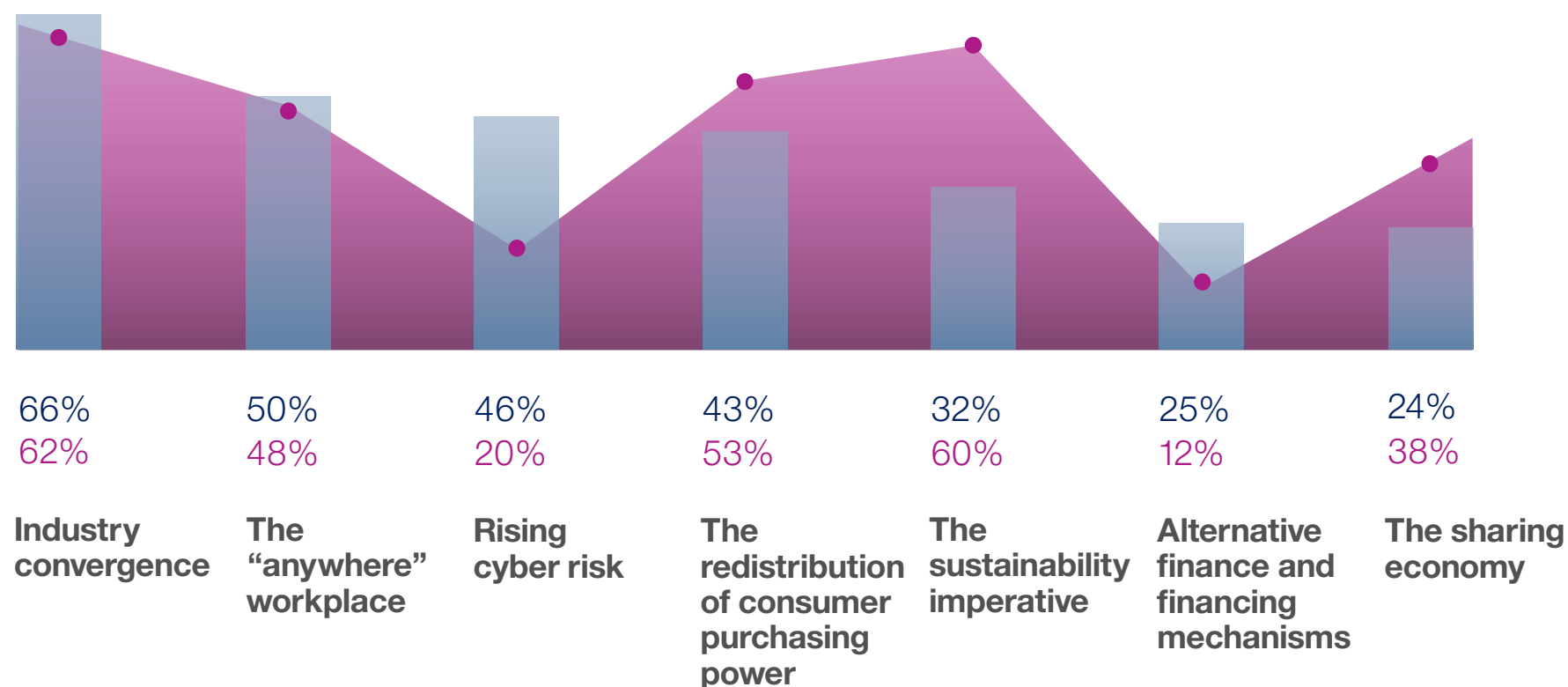


REDEFINING BOUNDARIES
 Insights from the Global C-suite Study

Automotive Industry

We surveyed 160 top executives from the Automotive industry for our latest C-suite Study. So what differentiates them from other CxOs?

Figure 1. Automotive CxOs see three key trends reshaping the world



Mixed views on main trends

Automotive CxOs are more divided about the main trends reshaping the business landscape than CxOs in other sectors. They agree that industry convergence is one key factor, but they say the sustainability imperative will also have a major impact, as recognition of the need to protect the environment takes root around the world. And they think the shift in consumer spending power could be almost as influential (see Figure 1).

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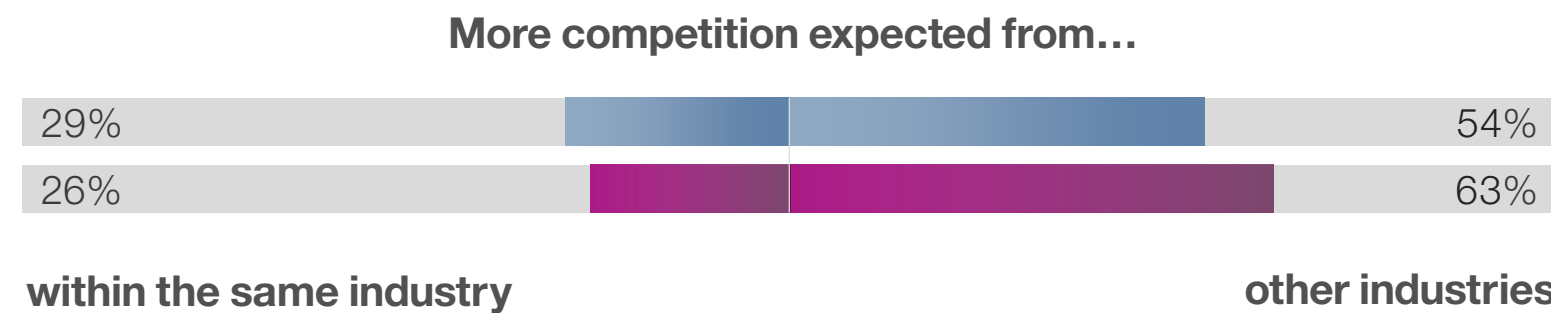


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Automotive – Industry Point of View

That said, Automotive CxOs are certainly mindful of how the boundaries between industries are blurring. Indeed, they're even more concerned about outsiders invading their territory than other CxOs (see Figure 2).

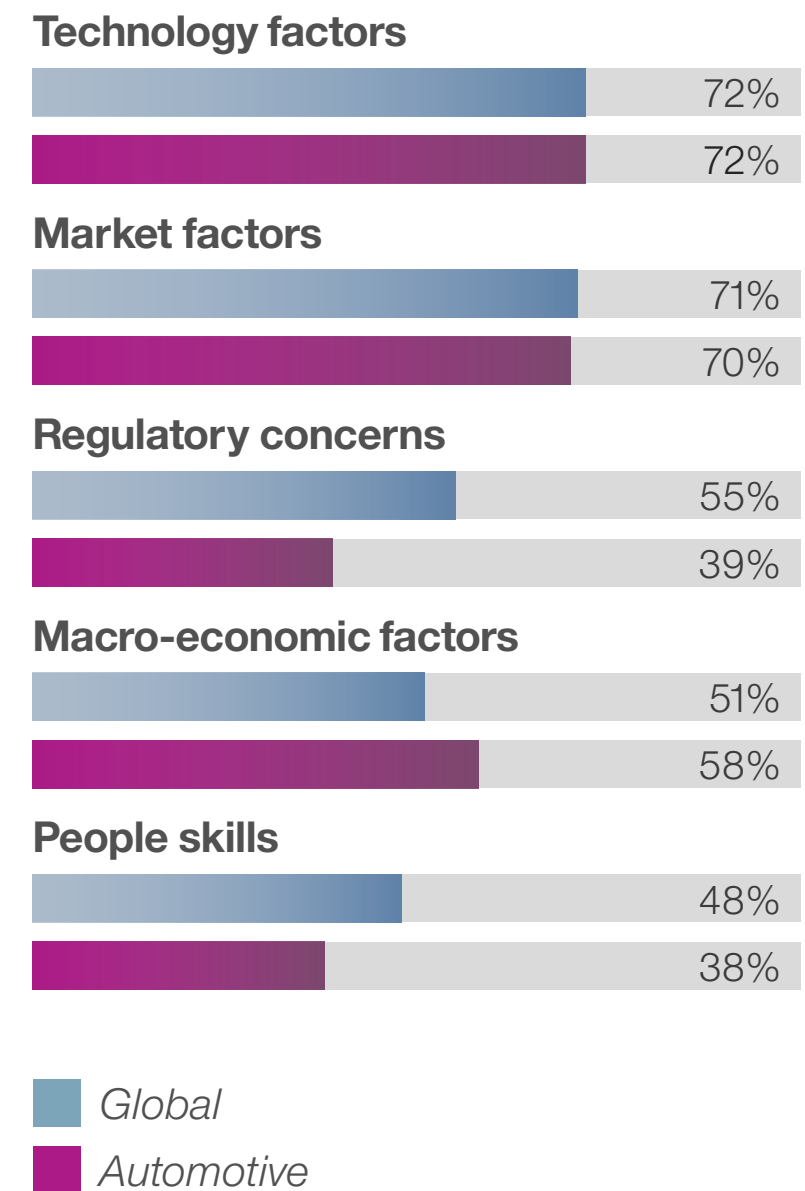
Figure 2. Automotive CxOs are particularly worried about a land grab



Twin forces

What external influences are driving many of these changes? Like their peers in other sectors, Automotive CxOs regard technology and market pressures as the two predominant forces. But they place more weight on macro-economic factors. Conversely, they're less worried about regulation and the possibility of talent shortages (see Figure 3).

Figure 3. Automotive CxOs point to a potent blend of technological and market pressures



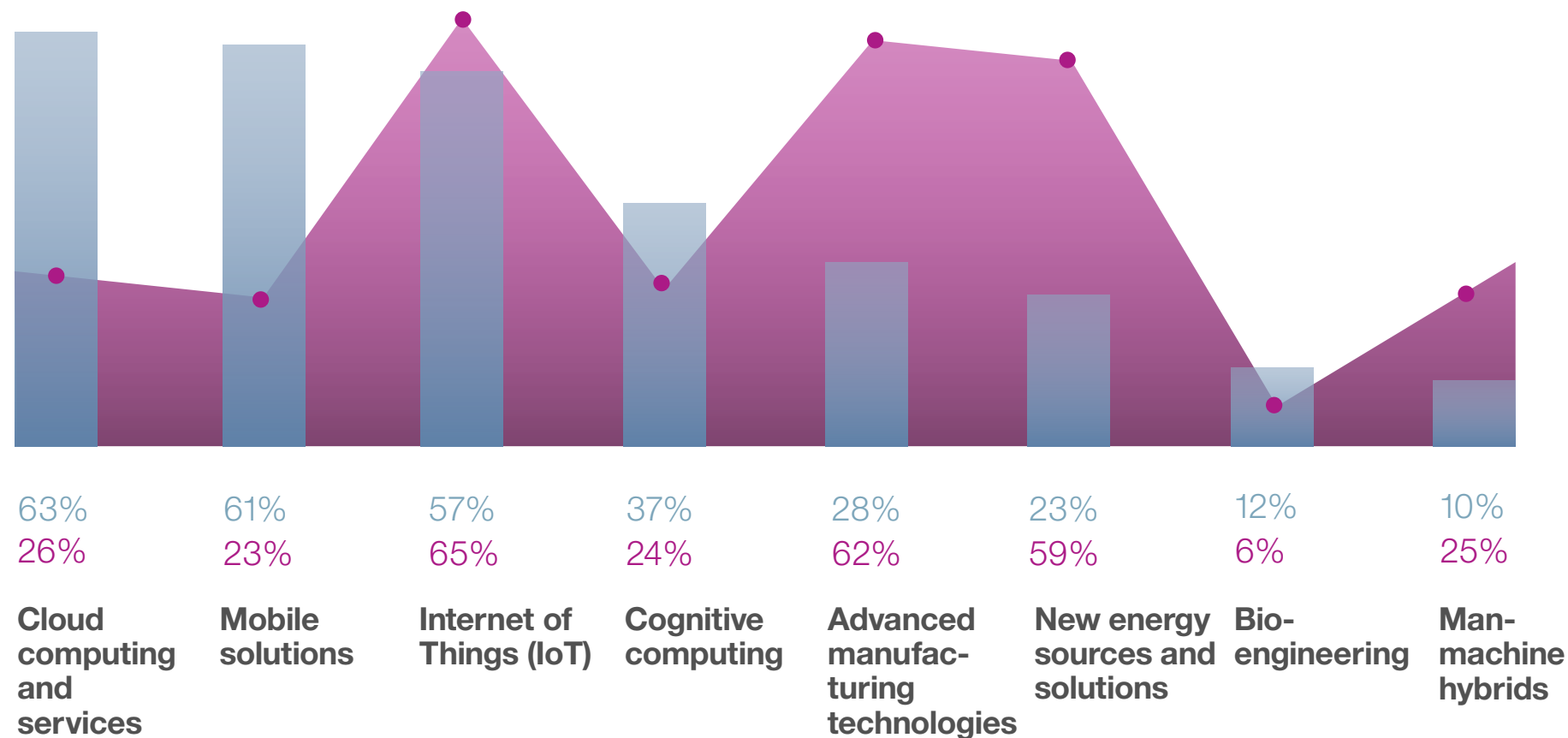
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Automotive – Industry Point of View

Star techs

Most CxOs are betting heavily on cloud computing and mobile solutions. Predictably, perhaps, Automotive CxOs have a totally different take on the star techs. They're especially excited about the Internet of Things, advanced manufacturing technologies and new energy approaches (see Figure 4). Some of these technologies may even help Automotive companies expand into other industries – as Tesla is doing with its solar batteries.

Figure 4. Automotive CxOs are focusing on different technologies



However, new technologies bring new risks – and emerging technologies carry more risks than most. This may explain why Automotive CxOs also have a different view of the associated challenges. Most CxOs fret chiefly about IT security, but Automotive CxOs are split: while 50 percent worry about security, 48 percent are nervous about the financial hazards.

Open for business

Like other CxOs, Automotive CxOs plan to review the core parts of their businesses, given the technological advances they expect. They're also focusing primarily on reassessing their offerings. What's arguably more significant, though, is the extent to which they're exploring more collaborative ways of doing business.

We identified a small group of highly successful enterprises in our overall sample. Torchbearers, as we call them, possess several distinctive features, including the fact that they're more likely to have adopted 'open' business models. Fifty-eight percent of Automotive CxOs are now actively considering or experimenting with the same approach.

■ Global
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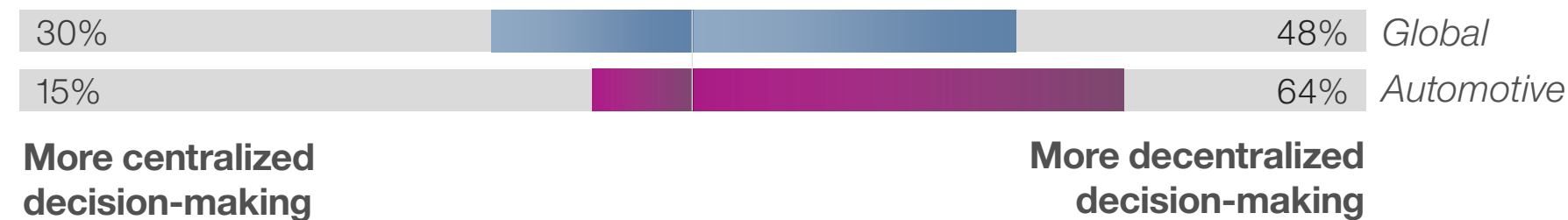


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Automotive – Industry Point of View

Automotive CxOs are also more ready to embrace decentralized decision-making than our overall sample (see Figure 5). They know they need to get closer to the front line and become more agile – both things that are difficult to do with a traditional, hierarchical management style.

Figure 5. Automotive CxOs want to give more power to their people



But there's one area where Automotive CxOs still lag behind Torchbearers: namely, their willingness to lead the way. Eighty percent of Torchbearers aim to reach the market first when they're launching new business models or new offerings, whereas only 63 percent of Automotive CxOs aspire to be market pioneers. In an era of disruptive innovation and intensifying competition, any enterprise that wants to thrive must dominate the market before its rivals can.



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