

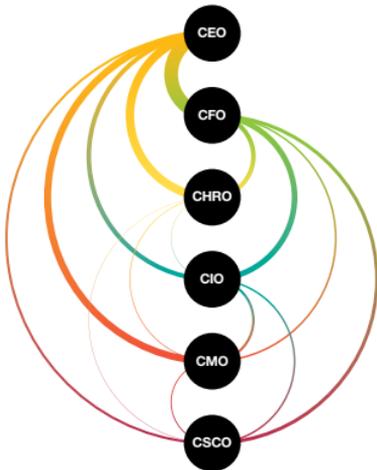


Exploring the inner circle

Insights from the Global C-suite Study

How well do the members of the C-suite work together?

The final part of our Global C-suite Study draws on frank face-to-face conversations with 4,183 CxOs around the world to explore what's happening in the inner circle.



New technologies are blurring the physical-digital divide and transforming the way people interact. So CxOs are gearing up for huge changes in how their enterprises engage with customers.

In our first report we highlighted three steps you can take to help your enterprise serve digitally empowered customers more effectively: open up to customer influence; pioneer digital-physical innovation; and craft engaging customer experiences.

In subsequent reports we looked at how CxOs in different roles are tackling these imperatives. But how well do the members of the C-suite work together? And why do certain C-suites excel?

What gets in the way?

We analyzed more than 6,500 comments on what makes or breaks a C-suite. The roadblocks fall into three categories.

Practical constraints

One of the biggest practical problems is lack of time. “We literally can’t find 15 minutes in our day to interact,” the CHRO of a U.S. government agency told us. Many CxOs also say they need more accurate information, faster, to help them make better decisions.

Shortage of qualified people

Other issues have more to do with recruiting CxOs with the right experience and mindset. The digital revolution is placing totally new demands on a generation of executives who grew up in the analog era. But finding good new candidates can be difficult, especially for enterprises in growth markets.



“Some of our CxOs were promoted from general managers and don’t really understand their responsibilities.”

CEO, Life Sciences, China

Cultural impediments

Cultural obstacles — such as “power games” and an “alpha male” management style — are another challenge, and disputes over funding often exacerbate the tensions. “We need to get past the numbers. All our conversations start and end with numbers,” the CMO of a U.K. professional services firm complained.

What makes certain C-suites stand out from the crowd?

The best C-suites are a “broad palette” of specialists

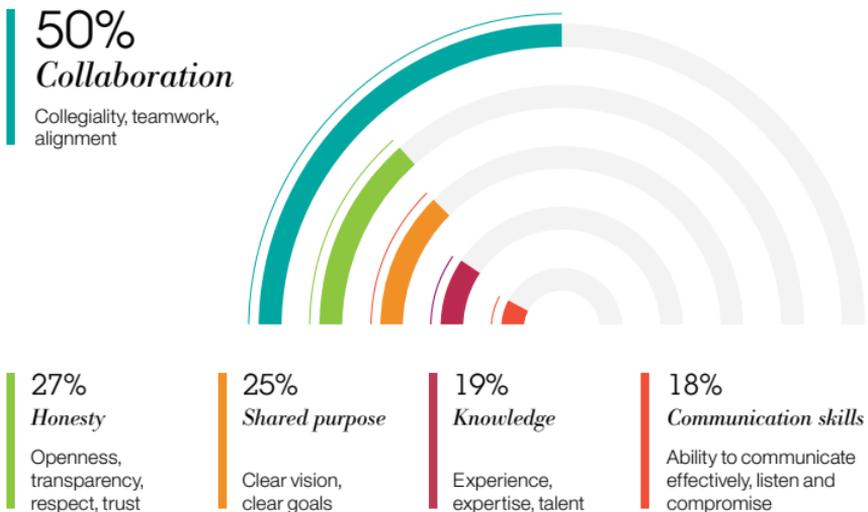
Our research shows the best C-suites are a “broad palette of people with different backgrounds and qualifications,” as the CEO of a Swiss energy company put it. Ensuring there’s a diverse mix of skills in the C-suite as a *whole* has far more impact on performance than ensuring the individual members have broad interdisciplinary experience.

Collaboration is the key criterion

The ability to collaborate is the most important factor, though (see Figure 1). And *how* the members of the C-suite collaborate is as significant as the *extent* to which they collaborate. It’s crucial not to get too comfortable with each other, CEOs warned.

Figure 1

Team talk: CEOs say collaboration is the main trait for success



“Purposeful Partners” fare best

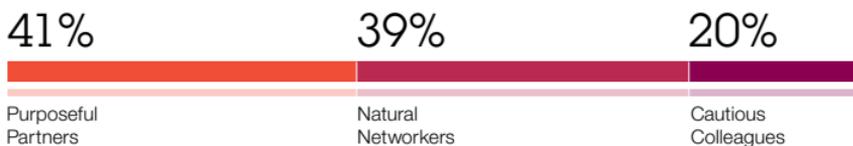
We identified three distinct approaches to collaboration. Cautious Colleagues collaborate warily. Natural Networkers collaborate widely, but don't plan to form many more partnerships. Purposeful Partners, by contrast, collaborate widely and expect to collaborate even more extensively. They also collaborate with a specific goal in mind: *to stimulate innovation*.

The result? Natural Networkers and Purposeful Partners understand their customers much better than Cautious Colleagues and are more open to their customers' influence (see Figure 2). But only Purposeful Partners have managed to translate this deep understanding of their customers into dollars.

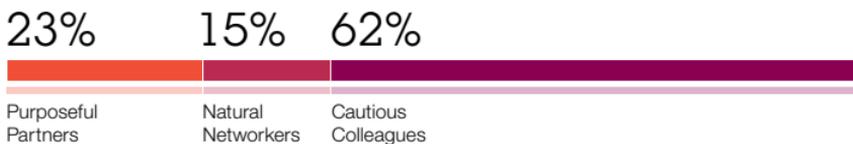
Figure 2

Customer-savvy: *Purposeful Partners and Natural Networkers account for four-fifths of those enterprises that really understand their customers*

Distribution of enterprises with strong customer understanding and influence



Distribution of enterprises with weak customer understanding and influence



A third of the enterprises in our sample are Purposeful Partners. Yet these firms account for 48 percent of all financial outperformers, versus just 27 percent of Natural Networkers and 25 percent of Cautious Colleagues.

What's the solution?

One thing is clear: we're going through momentous changes — changes that, in some respects, are turning back the clock

For centuries, most people knew everyone they traded with, and the products they bought were handmade, often to order. Digital technologies are now reviving this way of life, with online “villages” where customers can share ideas — with each other and with the businesses that serve them. These same technologies are providing an increasing array of tools to craft personalized offerings.

In an interconnected world, collaboration is vital for success. That includes collaboration with customers to co-create, co-produce and co-market goods, services and experiences; collaboration with employees, partners and suppliers to push the boundaries of innovation; and collaboration within the C-suite itself to deliver a coordinated response.



*“What makes a top-performing C-suite?
Collaboration, not consensus.”*

CEO, Energy and Utilities, Australia

We've analyzed the input we received to identify a number of steps you can take, jointly and individually, to help your C-suite function more effectively. These measures focus on making it easier to collaborate in preparing your enterprise for the hyperconnected economy of the future. You will find practical recommendations, and much more, in the full version of our report.

Looking for more detail?

You can access the full version of this report, and earlier chapters in our study at ibm.com/csuitestudy or use the IBV tablet apps on iOS and Android. You can also find out whether your enterprise is a Cautious Colleague, Natural Networker or Purposeful Partner, using our online self-assessment tool available at ibm.com/csuitestudy



The Customer-activated Enterprise
C-suite study



Reinventing the rules of engagement
CEO insights



Moving from the back office to the front lines
CIO insights



Pushing the frontiers
CFO insights



Stepping up to the challenge
CMO insights



New expectations for a new era
CHRO insights



Orchestrating a customer-activated supply chain
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