

Leading Through Connections

Highlights of the
Global Chief Executive
Officer Study

We spoke with more than 1,700 CEOs and senior
public sector leaders from around the globe.
How are they responding to the connected economy?

Countries:

64

CEOs:

1,709

Industries:

18

“This is now a continuous feedback kind of world, and we need the organizational nimbleness to respond.”

CEO, Financial Markets, United States

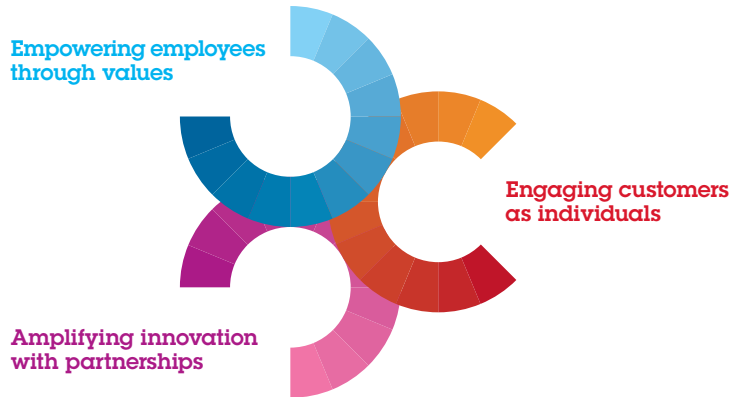
Leaders are recognizing our new connected era is changing how people engage.

For some time, businesses have been refining and optimizing their networks of suppliers and partners. They're streamlining supply chains and creating massive back-office efficiencies. But something just as meaningful has been happening in the marketplace — the sudden convergence of the digital, social and mobile spheres — connecting customers, employees and partners in new ways to organizations and to each other. These changes put pressure on the front office to digitize and adapt but also create opportunities for the organization to innovate and lead.

Three essential imperatives

How to respond

Our study reveals insights from more than 1,700 CEO conversations and our own management consulting experience.





Empowering employees through values

“We need to mobilize
our collective brain
power for innovation.”

President and CEO, Consumer Products, Canada

CEOs see greater organizational openness ahead. But as rules are refined and collaboration explodes, how will they avoid chaos, protect the business and deliver results?

“How do you unleash the innovative power of the people who deal with your customers every day?”

CEO, Insurance, United Kingdom

CEOs have a new strategy in the unending war for talent.

They are creating more open and collaborative cultures — encouraging employees to connect, learn from each other and thrive in a world of rapid change. The emphasis on openness is even higher among outperforming organizations — and they have the change-management capabilities to make it happen.* As CEOs open up their organizations, they are not inviting chaos. The need for control remains, but it is evolving into a new form — one better suited to the complexity and pace of business today.

*Outperformers are organizations that surpass industry peers in terms of revenue growth and profitability, according to their CEOs.

Organizational attributes

Engaging employees

To draw out the best in their workforces, CEOs are most focused on three organizational attributes.

Ethics and values



Collaborative environment



Purpose and mission





Engaging customers as individuals

“The time available to capture, interpret and act on information is getting shorter and shorter.”

CEO, Chemicals and Petroleum, United States

CEOs are searching for customer insight. But even if they discover it, are their organizations equipped to respond with relevance and speed?

“Of course we need better information and insight, but what we need most is the capability to act on it.”

Unit Head, Government, Hong Kong SAR

To engage customers as individuals, CEOs are building analytical muscle to respond with relevance and immediacy.

As a group, CEOs are investing more in customer insights than any other functional area—far above operations, competitive intelligence, financial analysis and even risk management. They are seeking a better understanding of individual customer needs and improved responsiveness. Although face-to-face will remain the most prevalent form of customer interaction, CEOs expect a step-change in the use of social media. Given the need for deep customer insight, outperformers have a distinct advantage. They are far more adept at converting data into insights, and insights into action.

Change is required to meet customer expectations

Understand and act

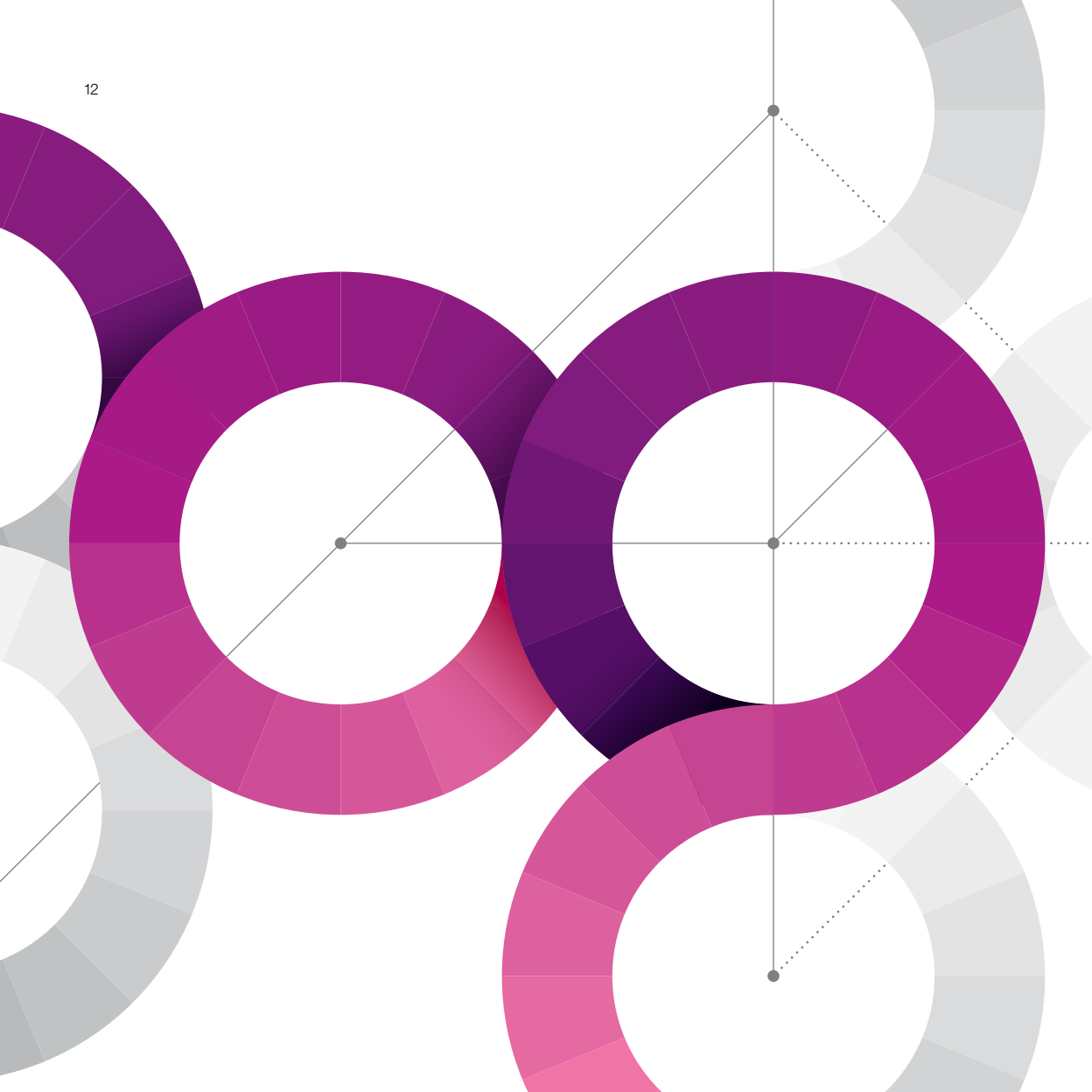
CEOs are implementing extensive changes to enable faster, more relevant responses to markets and individuals.

Improve understanding of individual customer needs



Improve response time to market needs





Amplifying innovation with partnerships

“We tend to see everyone as a competitor, but we need to see them as partners...this is a cultural shift; it's hard to change.”

CEO, Banking, Vietnam

With nearly 70 percent of CEOs aiming to partner extensively, what will make this a differentiating strategy?

“In our industry, the biggest risk we face is not regulatory mandates, as many think. It’s industry disruption...”

CEO, Retail, United States

Extensive partnering is providing the edge CEOs need to take on radical innovation.

The pressure to innovate is not subsiding, and organizations are teaming to meet the challenge. Compared to their less successful peers, outperformers are partnering for innovation more aggressively. But they are also tackling more challenging and disruptive types of innovation. Instead of settling for simply creating new products or implementing more efficient operations, they’re more likely to be moving into other industries or even inventing entirely new ones.

External partnering for innovation

Outperformers are bolder innovators
And they are more likely than underperformers to innovate with partners.

All CEOs



Outperformers



Underperformers



28%
more

To continue the conversation...



For more information about this study and to get the full version of this report, see ibm.com/ceostudy2012



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