

# Leading Through Connections

Insights from the  
Global Chief Executive  
Officer Study

## Electronics

Implement extensive organizational changes to deepen understanding of customer needs

By Bruce Anderson and Paul Brody

The IBM Global CEO Study 2012, “Leading Through Connections” comprises face-to-face conversations with more than 1,700 CEOs in 64 countries and 18 industries. The study reveals three key imperatives impacting geographies and industries: Empowering employees through values; engaging customers as individuals; and amplifying innovation with partnerships.

As might be expected, markets and technology remained *the* most important external forces impacting the organizations of the 86 Electronics CEOs interviewed for this study.

Convergence, commoditization, and consolidation are just a few of the challenges for traditional hardware-based companies across almost every Electronics segment. While technology is a key driver for many of these trends, it also continues to be an enabler of the top three sources of sustained economic value as defined by Electronics CEOs: customer relationships, human capital, and product/service innovation. The ability to use technology to translate customer insights into product/service innovation and mobilize the organization around that innovation is critical to market success.

Sixty-nine percent of Electronics CEOs identify *customer insights* as their most critical area needing improvement. Although customer insight has always been highly prized, the pursuit has recently changed in two key ways. First, there are far more data sources to draw from than ever before. And second, “knowing the customer” is no longer confined to segmentation, statistical averages and historical inferences. Eighty-six percent of Electronics CEOs are implementing extensive changes in their organizations to deepen the understanding of individual customer needs and enable faster, more relevant responses to markets and individuals, compared to 72 percent of the overall CEO Study sample.

There is also considerable opportunity to extract greater value and insight from data by making it available to both employees and design partners. Currently, just 41 percent of Electronics CEOs report that their organizations are good at *translating insight into action* compared to 57 percent of outperforming CEOs in the overall sample.





Achieving the desire for more extensive partnering with other organizations to create innovation will require Electronics organizations to fundamentally change how they partner. As they expand their collaboration networks, they must also strengthen their *global mindsets*. Unlike in the overall CEO sample which ranked global mindset as the fourth most critical trait for CEO success, Electronics CEOs ranked *global mindset* as number one. Electronics CEOs need to develop a strategic approach for their organizations to take advantage of social and mobile tools that provide the means to collaborate globally and at scale – both internally to empower employees and externally to create customer-driven innovation with partners.

To reach an IBM industry expert, contact [iibv@us.ibm.com](mailto:iibv@us.ibm.com) and for more information about the IBM CEO Study, please visit [ibm.com/ceostudy](http://ibm.com/ceostudy).

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Route 100  
Somers, NY 10589  
U.S.A.

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