REDEFINING BOUNDARIES

Insights from the Global C-suite Study

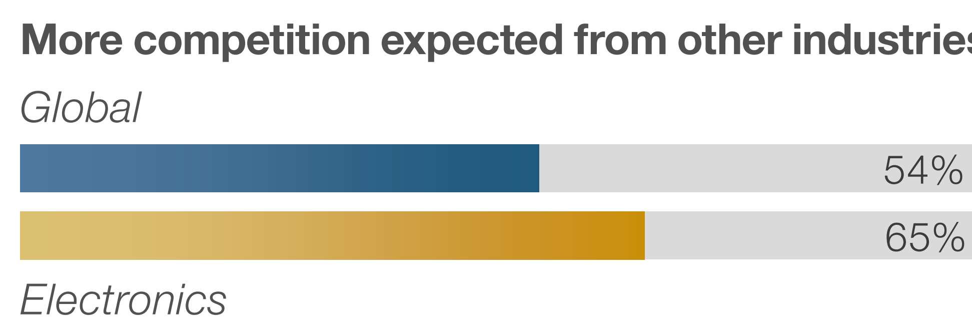
Electronics Industry

We surveyed 213 business leaders from the Electronics industry for our latest C-suite Study. So how do they differ from CxOs in other sectors?

Convergence and competition

Electronics CxOs overwhelmingly agree that industry convergence is the top trend reshaping the business landscape (79 percent versus 66 percent of our total sample). They’re excited by the new opportunities for growth this offers, but they’re even more nervous than other CxOs about the prospect of outsiders invading their patch (see Figure 1).

Figure 1. *Electronics CxOs are particularly fearful of a land grab*



A different take on key techs

Predictably, perhaps, Electronics CxOs say technology is by far the biggest external force influencing their organizations, although market factors are another major pressure (see Figure 2). But whereas most CxOs are focusing on cloud and mobile, Electronics CxOs are more bullish about the Internet of Things. They also have much higher hopes of advanced manufacturing technologies and new energy sources and solutions than their peers in other industries (see Figure 3).

Figure 3. *Electronics CxOs are really bullish about the Internet of Things*

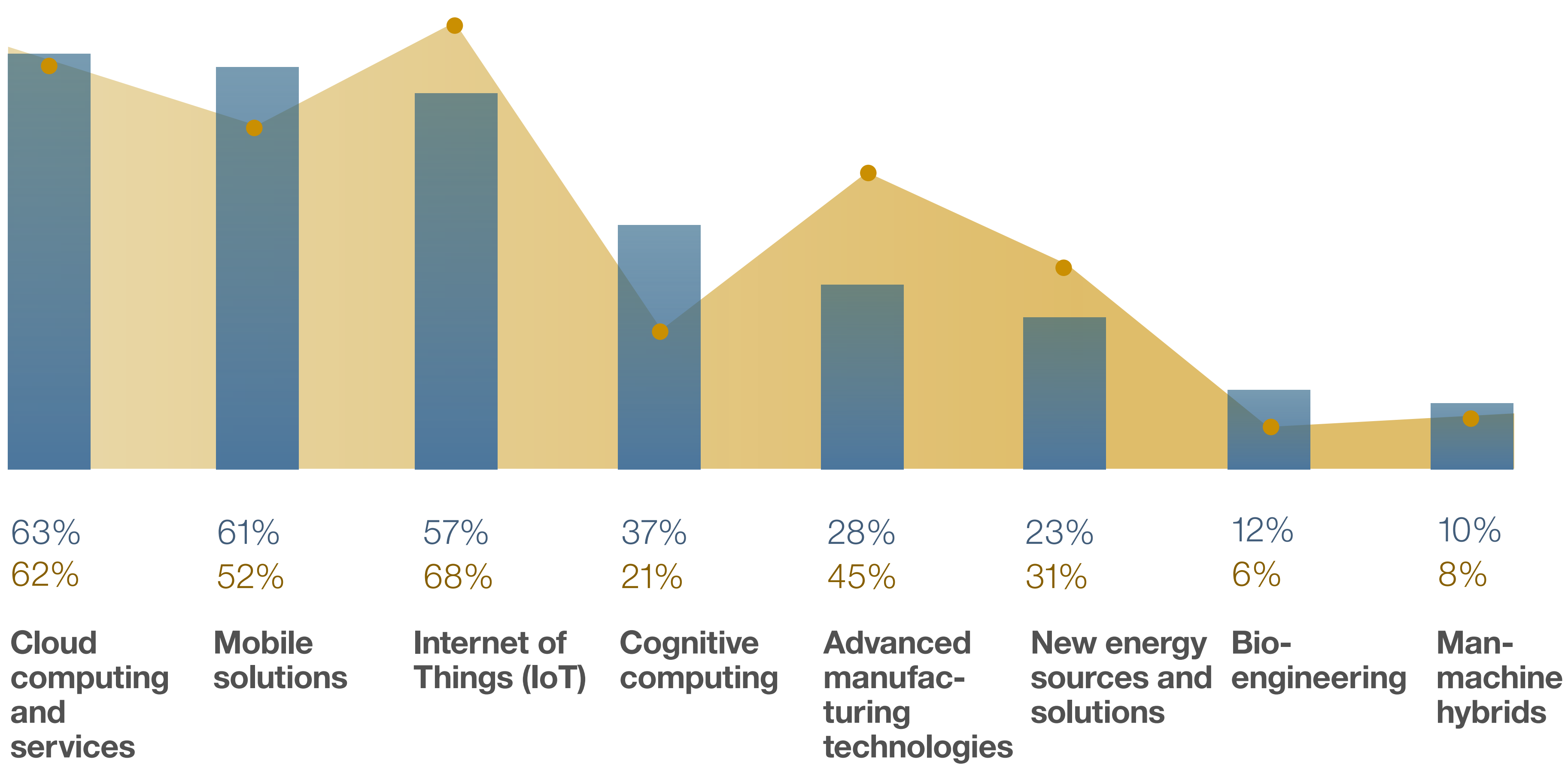
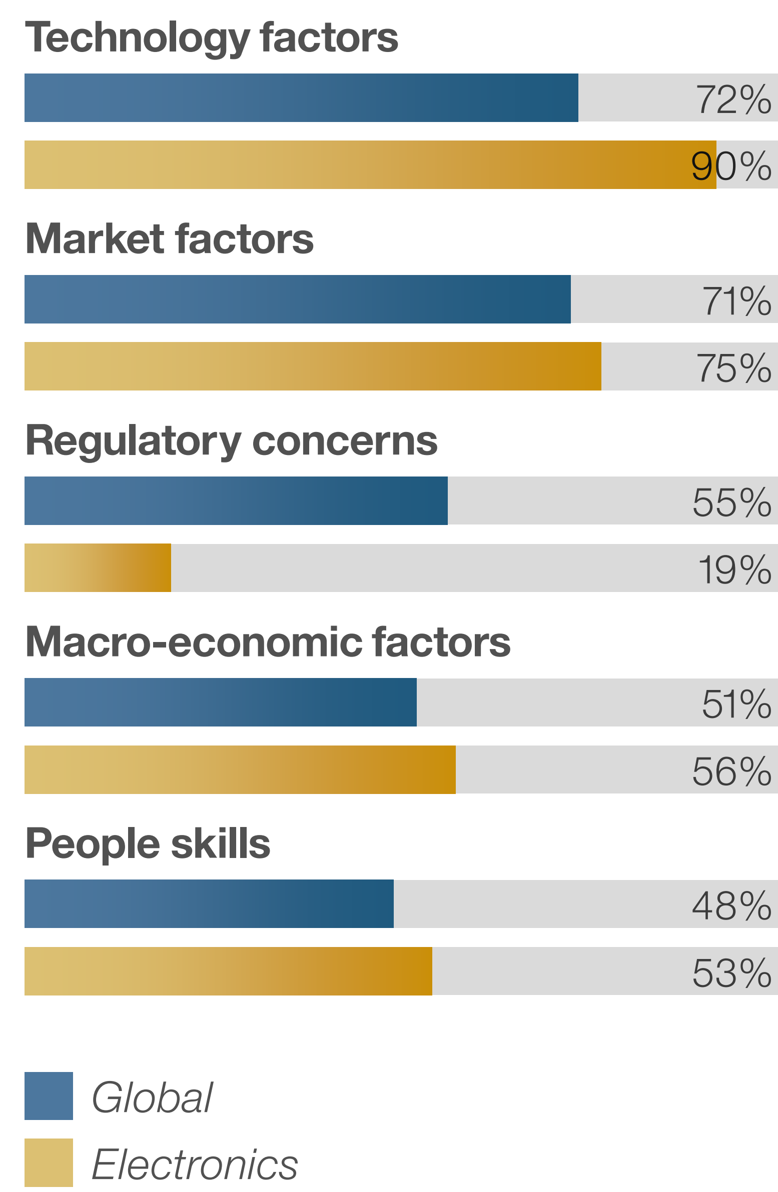


Figure 2. *Electronics CxOs expect technology to have a huge impact*



Major overhaul

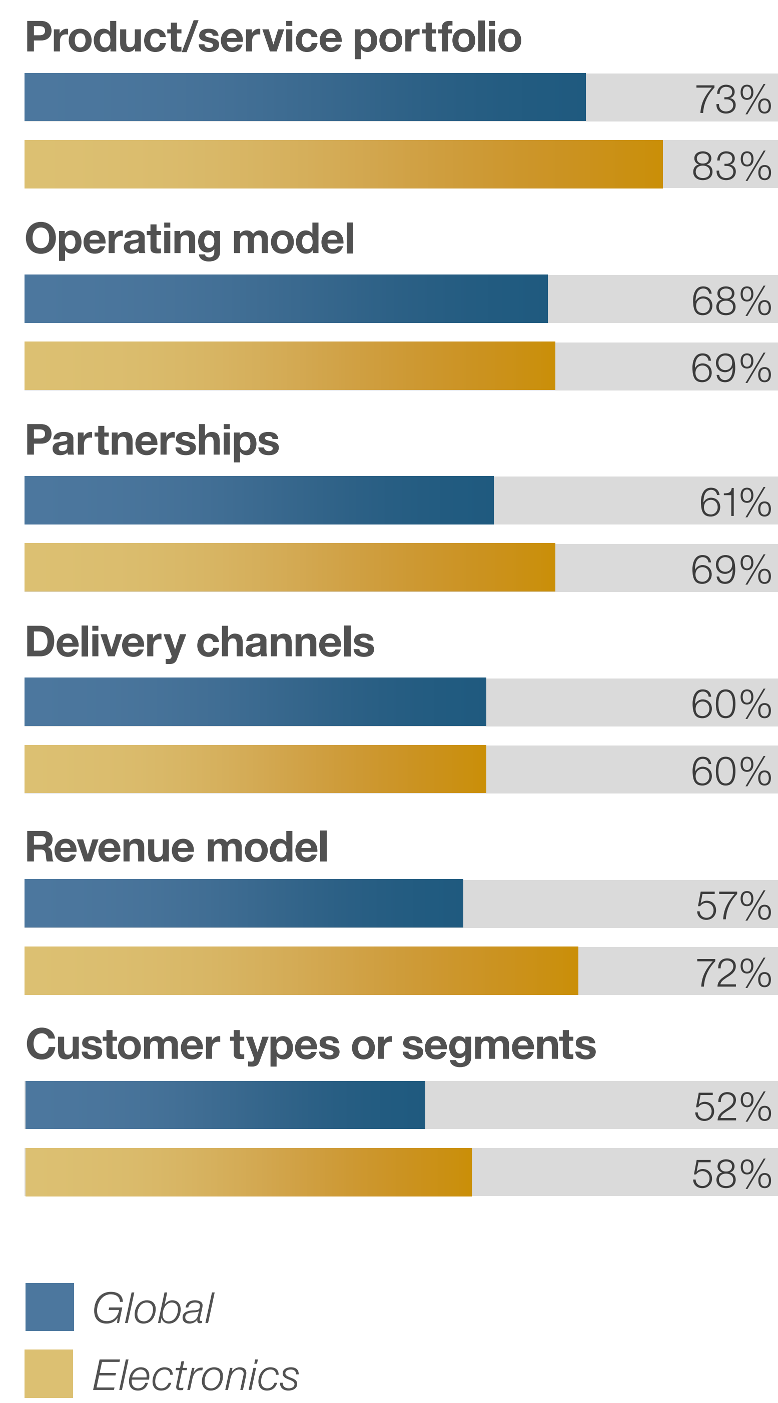
Electronics CxOs – like other CxOs – recognize they'll need to reassess the core parts of their businesses in light of the technological progress they envisage. Their primary concern is overhauling their product/service portfolios, but they're also much more switched on to the potential for new revenue models than CxOs in other sectors (see Figure 4).

That's often a winning formula. We identified a small group of highly successful enterprises in our global sample. Torchbearers – as we call them – likewise invest a lot of effort in developing new revenue models.

Disrupting the disruptors

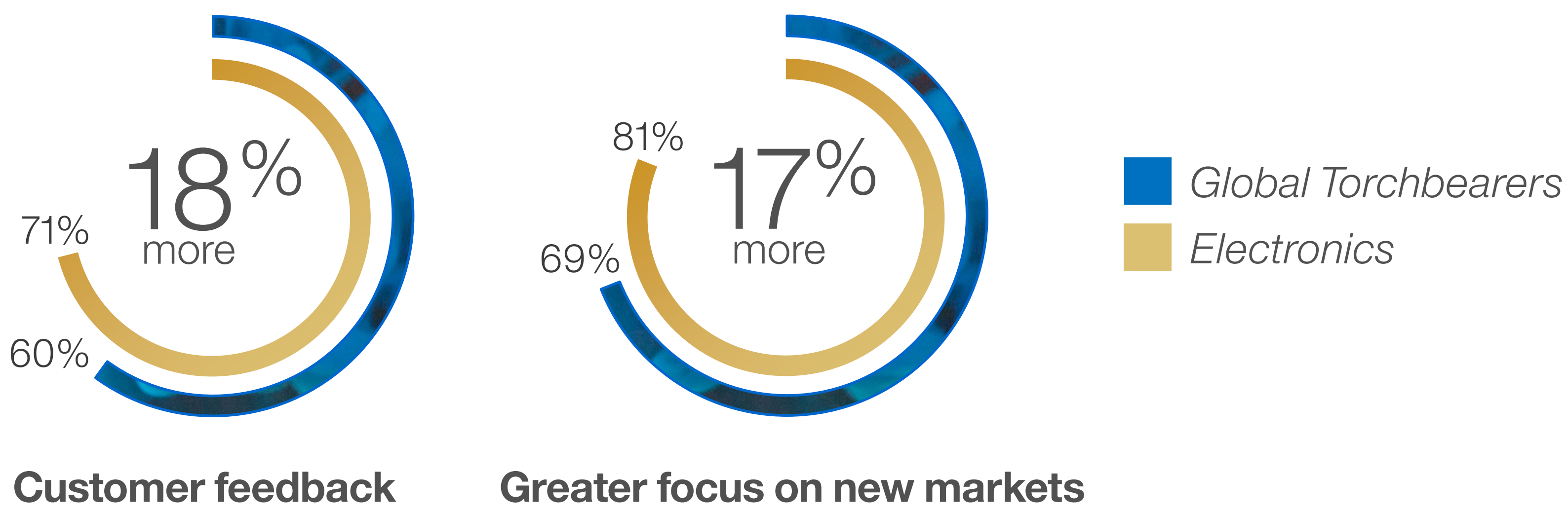
In fact, Electronics CxOs resemble Torchbearers in a number of ways. Among other things, Torchbearers are especially attuned to the risk of competition from adjacent industries, better at listening to customers to pick up on new trends and more proactive about exploring new markets.

Figure 4. *Electronics CxOs plan to review core business elements*



Electronics CxOs also excel on all these counts. Indeed, they pay even closer attention to what their customers say, and they're even more likely to be focusing on new markets (see Figure 5). So, in some respects, they're even better prepared than Torchbearers to take on digital invaders with different business models and disruptive new competitors from adjacent industries.

Figure 5. *Electronics CxOs are well placed to take on disrupters*



But there's one area where Electronics CxOs lag behind these exemplars. Eighty percent of Torchbearers aim to reach the market first when they're launching new business models or new offerings, whereas only 60 percent of Electronics CxOs aspire to be market pioneers.

In an era of disruptive innovation and intensifying competition, it's vital to be first or the very best. Coming second or third with something that's only marginally better than rival products and services simply isn't good enough when the very boundaries of business are being redefined.

You can see the various installments of our latest Global C-suite Study at ibm.com/csuitestudy

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GBP03454-USEN-00