

Whitepaper

9th annual CEO Institute
survey report

Strategy in an age of volatility

A CEO perspective

Leading through constant disruption

In one of the most complex operating environments in decades, the 2025 CEO Institute survey shows business leaders are still pursuing growth – albeit with sharper discipline, clearer priorities and a heightened awareness of risk.

For Australian and New Zealand (ANZ) business leaders, 2025 wasn't just another tough year. The pressure has been omnipresent and relentless, coming from every direction at once, with little relief between one disruption and the next.

Over the past 12 months, ANZ businesses have faced geopolitical instability, fragile supply chains and rapid technological change. Those challenges have collided with high inflation and subdued consumer demand, while labour constraints and regulatory complexity have continued to test organisational capacity.

There are no guarantees that things will improve in 2026, either. In fact, the International Monetary Fund and Organisation for Economic Co-operation and Development (OECD) have both warned that economic conditions are likely to remain uneven and unpredictable¹.

And yet the prevailing mood among ANZ CEOs is not one of despair. Instead, leaders are responding with what Richard Wynn, Chief Executive Officer of The CEO Institute, describes as a blend of “vigilant optimism” and “measured realism”.

“The overall mood is cautious growth under pressure,” he says. “CEOs can see opportunities on the horizon, but they are very conscious of the constraints and shocks that could hit them from both the domestic economy and the geopolitical environment.”

This report marks the ninth year of collaboration between Pronto Software and The CEO Institute. It is based on a survey of 798 senior business leaders across Australia and New Zealand and explores how organisations are recalibrating strategy and reassessing risk, while dealing with the compounding effect of so many external pressures at once.

Key findings at a glance

The top two challenges confronting this year's survey respondents are inflationary pressures – which are being felt most acutely in New Zealand – and consumer-demand slowdown, with around one in five surveyed business leaders expecting the latter to have the greatest impact on their business performance in 2026.

Technology disruption ranked as the third-most-cited issue, selected by 16% of Australian and 18% of New Zealand respondents, reflecting a growing unease about the pace and consequences of AI, automation and cyber risk.

Labour supply and skills shortages also feature prominently – particularly in Australia, where 15% of businesses selected them as the external issue most likely to affect performance over the next 12 months, compared with 8% in New Zealand. Regulatory reform and policy change are expected to have a material impact too, nominated by 13% of Australian businesses and 10% in New Zealand.

Layered over these domestic challenges is global instability, which is now top of mind for around one in 10 businesses throughout the region.

What all these disruptions add up to, according to Chad Gates, Managing Director of Pronto Software, is a sense of constant acceleration.

“There are a lot of factors that CEOs feel they can't control as well as they would like to,” he says. “Some of those are geopolitical and environmental, but when you add rapid technological change, the world can start to feel like it's spinning out of control.”

“The overall mood is cautious growth under pressure.”

Richard Wynn,
CEO of The CEO Institute

1. [Slower Growth, Rising Risk, and the Role of IFCs in a Fragmenting World](#), Mourant: IMF World Economic Outlook, October 2025



Growth, technology and opportunity

Despite these headwinds, growth and expansion remain a leading priority for businesses across Australia and New Zealand in 2026. That ambition is being pursued with few illusions, however.

“CEOs are pricing in a tight and fragile operating environment,” Mr Wynn says. “They’re planning for modest, hard-earned growth rather than rapid expansion, and they are doing so with one eye permanently on risk.”

Two double-edged swords sit at the centre of this balancing act. The first is technology, the second is geopolitical uncertainty.

“AI represents endless possibility, endless opportunity, and endless fear of missing out,” Mr Gates says. “But there is also growing concern around security and AI deepfakes – because as technology accelerates, so does the cyber-security arms race.”

The CEO pressure stack in 2026

Business leaders are not responding to a single dominant threat, but to the cumulative effect of economic, geopolitical and technological pressure.





Australia's position in a volatile global environment



“We’re an island, but we’re not an island when it comes to products and global supply chains. What happens between major powers flows directly into Australian businesses.”

Chad Gates,
Managing Director of
Pronto Software

Over the past 12 months, geopolitics has moved decisively from background news to operational reality, with US trade policy shifts emerging as the single biggest concern for Australian business leaders.

Nearly one in five CEO Institute Survey respondents selected these as one of the top three greatest geopolitical threats to their business in 2026, and 47% expect them to have a moderate to very significant impact on their operations.

Indeed, at least some economic fallout from geopolitical tensions seems very likely. The Organisation for Economic Co-operation and Development projects that global GDP growth will slow from around 3.3% in 2024 to about 2.9% in 2026², in part due to policy uncertainty, higher tariffs and trade frictions that are weighing on investment and cross-border flows.

“We’re an island, but we’re not an island when it comes to products and global supply chains,” says Mr Gates. “What happens between major powers flows directly into Australian businesses.”

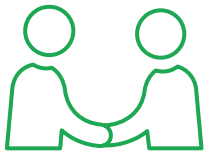
A new world disorder

The sobering reality of this new world disorder is not entirely lost on survey respondents, with 13% selecting “cyberattacks linked to state actors or geopolitical tensions” as a top threat to their business in 2026. However, the fact that this figure isn’t higher makes Mr Gates suspect some business leaders might be underestimating their level of exposure.

“That number feels lower than it should be,” he says. “CEOs probably should be more concerned about state-sponsored cyber hacking – particularly around things like denial of service and knocking people off air.”

Other geopolitical issues weighing on the minds of survey respondents include “global commodity price volatility driven by conflict”, of which 12% identified as a primary threat, and Australia–China tensions, cited by 10%.

2. [Finding the Right Balance in Uncertain Times](#), OECD Economic Outlook, Interim Report, September 2025



Recalibrating strategy for a less predictable world

Rather than retreating from global engagement, many leaders appear to be selectively repositioning.

Demand for critical minerals, driven by the global energy transition, is seen as an emerging opportunity by almost one in five respondents. Meanwhile, around 15% identified the Association of Southeast Asian Nations (ASEAN) as a priority growth market, 13% pointed to India and 10% to Pacific markets, suggesting a desire to diversify revenue while remaining within geographically and strategically closer regions.

A further 9% foresee an increase in global demand for Australian agricultural exports, and 6% anticipate friendshoring or nearshoring supply chain opportunities.

“Geopolitics now sits in both the risk column and the opportunity column,” confirms Mr Wynn. “The challenge for leaders is understanding where they are exposed, and where they can still lean in.”

The major challenge for boards and executive teams is that awareness of geopolitical risk has accelerated faster than organisational redesign. Certainly, geopolitics is being discussed more frequently, but few organisations have fully embedded it into strategic planning, capital allocation or operating models.

“Most survey respondents do not feel confident that Australia will glide smoothly through great power competition,” Mr Wynn says. “And yet only a small minority report making significant structural changes to their supply chains, market mix, capital plans or operating models in response.”

This suggests that we are in a “transition phase”, where leaders recognise that the rules have changed but are still working through how to translate that into practical decisions.

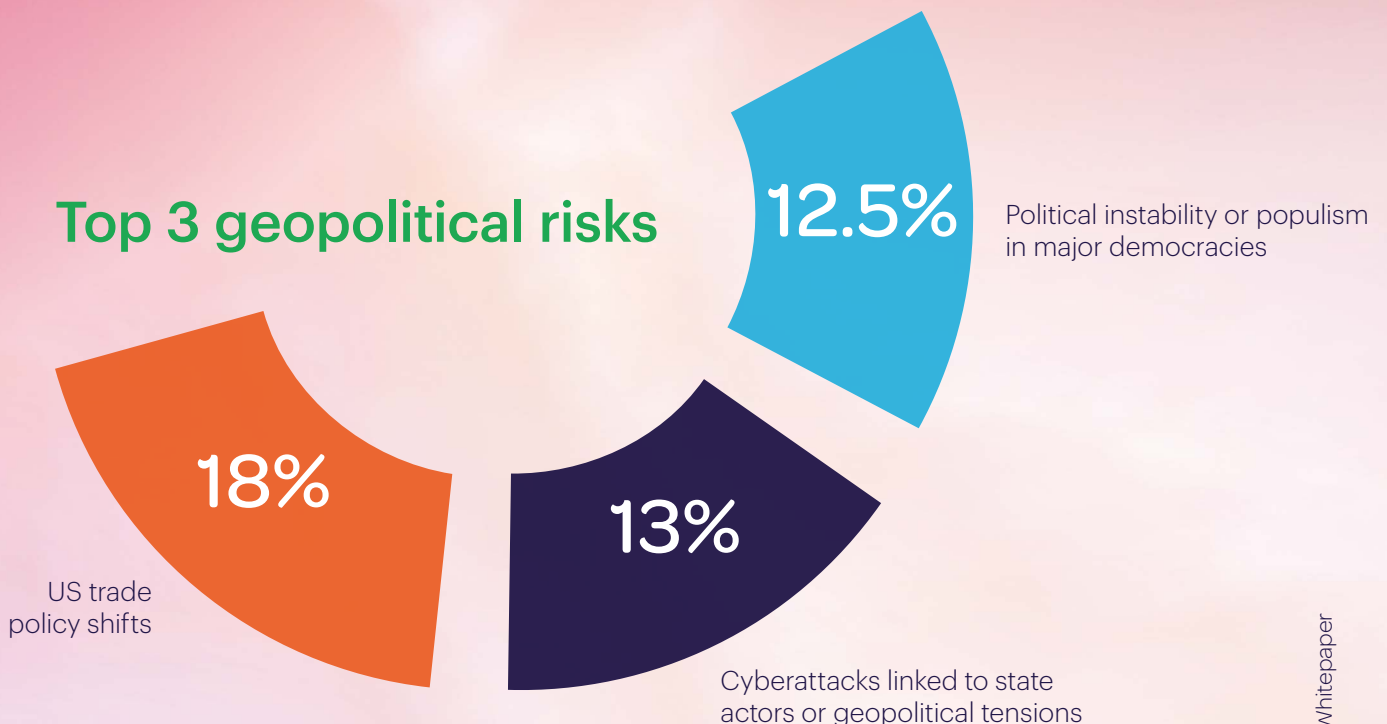
“The direction of travel is positive,” Mr Wynn says. “More Boards are asking the right questions about exposure, alliances, supply chains and regional strategy. The next step is to turn those questions into standing agenda items, clear risk appetite statements and concrete structural decisions, rather than occasional conversations when a crisis flares.”

And, as geopolitical instability continues to ripple through global markets, supply chains are likely to remain among the most exposed parts of the business.

5 smart questions CEOs need to start asking now

1. Where are we most exposed to geopolitical decisions we don't control?
2. Which assumptions in our strategy rely on stable trade or policy settings?
3. Where does concentration risk exist across markets, suppliers or partners?
4. How quickly could a geopolitical shock flow through pricing, supply or data?
5. What decisions would we struggle to make if volatility increased suddenly?

Top 3 geopolitical risks



Why supply chains feel more fragile

As geopolitical volatility becomes structural, supply chain disruption is no longer a legacy issue of the COVID-19 pandemic – and trade-exposed economies like Australia and New Zealand are feeling this most intensely.

“Almost six in 10 survey respondents told us they are more concerned about geopolitically driven trade disruptions than they were 12 months ago,” Mr Wynn says.

There is a good reason for apprehension. According to the World Economic Forum’s Global Risks Report 2025, systemic supply chain disruption, driven by geopolitical tensions and fragmentation, is one of the most significant near-term risks facing business leaders worldwide³.

Where supply chain risk is hiding

- Heavy reliance on a single region, supplier or route
- Limited insight beyond tier-one suppliers
- Pricing models built on stable trade assumptions
- Digital and platform dependencies outside direct control
- Little room to reroute, substitute or pause without cost

The hidden risks in your supply chain

Supply chain risk isn't confined to direct suppliers. It extends across logistics networks, digital platforms, data dependencies and offshore processing. When disruption occurs, weaknesses in these interconnected systems can affect delivery timelines, customer commitments and cash flow.

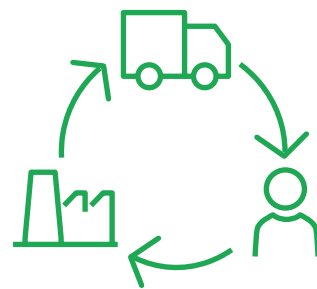
Alarmingly, a 2025 survey by the Chartered Institute of Procurement & Supply (CIPS) found that, in just one six-month period, nearly 30% of managers had experienced cyber-attacks on companies in their supply chains⁴. One high-profile incident at Marks & Spencer resulted in revenue losses of up to 300 million pounds⁵.

"Businesses need to start digging a lot deeper into their supply chains – understanding not only the risks to their own suppliers, but also to their suppliers' suppliers," Mr Gates says. "This kind of due diligence is a requirement for cyber insurance or business liability insurance anyway, and then you've also got modern slavery legislation to consider."

For Mr Gates, reducing supply chain fragility starts with sharpening focus on concentration and dependency risk. In practice, that means:

- reevaluating supply chains heavily reliant on a single region or partner
- stress-testing pricing models built on assumptions of stable trade conditions
- reassessing reliance on global technology platforms, particularly where resilience, data sovereignty and trust may be at stake

"Building multiple sourcing options and diversifying suppliers is critical," Mr Gates says. "Being single-supply dependent is risky in this environment, and where possible, bringing supply chains closer to home makes a lot of sense."



4. [The State of Sustainable Procurement 2025 – ESG Moves from Policy to Performance](#), IntegrityNext and Chartered Institute of Procurement & Supply (CIPS), September 2025

5. [M&S chief says 'traumatic' cyber attack was like an out of body experience](#), Anna Wise, Independent, July 2025



Once again, awareness has outpaced action

While awareness of supply chain risk has risen sharply, The CEO Institute Survey reveals a gap between attitude and action.

“Only about 7% of respondents say their organisation has made a structural change in response to geopolitical risk in the last year,” Mr Wynn says. “Among that small group, supply chain diversification is one of the most common moves – but the vast majority, roughly 93%, have not yet changed their structural footprint, despite acknowledging higher risk.”

Clearly, there is a long way to go. But, as Mr Wynn points out, the slow pace of change likely reflects the complexity of the undertaking rather than the complacency of business leaders.

“Our interpretation is that supply chains have moved from the back office to the boardroom, but the redesign work is not yet finished,” he says. “CEOs are asking harder questions about concentration, alternative suppliers and regional exposure. They are more willing to trade some efficiency for resilience – for example, through dual sourcing or modest inventory buffers – but many are still constrained by legacy contracts, market structure and the cost of change.”

He adds that the leaders who are ahead of the curve are the ones asking the following questions:

1. Where are our real points of concentration?
2. How exposed are we to the geopolitics of our partners, not just our own footprint?
3. What would it take to build genuine flexibility into our supply and delivery model, rather than hoping the next disruption will be manageable?

This points to how technology, data and AI are becoming critical tools for managing exposure, and where new risks are emerging alongside new capabilities.

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Richard Wynn,
CEO of The CEO Institute





AI advancements and secure data governance

As geopolitical volatility and supply chain fragility intensify, many business leaders are turning to AI to regain speed, visibility and control.

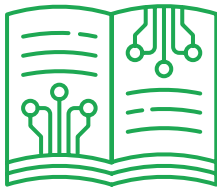
“In volatile conditions, speed matters,” Mr Gates says. “And speed comes from visibility. You can’t manage risk you can’t see.”

This view is backed by external research. According to McKinsey, organisations improving end-to-end visibility and advanced planning systems are making strategic progress towards managing disruption more rapidly and effectively⁶. The company also found that organisations with highly resilient supply chains – underpinned by strong visibility and analytic capability – recover from major disruptions around 30% faster than peers with less resilient structures⁷.



6. [Supply chains: Still vulnerable](#), McKinsey & Company, October 2024

7. [Supply chains: To build resilience, manage proactively](#), McKinsey & Company, May 2022



A practical framework for AI adoption

According to our survey, 22% of Australian and 16% of New Zealand businesses are planning to prioritise digital transformation and innovation in 2026. But Mr Gates believes many organisations are still unclear on what meaningful adoption actually looks like.

“Everybody thinks they need AI in their business,” he says, “but they don’t always know what that really means or how to get the best out of it.”

He argues that CEOs should start by asking a few practical questions:

1. How will any new AI investment directly improve productivity and reduce costs?
2. Do we have the right data foundations to support it?
3. What workflows can be automated to offset talent shortages?
4. How do we adopt AI without increasing cyber risk?

That last one is especially important, since moving quickly without proper safeguards may boost short-term efficiency, but also increase exposure to cyber threats, data breaches and operational disruption.

“Every technology investment needs to be looked at through both a productivity lens and a security lens,” Mr Gates says. “Those two things go hand-in-hand. Otherwise, throw caution to the wind and security out the door, and you might be the most productive business to get hacked.”

AI readiness checklist

- Clear ownership of data quality, access and retention
- Board-level guardrails for AI use and risk appetite
- Strong cyber controls embedded across systems
- Investment in data foundations, not just tools
- Executive capability to question, interpret and challenge AI outputs

AI's impact on business performance

Australia

16%

New Zealand

18%



The governance gap

Despite high awareness of AI's significance, governance maturity remains uneven.

"Our interpretation is that CEOs are conceptually prepared for AI, but organisationally underprepared," says Mr Wynn. "They can articulate where AI might add value – for example, in automation, analytics and decision support – but they are much less confident that their data foundations, cyber posture, architecture and talent are ready for scaled deployment."

He explains that in many businesses, AI is still being tested in pockets, driven by enthusiastic individuals rather than embedded within a deliberate enterprise strategy. Board-level oversight often lags behind adoption, leaving responsibility unclear and risk appetite undefined.

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Data is the real foundation

Both Mr Gates and Mr Wynn are unequivocal on one point: data, not algorithms, is the real constraint on AI value.

“You can invest in all the tools in the world, but if your data is poor, you won’t get the benefit,” Mr Gates says. “Clean data, clear ownership and consistent standards are essential before AI can be deployed at scale.”

He explains that secure data governance means knowing:

1. What data exists?
2. Where does it sit?
3. Who can access it?
4. How it is being used?

For organisations operating across jurisdictions, regulatory complexity adds another layer of challenge, with rising expectations around privacy, security and responsible data use.

Leadership before technology

The organisations best positioned to benefit from AI are those where leaders set clear guardrails, invest in capability, and create space for safe experimentation.

According to Mr Wynn, the most urgent leadership shifts include:

1. CEOs and Boards setting explicit risk appetite and guardrails for AI and data use.
2. Building cross-functional teams that bring together technology, risk, legal, HR and operations to design AI use cases.
3. Investing in executive education, so leaders can ask informed questions about models, training data, bias and security.
4. Talking openly about the impact on work, capability and wellbeing, rather than assuming the organisation will “absorb” the change.

As Mr Wynn puts it: “The organisations that will adopt AI safely and effectively are the ones whose leaders are willing to change how they think, govern and communicate, not just what software they buy.”



Growth remains the priority

According to this year's CEO Institute survey, 41% of Australian and 57% of New Zealand respondents are planning to grow and expand in 2026.

At first glance, that ambition may seem at odds with the broader economic backdrop – particularly given PwC's 2025 Australian Voice of the Consumer survey, which shows households remain highly price-sensitive, with many trading down or delaying discretionary purchases⁸.

8. Voice of the Consumer Survey 2025, [Cash-strapped, health conscious and tech savvy: Meeting the changing needs of Australian consumers](#), PwC, September 2024

What sets growth organisations apart in a tough market

While much of the conversation around uncertainty focuses on external forces, Mr Gates argues that performance in 2026 will hinge on a handful of internal disciplines.

“What separates organisations that grow in this environment from those that don’t is a relentless focus on productivity and efficiency,” he says. “That’s not just cost-cutting – it’s removing waste, automating wherever you can, and making sure your best people are focused on the most valuable work.”

He believes that CEOs should have three top priorities:

1. **Strengthening digital foundations.** Secure data, AI-ready processes and a solid, integrated ERP system are all building blocks to growth in 2026. “You can’t use AI properly without good technology underneath it,” Mr Gates says. “And you can’t make fast, confident decisions if you don’t trust the data you’re looking at.”
2. **Building resilience.** That means visibility across supply chains, inventory and cash flow, along with scenario planning for disruptions, cyber incidents and continuity events. “Even if things are bad, you’d rather know they’re bad early,” Mr Gates says. “Early detection gives you a chance to act.”
3. **Maintaining a relentless focus on productivity.** Automation, workforce enablement and the removal of internal bottlenecks are critical, particularly as labour shortages persist.

Mr Gates also emphasises that technology investment, even when budgets are tight, is a must.

“There are going to be skill shortages whether AI exists or not,” he says. “If businesses don’t adopt technology to augment that, there may come a time when they simply don’t have the people to do the work. In that sense, AI isn’t optional – because if you’re not using these tools to move faster and make better decisions, they’ll be used against you.”



“The CEOs making the best long-term decisions right now combine hard-edged financial discipline with an unusual level of self-awareness and humility.”

Richard Wynn,
CEO of The CEO Institute

What the best leaders are doing differently

Mr Wynn says the CEOs making the strongest long-term decisions in unpredictable conditions share a set of consistent behaviours:

- **They are calmly realistic.** “They back their strategy,” Mr Wynn says, “but they are ruthless about stress testing it.”
- **They are disciplined about scenarios and optionality.** Good strategy in 2026 is less about picking a single forecast and more about building room to move when the world shifts. As Mr Wynn puts it: “Be unwavering about why you’re here and who you’re serving, and be completely flexible about how you get there.”
- **They treat balance sheet resilience and cash flow as strategic assets.** In a period of margin pressure and volatile inputs, liquidity and prudent leverage expand a leader’s choices when conditions turn.
- **They separate time horizons.** Better leaders make a clear distinction between what is noise to be managed tactically and what is a signal that should reshape the three-to-five-year agenda.
- **They protect their own sustainability and that of their teams.** “A majority of our members believe CEO mental health has deteriorated over the past two years,” Mr Wynn says. “Leaders who are more effective in this climate are the ones who acknowledge that load, invest in peer support and create environments where tough realities can be spoken plainly. That reduces the risk of denial on the one hand and panic on the other.”

In Mr Wynn’s view: “The CEOs making the best long-term decisions right now combine hard-edged financial discipline with an unusual level of self-awareness and humility.”

Top priorities for 2026: growth and expansion



Mind the gap

If there is one warning sign that stands out as a through-line across the 2026 CEO Institute Survey report, it's the gap between awareness and action.

"Where concern is rising and the footprint has not changed, exposure may be building quietly," Mr Wynn says. "The leaders who will come through this period strongest are the ones who read the signals early, decide clearly and then stay disciplined, rather than rewriting their strategy every time the news cycle moves."

Signals to watch in 2026

Rather than relying on headline forecasts, leaders keeping a close eye on the following indicators will be in a better position to act deliberately rather than react under pressure:

Economic signals

- Forward orders, pipeline health and customer decision timelines
- Pricing power and margin trends, particularly where wage and input costs are volatile
- Access to credit and shifts in lender behaviour

Geopolitical and trade signals

- Changes in US trade policy and tariff settings
- Developments in Australia's relationships with China, ASEAN and India
- Emerging restrictions on technology transfer, data flows and critical minerals
- Trends in state-linked cyber activity

Internal organisational signals

- Leadership and key talent fatigue
- The pace and quality of executive decision making
- The organisation's appetite for change as AI adoption, restructuring and market shifts accelerate

Turning volatility into informed action

CEOs today are not facing a single dominant risk, but the compounding effect of many, including geopolitical instability, fragile supply chains, accelerating technology and persistent productivity pressure.

In this environment, leadership is less about predicting what comes next and more about seeing clearly, deciding early and acting with confidence.

The organisations best positioned for the years ahead share a common foundation. They have:

- clear visibility across finance, supply chains, operations and workforce
- early warning signals for disruption, concentration and dependency risk
- trusted data to support fast, disciplined decision-making
- technology that simplifies complexity, rather than adds to it

This is where the right operational platform matters.

Pronto Software is an Australian owned and operated enterprise resource planning (ERP) software provider, helping organisations run and manage their core business operations through a single, integrated system.

Pronto Xi ERP brings together finance, supply chain, operations, workforce and analytics in one trusted platform, giving leaders a consistent view of performance, exposure and opportunity. This enables organisations to identify risk beyond tier-one suppliers, understand pricing and inventory exposure, and respond to disruption before it impacts margins or customers.

As AI adoption accelerates, Pronto Software embeds intelligence within secure, governed ERP workflows, improving productivity, forecasting and decision support without increasing cyber or regulatory risk.

In a world defined by uncertainty, resilience is built through clarity, control and trusted foundations, supported by local accountability in an increasingly fragmented global landscape.

Why Pronto Software

With over 45 years of experience and expertise, Pronto Software is a trusted Australian developer of award-winning business management and analytics solutions. We aim to empower our customers with the necessary tools to optimise and simplify their operations and gain real-time data insights through one unified system.



Local expertise

We have an extensive history of supporting businesses in the ANZ market with diverse requirements – from operation size to specialised industries.



Business partner

We support you in every stage of your growth journey by taking the time to gain a genuine understanding of your business challenges and goals.



One solution for all business

Our ERP and analytics software solution, Pronto Xi, delivers a single, centralised end-to-end solution across all areas of a business, providing a 'single source of truth'.



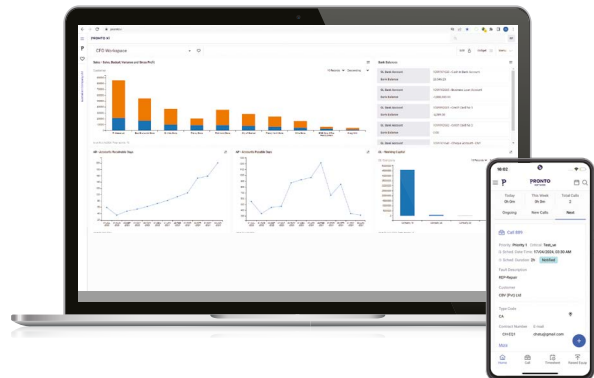
Secure and local support

With substantial investment in compliance and cybersecurity, our Australian-based cloud infrastructure ensures your data is consistently secure and protected.



ERP with BI focus

Built-in BI reporting functionality for self-service report creation across every aspect of your business, powered by IBM™ Cognos™ Analytics*.



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About this whitepaper



In its ninth year, the partnership between Pronto Software and The CEO Institute brings together fresh insight into how senior business leaders across Australia and New Zealand are preparing for 2026. Based on a survey of CEOs and executive leaders, this whitepaper explores how organisations are balancing growth ambitions with heightened risk in an era defined by geopolitical uncertainty, supply chain disruption and rapid technological change.

The findings reveal a leadership mindset shaped by realism and resolve. While volatility has become the norm, CEOs are not standing still – they are recalibrating strategy, strengthening foundations and investing selectively to build resilience and optionality. From AI and digital capability to supply chains and long-term planning, this report captures how leaders are turning uncertainty into a catalyst for more disciplined, future-ready decision-making.



Pronto Software is an Australian developer of award-winning business management solutions. Pronto Xi, its enterprise resource planning (ERP) and analytics software, integrates accounting, operational and mobile features in a single system – optimising business processes and unlocking actionable insights. More than 1,500 organisations have leveraged Pronto Software’s industry experience and innovation to increase revenue and growth.

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