



The Customer-activated Enterprise

Insights from the Global C-suite Study

This report is IBM's first study of the entire C-suite — and the 17th in the ongoing series of CxO studies developed by the IBM Institute for Business Value. We now have data from more than 23,000 interviews stretching back to 2003.

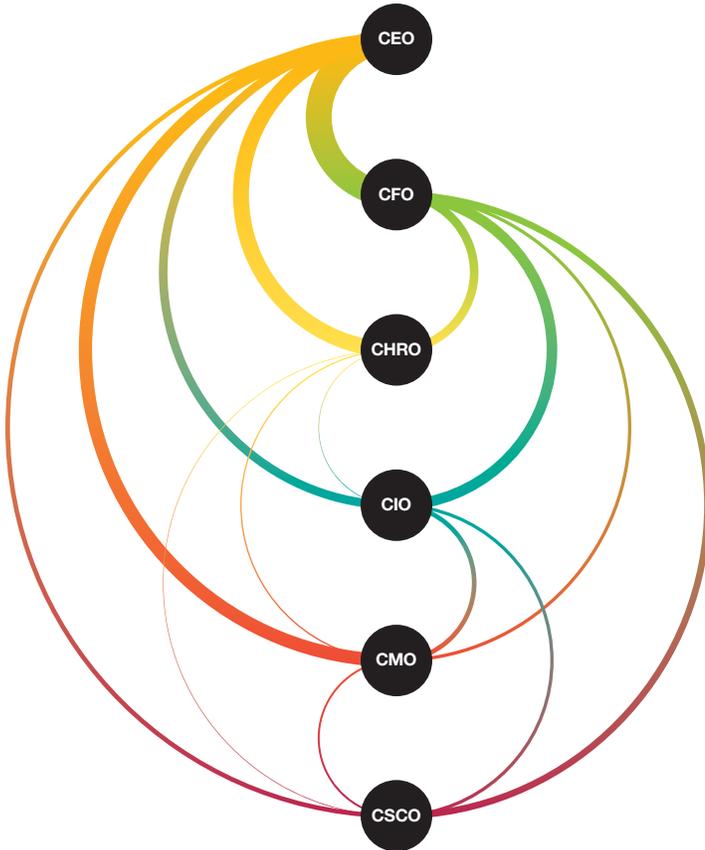
Our latest study draws on input from:

Chief Executive Officers (CEOs)	884
Chief Finance Officers (CFOs)	576
Chief Human Resources Officers (CHROs)	342
Chief Information Officers (CIOs)	1,656
Chief Marketing Officers (CMOs)	524
Chief Supply Chain Officers (CSCOs)	201

This study is based on
face-to-face conversations
with more than 4,000 C-suite
executives worldwide

Figure 1

Power base: CxOs form an intricate web of relationships



Boardroom ties

We asked CxOs which two C-suite colleagues they work most closely with. Their answers illuminated the intricate relationships that exist within the boardroom (see Figure 1). As a result of the additional insights they provided when we interviewed them, we also uncovered the core elements of success. Among other things, we discovered that one of the features that distinguishes outperforming from underperforming enterprises is how well the C-suite works together as a team.

Outperforming enterprises surpass their industry peers in terms of revenue growth and profitability, while underperforming enterprises do worse on both counts, in the opinion of the CxO concerned. Some 8 percent of the organizations in our sample are outperformers, and 25 percent are underperformers.

How do you view the world?

CEOs consider technology the single most important external force shaping their organizations. Other CxOs also see it as one of the top three factors. The members of the C-suite are likewise united in believing that an entirely new set of dynamics is emerging.

Customers and citizens expect to be treated as individuals, which means knowing what makes each of us “tick”: our values, beliefs, habits and quirks. That, in turn, requires much closer collaboration between organizations and the people they serve.

Most CxOs recognize that what applies to customers and citizens applies to employees and partners, too. They envisage that organizational boundaries will become far more porous, enabling greater collaboration with employees and partners to accelerate innovation. They also anticipate sourcing more of that innovation from outside. Where once an enterprise could go it alone, and be successful doing so, it must now collaborate.

Figure 2

Technology at the top: CEOs think technology will be the most important external force shaping the future of their enterprises

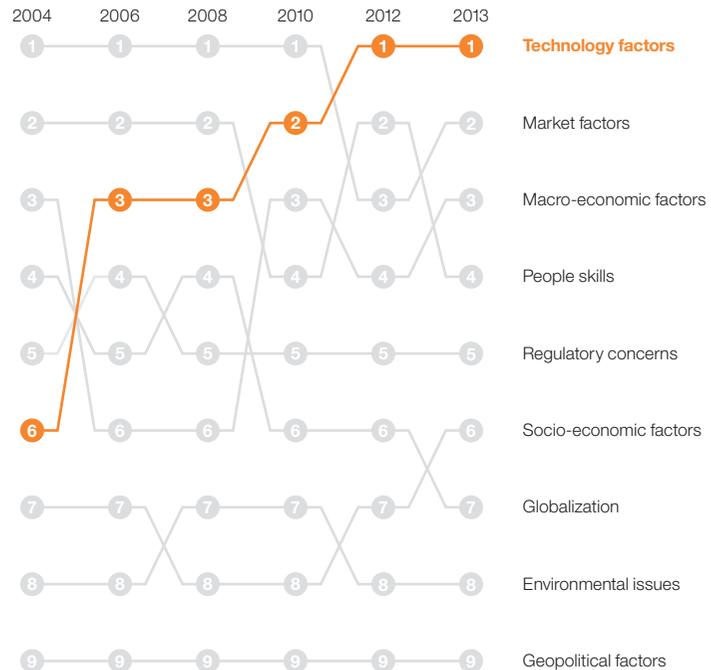


Figure 3

Different perspectives: CxOs vary in their views about which external pressures are most significant, although all think technology is one of the top three

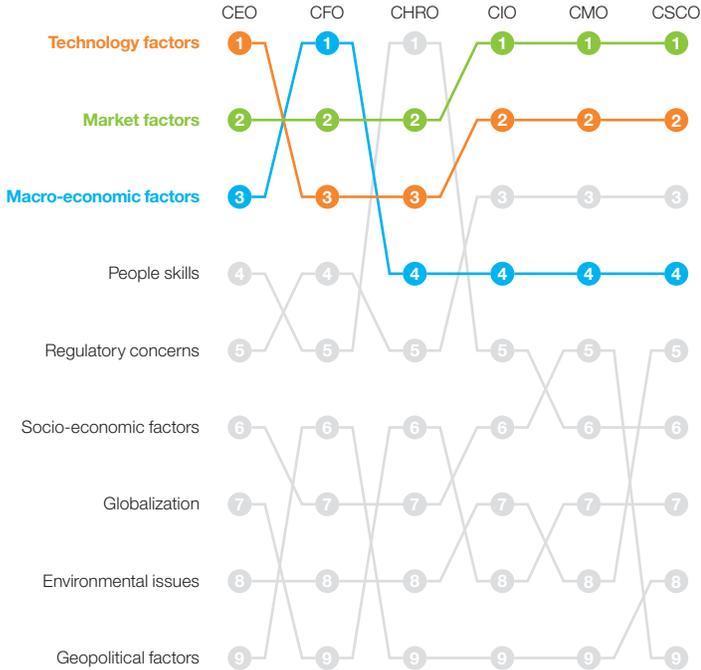
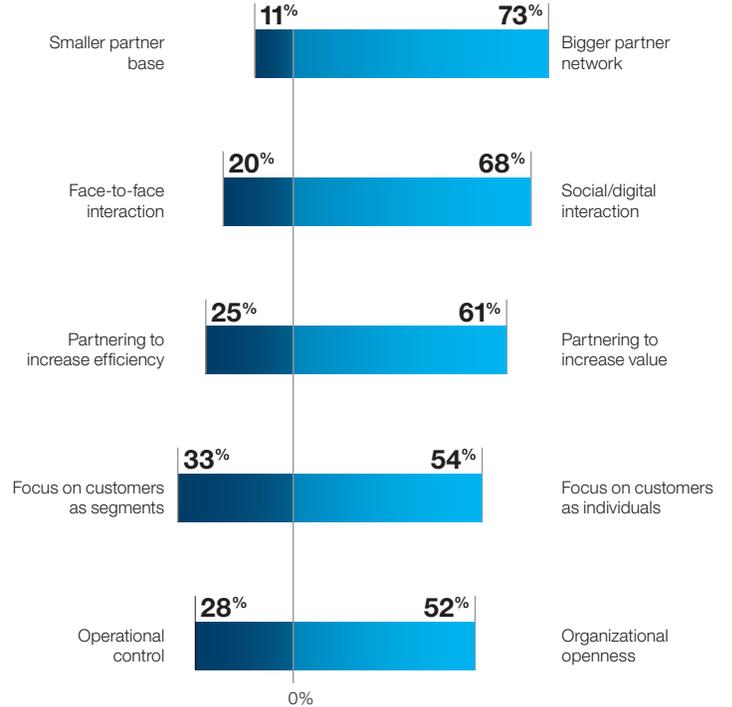


Figure 4

Shifting ground: CxOs foresee major changes in the business landscape in the next three to five years



Letter from IBM's Chairman

I have long believed that one of the best sources of insight into the future is deep, direct engagement with those whose decisions will shape it. At IBM over the past ten years, we have conducted an extensive program of research based on this belief. We want to uncover the forces that leaders across the C-suite believe will have the strongest influence on their strategic directions.

This year, for the first time, we are integrating those perspectives to create a single view of the 21st century agenda of front-office business leaders. As with our prior studies, this one is based on in-depth, in-person conversations. We sat down with 4,183 leaders in 70 countries. What we discovered underlines how rapidly change is sweeping across business and society.

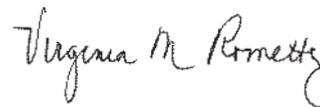
Let me call out one pattern in particular. When we published our first study in 2004, CEOs ranked their own customers sixth on the list of all market factors they believed would drive the most change in their organizations. Today, digitally enfranchised and empowered customers lead the agenda for every CxO profession.

This study explores how these C-suite leaders are working together to address the attendant challenges and opportunities, which were barely

discernible a decade ago. In two-thirds of the organizations that outperform their peers, leaders are not just managing customer experiences; they are reorienting their organizations, strategies and investments to cultivate contemporary relationships across all manner of customer interactions.

In brief, leaders' priorities are shifting from intra-enterprise efficiency and productivity to a new agenda led by the front office and focused on extra-enterprise engagement, transparency, collaboration and dialogue with audiences and all the individuals within them.

Our 2013 study, *The Customer-activated Enterprise*, explores this and other insights and how they can stimulate new growth and innovation for your enterprise. My colleagues and I look forward to continuing this conversation with you.



Virginia M. Rometty
Chairman, President and
Chief Executive Officer, IBM



Introduction

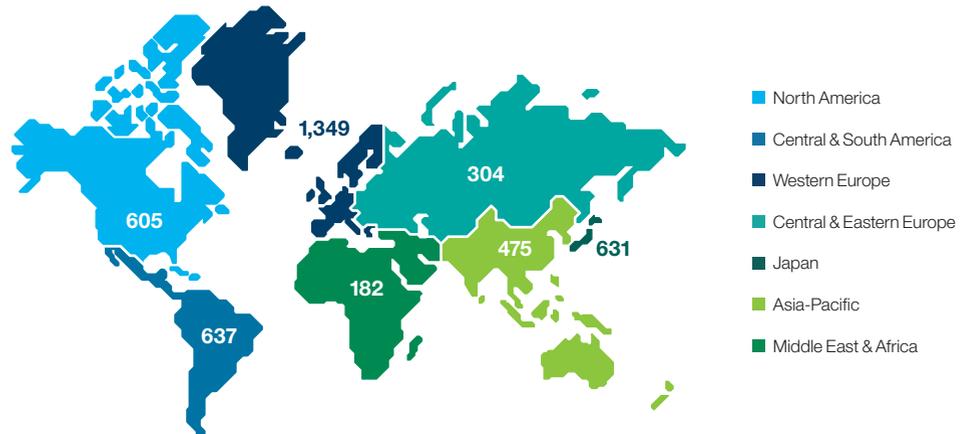
Ten years, 17 studies and 23,000 face-to-face interviews have given us rich insights into how the various members of the C-suite think. But one of the questions we're often asked is how the actions of each CxO affect the rest. Our latest study addresses this query.

We spoke in person with 4,183 top executives covering more than 20 industries in 70 countries (see Figure 5). Our respondents represent a wide range of public and private sector organizations.

We're also practicing what we've learned. Our research shows that the most successful organizations actively encourage customers and citizens to influence the decisions they make. We're therefore publishing our study in installments, starting with this overview and continuing with separate reports that explain the implications for each CxO. And we're going back into the field to probe some areas more deeply. We invite you to participate in this process and influence our story.

Figure 5

Regional spread: More than 4,000 CxOs from 70 countries participated in our study



So how do CxOs view the world? We asked which external forces they think will most affect their enterprise in the next three to five years, and compared the results with our findings from earlier studies.

One of the most notable trends has been the steady rise in the importance attributed to technology. CEOs put it first, as they did in 2012 (see Figure 2, foldout). For them, technology is not just part of the infrastructure needed to execute a business strategy. It's what makes entirely new strategies possible.

Other CxOs have different priorities (see Figure 3, foldout). Although all include technology in their list of the top three forces, their views reflect their respective areas of focus. CFOs fret most about macro-economic factors. CIOs, CMOs and CSCOs put more emphasis on market factors, while CHROs see people skills as the biggest issue.

Is this a troubling disconnect? Not as long as the lines of communication are open. CEOs in outperforming organizations told us their teams work particularly well together. That enables them to create substantial advantage by integrating multiple perspectives.

So how is the C-suite preparing for the future? This installment contains the first part of our findings. It's the product of months of analysis by our global team of business strategists, consultants and statisticians. We've also used IBM Watson™, our groundbreaking cognitive system, to draw additional inferences from the open-ended responses we received.

We identified three key themes that will help you shape your organization's future:

- Open up to customer influence
- Pioneer digital-physical innovation
- Craft engaging customer experiences

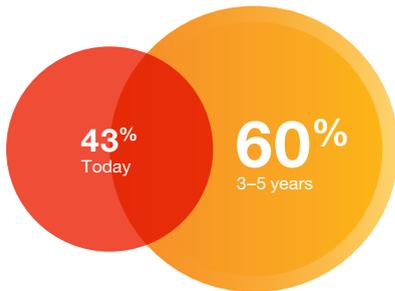
We'll discuss these issues here and look briefly at how different CxOs address them. In subsequent reports, we'll focus on each role in greater depth and identify key actions to take.

“In the next few years we want to build deep, strategic relationships with our customers, enterprise-to-enterprise relationships where the ‘customer is for life.’”

Paul H. Graham, CEO, DHL Supply Chain, Singapore

Figure 6

Rising profile: The area in which CEOs expect to see customer influence grow most is business strategy development



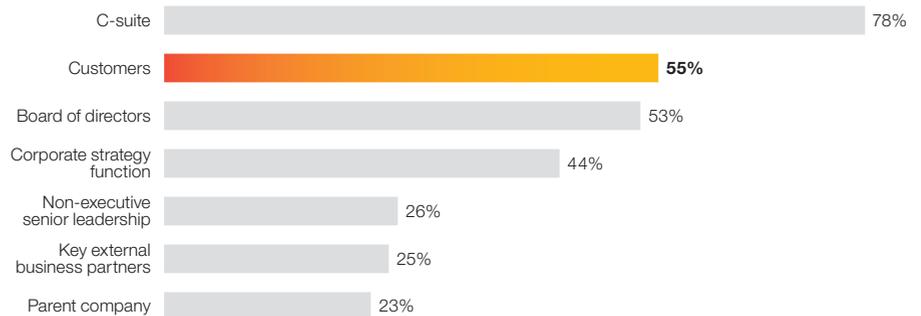
Open up to customer influence

In an era of abundant connectivity and information, and ubiquitous digitization, the new economic equation favors transparency. In search of innovation, more than half of CxOs expect to open up their enterprises — bringing down barriers to extend collaboration inside and outside (see Figure 4, foldout). Their most radical shift may be a new view on what it means to collaborate with customers.

A growing number of CEOs believe customer influence shouldn't be confined to activities in which customers have traditionally participated, such as developing new products or services. Instead, CEOs stand ready to relinquish absolute control of what is typically considered their domain — developing business strategy (see Figure 6). In fact, CEOs told us customers exert a bigger influence on their organization's business strategy than all but the C-suite itself (see Figure 7).

Figure 7

Voice on the board: CEOs say customers come second only to the C-suite in terms of the strategic influence they wield



More than half of CxOs say customers now have a considerable influence on their enterprises (see Figure 8). And outperformers are 24 percent more likely than underperformers to have given the customer a prime seat at the boardroom table. Some of the most advanced enterprises are establishing customer advisory boards to get direct input on strategic issues.

These enterprises realize that the groundswell of opinion and innovation being shared on social sites, blogs, text chats and the like is tantamount to customers banging at the door and demanding to be heard. Savvy leaders know that online input is a vital part of the discourse and have plumbed their organizations to listen closely. Those at the forefront don't just invite customers in for a chat; they recognize it as an urgent call to action.

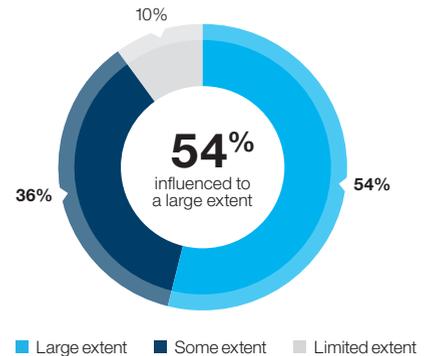
Accepting customers as stakeholders in determining an enterprise's future has huge cultural and organizational implications. These businesses can't just be customer-centric. They must be customer-activated. That requires creating fully reciprocal relationships with customers. It means being ready—and willing—to change course to pursue those paths that create mutual value. And it requires finding ways to include customers in key decisions.

For organizations still struggling to integrate global divisions, align a recalcitrant C-suite or even reengineer a customer-facing process, this can seem an impossible burden. But accepting customers as active stakeholders is one sure way to quell the factions and unite the C-suite in a common purpose.

CxOs asked to give up autonomy and customers wary of being targeted will need to find new, more collaborative ways of working together that engender trust. The erosion of trust poses a serious challenge for many organizations, and in some cases whole industries, as they seek to return to growth.

Figure 8

Customer clout: Many CxOs think customers have a major influence on their enterprises



“As customers gain more power over the business via social media, their expectations keep rising and their tolerance keeps decreasing.”

CIO, Retail, Turkey

Establishing new levels of trust cannot be the purview of any one domain for the singular reason that trust can easily be broken at any point in the chain. If one issue has the potential to unite the C-suite to act in concert, establishing trust-based relationships with customers stands at the top.

Our research shows that there are compelling grounds to cooperate. Outperforming enterprises are 54 percent more likely than underperforming enterprises to collaborate extensively with their customers (see Figure 9). In fact, deep collaboration is a universal ambition: nine out of ten CxOs foresee doing so in the near future (see Figure 10).

Figure 9

***Moneymaker:** More outperforming organizations collaborate with their customers*

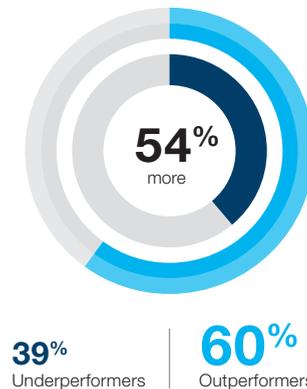
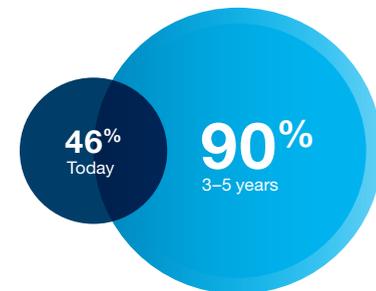


Figure 10

***Strong links:** CxOs plan to collaborate much more extensively with customers*



Pioneer digital-physical innovation

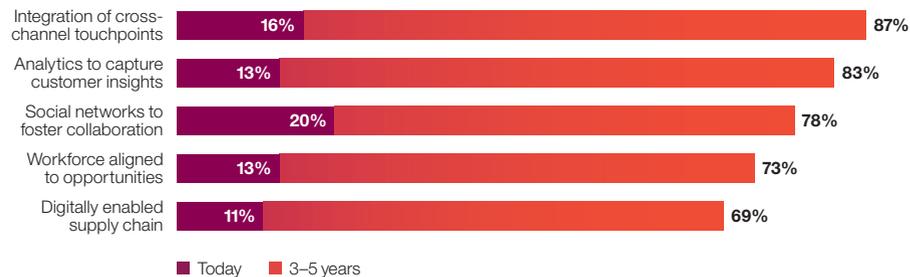
The emergence of social, mobile and digital networks has played a big part in democratizing the relationship between organizations and their customers. It's also forcing them to rethink how they work. Some 60 percent of CxOs now look to partners who will have an equal hand in creating business value (see Figure 4, foldout). And almost half are sourcing innovation from the outside.

The intersection between the digital and physical is the leading edge of innovation. Smart pills and smartphone heart monitors, intelligent vehicles and crowd-sourced traffic routing, books that respond to a reader's location and apps that enhance the in-store experience: the possibilities are enormous. Indeed, with 3-D printing, the very distinction between the virtual and material is evaporating.

That, as CxOs realize, means it is becoming increasingly important to meld the two dimensions. CMOs, in particular, consider it critical to put the components of a strong digital strategy in place. They want to overhaul every aspect of the customer interface (see Figure 11).

Figure 11

Digital ambitions: CMOs want to put the components of a strong digital strategy in place

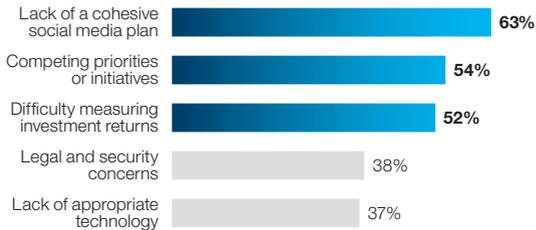


“A big opportunity for us lies in establishing new business models and new digital services. We’re investing in digital wallets, digital goods and mobile banking.”

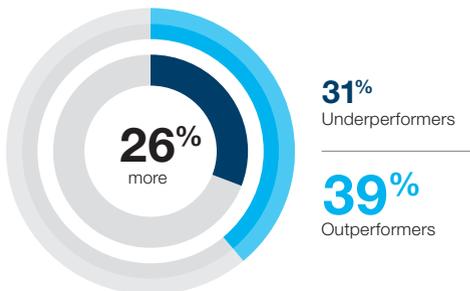
Enrico Lardelli, CIO, PostFinance, Switzerland

Figure 12

Obstacle course: *Lack of a cohesive social media plan is the biggest barrier to an integrated digital-physical strategy*

**Figure 13**

Harmonized approach: *More outperformers have developed a fully integrated digital-physical strategy*



CMOs aren't alone. Four-fifths of CIOs aim to digitize their front offices within the next few years to sync with customers more effectively. And use of mobile devices, such as smartphones and tablets, plays a key role in doing that. A full 84 percent of CIOs include new, mobile means of interacting with customers in their top five plans for enhancing their organizations' competitiveness in the next few years.

The problem? Two-thirds of enterprises have a weak digital-physical strategy — or none at all. Some organizations are reconfiguring their offerings to capitalize on social networks and mobile connectivity. Others are reshaping their operating models to inject customer input into every aspect of the buying and selling chain. But they're often not doing both at once.

So what's preventing CxOs from doing more to unite their business and digital strategy? The biggest hurdle is how social media fits into the mix (see Figure 12). Indeed, when Watson analyzed more than 10,000 natural language responses, it uncovered the fact that CxOs simply don't know how to strike the right balance between the social, digital and physical worlds.

Understanding the return on investment is also a challenge, particularly if organizations view social simply as something they snap on to existing workflows. Its value is realized when social inspires entirely new ways of working, learning and orchestrating processes across the organization and beyond.

Easily said, but social is one place where many executives find themselves standing on the sidelines — if not well behind the lines — as enfranchised employees channel enthusiasm and energy to test the waters. CxOs can't stand by, waiting for a clear strategy to emerge. They have a role, and one they must step up to, to ensure that their organizations focus social business on issues that are core to the company's overall strategy and brand.

Again, outperformers are ahead of the game (see Figure 13). They are pioneering innovation at the intersection of the digital and the physical to transform their organizations.

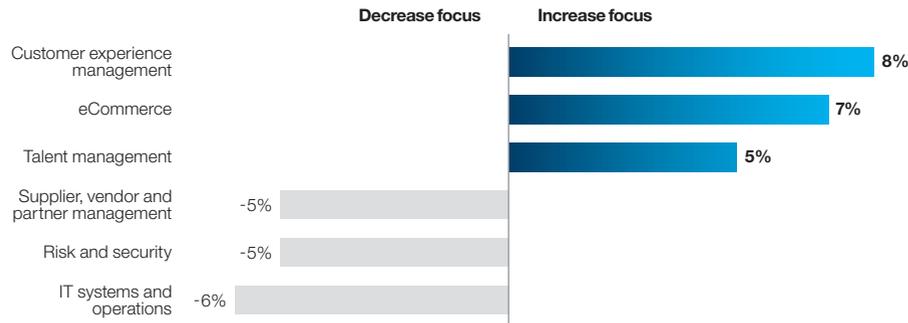
Craft engaging customer experiences

As the digital infuses the physical, and vice versa, organizations are transforming the customer experience. Nearly seven in ten CxOs recognize the new imperative—a shift to social and digital interaction. Over half expect to meet an even more difficult demand: understanding and engaging the customer as an individual rather than as a category or market segment (see Figure 4, foldout).

CxOs are adjusting their priorities accordingly in a subtle rebalancing act. They plan to spend less of their personal time on IT systems and operations and other such issues, and more time improving the customer experience (see Figure 14). What’s more, no matter what their role, every CxO wants to become far more involved in managing the customer experience. The members of the C-suite collectively need to step outside their comfort zone to create new and engaging customer experiences. Their real challenge: can they collaborate to make this happen?

Figure 14

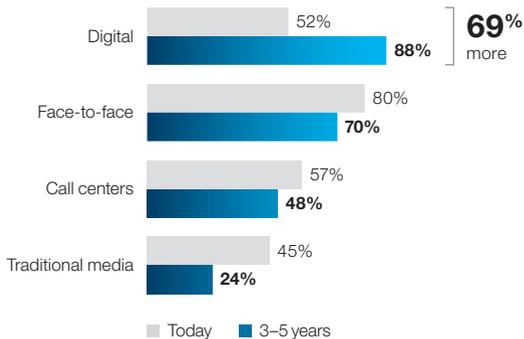
***Juggling act:** Recognizing changes in customers’ expectations, CxOs are rebalancing their priorities for the next three to five years*



“We’re investing in mobile technologies specifically to create individualized, tailored experiences based on each customer’s situation or anticipated needs.”

Mike Frueh, Director of VA Home Loan Program,
U.S. Department of Veterans Affairs, United States

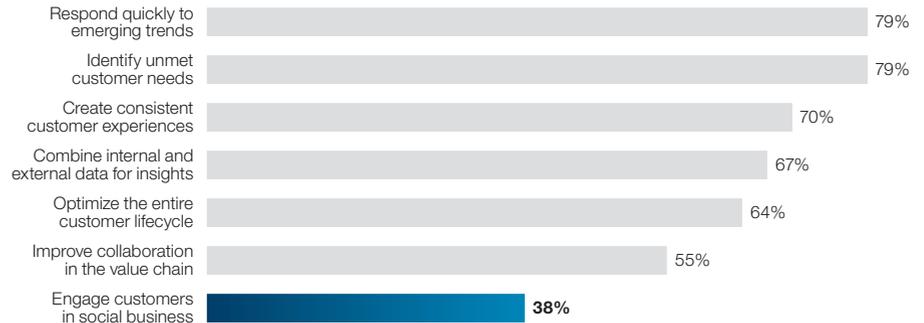
Figure 15
Changing channels: CxOs intend to interact digitally with customers to a much greater extent in the future



CxOs intend to use digital channels much more extensively to engage with customers in the future (see Figure 15). And here's one instance where they've already embraced the shift. In 2012, 57 percent of CEOs expected digital channels to become one of their company's key means of interacting with customers within the next five years. In 2013, 52 percent of CxOs say they are already there.

That said, CxOs who have launched multiple initiatives to improve the customer experience are lagging in one area: the social component (see Figure 16). This is surprising, given that 76 percent of CxOs aspire to know their customers better. Watson's analysis exposed the urgency that's driving the C-suite: rising customer expectations, decreasing tolerance, the limited insights face-to-face contact with customers provides.

Figure 16
Rules of engagement: Social business ranks low on the list of active initiatives aimed at improving the customer experience



Absent a social strategy, CxOs are missing much of the equation, and there's a huge payoff for making the effort. The better an enterprise understands its customers, the more likely it is to thrive (see Figure 17).

The most progressive enterprises analyze social data to understand customers' core values and what's happening in their lives. Such attributes, when well understood, lay the base for customer experiences tailored to the individual. They get us closer to cracking the "social genome": the traits that make each of us uniquely human. And outperformers show the way. CxOs in these enterprises are 29 percent more likely to plan on spending more time crafting engaging customer experiences (see Figure 18).

Figure 17

From insight to income: More CxOs in outperforming enterprises understand their customers well

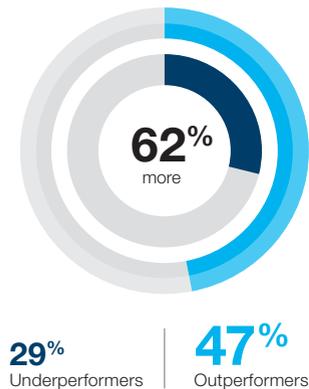
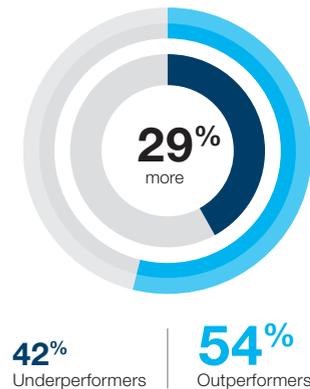


Figure 18

Clear sighted: More CxOs in outperforming enterprises are focusing on improving the customer experience



“It’s a race to the finish line. The companies that best understand all aspects of the value chain and get a 360-degree view for the customer experience will win.”

Hubertus (Huub) Devroye, Director of Global Marketing & Demand Generation, The Dow Chemical Company, Switzerland

CEOs share control with customers

“We want to hear everything and anything our customers have to say. That will help us establish one-on-one relationships with our customers and offer them better services more efficiently.”

CEO, Transportation, Japan

Many CEOs expect the competition from companies in other industries to escalate in the next few years, creating intense pressure to innovate in the face of disruption (see Figure 19). They plan to stave off new rivals by partnering more extensively, believing this will stimulate innovation and make their enterprises more responsive to rapidly changing customer preferences (see Figure 20).

The speed at which CEOs are opening the doors to enable collaboration is extraordinary. A significant number have taken steps to make their enterprises more transparent in the past 12 months (see Figure 21). And more than half claim customers now have a major influence on their organizations (see Figure 22). That influence goes far beyond a say in developing new products and services; it's input into the strategic heartland of the business.

Yet a full third of CEOs worry that the rest of their C-suite is out of touch with customers. CEOs heading outperforming enterprises are less anxious on this score, but it's still a source of concern to 23 percent (see Figure 23).

Look for our in-depth study on how CEOs are tackling these challenges at www.ibm.com/csuitestudy or via the IBV tablet apps on iOS and Android.

Figure 19

***Disruptive force:** CEOs expect new competitors to come from other industries*

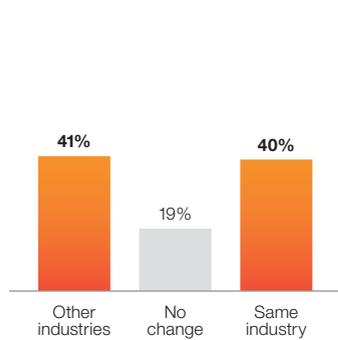


Figure 20

***Networking:** CEOs plan to build ecosystems capable of supporting complex customer interactions*

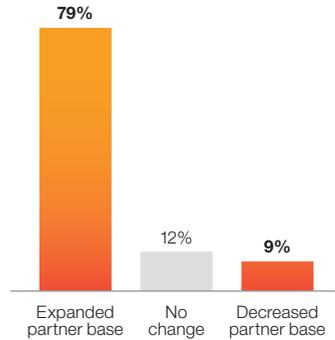


Figure 21

***Sheer value:** CEOs are opening up their organizations to empower individuals and facilitate collaboration*

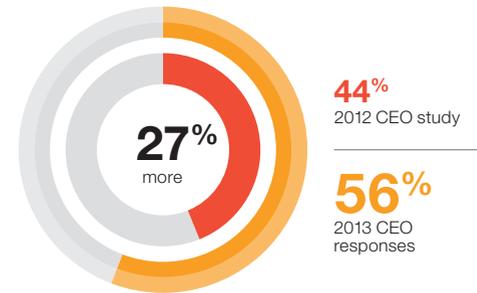


Figure 22

***People power:** Customers now wield enormous influence in many enterprises*

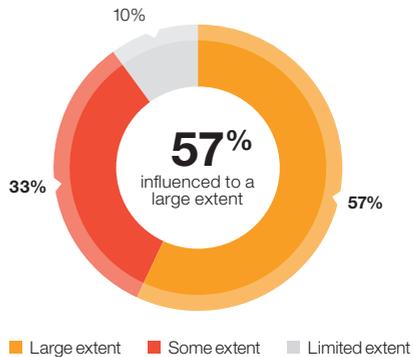
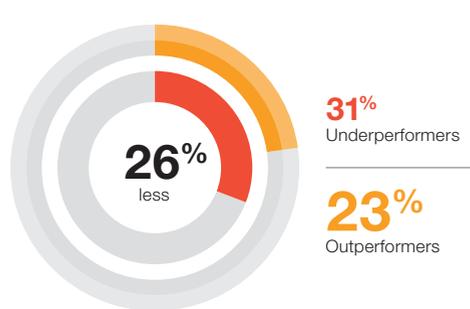


Figure 23

***Tuned out:** More CEOs in underperforming enterprises fear the rest of their C-suite is out of touch with customers*



We're using external suppliers and customer workshops to bring the voice of the customer into our enterprise.

Paul Matthews, CEO, Standard Life, United Kingdom

CFOs step up to help create new business models

*“We must make decisions that are
based on facts, not feelings.”*

Stefano Porcellini, Group General Manager, Biesse SpA, Italy

CFOs know what's critically important and where they need to up their game. Their biggest long-standing challenge is integrating information — financial and non-financial alike — across their enterprises to help create a “single version of the truth” (see Figure 24). But CFOs are also starting to focus on broader strategic change to accelerate their organizations' performance and spur profitable growth.

CFOs in outperforming enterprises stand out in this respect. They play a key role in driving business model innovation and the restructuring — including acquisitions and divestitures — this often involves (see Figure 25). They are also more acutely aware of the need to make their organizations open and transparent (see Figure 26). This is conducive to forming alliances with a wider network of partners, something for which CFOs in outperforming enterprises are actively preparing (see Figure 27).

Look for our in-depth study on how CFOs are tackling these challenges at www.ibm.com/csuitestudy or via the IBV tablet apps on iOS and Android.

Figure 24

Hard work: CFOs want to do better in five key areas

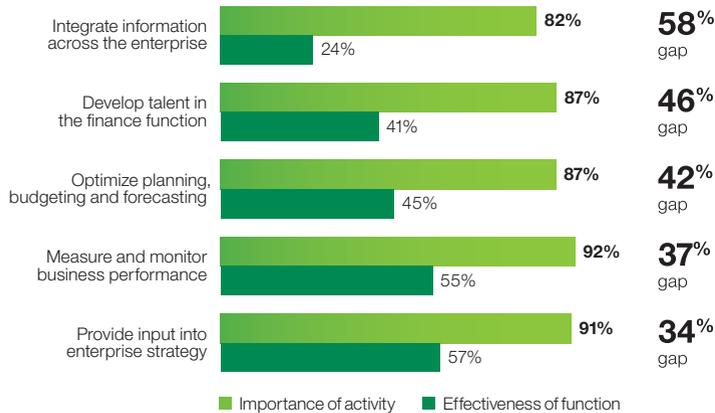


Figure 25

Value add: CFOs in outperforming enterprises focus on restructuring and business model innovation

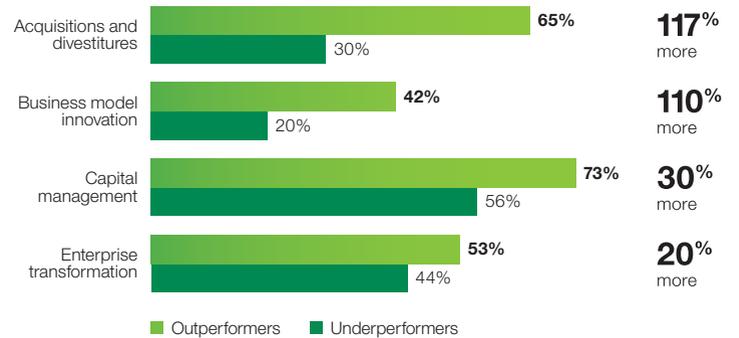


Figure 26

Open approach: More CFOs in outperforming enterprises welcome greater openness and transparency

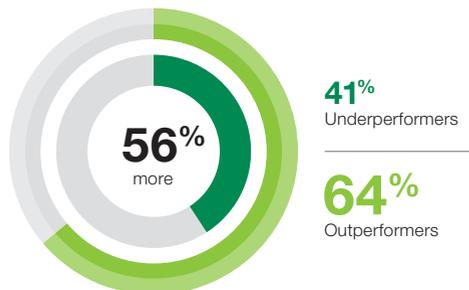
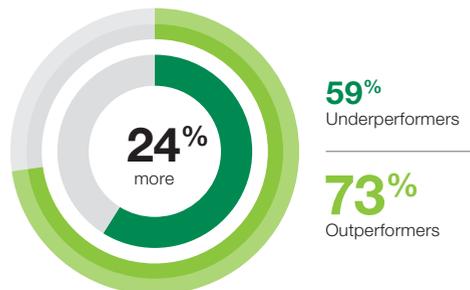


Figure 27

Teamwork: More CFOs in outperforming enterprises anticipate working with an expanded partner network



We're challenging the status quo across the organization and looking at new solutions for our operating model.

CFO, Consumer Products, Australia

CHROs take up social and analytics to rework work

“The HR function has a role to play in encouraging a less autocratic, more collaborative approach to leadership, introducing new performance management processes and bringing the organization along.”

CHRO, Financial Services, South Africa

Responsibility for the customer experience belongs to more than just the CMO. Switched-on CHROs know employees are an integral part of the customer relationship and expect to get more involved in improving the customer experience (see Figure 28). CHROs in organizations that have a deeper customer understanding also recognize that improving collaboration across the entire value chain is a key factor in delivering a positive customer experience (see Figure 29).

Finding and developing the right talent to make this happen is challenging. CHROs aim to shed some of their administrative activities to focus on talent management and the analytics needed to make better decisions (see Figure 30). CHROs in outperforming enterprises rely more heavily on big data and analytics than their peers in underperforming enterprises, with far more stress on employee engagement (see Figure 31). And they liaise more effectively with the IT function, creating a partnership that's vital for a successful social business.

Look for our in-depth study on how CHROs are tackling these challenges at www.ibm.com/csuitestudy or via the IBV tablet apps on iOS and Android.

Figure 28
Wider lens: CHROs want to focus more on enhancing the customer experience

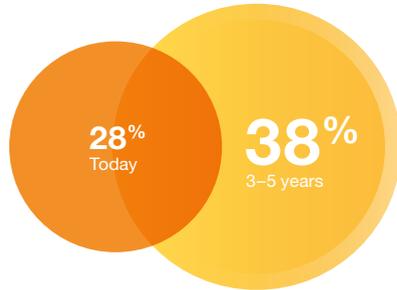
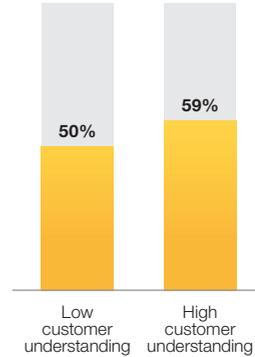


Figure 29
End-to-end: CHROs in customer-savvy organizations plan to increase collaboration across the value chain



We are developing and encouraging a culture of innovation by stimulating exchange and collaboration, not only internally but also externally with partners and suppliers.

CHRO, Consumer Products, Brazil

Figure 30
Outside help: CHROs plan to outsource many operational HR processes

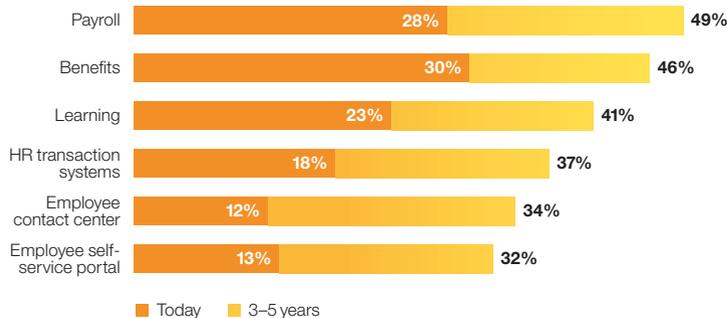
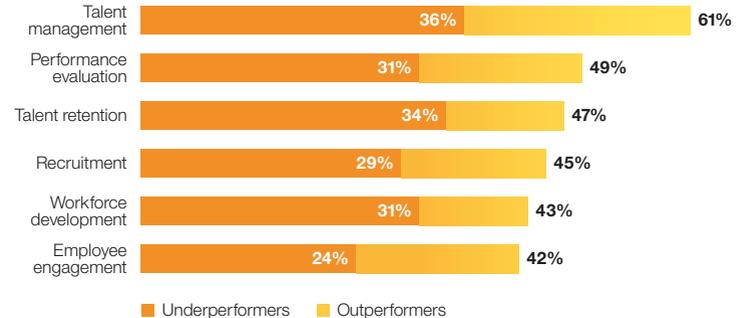


Figure 31
Hard facts: More CHROs in outperforming enterprises are leveraging data analytics



CIOs look outward to generate new value

“The most important customer-related initiative we’re investing in is analytics to give us a complete understanding of the real needs of current and future customers.”

Eduardo Rabboni, CIO, Algar Telecom, Brazil

CIOs foresee a major shift in the IT function’s priorities over the next few years, as they reposition it from service provider to critical strategic enabler (see Figure 32). They expect their own role to change, too. They anticipate spending much more time on activities that have traditionally fallen within the CMO’s sphere, such as customer experience management and new business development (see Figure 33).

To do that, more than four-fifths of CIOs intend to focus IT on two key initiatives: using analytics to create deep insights from structured and unstructured data; and implementing leading-edge technologies, processes and tools in the front office to better understand and sync with customers. Their plans include investing in new mobility and business analytics solutions (see Figure 34). But they recognize that extracting meaningful, actionable insights from the information that’s collected will be very difficult, unless they first build a more robust information architecture to take advantage of the opportunities presented by big data (see Figure 35).

Look for our in-depth study on how CIOs are tackling these challenges at www.ibm.com/csuitestudy or via the IBV tablet apps on iOS and Android.

Figure 32

Expanded role: CIOs expect the IT function to play a bigger part in enabling the enterprise vision

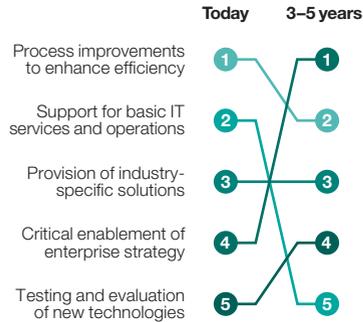


Figure 33

Customer focus: CIOs want to share the CMO's territory

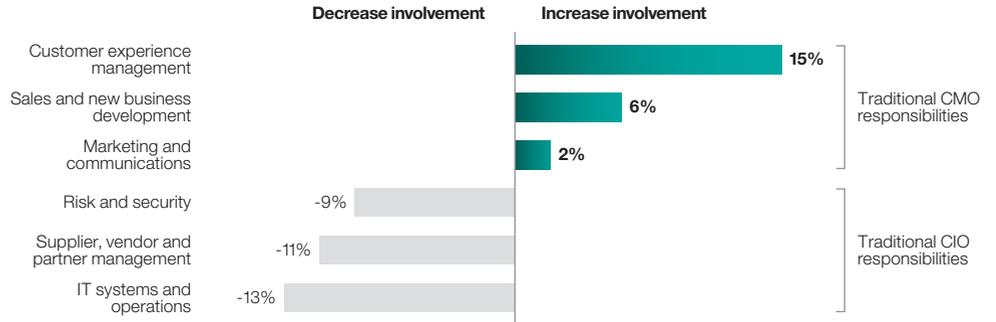


Figure 34

Bright future: CIOs intend to invest in a number of key areas in the next few years

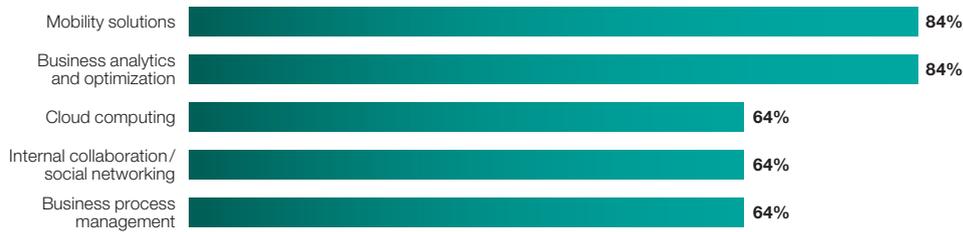
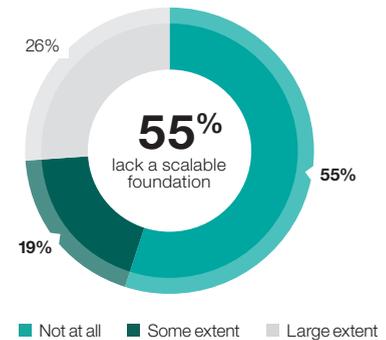


Figure 35

Big issue: Few CIOs have a scalable and extensible information foundation with which to manage big data



CMOs have big aspirations—and face big hurdles

“We’re implementing new communications platforms to encourage Facebook-like collaboration and crowdsourcing for the purposes of innovation.”

CMO, Travel, Germany

Today’s CMOs are ambitious, visionary and focused on enabling transformational change. They know they face huge challenges, particularly when it comes to implementing a digital strategy. But they are united in believing technology will play a key role in helping them realize their ambitions (see Figure 36). And they are equally clear about where they wish to focus their time and resources: on developing a great customer experience in the mobile space (see Figure 37).

That’s been their priority for the last three years, but they are struggling to keep abreast of the rapid pace of change in the digital and online worlds. CMOs feel even less prepared to cope with big data than they did in 2011 (see Figure 38). And they have made little headway in coming to grips with the social media landscape (see Figure 39). Lack of a cohesive social media plan and competing initiatives are the two biggest barriers preventing CMOs from implementing their strategies in an increasingly connected world.

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Figure 36

Tech check: CMOs believe technology will play a big role in helping them realize their goals

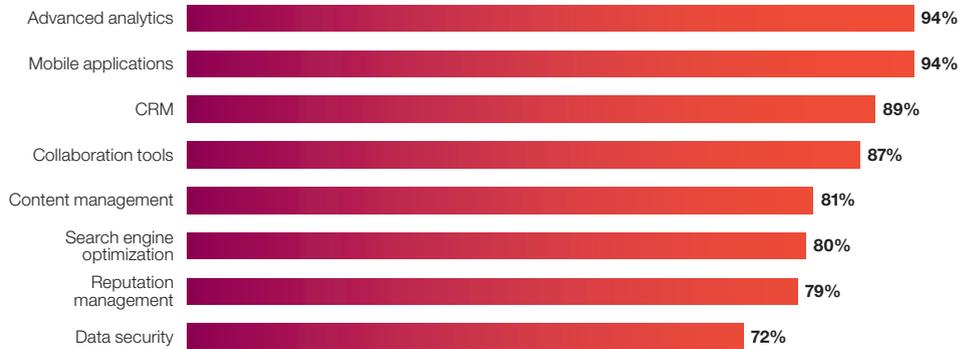


Figure 37

App for everything: Designing great mobile apps remains a top priority for CMOs

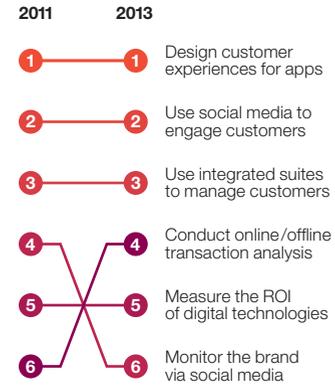


Figure 38

Overwhelmed: More CMOs now feel underprepared for the data explosion

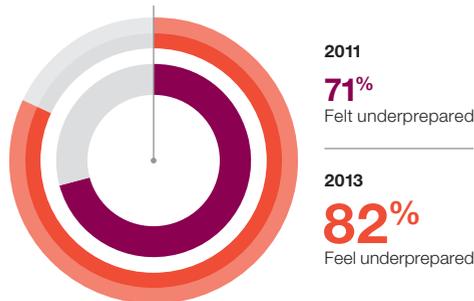
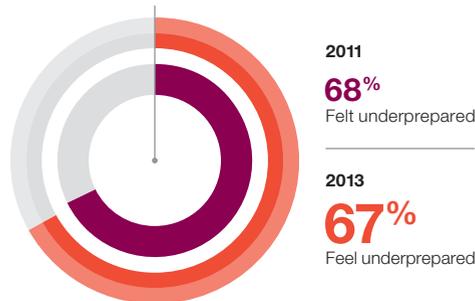


Figure 39

Virtual barrier: CMOs have made very little progress in coping with social media



Big data is the buzz and digital is now the new normal. We need to change the way we work with our clients in this continuous virtual cycle.

CMO. Banking, Singapore

CSCOs embed customer analytics to advance operations

“Our biggest challenge isn’t moving products; it’s moving information. You have to have the right information in place, by channel, before moving products around.”

CSCO, Consumer Products, Argentina

CSCOs are second only to CEOs in expecting their organizations to operate with a great deal more openness in the future, both internally and externally (see Figure 40). They plan to facilitate this trend by breaking down the barriers between the supply chain and the rest of the enterprise, including the multitude of suppliers and partners that help their organizations. Their goal is to make the supply chain more collaborative, more integrated, more transparent and open (see Figure 41).

But they have a huge gap to close first. The extent to which the supply chain is integrated with the sales and marketing function is still quite limited in most companies (see Figure 42). CSCOs aim to bridge the chasm by focusing most in the areas where they are currently doing least. They are putting advanced analytics and modeling tools in place to predict demand and accelerate decision making to create a truly customer-activated operating model (see Figure 43).

Look for our in-depth study on how CSCOs are tackling these challenges at www.ibm.com/csuitestudy or via the IBV tablet apps on iOS and Android.

Figure 40

Unlocked: CSCOs expect their organizations to become more open

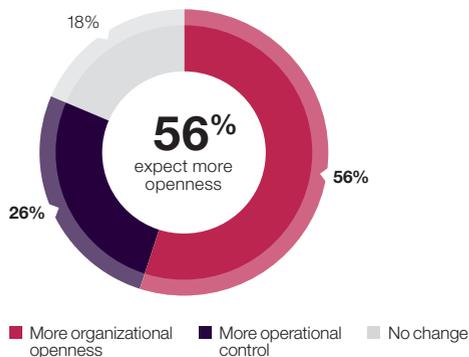


Figure 41

Clear path: CSCOs plan to break down barriers by integrating their supply chains and making them more visible

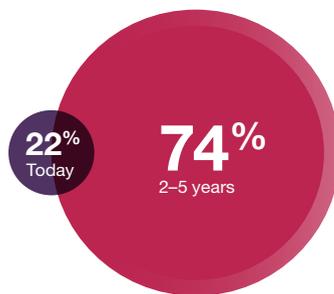


Figure 42

Missing links: The links between the supply chain and marketing function are still quite limited

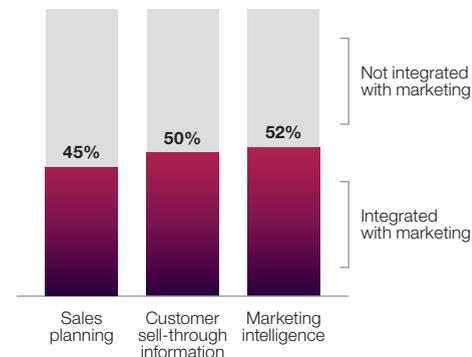
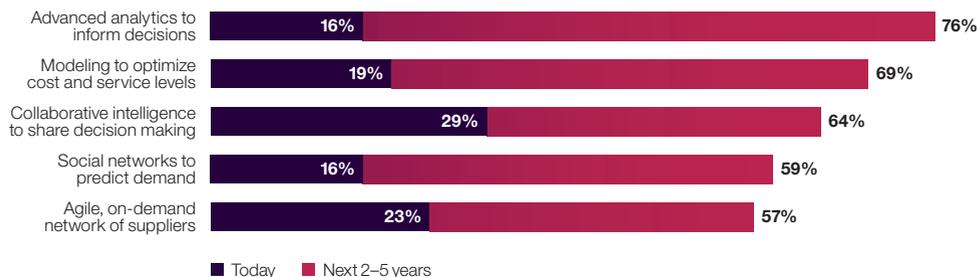


Figure 43

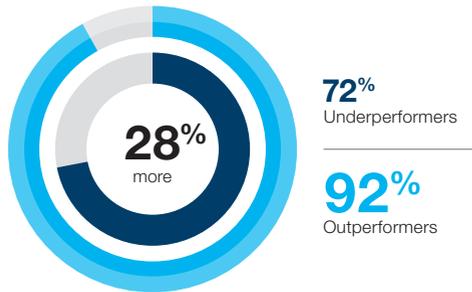
Future vision: CSCOs intend to use advanced analytics and modeling tools to predict demand and make better decisions



We need to collaborate and create a transparent supply chain, instead of thinking that knowledge is power and that we can be the superheroes who save the day.

Figure 44

Good relations: Outperforming enterprises often have C-suites that work better together



Pulling together

Opening up to customers and pioneering innovation at the nexus between the digital and physical to create engaging new customer experiences aren't things any enterprise can do alone. Hence the fact that CxOs want to collaborate far more extensively across internal and external borders in the next few years.

Our research shows there are convincing reasons to do so. The most flourishing enterprises are typically those that liaise closely with their customers, partners and suppliers, and actively promote the development of employee networks.

But encouraging others to collaborate isn't enough. The members of the C-suite must also pull together. That's not easy. Nevertheless, it can produce major financial benefits. A full 92 percent of CEOs heading outperforming enterprises think they and their fellow CxOs work effectively together in a collegial manner. Only 72 percent of those heading underperforming enterprises can make the same claim — hard proof of the dividends a united boardroom can bring (see Figure 44).

In subsequent installments, we'll examine how different CxOs are tackling the three key challenges we have identified. We'll also delve more deeply into the issues they're specifically focusing on and which colleagues they're interacting with to help them do their jobs.

We invite you to download the digital version of this report, which includes details of our research methodology, and continue the conversation. You can visit www.ibm.com/csuitestudy or get it via the IBV tablet apps on iOS and Android.

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October 2013
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