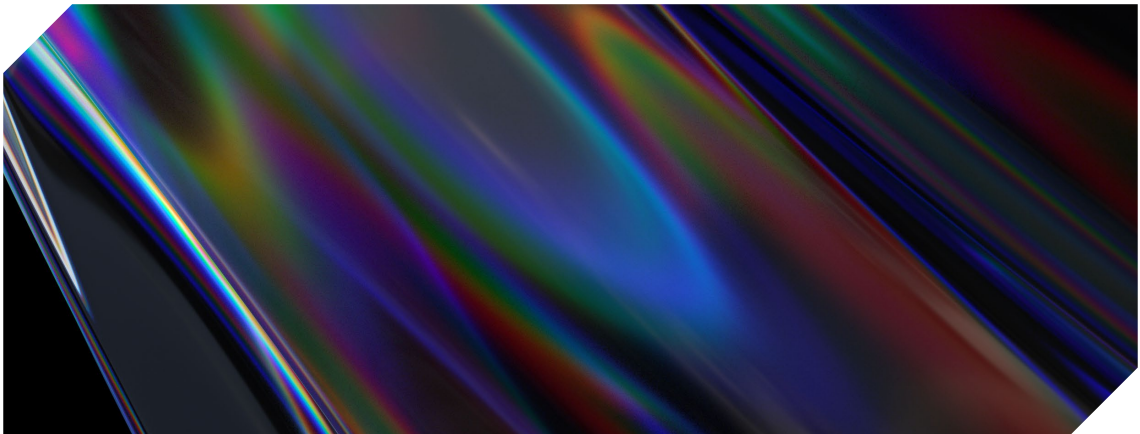


REGENERATE
for a future that works for everyone



KEARNEY

Regenerate:

for a future that works for everyone

Global CxO survey summary

Shifting the way you operate

The concept of resilience as both an approach to and an outcome of successful business operation has been a powerful cornerstone of the conversation around transformation, especially in a time of global crisis. Both the ongoing impacts of crisis and efforts to build business resilience remain relevant for leaders. But the world also continues to turn, and with it the need to think forward and think differently.

The topic of resilience is focused on adaptation to challenge, agility, and strategic purpose. While it's impactful, it was born from "crisis thinking" and can be reactive. The time has come to evolve the mindset and the initiatives that resilience created, and move to a more proactive approach.

We see a future with a bit of a different vibe, a new outlook with a new feeling to structure, motivate, and inspire results-driven change.

Our narrative for executives who have urgent mandates to perform and transform is about courage and boldness (vs. reactivity) and optimism (vs. crisis and disruption). It's about a systems mentality that links the operations and performance of modern business with the living ecosystems of the people, places, and organizations within which it operates.

It's bringing the whole company together—the people, the digital technology, and the operations building blocks—to prepare for what's next. Optimizing got many companies to where they are today. But regenerating will move them forward.

Defining Regenerate

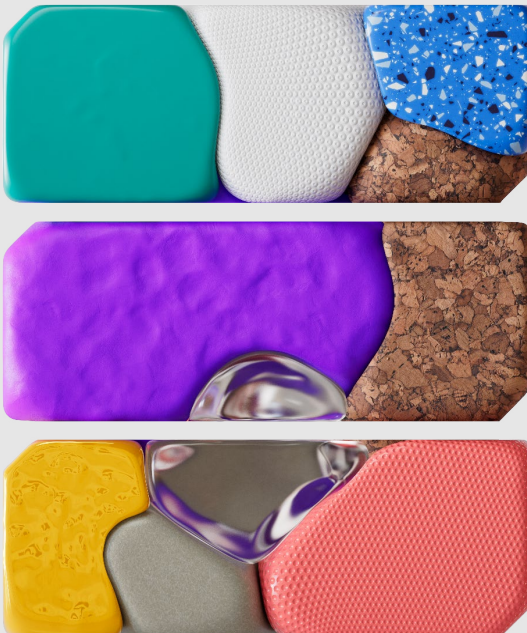
Regenerate is our answer to “what’s next” in a post-resilience world. It’s a timely approach to how businesses can and should be ready for the future. It puts front and center a new sense of courage, a focus on delivery, and a systemic view on the place of business in society—not separate from it, but inextricably interconnected.

Business regeneration is a transformation equation in two parts: the creation of lasting value through the reimagining of strategic and operating fundamentals, alongside the vision of “a future that works for everyone” through active commitment to society and the natural world.

Regeneration represents our belief that future success depends on the ability to do business as part of a comprehensive system that both performs and cares for people and places.

Our definition of regenerative business is underpinned by a set of dimensions across the functional arenas of the business.

The well-being of people and communities as a power for good calls for operations that are more distributed, circular, and diverse, along with data and analytics that learn faster, adapt more quickly, and waste less.



But what do C-suites think?

How much of an appetite is there for a regenerative approach worldwide? We went straight to the source, speaking to senior business leaders in diverse industries across the globe. We wanted to understand which parts of Regenerate resonate most with their current agendas and what's in the works for tomorrow.

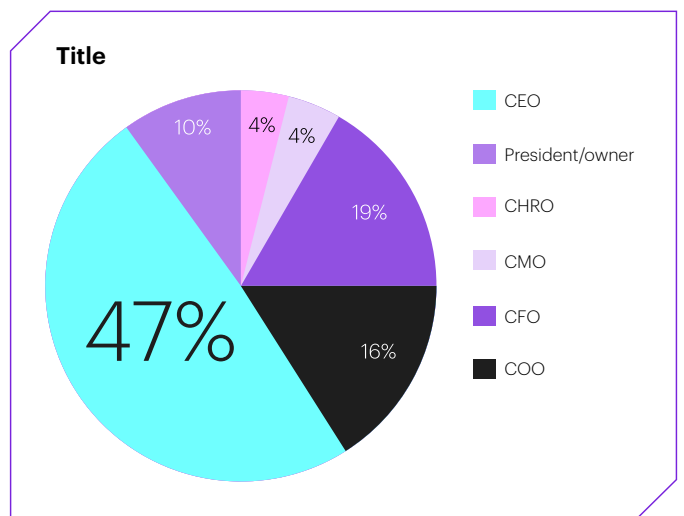
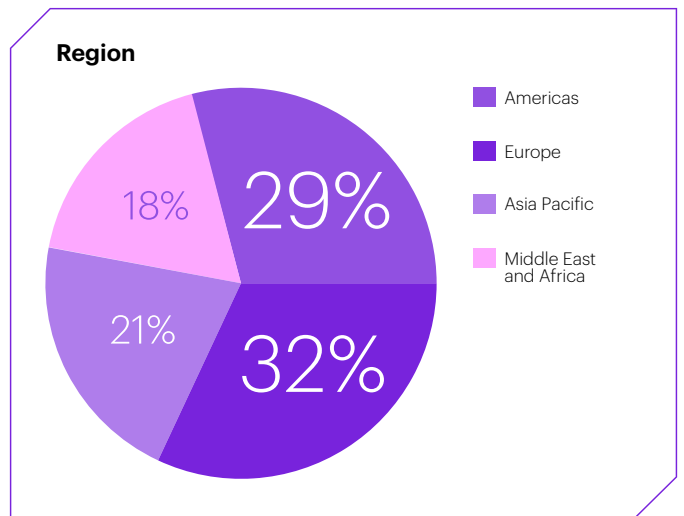
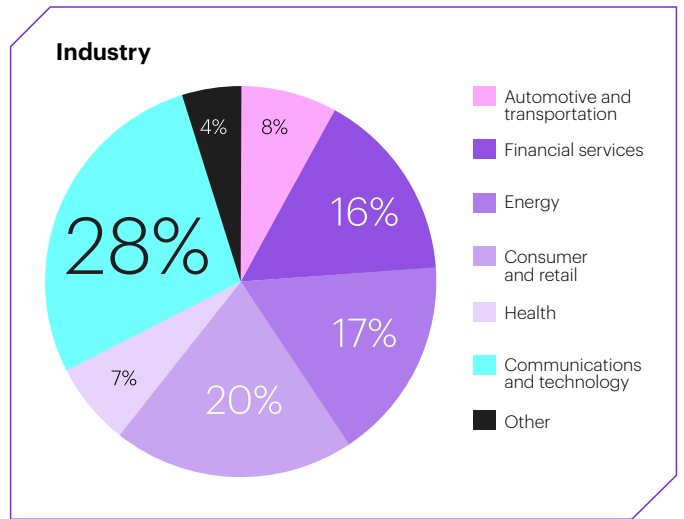
What did we ask?

First, we tested the definition of Regenerate and its terminology. We wanted to understand how well the concept resonates and whether the language we're using feels relevant in a post-resilience world. We also asked our leaders to think about Regenerate through the lens of their own organizations: How much has already been done to achieve it, and where are the opportunities in what's left to do? We probed their strategic priorities, discussing the functions of different parts of the business and hearing how they think Regenerate can happen on a practical level.

Who did we speak with?

We surveyed 775 people—a diverse group of C-suite business leaders from around the world. Respondents represented 19 countries across an equitable regional split. All respondent companies have an annual revenue of \$50 million or greater and employ more than 1,000 people.

Sixty-two percent of surveyed companies have revenue greater than \$500 million, while 39 percent of companies exceed \$1 billion in revenue.



Current state of play

Most leaders we spoke with believe their organization is already on the way to becoming regenerative, but 56 percent also agree that significant work needs to be done. This perceived potential varied from person to person. Fifty percent of CEOs said they see further regenerative opportunity, with COO/CFO/CMOs coming in even higher at 65 percent.

Regeneration resonates

Ninety percent of executives believe in the responsibility of business to create “a future that works for everyone.”

“A regenerative supply chain is beneficial and fair to all parties involved.”

COO, South Africa, higher education

“First and foremost, regenerative management of a business is a principle that says, ‘You give back more than you take.’”

COO, Germany, software and services

“Regenerative business is such because it allows people and markets to prosper—that’s what is sustainable.”

CFO, United Kingdom, financial institution

2x

COOs are twice as likely as CEOs to say their business needs to do more to become regenerative.

Bullish Middle East and Asia Pacific, measured Europe

1.7x

Middle East execs are 1.7x more likely than other regions to say they are already operating regeneratively “very effectively.”

1.6x

APAC CEOs are 1.6x more likely than CEOs in the rest of the world to say that their business is operating regeneratively “very effectively.”

0.4x

European execs are 0.4x as likely to say the same.

Moving Regenerate forward

How do you deliver on the Regenerate promise? We spoke with leaders about the practicalities and operational shifts that affect change, getting insight into the steps they consider crucial to start regenerating. This solidified three pillars of action.

The regeneration starter pack

1. Operations

Focus on repeatable value

- Develop business models that build on themselves for greater long-term value.
- Fundamentally rethink supply chains to be both adaptive and self-aware.
- Build an ecosystem of government, investors, communities, start-ups, and incumbents that all work together.

2. People and communities

Do good by people both inside and outside the organization.

- Create confidence by showing commitment and working from an action orientation.
- Support leaders who demonstrate courage and take explicit responsibility for change.
- Prioritize people by making the tough decisions that will develop the next generation.
- Act to improve greater human well-being and equality, thinking beyond impact toward net positive.

3. Tech and data

Learn faster, waste less

- Invest in powerful analytics to unlock life cycle value.
- Create personalized, contextualized customer engagement and experiences.

“Regenerative means creating a culture of continuous learning and development, where employees are encouraged to develop new skills and explore new ideas.”

CEO, United Arab Emirates, insurance

“This is very important for design and innovation: we can redesign products, reduce environmental impact through that optimal design, and ultimately achieve sustainable development.”

CEO, Germany, energy

“First and foremost, we need to ensure the integrity of our supply chains—we are not there yet—to achieve the most sustainable development possible.”

CFO, Japan, consumer and retail

“Regenerative businesses adopt ethical data practices, including transparency, privacy, and security. They prioritize the protection of customer data and use it in ways that align with their specific customer values.”

CHRO, United States, technology

Global highlights

Future operations: regenerating for speed

Gone are the days when operations could operate in a silo. In our regenerative future, we'll need flexible, transparent partnerships among suppliers, manufacturers, distributors, logistics providers, and customers to respond quickly to disruptions and demands.

Instead of withstanding the unexpected, regenerative supply chains evolve in a self-generated ecosystem of dynamic partnerships. Smart supply chains allow businesses to proactively make decisions based on changes in factors such as preferences, trends, and regulations—adjusting production, inventory, and logistics in real time.

Instead of optimizing for efficiency, the next generation of operations will regenerate for speed, using external data plus analytical and advanced AI to quickly and accurately see and make sense of what's happening outside their own four walls.

60%

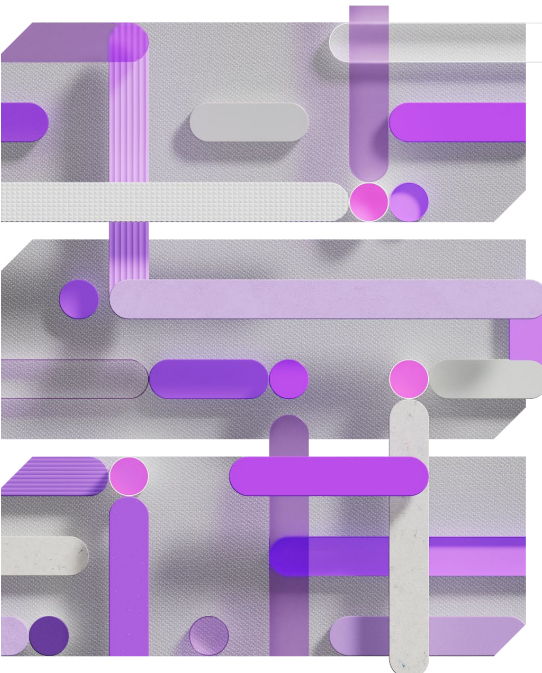
of executives say their business needs to do more to operate a regenerative supply chain.

"A regenerative supply chain should be adaptive and self-aware."

COO, India, technology

"Future-proofing the supply chain is critical."

COO, United Kingdom, technology



Global highlights

Technology: out with the old

The understanding and implementation of new technology is essential to regeneration, and leaders are keenly aware of both opportunity and urgency. Technology also drives regenerative value via its ability to reduce the impact businesses have on people and planet, building more sustainable organizations long term.

Particularly in consumer and retail and automotive and transportation industries is the need clear to update traditional business models for a modern, ever more technology-driven future, alongside supply chains where the philosophy is “unexpected is the new expected.”

The sentiment was strong in the healthcare sector that technology is the core theme to the end goal of driving greater product and service innovation in the business.

58%

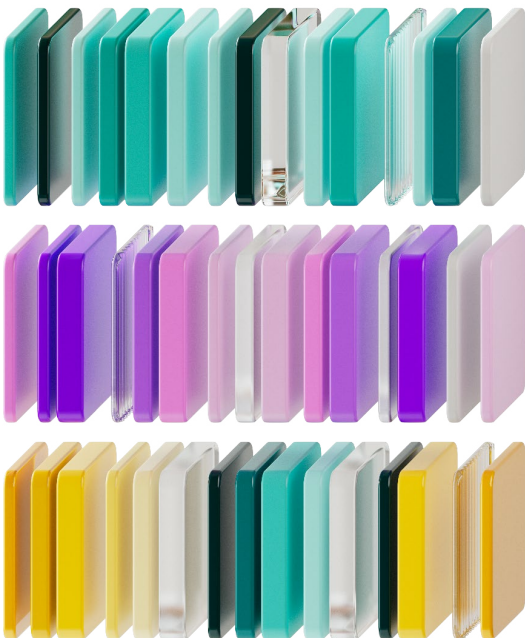
of C-suites say that developing more regenerative business models is an opportunity for their business.

“Renewable technologies and developments are central to the digital transformation of our business.”

CEO, Mexico, automotive

“Progress in technology really matters—innovation within the technology space and training of the groups working with it.”

President, United Arab Emirates, health

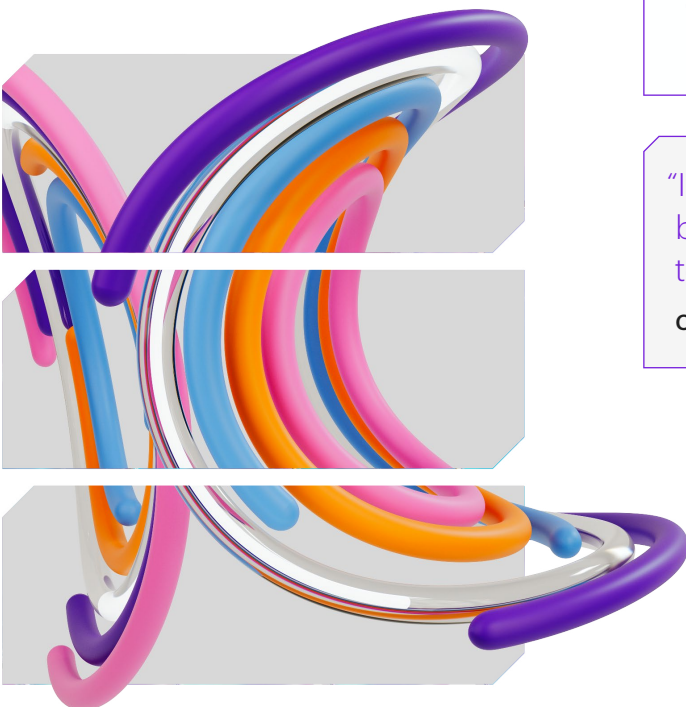


Global highlights

People: happy environments drive value

Across the survey sample, leaders strongly agreed that a regenerative business needs a people-first mentality. Putting employees at the heart—by understanding their needs and fostering their successes—creates value for all. Regenerative leaders believe in and enact an orientation to action, demonstrating courage and taking personal responsibility for the overall agenda.

Organizational culture is the backbone, wherein a regenerative culture is one that understands and embraces the reality of ongoing operational change. Regenerative businesses create confidence inside and out through a focus on the skills, development, and well-being of employees. The end goal? A shared mindset that can solve deep-rooted operational challenges, supporting and accelerating strategic vision.



Financial institutions and healthcare leaders rated the opportunity to focus on building a more regenerative culture especially highly, elevating the importance of collaboration and a supportive, talkative workplace community.

58%

of C-suites strongly agree that action-oriented leadership is a hallmark of a regenerative business.

60%

of C-suites strongly agree that a regenerative culture builds confidence and commitment in its employees.

“It means a place where ideas are bubbling up, and people talk often to each other.”

CEO, Germany, health

Global highlights

Sustainability: make Regenerate crystal clear

Defining what regeneration really means in practice for sustainability is key to achieving it. “Next-level” sustainability is the imperative not only to reduce environmental and social impacts, but also to create positive change, leaving people and places better off.

Healthcare and consumer and retail execs discuss product sustainability as the biggest opportunity for regeneration—that by both reducing environmental impacts and improving individual well-being, it’s possible to also achieve broader goals for positive community and societal impact.

A regenerative approach to sustainability is viewed as less of an opportunity by energy, process, and materials execs, despite high impacts in these industries. We wonder if this stems from a longer, more intensive effort to change the approach and execution of a new sustainability strategy than in industries with lower impact. The topic is still on the agenda, however, still clearly on the minds of these leaders who accept the weight of responsibility on their industry for positive change.

50%+

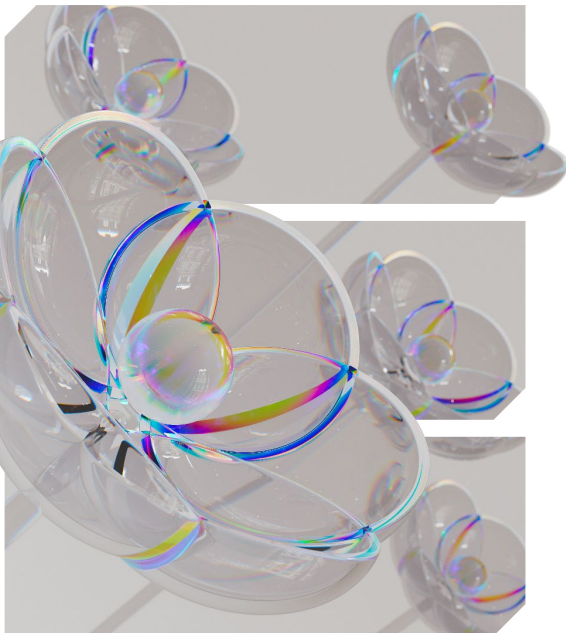
of C-suites see taking a more regenerative approach to sustainability as an opportunity for their business.

“Regenerators must assume social responsibilities, such as protecting consumer rights, promoting employee welfare, and focusing on the well-being of local communities.”

CFO, Japan, consumer and retail

“Sustainability is critical to the idea of regeneration—a non-extractive economy that works to be profitable in the future market, with sustainability as its flagship.”

CFO, Spain, energy



Authors



Alex Liu
Managing Partner and Chairman
Kearney, San Francisco
alex.liu@kearney.com



Abby Klanecky
Partner, Chief Marketing
and Client Services Officer
Kearney, Chicago
abby.klanecky@kearney.com



Matt Lubelczyk
Director, Marketing Operations
Kearney, Boston
matt.lubelczyk@kearney.com

REGENERATE

Your business.
The world around you.
Together.

Kearney is a leading global management consulting firm. For nearly 100 years, we have been a trusted advisor to C-suites, government bodies, and nonprofit organizations. Our people make us who we are. Driven to be the difference between a big idea and making it happen, we work alongside our clients to regenerate their businesses to create a future that works for everyone.

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