

## The Five Challenges on Our Minds as We Head to 2022

To BCG's network around the world,

During my first months as CEO, I've had the privilege of meeting with nearly 100 CEOs and dozens of other senior leaders from around the world and across industries. I'm struck by the recurring themes in our conversations. So many are wrestling with a remarkable level of complexity—and all with the continued and now growing uncertainty regarding COVID-19 and the Omicron variant, as cases sadly spike again in many countries. Here are the five topics that business leaders seem to be most focused on, all of which will carry into 2022 and beyond.

- **Shaping the Future of Work.** The COVID-19 pandemic forced an acceleration of trends already in motion with the advent of digital technologies—remote work, hybrid teaming, flexible working models, upskilling talent, and more. As we (hopefully) look beyond the pandemic, CEOs are wrestling with the path forward: these are high-stakes decisions with many interdependencies that cut at the core of how we innovate, learn, affiliate, and attract talent. One CEO told me that in 20 years leading three different companies, his remote work policy was the single hardest decision he's ever had to make.
- **Making Climate and Sustainability Commitments Real.** For many CEOs, 2020 and 2021 were years for making substantial climate commitments. Now, after setting ambitious targets, they face the hard work of identifying the right path to achieve them. The pressure is on from all stakeholders—employees, customers, investors, and communities—to make fast progress. This often means extending efforts to also include suppliers and customers, making substantial long-term capital commitments, and betting on new technologies. These choices are compounded by policy uncertainty,

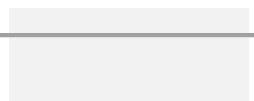
competitive dynamics, and complexity regarding how progress is measured, tracked, and compared.

- **Accelerating Digital and AI.** Investing in and deploying AI quickly and effectively—often as a part of broader digital transformations—is essential to achieving long-term competitive advantage. Large, established companies are facing pressure from Big Tech, fintech players, and agile market entrants, and they need to get this right. Most leaders now recognize that success depends at least as much on changes in skills, processes, organization, and agility as it does on algorithms and tech platforms.
- **Responding to Deteriorating Geopolitics.** Complexity and volatility on the world's political stage continues. Business leaders are grappling with how to respond to the many challenges, including navigating the increasingly tense relationship between China and the US and communicating in a world of increased polarization.
- **Strengthening Resilience.** To protect and improve long-term performance—and manage the four challenges above—business leaders know their organizations need to be deeply resilient and ready to embrace change and uncertainty. This means embedding resilience (the ability to react and succeed in any market context) into the supply chain and designing business models that can shift and adapt. It also requires increasing all kinds of diversity within the ranks to ensure access to top talent, multiple points of view, and a greater innovative spirit.

Despite the continued uncertainty in the world around us, Rich and I both remain generally optimistic for the business outlook in 2022. Rich will share our case for optimism in the first Weekly Brief of the new year. In the meantime, I sincerely hope you can take a break and recharge. I wish you all a wonderful, safe, and restful holiday season.



Christoph Schweizer  
Chief Executive Officer



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