Redefining Boundaries: Can You See the Competition Coming?

*Insights from the Global C-suite Study*

Stephen Hasselmann
Managing Partner, Business Analytics & Strategy Practice Leader
IBM Global Business Services
For this study we surveyed 5,247 business leaders...

818 Chief Executive Officers (CEOs)
643 Chief Financial Officers (CFOs)
601 Chief Human Resources Officers (CHROs)
1,805 Chief Information Officers (CIOs)
723 Chief Marketing Officers (CMOs)
657 Chief Operating Officers (COOs)
What’s putting the world’s top executives on edge?
“The ‘Uber syndrome’ – where a competitor with a completely different business model enters your industry and flattens you.”

Judy Lemke, CIO, Schneider, United States
Can you see the competition coming?

Prepare for the digital invaders

Create a panoramic perspective

Be first, be best, or be nowhere

Scope, scale, and speed
CxOs expect *industry convergence* to have the biggest impact on their business.

### Top trends to impact business (in 3 to 5 years)

- **Industry convergence**
- The “anywhere” workplace
- Rising cyber risk
- The redistribution of consumer purchasing power
- The sustainability imperative
- Alternative finance and financing mechanisms
- The sharing economy

---

©2015 IBM Corporation  9 November 2015
For the first time, the entire C-suite selected technology as the main game changer.

External forces impacting the enterprise (in 3 to 5 years):

- Technology factors: 72%
- Market factors: 71%
- Regulatory concerns: 55%
- Macro-economic factors: 51%
- People skills: 48%
- Socio-economic factors: 34%
- Globalization factors: 31%
- Geopolitical factors: 31%
- Environmental issues: 27%
CXOs see a need to collaborate more, with more external parties, for innovation

Business landscape change (in 3 to 5 years)

- More internal innovation: 24% in 2015, 38% in 2013
- More external innovation: 54% in 2015, 47% in 2013

```
+15%
```

“'We anticipate relying more heavily on partnerships and adjacencies, and on innovating by listening to clients and developing solutions together.'”

**David Mills**, CEO, Ricoh Europe, United Kingdom
We have identified a small group of leading innovators that financially outperform: Torchbearers

- 34% Market Followers
- 42% Peer level
- 24% Leading Innovators

* Torchbearers
  - 100% are Leading Innovators
  - 20% of Leading Innovators are Outperformers; thus 5% of the total population are Torchbearers

Outperformers in growth and profitability
Torchbearers are better placed to take on the disrupters

Business landscape change (in 3 to 5 years)

- More competition expected from other industries
  - Torchbearers: 59%
  - Market Followers: 52%
  - Torchbearers: 13% more

- Greater focus on new markets
  - Torchbearers: 69%
  - Market Followers: 57%
  - Torchbearers: 21% more

- More decentralized decision-making
  - Torchbearers: 62%
  - Market Followers: 45%
  - Torchbearers: 38% more
The technologies that CxOs expect to revolutionize business tomorrow are already in play today

- Cloud computing and services (63%)
- Mobile solutions (61%)
- Internet of Things (IoT) (57%)
- Cognitive computing (37%)
- Advanced manufacturing technologies (28%)
- New energy sources and solutions (23%)
- Bioengineering (12%)
- Man-machine hybrids (10%)
We invite you to continue the conversation

ibm.com/csuietestudy
Innovation by Design

Stacey Dziurzynski, Instructional Solution Design Consultant
Office Depot

Nada Jiddou, Sr. Director, Global Information Strategy & Innovation
Whirlpool Corporation

John Armstrong, Partner & North America Leader
IBM Interactive Experience

Moderated by Lori Steele, Managing Partner
IBM Global Business Services, North America