

A man in a tan coat, a woman in a plaid blazer, and a woman in a red coat stand on a balcony, looking out at a city harbor with ships and buildings.

# The world is not ending

Survey of large corporations 2021





# The world is not ending – after all

COVID-19 threw the world and Europe into chaos in the winter and spring of 2020. There is a risk that the health crisis will be followed by a financial crisis. Business conditions and sentiment are now decisive factors. Consequently, OP's survey of large corporations, enabled by OP Financial Group and conducted by Aalto University researchers, was carried out according to its usual schedule during the sunless period of winter.

The top executives of the 250 largest corporations in Finland were asked to give their views on sentiment and the future for the ninth consecutive year. The results of the survey have a strong foundation, as the number of respondents and its coverage broke records once again.

The results illustrate the views of 161 large corporations with net sales of 247.4 billion euros in total for the last approved financial year. This represents 70.6% of the net sales of all 250 largest corporations. In comparison, the State of Finland's approved budget for 2021

is 65.2 billion euros. Seeing these amounts in perspective highlights the importance of large corporations as employers and taxpayers. The large corporations that responded to the survey employ nearly 600,000 people in Finland and abroad. It is certainly worthwhile to listen to what these corporations have to say.

If the results of the survey were to be described as weather, it would be a mild but bleak winter morning on the south coast of Finland. Visibility is low, and there isn't much desire for adventure. However, it is warm and safe in the home base. The time seems right to get things into shape – sources of competitiveness and the competitive edge.

Nevertheless, the survey casts long shadows. The growth advantage of the large corporations that responded to the survey has been lost, but fortunately, an increasing number of them want to offset streamlining and cost cutting by seeking new business opportunities. While we have grown used



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to Russia's increasing isolation and abandoned growth expectations for the United Kingdom, the United States might offer growth potential regardless of the administration.

Closer to home, Finnish politics and the government base are now viewed with particular apprehension. Nearly 81% of the respondents thought that Finnish political leadership involves uncertainty. This number is record-high in the comparison series. More than 78% of the respondents were also prepared for a long period of low growth, which does not bode well for Finland.

At the same time, the survey also speaks of faith and hope. The results are not as gloomy as I originally feared as the team leader. The large corporations that responded to the survey are resilient and flexible when protecting their business. As a whole, expected employment levels don't suggest a decline, even in Finland. Corporations are also closely committed to their subcontractors and partners. Nearly 85% of the respondents are also ready to invest quickly if the demand is predicted to grow. It is also believed

that the COVID-19 season has improved the relative operating conditions of companies that have a strong market position and a high digitalisation rate. Moreover, established customer relationships are held in higher esteem than one-off deals in an uncertain situation.

Most of the respondents are also committed to corporate responsibility. As many as 92% saw CSR as a competitive advantage, and 63% considered that their company's mission is to solve major problems in society. The latter figure is positive in times when many companies navigate under the pressures of surviving and adjusting.

Bad Roads, Good Horses. This was the title of the master writer Veijo Meri's second part of his Finnish history series. It is also a good description of the current sentiment among large corporations. They believe in underlying opportunities amid difficult market conditions and a foggy business environment. The pressure is now on policy makers and politicians as well: can they ensure a predictable business and investment environment?

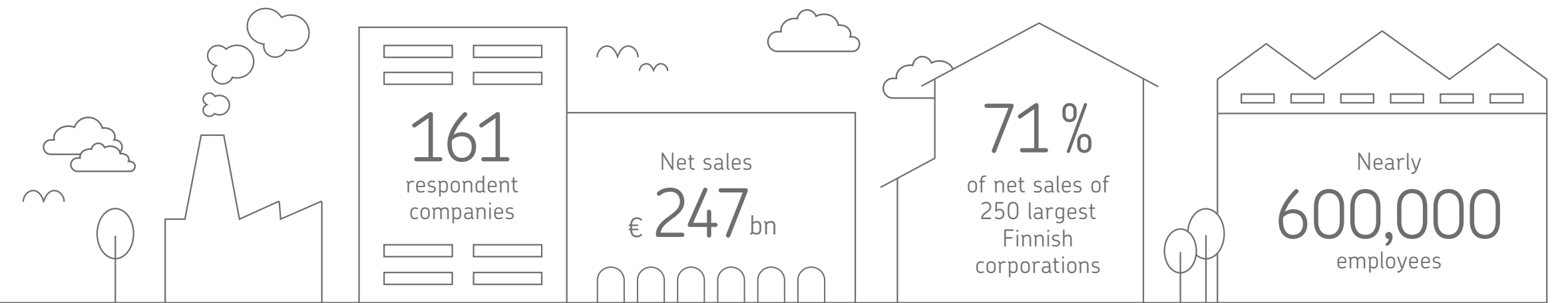
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Companies are able to invest, but the weight of capital expenditure is clearly smaller than in the previous years. Nevertheless, it is positive that the coronavirus year has taught companies to be more agile and to seek new growth areas.

Katja Keitaanniemi – OP Corporate Bank's President and CEO

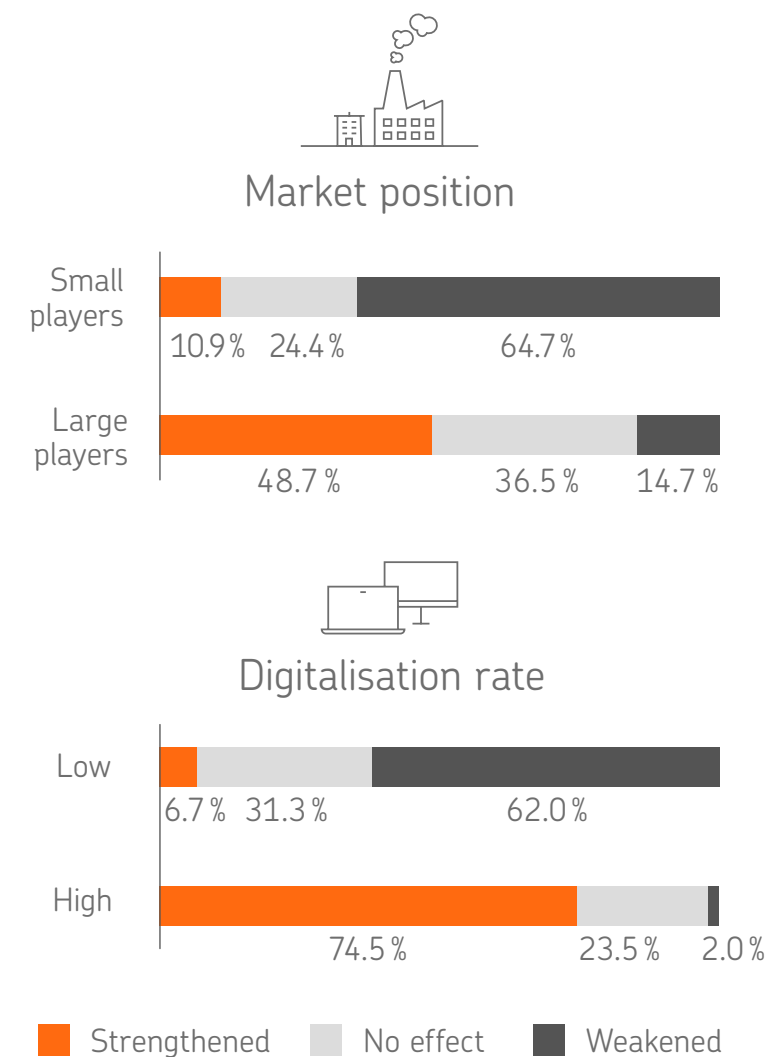


# Perspectives of large Finnish corporations on business environment and the economy

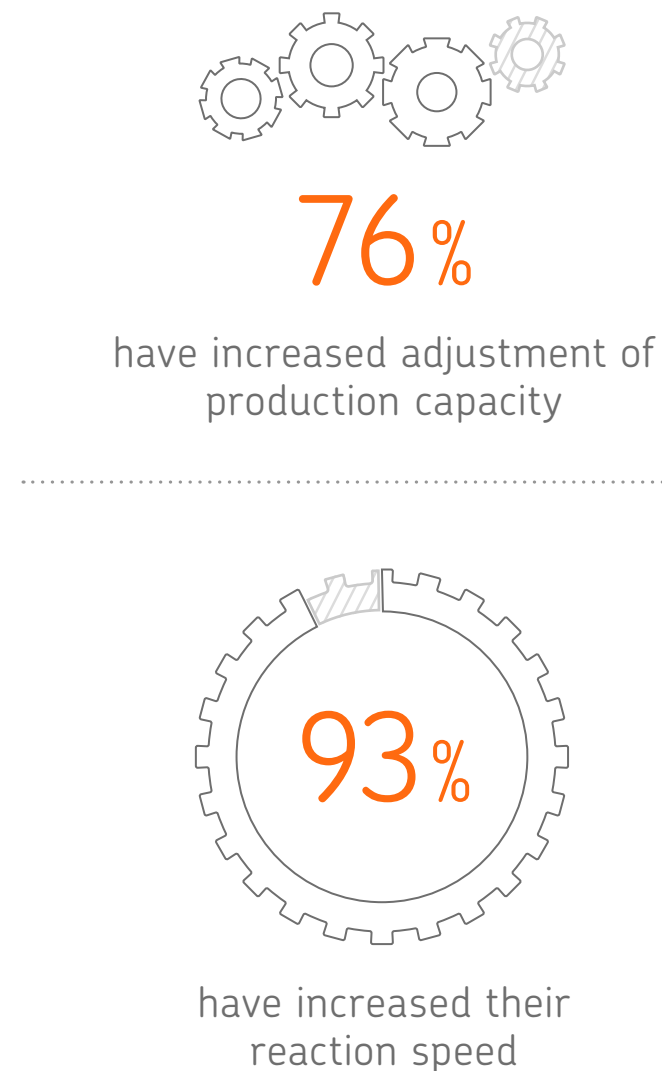


## COVID-19 impacts

Winners of the COVID-19 year are companies with strong market position and high digitalisation rate



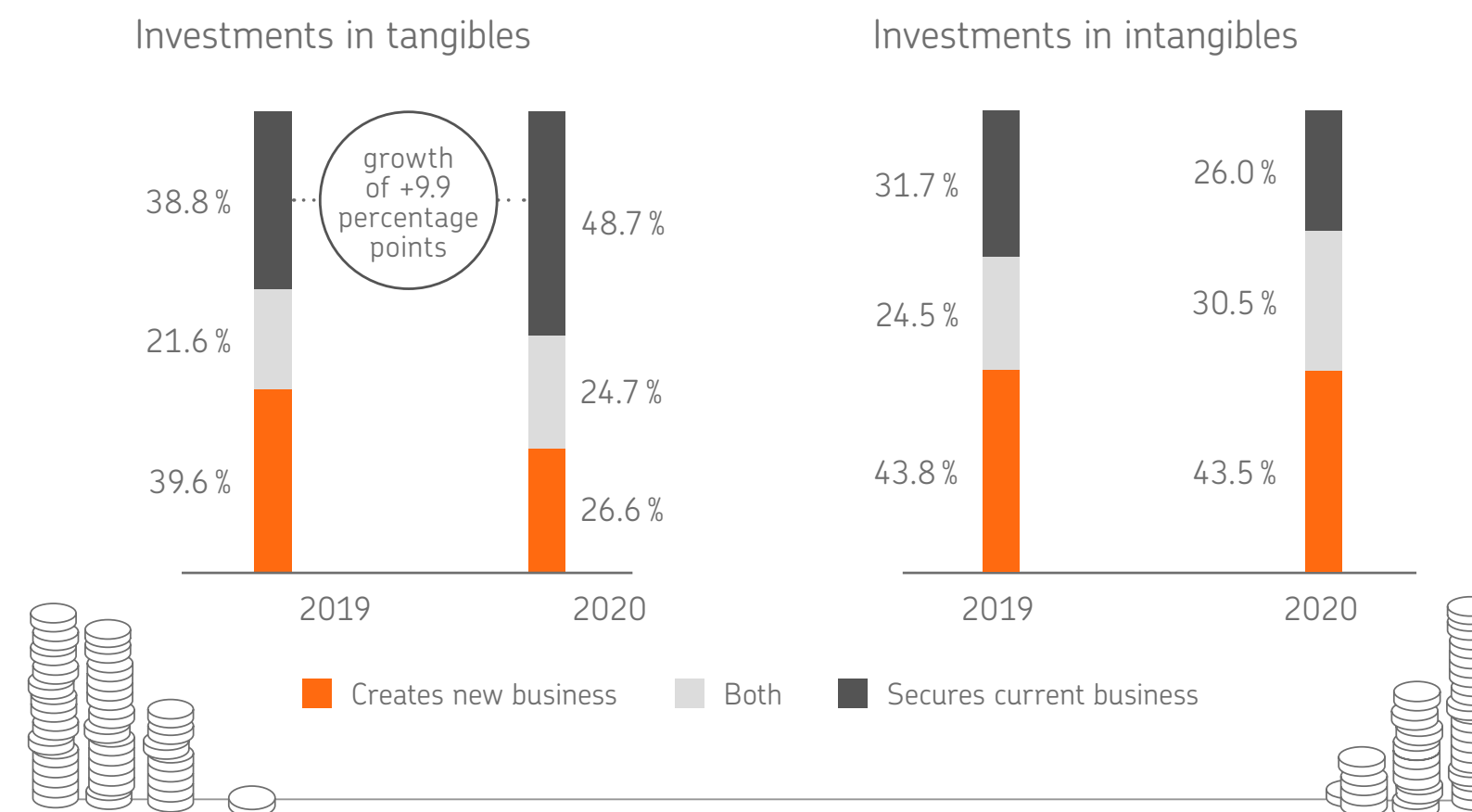
## Transformation



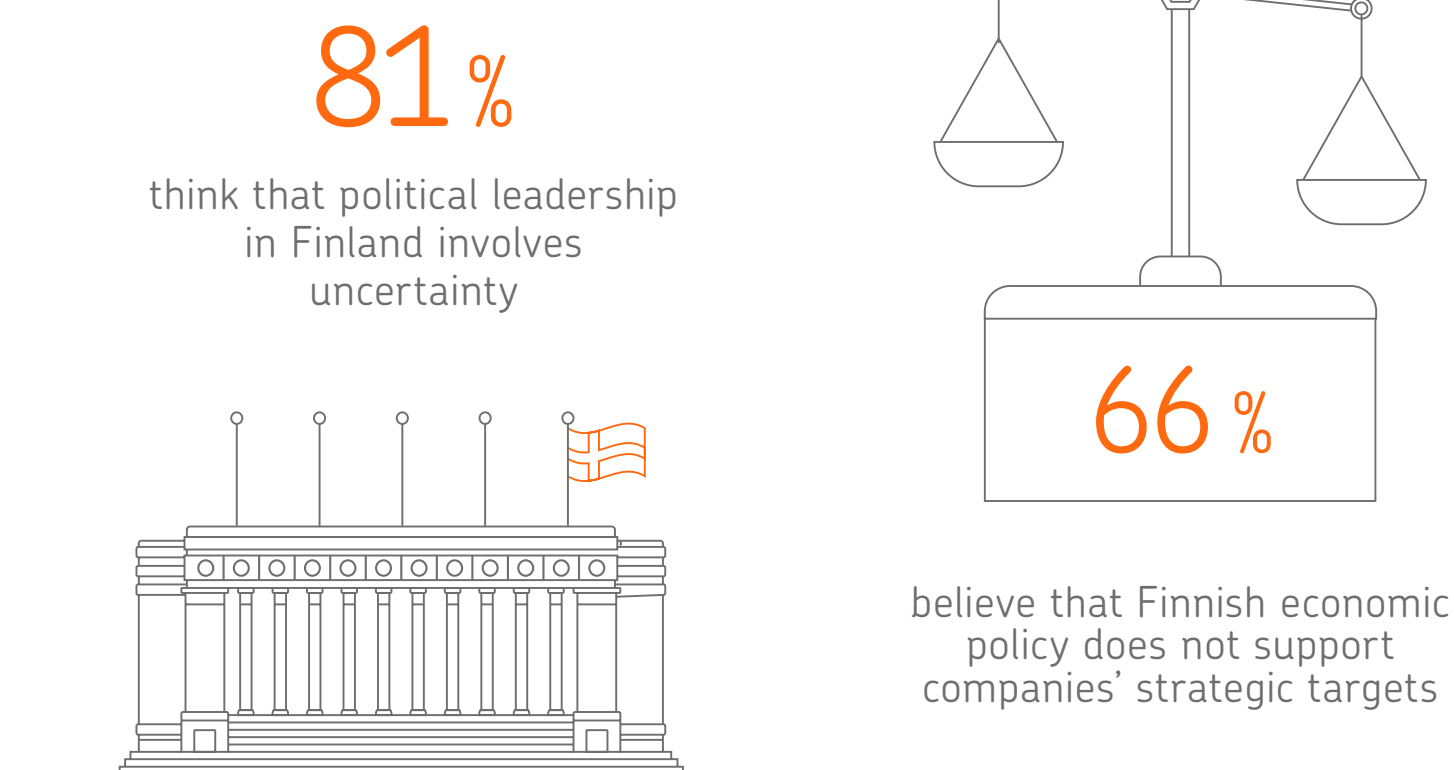
## CSR



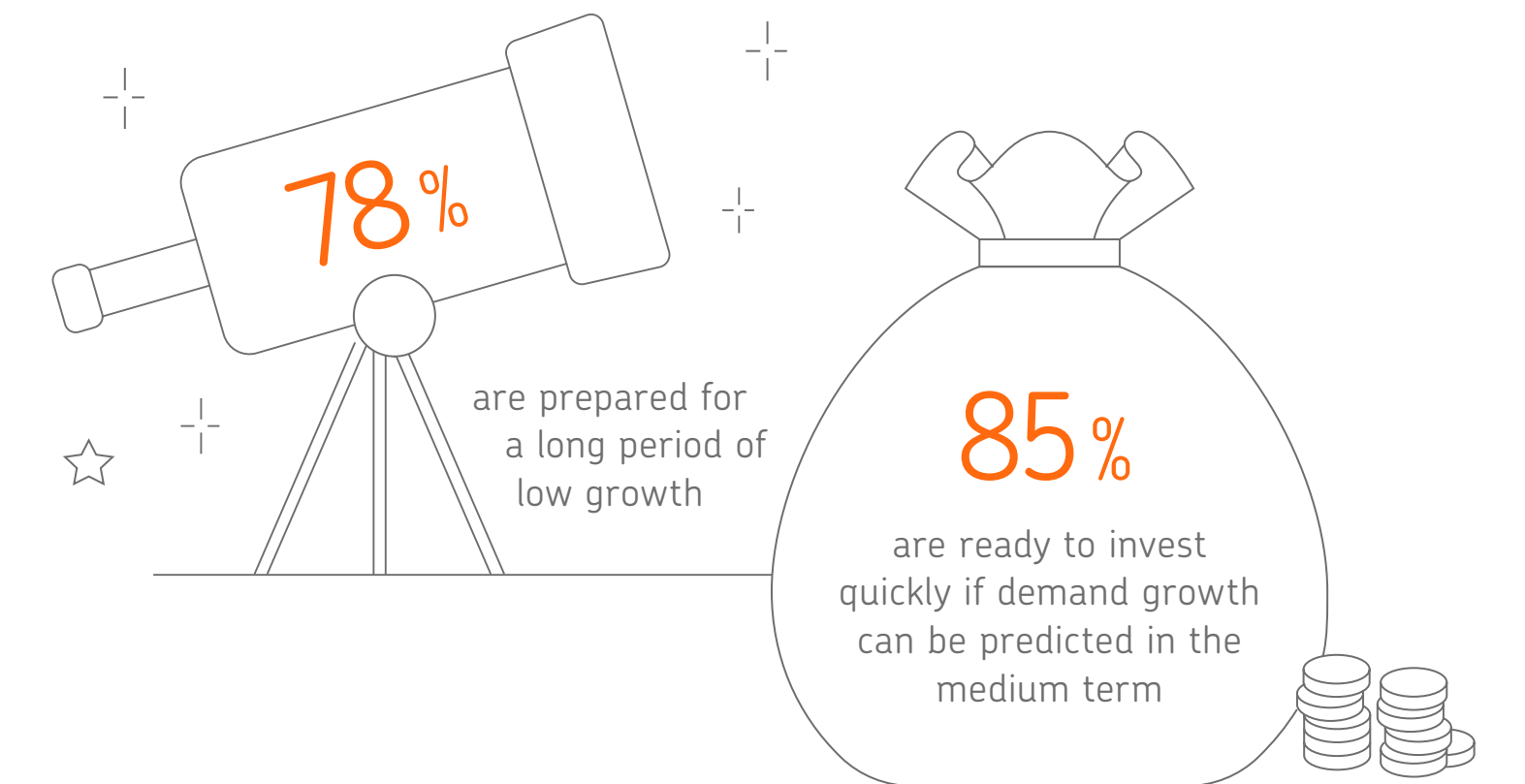
## Allocation of investments



## Sentiment



## Readiness



## Personnel growth declines

