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EUROPEAN MANAGERS

HOW TO MAKE MANAGERS READY FOR INNOVATION

esha 2025

Powerful Leadership in Changing Times

Rome, October 30, 2025

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CEC European Managers

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The economic environment

Skills in Europe

CEC's program

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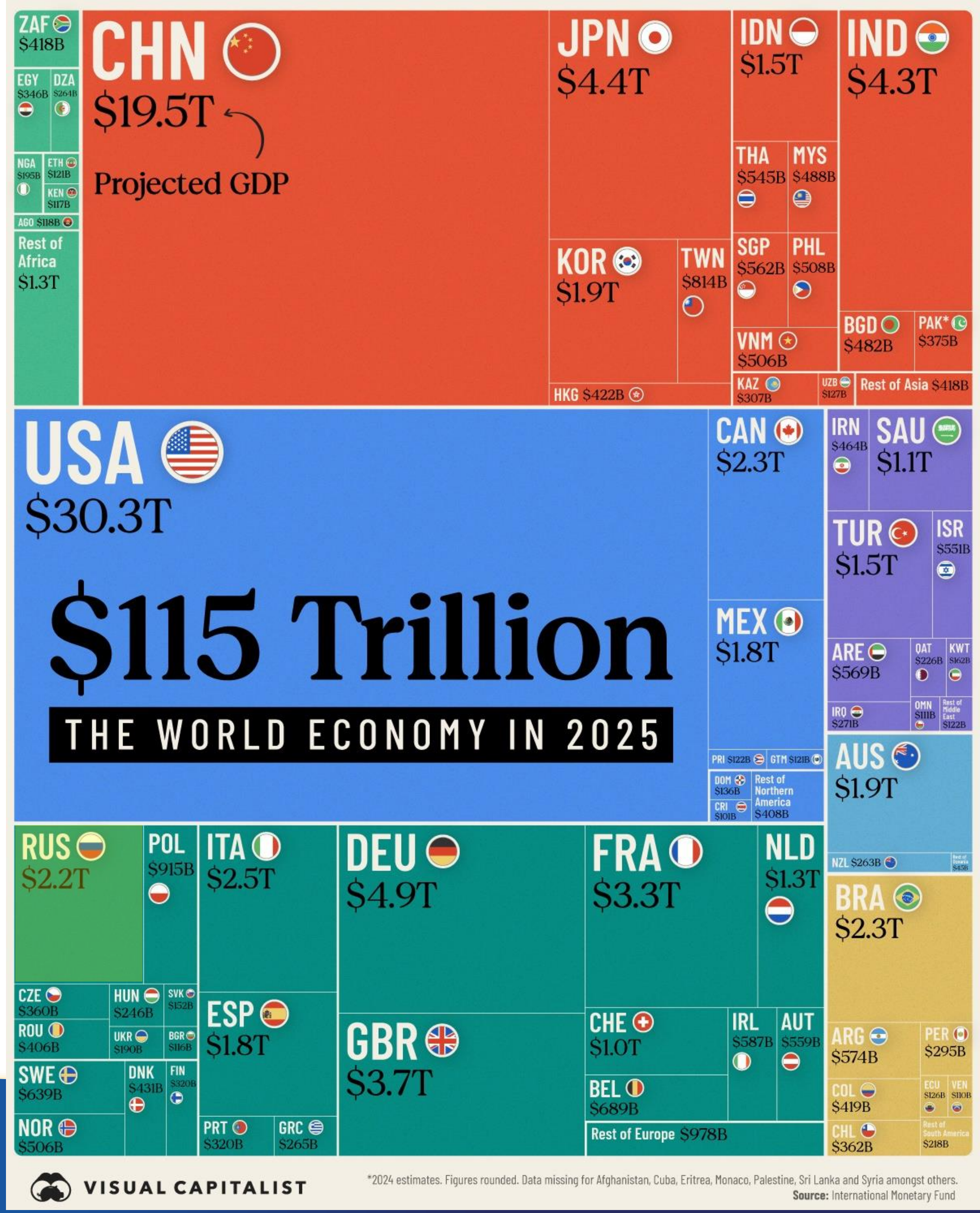
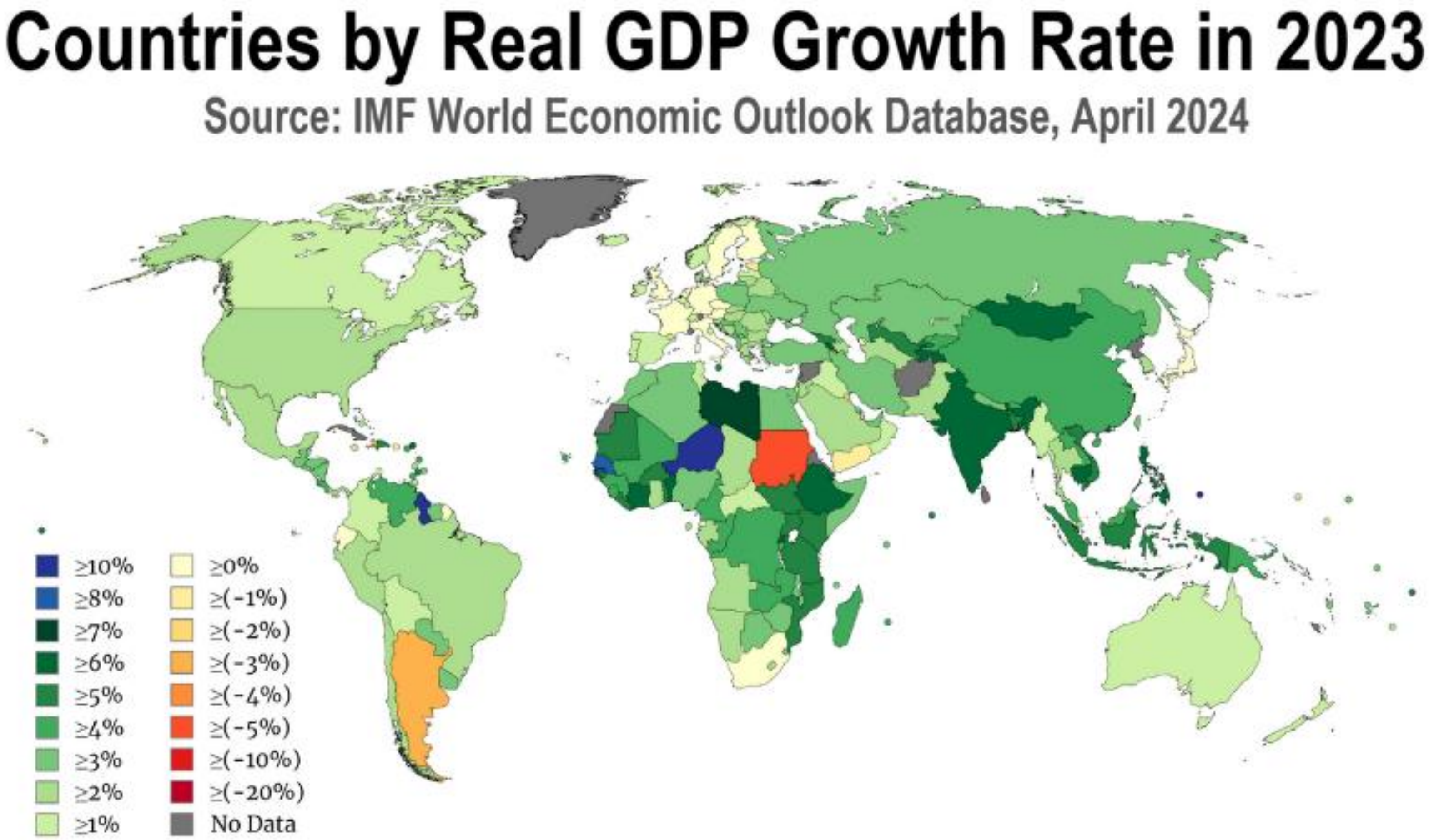
Europe accounts for 13% of world GDP



European GDP is not growing



Top companies are born in the USA and Cina and are tech companies

European industrial strategy was defined by the Draghi's Report

Draghi's Report proposes an industrial strategy to increase industrial competitivess while ensuring a sustainable growth

- In recent years, the EU has experienced stagnating productivity and growth compared to the US and China, with a negative impact on GDP and household income.

- The report proposes an industrial strategy to face competition and maintain Europe's leadership in technology, environment, and geopolitics.

- The report aims for inclusive and sustainable growth that safeguards European values and welfare.

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Cina produces beautiful, high performing, inexpensive cars. Europe is still on old technologies

- **Xiaomi SU7**
- Full electric
- Autonomy 700 km
- **Price from 27.700 €**

Draghi's report identifies 3 priorities:

1. Bridging the **innovation** gap

2. Decarbonization and **energy competitiveness**

3. Security and **reduction of dependencies**

Europe's first political act was the Competitive Compass, indicating 3 imperatives and 5 levers

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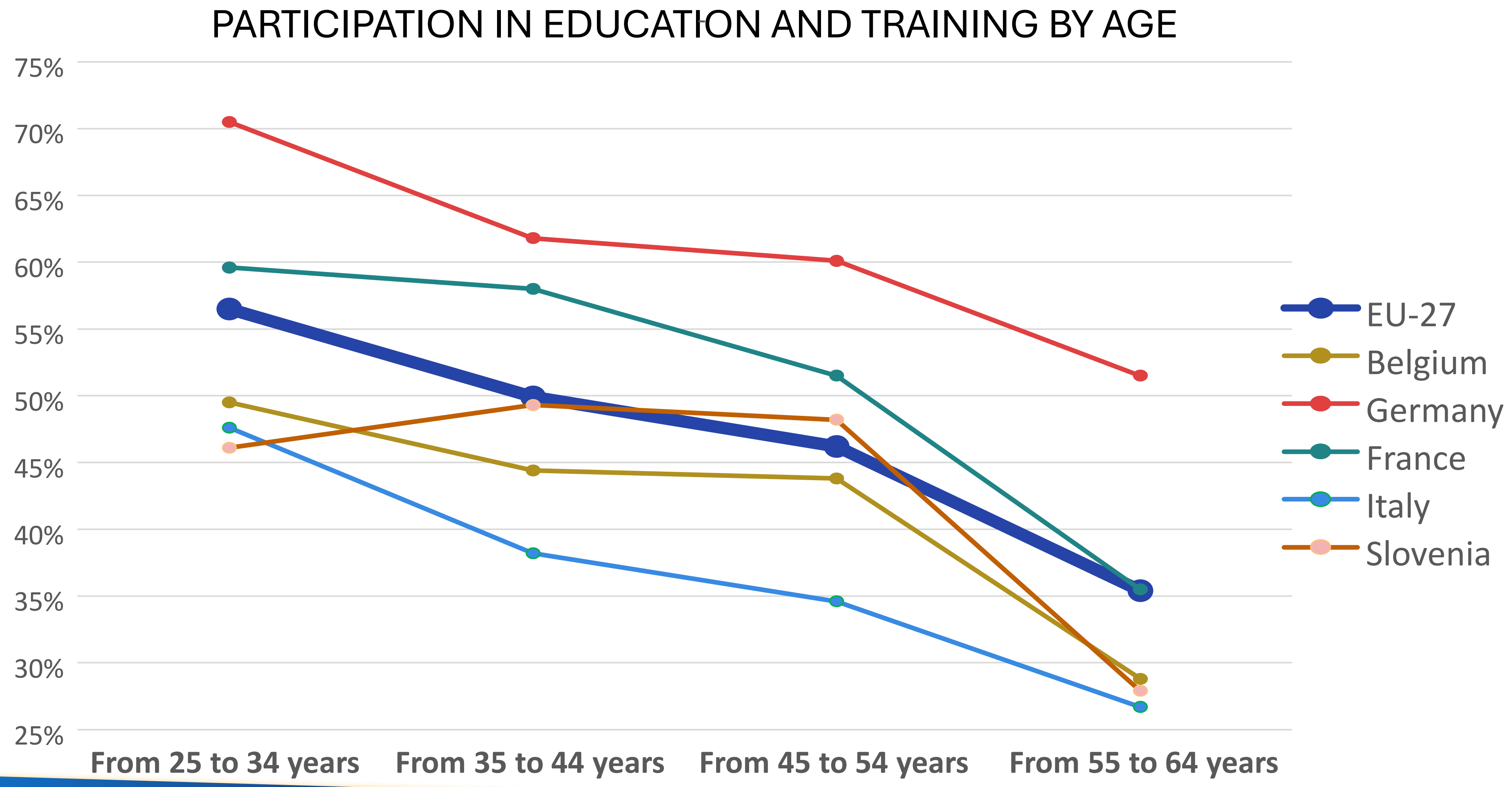
Europe has a skills problem

- Skills shortages and gaps are hindering EU competitiveness
- Many people are falling behind as job requirements evolve
- Our working population is aging, there is a lack of human resources, and we will need to work longer
- Companies struggle to find people with the right skills and qualifications

Training levels of adults vary among EU countries



Source: Eurostat adult education survey 2022

Managers fear tech risks

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Global Risks Report 2025

Global risks ranked by severity

WORLD ECONOMIC FORUM

	Short term (2 years)		Long term (10 years)
1st	Misinformation and disinformation	1st	Extreme weather events
2nd	Extreme weather events	2nd	Biodiversity loss and ecosystem collapse
3rd	State-based armed conflict	3rd	Critical change to Earth systems
4th	Societal polarization	4th	Natural resource shortages
5th	Cyber espionage and warfare	5th	Misinformation and disinformation
6th	Pollution	6th	Adverse outcomes of AI technologies
7th	Inequality	7th	Inequality
8th	Involuntary migration or displacement	8th	Societal polarization
9th	Geoeconomic confrontation	9th	Cyber espionage and warfare
10th	Erosion of human rights and/or civic freedoms	10th	Pollution

Risk categories Economic Environmental Geopolitical Societal Technological

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Tech executives confirm their confidence in emerging technologies, stressing the role of the human factor

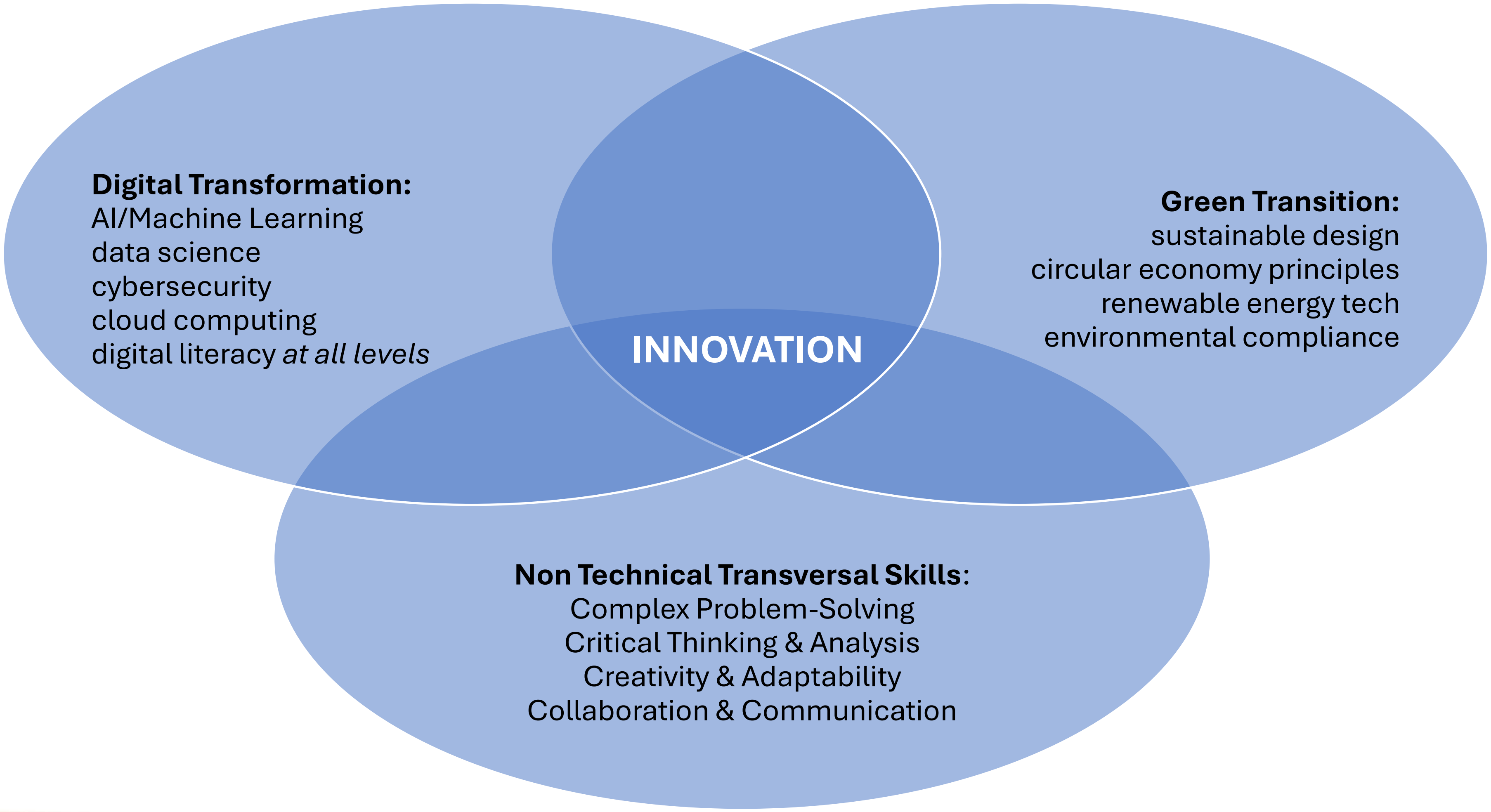
- 81% of executives believe in technology as key to boosting their company’s competitiveness
- 100% of executives believe that the adoption of at least one new technology generates tangible benefits for their company: increased productivity 62% and reduced costs 48%
- **91% of executives intend to increase their investment in technologies**
- Technology with the highest impact on companies' business: AI 65%, cybersecurity 41%, cloud computing 39%
- Confidence in your country tech sectors’ ability to compete internationally: USA 92%, UK 81%, France 76%, Germany 76%, Italy 64%
- **Factors ensuring technological competitiveness of companies: Highly qualified employees 45%, Ongoing investment in R&D 44%, international reputation and recognition 43%**

Tech trends: AI, quant computing, robotics

China is more optimistic on the impact of AI than EU

The European economy is facing twin transitions, digital and green

Skills needed to drive European innovation agenda are both vertical and transversal



Europe's program is built around the Union of skills

European Commission

The major issues Union of skills targets

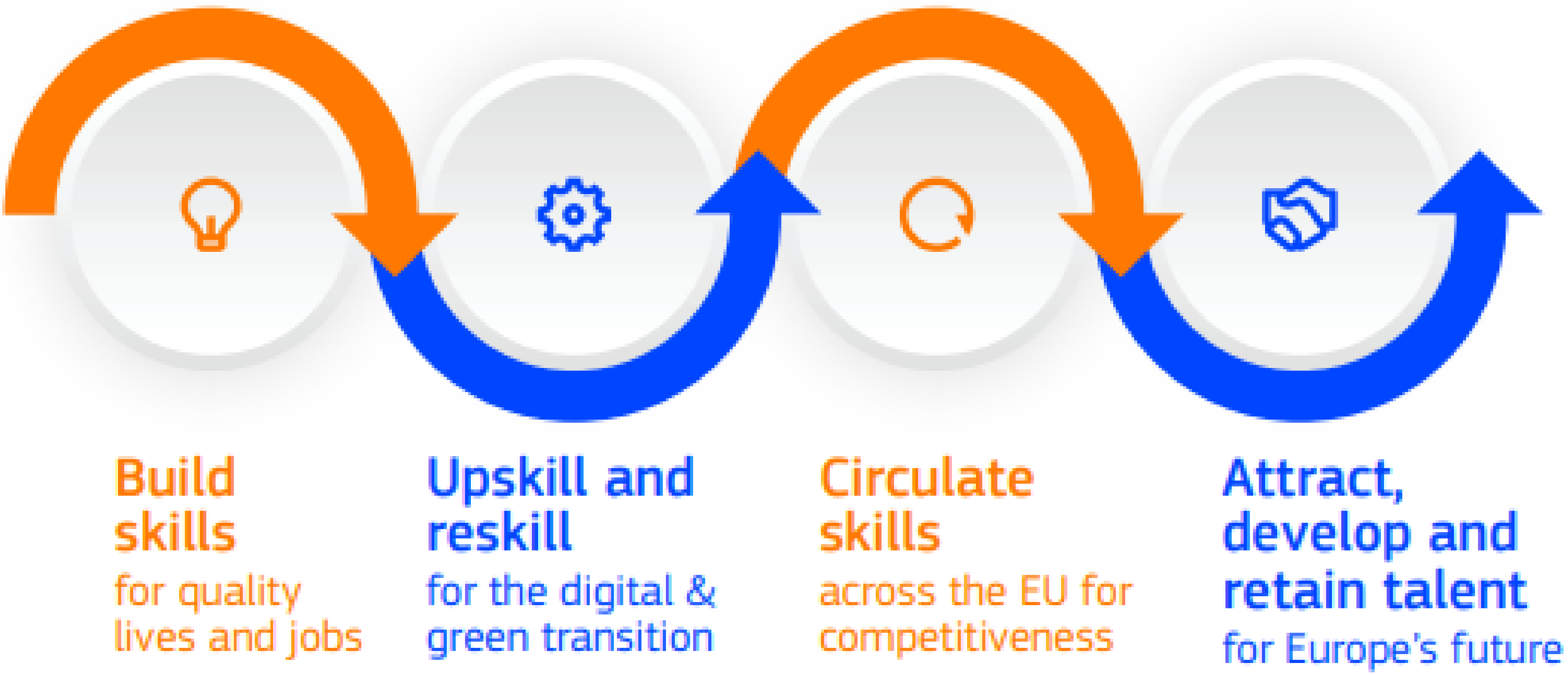
- Strengthening basic skills in education is essential to ensure all students are equipped for the future
- Shortages in STEM are persisting, driven by low take up among women
- Encouraging more girls and women to enter STEM remains important to close gender gaps
- Addressing **demographic** shifts is key, as the active working-age population is decreasing
- There is a need to increase access to skilled workers for SMEs
- Boosting digital skills remains a priority for both adults and students, with efforts to expand training and participation in **lifelong learning**

The Union of Skills will focus on people and competitiveness

UNION OF SKILLS GOALS

Empower our people by enhancing skills to access quality jobs and navigate transitions	**Enhance companies' competitiveness** by helping them find the talent they need	**Make skills portable across the EU,** independently of where or how they were acquired

The Union of Skills will support the development of the Union's human capital to strengthen EU competitiveness



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The Union of Skills next initiatives

- Deliver higher levels of basic skills -> Basic Skills Support Scheme pilot;

- **Provide lifelong opportunities for adults to regularly upskill and reskill** -> Skills Guarantee pilot

- Facilitate recruitment by businesses across the EU -> Skills Portability Initiative

- **Attract and retain the skills and talents needed in the European economy** -> 'Choose Europe' action to attract top talent globally

- Have a strong governance foundation, building on the new European Skills High-Level Board and a European Skills Intelligence Observatory.

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CEC represents 1 mln managers from 15 countries

CEC is a recognized social partner by the EU Commission

We have 4 priorities

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We are working to prepare managers to lead effective innovation

- **Fostering the Right MINDSET**, moving from a closed to an open, learning-oriented mindset.

- **Creating the Right ENVIRONMENT**, creating a corporate and institutional context that incentivizes innovation.

- **Building the SKILLS**, equipping managers with specific skills through modern training models and an individual right to learn.

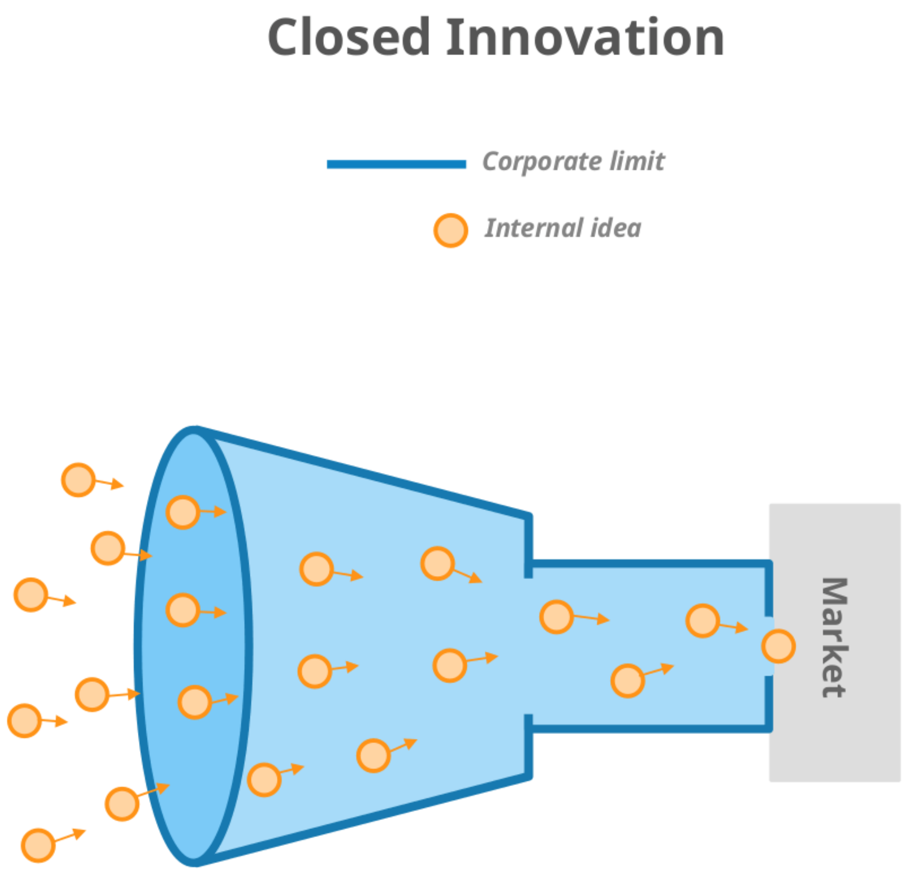
MINDSET - Moving from a closed to an open, learning-oriented mindset.

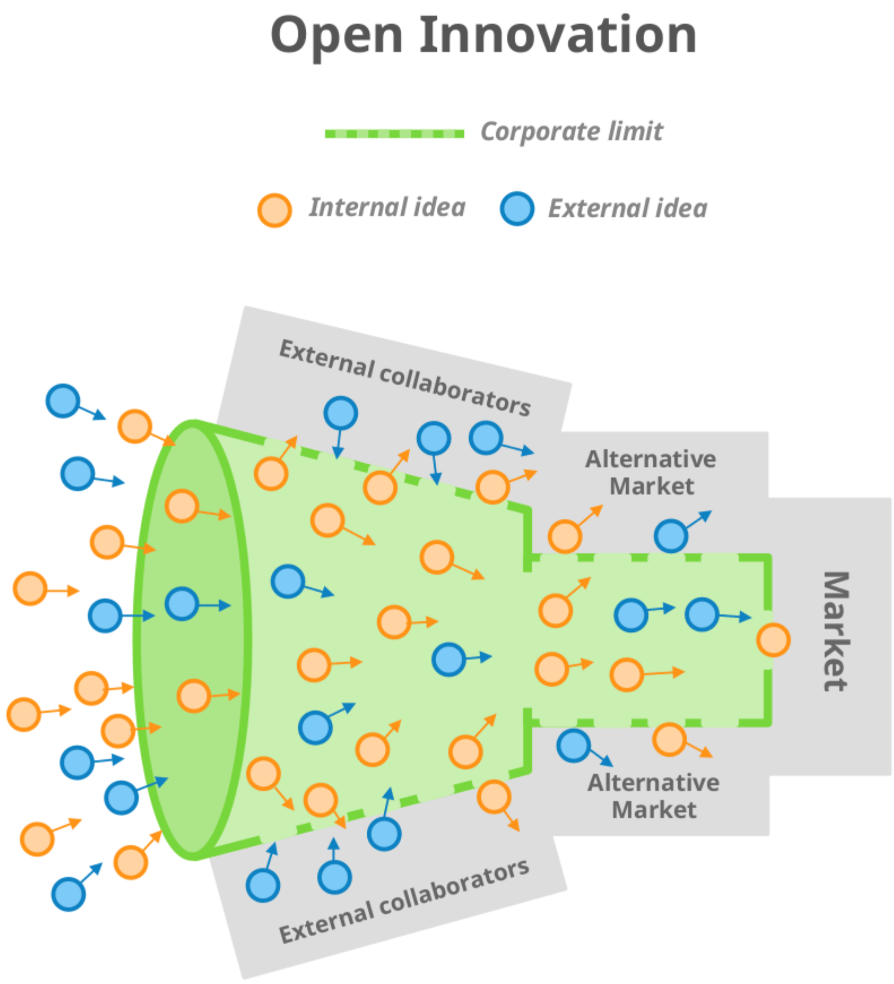
- Tolerance for controlled failure: creating corporate "sandboxes," safe spaces where experimentation is encouraged, and mistakes are treated as learning opportunities

- Curiosity and continuous learning: managers must become active "explorers" of new technologies and business models.

- Strategic foresight: developing the ability to anticipate future changes through tools like scenario planning, rather than just reacting.

ENVIRONMENT - The innovation process has moved from a closed to an open model model





The Innovation process has moved from a fortress to a network mentality

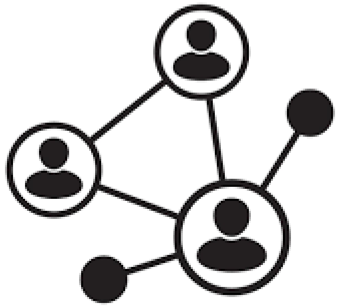
Closed Innovation

Fortress Mentality

- Innovation happens only within the company.
- It relies exclusively on internal R&D and talent.
- The "Not Invented Here" syndrome is common.
- Belief that the smartest people in the field work for us.

Open Innovation

Network Mentality



- Valuable ideas can come from inside or outside the company.
- External R&D can create significant value.
- Leverage a global pool of talent and knowledge.
- We don't have to originate the research to profit from it.

Drivers of open innovation

- Increased mobility of skilled workers among companies (no more lifelong careers).

- Globalization & digitalization: access to a global knowledge base and instant communication.

- Growth of venture capital: more funding is available for promising ideas, wherever they originate.

- External options for idle ideas: ideas that don't fit a company's current strategy can find life elsewhere.

- Increased capabilities of external suppliers, who can become innovation

Open Innovation works inboud and outbound

OPEN INNOVATION MODELS

Crowdsourcing:

Outsourcing tasks to a large, external group of people

Example: the LEGO Ideas platform, where fans submit new set designs

University Collaboration:

Partnering with academic institutions for research and access to new talent

Example: pharma companies funding university labs for early-stage drug discovery

Corporate Venturing / Startup Acquisition:

Investing in or acquiring innovative startups to access new technologies

Example: Google acquiring DeepMind for its artificial intelligence expertise

Innovation Ecosystems & Alliances:

Building networks of suppliers, customers, competitors to co-create

Example: the automotive industry collaborating on development of electric vehicle charging standards

SKILLS – CEC is working to promote managers' upskilling frameworks based on exposure to innovation

- **Erasmus-style Exchange Program for Managers.** An international exchange program designed to promote cross-fertilization among managers
- **Networking with Innovation Leaders,** to gather in-depth insights
- **Guide to Collaborating with Startups and Research Centers.** A practical guide
- **Connecting Managers with Startups and Innovation Hubs.** Facilitate direct contact as a training opportunity to explore new technologies and business models

Managers have a crucial role on strategy and culture, to make change and innovation happen

- **Communicate the Vision**: Explain why upskilling is vital for the company's success
- **Skills Foresight**: Anticipate future skill needs based on your innovation roadmap and market trends. Don't just react
- **Integrate Skills into Strategy**: Ensure talent development is a core component of innovation planning and budgeting, not an afterthought
- **Champion a Learning Culture**: Foster an environment where continuous learning, experimentation (and learning from failure), and skill development are valued and encouraged within your teams
- **Promote Diverse Learning**: Encourage on-the-job learning, project-based skill acquisition, mentoring, job rotation

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Thank you!

Workshop reflection survey round 2 - How to Make Managers Ready for Innovation

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