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Intersecting insights from the IBM CEO, CMO and CIO Studies



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By Linda Ban and Anthony Marshall

Analysis across our C-suite research reveals that executives are less aligned than they may realise – despite good intentions of leading and collaborating with their teams to achieve the organisational mission. By delving deeper into the findings of our chief executive officer (CEO), chief marketing officer (CMO) and chief information officer (CIO) Studies, this report uncovers new opportunities for strategic and tactical intersections among these members of the C-suite. This ‘cross-section view’ of our most recent executive research shows how organisations can connect more effectively to support CEOs’ stated top priorities, including: teaming better across the organisation, individualising customer relationships and investing in partnership ecosystems.

Since 2003, IBM has published 16 in-depth C-suite studies as a result of more than 18,000 face-to-face interviews with private and public sector C-suite executives globally. Each report in the ongoing C-suite Study series reveals the most pressing challenges and opportunities executives faced at publication time and describes recommended actions to help organisations benefit from prevailing trends, technologies and circumstances. CEOs, CMOs and CIOs are three of the most important constituent groups who have shared both their views of the current business environment and their vision of the future.

In this report, we focus on our most recent conversations with CEOs to provide a touchstone for their CMO and CIO colleagues. Beginning with the CEOs’ perspective, we re-examine the collective findings of the 2012 CEO Study, 2011 CMO Study and 2011 CIO Study to better understand how these three C-suite members can better align their priorities and objectives. We use the three major CEO Study themes as guideposts, simplifying them to be more broadly applicable to CEOs, CMOs and CIOs alike:

1. Empowering employees through values → Managing openness
2. Engaging customers as individuals → Engaging customers
3. Amplifying innovation with partnerships → Expanding partnerships.

These themes – managing openness, engaging customers and expanding partnerships – serve as common ground for CMOs and CIOs as they execute on their own functional missions. And the overarching message of the CEO Study, ‘Leading Through Connections,’ is the critical importance of enhanced collaboration in all interactions: those that occur within the organisation, across partnerships and with customers. For CEOs, CMOs and CIOs, executing on these themes will require increased collaboration above all else.

So, where are the bridges to better connect CEOs, CMOs and CIOs? Based on our analysis, these executives can align for the greatest impact through joint focus on: Managing openness across the organisation, individualising customer relationships and investing in the partnership ecosystem.

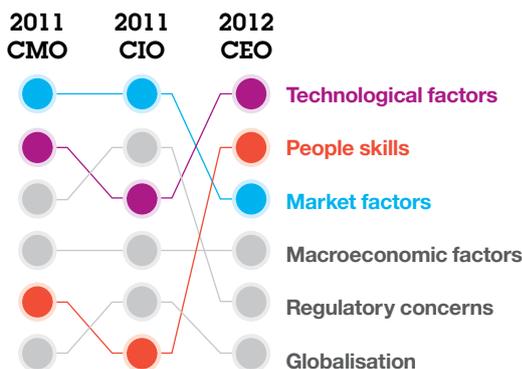
Where CEOs stand: Clear direction on external forces and operating strategy

To understand what CEOs will require from the rest of the C-suite, CMOs and CIOs must have a deep understanding of CEOs' expectations for the coming three to five years. Starting at the broadest level, they'll need to align with CEOs' views on both:

- The most important forces impacting organisations
- Priorities within organisations' operating strategy.

Since our CEO Study series began in 2004, technology has progressively risen on CEOs' radars. CEOs ranked it sixth in importance out of nine external forces in 2004 and then it jumped to the third spot in 2006. In 2012, technology rose for the first time to the top of the list (see Figure 1).

External forces impacting organisation



Source: 2012 CEO Study / 2011 CIO Study / 2011 CMO Study Q1: "What are the most important external forces that will impact your organisation over the next 3 to 5 years?" (CMO n=1733, CIO n=3018, CEO n=1709).

Figure 1: CEOs are most focused on the impact of new technologies, while CMOs and CIOs ranked other external forces higher in importance.

And in CEOs' minds, people skills rank just below technology in importance. With the economic crisis, CEOs in 2010 temporarily lowered their focus on people skills, but it bounced back in 2012 to reclaim the number two spot it has otherwise held since 2004. Based on our conversations with them, today's CEOs view technology and people as two interdependent forces they cannot afford to ignore.

It's important to note that CEOs interpret 'technology' to mean more than 'information technology.' For them, the term encompasses the growing variety of technologies that organisations must incorporate within their businesses, including social, mobile, data, digital and cloud.

Compared to CEOs, both CMOs and CIOs had different views on technology's importance. CMOs in 2011 placed technology in the second spot behind market factors. CIOs in 2011 put technology in the third spot, behind both market factors and regulatory concerns. So, while all three executive roles acknowledge the importance of technology, each can get better synchronised with the other in terms of setting technology priorities.

Their differing perceptions about technology help explain why there is also greater opportunity to align the C-suite in terms of people skills. CEOs are strategically looking at what can help their organisations become more competitive. They understand that it is critical for growth to move beyond 'lip service' and focus on people. Unless they retain, develop or hire the right people with the right skills, they will impede their ability to leverage the ongoing technology explosion.

Overall, CMOs and CIOs seem less concerned with the big picture of what is truly most important for the organisation. CMOs ranked people skills fifth in importance out of six forces even as they seek relatively new and scarce capabilities,

such as marketing technologists. And CIOs placed people skills at the bottom of the list – perhaps in part because they are accustomed to partnering externally for required skills, including newer, less available roles such as data scientists.

Another major alignment opportunity involves multiple aspects of CEOs' planned operating strategy. For example, 76 percent of CEOs said they aim to be innovation leaders instead of fast followers (see Figure 2). And 69 percent plan to partner extensively, as opposed to centralising all work 'in house.' Also notable: the majority of CEOs (59 percent) expect to simplify operations rather than choosing to manage existing complexity. CMOs and CIOs will have to verify that their teams plan and execute initiatives based on these same CEO priorities.

CEOs are more evenly split on whether operations should be centralised or decentralised; likewise, about half plan to optimise operations globally while the others plan to optimise operations locally. Undoubtedly, for their own success as well as that of their organisations, CMOs and

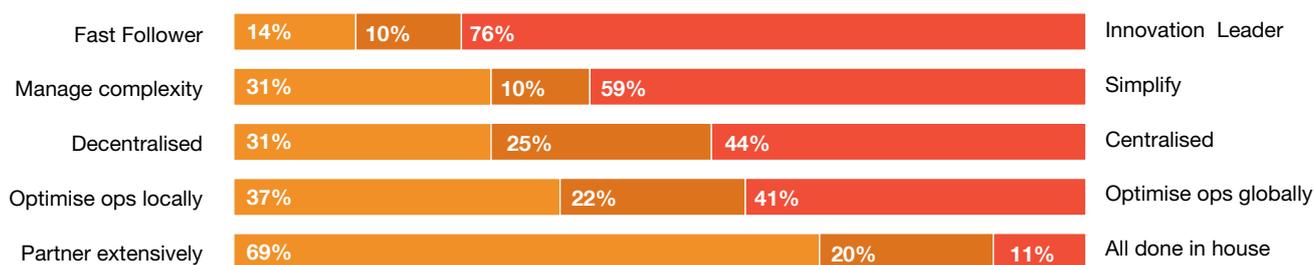
CIOs need a thorough understanding of the particular operating strategy parameters that their own CEOs deem most critical.

Next, we dig deeper to identify the intersecting insights between major 2012 CEO Study themes and key findings of the CMO and CIO Studies. CEOs aim to empower employees through values, engage customers as individual and amplify innovation with partnerships. Using those themes as the foundation for CMOs and CIOs to plan, this translates into three alignment opportunities:

- Managing openness
- Engaging customers
- Expanding partnerships.

With these three common areas of focus, CEOs, CMOs and CIOs can create the synergy to improve organisational interactions for the benefit the enterprise, its customers, employees and partners.

Operating strategy



Source: 2012 CEO Study Q16: "What will your operating strategy be in 3 to 5 years, compared to today?" (CEO n=1663 to 1685).

Figure 2: A majority of CEOs are focused on becoming more innovative and partnering more extensively over the next three to five years.

Managing openness

Whether they like it or not, organisations must accept that openness is becoming mainstream. In today's global business environment, rapid and continuous change will remain an ongoing condition, as will rising demand for information access and even more collaboration with increased transparency. To help deal with these realities, leading CEOs are assessing – or perhaps redefining – their requirements for organisational openness.

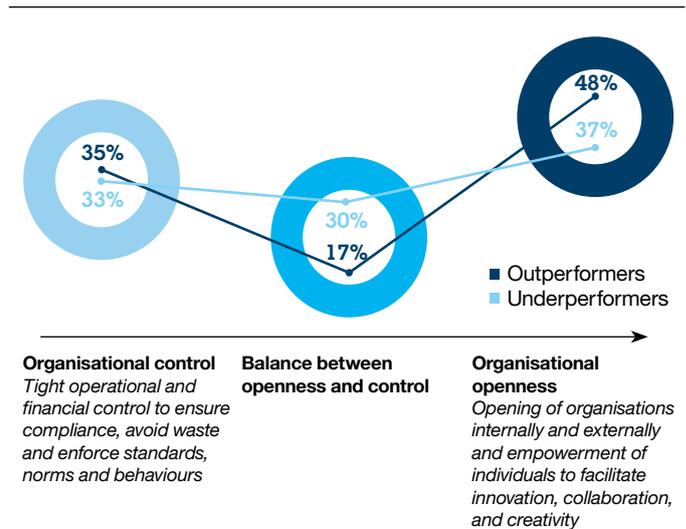
Of course, greater openness does not mean that CEOs are getting rid of operational control, but they are making essential changes. In the past, Human Resources teams would have handled much of this function. Now, CMOs are increasingly being tapped to manage openness associated with the social media explosion – and in that mission, CIOs can play a large part.

Outperforming organisations are emphasising openness

In the CEO Study, we see that outperforming organisations emphasise openness.² CEOs expect their organisations to be impacted more by the pressure to be open than the need to control (see Figure 3). They anticipate demands for even more transparency and the competitive need to open up their organisation to collaborate more internally and externally.

CEOs from outperforming organisations had a clearer sense than those of underperforming organisations about the influences impacting their organisation; they had a more binary perspective. There were fewer outperformers in the middle, with most CEOs selecting one of the two extremes.

This outcome suggests that outperforming organisations have a better understanding of their environment and the influences on their organisations. Outperformers see that openness is impacting them and they are beginning to respond in more substantial ways than CEOs from underperforming organisations.



Source: 2012 CEO Study Q4: "To what extent will the following competing influences impact your organisation?" (n=638); CEO average is 33% on control, 23% balanced and 44% on openness

Figure 3: Organisational impact from competing influences.

CEOs seek to build organisations that embrace collaboration

To draw out the best from their workforces, CEOs identified the personal and organisational attributes that are most important to managing openness while embracing collaboration. The top four personal characteristics are collaborative (cited by 75 percent of CEOs), communicative (67 percent) and creative/flexible (each cited by 61 percent). The top four organisational attributes CEOs deemed necessary to engage employees:

- Ethics and values (cited by 65 percent of CEOs)
- Collaborative environment (63 percent)
- Purpose and mission (58 percent)
- Ability to innovate (51 percent).

“We have to enhance the horizontal communication and integrate data to remove the barriers across silos in my company.”

Masahiko Kon, Director of Finance/IT/GA, Sumitomo 3M Limited
(2011 IBM Global CIO Study)

As organisations become more open, CEOs recognise the need for organisational values and a clear sense of purpose to guide decisions and actions. As noted, openness increases vulnerability. The Internet – especially through social networks – can become a worldwide stage for any employee interaction, positive or negative. For organisations to operate effectively in this environment, employees must internalise and embody the organisation’s values and mission – and this need provides even stronger opportunities for CMOs and CIOs to support CEO priorities.

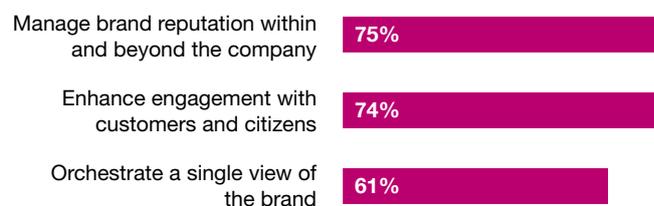
CMOs and CIOs recognise and support improved transparency

As the 2011 CMO Study shows, brand reputation is a critical element of a strategy to foster transparency and that through transparency, deeper engagement with customers and citizens is possible. CMOs are already being tasked with helping to improve transparency.

The majority of CMOs say that the need for transparency is forcing them to consider important changes in the marketing function and the CMO role itself. Marketing is being asked to get much more involved with defining and managing the internal corporate character, in addition to communicating it externally. As virtually everyone’s internal and external personas are converging due to social media, CMOs are helping to educate and engage employees in corporate culture so that the external view accurately represents the organisation.

About three quarters of CMOs see a need for initiatives to manage brand reputation and to enhance engagement with customers and citizens (see Figure 4). At the same time, more than half recognise that substantial work is ahead to have employees embrace and live the corporate culture.

CMO transparency initiatives

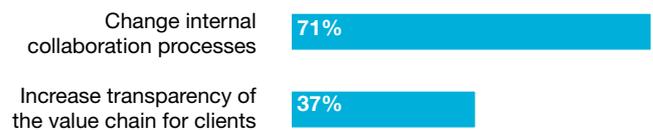


Source: 2011 CMO Study Q9: “To what extent does transparency create a need for you to...” (n=1645-1675).

Figure 4: CMOs are being tasked with a dual role: transparency to the external world and making sure employees are on board with corporate culture.

CIOs are also planning internal initiatives driven by transparency. Seventy-one percent note the need to change internal collaboration processes and 37 percent want to increase transparency for clients (see Figure 5). This is an area where the CMO and CIO can work more productively together (see case study sidebar, ‘National Aeronautics and Space Administration: Embracing openness within strong core values’).

CIO collaboration objectives



2011 CIO Study Q8: “How will information technology impact your industry and organisation over the next 3 to 5 years?” (n=417); 2011 CIO Study Q11: “Which of the following customer relationship initiatives will you drive the most over the next 3-5 years?” (n=3018).

Figure 5: CIO objectives to improve collaboration can help CEOs manage openness.

National Aeronautics and Space Administration: Embracing openness within strong core values

The U.S. National Aeronautics and Space Administration (NASA), created in 1958, has accomplished numerous great scientific and technological feats in air and space. Its scientists, engineers and other professionals explore Earth and space to benefit mankind. Critical to mission success is teamwork, one of the agency’s core values – the others are safety, integrity and excellence.

The Open Government initiative is a movement to adapt to a changing external environment; embrace new technologies; engage with citizens; as well as encourage collaborations and partnerships. For NASA, openness and values are key elements of an operational framework guiding how it interacts with employees and the public at large.

NASA has over 18,000 employees plus contractors who work in seven test and research facilities, plus ten field centres around the country. Enabling collaboration among these geographically dispersed groups is a top priority.

NASA leverages wikis extensively to support and facilitate internal collaboration. Other internal collaboration tools include ExplorNET, which enables the creation of shared user profiles and launched 61 communities in its first 45 days of use. A Twitter-like tool for employee communication has also been enthusiastically received. A growing number of mobile apps for NASA-only audiences are distributed centrally by the Center for Internal Mobile Applications (CIMA). By providing employees the means to collaborate at scale, NASA has made it easier to share success stories, locate expertise and increase productivity across the agency.

Engaging customers

Unlike the mismatch among CEOs, CMOs and CIOs on the issue of technology and people, the three roles are much more aligned with regard to the importance of greater customer engagement. To achieve the objective of knowing and engaging customers, big data is getting big attention across the organisation.

In this new, virtual/physical world, data is will become a core business element of every organisation. Today, CEOs are prioritising the insights that come from investments in customer data far above others. 73 percent of CEOs plan to invest in their organisations' ability to draw meaningful customer insights from available data. This compares to 50 percent of CEOs who expect to look for insights in operations data, 49 percent in sales data and 44 percent in data about markets and competitors.

Although customer insight has always been highly prized, in recent years, the pursuit has changed in two key ways. First, there's far more raw data to choose from than ever before. And second, 'knowing the customer' is no longer confined to segmentation, statistical averages and historical inferences.

CEOs search for more meaningful customer insights

Since identifying customer insights is increasingly complex, CEOs need improved capabilities. Seven out of every ten CEOs are making major changes in their organisations to deepen the understanding of individual customer needs. They are also implementing extensive changes to enable faster, more relevant responses to markets and individuals.



Source: 2012 CEO Study Q9: "To what extent will your organisation change to meet customer expectations compared to your industry peers over the next 3 to 5 years?"

Figure 6: CEOs plan to increase investment in customer individualisation and responsiveness – far more than other investments in the customer experience.

CEOs aim to improve customer relationships using new tools

And to improve individual customer interactions, CEOs plan a step-change in using social media as they continue engaging face-to-face with customers (see Figure 7). Today, 80 percent of CEOs cite face-to-face interaction via their sales forces and other institutional representatives as the top way to engage customers. But they expect engagement in the future to be drastically different.

Although just 16 percent of CEOs report using social media today to interact with customers, 57 percent predict that social channels will significantly displace traditional media over the next three to five years – a major gap they must quickly close.

However, face-to-face interaction will not go away. 67 percent of CEOs say face-to-face engagement will remain the most-used interaction method and so they will continue seeking better ways to enable two-way communication channels.

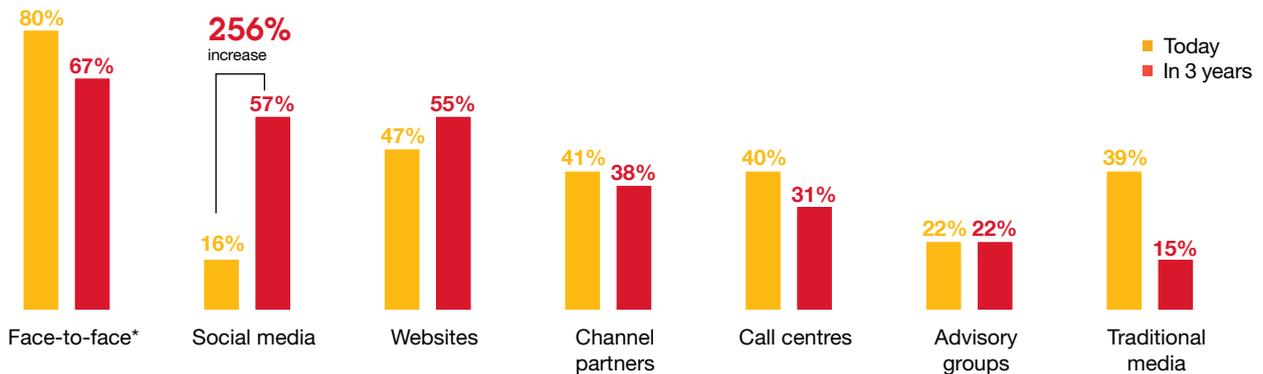
Despite the anticipated 256 percent increase in using social media, most CEOs are challenged by what to do with it today: how to drive revenues, how to manage their organisations in a social environment and how to incorporate social feedback in a meaningful way. This is simultaneously a massive challenge and an opportunity for CEOs and their organisations.

“Customers today have more control and influence with the brand than ever. We need to make sure it’s give and take – a two-sided conversation, with both parties having responsibilities in the interaction.”

Ann Glover, Chief Marketing Officer, ING Insurance U.S.
(2011 IBM Global CMO Study)

This anticipated jump in social media use presents greater opportunity for both CMOs and CIOs to have enterprise-wide impact. In slightly different ways, each draws upon customer data to benefit from more meaningful customer engagement through social channels. Our studies suggest that CMOs and CIOs are on similar paths with shared goals with regard to their focus on the customer relationship.

Mechanisms to engage customers



Source: 2012 CEO Study Q8: “What are the three most important mechanisms your organisation will use with customers over the next 3 to 5 years?”
*Face-to-face / sales force / institutional representatives

Figure 7: CEOs expect a tremendous increase in using social media to connect with customers in the near term.

CMOs cite enhancing loyalty as a top priority and they are already starting to look closer at the customer experience – not just the point of transaction, but across the full value chain of the customer relationship. But this isn't easy because CMOs have traditionally relied upon structured data, often that which views customers as segments rather than individuals. Today, 61 percent of CMOs rely on data that surfaces during segmentation and 54 percent on data obtained at the point of purchase.

Looking ahead, CMOs will need to capture, analyse and use unstructured customer data. Real improvements in individual customer relationships depend on connecting with people at the other end of the lifecycle so they become advocates. To a lesser extent today, CMOs capture, analyse and use customer data in three other lifecycle phases: interest/desire (cited by 45 percent of CMOs); use/enjoy (41 percent of CMOs); and bond/advocate (40 percent of CMOs). One of the ways they can improve this is to work with their CIOs.

The majority of CIOs are already driving a number of initiatives to streamline and improve customer interactions, and better understand what customers value. Three customer relationship initiatives garner CIOs' strongest emphasis:

- Simplify interactions for clients (cited by 69 percent of CIOs)
- Understand and uncover dynamically what clients value (50 percent of CIOs)
- Derive value from new sources of client data (42 percent of CIOs).

“We want to know as much as possible about the customer before he or she calls us, to simplify our customer interactions.”

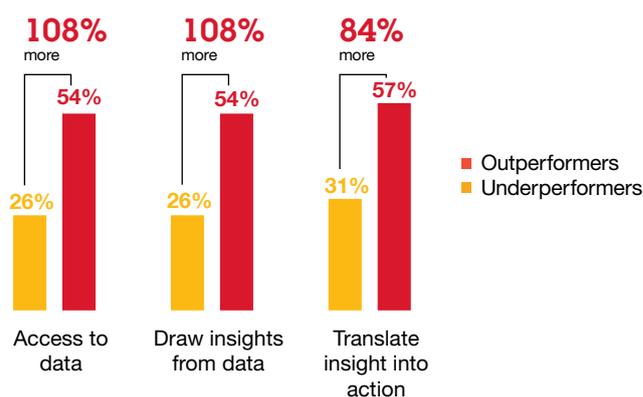
Mike Benson, Executive Vice President and CIO, DIRECTV
(2011 IBM Global CIO Study)

Both CMOs and CIOs are also turning to leading-edge technologies to better engage customers or transform business models. Managing big data is certainly high on their list of 'must-dos.' Not surprisingly, CMOs are most interested in technologies to derive value from customer analytics, social media and mobile apps. To do this, more than 80 percent of CMOs expect to increase their use of such technologies in the next three to five years.

Outperforming CEOs are more insight-driven

Across the full sample, one-quarter of CEOs say their organisations operate below par in terms of driving value from data. Many CEOs expressed frustration about their organisations' inability to capitalise on available information. But CEOs from outperforming organisations are outperforming their competitors in terms of their capabilities to access data, draw insights from data and translate insights into actions (see Figure 8).

How well data is used compared to competitors



Source: 2012 CEO Study Q22: “How good is your organisation at driving value from data?” (today and in 3 to 5 years).

Figure 8: CEOs of outperforming organisations are better at sourcing and using customer data – access, insight and translation into action.

Like CEOs, CMOs also say they are overwhelmingly underprepared to take charge of the growing volume, velocity and variety of data. To deal more effectively with data, 64 percent of CMOs also anticipate changing the mix of skills within the marketing function. About two-thirds of CMOs plan to enhance marketing's analytics capabilities through investments in new tools and technologies, by developing new strategies for managing big data. In addition, more than half report being underprepared for the impact of numerous other market factors as well, including: social media, expanding channel and device choices, decreasing brand loyalty and the need to collaborate with customers.

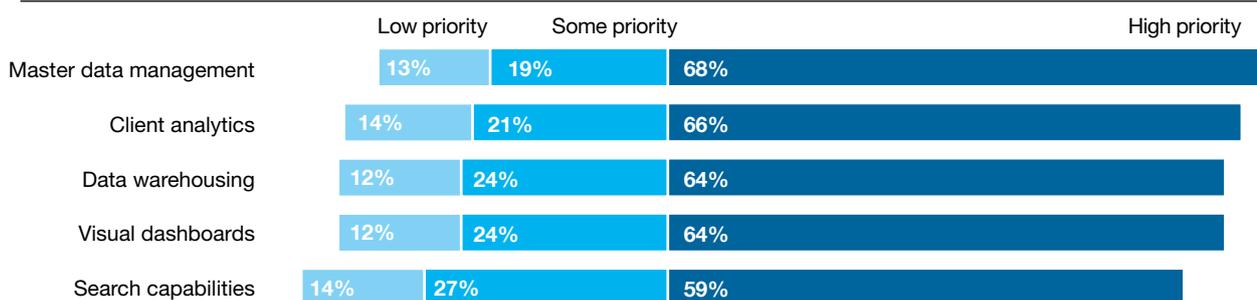
CIOs agree with CMOs that significant data investments are a high priority (see Figure 9). CIOs identify five major activities to translate data into meaningful and useful intelligence: master data management, client analytics, warehousing, dashboards and search capabilities. They expect these activities to lead to insights from both structured and unstructured data, plus to enable them to understand customers at a level that is more individual, responsive

and profound (see case study sidebar, 'National Geographic: Engaging with customers in new ways').

Expanding partnerships

Partnering is pervasive and has reached an all-time high. In 2008, a little over half of the CEOs we interviewed planned to partner extensively. Now, more than two-thirds intend to do so. External partnerships will become even more critical to CEOs' operating strategies.

Innovation is also becoming more fundamental to organisations. But in concentrating on core capabilities, organisations see that the dynamic ideas and processes they need to incorporate are often best obtained from other organisations. To pursue innovation, outperforming organisations are investing in partnering much more than underperformers – with business partners (BPs), communities of interest, academic institutions and other types of organisations (see Figure 10).³



Source: 2011 CIO Study Q17: "What activities will you prioritise over the next three to five years to turn data into actionable information for your organisation?" (n=3,018); some responses may add to over 100% due to rounding up.

Figure 9: CIOs prioritise these activities to turn data into intelligence.

National Geographic: Engaging with customers in new ways

The National Geographic Society is one of the world’s largest non-profit scientific and educational organisations. Founded in 1888 to ‘Increase and diffuse geographic knowledge,’ the Society’s mission is to inspire people to care about the planet. Through magazines, television, films, books, music, radio, exhibitions and other media, it has connected deeply with customers for decades. The National Geographic Channel, for example, reaches 435 million households in 37 languages across 173 countries.

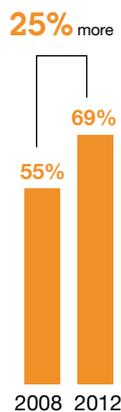
But with more customers expecting real-time information and subscription revenues shrinking for publishers, the organisation is now offering enhanced customer experiences on more platforms. By marshalling digital and social media capabilities, National Geographic lets people share both with

them and through them.

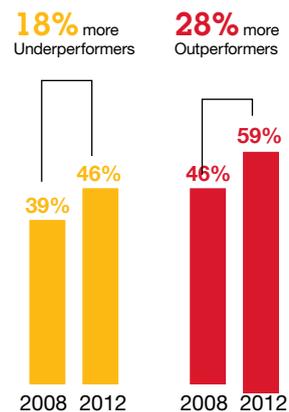
Among its many digital customer touch points are National Geographic’s robust website, NationalGeographic.com; the magazine’s award-winning iPad app, a best-selling atlas app, and other mobile apps that include educational games; the Animal Jam online virtual playground for kids; Networked Organisms, a global platform for citizen scientists; blogs and other social media channels.

By providing creative ways to enhance the magazine experience and engage with individuals of all ages, National Geographic continues to grow its customer connections. The magazine now has more than 170,000 digital subscribers and more than 9 million Facebook fans who learn and interact based on daily updates from the Society.

Extent to which organisations are partnering



Propensity to partner for innovation

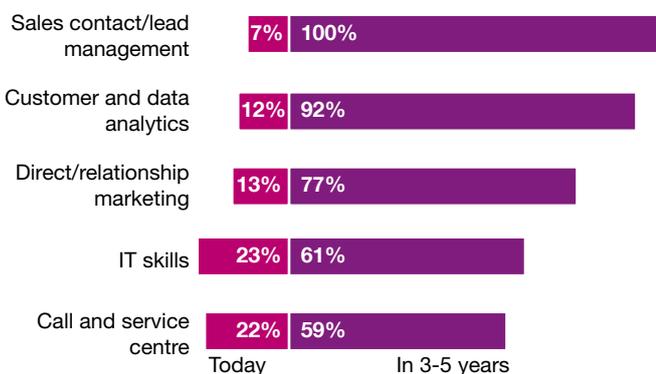


Source: 2012 CEO Study Q16: “What will your operating strategy be in three to five years, compared to today?”; 2008 CEO Study Q11: “To benefit from global integration will you invest to: partner extensively?”; 2012 CEO Study Bench_D: “To what extent does your organisation collaborate and partner (externally) to innovate?”; 2008 CEO Study Q4: “To what extent does your organisation collaborate and partner to innovate”

Figure 10: Outperforming CEOs are partnering more frequently.

CMOs told us they also expect to be using external partnerships much more in the next three to five years (see Figure 11). Many of these will be technology-related partnerships, which is something new for CMOs. Within that time period, an astounding 100 percent of CMOs plan to use external partners for sales contact and lead management resources, compared to only seven percent who do so today. Another huge increase in partnering will stem from CMOs' need for customer and data analytics: 92 percent of CMOs expect to work with external partners in this area versus just 12 percent who do so today.

Use of external partnerships



Source: 2011 CMO Study Q16: "What do you do within marketing and what resources will you tap into, to manage marketing today and going forward?" (n [Today] = 1440 to 1668 n [in 3-5 years] = 1481 to 1636).

Figure 11: CMOs currently lag in the use of external partnering, but recognise its importance for the near future.

By contrast, CIOs are already highly engaged with external partners and prioritise the flexibility in capabilities that partnering brings. 65 percent of CIOs plan to benefit from global integration by partnering extensively versus just 17 percent who plan to do everything in house and 18 percent who will do a combination of both.

Needing a new skill mix to address the broad challenges of today's business environment – from social media to big data – was a theme that came up repeatedly throughout both the CMO and CIO Studies. 66 percent of CIOs anticipate significantly changing their skill mix to get the capabilities, knowledge and assets they need, plus 65 expect to partner externally to do this. Additionally, in terms of return on investment (ROI), CMOs and CIO both consider partnering to be the most effective, expedient way to get the necessary skills to support key initiatives (see case study sidebar, 'Karolinska Institutet: Collaborative research to innovate for patients, students and employees').

"Data warehouse solutions and portals are becoming commonplace. We are building our back-office systems to be more 'open and partner-ready.'"

John Glanville, IT Director, Ideal Stelrad Group (2011 IBM Global CIO Study)

Karolinska Institutet: Collaborative research to innovate for patients, students and employees

Karolinska Institutet, one of the world's leading medical universities, was founded in 1810 as an 'academy for the training of skilled army surgeons.' Since 1901, its Nobel Assembly has selected the Nobel laureates in Physiology or Medicine. Today, it conducts more than 40 percent of Sweden's medical research.

Each year, Karolinska Institutet grants PhD degrees to over 350 students and in 2010 it had over 4,500 employees. To maintain its leading international position in competitive research and meet the needs of next generation students and employees, Karolinska Institutet sought to integrate a global perspective into its future development.

Underlying the focus on external outreach is an emphasis on equipping researchers, faculty, administrative staff and students for strategic collaboration. Karolinska Institutet now has agreements in research and education with numerous countries, universities, as well as biomed and biotech companies.

Key collaboration partners include: U.S.-based Advaxis, Inc.; The Chinese Academy of Sciences; Nanjing Medical University; and The Mayo Clinic; plus others in India, Japan, Uganda, across Europe and other parts of Asia.

Karolinska Institutet Innovations AB is a comprehensive system to facilitate the journey from 'early life sciences research idea' to 'commercial product.' About seven percent of research is funded through collaborative projects, commissioned research or donations. Employees, students and alumni are important ambassadors, spreading worldwide awareness of Karolinska Institutet's activities and achievements.

In April 2012, a Karolinska Institutet research team made strides toward large-scale delivery of drugs via the skin. This followed collaborative genetic study of fibroids in August 2011 and stem cell culturing research in May 2010. Above all, its international perspective supports the mission to improve human health throughout the world via research and education.

How CEOs, CMOs and CIOs can align priorities to realise a shared vision

Our analysis uncovers important actions CMOs and CIOs can take to work together more effectively and to more fully support the goals of their CEOs.

Managing openness across your organisation

Define openness before openness defines you. Openness is already upon us, but some organisations are reluctant to incorporate it. Acknowledge that openness is a major force that will continue. Develop a comprehensive strategy and plan to orchestrate the evolution of openness in your organisation. Build the structures, processes and policies necessary to deliver the outcomes you want and need from greater openness.

De-silo as a top priority. The pressure has never been greater on organisations not only to be responsive, but to be ahead of market demands. Monitor new technologies that enable competition from both within and outside of established industries. Act or respond quickly by removing impediments to collaboration. Prioritise the identification and removal of remaining organisational silos, along with hurdles that affect customer interactions.

People will become the critical priority. In many organisations, the sentiment ‘people are our most important asset’ is perceived as empty talk, with employees feeling that they are actually treated like any other resource. But this perception must be changed. Over the coming decade, a perfect storm will hit organisations – demographic shifts, combined with even greater demand for skills and experience, changing employee expectations and even stronger expectations for increased organisational openness and transparency. People will truly become the most important asset, so the capability to engage and inspire employees will be a key differentiator of outperforming organisations.

Individualising your customer relationships

Deepen customer relationships through superb interactions and experiences. As transactional relationships transform into experiential ones, customers of all types are less tolerant of generic or ill-conceived interactions with organisations – irrespective of their nature or purpose. Customers are not differentiating among physical, virtual or other types of experiences – and they are beginning to rail against being dehumanised as a segment or archetype. Recognise this change and invest to improve customer interactions by acting on what you already know and can learn about individual customer needs and preferences.

Unstructured data will become the gold rush of our time. The ability to tap into unstructured internal and external data has become a key determinant of outperformance. Marry insights from unstructured sources such as social media, email, sentiment analysis and blogs with structured systems of record for essential input into business strategy, customer interaction and engagement.

‘Chief Data Officer’ is in everyone’s job description. In this new world of individualised and immediate data access, insight and interaction, severe damage can be directed toward customers or organisations even before they know what’s hit them. Deal directly with issues of security, privacy, accuracy and availability as they become exponentially more important and sensitive – do not leave them to the IT or Legal departments. Manage their potential impact on the entire enterprise and work to avoid implications on the long-term stability (and survival) of the organisation.

Investing in your partnership ecosystem

Convert me, me, me into we, we, we. Establishing new partnerships opens an important set of choices. The spectrum of partnership possibilities ranges from ‘vendor’ on one side to ‘trusted advisor’ on the other, with many possibilities in between. Consider numerous factors that determine the optimal level of engagement, including the nature of the joint effort and the objectives and culture of each prospective partner.

Explode the dimensions of collaboration. Partnerships need not be predictable or expected. They can go far beyond the formality of historical organisation-to-organisation arrangements. Use social media and other technologies to create exceptional opportunities to partner with communities of individuals, customer groups, academic institutions and others with minimal cost and high potential benefit. Leverage such options to enable one-to-one engagement with partners across organisations, opening up new possibilities for dynamic interactions, spontaneous creativity and innovation.

Be the orchestrator of a shared tomorrow. Avoid thinking of partnerships in a fragmented way, but rather see them as a portfolio of relationships that can ultimately support achievement of your long-term business objectives (as you help them achieve theirs). Play the role of orchestrator at the centre of your own eco-system – setting the direction and objectives, and enabling collaboration across your partnership network.

How to start today

As they plan to work on the recommendations above, CEOs, CMOs and CIOs can begin improving C-suite alignment immediately. Given the shared obligation to move the strategy forward, individual executives can ‘own’ specific elements of the strategy:

- CEOs can act to understand, demonstrate and enable organisational openness by ‘walking the walk:’ establish visible collaborations across the enterprise, recognise and reward those that who embrace collaboration and start to blog and tweet
- CMOs can jump-start efforts related to data: identifying and advocating to fulfill data requirements, including how data should permeate through the organisation and to partners
- CIOs can reduce the number of impediments to collaboration and actively introduce tools for more creative collaboration.

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