



# Putting Europe Back **On Track**

The views of CEOs on building a more sustainable and competitive Europe



Background report prepared for the European Business Summit 2010

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## Acknowledgements

This report and the research that it is based on would not have been possible without the generous participation of many people.

We acknowledge the support and contributions of various team members from the Federation of Enterprises in Belgium (FEB), Accenture and INSEAD. In developing this report, we have especially relied on our INSEAD colleagues, Soumitra Dutta,

Christine Hirzel, Marisa Cooke, Craig McKenna, Amanda Morris, and Pernille Maya Sørensen Smith. We are also grateful to the organisations and authors of the session briefings (see the Reference section for more details).

Finally, we wish to thank all the CEOs, business leaders and experts who took the time from their busy schedules to talk with

us and complete the survey in an effort to get Europe back on track, such as Jean-Philippe Courtois (President Microsoft International); Klaus Holse Andersen (Microsoft Vice President Western Europe); Danilo Cazzola (Vice President and General Manager Agilent Technology Life Science and Chemical Analysis EMEA&India); Sir Stephen Comersall (Chief Executive for Europe, Hitachi); Ben Noteboom

(CEO and Chairman of the Executive Board of Randstad Holding nv); Tom Regent (Vice President, AT&T; Head of AT&T EMEA); Francesco Serafini (Executive Vice President Emerging Markets, HP); Christian Morales (Vice President, Sales and Marketing Group General Manager, EMEA INTEL Corporation); and Hans van der Loo (Head European Union Liaison, Shell International).

# The views of CEOs on putting Europe back on track

Every crisis carries the promise (or threat) of changes to the existing hierarchy. The current crisis, because it is global, will bring changes in the relative power of various economic regions of the world. Europe, with its 500 million citizens, stands to gain or lose much in this readjustment.

Yet this crisis is not only global, it is also systemic. This means that the hierarchies being revisited are not just those of countries or economic zones; they also concern contrasting priorities: between finance and economics, between social issues and economic objectives, between market forces and ethics, between anticipated growth and limited resources.

In such a turbulent context, Europe must look to its founding principles and its long-term advantages and strengths to identify priorities and actions that can solve its present problems without mortgaging its ability to be a world leader once better times come around.

How can the European train be put back on track? How can it achieve the combination of high speed, coherence, and balance to serve as an inspiration to the world? When asked whether such a vision is realistic and how it might be implemented, European business leaders were unambiguous in their responses and in suggesting avenues for action.

## European business leaders will not take "slow" for an answer

Between January and May 2010, at the request of the Federation of Enterprises in Belgium (FEB), Accenture and INSEAD designed and disseminated a survey among Europe's business leaders. Out of several hundred detailed responses received, a number of clear signals emerged:<sup>1</sup>

■ **Europe can recover and become stronger.** European CEOs strongly believe that Europe can recover from its current turmoil and be strengthened in the process. However, they are concerned by the slow pace at which some actions are taken, and by the somewhat disjointed way in which the dual objectives of 'return to growth' and 'budget rigour' are being pursued.

■ **Innovation will be at the core of Europe's recovery.** European CEOs have not diminished their investment in this area since the start of the crisis, and continue to see areas like 'clean tech' as promising. They also consider that additional efforts are needed to allow SMEs to play their role fully in this area, and to create jobs in the process. They see the production of new skills as critical to these new jobs.

■ **The quality and diversity of its people will remain Europe's biggest advantage.** This richness is critical for innovating. European CEOs consider that Europe is more than a 500 million people market; it is also a powerful idea based on the combination of growth and solidarity. Openness to the world and diversity remain key to the future of Europe. Keeping the European ideal alive in the minds and hopes of younger generations will be essential to its success.

<sup>1</sup> The findings in this report result from our analysis of the responses received from over 250 Chief Executive Officers (CEOs) and dozens of public and business leaders, through surveys and interviews. Please see page 30 for a detailed information on the methodology used.



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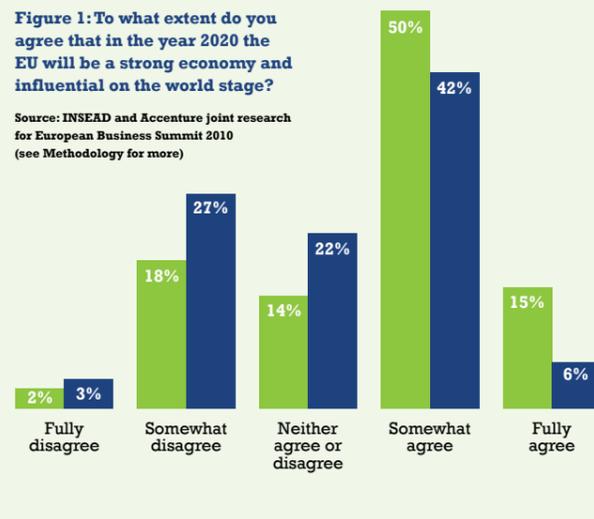
# Looking beyond the storm: Europe remains a powerful idea

It would be only natural to expect that those enterprises who have suffered most from the crisis (i.e. those whose activities and markets have declined) would be less optimistic about

Europe's future than those that have maintained profits during the same period. The results of the European Business Summit 2010 Survey of CEOs, however, show that the reality is more complex. Even among those companies that have been hardest hit by the crisis, faith in Europe's future remains high.

**Figure 1: To what extent do you agree that in the year 2020 the EU will be a strong economy and influential on the world stage?**

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



A majority of Europe's business leaders believe that Europe "will be a strong economy, recognised and influential on the world stage." The number is higher among firms that experienced growth in revenue during the past year (Revenue-Growth Firms) (65%), yet remains high (48%) among firms that lost revenue during the past year (Revenue-Loss Firms).

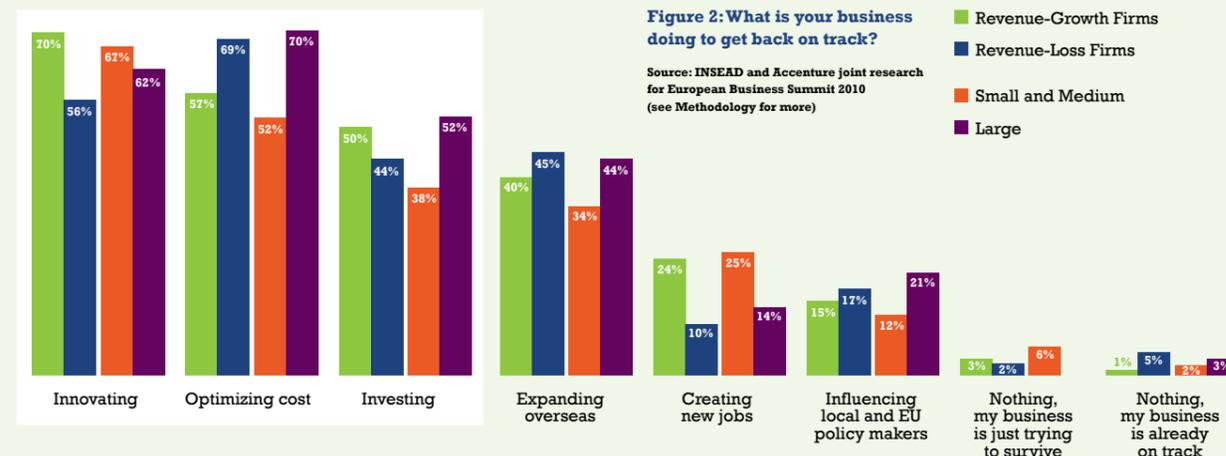
## Taking action and getting traction

Putting Europe back on track requires a coordinated portfolio of multiple approaches, each involving concerted efforts of multiple stakeholder groups and each associated with different risks and different time frames for producing results. Europe already has a history of successful multi-stakeholder efforts. The next step is for leaders from the public and private sectors to learn from those successes and collaborate even more to scale up isolated successes into European-wide successes.

In each of the areas they consider as important to put Europe back on track, Europe's business leaders tend to point at insufficient political vision and support. But they are also taking action and expressing a readiness to do more.

Clearly, those enterprises suffering most from the crisis tend to focus more on cost cutting (69%) than those that have maintained or increased their activity (57%), but the resilience of growth-oriented attitudes, is quite remarkable. Answers to this question differ with size: all regard innovation as a priority (67% of SMEs and 62% of large firms), but attitudes are significantly different regarding cost optimisation (a priority action for 52% of SMEs and 70% of large firms). Surprisingly, SMEs are more keen to invest and expand overseas than large enterprises. A source of concern can be found in the data regarding job creation. This is an area where action is still insufficient and where the difference is the greatest between expanding and declining enterprises (23% vs 10%) and also between SMEs and large firms (25% vs 14%).

## Three key areas for action: Innovating, optimising costs & investing



**Figure 2: What is your business doing to get back on track?**

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

## Broad picture needed: High-definition and 3-D

Looking at the broad picture of Europe, no isolated 'fix' can be expected to work; coordination (among countries) and consistency (across issues) will be required.

**High-definition:** The devil is in the details. Looking closely at Europe's strengths and weaknesses and its possible responses to current challenges requires an in-depth, imaginative and candid approach:

- What can European SMEs do to help recovery and what obstacles stand in their way?
- How is Europe's ambition to be a carbon-free economy faring in times of macro-economic crisis?
- How can Europe's relations of co-opetition with Asia and the Americas work better in the future ?
- What should be Europe's view of 'virtuous financial markets' ?
- How crucially will Europe's recovery depend on 'getting the Doha Round out of the ditch' ?

**3-dimensional:** Europe also needs to apply a multidimensional vision to how it pictures its future. Such a vision comes from looking at key issues from at least two different angles: social and economic, technological and cultural, for example. This is where addressing 'cross-cutting issues' such as education, skills, confidence and leadership can offer fresh perspectives for action.

The present report thus seeks to do more than reflect and summarise the views of European business leaders. It is also an attempt to offer a common 'line of vision' to the various sessions of the 10th edition of the European Business Summit. By presenting and analysing insights from CEOs on the themes addressed by the Summit we hope to contribute to the emergence of a coherent and well balanced set of actions to get Europe back on track.

**What follows consists of our main findings, organised into 12 sections, each corresponding to a theme addressed by the 2010 European Business Summit.**



# SMEs: Engines for recovery?

Small and medium-sized enterprises (SMEs) make up 99% of all companies in the EU, providing two out of three European jobs.

In November 2005, the Commission presented a new SME policy. Entitled "Think Small First", it aimed to promote entrepreneurship and skills via education and training, improve market access for SMEs, and simplify legislation. In December 2008, the EU Summit approved the Small Business Act to put SMEs at the forefront of national and European-wide decision-making and boost Europe's economy. However, since then various business groups have repeatedly criticised national and regional leaders for failing to implement the Small Business Act.

SMEs call for a more business-friendly environment, a transparent and easy regulatory framework, a cut in red tape, easy access to finance and flexible labour, and prompt public and private payment.

Will Europe finally anchor the "Think Small First" principle in all its policies and turn policy papers like the Small Business Act into real action? How can we better enable SMEs to spur the economic recovery and long-term growth we need?

European business leaders (whatever the size of their companies) consider that SMEs have (1) a key role to play in putting Europe back on track, and (2) a large array of obstacles on their path. When it comes to supporting SMEs, their actions differ.

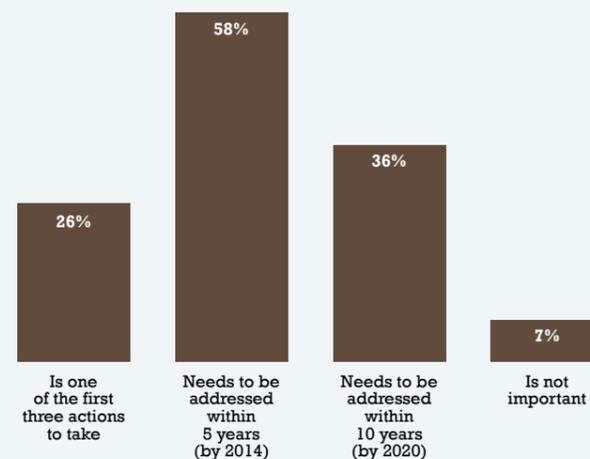
## A key to Europe's future, SMEs need active support... and more entrepreneurs<sup>2</sup>

Most participating CEOs view the growth of SMEs as an important asset for putting Europe back on track. However, they have different views about how and when to help SMEs

- Approximately 95% of participating CEOs considered it important to take action to encourage and support the growth of SMEs.
- 58% of participating CEOs believed that those actions should be taken within the next 5 years.
- On average, one-fourth of participating CEOs considered encouraging and supporting the growth of SMEs should be one of the three priority actions to be taken to put Europe back on track.

Figure 3: Encouraging and supporting SMEs

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



According to surveyed CEOs, the three greatest barriers to the success of SMEs are:

- Bureaucracy
- Lack of access to credit
- Lack of flexibility in the labour market

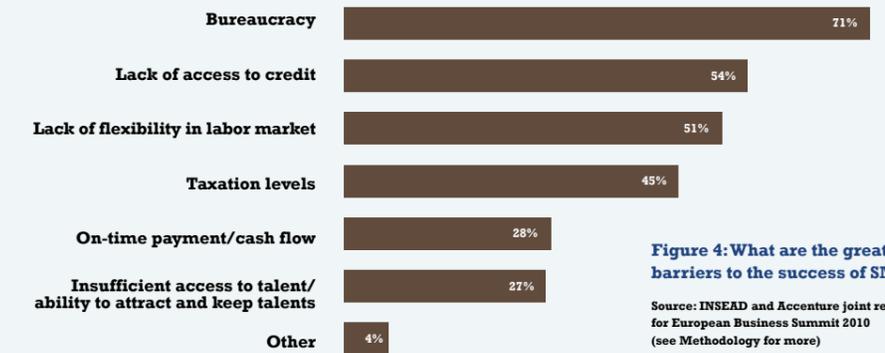


Figure 4: What are the greatest barriers to the success of SMEs?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

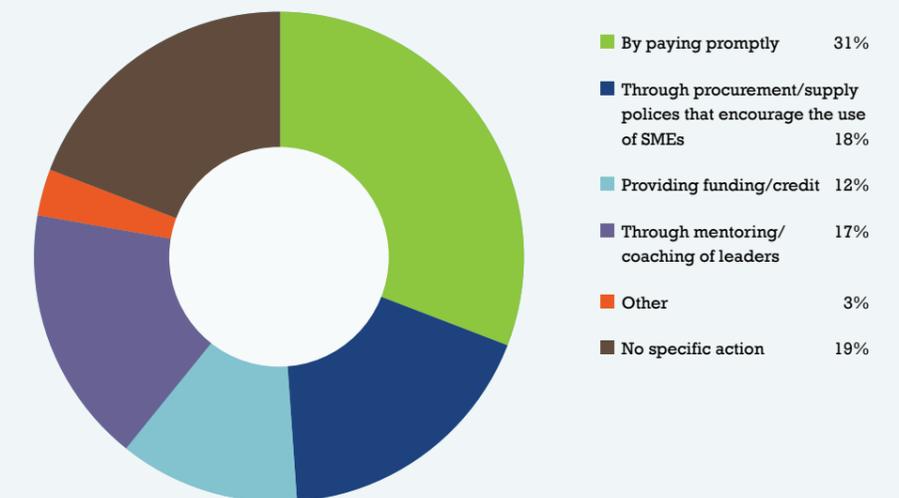
## Foster Europe's entrepreneurial spirit

"If you ask Chinese and Indian people 'What is your desired type of job?' on average you get 70-80% who respond that they would like to build up their own company. If you ask Europeans the same question, you're moving down to somewhere between eight to a maximum of twenty who want to start their own business."

"We need to change the mindset of people leaving universities who say, 'I want to work for the very large companies of Europe.' We should have a higher percentage of people who say, 'I want to create my own company.'"

Figure 5: What are large businesses doing to support and encourage the growth of SMEs?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



## Possible action points

In December 2009, three business groups – BUSINESSEUROPE, Eurochambres and UEAPME – criticised national and regional leaders for failing to implement the Small Business Act. They argued that national parliaments could take "simple actions" prescribed in the Small Business Act, such as cutting the regulatory burden on business and speeding up payments. Other actions include improving SME access to finance, particularly to fund innovation and research.

Moving forward, leaders from the public and private sectors need to be more active and aggressive about implementing the following principles of Europe's Small Business Act:

- Creating an environment in which entrepreneurship is rewarded.
- Ensuring that honest entrepreneurs who have faced bankruptcy get a second chance.
- Mainstreaming the "Think Small First" principle into all fields of legislation.
- Adapting public policy tools to SMEs' needs, notably by facilitating their participation in public procurement and making better use of state aid.
- Facilitating SMEs' access to finance and developing a legal environment supporting timely payment in commercial transactions.
- Promoting skills upgrades and innovation in all its forms.

<sup>2</sup> Consistent with the European Commission, we defined small and medium-sized enterprises (SMEs) as companies with no more than 250 employees.

# Driving global recovery: What can Europe learn from Asia?

Over the past two years, the speed at which Asia has recovered from the economic crisis – especially in relation to Europe – has forced Europe to view Asia and other emerging economies in a new light. The IMF in its Regional Economic Outlook for Asia and Pacific (April 2010) notes that Asia is leading the global recovery: “Activity in many emerging and developing markets has continued to rebound swiftly over the course of 2009 and in the first quarter of 2010, particularly in Asia. The pattern of economic recovery has varied within Asia, with the more

domestically oriented economies (China, India, and Indonesia) and Australia escaping a recession, and the more export oriented economies experiencing a sharply V-shaped business cycle. By the end of 2009, output in most of Asia had returned to pre-crisis levels, even in those economies hit hardest by the crisis.”

In contrast, in May 2010, the European Commission forecast GDP growth in Europe to average about 1% this year. What can Europe learn from Asia?

## Asia will become the most powerful region in the world

Of all the questions that we asked CEOs, the greatest consensus emerged from the question: Which region in the world will emerge the strongest from the recession? No matter from what point of view we analysed the responses, there was an overwhelming consensus among CEOs that the Asia/Pacific region would emerge strongest.

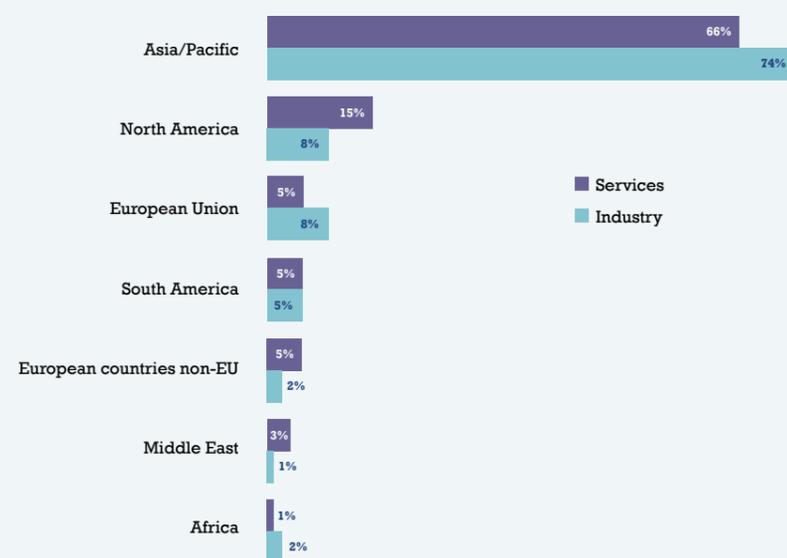
The only slight difference was between CEOs of firms from industry and CEOs of firms from services. Industry-sector CEOs were more convinced about Asia/Pacific emerging strongest: 74% compared to 66% of service-sector CEOs. In addition, the European Union was the second most popular choice for industry-sector CEOs (8%), whereas North America was the second most popular choice for service-sector CEOs.

*“When you go to Asia there is a mindset - a hunger for success. There isn't the slightest element of complacency or satisfaction with where they are. There is continuous ambition.”*

**Figure 6: Which region in the world will emerge the strongest from the recession?**

Source: INSEAD and Accenture joint research

for European Business Summit 2010 (see Methodology for more)



## Combat complacency: Engage more with emerging economies

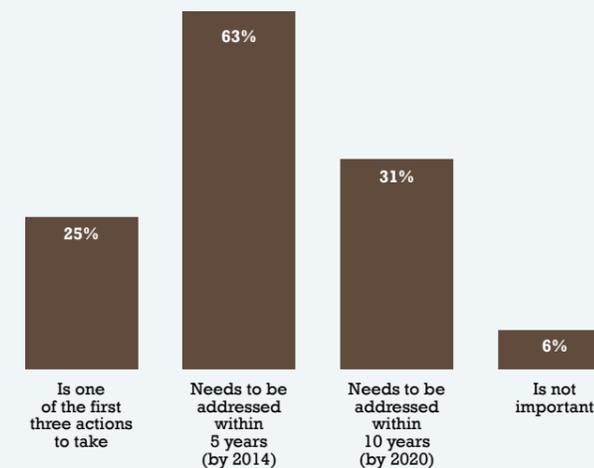
When asked, “What is stopping businesses in the EU from being as successful as they should be in moving into new areas of business?”

- 43% said lack of entrepreneurship – fear of taking risks.
- 40% said complacency – the appetite for revolutionary change is not there.
- 28% said lack of vision – businesses find it difficult to think long term;

In contrast, business leaders credited the strength of emerging economies to their entrepreneurialism, absence of complacency, and innovations that draw on new technologies to develop sustainable solutions for all.

**Figure 7: Building relations with emerging economies (e.g., to grow our markets and reduce costs)**

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



A quarter of CEOs surveyed saw building relations with emerging economies to both grow markets and reduce costs as one of the first three actions to take to put Europe back on track. Two-thirds of CEOs said engaging more with emerging economies was critical and should be addressed within five years. The more European firms engage with firms from emerging economies, the more likely they are to combat complacency, inspire smart risk-taking and entrepreneurship, and develop a vision for becoming stronger in the global economic landscape.

- CEOs believe Asia offers Europe lessons in strategy, partnership, worker attitudes and work practices
- Business leaders see China's strength as both admirable and threatening

## CEO Interviews

*“We used to go to China simply to outsource manufacturing. Yet if you look at business investments in innovation and R&D facilities, China is way ahead of Europe. In 10 to 15 years they will have much more patents coming out, more leading universities coming out than what we have in Europe. I think that's the scary thing. On the intellectual side, China will also, if they haven't already, overtake us.”*

*“Chinese firms are developing their own brands very quickly. If we don't have strong enough brands in a given segment we will certainly lose out to them. Marketing and having a sustainable strategy of innovation and creativity always makes a difference. For example, in more mature segments such as the car industry, the winners have not been the ones with the*

*lowest costs; the winners have not been the ones that were the biggest; the winners are the ones with the best brands. Those brands emerged from the best innovation and the best experience that firms bring to users. And this is true in many, many segments in the industry.”*

*“During this crisis, China actually invested even more aggressively than they did before. Whereas the rest of the world was going backwards they took two steps forward. They're buying companies; they are making sure they've got raw materials.”*

## Possible action points

- Designing a sustainable and competitive growth strategy for Europe which increases the overall wellbeing of Europeans.
- Forging effective partnerships between Europe and Asia in key areas, such as exchange of talent and pushing the frontiers of technological progress.
- Crafting an effective political governance which gives Europe a unified voice and the ability to act decisively.

# What kind of future for finance?

During the first half of 2010, governments continued to struggle to control financial imbalances. Governments throughout Europe introduced a number of actions to restore stability to financial markets and ensure access to finance for firms, such as:

- restrict bonus and compensation in the financial sector;
- conduct 'stress tests' of banks; and
- pass stimulus packages to address the "too big to fail" syndrome

However new financial crises continue to blossom and expose additional inter-dependencies that had gone unchecked and threaten to contaminate the broader financial system. Is there sufficient international coordination and governance to both prevent a future credit crunch and ensure that financial firms compete to the benefit of consumers? How should the roles of notation agencies, banks and financial instruments (e.g. hedge funds) be revisited and regulated?



## The financial sector must do more to resolve its problems

- Only 3% of surveyed CEOs considered the problems with financial institutions to have been completely resolved.
- On average, over half of CEOs (54%) considered that the problems in EU financial institutions and markets are unresolved and that there is a real risk that they will re-surface in the next five years. This is true even for CEOs of revenue-growth firms (50%).
- CEOs of firms that experienced growth were slightly more optimistic than CEOs that experienced a decline in revenue over the past year. CEOs of revenue-growth firms tended to be split between whether the problems with Europe's financial institutions were unresolved or somewhat resolved, whereas two-thirds of CEOs of revenue-decline firms believed the problems were unresolved.

Figure 8: How well have the problems in our financial institutions and markets been resolved?

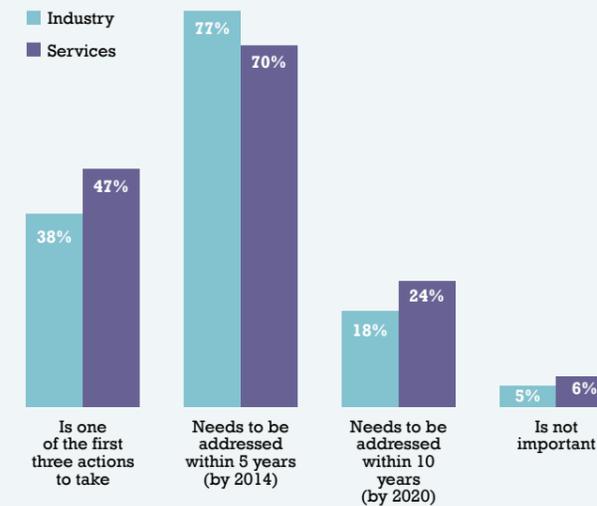
Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



## Balancing regulation and liberalisation

Figure 9: Getting the right balance between regulation and liberalisation of our financial markets

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



- For 42.5% of the CEOs, getting the right balance between regulation and liberalisation of our financial markets is one of the top three priorities.
- 92% of the CEOs said "getting the right balance between regulation and liberalisation of our financial market" should be addressed within the next five years.

## CEO Interviews

*"Business needs macroeconomic stability. Over the next year, governments have a big responsibility to first enact the G20 agenda to stabilize the banking system and get financial flows going again; and second to deal with their own debt problems."*

*"From a financial standpoint, governments have certainly made a huge effort to get us through the difficult times that we had last year."*

## Possible action points

- Establish international metrics for assessing and monitoring new types of financial activity and determine when any firm is becoming too big.
- Measure and monitor the coordination of financial reforms to prevent regulatory arbitrage.
- Agree on criteria for common burden-sharing and lender-of-last-resort situations in the event of a new crisis to complement strengthened macro- and micro-supervision.
- Foster multiple alternative options for companies and entrepreneurs to access the finance they need, and in the process reduce their dependency on bank lending.
- Devise comprehensive impact assessments of the cumulative effect of interdependent rules and requirements on the financial sector and economy.

# Trading for new growth

Every economic crisis bears the threat of protectionist tendencies. In such situations, governments have a difficult role to play, caught between longer-term economic logics (free trade is key to sustained recovery) and short-term pressure from various sectors and segments of civil society. The current round of multilateral trade negotiations undertaken under the auspices of the World Trade Organization (WTO) - the so-called Doha Round - is still a complex set of unresolved issues. The emergence of new export powerhouses such as China have also

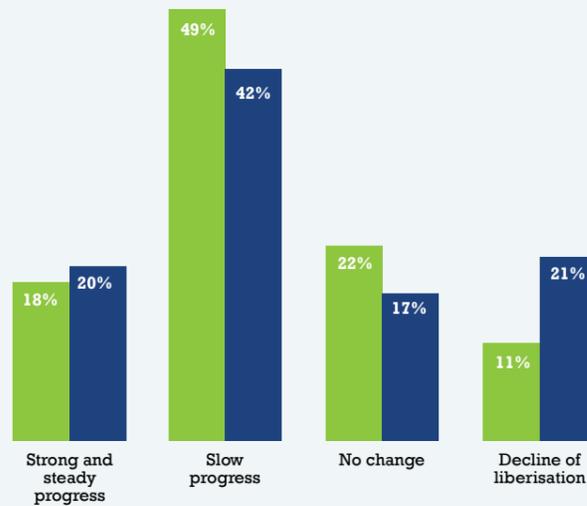
contributed to changing attitudes about what is fair and what is not in terms of international trade. Symmetrically, the growing importance of large consumer markets in emerging economies is encouraging mature economies to grant priority to keeping such markets as open as possible. Should governments be more engaged in industrial policies and other trade-related interventions in Europe? How can the Doha Round be re-energized? Is business ready to play the game of free trade all the way?

## Even if contained, protectionist temptations remain a major threat to recovery

Figure 10: In terms of progress towards trade liberalisation, how do you see the future of world trade in your sector?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

■ Revenue-Growth Firms  
■ Revenue-Loss Firms

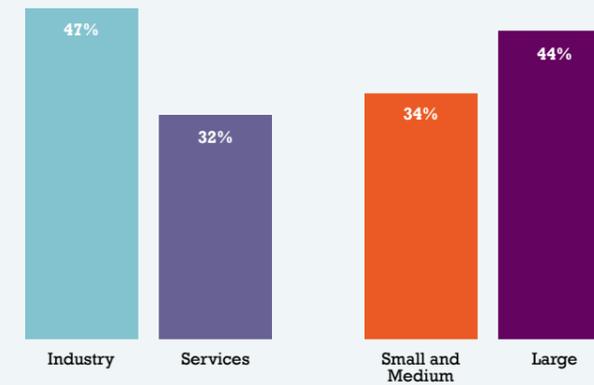


- On average, over half of surveyed CEOs believe that progress towards trade liberalisation has either been slow (45%) or non-existent (19%).
- CEOs of revenue-growth firms were only slightly less critical than CEOs of revenue-loss firms of the pace or lack of progress of trade liberalisation.
- One-tenth of CEOs of revenue-growth firms believe that trade liberalisation in Europe has declined. With regards to CEOs of firms that lost revenue, twice as many (21%) believe that trade liberalisation has declined.

## Firms are expanding overseas in an effort to get back on track

Figure 11: Percentage of firms that are expanding overseas as part of their effort to get back on track

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



- For 37% of CEOs, expanding overseas is one of the actions they are taking to get back on track (but is not in the top three). It is more important for large companies.
- As part of their strategy for getting back on track, more industry-sector firms are expanding overseas than service-sector firms.
- Large firms are more likely to pursue overseas expansion than small and medium-sized firms.

## Remove inefficiencies and promote open, rules-based trade

■ A common sentiment shared by most of the business leaders interviewed was that trade barriers do not significantly affect business; however, they do add to inefficiencies and costs.

■ In some sectors and countries, local regulations, price structures and skill levels are the key barriers. A CEO from the Services sector commented "We employ seven business people here in the region just to deal with local regulation."

*"The EU has a lot of opportunity to continue its course with its internal market policies. One area that excites me is the idea of a Digital Internal Market. This in my mind will accelerate tremendous innovation and growth for the EU and be a positive push to enable communities to improve healthcare, energy sustainability, education and help alleviate poverty."*

## Possible action points

- European firms should lead the promotion of open, rules-based trade and investment and opposition to protectionism by proactively fostering a united strategy for Europe in multilateral institutions such as the WTO.
- Reach closure of the Doha Development Agenda (DDA) by focusing on the three priority issues: industrial market access (tariffs and non-tariff barriers), liberalisation of services and trade facilitation.
- The WTO and other multilateral institutions need to develop better rules to enforce anti-dumping, impose more stringent anti-subsidy rules, and improve dispute settlement procedures including an NTB-mediation mechanism to enforce the rules.

# New skills for new jobs

Innovation is key to Europe's recovery. Innovation generates employment and is key to the sustainability of this recovery. Providing the right skills for new jobs will be a priority item on Europe's agenda for the years to come. It will, however, require a significant updating of Europe's education and learning systems. In this effort, governments, universities and business will have key and complementary roles to play. How do they envision the issues at hand, and what are they prepared to do to solve them?

The economic crisis drove EU unemployment up to 20 million, yet 4 million vacancies remain unfilled. Policy makers and business representatives are trying to solve this unprecedented 'skills mismatch.' How can Europe ensure that the workforce has the right skills for tomorrow's jobs?

Skills are among the major concerns of companies but does Europe really worry or act accordingly? Europe's talent pipeline requires investments and policy changes today in order to deal with issues like demography, labour mobility, migration and employment in the future.

## The availability of leading-edge expertise and specialised knowledge is one of the top critical success factors for strengthening Europe's leadership in innovation

Overall, one-third of surveyed CEOs believe that the availability of leading-edge expertise/specialised knowledge is one of the key success factors for innovation leadership.

The importance of leading-edge expertise to innovation was shared by different types of CEOs.

CEOs of revenue-growth firms were significantly more adamant about the importance of developing specialised skills.

Figure 12: Percentage of CEOs that believe enhancing the availability of specialized knowledge is one of the top three actions to take to position Europe as leading-edge when it comes to innovation

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



"Europe's future depends on remaining competitive in the major technology areas. There's no doubt that education levels in some of the emerging markets are very high. We have to either employ those people or compete with them."

"We fall short in lifelong learning. If you think of how fast business is moving and combine this with the demographic evolution of today, where more than 17% of the people are 65-plus and in a few years it will rise to 30%, lifelong learning will become much more important."

## Two priorities for action: Increasing labour flexibility and up-skilling

Our recent research found that firms rely on a portfolio of approaches to meet their needs for new and strategic skills.<sup>3</sup> These consist of four complementary avenues:

1. Up-skilling and re-skilling - enhancing the capabilities of current employees of employees.
2. Hiring new employees - either from other firms or from universities.
3. Sub-contracting employees - temporarily hiring employees.
4. Outsourcing employees - accessing employees who work for an external service provider.

To better understand how CEOs are drawing upon these options, we asked CEOs about both up-skilling and the flexibility of the labour market.

## Almost half of CEOs see labour market flexibility as a high priority for putting Europe back on track

Figure 13: To get Europe back on track, increasing the flexibility of the labour market

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

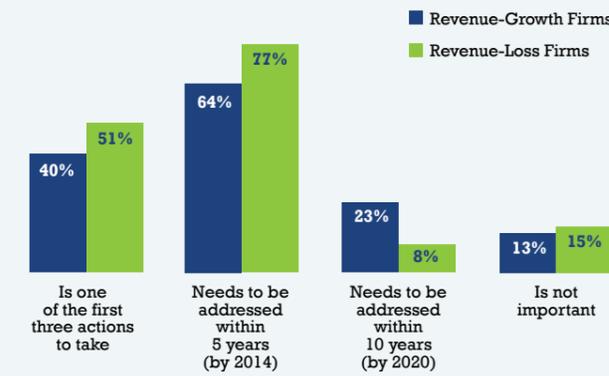
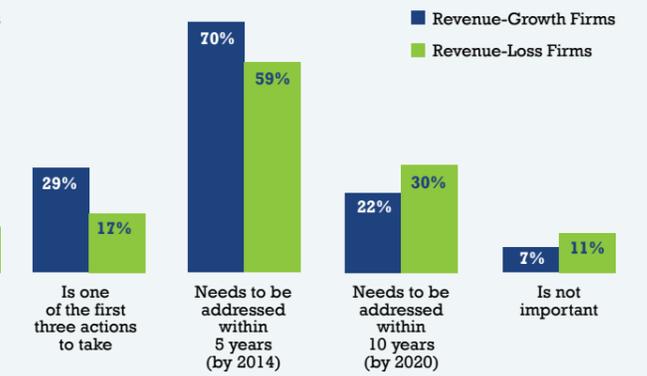


Figure 14: To get Europe back on track, up-skilling and re-skilling our workforce

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



## Up-skilling and re-skilling are strategically important

Overall, about two-thirds of CEOs believe up-skilling and reskilling should be tackled within five years.

CEOs of revenue-growth firms are almost twice as likely as CEOs of revenue-loss firms to invest in up-skilling as one of their first three actions for strengthening the firm.

More CEOs of revenue-growth firms believe up-skilling should be accomplished within five years. In contrast more CEOs of revenue-loss firms believe up-skilling can be tackled later on.

## Possible action points

To remain a leader in innovation, Europe needs to build a supply of managers who are both IT and business savvy i.e., e-competent professionals. Today, e-competences are critical for organisations to operate more efficiently, innovate more effectively, and compete on a global scale. This is true for a range of organisations, including both firms that provide ICT services and those who do not, as well as non-profit and public sector organisations.

Recent research has identified ways to build Europe's supply of e-competent professionals: engage academia and business to educate together and each other. In addition to financial support for relevant education activities, companies can provide time from their most education-competent workers' schedules, e.g., by allowing some of their IT professionals to be involved in the formulation and teaching of relevant e-curricula.

<sup>3</sup> Fonstad and Lanvin (2010). "Strengthening e-Skills for Innovation in Europe." and "Final Report for the European e-Competences Curricula Development Guidelines Project." both funded by the European Commission.

# Restoring consumers' confidence in the single market

Across Europe's 500 million people market, the current economic downturn has weakened consumer confidence.

At the end of May 2010, newspapers reported another drop in consumer confidence, as governments argued for austerity plans that strove to balance budgets by cutting public-sector wages and tightening controls on social welfare spending.

**Restoring higher levels of confidence is a major ingredient of putting the single market back on track. In doing so, the challenge remains – as always – to protect consumers' interests without over-burdening business with constraints and regulations which may hamper their ability to create jobs, innovate and contribute to Europe's recovery.**

European consumers are primarily concerned about stability and jobs and tax increases. In addition, other concerns are eroding consumer confidence:

- Product safety is still an issue in Europe; the 2009 RAPEX report shows that numerous dangerous products still find their way onto the single market.
- There is a need to adapt EU consumer protection to the digital era, which is posing new challenges regarding consumer protection and privacy.
- European consumers now expect more consistency across national legislation, better information (including about their rights), and better dispute resolution mechanisms.
- Assistance, customer care and complaint handling are fundamental in the relationship between consumer and companies. Also, strong and efficient dispute-resolution mechanisms will bring benefits to both parties.



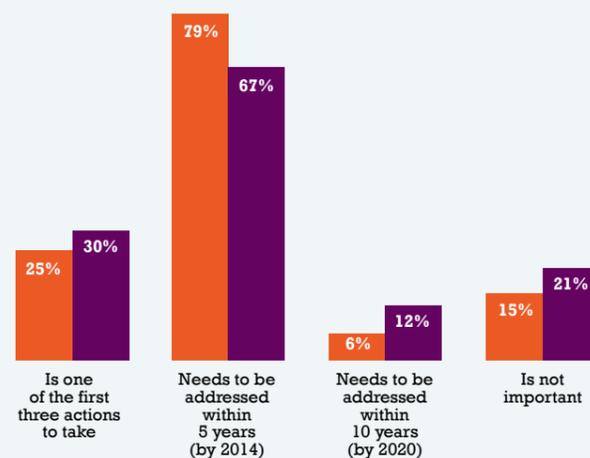
## Key findings

### Consumer confidence is key to recovery and is time-critical for SMEs

Figure 15: To get Europe back on track, restoring consumer confidence

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

■ Small and Medium  
■ Large



- 75% of CEOs consider that restoring consumers' confidence is important (needs to be addressed by 2020).
- European SMEs consider that action in this area is urgent and should be handled by public authorities and governments as a priority.
- In general, the business leaders interviewed underlined that restoring consumer confidence in the single market can significantly benefit from other national policies (e.g. employment or fiscal policies).

*“What consumers want to see is stability and jobs. Anything that keeps jobs in place will give consumers confidence in the single market. What will not build consumer confidence is that taxes increase.”*

### Possible action points

Practical proposals have already been made which need to be pursued, including the creation of the single market for services, improved information and assistance mechanisms, or more effective enforcement of consumer laws which can all be pursued in the spirit of striking a balance between the interests of consumers and companies.

- Market surveillance and product traceability will have to be reinforced, in particular for products intended for more vulnerable users.
- Better information for consumers and protection adapted to on-line transactions should be deployed rapidly.
- Alternative dispute resolution systems (ADRs) – which provide cheaper and faster means of redress – should be used more extensively.

# Energy and supply: Fueling growth

Three major issues of energy policy are under debate within the European Union:

1. Security of energy supplies
2. Climate change
3. Affordable energy prices

As higher energy prices and environmental restrictions are hitting the EU, energy supply questions are at the top of the European agenda on strategic energy policy. Following the gas dispute between Russia and Ukraine, which lead to gas supply interruption in south-eastern Europe in 2009, Europeans have begun to worry about energy security and are looking for ways to become less dependent on major supplier countries. This, along with a growing pressure to tackle climate change, has led the EU to shift from a reliance on fossil fuels towards more sustainable sources of energy. At the same time, it is looking to provide energy at lower costs, and EU legislators have therefore agreed to improve competition among energy suppliers and distributors in the Union, with a goal to create an integrated single market for energy.



## Build capacity using renewable sources

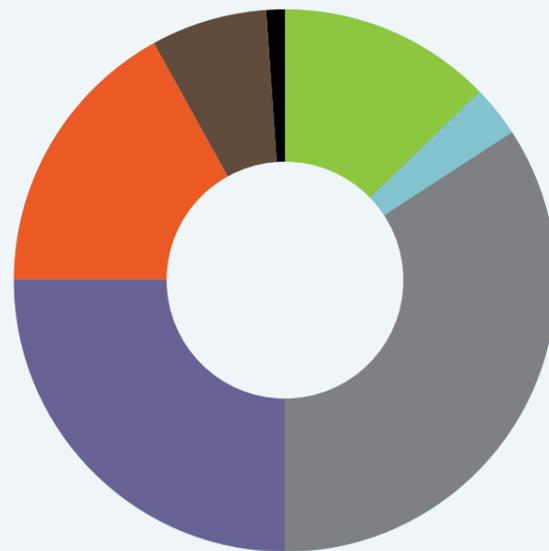
In general, the participating CEOs consider energy to be a high priority, and believe that Europe should be less dependent on energy suppliers. Europe should pursue its efforts to tackle climate change and keep energy markets competitive.

- The majority of CEOs believe energy independence should come through the development of Europe's own energy capacity.
- One out of four leaders point to nuclear energy capacity as a solution to securing European energy supply in the future.
- One third of the surveyed CEOs believe this capacity should come from the development of renewable sources.
- Only 13% of European business leaders thought that the solution to energy shortages is through a reduction of energy consumption. However, when asked which actions to take to tackle climate change, 29% of the surveyed CEOs said smart grids should have priority.

Figure 16: What is the most important action to ensure a secure, fairly priced energy supply in the EU over next ten years?

Source: INSEAD and Accenture joint research for European Business Summit 2010

- Focus on measures to reduce energy consumption 13%
- Shift to less energy intensive industries 3%
- Build capacity using renewable sources 34%
- Build more nuclear generation capacity 25%
- Build more generating capacity of ANY kind in the EU 17%
- Negotiate more secure energy supplies 7%
- Nothing 1%



*"President Barroso's government has made bold steps and set goals to bring Europe closer to a low carbon economy, however, bolder steps are needed to harness the innovation needed to get there."*

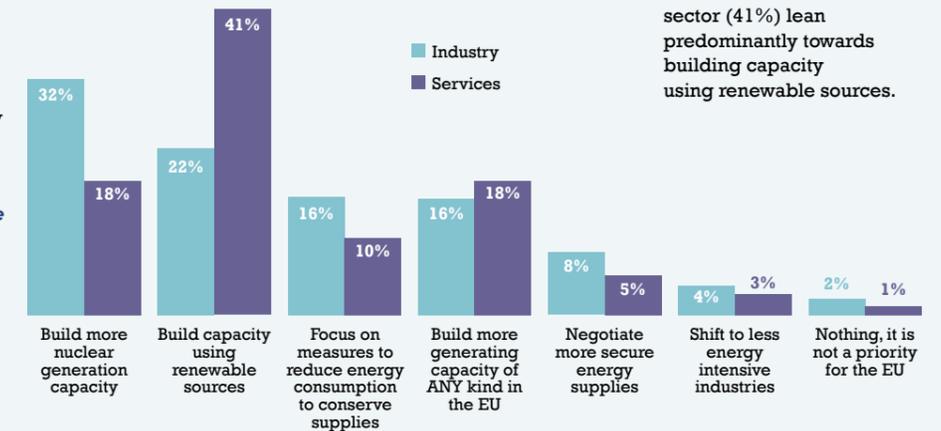
Even though there is general agreement that Europe should become self-sufficient regarding energy supply, there is some disagreement between industry-sector firms and service-sector firms about what kinds of measures should be taken to make this happen

The current situation in the EU appears to create some doubt about whether Europe is capable of becoming independent of foreign energy suppliers. First of all, European firms are historically bound in a carbon fuel tradition, and second, CEOs show some skepticism as to whether European nations will manage to agree on a common strategy for securing energy supply.

*"There is no one EU view. If you go to Italy, UK or France you get a different approach to tackling climate change. It seems that each country is looking internally rather than helping the EU. What is missing is consistent approach."*

Figure 17: Industry and Service sector perspectives on the most important action to ensure a secure, fairly priced energy supply in the EU over next ten years

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



- Industry-sector CEOs (32%) are primarily in favour of building more nuclear generation capacity.
- Leaders of the service-sector (41%) lean predominantly towards building capacity using renewable sources.

## Possible action points

Consistent with the results of the EBS 2010 Survey of CEOs, a recent Accenture survey of consumers from around the world found that consumers remain convinced that their country needs to reduce its reliance on fossil-fueled generation and that a key action going forward is to develop a low-carbon energy supply (with renewables, nuclear and CCS). This research also found that a large proportion of consumers expect governments should take the lead by controlling energy prices and developing new cleaner energy technologies, transportation alternatives and low-carbon energy sources.

Today Europe still has a high-energy consumption per capita and per unit GDP. Both for climate and competitiveness reasons this needs to be reduced. EU energy policy needs to deliver a '3A solution' that simultaneously provides: Availability,

Acceptability and Affordability of energy. The EU policy priority is the decarbonisation of its energy mix. Views differ on how to achieve this.

Possible actions:

- EU countries should agree on a pan European blueprint for its energy infrastructure that takes advantage of new technologies, such as smart grids.
- Low carbon alternatives should further improve the diversity of supply for which this pan-European infrastructure is needed as enabler.
- Technologies that drive energy efficiency should be promoted to reduce the carbon footprint of the European economy and thus increase its international competitiveness.

# Digital agenda: Connecting Europe

Today, information and communications technology (ICT) represents merely 4.5% of EU GDP and accounts for about 4% of European jobs. Through its Digital Agenda, the European Commission aims to further a coordinated and future-oriented approach for fully transforming the potential of the ICT industry into economic growth and innovation.

In March 2010, the European Commission initiated the European Digital Agenda, a part of its Europe 2020 Strategy. The aim of the Digital Agenda is to deliver sustainable economic and social benefits from a digital single market.

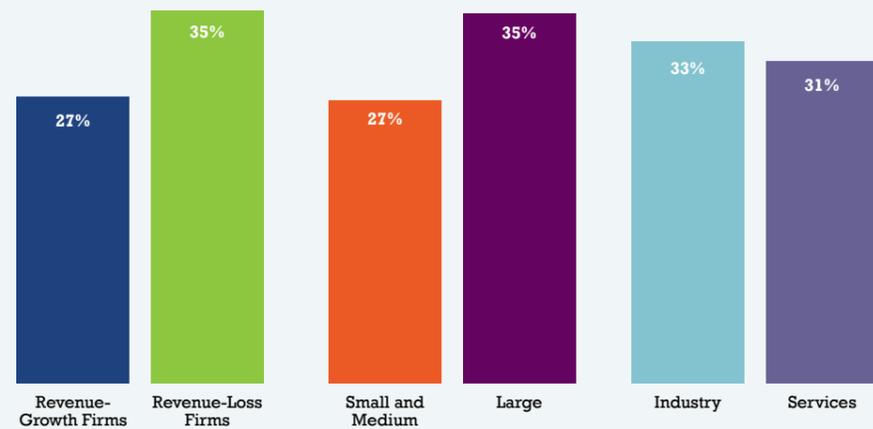
The Digital Agenda outlines a set of policy actions representing six main areas:

1. Very fast internet access
2. Digital single market
3. Sustainable digital society
4. Trust and security
5. Research and innovation
6. Open standards and interoperability

## Some firms may be too confident about their ability to use ICT

Figure 18: Percentage of firms that believe that EU firms are using ICT to its full potential.

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



- One third of the CEOs surveyed believe that EU firms are using the internet and new mobile technologies to their full potential.
- Revenue-growth firms do not believe as strongly as revenue-loss firms that they are sufficiently ICT-savvy.
- Large firms consider themselves more ICT-savvy than small and medium-size firms.

## Two thirds of the CEOs surveyed believe their firms could achieve greater value from ICT. They highlight the following obstacles in the use of internet and mobile technologies in Europe:

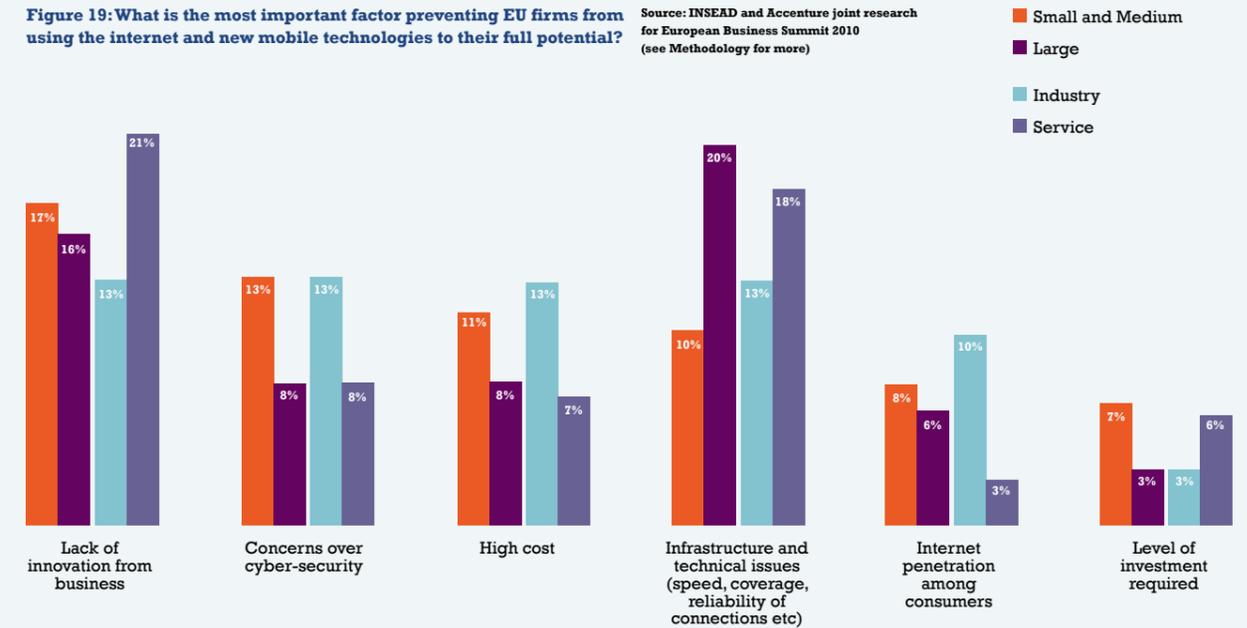
- Lack of innovation from business and infrastructure and technical issues are the two main obstacles.
- 17% point to a general lack of innovation from European businesses that may prevent the digital agenda from fully reaching its expected impact.
- 16% blame infrastructure and technical issues.

*“There are three major drivers for IT business at present: first an insatiable consumer demand for ubiquitous information and from business to sustain the global knowledge based economy. Second, the low carbon society itself drives information technology development because many control mechanisms for reducing carbon emissions are IT-based. Third, all businesses want IT which will consume less power and reduce their operating costs. This is probably why we have seen IT investment holding up well over the last 18 months.”*

## A multi-faceted approach is needed to help firms maximise value from ICT. Different types of firms face different sets of challenges

Figure 19: What is the most important factor preventing EU firms from using the internet and new mobile technologies to their full potential?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



## There is a divide between SMEs and large companies in terms of what is preventing companies from using internet and mobile technologies to their full potential:

- CEOs of large companies (20%) find infrastructure and technical issues, such as speed, coverage, reliability, etc., to be much more problematic than CEOs of SMEs (10%).
- More SMEs are concerned about cyber-security (13%) and high costs (11%) than large firms (both 8%).
- CEOs of firms from the industrial sector are most concerned about lack of innovation and infrastructure/technical issues.

Business leaders consider that Europe has become more digital. This is largely due to the ability of European companies and governments to work together to diffuse information technology and internet resources.

*“In Europe, governments desire to become more digital is the right course. The Finnish, Spanish, Italian government, Portuguese governments have demonstrated positive examples by making notebooks accessible to schoolchildren ensuring no one is left behind and driving IT literacy”*

Many parts of Europe have made significant progress towards becoming high-performance inclusive information societies. Yet the successes of some can hide poor performances by others. Efforts are needed to avoid the emergence of digital divides within Europe.

## Possible action points

Despite the high degree of satisfaction among European leaders with the current digitalisation in Europe, to allow businesses and consumers to harvest the full potential of the Digital Agenda EU decision makers need to address a number of challenges:

- There is a need to promote next generation infrastructure networks for the digital economy and the development of innovative e-services to function efficiently throughout Europe.

- Innovation in ICT is needed, and future policies should foster R&D in ICT.

- The acceleration of interoperability and standardisation needs to be tackled to ensure a truly single digital market.

- Finally, drawing on lessons from the development of e-competences, advocates of the Digital Agenda must ensure that all benefits of the agenda make sense and are relevant to non-ICT firms and business leaders.

# Transatlantic economic growth and innovation

The United States and the EU are each other's most important economic partner, and remain so despite the current crisis. In many areas, the arrival of the Obama administration has been seen from Europe as opening the way for a renewed, more active and future-looking transatlantic relationship.

Yet Europe sees with some concern the emergence of a 'G2' in which China and the United States appear as the leaders of globalisation. On both sides of the Atlantic, Asia is seen as an increasingly strong competitor: Asian growth figures are often double-digit (in China, India and Singapore, for example), and eclipse those of the US (2.7%) and EU (1%).

The transatlantic relationship is worth millions of jobs, and billions of Euros in trade and investment. It is also home to a large commonality of views on the future of the global economy. In identifying paths for recovery, both Europe and the United States have singled out innovation as a priority: 'Europe 2020' and President Obama's National Innovation Strategy aim for sustainable growth and quality jobs, with more R&D investment, fast deployment of new technologies and entrepreneurship. To pursue such objectives, Europe and the United States need to team up on IP protection, the fight against protectionism and on financial stability and governance, with an appropriate dose of 'Yes we can.'

Overall, the arrival of the Obama administration has created a positive impression on European CEOs. However, they do not credit it with significant business improvements.

*"Due to the nature of the events, President Obama has had to spend more time looking inward than outward. Nonetheless, the view from Europe to the US is substantially more positive. To say it's a major change is a farfetched argument."*

*"The EU should support everything that addresses the idea of a unique single market between Europe and the US. We all know the tremendous growth opportunities in vibrant economies. Nonetheless, when you look at the figures, and even despite a recession, the transatlantic business community is still generating close to 4.3 trillion in total revenue and employing millions on both sides of the Atlantic. So all actions to strengthen that transatlantic co-operation will be of huge benefit to help our companies be more competitive in the global world."*

*"It's about showing that we can do it within Europe, showing how successful relationships with those across the Atlantic are, and using that to build up strength and relationships with the emerging economies."*

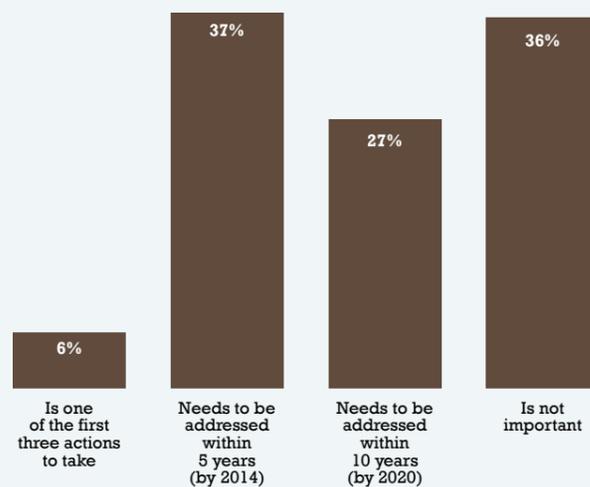
## For European business leaders, the transatlantic relationship is good, but competition with other regions calls for its strengthening

Most CEOs believe that Europe's relationship with the US is strong enough. Only 2% of participating CEOs believe that strengthening the EU's relationship with the US is one of the three things that need to happen immediately to put Europe back on track.

In contrast, 18% believe that building relationships with emerging economies to grow markets and reduce costs is one of the three things that need to happen immediately to put Europe back on track, and 31% believe that building relationships with emerging economies needs to be addressed within five years.

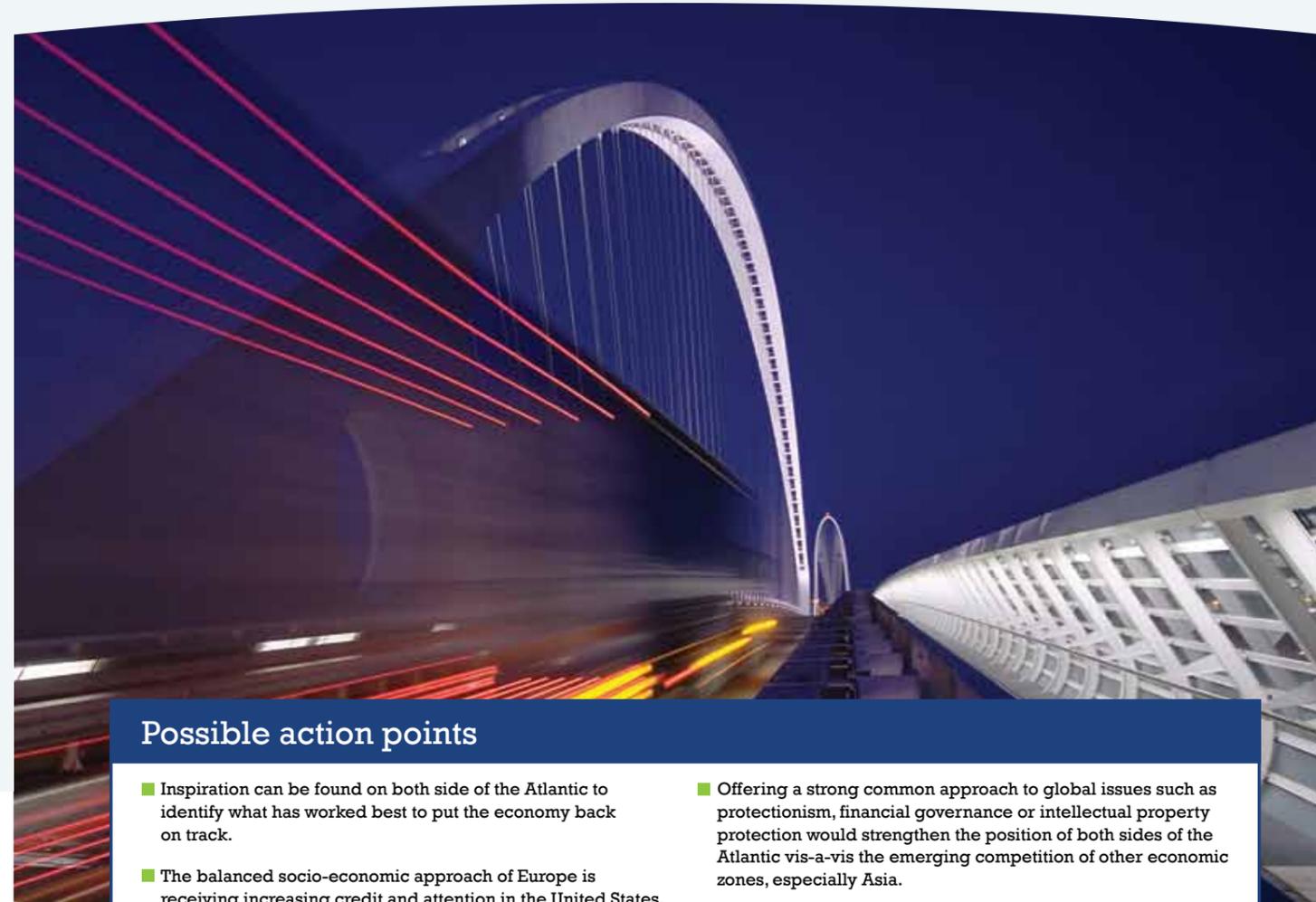
Figure 20: Strengthening/reinforcing the EU's relationship with the United States

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



### Possible action points

- Inspiration can be found on both side of the Atlantic to identify what has worked best to put the economy back on track.
- The balanced socio-economic approach of Europe is receiving increasing credit and attention in the United States. Similarly, the ways in which the United States is stimulating consumer confidence, labour market flexibility, and using fiscal and monetary policies to stimulate its economy should be of interest to Europe.
- Offering a strong common approach to global issues such as protectionism, financial governance or intellectual property protection would strengthen the position of both sides of the Atlantic vis-a-vis the emerging competition of other economic zones, especially Asia.



# Green innovation: Cleaning up industry or cleaner industry?

At a time of rapidly expanding global population, increasing wealth and growing consumption, our planet is under heavy pressure. We are witnessing a rising demand for energy, while at the same time a need to reduce CO2 emissions, and this puts European firms under pressure to partake in the creation of a greener and cleaner economy.

Fundamentally, there are two different ways in which firms can engage in the battle against climate change:

1. Reducing their environmental footprint by becoming more energy efficient and/or generating their own energy in a green way.
2. Bringing to the market 'green' products, technologies and services which contribute to less energy-consuming and more sustainable consumption.

Either approach entails a substantial change from traditional production and operation procedures, and thereby poses significant challenges to European firms.



Industry-sector and service-sector leaders share a wish for incentives to use and develop green technologies (42-44%). However there are some noticeable differences in priorities regarding which specific actions should be taken to address climate change:

- One significant difference between the industry-sector and the service sector is the interest in centres of excellence: 42% of CEOs of service-sector firms believe such centres are a necessary means to innovate in a sustainable way, a view shared by only 34% of industry-sector CEOs.

■ Conversely, industry-sector CEOs (16%) seem to be slightly more interested in hubs for green production than the service-sector industry (12%).

■ A slight difference in opinion can also be found regarding the perceived importance of smart grids: approximately one third of service-sector CEOs feel that an effort in this area is important compared with approximately one quarter of industry-sector leaders.

## European businesses ready to invest in green innovation: government incentives welcome

Surveyed CEOs put high emphasis on actions to develop more sustainable production and operation procedures, and are willing to make investments in the development of new knowledge about green technologies. But they also expect incentives for the firms that use and develop these green technologies. The majority of participating CEOs believe that innovation is necessary to fight climate change:

- Both revenue-growth and revenue-loss firms believe that it is important that incentives be given to firms willing to use and develop green technologies.
- Successful firms seem to be more focused on learning and knowledge creation for green technologies than revenue-loss firms. Revenue-growth firms believe to a greater extent than revenue-loss firms that centres of excellence and hubs for green production are the way forward.
- Revenue-loss firms seem to be more focused on energy cost savings than revenue-growth firms. Revenue-loss firms point to investment in the development of smart grids. The development of expertise and facilities for carbon capture storage is a priority.

Figure 21: How can Europe maintain its position as world leader when it comes to tackling climate change?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

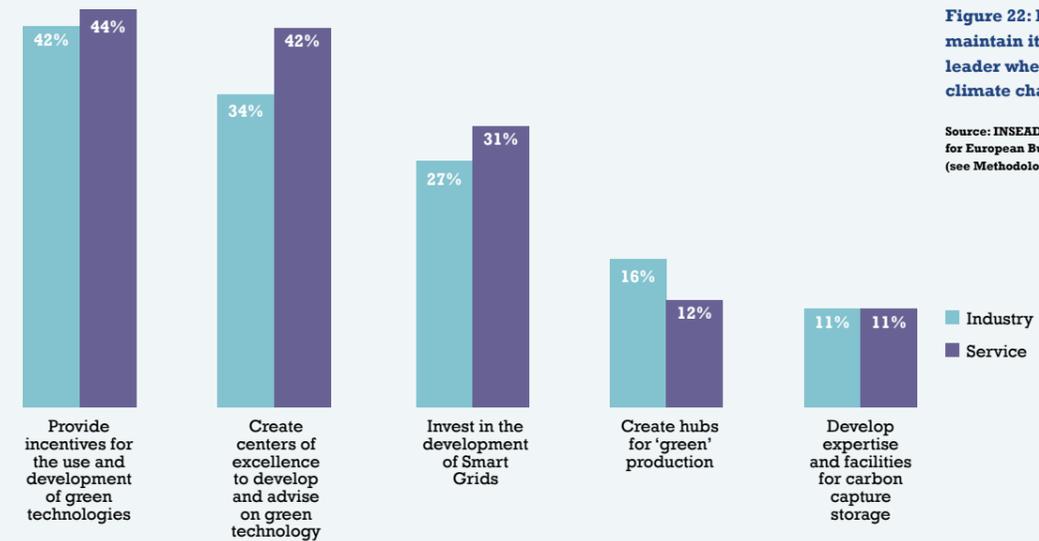
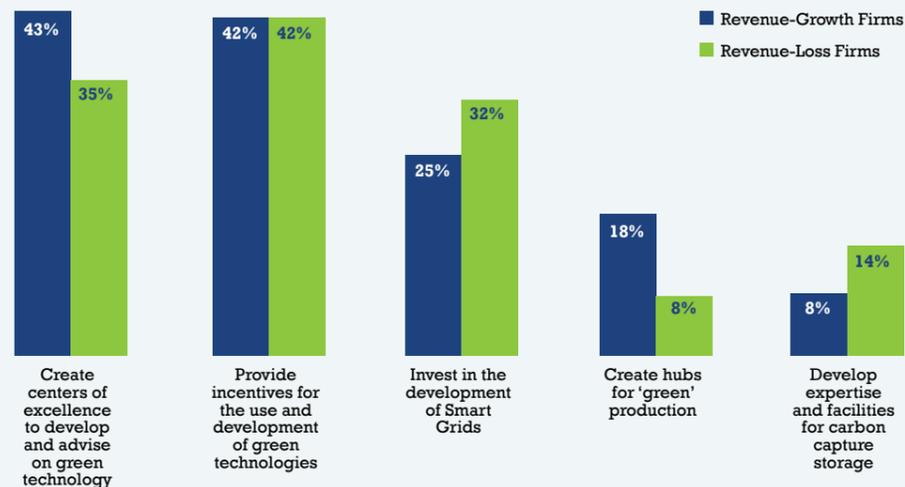


Figure 22: How can Europe maintain its position as world leader when it comes to tackling climate change?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)

*“The first priority is to develop smart grids. The second one is renewable energies. I think it’s very important to really focus on this one. And then the third one is nuclear energy, keeping in mind that uranium is also a limited resource. It will not be there forever.”*

## Possible action points

European CEOs are concerned about climate change and want to address the problem through direct actions taken within their firms and in society at large. In order to confront the challenges several points must be taken into consideration:

- Firms need more knowledge about how to manage their business in a greener manner, and centres of excellence are highlighted as a solution to learn more about the development and use of greener technologies.
- A more efficient and greener energy infrastructure is an important prerequisite for the transition towards greener business conduct in Europe. In particular the development of smart grids is emphasised as an attractive course of action.
- Firms expect the transit towards a greener economy to be a joint effort between the private and the public sectors, in which firms will be given incentives for the use and development of green technologies.

# Innovating industry: Towards a knowledge-based economy

Innovation is a fundamental parameter and a necessary condition for Europe's recovery. The EU 2020 strategy puts innovation centre stage, reconfirming the target to invest 3% of Europe's GDP in research and development. Yet Europe's industry needs more than money to remain at the forefront of innovation. In many sectors, skills, ideas, a culture of risk and venture-capital, as well as proper infrastructure (high-speed networks, clusters) are still lacking to pursue this ambition.

What can Europe do to create an attractive climate for investments in innovation and to make sure that European industry is able to translate these investments into international market leadership? How can business help grow the skills, capital, structures and mindsets required to make European industry innovative?

## Size matters... and mindsets are key

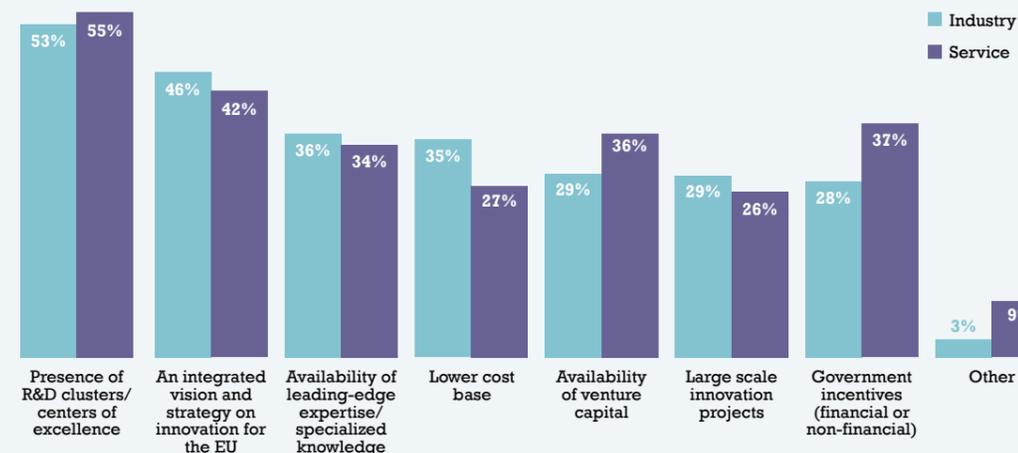
When asked which ingredients would best help position Europe as a leading-edge innovation economy, business leaders consider that clusters and a strong European innovation strategy would be critically important.

This view does not vary significantly between industrial and service enterprises: 55% of service enterprise leaders quote clusters as the key factor (vs 53% in industry), and

both groups mention the need for an integrated European vision and innovation strategy as their second priority (46% in industry and 42% in services). Service companies attach greater importance to government incentives (financial and non financial), seeing it as the third most critical factor to maintain Europe's innovation edge (vs 28% in industry). Risk capital appear to be more critical to services (36%) than to industry (29%), whereas both groups recognise the strategic importance of relevant skills and knowledge (above a third of opinions in both groups).

Figure 23: What would position the EU as leading-edge when it comes to innovation?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



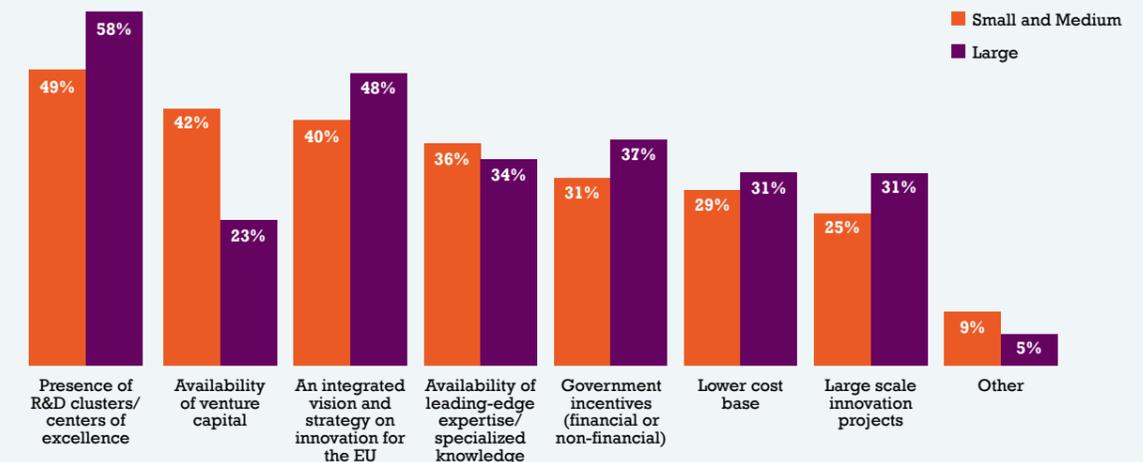
*“The starting point for Europe to become more innovative is in education. And we are falling down - specifically compared to Asia and the US. China, for example, is very strong because their education produces many skilled people”*

When one considers the same data according to firm size, the picture is slightly different. Both large companies and SMEs agree on the critical role of clusters: 58% of SME leaders (and 49% of those of larger firms) rank clusters as their single most

critical factor for innovation. However, on other items, firm size generates different views. For example, the availability of venture capital is seen as critical by only 23% of large firms compared with 42% of SMEs.

Figure 24: What would position the EU as leading-edge when it comes to innovation?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



*“There is much less identification of technology clusters in Europe than there is in India, China or Korea.”*

*“We set up lofty goals on how much we would spend on research and development but we didn't meet any of them and we didn't feel bad about it. Asian countries are much more deliberate about their R&D and innovation goals. We are still focused on the old world of agriculture and production and we are not moving aggressively enough in other promising areas of innovation.”*

## Possible action points

- Formulating an ambitious, clear and visible European innovation strategy is a priority. EU 2020 provides important markers in this respect, but those need to be complemented by a set of benchmarks and performance indicators that would allow European business to gauge themselves against their competitors. As emerging countries become competitive innovators, such benchmarks will become increasingly important.
- Europe's cluster policy needs to be updated, up-scaled and re-focused. Critical mass should be a core objective of clusters, as well as better worldwide branding of European innovation clusters as a destination for foreign investors and partners.
- Creating a genuine 'ecology of innovation' will require as much attention to inputs (such as venture capital, which is particularly critical for SMEs, but also skills and education) as to outputs (including marketing, intellectual property rights and trade policy).
- First and foremost, however, Europe's businesses, governments and educators need to join forces to stimulate the emergence of a new entrepreneurial spirit and a 'European innovation mindset'.

# After Copenhagen: A new climate for business?

After extensive negotiations, the UN Climate Change Conference (December 2009) ended with a non-binding "Copenhagen Accord", leaving Europeans marginalised and disappointed. Six months after Copenhagen the European Union is still devoted to exerting global leadership in the battle against climate change, but what is the right approach to take? If Europe itself is to continue towards its goal of at least a 20% cut in greenhouse gas emissions from 1990 levels, European firms must actively involve themselves in the effort too.

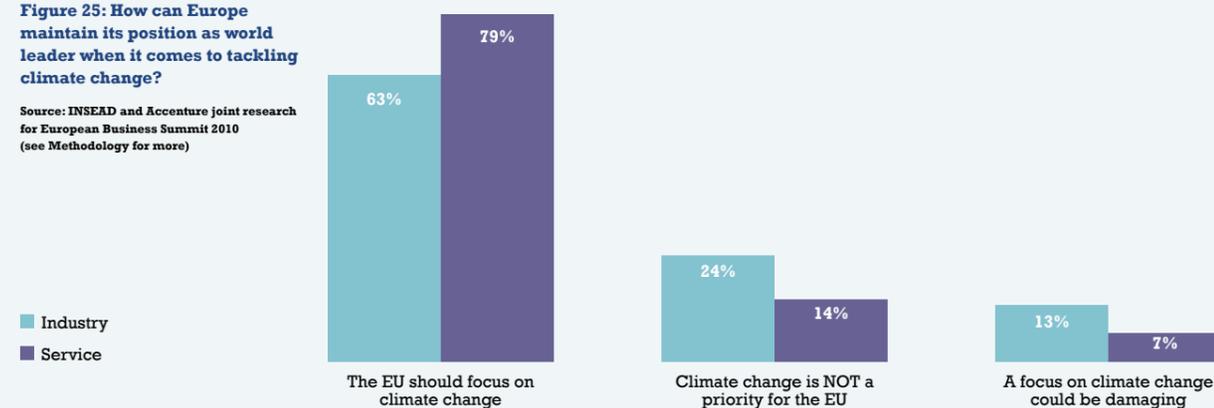
The economy of the European Union must turn greenhouse gas reduction into an attractive and value-adding business, making energy efficiency, household renovation, clean energy production, and innovative transport solutions worthwhile, and without losing global competitiveness. From a political point of view, reaching a European consensus will be an important step, whereas from an industry point of view the commitment of individual firms to make investments in the endeavour will be significant for the process to succeed.

## CEOs vs CO<sub>2</sub>

The majority of participating CEOs agree that EU should tackle climate change, and take a leading role in this effort. However, CEOs have different priorities as to what actions should be taken to tackle the issue:

Figure 25: How can Europe maintain its position as world leader when it comes to tackling climate change?

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



- Approximately 70% of participating CEOs considered it important that the EU should maintain its leadership position on climate change.
- Approximately 79% of service-sector firms agree that EU should keep its leadership position in tackling climate change, compared with 63% of industry-sector CEOs.

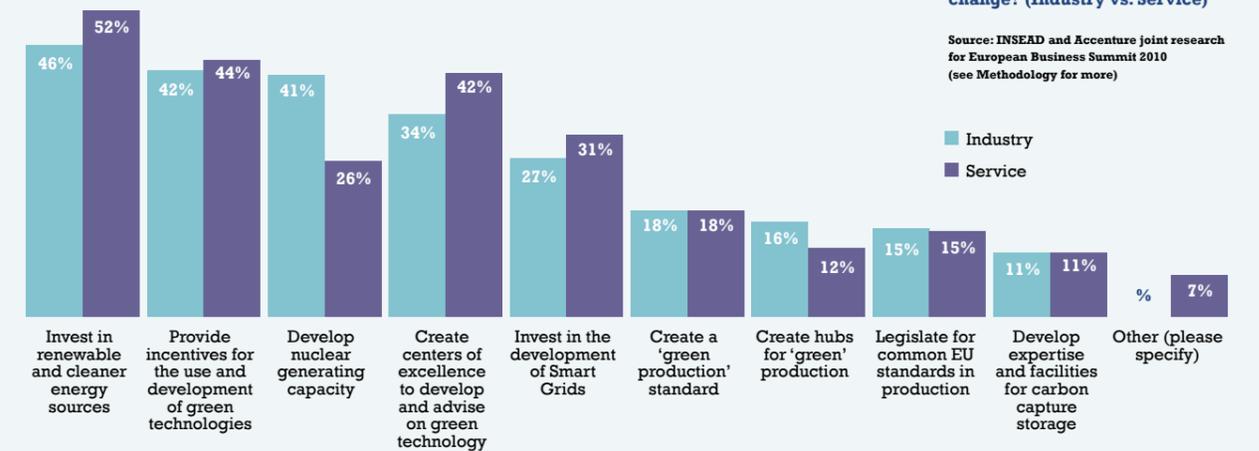
- However a significant number (20%) of surveyed CEOs do not believe that climate change is an important area for EU to focus on, and 9% think it could even be damaging for EU companies.
- The importance of tackling climate change is shared by CEOs of SMEs and large companies (77% and 66% respectively).

For the CEOs surveyed, the five most important actions to take regarding climate change are:

- Invest in renewable and cleaner energy sources (50%).
- Provide incentives for the use and development of green technology (43%).
- Create centres of excellence to develop and advise on green technology (38%).
- Develop nuclear generating capacity (33%).
- Invest in the development of smart grids (29%).

Figure 26: What actions should be taken to tackle climate change? (Industry vs. Service)

Source: INSEAD and Accenture joint research for European Business Summit 2010 (see Methodology for more)



- Both CEOs of service-sector firms and industry-sector firms believe that the most important actions to take are investment in renewable and cleaner energy sources and incentives for the use and development of green technologies.
- However, they disagree on the third most important action to take. Service-sector firms favour the creation of centres of excellence to develop and advise on green technologies (42%), whereas industry-sector firms consider the development of nuclear generating capacity to be more relevant (41%).

*"We need to develop and execute our own strategy for renewable energies, so more wind energy, more solar energy, more wave energy, and then a focused plan with a fixed timeline and budget on a smart distribution system moving the energy across all member states."*

## Possible action points

Despite the disappointing results obtained in Copenhagen in December 2009, EU legislators and European CEOs agreed that Europe should continue to take a leadership role in the battle against climate change. Recent Accenture survey of global consumers found that over the past 12 months, a quarter or more of end consumers has switched or were switching to a new energy provider in order to benefit from products / services addressing climate change and that where low carbon services were proposed by energy providers, between 30 and 50% of the consumers had opted to use it.

Moving forward, both legislators and companies need to take specific actions:

- The EU and individual countries must provide incentives for the use and development of green technologies in order to help out in what can be considered a significant investment for firms.
- Centres of excellence to advise and assist the development of such green technologies should be established around Europe to disseminate knowledge about green technologies. Over time, green production standards should be introduced around different industries.
- Firms together with the EU should invest more heavily in renewable and cleaner energy sources and the development of nuclear energy capacity and smart grids.

© Accenture. (2010). "The new energy world: The consumer perspective."

# Methodology

During April and May 2010, Accenture conducted surveys among over 250 CEOs. The surveys consisted of two components:

■ **In-depth interviews** with a sub-set of CEOs of companies operating business in Europe. These interviews were conducted over the phone and had an average length of 60 minutes.

Throughout this report, we have included quotes from these interviews. In respect of the few who wished to remain anonymous, we have presented all quotes anonymously.

■ **Online survey** of CEOs of companies operating businesses in Europe. After conducting quality control, we drew on a pool of 241 surveys to conduct our analysis. Note that for some questions, the total number of participants does not necessarily add to 241, as not all participants answered every question. The questionnaire (available upon request) included 16 questions (excluding classification questions).

## Demographic profile of the online sample

Number of employees in the EU		Geography of business headquarters		Evolution of revenues (2009 versus 2008)	
<250	45%	<b>EU</b>	<b>82%</b>	More than 5% growth	31%
>250	55%	Belgium	9%	Between 0 and 5% growth	23%
		Denmark	5%	Stable	6%
		France	12%	Between 0 and 5% decline	11%
		Italy	3%	More than 5% decline	29%
		The Netherlands	4%		
		United Kingdom	26%		
		Other EU countries	14%		
		<b>Non EU</b>	<b>18%</b>		

\* Other countries represented (in alphabetical order): Austria, Bulgaria, Czech Republic, Estonia, Finland, Greece, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Spain, Sweden.

# References and further reading

In developing the introductory and concluding sections for each of the EBS 2010 session topics, an important source was the briefing notes prepared by a variety of experts for the respective sessions in the European Business Summit 2010. The organisations responsible for developing the briefing notes were the following: BUSINESSEUROPE (Future of Finance; Trade for New Growth; Consumer Confidence; and Digital Agenda);

EurActiv (SMEs and Climate Change); INSEAD (Learning from Asia and New Skills); Russchen Consultants (Teule) & European Voice (Taylor) on Energy; and VBO-FEB (Transatlantic Relations, Green Technology, and Knowledge Industry).

These briefings also included several helpful references, some of which are listed below for interested readers.

<b>SMEs as engines for recovery</b>	European Commission (June 2008), Small Business Act for Europe European Commission (December 2009) Examples of national measures taken to implement SBA
<b>Driving global recovery: What can Europe learn from Asia?</b>	Regional Economic Outlook: Asia and Pacific, IMF, April 2010 European Economic Forecast, European Commission, Spring 2010
<b>What kind of future for finance?</b>	<a href="http://www.buinesseurope.eu/content/default.asp?PageID=584">http://www.buinesseurope.eu/content/default.asp?PageID=584</a> <a href="http://www.euractiv.com/en/financial-services">http://www.euractiv.com/en/financial-services</a>
<b>Trading for new growth</b>	WTO-OECD-UNCTAD: Report on G20 trade and investment measures (September 2009 to February 2010) BUSINESSEUROPE - Priorities for external competitiveness from 2010 to 2014: Building on Global Europe
<b>New skills for new jobs</b>	Nils Fonstad and Bruno Lanvin (2010), "Strengthening e-Skills for Innovation in Europe" report to the European Commission. <a href="http://www.insead.edu/ecompetences">www.insead.edu/ecompetences</a> . Bruno Lanvin and Nils Fonstad (2009), "Who cares? Who dares? - Providing the skills for an innovative and sustainable Europe," Report to EBS 2009.
<b>Restoring consumer's confidence in the single market</b>	Third edition of the Consumer market scoreboard, SEC(2010) 385 final, Brussels, 29.3.2010. BUSINESSEUROPE website on consumer issues: <a href="http://www.buinesseurope.eu/Content/Default.asp?PageID=666">http://www.buinesseurope.eu/Content/Default.asp?PageID=666</a>
<b>Energy and supply: Fueling growth</b>	The Commission's stocktaking document: Towards a new Energy Strategy for Europe 2011-2020 International Energy Agency: <a href="http://www.iea.org/">http://www.iea.org/</a>
<b>Digital agenda: Connecting Europe</b>	European Commission Information Society: <a href="http://ec.europa.eu/information_society/index_en.htm">http://ec.europa.eu/information_society/index_en.htm</a> International Telecommunication Union, United Nations agency for information and communication technology: <a href="http://ec.europa.eu/information_society/digital-agenda/">http://ec.europa.eu/information_society/digital-agenda/</a>
<b>Transatlantic economic growth and recovery</b>	Center for Transatlantic Relations: <a href="http://transatlantic.sais-jhu.edu/index.htm">http://transatlantic.sais-jhu.edu/index.htm</a> : Transatlantic Business Dialogue <a href="http://www.tabd.com">http://www.tabd.com</a> .
<b>Green innovation</b>	Green Investing 2010: Policy Mechanisms to Bridge the Financing Gap, January 2010, World Economic Forum Eco-innovation in Industry: enabling green growth, OECD, 2009.
<b>Innovating industry: Building a knowledge-based economy</b>	OECD Science, Technology and Industry Scoreboard DG Enterprise and Industry: <a href="http://ec.europa.eu/enterprise/index_en.htm">http://ec.europa.eu/enterprise/index_en.htm</a> EU 2020 strategy: <a href="http://ec.europa.eu/eu2020/index_en.htm">http://ec.europa.eu/eu2020/index_en.htm</a>
<b>After Copenhagen: A new climate for business?</b>	EurActiv: De Boer: EU 2020 climate targets 'a piece of cake' (16 April 2010) United Nations: Copenhagen Accord (18 December 2009) Accenture. (2010). The new energy world: The consumer perspective.

## Brief overview of:

### Putting Europe Back on Track - The views of CEOs on building a more sustainable and competitive Europe

To help put Europe back on track we have taken its pulse by surveying over 250 chief executive officers (CEOs) and engaging with dozens of public and private-sector leaders on a variety of key economic aspects. This report consists of their insights on the challenges and ways forward on topics such as climate change and green technologies, small and medium-sized enterprises, global trade, skills and knowledge-based industries. It has been prepared to inform the 2010 European Business Summit, a key platform for business leaders and decision makers to debate how to build a more competitive and sustainable European Union.

This study was carried out within the framework of the European Business Summit 2010 and is an initiative from the Federation of Enterprises in Belgium, carried out by Accenture and INSEAD.

The research (online survey and in-depth CEO interviews) was designed and carried out by Accenture, led by Barbara Harvey and Charlotte Raut under the direction of Mark Spelman and in collaboration with INSEAD and FEB.

INSEAD then led the analysis and development of key findings. This report was produced by INSEAD's eLab team, led by Nils Fonstad and Bruno Larvin.

#### About the Federation of Enterprises in Belgium (FEB)

The Federation of Enterprises in Belgium (FEB) is the only multi-sector employers' organisation representing companies in all three regions of Belgium. Its members, Belgium's leading sectoral federations, represent companies in key industrial and service sectors.  
[www.feb.be](http://www.feb.be)

#### About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments.  
[www.accenture.com](http://www.accenture.com).

#### About INSEAD

INSEAD is one of the world's leading and largest graduate business schools, bringing together people, cultures and ideas from around the world to change lives and transform organisations. eLab is INSEAD's centre of excellence for thought leadership, community outreach and value creation in the knowledge economy.  
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