

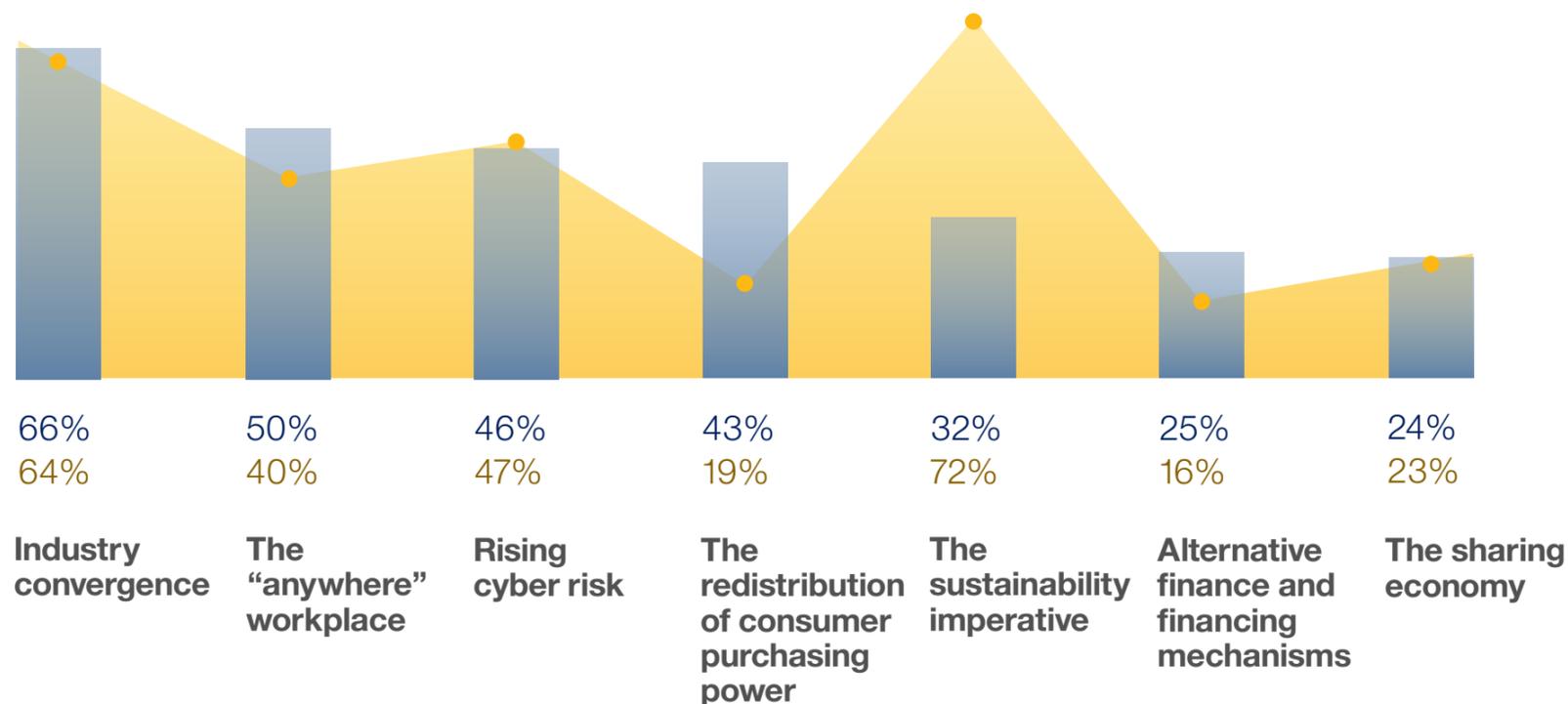
# REDEFINING BOUNDARIES

Insights from the Global C-suite Study

# Energy and Utilities Industry

We surveyed 283 top executives from the Energy and Utilities (E&U) industry for our latest C-suite Study. So how do they stand out?

**Figure 1.** E&U CxOs expect sustainability to dominate the agenda



## Two key trends

E&U CxOs say there's one overwhelming trend: the sustainability imperative – use of resources via smart cities and grids, energy-efficient buildings and clean technologies. They agree with other CxOs that industry convergence is also reshaping the business landscape, but it's not as important. And shifts in consumer purchasing power barely matter at all (see Figure 1).

■ Global  
■ Energy and Utilities



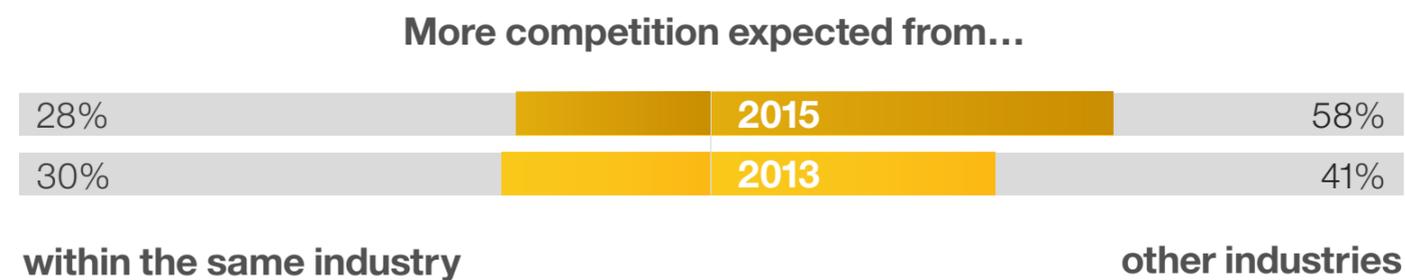
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## Energy and Utilities – Industry Point of View

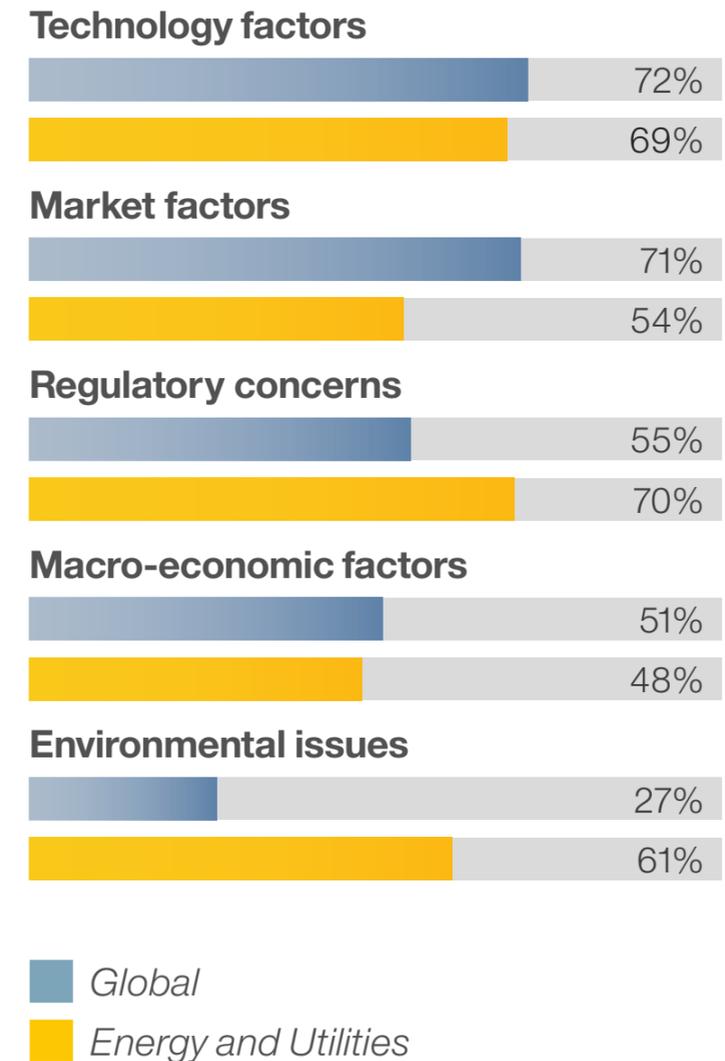
Hence the fact that environmental issues loom large on the list of external forces E&U CxOs anticipate having to deal with in the next few years. Regulation and technology may be bigger influences, but the “green” factor comes a near third (see Figure 2).

E&U CxOs aren’t ignoring the impact of convergence, though. On the contrary, they’re well aware that new entrants from other industries are piling into the sector – many of them riding on the back of the sustainability wave. Witness electric carmaker Tesla’s move into the solar battery market. This explains why E&U CxOs are increasingly nervous about outsiders invading their patch (see Figure 3).

**Figure 3.** E&U CxOs are increasingly concerned about a land grab



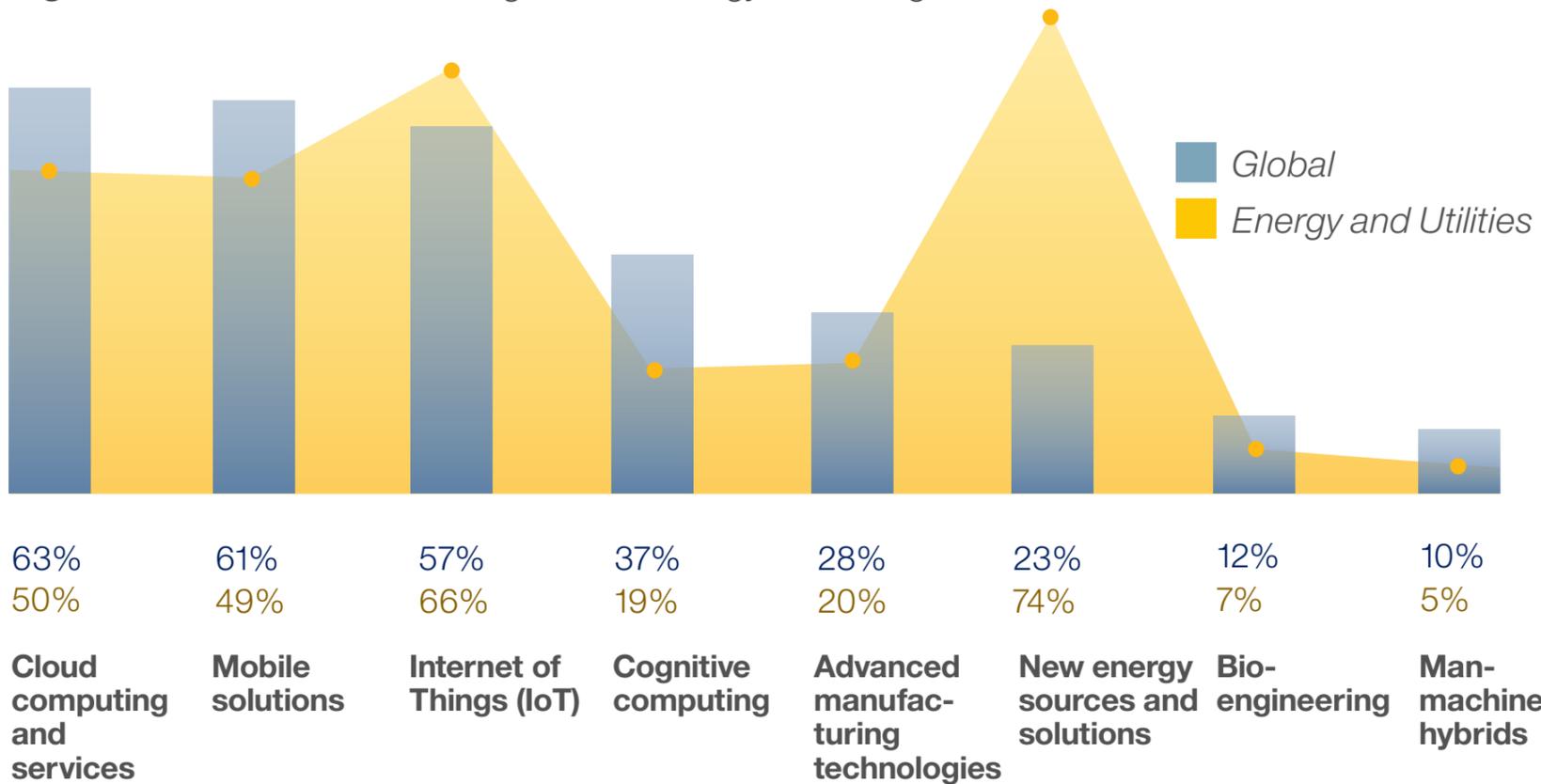
**Figure 2.** E&U CxOs point to regulation, technology and environmental forces



**Powerhouse technologies**

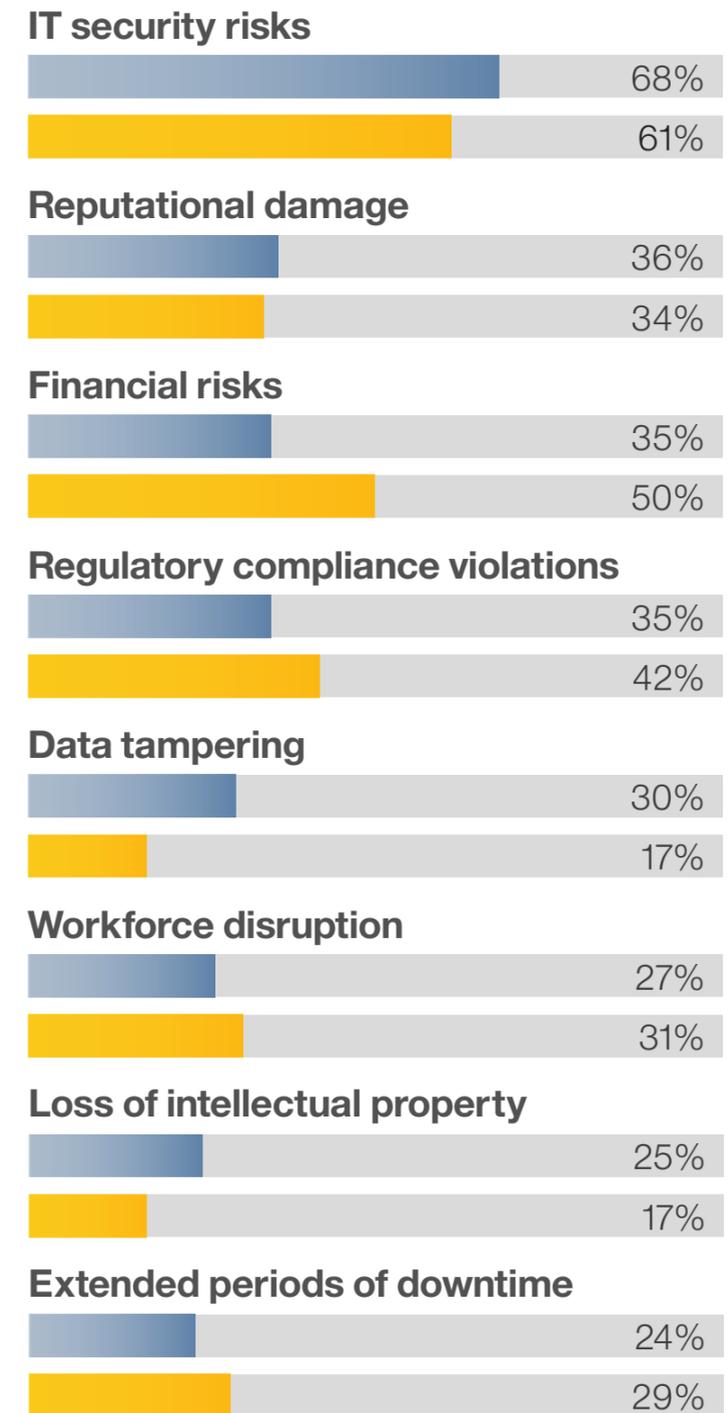
Most CxOs are placing their bets on cloud computing, mobility and the Internet of Things. Predictably, E&U CxOs are even more excited about new energy sources and solutions. They are also interested in the IoT; with smart meters, remote controls and automation, they can manage precise resources far more carefully (see Figure 4).

**Figure 4.** E&U CxOs are focusing on new energy technologies and the IoT



However, such technologies often come with a bigger price tag than more established technologies – which is probably why E&U CxOs have a different view of the associated risks. While most CxOs worry chiefly about IT security, financial and regulatory concerns also prey heavily on the minds of E&U CxOs (see Figure 5).

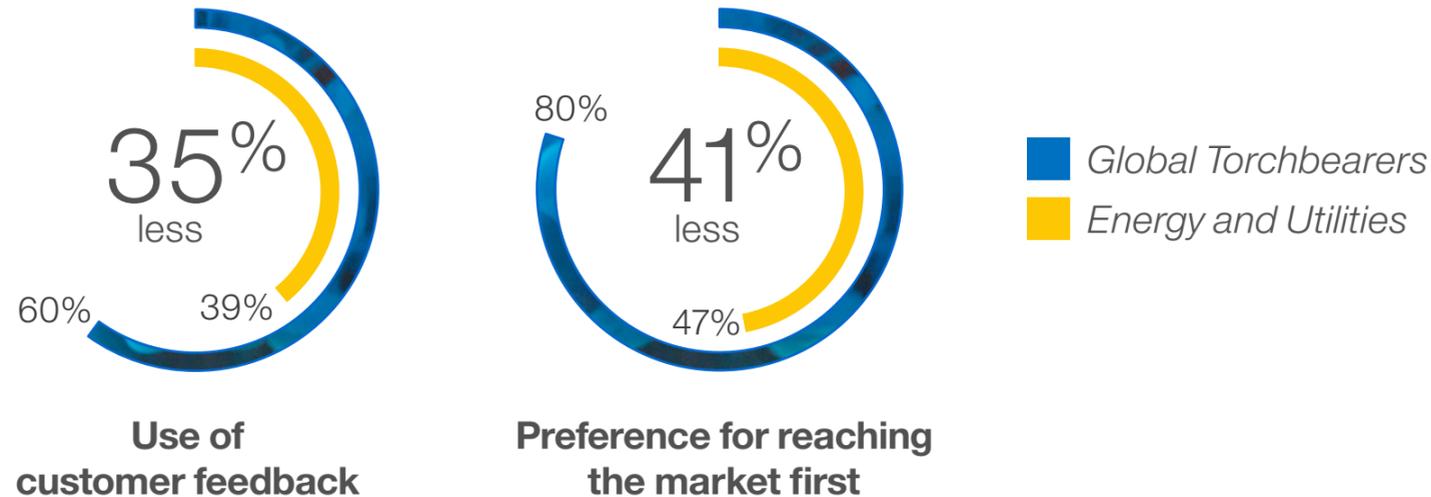
**Figure 5.** E&U CxOs worry more about a wider range of risks



**What about customers?**

There’s one core constituent of their businesses to which E&U CxOs pay surprisingly little attention, though: their customers. We identified a small group of highly successful enterprises in our overall sample. Torchbearers – as we call them – are particularly good at listening to their clients. E&U CxOs are much less likely to draw on customer feedback when they’re exploring new trends (see Figure 6). In fact, they’re less likely to do so than CxOs in any other sector.

**Figure 6.** E&U CxOs pay less heed to customers and make less effort to pioneer new approaches or offerings



E&U CxOs are also very wary about pioneering new products and services. While most Torchbearers aim to reach the market first with new business models or offerings, E&U CxOs are much less comfortable taking the lead. Clearly, caution is critical in an industry where an error could have catastrophic results. Nevertheless, any enterprise that wants to thrive during the age of disruption must be ready to seize the initiative.

*You can see the various installments of our latest Global C-suite Study at [ibm.com/csuitestudy](http://ibm.com/csuitestudy)*



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