

NAVIGATING THE VORTEX — C-SUITE LEADERSHIP STRATEGIES

How leaders can drive change amid pressure and uncertainty

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The unprecedented economic and political landscape has driven an ever-growing need for companies to overhaul their business operations. Our "2025 Global Performance Transformation" report draws insights from 500 C-suite executives across 13 industries and 22 countries, providing a comprehensive look at the state of companies' transformation efforts in 2025. We explore differences in perspectives between CEOs and other C-suite executives, as well as shifts in dynamics based on company size, to illuminate internal alignment issues and provide tailored guidance.

Unfortunately, while businesses worldwide are looking for transformative moments to drive financial health and improve performance, transformation success remains elusive, with few achieving their desired outcomes. Only 3% of the companies in our survey that undertook major transformation efforts in the past 12 months fully achieved their objectives, while 34% fell short of most of their goals. These companies are grappling with a myriad of challenges, from unpredictable tariffs and escalating global tensions, and the sweeping influence of artificial intelligence (AI) on the productivity landscape.

The report not only breaks down the dynamics at play but also arms leaders with bold, actionable strategies to transform organizations with confidence and agility. Here are some of the key takeaways from our research.

Strategic efficiency and AI are key to sustainable profit growth amid

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Exhibit 1: Top levers to manage cost

% of respondents (selecting up to three)

Streamlining operations		66
Implementing technology solutions		57
Automating processes		56
Cutting marketing expenses	25	
Outsourcing non-core functions	24	
Renegotiating supplier contracts	24	
Increasing inventory turnover	16	
Consolidating facilities or locations	15	
Reducing workforce	13	
Freezing or reducing salaries	1	

Source: Oliver Wyman analysis, 2025 Global Performance Transformation Survey

Geopolitical tensions are changing the business environment

Since the completion of our survey, the geopolitical landscape further changed with the institution of new tariffs affecting businesses in virtually every industry and region. But even before then, geopolitical tensions had reached a critical point — 68% of executives expect them to cause disruption to their business operations — and begun to demand immediate attention and action. Besides tariffs and trade policy changes, the biggest risks are regulatory shifts, supply chain instability, and economic sanctions.

Addressing these challenges is no longer just a defense strategy, but integral for managing operational costs and supporting sustained profitability. Industries most exposed (industrial products, utilities, consumer goods, and transportation) are already taking action through initiatives to diversify supply chains, localize production and sourcing, strengthen risk management and compliance, refine crisis response, and bolster cybersecurity.

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Exhibit 2: Expected generative AI productivity impacts by business function

% of productivity gains expected due to generative AI by 2028

Innovation/R&D	40.8
Operations/Production	39.8
IT	37.6
Marketing	35.6
Communications	33.9
Transformation management	33.8
Office strategy	33.2
Product management	30.6
Risk management	30
Sales	29.1
Finance	26.9
Supply chain	26.8
Procurement	24.3
HR	21.8
Audit	20.9

Source: Oliver Wyman analysis, 2025 Global Performance Transformation Survey

Successful transformations require strategic shifts and unified leadership

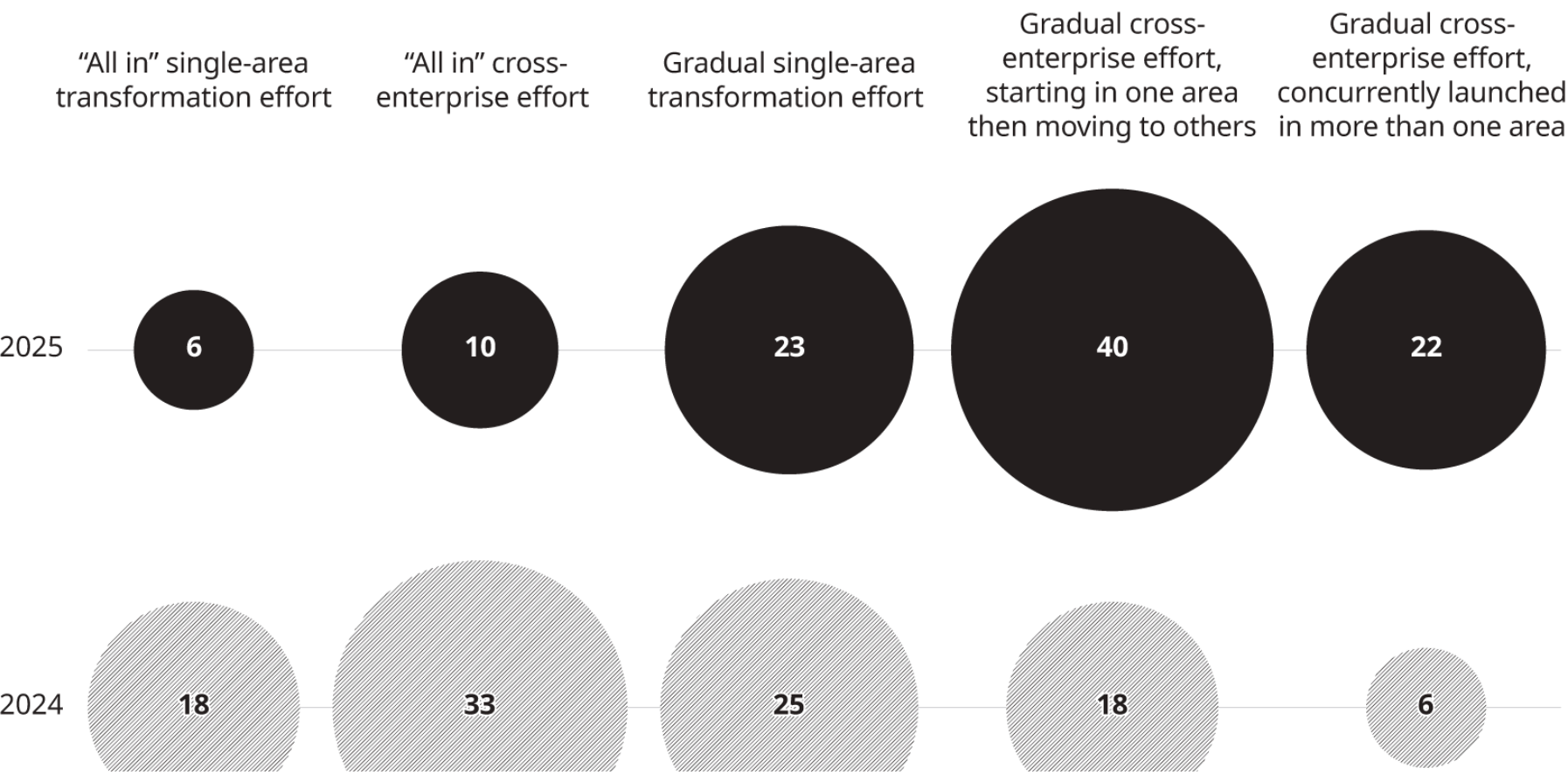
With so many struggling to complete successful transformations, it’s clear that some strategic shifts are needed. We found that 70% of executives have changed their transformation approach, with many executives moving away from high-stakes, "all-in" tactics to more balanced, cross-enterprise approaches.

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- Fundamental work process changes: Surface-level adjustments typically are not sufficient to create changes that can be maintained by the organization.
- Unified leadership: By aligning leadership teams and establishing shared objectives, organizations can better navigate cross-enterprise coordination and decision-making, accelerating progress.
- An adaptive, customized approach: Successful organizations tailor their strategies to unique leadership, culture, and challenges, making incremental adjustments to stay agile and effective.
- A culture of innovation, collaboration, and diversity of perspectives: Executives are clear that cultivating a culture capable of adapting swiftly is critical to enhancing engagement and market competitiveness.
- Relentless tracking of operational excellence, customer impact, and financial health: Executives use all manner of metrics to measure progress; regardless of their focus area, however, metrics need to be well-tailored to both the transformation effort and the organization to be effective.

Exhibit 3: Execution of transformations

% of respondents



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Whether you're embarking on your first transformation journey or have navigated multiple initiatives before, certain actions are vital prior to getting started. Based on our survey insights and extensive client interactions, here's a playbook designed to guarantee transformation success.

Unify leadership and collaborate relentlessly

Align leaders and collaboratively define a clear north star to work toward, establishing shared responsibility and common objectives, combating transformation fatigue before you start.

Adapt and optimize for your organization

Adopt gradual, scalable transformation strategies that are suited to your organization's unique needs and allow for real-time adjustments. Prioritize sustainable change by reevaluating processes periodically.

Foster a culture of innovation and diversity of viewpoints

Make sure ideas and innovation are not just welcomed but celebrated. Harness the power of varied opinions to spark groundbreaking ideas, as true innovation thrives at the intersection of different viewpoints.

Orient toward speed and outcomes

Transition from rigid, traditional approaches to agile, positive outcome-focused methodologies. Prioritize speed in decision-making and execution, enabling your organization to rapidly adapt and capitalize on emerging opportunities while mitigating risks. Leverage pilot programs to remain responsive to market changes while providing opportunity for needed adjustments, and prepare for bold, measured actions.

Harness the power of AI

Transition from strategy to execution. This year marks a pivotal shift for AI as companies rapidly implement new tools. Ensure AI is a component of your business strategy and upskill teams so they can leverage it effectively. While generative AI offers transformative possibilities, managing expectations is crucial for sustainable success.

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