the vast datasets generated during drug discovery, where each stage can produce terabytes or even petabytes of information. These models can surface patterns and biological signals that traditional research methods struggle to detect, allowing scientists to identify promising drug candidates far earlier in the process. Pfizer has already used AI[9] to advance next-generation small-molecule treatments for autoimmune diseases, demonstrating how data-driven discovery can shorten development cycles and expand the pipeline of viable therapies.

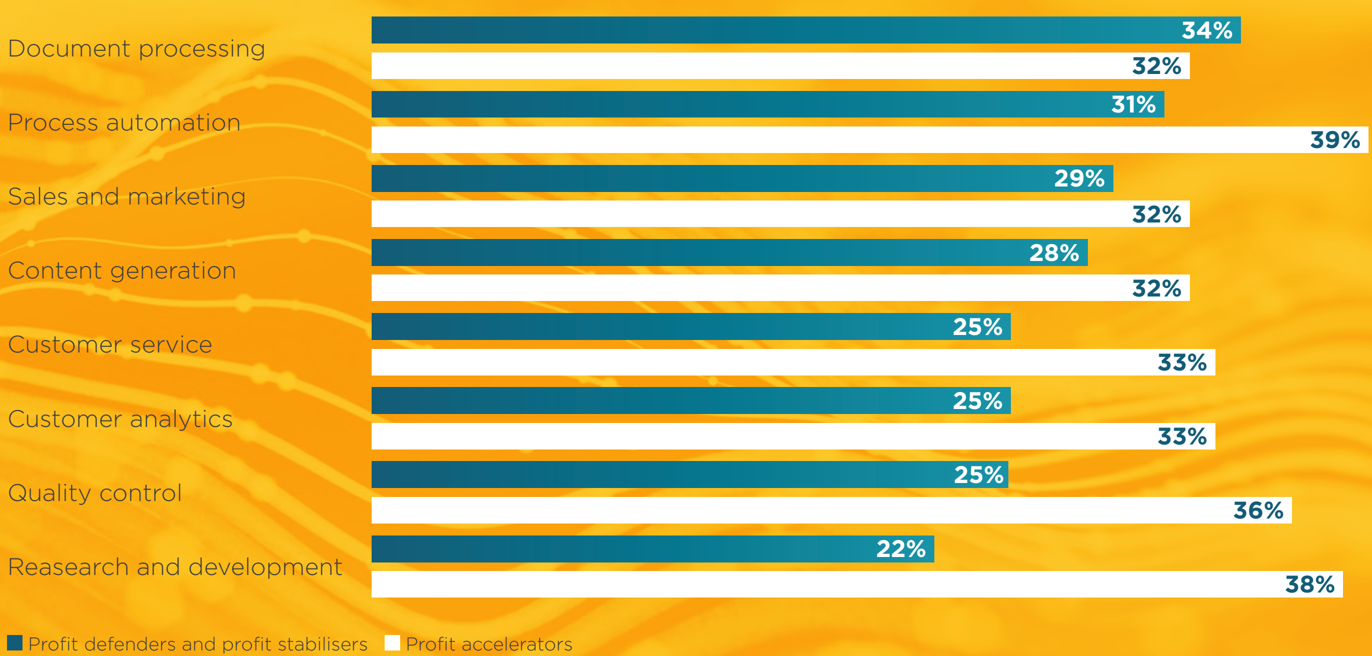
Indeed, AI can bring greater operating efficiencies and speeds to existing processes. Yet, as Michael Hinshaw cautions, “If AI is used to automate bad processes, they remain bad processes. When you apply AI, it’s critical to reassess the process that you’re trying to automate.” A good approach is to map an existing process end-to-end to identify bottlenecks, redundant steps, and handoff delays. Then look into each stage and evaluate whether adding an AI layer on top adds value for the business and customer.

DIGITAL-LED AGILITY REQUIRES A BETTER SECURITY POSTURE

Rising technology adoption is sharpening the focus on security. Cyber risk preoccupies three-quarters of leaders, having risen from a middling concern to a top two risk over five years.

TOP 8 AI USE CASES IN 2026

Q: Where has your company used AI technologies to automate or enhance operations?



Last year alone was rife with cybercrime. British retailer Marks & Spencer[10] faced a significant ransomware attack in April 2025. Popular CRM Salesforce suffered a data loss, affecting over a billion customer records[11]. Among respondents, cybersecurity is the second most concerning weakness that they need to focus on in the next twelve months.

Apart from being frequent, cyber threats have also become more elaborate. In 2025, 79% of attacks were malware-free, meaning hackers didn't rely on malicious code[12]. Instead, many now prioritise social engineering techniques (phishing), which have become easier to execute at scale, thanks to generative AI. In the case of the Salesforce data breach, attackers used AI to impersonate IT support staff and tricked employees into installing a malicious app, which granted them access to company data.

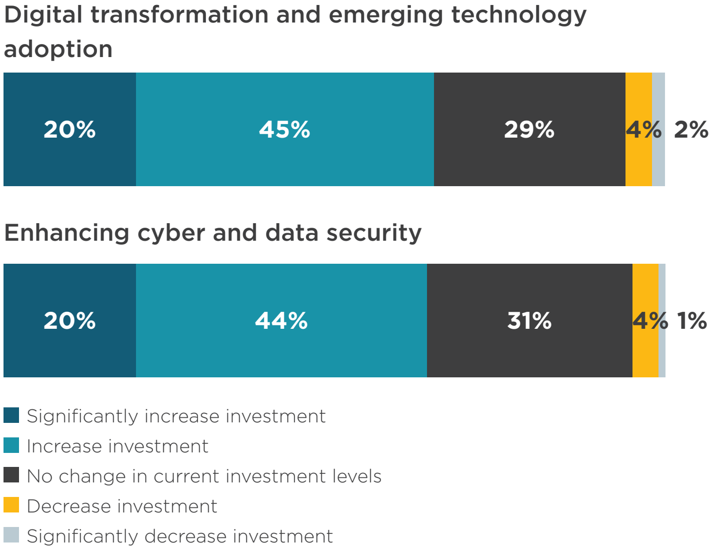
Likewise, the attack surface has increased. New digital systems — large IoT (Internet of Things) networks, connected devices, AI models — pose novel risks. Third-party AI apps may lack proper security architectures and/or contain overlooked vulnerabilities, exposing users to counterparty risks. Custom-built, proprietary models may only pull data from certain systems, creating biased outputs. "One problem businesses have and never solved is data integrity," points out Michael Ballé. "And now, with the addition of AI we've just made the problem massively worse".

To benefit the most from emerging technologies, digital footprint expansion and cybersecurity should be treated as two sides of the same coin. This year, almost as many leaders will increase cybersecurity spending as will expand their digital and emerging technology budgets.

Security strengthens operations and builds customer trust at the same time. Firms that invest in robust cybersecurity can offer more seamless and personalised experiences without compromising privacy, reinforcing confidence at a time when concerns about data misuse remain high. In this sense, better security becomes a foundation for better customer experience, enabling innovation while safeguarding the relationships on which growth depends.

LEADERS RECOGNISE THAT TECHNOLOGY ADOPTION WITHOUT SECURITY IS A FALSE ECONOMY

Q: How do you see your business's investment priorities developing over the next 12 months?



HOW DO PROFIT ACCELERATORS STAND OUT?

Top-performing businesses in terms of profit growth are:

1.5X more likely

To invest in new markets or segments

1.4X more likely

To launch new products or services

1.7X more likely

To use AI for research and development

1.6 X more likely

To use AI for quality control

DRIVING CUSTOMER-LED GROWTH

Across industries, operational and strategic change is being driven by the same imperative: meeting customer needs more effectively. This year, 49% of leaders see focusing on customers as critical to their short-term growth ambitions.

We asked leaders what they recently learned about their customers. "Expectations of service are higher than ever," shared a leader in the financial services sector. "We need to earn our customers' trust before they will do business with us," added a leader from the energy sector. "But they remain loyal to us so long as we deliver value."

Strong customer experience has become a decisive source of competitive advantage, shaping loyalty, influencing switching behaviour, and increasingly determining where growth comes from. "If you understand your customers better than any competitor, if you deliver products and services and experiences to your customers that leverage your knowledge about your customers better than your competitors, you will create relationships with them your competitors cannot break," says Michael Hinshaw.

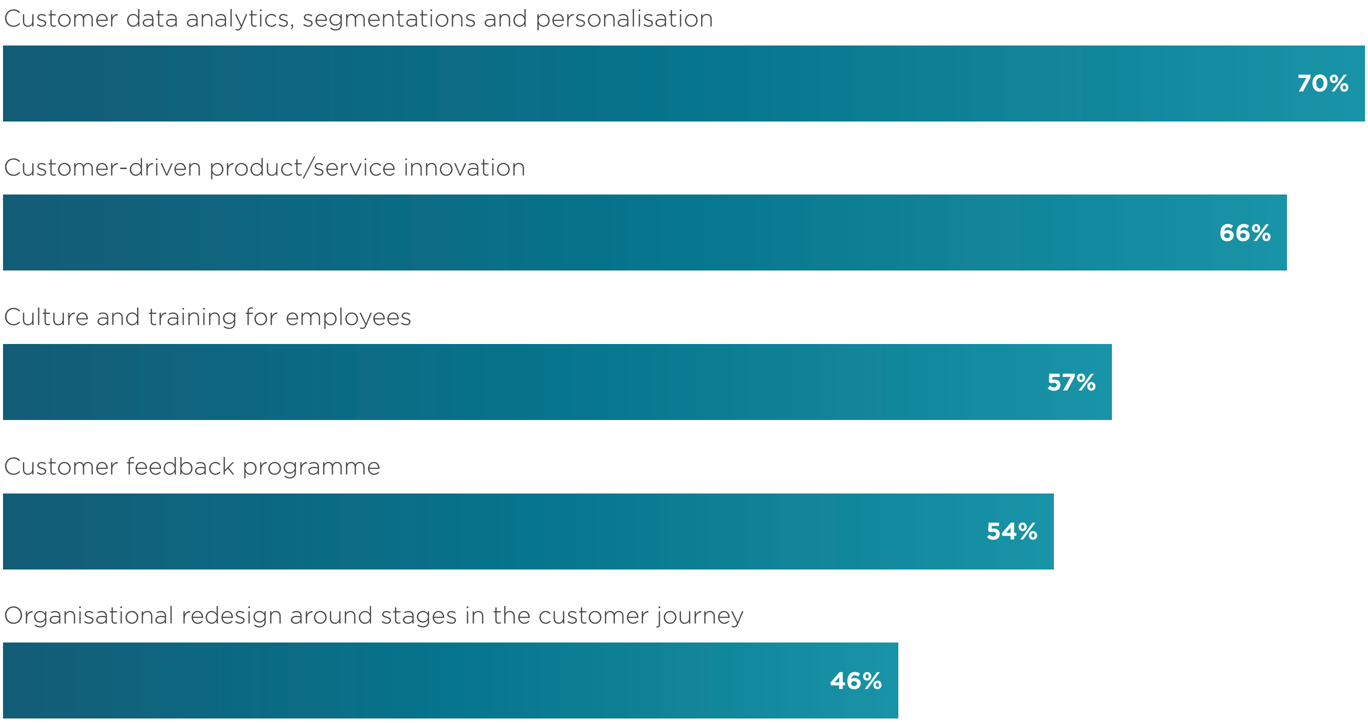
To cultivate stronger relationships, leaders are listening more carefully to what their customers are saying. The majority are prioritising customer data analytics, segmentation, and personalisation, and aim for customer-driven innovation. Over half plan to improve their customer feedback program.

Digital tools are sharpening customer understanding and personalisation. This year, we saw more active AI deployment to support a renewed focus on customers. Sales and marketing, customer analytics, and customer service are all in the top 6 use cases for AI.

For instance, an Australian telecom, Telstra, recently expanded two in-house generative AI tools — One Sentence Summary and Ask Telstra — to support contact-centre and retail staff. The pilots showed that 90% of employees saved time and worked more effectively, contributing to a 20% reduction in follow-up customer contacts. More than 80% of frontline staff reported that the tools improved the quality of their interactions, enabling faster, more personalised service[13].

COMPANIES SEEK TO IMPROVE THEIR CUSTOMER KNOWLEDGE AND EXPERIENCES

Q: Which area(s) has your business prioritised for improving your focus on customers over the last 12 months?



Starbucks, in turn, has been experimenting with AI-driven personalisation using its Deep Brew platform. AI-driven recommendations in the mobile app and rewards programme have lifted customer engagement by around 15% and improved marketing ROI by roughly 30%, compared with non-AI campaigns[14]. The company has also expanded Deep Brew to support store teams, using computer vision and spatial intelligence to automate inventory counts that are now performed eight times more frequently and with real-time accuracy[15]. As of late 2025, this automated system was installed in most company-operated stores in North America.

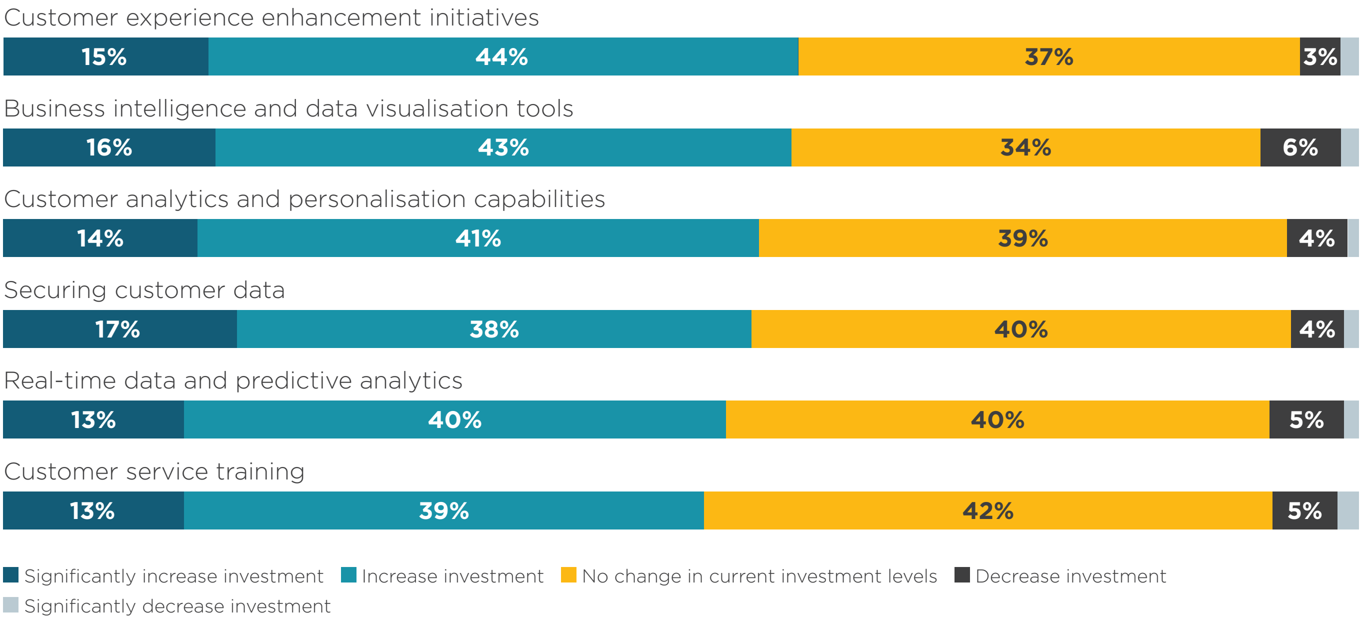
AI and other digital tech can provide deeper customer knowledge and more granular insights. But we still need human judgment and ingenuity to translate these to more delightful experiences, resonating messages, and ethical advertising. "As a customer experience leader, the two things that we focus on are customers and employees, because the link between those two groups is exceedingly tight," strengthens Michael Hinshaw. Leaders appear to recognise that as 57% plan to invest more in culture and training for employees.

To match the customer expectations, 66% of leaders are also switching to a customer-driven innovation approach. For instance, Straumann Group, the Swiss medtech company, worked closely with dental clinicians and laboratories to co-design its iEXCEL implant system. The system consolidates four implant designs into a single platform that cuts procedure time and reduces inventory complexity. Straumann also invests heavily in clinician education, delivering 12,000 training activities in 2024, with 40% targeted at lower-income markets. The results are evident: 13.7% organic revenue growth, CHF 2.5 billion in annual revenue, and 6.7 million patients treated — performance the company attributes to a relentless focus on customer needs[16].

Companies that are redesigning products, services, and workflows directly around customer needs see materially stronger performance as a result. "Organisations that invest in customer centricity are usually better at delivering scalable, predictable customer experiences that also drive growth," agrees Michael Hinshaw. Among survey respondents, businesses with accelerating profits are doing more around customer data analytics, segmentation, and personalistion than their peers.

Yet, other organisations aren't trailing far behind. Most of the respondents plan to substantially increase investment in customer experience enhancement initiatives, business intelligence and data visualisation, customer analytics and personalisation capabilities, securing customer data, real-time data and predictive analytics, and customer service training in the next 12 months.

LEADERS PLAN TO INCREASE INVESTMENT IN AREAS THAT SUPPORT IMPROVED CUSTOMER EXCELLENCE



"Customers want digital personalised service regularly. They want more open and transparent relationships with our organisation," mentioned a CFO at a technology company. Most businesses sit on a trove of valuable data to make that happen. But far fewer use it to drive measurable improvements.

Investments in better data analytics technologies can help leaders turn fragmented data into precise insights to anticipate needs rather than simply react to them, refine product offerings, and identify friction points that erode loyalty. "AI is driving customer information into essentially account-level playbooks that sales and success reps can leverage to build better customer relationships," says Hinshaw. By bringing customer data analytics into more workflows and to more people, leaders can move from sporadic personalisation to a more continuous, data-informed customer experience that supports both growth and retention.

CUSTOMER TRANSPARENCY AS A MATURING TREND

Since the start of this decade, we've seen a rise in ethical consumption. "Customers are no longer just looking for a functional product or service, but rather for complete experiences that convey trust, closeness, and added value," says a CISO at a LATAM technology company.

More shoppers pay attention to the environmental footprint of consumed products, employee working conditions, and leadership behaviours. "Customers now have higher environmental requirements for the production process," admitted a leader from the manufacturing sector in APAC. "Their purchasing behaviour has evolved: They compare more, read reviews, and favour brands with a social conscience," said a leader from the entertainment industry. "They value transparency: They want to understand how products are made, where the raw materials come from, and how their data is used".

Emerging technologies like AI can help leaders achieve these goals when deployed responsibly. VF Corporation, the parent company of several sustainable brands including Timberland and The North Face, has used advanced analytics to trace 61% of its key materials volume across five tiers of the supply chain to better understand sourcing risks and opportunities. Over the last year, they have sourced over 5,000 MT of wool, cotton, natural rubber, and leather grown using regenerative practices, earning praise from consumers and stakeholders[17].

Greater transparency is the key element of brand trust — a powerful metric for driving continuous growth. Customers who believe the company is transparent are twice as likely to buy additional products/services. Moreover, they're almost 4X more likely to forgive company mistakes[18]. Thanks to AI and analytics companies can turn existing data into impactful branding materials and, overall, do more in the ESG area with fewer resources.

That said, some emerging tech experiments can backfire, too. In a recent campaign, Levi Strauss & Co[19]. used AI-generated models from diverse backgrounds to supplement human models. However, the plan backfired as consumers saw this as an unethical shortcut to replacing human models with AI.

Advanced analytics and AI can reveal patterns in behaviour, streamline service, and support more sustainable choices. But models cannot replicate the trust, nuance, and authenticity humans bring to customer relationships. "In the age of AI, it's important to be more human: Empathy, intuition, relationships. Core human skills will matter." says Nils Müller.

The most successful businesses are using new technologies to enhance, not substitute, human insight, translating data into experiences that feel personal, responsible, and genuinely aligned with customer values.

HOW DO PROFIT ACCELERATORS STAND OUT?

Top-performing businesses in terms of profit growth are:

1.1X more likely

Focus on improving customer analytics, segmentation, and personalisation capabilities

1.2X more likely

To allocate more funds to CX enhancement initiatives

1.6X more likely

To increase spending on securing customer data

CONCLUSION: NAVIGATING VOLATILITY BY TAKING AN INWARD LOOK

This year's findings point to the most intense risk environment since our research began. Volatility is no longer episodic; it is structural. In such conditions, leaders face a familiar temptation: to react faster, shorten planning cycles, and chase new technologies aiming to stay ahead. Yet our research suggests that resilience and growth do not come from speed alone.

The most effective leaders are taking a more disciplined, inward look at how their organisations truly operate. They are asking where acceleration creates real value, and where a steadier, more deliberate approach protects it. Technology, data and AI remain powerful enablers of efficiency and insight, but only when investments are grounded in clear operational outcomes rather than momentum or fear of missing out.

Volatility also demands a dual mindset. Businesses must be capable of managing short-term pressures while continuing to make longer-term bets that sustain competitiveness. This requires better scenario planning, stronger decision discipline, and operating models that allow different parts of the organisation to move at different speeds without fragmenting strategy or culture.

Above all, an inward focus brings leaders back to the most reliable anchor in uncertain times: the customer. Organisations that deeply understand what customers value beyond its products and services, but in trust, security and societal impact too, are better equipped to navigate disruption. When customer insight shapes strategy, technology investment and operating design, agility becomes purposeful rather than reactive.

As volatility persists, the challenge for business leaders is not simply to respond faster, but to respond wiser, aligning risk management, decision-making, technology and customer focus into a coherent, resilient whole.

BASED ON THE FINDINGS FROM OUR SURVEY, THESE ARE THE TEN QUESTIONS WE SUGGEST EVERY BUSINESS LEADER SHOULD BE ASKING:

1. Are we focusing on the right risks or just the most visible ones?
2. Where does speed genuinely create value in our business, and where does it destroy it?
3. Do our technology and AI investments clearly improve performance, or are they driven by trend pressure?
4. Can our planning approach balance short-term resilience with long-term strategic bets?
5. Do we have the data, insight and governance needed to support better decisions in real time?
6. Is our operating model designed to allow different teams to move at different speeds without losing alignment?
7. Have recent updates to our technology or processes exposed new weaknesses in our cyber security, data protection or risk controls?
8. Are we embedding agility through capability and preparedness, or relying on constant reaction?
9. How well do we truly understand what our customers value today and how that is changing?
10. Are we using technology to enhance the human experience for our customers, not replace it?

RESEARCH METHODOLOGY

Between September and November 2025, HLB collected 1,113 survey responses from business leaders across 45 countries and a broad range of industry backgrounds. Responses were collected via an online survey tool or telephone interview.

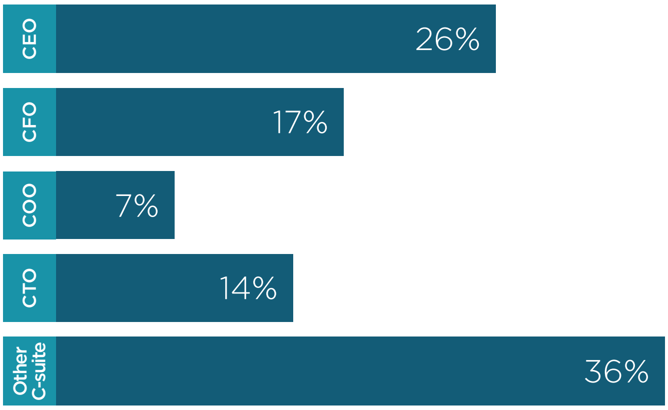
The research sample was selected and controlled via HLB firms from their CRM data and supplemented with external market responses. In addition to the quantitative data, three in-depth interviews were conducted via video calls with various subject matter experts.

The base for all figures is 1,113 unless otherwise indicated. 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.

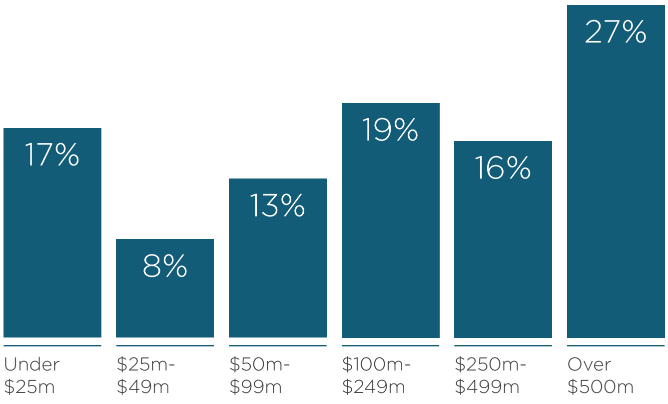
More data and information about this survey is available upon request. Please contact:

Lesley Hornung
Chief Marketing Officer
+44 (0) 207 881 1100
l.hornung@hlb.global

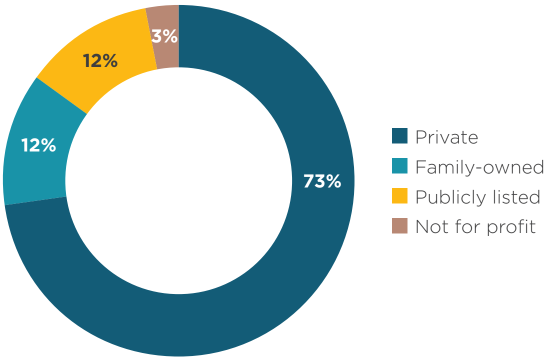
RESPONDENTS BY TITLE



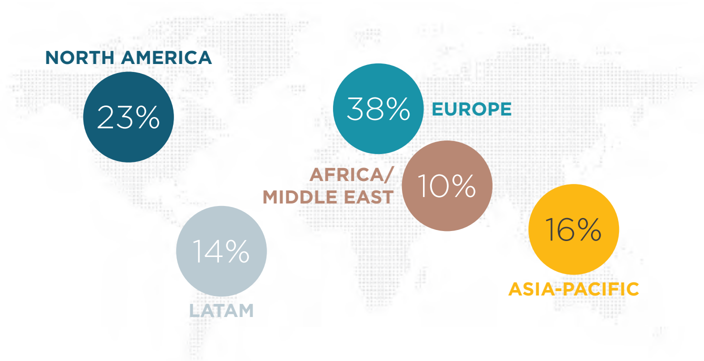
COMPANY SIZE BY ANNUAL REVENUE



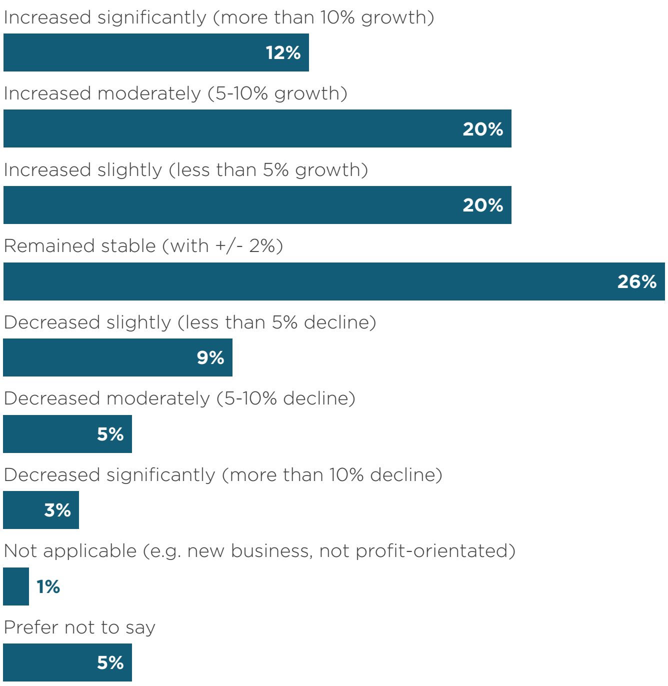
RESPONDENTS BY COMPANY TYPE



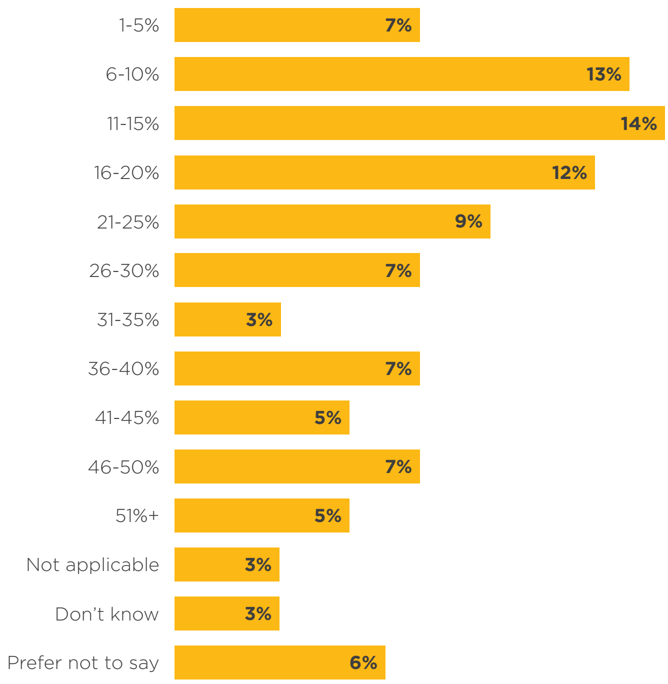
COMPANY HEADQUARTERS



PROFIT MARGIN CHANGE



PRE-TAX PROFIT MARGIN PERCENTAGE



IN-DEPTH INTERVIEWS

Micheal Hinshaw

Founder and president, McorpCX

Michael Hinshaw is the founder and president of customer experience consultancy McorpCX and has been recognized on more than a dozen "Top Global CX Influencers" lists. He is the co-author of the best-selling books Smart Customers, Stupid Companies: Why Only Intelligent Companies Will Thrive and How to Be One of Them and 'Experience Rules! The Experience Operating System (XOS) and the 8 Keys to Enable It.

Michael has been published and quoted in many leading publications including Harvard Business Review, Fast Company, Forbes, Time, and American Executive. A Teaching Fellow on innovation and entrepreneurship at UC Berkeley's Haas School of Business, he has consulted for and advised executives at organisations such as Best Buy, Microsoft, GHJ, GHD, Gensler, Merck, and Lululemon.

Nils Müller

Founder and CEO, TRENDONE

Nils Müller is the CEO of TRENDONE, which he founded in 2002 and has managed ever since. As the market leader for trend based innovation and strategy consulting, TRENDONE defines today's standards for targeted future orientation in a rapidly developing world, with a view on markets, industries and societies. He is a future visionary and, with over 700 keynotes on international stages, one of the most experienced and versatile inspiration speakers in the entire future industry.

Micheal Balle

Founding Partner, Lean Sensei Partners

Dr. Michael Ballé, is the co-author of THE LEAN STRATEGY and THE GOLD MINE trilogy. His work has been translated in ten languages. He coaches CEOs on the gemba, is Managing Director of ESG Consultants and co-founded the French Lean Institute and Lean Sensei Partners. For over a decade, he has focused on managing by problem solving and the human implications of lean implementation in fields as diverse as manufacturing, healthcare and administrative processes, and helped many companies to successfully run their lean programs. As a cognitive sociologist, he has taught organisation theory in several business schools.

ACKNOWLEDGEMENTS AND THANKS

Andreas Koller

Andrew Mosby

Antonio Ghaleb

Brian Mitchell

Callahan Hager

Carlo Triberti

Christine Cai

Coco Ke Liu

Dayton Benway

Ernest Parker

Felipe Paredes

Holly Shier

Jennifer Chowhan

Joe Diston

John C. Cheng

Karin Korte

Laurent Capbern

Lesley Hornung

Luca Insabato

Marina Gentile

Mark Butler

Martin Ellis

Mei-Jen Li

Mike Criddle

Pablo Kaplan

Pablo Maldonado

Patrick van Impe

Paul Ashburn

Raymond Cheng

Sasha Aulakh

Shannon Smith

Skylar Turkiewicz

Sumesh Krishna

Tom Barry

Waleed Alkhaldi

Wendy Lerlum

ENDNOTES

1. S&P Global and International Monetary Fund (IMF), macro-economic data and analysis.

   <Global Econohttps://www.spglobal.com/ratings/en/regulatory/article/global-economic-outlook-q1-2026-ai-tailwinds-boost-otherwise-weak-growth-s101659149mic Outlook Q1 2026: AI Tailwinds Boo | S&P Global Ratings>

   <Economic Outlook Emerging https://www.spglobal.com/ratings/en/regulatory/article/global-fixed-income-economic-outlook-emerging-markets-q1-2026-ai-will-drive-trade-divergence-in-2026-s101657542Markets Q1 2026: AI Wil | S&P Global Ratings>

   <https://www.imf.org/en/publications/reo/meca/issues/2025/10/21/regional-economic-outlook-middle-east-central-asia-october-20252025>
   <https://www.imf.org/en/publications/reo/ssa/issues/2025/10/16/regional-economic-outlook-for-sub-saharan-africa-october-2025>

2. Mary K. Pratt, 'Whatever Happened to the Three-Year IT Roadmap?', CIO.com, 17 December 2024, <https://www.cio.com/article/3618308/whatever-happened-to-the-three-year-it-roadmap.html>

3. Sarah Drumm, 'How to Pivot Properly', Raconteur (Risk & Regulation), 27 October 2020, <https://www.raconteur.net/risk-regulation/pandemic-pivot>

4. Toyota to extend model life cycle to nine years, focus on software, Nikkei Asia, published November 2025, <https://asia.nikkei.com/business/automobiles/toyota-to-extend-model-life-cycle-to-nine-years-focus-on-software>

5. Louise Collins, 'How Mercedes-Benz is Ensuring Manufacturing Efficiency', Manufacturing Digital, 17 October 2025,<https://manufacturingdigital.com/news/mercedes-benz-optimising-procurement>

6. Bloomberg, Xiaomi ups 2025 EV delivery goal to 400,000 after breaking even, 20 November 2025, <https://www.bloomberg.com/news/articles/2025-11-20/xiaomi-ups-2025-ev-delivery-goal-to-400-000-after-breaking-even>

7. DirectIndustry e-Magazine, Inside Xiaomi's EV factory: where the company produces an electric car every 76 seconds, 29 July 2024, <https://emag.directindustry.com/2024/07/29/inside-xiaomis-ev-factory-where-the-company-produces-an-electric-car-every-76-seconds/>

8. Pfizer Staff, 'Artificial Intelligence: On a mission to make clinical drug development faster and smarter', Pfizer.com (Pfizer newsroom article), published n.d. (posted on site before 2025), <https://www.pfizer.com/news/articles/artificial_intelligence_on_a_mission_to_make_clinical_drug_development_faster_and_smarter>

9. Elizabeth S. Eaton, 'Pfizer's sixth Flagship deal will use AI to discover autoimmune disease candidates', PR Newswire, 1 April 2025, reported on FirstWord Pharma <https://firstwordpharma.com/story/5946592>

10. What can I buy online at M&S since the hack?, BBC News, published 2025, <https://www.bbc.co.uk/news/articles/c0el31nqnpvo>

11. James Pearson, Sergio Non and Diane Craft (eds), 'Almost 1 billion Salesforce records stolen, hacker group claims', Reuters, 3 October 2025, <https://www.reuters.com/sustainability/boards-policy-regulation/almost-1-billion-salesforce-records-stolen-hacker-group-claims-2025-10-03/>

12. CrowdStrike Releases 2025 Global Threat Report: Cyber Threats Reach New Highs, CrowdStrike.com, 27 February 2025, <https://www.crowdstrike.com/en-us/press-releases/crowdstrike-releases-2025-global-threat-report/>

13. Telstra scales up AI adoption following promising pilots of generative AI solutions, improving customer experience, Telstra.com, 2024, <https://www.telstra.com.au/aboutus/media/media-releases/telstra-scales-up-ai-adoption>

14. How Starbucks uses AI to make a 30% ROI, The AI Report, 2024, <https://www.theaireport.ai/articles/how-starbucks-uses-ai-to-make-a-30-roi>

15. How AI-powered automated counting is brewing a better experience at Starbucks, Starbucks.com, 2025, <https://about.starbucks.com/press/2025/how-ai-powered-automated-counting-is-brewing-a-better-experience-at-starbucks/>

16. Straumann Group, Annual Report 2024, Straumann Holding AG, 2025, <https://www.straumann.com/content/dam/media-center/group/en/documents/annual-report/2024/Straumann_AR24.pdf>

17. VF Corporation, Environmental & Social Responsibility Report 2025, VF Corporation, 2025, <https://d1io3yog0oux5.cloudfront.net/_215b92498bea89e38f8e579585460605/vfc/files/pages/responsibility/VF_FY25_Environmental_Social_Responsibility_Report_FINAL.pdf>

18. Forrester, Leverage Transparency To Boost — Not Hurt — Customer Trust, Forrester Research, 2025, <https://www.forrester.com/report/leverage-transparency-to-boost--not-hurt--customer-trust/RES177737>

19. Scott Nover, 'What Google, Lego, and Other Brands Know About the Promise and Peril of AI', Harvard Business School Working Knowledge, 24 July 2025, <https://www.library.hbs.edu/working-knowledge/what-google-lego-and-other-brands-know-about-the-promise-and-peril-of-ai>

HOW HLB CAN HELP

Our HLB Survey of Business Leaders 2026 shows that volatility has become a permanent feature of the business environment, driven by intersecting technological, economic and geopolitical pressures. Yet the findings also reveal a clear path to resilience and growth. Organisations strengthening profit margins are not simply moving faster; they are planning more adaptively, investing selectively in technology and AI, and grounding decisions in better data and customer insight. The most successful leaders are operating at dual speed: responding decisively to short-term disruption while continuing to place longer-term strategic bets that sustain competitiveness. Across industries, technology-enabled agility, disciplined decision-making and customer-led growth are emerging as critical differentiators, supported by renewed focus on cybersecurity, operational efficiency and workforce capability. Above all, companies that align transformation efforts around what customers truly value are better equipped to turn uncertainty into advantage. In volatile times, progress comes not from reaction alone, but from coherent, purposeful transformation built from within.

If you would like to explore the findings in this report and how they inform your next phase of transformation and growth, we would welcome the opportunity to discuss these with you.

www.hlb.global/surveyofbusinessleaders

TOGETHER WE MAKE IT HAPPEN

THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

www.hlb.global