

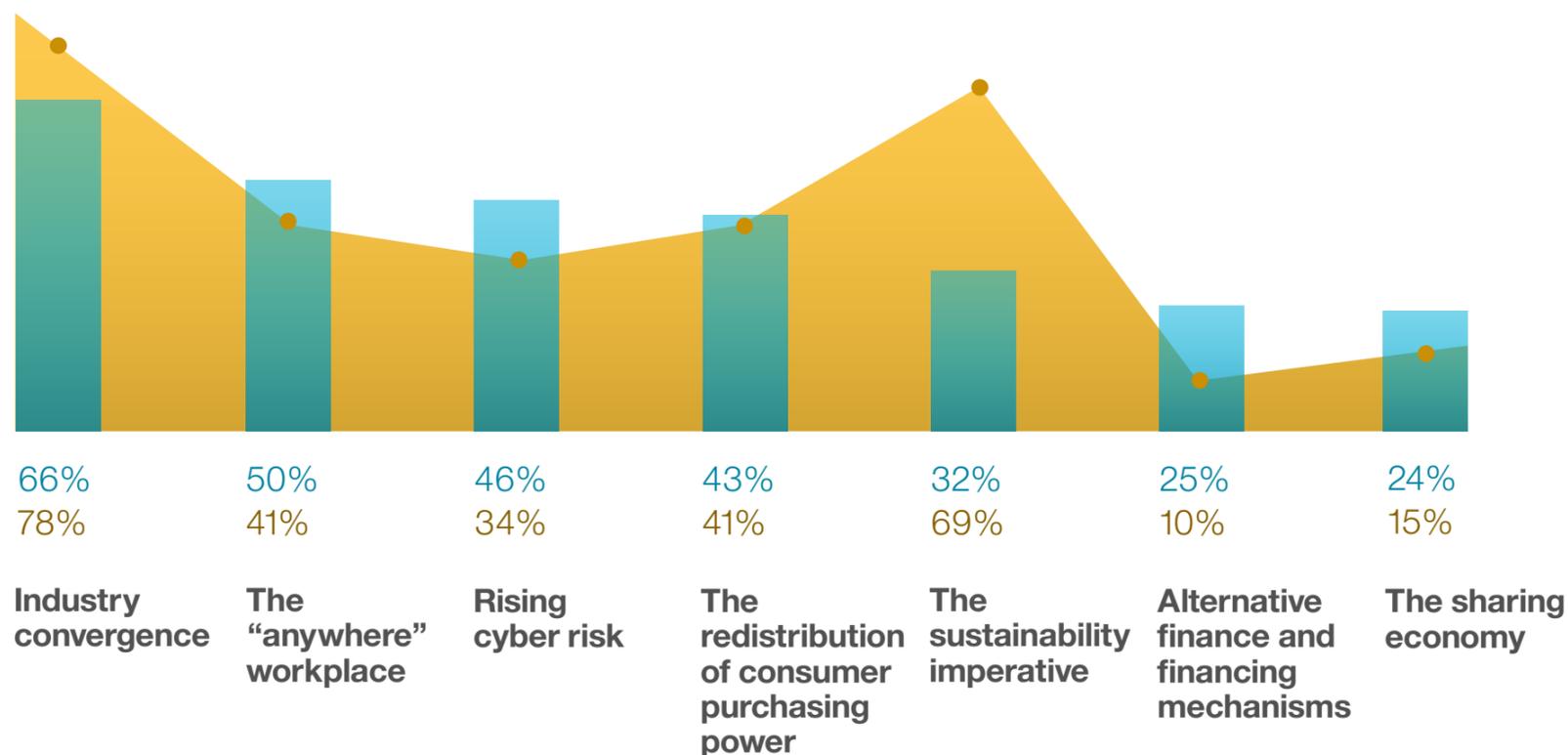
# REDEFINING BOUNDARIES

Insights from the Global C-suite Study

# Chemicals and Petroleum Industry

We surveyed 160 top executives from the Chemicals and Petroleum (C&P) industry for our latest C-suite Study. So how do they stand out?

Figure 1. C&P CxOs say convergence and sustainability are top trends



## Two key trends

C&P CxOs are even more convinced than our overall sample that industry convergence is the biggest trend reshaping the business landscape (see Figure 1). An example? "Apple is reportedly planning to enter the market with electric cars, so associated industries will have a strong impact on future oil demand," one C&P CxO told us.



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## Chemicals and Petroleum – Industry Point of View

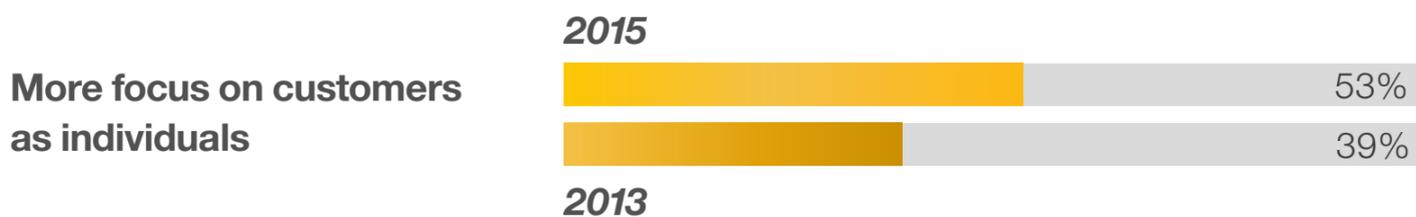
More than two-thirds of C&P CxOs say the sustainability imperative will also have a substantial effect, as recognition of the need to protect the environment gradually takes root in every sector and market.

In fact, the “green” agenda features particularly high on the list of external forces C&P CxOs anticipate having to deal with in the next few years. They think technology and market pressures will be the two main influences, but they expect macro-economic factors and environmental issues to have a major bearing on their businesses as well (see Figure 2).

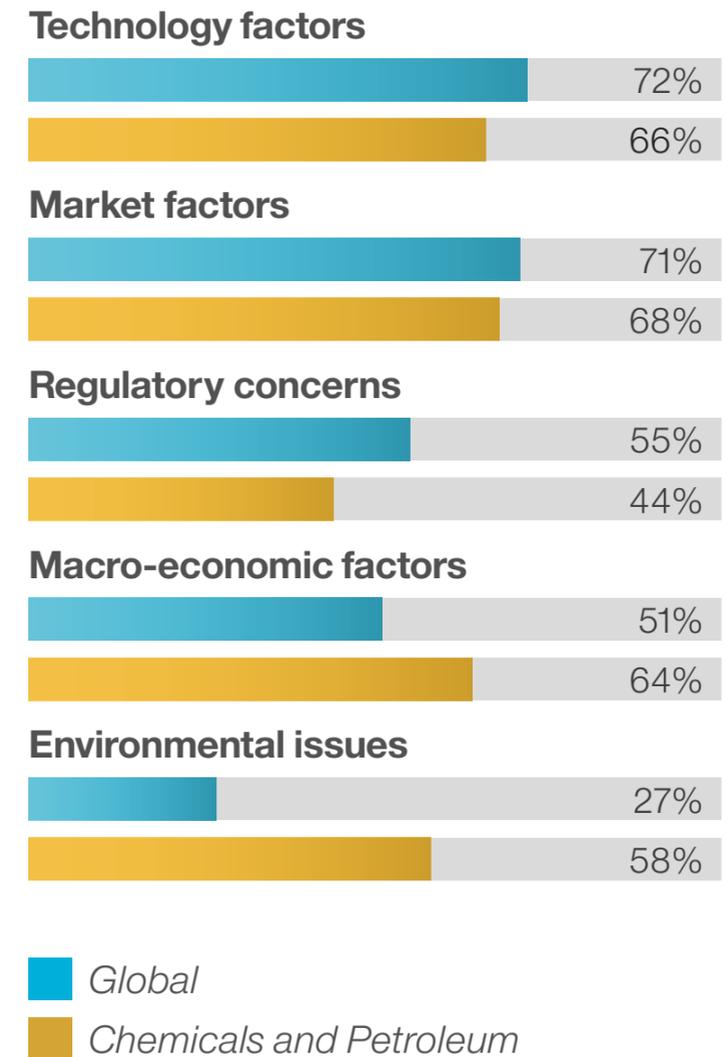
### Increasing individualization

What’s more surprising, perhaps, is the extent to which C&P CxOs increasingly plan to individualize their interactions with customers, even though many C&P companies are largely or entirely B2B (see Figure 3).

**Figure 3.** C&P CxOs expect to engage with customers more individually



**Figure 2.** C&P CxOs point to economic and environmental influences

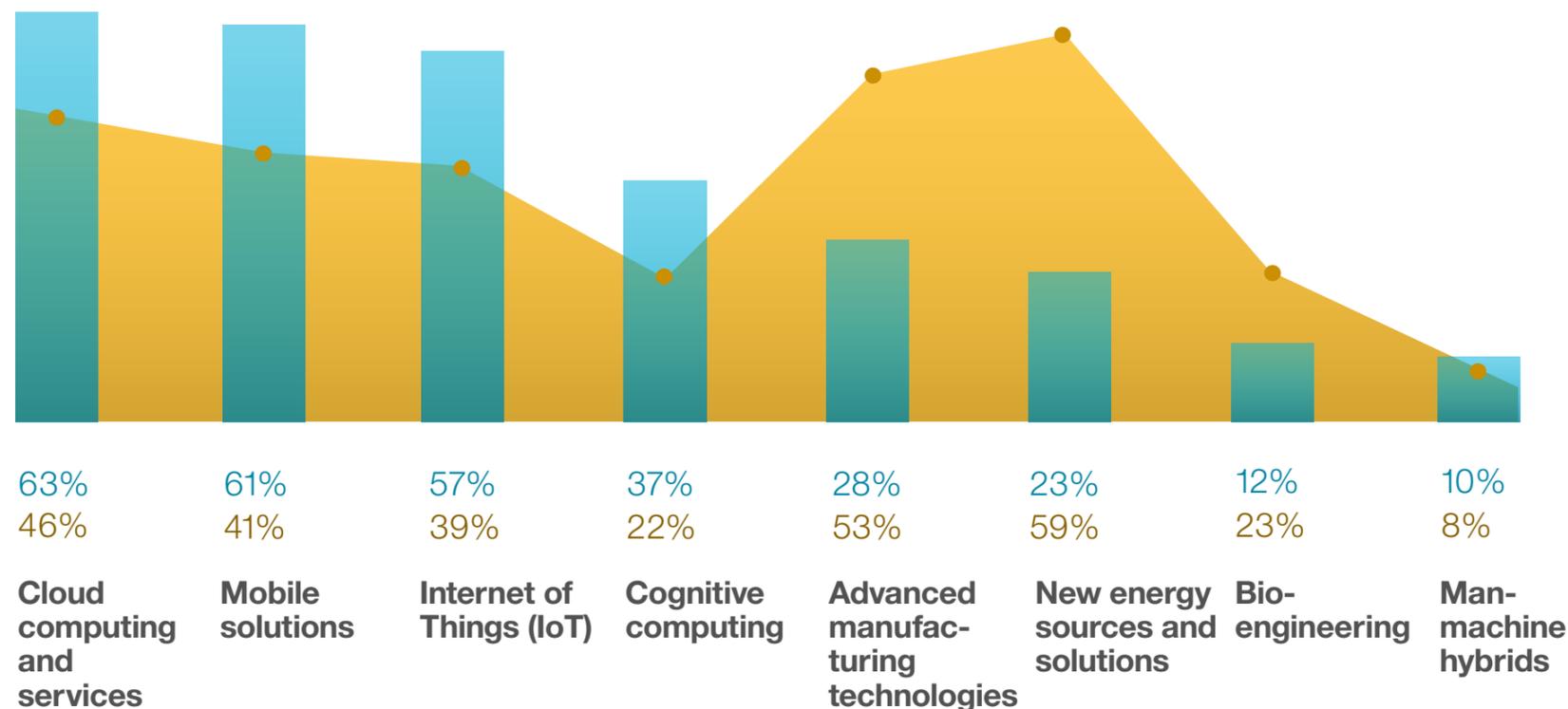


**A different take on tech**

Most CxOs are placing their bets on cloud computing and mobile solutions. However, C&P CxOs are much more interested in new energy sources and advanced manufacturing technologies (see Figure 4).

Such technologies typically come with a bigger price tag than more established technologies – and deliver higher returns, when they pay off. So this may explain why C&P CxOs view the risks associated with new technologies differently from their peers in other sectors. While the majority of CxOs worry chiefly about IT security, C&P CxOs are far more concerned about financial uncertainty.

**Figure 4.** C&P CxOs are particularly excited by new energy and manufacturing technologies



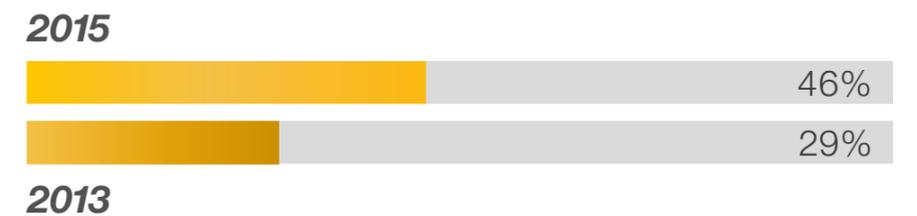
■ Global  
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**Growing fears about a land grab**

High entry costs may also account for the fact that, although C&P CxOs are acutely aware of how the boundaries between different industries are blurring, they're less nervous than other CxOs about outsiders entering their patch (46 percent versus 54 percent). That said, C&P CxOs are markedly more perturbed about the prospect of invaders from unexpected quarters than they were in 2013 (see Figure 5).

**Figure 5.** C&P CxOs are becoming more wary of outsiders on their patch

**More competition expected from other industries**



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Despite these tensions, C&P CxOs remain relatively risk-averse. We identified a small group of very successful enterprises in our global sample. Torchbearers – as we call them – possess some distinctive characteristics. They're more forward-looking, more agile and more willing to experiment than other enterprises.

They're also much more confident about taking the lead. Whether they're launching new business models or new offerings, most Torchbearers aim to reach the market first. C&P CxOs are more cautious about being market pioneers (see Figure 6).

**Figure 6.** C&P CxOs are warier than Torchbearers about being pioneers



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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