PwC's 28th Annual Global CEO Survey:
Sub-Saharan Africa perspective

From disruption to reinvention

March 2025

www.pwc.co.za

The 28th Annual Global CEO Survey – Sub-Saharan Africa perspective reveals a paradox in Sub-Saharan Africa's business landscape: heightened optimism amid significant

economic volatility. This seemingly contradictory stance reflects a fundamental shift in how regional business leaders are approaching long-term strategy—embracing uncertainty as a catalyst for reinvention rather than a barrier to growth.

In our From threats to disruptions report, we discussed the challenging landscape that Sub-Saharan CEOs have been facing, including inflation, macroeconomic volatility, social inequality and skills availability. Despite these threats, Sub-Saharan Africa CEOs remain remarkably optimistic about the future. This confidence is evident, with 61% of CEOs in Sub-Saharan Africa believing their businesses will remain viable for more than ten years—a significant 21% increase from the previous year.

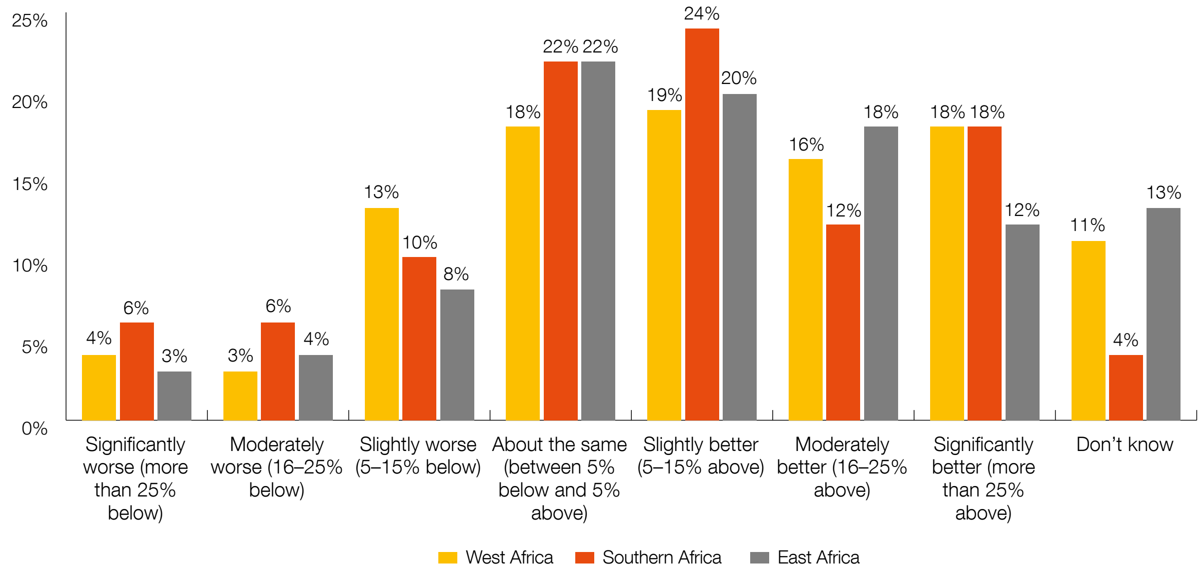
This new way of thinking is spurred on by Business Model Reinvention, a process of fundamentally changing the way a company creates, delivers and captures value. This involves rethinking and redesigning core aspects of the business, such as its value proposition, revenue streams, customer segments and operational processes, to adapt to changing market conditions and emerging opportunities.

At the heart of this lies a complex interplay of factors that collectively determine a business's long-term viability. The data reveals how Sub-Saharan Africa CEOs are strengthening each of these pillars:

1. Profitability as a cornerstone to Business Model Reinvention

Improved profitability is a key factor in this optimism. During the most recent fiscal year, 24% of companies reported profitability slightly better than the industry average, while 17% reported significantly better profitability. This indicates effective cost management and revenue generation strategies, with companies focusing on optimising operations and enhancing financial performance to ensure sustainability.

Figure 1: **During the most recently completed fiscal year, how did your company's profitability compare to your industry average?**



18% of CEOs in both western and southern regions of Sub-Saharan Africa report profitability significantly above the industry average, however the factors contributing to this success differ between the two regions.

West Africa's rapidly growing economies, large populations and strategic investments, particularly in tech startups, drive profitability despite higher competition and market fragmentation.

In contrast, Southern Africa has substantial investments in infrastructure, a complex but navigable regulatory environment, and a focus on innovation and technology that collectively enhances business operations and profitability.

East Africa, however, shows a lower percentage of businesses performing significantly above the industry average (12%), partly due to economic volatility and challenges in infrastructure development. The region's heavy reliance on agriculture, which is susceptible to climate change and market fluctuations, also impacts overall profitability.

Overall, Southern Africa demonstrates a strong focus on profitability through strategic pricing models and enhanced operational efficiencies. This approach has resulted in fewer businesses performing significantly worse and a higher percentage reporting moderate to slight improvements. These regional dynamics underscore this region's commitment to optimising profitability, which serves as a key driver of its performance across various profitability measures.

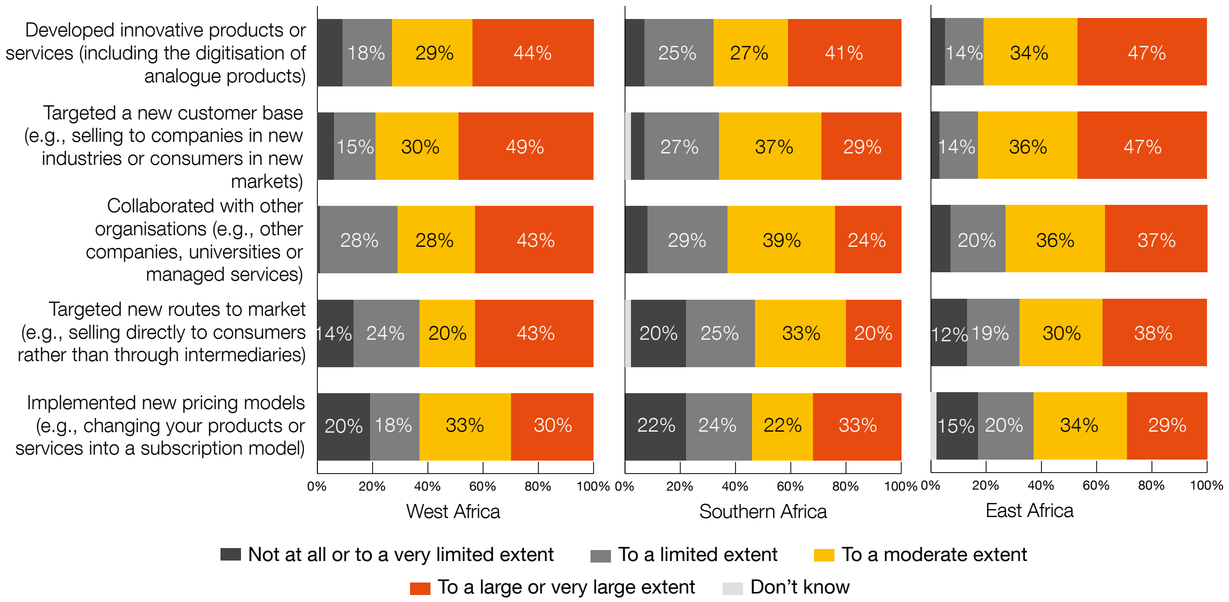
2. Innovation and scalability

The business landscape in Sub-Saharan Africa is evolving. Our survey data illustrates how business leaders in Sub-Saharan Africa are strategically reinventing their businesses to remain sustainable as market trends continue to change.

These innovations reflect a broader trend: 44% of businesses are developing new products and services, with 42% targeting new customer bases and 36% exploring alternative market routes. Sub-Saharan Africa CEOs are bolder with their reinvention activities where they are exploring various aspects of reinvention at the same time.

This approach is aggressive but can help drive exponential growth if managed in the right manner.

Figure 2: To what extent has your company taken the following actions in the last five years?



In East Africa businesses are highly focused on innovation and market expansion. 47% of CEOs plan to develop innovative products and services. Kenya, in particular, is poised to lead in creativity and technological advancement. This commitment to innovation is evident in the tech sector, where Nairobi, often referred to as “Silicon Savannah,” has become a hub for startups and tech companies. Innovations in mobile money, for example, has revolutionised financial services, making Kenya a leader in fintech innovation. Additionally, Kenyan businesses are keen on expanding their customer base, with another 47% of companies aiming to reach new customers. This strategy is crucial in a country with a growing middle class and increasing internet penetration, allowing businesses to leverage digital platforms to expand their market reach.

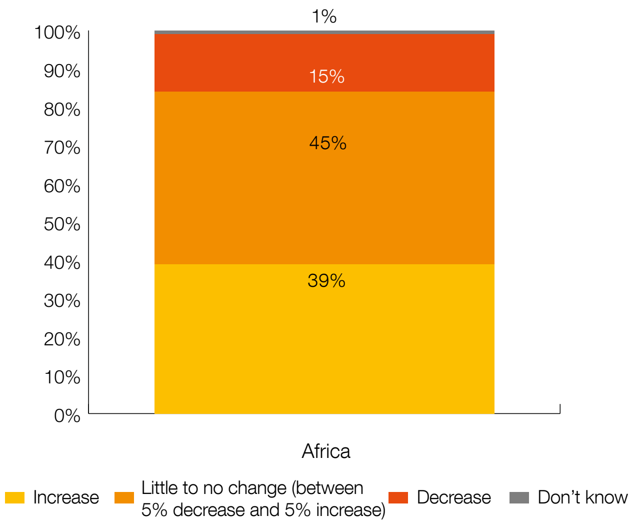
In Southern Africa, businesses in South Africa show a robust commitment to innovation and strategic growth. About 41% of CEOs plan to develop innovative products, reflecting a strong emphasis on staying ahead of the curve. The country has a well-established infrastructure and a strong industrial base, which supports innovation in various sectors. For example, the automotive industry in South Africa is known for its innovative manufacturing processes and export-oriented production, contributing significantly to the economy. Additionally, companies are leading in implementing new pricing models, with 33% focusing on this area. This strategic focus on pricing and revenue management highlights the region's emphasis on financial sustainability and competitive positioning, ensuring that businesses can adapt to economic volatility and diverse consumer segments.

In West Africa, Nigerian companies exhibit a balanced and comprehensive approach to Business Model Reinvention. With 49% of CEOs targeting new customer bases, Nigeria shows a strong focus on market expansion. This proactive approach is essential in a country with a large and youthful population, presenting significant growth opportunities. Businesses in Nigeria are leveraging digital marketing and social media to reach new customers, with the telecommunications sector, in particular, continuously expanding its customer base by offering innovative data and voice services. Collaboration is another key focus for Nigerian businesses, with 43% of CEOs planning to work closely with other organisations. The government's SABER (State Action on Business Enabling Reforms) programme, in collaboration with the World Bank, aims to improve the business environment through reforms and partnerships. This initiative encourages companies to work together to overcome regulatory challenges and enhance competitiveness, fostering a collaborative business ecosystem.

These regional differences underscore the diverse strategic priorities across the African continent, reflecting varying levels of readiness and capability to adapt to the evolving market landscape. As these regions continue to evolve, their unique approaches to business reinvention will shape the future of African commerce.

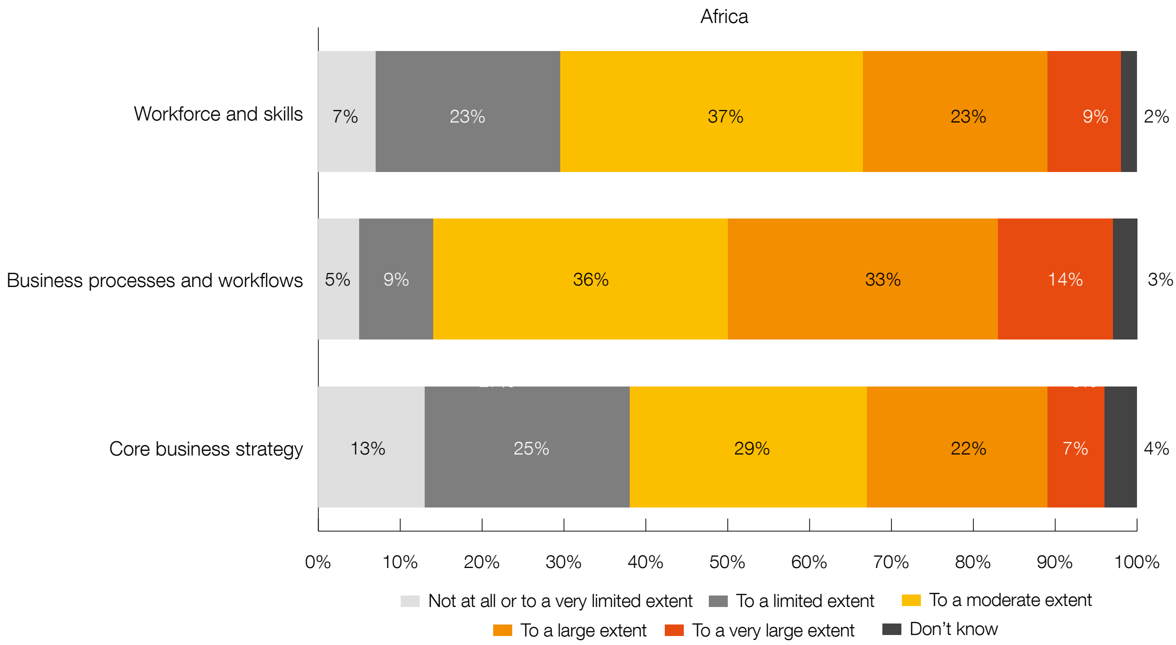
3. Resources and process

Figure 3: To what extent will your company increase or decrease headcount in the next 12 months?



Sub-Saharan Africa CEOs are demonstrating a strategic approach to workforce management by balancing technological advancements with workforce stability. According to our survey, 45% of CEOs plan to make little to no changes to their headcount in the next 12 months. This stability reflects a strategic shift in Business Model Reinvention, driven by the integration of technologies such as AI, cloud computing and data analytics. This data is supported by PwC's Africa NexGen Survey 2024, which indicates that more than 75% of Africa NexGen believe that AI is a powerful force for business transformation.

Figure 4: To what extent, if at all, do you predict AI (including generative AI) will be systematically integrated into the following areas in your company in the next three years?



Over the next three years, 29% of CEOs plan to integrate AI significantly into their core business strategies. This focus on technology is even more pronounced in business processes and workflows, with 47% of CEOs planning substantial AI integration. Additionally, 32% of CEOs in Sub-Saharan Africa are systematically incorporating AI into their workforce through skills development.

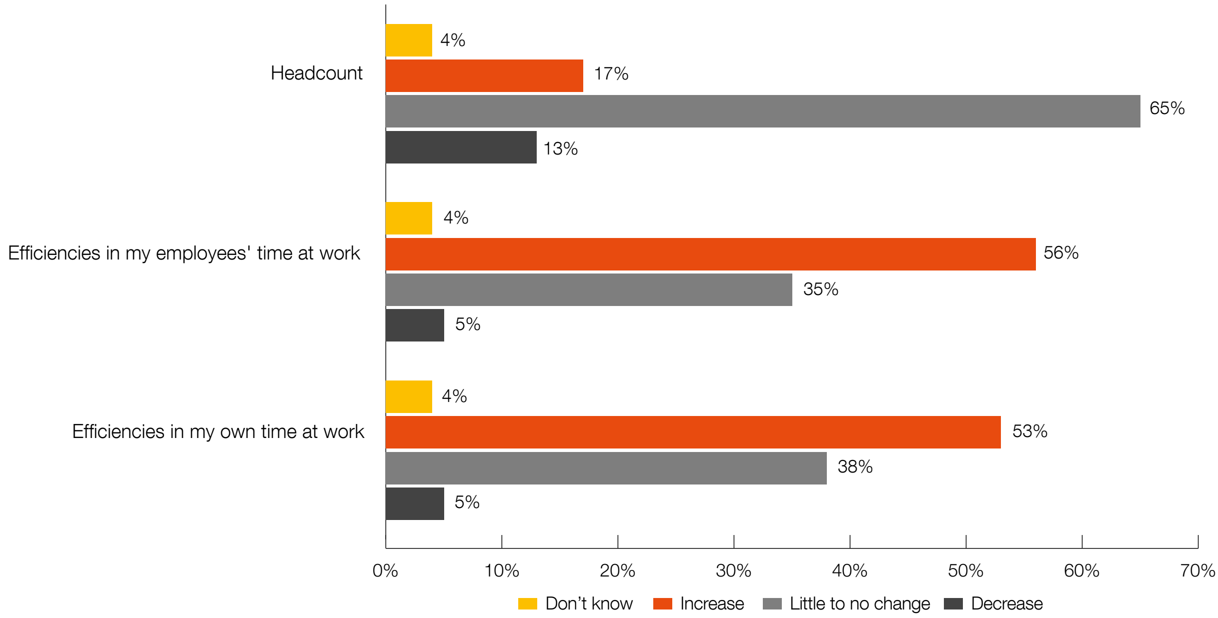
The positive impact of this approach is already evident. Our data shows that 65% of companies report little to no change in headcount after introducing AI, whilst experiencing notable improvements in efficiency. Both employees and CEOs have seen productivity increases of 56% and 53% respectively.

"This approach to Business Model Reinvention in Sub-Saharan Africa represents a sophisticated understanding of digital transformation. Rather than viewing technology adoption as a means to reduce headcount, organisations are focusing on augmenting their existing workforce with new capabilities. This balanced strategy suggests that Sub-Saharan Africa businesses are well-positioned for sustainable growth, leveraging both technological advancement and human capital to drive innovation and competitive advantage in an increasingly digital economy."

Laolu Akindele

Technology, Media and Telecommunications Lead, PwC Kenya

Figure 5: To what extent did generative AI increase or decrease the following in your company in the last 12 months?



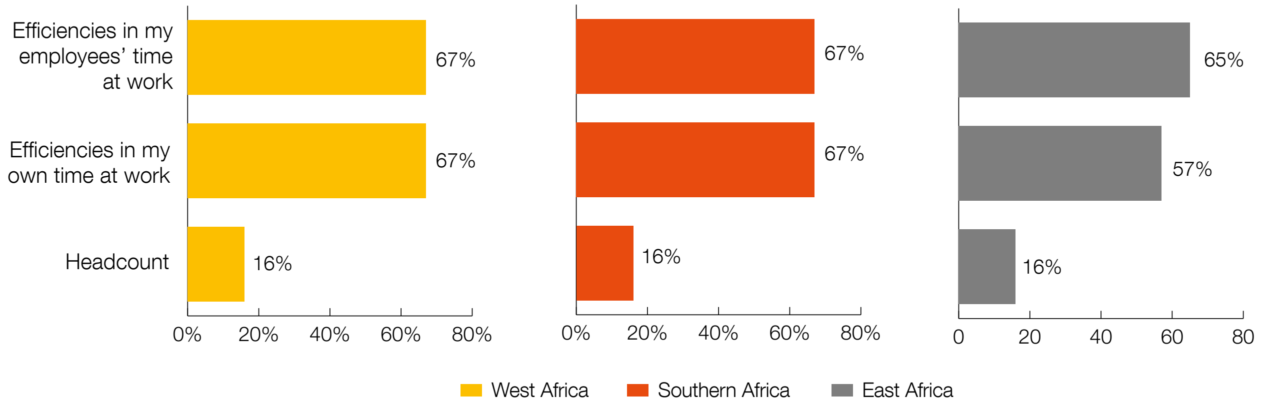
This strategic alignment is mirrored in the workforce's readiness for change. According to PwC's Global Workforce Hopes and Fears Survey 2024 – African perspectives, 88% of the African workforce feel prepared to adapt to new ways of working. Additionally, 61% believe that AI will help them use their time more efficiently, while 54% anticipate that technological changes, such as AI, will significantly impact their jobs in the next three years. This shared optimism between leadership and employees creates a strong foundation for introducing new ways of working. This requires that leadership prioritise the new ways of working and pivot accordingly.

"The above sentiment is also amplified by the fact that Africa will have the highest youth population (18-26yrs), by 2030. The alignment between leadership strategy and workforce readiness indicates that Sub-Saharan Africa businesses are taking a thoughtful approach to Business Model Reinvention. By maintaining workforce stability while embracing technological advancement, these companies are creating resilient business models that can adapt to future challenges whilst preserving their most valuable asset—their people."

Dr Dayalan Govender

People and Organisation Africa Leader, PwC South Africa

Figure 6: To what extent did generative AI increase or decrease the following in your company in the last 12 months?

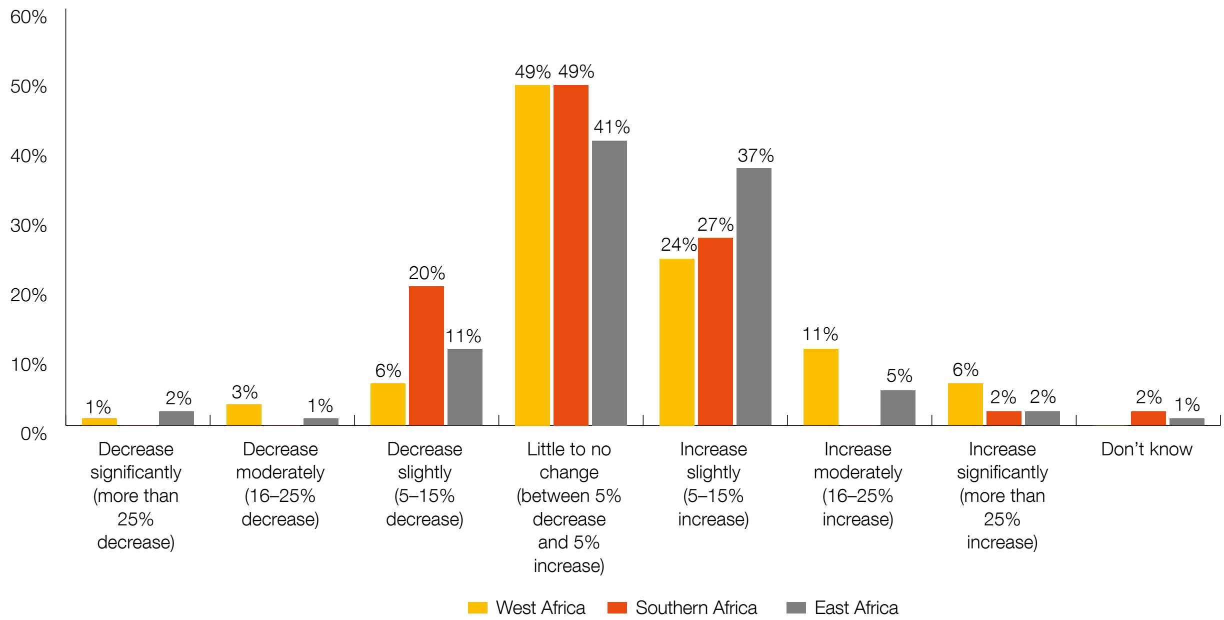


In East Africa, the integration of AI into business processes has led to significant improvements in efficiency. For instance, 65% of CEOs report increased efficiencies in their own time at work, while 57% observe similar gains in their employees' time. Despite these efficiency gains, 70% of CEOs report little to no change in headcount, indicating that AI is being used to enhance productivity rather than replace jobs. Only 16% of companies have increased their headcount, suggesting a cautious approach to workforce expansion. This mirrors our discussions with our clients who have been reallocating resources to other units where AI and emerging technologies have driven efficiencies. Additionally, they are encouraging their employees to engage in more strategic work.

In Southern Africa, the impact of AI on efficiency is also significant, though slightly less pronounced than in East Africa. Here, 45% of CEOs report increased efficiencies in their own time at work, and 48% see improvements in their employees' time. A striking 83% of companies report little to no change in headcount, reflecting a strong focus on maintaining workforce stability while leveraging AI for productivity gains. For example, in South Africa, AI is being used in the mining sector to improve safety and operational efficiency, allowing companies to maintain their workforce while enhancing productivity. Only 7% of companies have increased their headcount, highlighting the region's conservative approach to workforce expansion amidst technological advancements.

In West Africa, the integration of AI has led to the highest reported increases in efficiency. A substantial 67% of CEOs report increased efficiencies in their own time at work, and the same percentage observe improvements in their employees' time. This is evident in Nigeria, where AI is being used in the financial sector to improve customer service and fraud detection. Despite these gains, 67% of companies report little to no change in headcount, similar to the trends seen in East and Southern Africa. However, 16% of companies have increased their headcount, indicating a more balanced approach to leveraging AI for both productivity and workforce expansion. This suggests that while AI is enhancing efficiency, there is also a recognition of the need to expand the workforce to support growth and innovation.

Figure 7: To what extent will your company increase or decrease headcount in the next 12 months?



Despite 49% of Southern Africa CEOs indicating that they plan to maintain their headcount, they demonstrate markedly less inclination toward workforce expansion compared to their East and West African counterparts, where 44% and 41% respectively are planning headcount increases. This conservative hiring outlook is directly linked to Southern Africa's persistent skills shortage, with 37% of CEOs identifying the skills gap as a significant threat to their business viability. The hesitancy to expand workforces despite potential growth opportunities underscores how deeply the skills deficit affects strategic business decisions in the Southern African market, creating a unique challenge that sets it apart from other African regions. While stability in employment levels suggests some resilience, the reluctance to increase headcount reflects the practical difficulties of finding appropriately skilled talent in a market where the mismatch between available skills and business needs continues to widen.

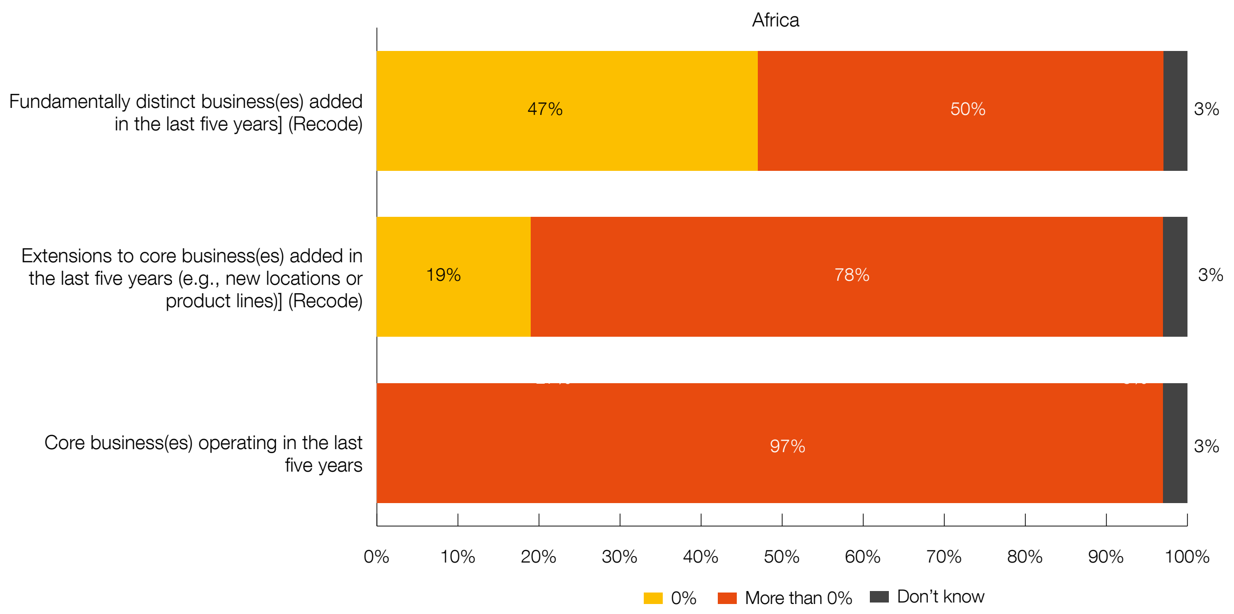
The disparity in workforce expansion plans between Southern Africa and its East and West Africa counterparts highlights the varying economic conditions and business environments across these regions. In East Africa, the relatively higher inclination to increase headcount (44%) can be attributed to several factors. Economic resilience and growth, particularly in countries like Kenya, have been notable. This economic stability encourages vibrant and innovative telecommunications and financial services sectors, as well as equips businesses to expand their workforce to capitalise on growth opportunities. Additionally, the agricultural sector plays a pivotal role in East Africa's economy, employing a significant portion of the population and contributing substantially to GDP. The tourism sector, especially in Kenya and Tanzania, has also seen rapid growth, further driving the need for an expanded workforce. Moreover, governments in East Africa have implemented various initiatives and reforms to attract foreign investment and promote economic growth, such as infrastructure development and improved investor climates.

In contrast, West Africa's 41% of CEOs planning to increase headcount can be attributed to different factors. The region benefits significantly from hydrocarbon production and exports, particularly in countries like Nigeria. The anticipated increase in hydrocarbon production is expected to drive economic growth and create more job opportunities. Additionally, increased private sector investment in infrastructure, public facilities and industrial development is a key driver of workforce expansion in West Africa.

4. Operating Model

Core business operations

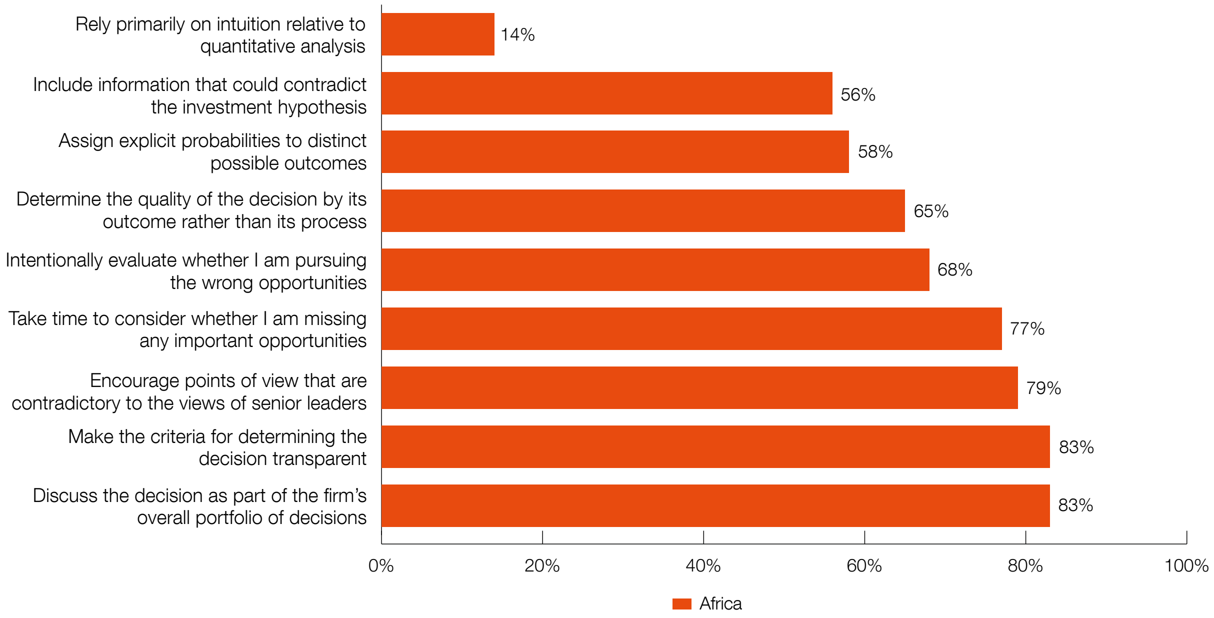
Figure 8: What proportion of your company's revenue in the last five years came from each of the following sources?



At the core of this strategic reinvention lies a fundamental shift in revenue generation. While 97% of businesses continue to draw revenue from their traditional core operations, there's a clear momentum towards diversification for new growth. 78% of CEOs have shifted their strategy to include extensions to their primary business models, with an additional half of these business leaders boldly introducing fundamentally distinct business models. This progression tells a story of calculated risk-taking and strategic foresight whilst keeping a solid foundation of its current operations.

Addressing unique challenges with innovative strategies

Figure 9: When making strategic decisions, how often do you take the following actions? (NET: More than 60%)



The path to reinvention for Sub-Saharan Africa CEOs is deeply rooted in solving distinct challenges that are unique to Africa.

One example is short-term insurance policies tailored to address specific local needs, that consider high crime rates and natural disasters that are common in specific regions. These policies provide coverage for unforeseen events and ensure that individuals and businesses can recover quickly from losses without facing significant financial hardship. By customising insurance solutions to fit the unique risks and requirements of the region, these businesses are able to offer valuable services that resonate with their customers.

These strategic moves are underpinned by a sophisticated approach to decision-making, with 83% of CEOs discussing strategic decisions within a comprehensive organisational context, simultaneously ensuring transparency. Even more compelling is the 79% of leaders who actively encourage viewpoints that challenge existing leadership perspectives—a cultural hallmark of learning and adaptability.

This commitment to strategic decision-making is further emphasised by how these business leaders are evaluating different opportunities, with 77% deliberately exploring potential opportunities and 68% critically assessing potential strategic misalignments. Remarkably, only 14% rely primarily on intuition, highlighting a data-driven approach that balances analytical thinking with strategic imagination.

"The path to reinvention for Sub-Saharan Africa's CEOs is paved with innovative solutions and a deep understanding of the region's unique needs. Their ability to transcend traditional boundaries and embrace new opportunities is not only transforming their businesses but also contributing to the broader economic development of the region. As these leaders continue to navigate the complexities of their environment, their strategic foresight and adaptability will undoubtedly play a crucial role in shaping the future of Sub-Saharan Africa."

Olufemi Osinubi

Consulting and Risk Services Leader, PwC Nigeria

Next steps: CEOs should prioritise optimising operations and enhancing financial performance through effective cost management and revenue generation strategies. Tailoring these strategies to regional strengths will help capitalise on unique advantages and drive sustainable growth.

Diversifying business models is crucial. Companies should explore high-potential sectors and balance domestic market strength with international expansion. Investing in innovation and scalability is essential, focusing on developing new products and services, targeting new customer bases and embracing advanced technologies like AI and data analytics.

Strategic resource allocation is key. Shifting to dynamic and responsive resource allocation models will enable businesses to swiftly reallocate financial and human resources to high-priority projects. Considering strategic acquisitions can also optimise operations and drive growth. Effective workforce management involves maintaining stability while leveraging technological advancements to enhance productivity. Addressing the skills gap through training and development programmes will ensure the workforce is equipped to handle new technologies and business models.

Strategic decision-making should be data-driven, balancing analytical thinking with strategic imagination. Fostering a culture of agility and adaptability within the organisation will enable businesses to respond quickly to changing market conditions. Promoting collaboration with other organisations and leveraging government initiatives will further support business growth and innovation.

By focusing on these areas, CEOs in Sub-Saharan Africa can navigate the complexities of their environment and position their companies for long-term viability and growth. This strategic approach will help them transition from disruption to reinvention, ensuring sustainable success in an increasingly competitive and dynamic market.

How we can help: PwC's Business Model Reinvention framework empowers businesses to drive value creation and growth through a collaborative approach with business leaders. By leveraging our human-led, tech-powered capabilities, we help businesses reinvent their models and transform how they create, deliver and capture value.

Our comprehensive approach focuses on four key stages: strategy, structure, solutions and sustain. In the strategy stage, we assist in developing future-focused strategies by targeting outcomes, value propositions and ways-to-play that address evolving profit pool shifts and market needs. During the structure stage, we collaborate to design structures that ensure effective resource and capability allocation to achieve strategic objectives.

In the solutions stage, we utilise our extensive capabilities to build, deliver and test new initiatives, enabling faster scaling and sustainable growth. And finally, in the sustain stage, we leverage agile and flexible resource models to help optimise operations for sustained efficiency and growth.

PwC's broad capabilities span the entire landscape of Business Model Reinvention, from tax and deals to risk and regulation, ensuring that clients can effectively deliver every part of their business strategy. This holistic approach positions businesses to stay ahead of the curve and achieve long-term success.

Methodology

Survey methodology

We surveyed 4,701 CEOs in 109 countries and territories from 1 October through 8 November 2024. The global and regional figures in this report are weighted proportionally to country nominal GDP so CEOs' views are broadly representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,701 CEOs, including 4,236 men, 401 women and 64 who identified with another gender or preferred not to say. Further details by region, country and industry are available on request. All quantitative interviews were conducted on a confidential basis. Among the CEOs who participated in the survey:

- 3% lead organisations with revenues of US$25 billion or more
- 3% lead organisations with revenues between US$10 billion and US$25 billion
- 20% lead organisations with revenues between US$1 billion and US$10 billion
- 33% lead organisations with revenues between US$100 million and US$1 billion
- 36% lead organisations with revenues of up to US$100 million
- 62% lead organisations that are privately owned.

A total of 245 weighted responses were used for the Sub-Saharan Africa analysis.

Notes

The respondents in this survey are based in Sub-Saharan Africa. In this report, we specifically refer to the responses of CEOs from Eastern, Western and Southern Africa, excluding Northern Africa.

Percentages in charts may not add up to 100%—a result of rounding percentages; multi-selection answer options; and the decision in certain cases to exclude the display of certain responses, including 'Other,' 'Not applicable' and 'Don't know.' The research was undertaken by PwC Research, our global centre of excellence for primary research and evidence-based consulting services.

About the reinvention action index

We asked CEOs about the extent to which companies took the following actions in the last five years: developed innovative products or services, implemented new pricing models, collaborated with other organisations, targeted new routes to market, and targeted a new customer base. We then combined responses to this question into an index using factor analysis, a statistical method that enables the combination of individual responses into a factor that they all have in common. Finally, we calculated a number for each CEO that represents their level of reinvention—in other words, a reinvention index score. Index score values represent standard deviations from the mean; a higher score on the index indicates more reinvention.

Advanced statistical techniques

Some analyses used advanced statistical techniques to look for relationships between questionnaire responses. These analyses went beyond dividing CEOs into groups (say, those with high levels of reinvention action and those with low levels) and comparing responses (such as average profit margin) within those groups. Rather, we employed Bayesian multilevel regression analyses within a causal inference framework to estimate counterfactual marginal effects.

Counterfactual marginal effects measure the difference in outcomes that would occur if a specific level of a variable was changed while keeping everything else the same. They help us understand 'what would happen if…?' scenarios, such as predicting how a business outcome might improve if a particular strategy were implemented differently. This approach allowed us to model the relationships between variables, while accounting for uncertainty, and identify the causal effect of one variable on another, assuming that the hypothesised causal model is correct (e.g., no other variables other than the ones adjusted for affect the two variables of interest).

For most of these analyses, we adjusted for the effects of industry (e.g., industry sector, market concentration), company characteristics (e.g., company size, geography) and CEO characteristics (e.g., tenure). Further, we modelled outcome variables based on the assumed data-generating process (e.g., linear regression for normally distributed data and logistic regression for Bernoulli-distributed data); ordinal predictors were modelled as monotonic effects.

Contact

Hannelie Gilmour
Director, Consulting and Transformation Platform Leader,
PwC South Africa

Olufemi Osinubi
Director, Consulting and Risk Services Leader,
PwC Nigeria

Laolu Akindele
Director, Technology, Media and Telecommunications,
PwC Kenya

Verena Koobair
Head of Communications

www.pwc.co.za