



SUMMARY OF RESULTS FROM EXECONLINE'S TRUMP LEADERSHIP SURVEY

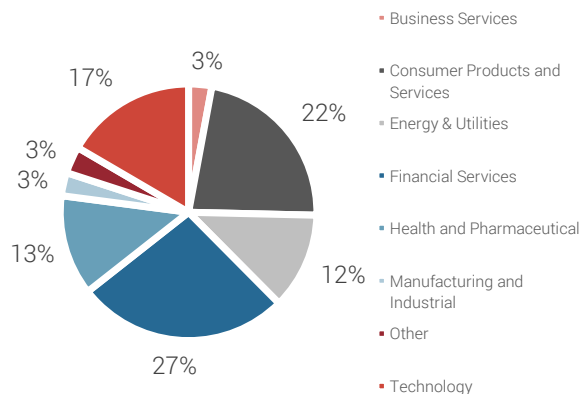
78% of Leaders Anticipate Making Significant Changes as a Result of the Election, But Few Organizations Are Prepared.

Leading a Divided Workforce Requires Leaders to Step Up Employee Communication

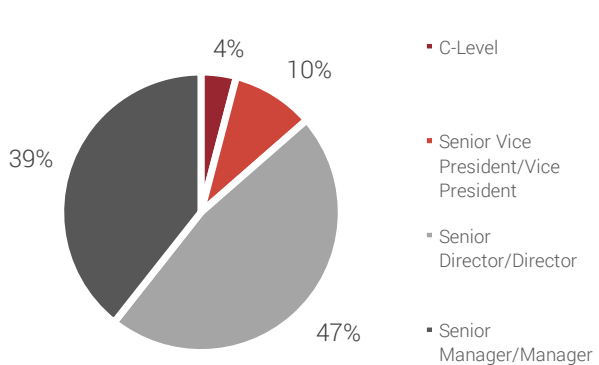
1. Voice of the US Corporate Leader

ExecOnline, in partnership with top business schools (Berkeley, Columbia, MIT, Yale), works with thousands of senior executives from Fortune 500 organizations every quarter through our innovative executive development programs. For the Trump leadership survey, we surveyed 246 executive leaders from 54 large, US-headquartered companies across 17 industries. The survey was open from December 16th to January 3rd.

Election Survey Demographics
By Industry



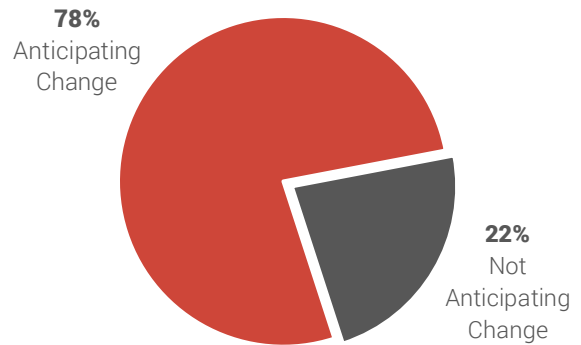
Election Survey Demographics
By Level



2. 78% of Corporate Leaders Anticipate Making Significant Changes as a Result of the Trump Election...

Corporate leaders believe they must make changes as a result of the Trump election in order to position their organizations for success. Indeed, nearly **eight in 10 business leaders** anticipate changing a strategic decision based on the election. 39% of business leaders anticipate changing financial projections, 30% organizational strategy, 30% capital investments, 27% external partnerships, and 27% mergers & acquisitions. **Only 22% of business leaders say they do not anticipate making any change as a result of the election.**

Percentage of Leaders Expecting to Make at Least One Significant Strategy Change Because of the Trump Election



DECISIONS LEADERS ANTICIPATE CHANGING

% OF LEADERS

DECISIONS LEADERS ANTICIPATE CHANGING	% OF LEADERS
Financial Projections	39%
Organizational Strategy	30%
Capital Investments	30%
External Partnerships	27%
Acquisitions and/or mergers	27%
Go-to-market strategies	24%
People investments	22%
Location of offices	20%
Earnings Guidance	16%
Increased investment in diversity initiatives	14%
Other-Write in	4%

Comments from leaders illustrate the wide range of strategic decisions they are revisiting:

“The 2016 election has caused our organization to review our Treasury strategy of parking earnings abroad or in the US.”

– **Technology Leader**

“The 2016 election means [the] ASEAN market [will] face [a] tough year ahead, [with] uncertainty causing [market volatility]. [We must] act cautiously and ensure CAPEX spending is not overrun and OPEX is well managed.”

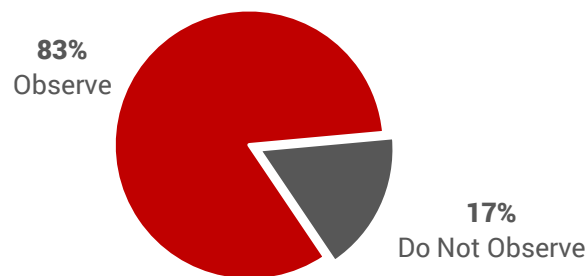
– **Financial Services Leader**

3...But Organizations Are Not Prepared for Change

Most organizations, however, are **unprepared for the changes they need to make**.

According to ExecOnline surveys of more than a 1000 leaders, 83% of leaders say that they frequently observe employees resisting change and only 46% of leaders agree that peer leaders effectively create buy-in for change. In fact, business leaders will need to focus on a whole new set of leadership activities and skill sets to manage change in this environment.

Percentage of Leaders Saying They Frequently Observe Employees Resisting Change



4. Forward-Looking Organizations Are Focused On Talent, Not Just Scenario Planning

Perhaps unsurprisingly, scenario planning is a top focus area for leaders and organizations as they look to anticipate and respond to scenarios that could unfold as a result of the election. Indeed, seventy-two percent of business leaders say **planning for scenarios** is more or much more important since the election.

Interestingly, many organizations are also focused on talent-related issues. For example, two thirds of leaders believe **communicating with employees and stakeholders** has become more important as a result of the election. A majority of leaders also indicated that managing team dynamics, and attracting and retaining talent have become more important.

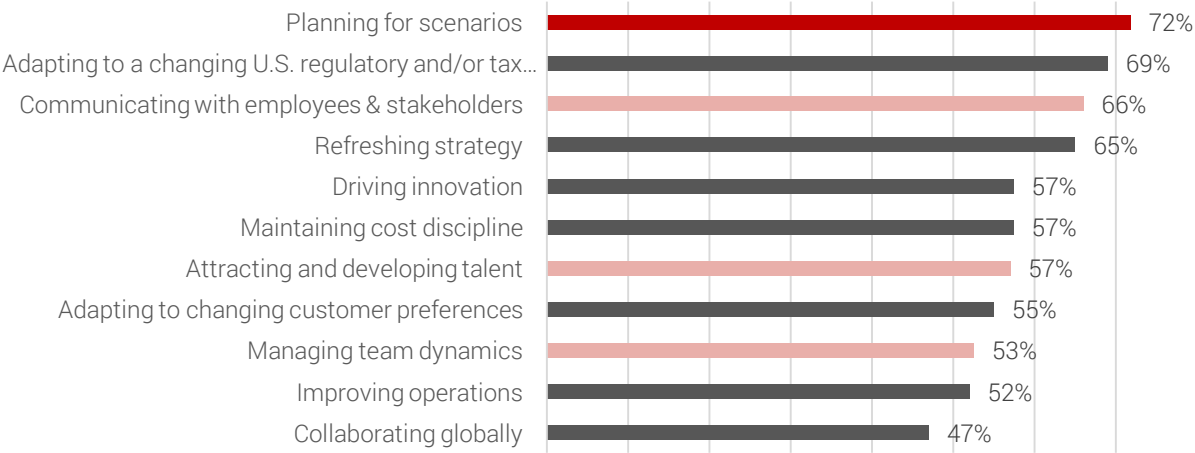
The focus on talent reflects a concern among leaders about the risk of employee division and conflict arising from the election. In fact, **employee division and conflict is a bigger concern for leaders than geo-political conflict.** In evaluating the impact of potential scenarios, employee division & conflict ranked as the second most damaging scenario – just after macro-economic stability (76% said macro-economic stability would be negative or very negative, while 69% said employee division & conflict would be). By comparison, 61% of leaders evaluated geo-political conflict as negative.

“It (the election) has split our teams. We’ve had many office chats/discussions that become heated and emotional due to the like and dislike of [Trump]... Leadership needs to be aware of these issues and provide support or guidance to the employees on how to handle the situation.”

– Energy Industry Leader

Below is a full list of leadership activities expected to be more important following the trump election.

Percentage of Leaders Who Say Leadership Activity has Become More Important Since the Election



5. Leaders See Significant Upside Opportunities and Downside Risks

Upside Scenarios. Leaders are most bullish about **Limited Government** scenarios (e.g. reduction of corporate taxes, repatriation of corporate profits) and **Fiscal Stimulus** scenarios (e.g. more infrastructure spend), which are viewed as very positive or positive by an average of nearly 59% and 53% of leaders, respectively.

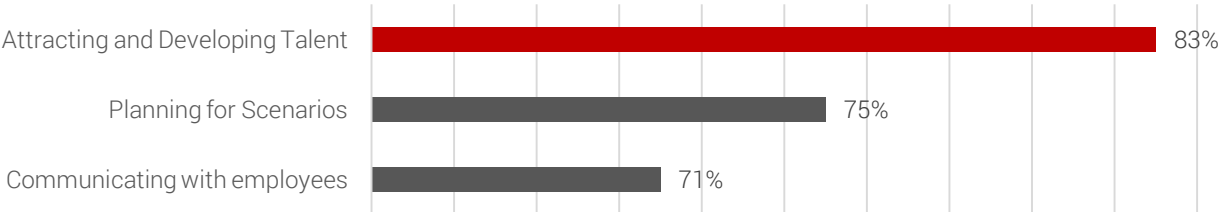
Downside Scenarios. At the same time, leaders are concerned about the risks associated with **Macro-Economic and Political Instability** (e.g. increase in geopolitical conflict, government debt crisis, rising inflation) as well as some **America First** scenarios (e.g. immigration and trade barriers in the U.S.). America First scenarios are viewed as positive or very positive by an average of just 10% of leaders, and Macro-Economic and Political Instability scenarios are viewed as positive or very positive by an average of 10% as well.

6. Industry-Specific Hot-Spots

Technology

Technology leaders, who are reliant on access to global talent pools, are focused on attracting and developing talent. Trump’s policies could impact the ability to off-shore talent as well as the ability to attract and retain immigrant talent in the US.

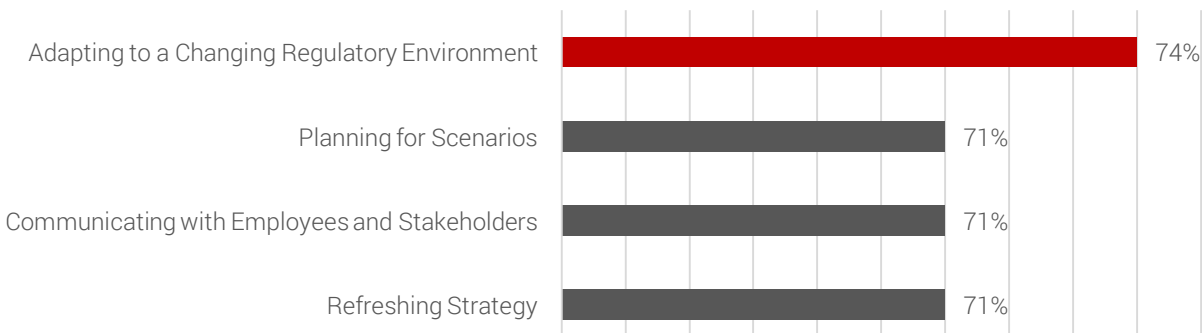
Top Leadership Activities for Technology:
Percentage of Technology Leaders Who Say Each Activity is
More Important Since the Election



Financial Services

Financial services leaders are focused on adapting to a changing regulatory environment, as changes to Dodd-Frank and other financial regulations are anticipated. While there is optimism for less burdensome industry regulations, any significant changes will require major compliance and change efforts. Tax changes could also have implications for financial institutions' ability to make use of tax losses from the financial crisis.

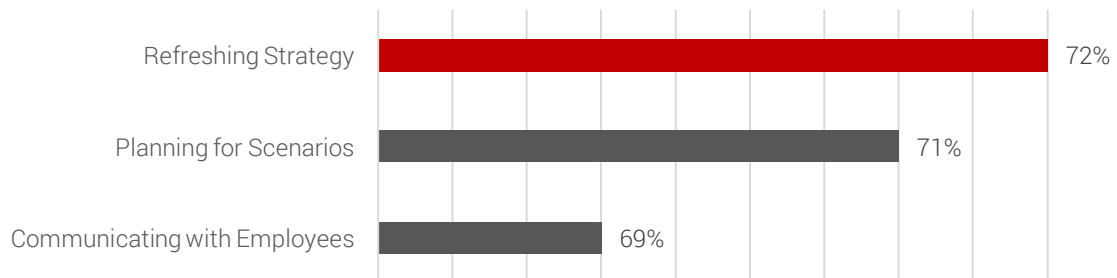
Percentage of Financial Services Leaders Who Say Each Activity is More Important Since the Election



Consumer Goods

Leaders of consumer goods companies are refreshing strategies, as they reevaluate assumptions made in 2016. Assumptions made last year about consumer confidence, tastes and preferences are being re-evaluated.

Percentage of Consumer Goods Leaders Who Say Each Activity is More Important Since the Election



7. Conclusion

Corporate leaders see significant business changes resulting from Trump's election, but their organizations are not ready. The most effective organizations are taking steps now to create the flexibility needed to seize opportunity and to manage risks. Forward-looking leaders are not only refreshing strategic assumptions and plans, but are also focusing on talent as they step up communications to a divided workforce.