



Redefining Boundaries

Insights from the Global C-suite Study

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IBM Institute for Business Value



For this study we surveyed
5,247 business leaders...

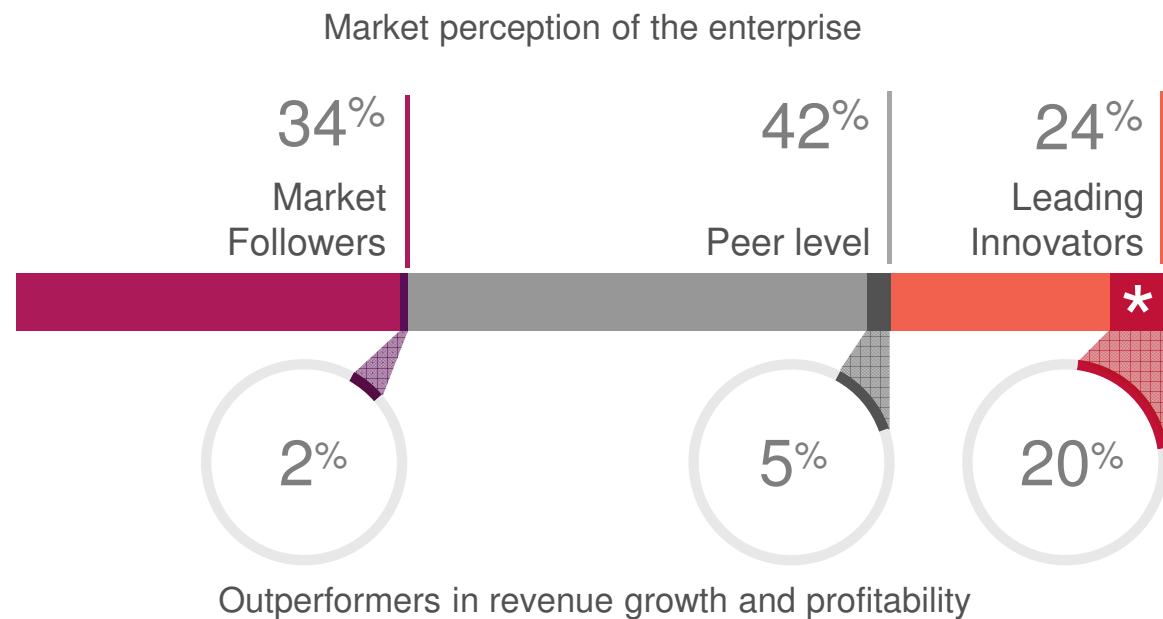
818	Chief Executive Officers (CEOs)
643	Chief Financial Officers (CFOs)
601	Chief Human Resources Officers (CHROs)
1,805	Chief Information Officers (CIOs)
723	Chief Marketing Officers (CMOs)
657	Chief Operating Officers (COOs)

70 countries

21 industries



We identified a small group of leading innovators that financially outperform: Torchbearers



* Torchbearers

24%

of the total population are Leading Innovators

20%

of Leading Innovators are Outperformers; thus

5%

of the total population are Torchbearers



Agenda



▶ 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

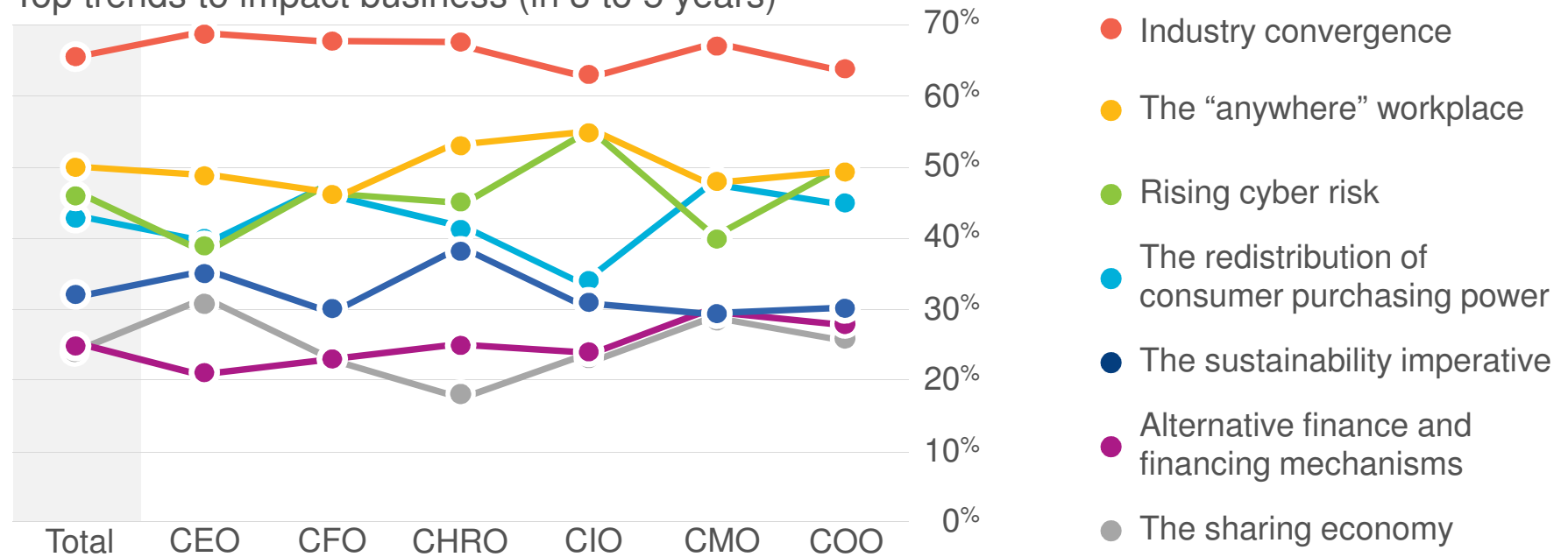




What's putting the world's
top executives on edge?

CxOs expect *industry convergence* to have the biggest impact on their business

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





“The boundaries of competition are becoming ambiguous.”

Yong Eum Ban, CFO, JoongAng Media Network, South Korea

New permutations are emerging out of “old” industries



“Digital Giants”

“We know expectations are rising but what, exactly, will customers expect?”

We don’t know that yet.

And those expectations aren’t set by us or by our competitors; they’re set outside our industry by Apple or Amazon.

That’s who we’re competing against, really.”

Scott C. Campbell, Executive Vice President and CMO – Multiple Line
American National Insurance Company, United States



“Ankle-Biters”

“The ‘Uber syndrome’ – where a competitor with a completely different business model enters your industry and flattens you.”

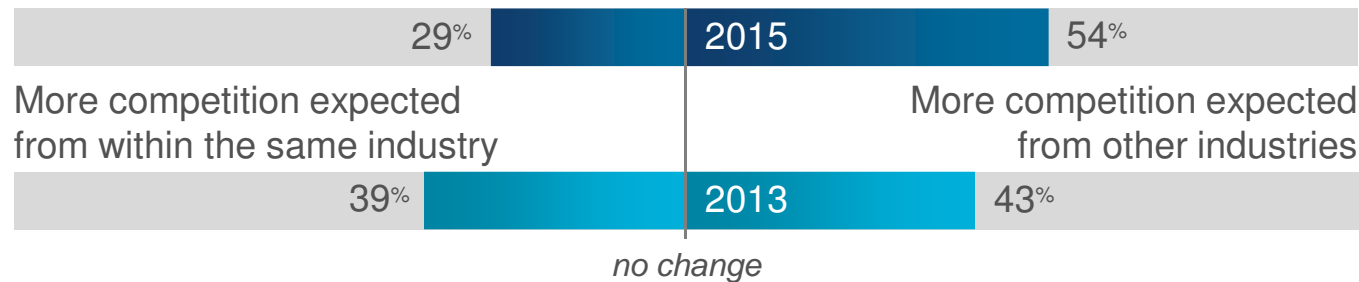
CIO, Transportation, United States

“The biggest threat is new competitors that aren’t yet classified as competitors.”

Piotr Ruszowski, CMO, Mondial Assistance, Poland

CxOs are terrified of outsiders making a land grab

Business landscape change (in 3 to 5 years)



+26%

“We used to look at the Four Seasons as a competitor. Now we look at disruptors like Airbnb.”

CMO, Travel, United Arab Emirates



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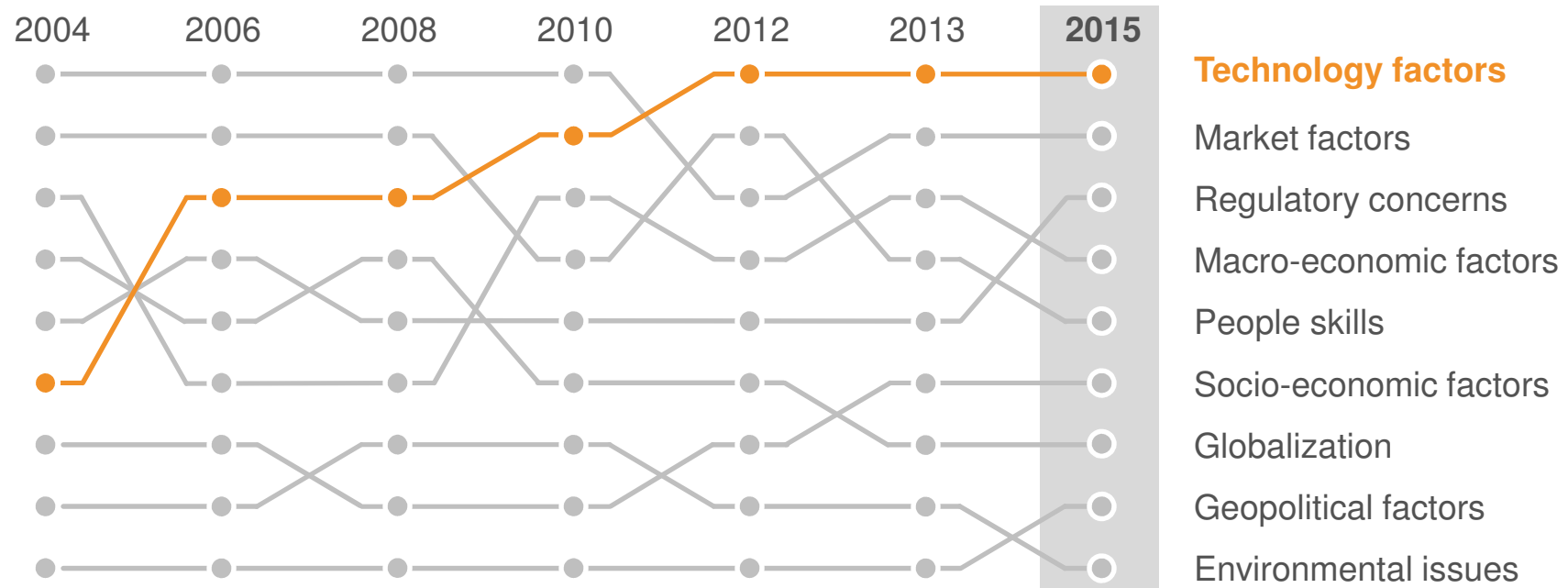
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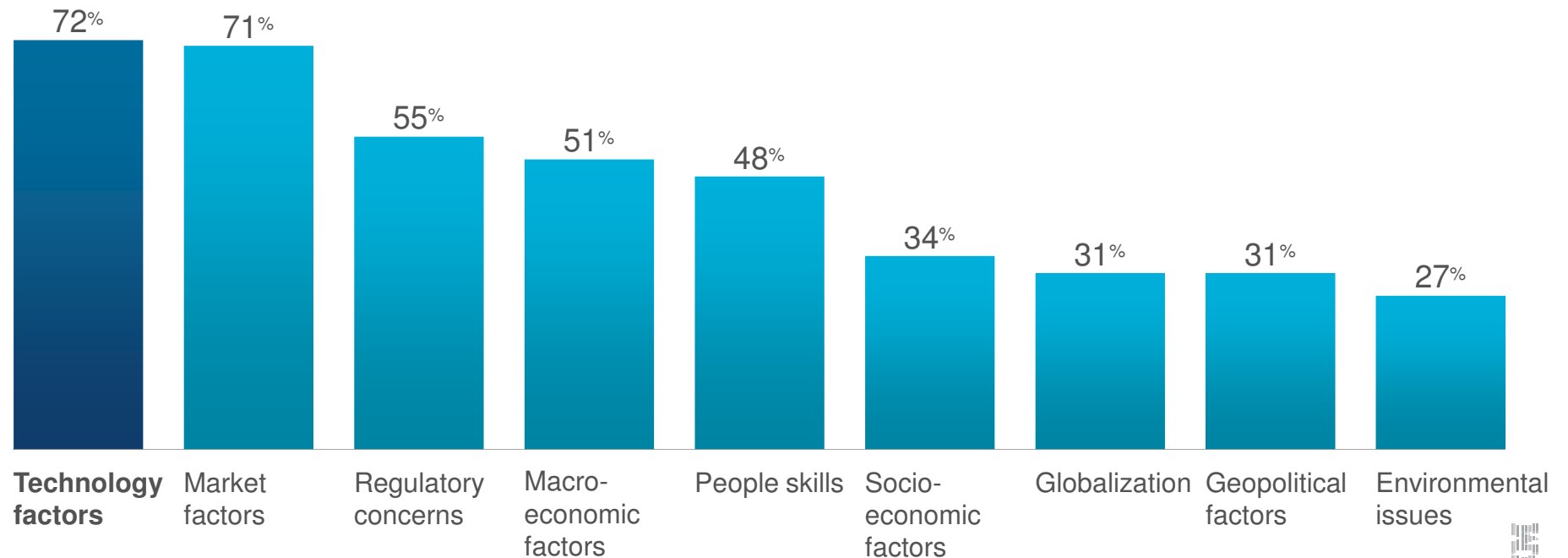
CEOs again selected technology as the most important external force that will affect their enterprise

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



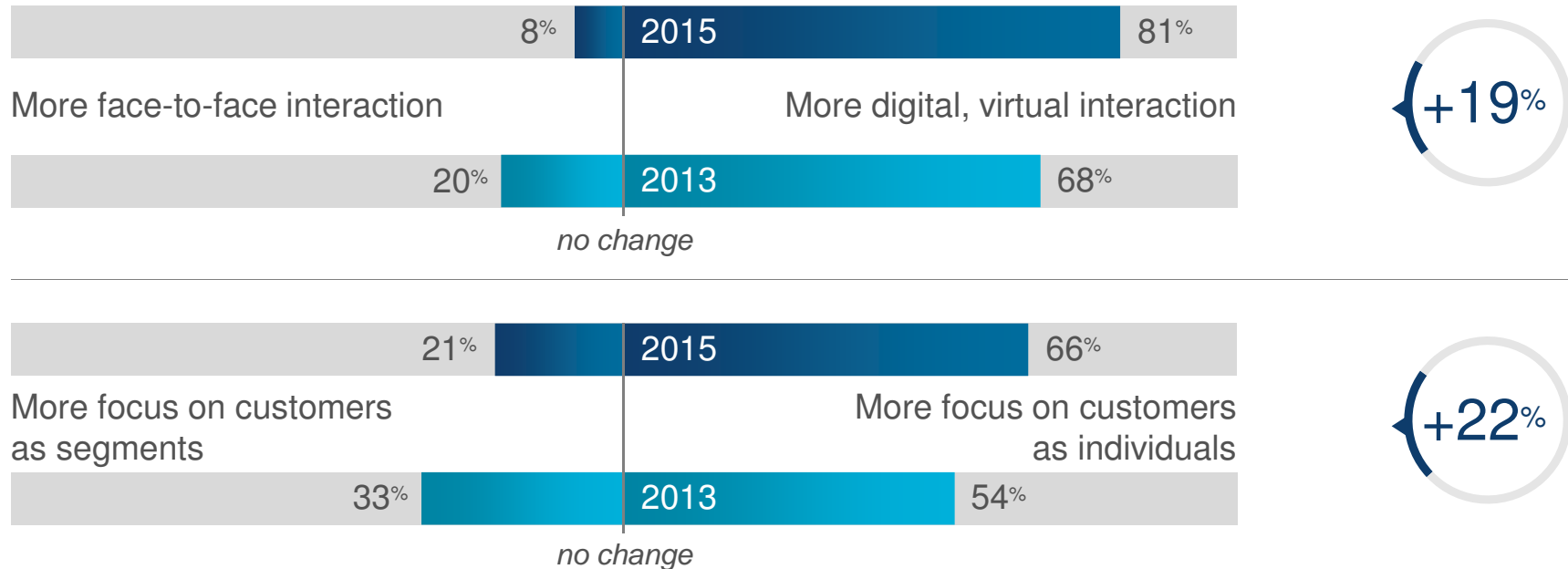
For the first time, the entire C-suite selected technology as the main game changer

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



CxOs increasingly leverage new technologies to focus on customers as individuals

Business landscape change (in 3 to 5 years)



Many organizations acknowledge the need to get closer to the action

Business landscape change (in 3 to 5 years)



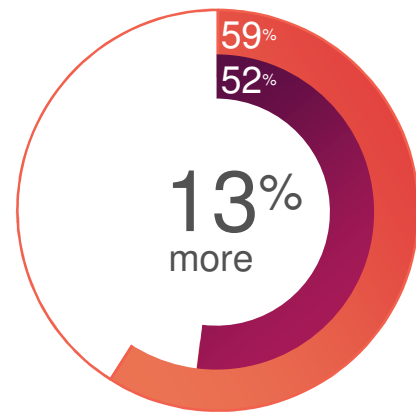
“We need to change the way we make decisions. If we empower our employees more and more, we’ll be able to accelerate the speed at which we do business.”

Shogo Ikeuchi, CHRO, Recruit Holdings, Japan

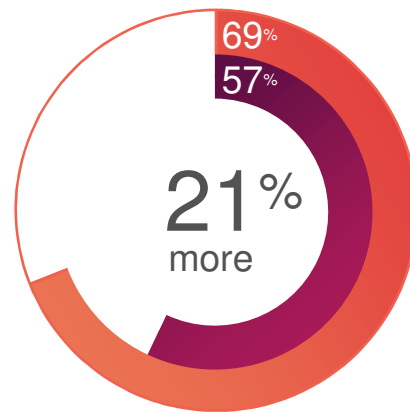


Torchbearers are better placed to take on the disrupters

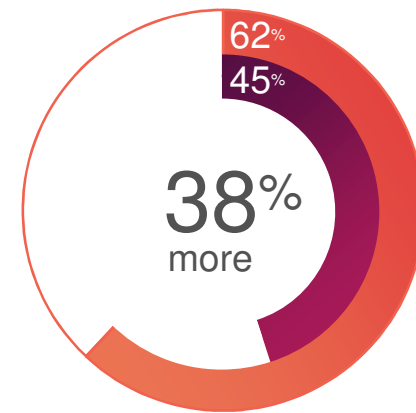
Business landscape change (in 3 to 5 years)



More competition expected from other industries



Greater focus on new markets



More decentralized decision-making

● Torchbearers ● Market Followers



How to prepare for the digital invaders

Put more scouts on the front line

Share to shine

Seize the middle space



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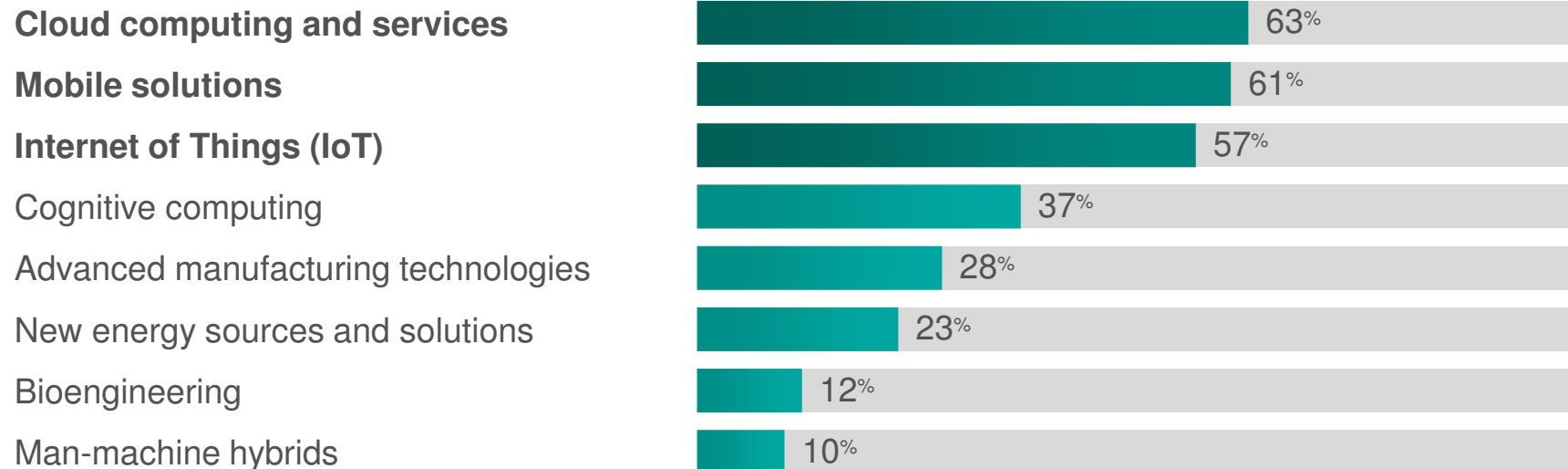
A close-up, slightly blurred view of a tablet screen displaying several financial line charts. The charts show fluctuating data points over time, with some labels like '10.01sd', 'Apr 5 10', and 'Jan 4 10'. The overall tone is professional and data-driven.

“The hardest thing is working out whether what’s happening is hype, trend or tsunami.”

Faik Açıklın, CEO, Yapı Kredi Bankası, Turkey

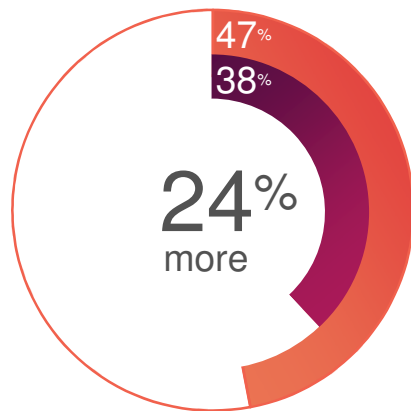
The technologies that CxOs expect to revolutionize business tomorrow are already in play today

Technologies revolutionizing business (in 3 to 5 years)

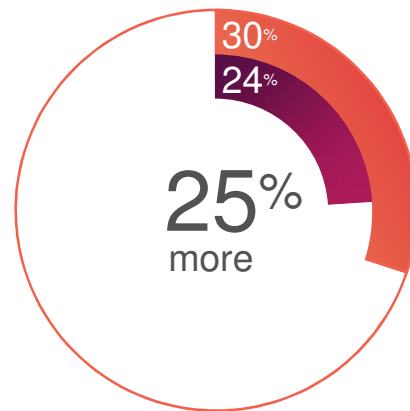


Torchbearers place more weight on “big-bet” technologies

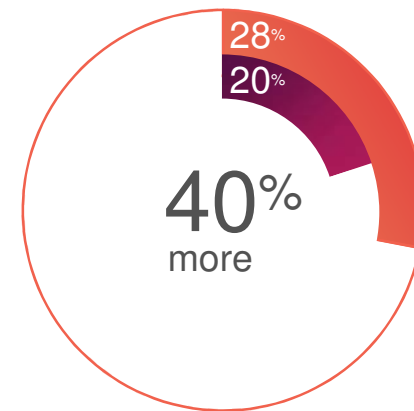
Technologies revolutionizing business (in 3 to 5 years)



Cognitive computing



Advanced manufacturing technologies

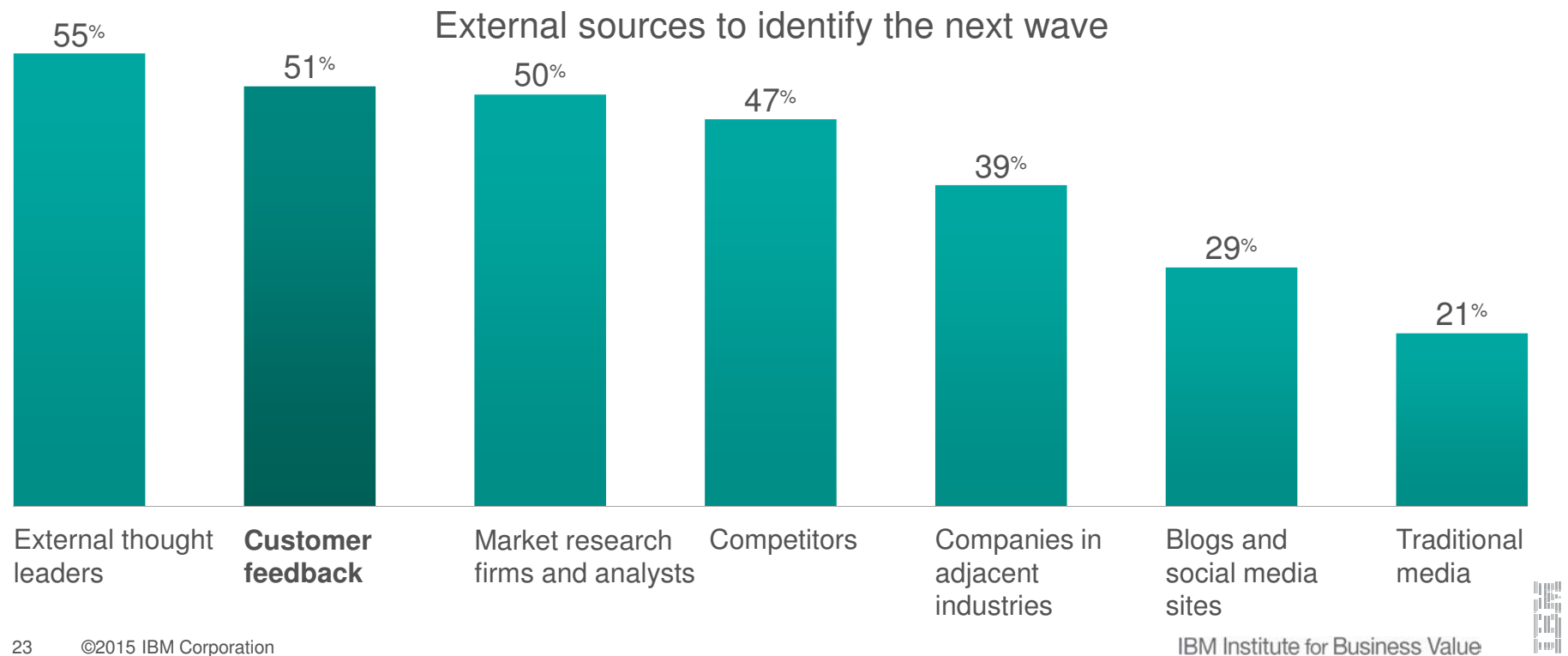


New energy sources and solutions

● Torchbearers ● Market Followers

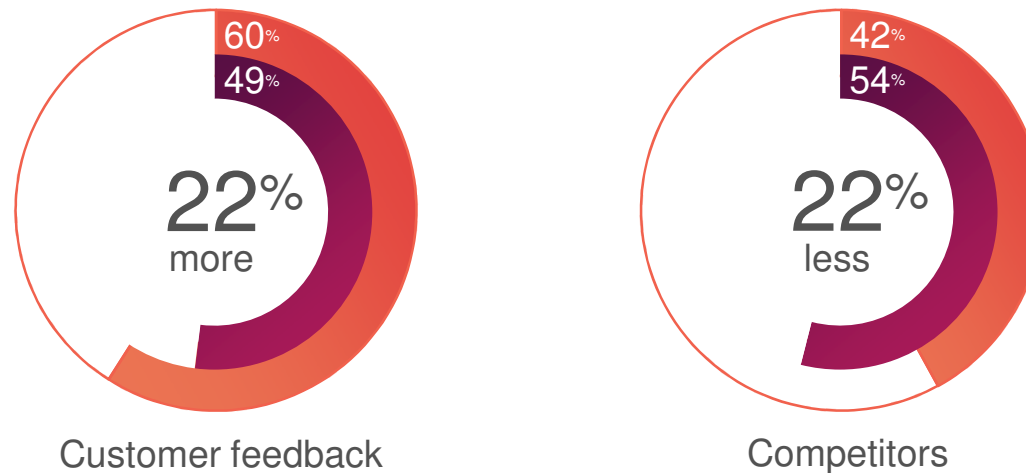


Surprisingly, only half of CxOs draw on customer feedback for insight



Torchbearers pay more attention to their customers than to their competitors

External sources to identify the next wave



● Torchbearers ● Market Followers





How to create a panoramic perspective

Cultivate your cognitive capabilities

Form your own futures squad

Take an ecocentric view of the world



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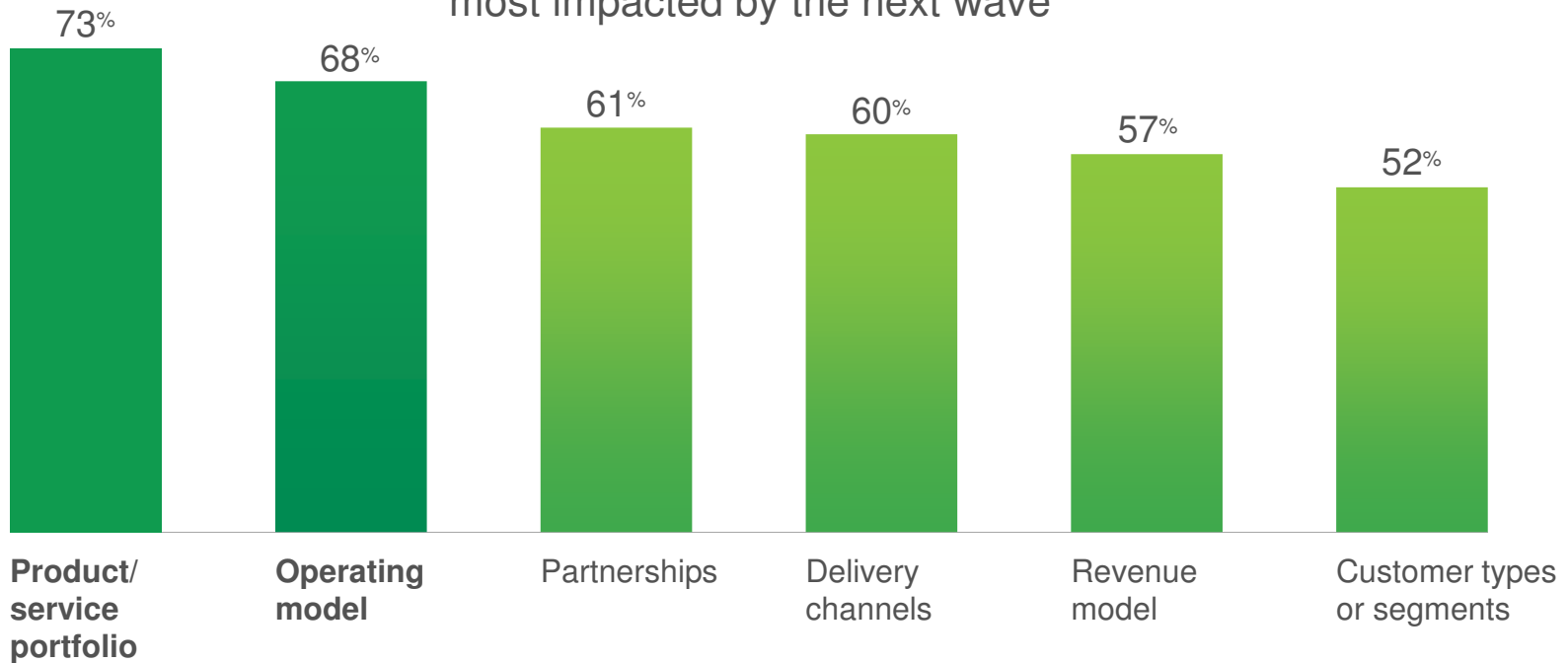
“Disruptive technologies could change
the fundamentals of our business.”

Kazuo Hirai, CEO, Sony Corporation, Japan



Most CxOs believe technology will cause them to reassess the way they run their business

Core building blocks of an organization's business model most impacted by the next wave



Torchbearers, by contrast, are far more concerned with preparing to change how they go to market

Parts of the business most impacted by the next wave



Revenue model

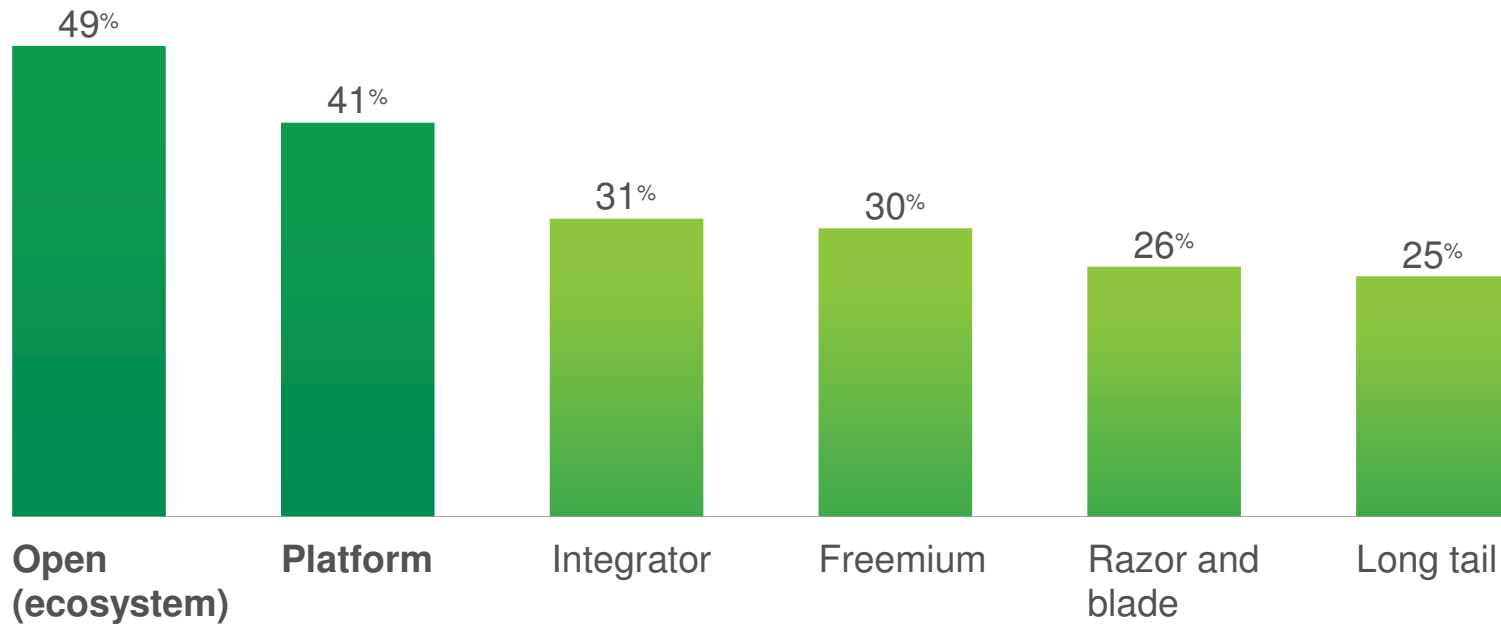
Customer segments

● Torchbearers ● Market Followers



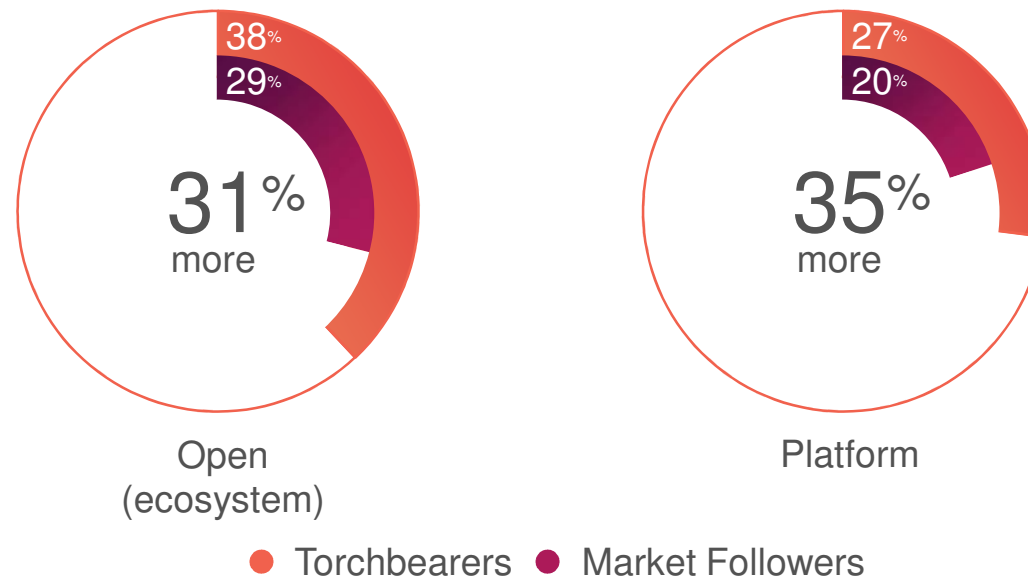
When CxOs explore new business models, the “open” and “platform” types are the top choices

Business model types (experimenting with or considering)



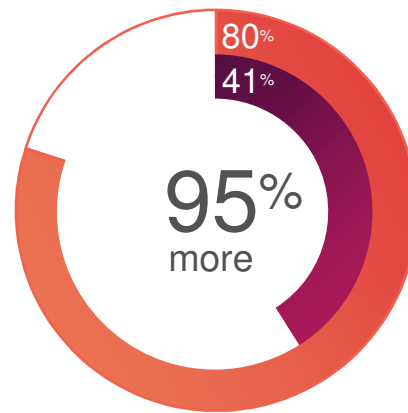
Torchbearers are more likely to have deployed a more future-oriented business model

Business model types (currently using)



Whether launching a new business model or a new product offering, Torchbearers prefer to be first

Preference to reach the market first



● Torchbearers ● Market Followers



How to be first, or best

Investigate unfamiliar territory

Go offline to test for the best

Create – and capture – the moment



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▶ Scope, scale, and speed



An aerial, high-angle view of a dense city skyline, likely New York City, with numerous skyscrapers. The image is in grayscale. In the upper right corner, a small, semi-transparent globe of the Earth is visible against the sky. The word "Scope" is overlaid in large, bold, yellow letters on the left side of the image.

Scope

Look for new opportunities in related industries
Clearly define where you want to play, while keeping all options on the table
Leverage your partner ecosystem to expand your traditional market boundaries





Scale

Place bigger bets on emerging technologies with higher risks and returns
Protect your competitive advantage by committing resources to key capabilities
Be prepared to back your ideas to the fullest extent necessary





Speed

Experiment extensively and aggressively
Adopt an agile approach in all aspects of innovation and execution
Make it to the finish line first



Redefining Boundaries

Insights from IBM's Global C-suite Study



We invite you to continue the conversation

▶ ibm.com/csuitestudy





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