The Global CEO Study 2012 is the fifth biennial CEO study, this year we spoke to over 1700 CEO’s of which 102 were CP

- Revenue growth is the #1 priority
- Responsiveness is key competence
- Improving internal capabilities as first step to growth

- Business model innovation matters
- External collaboration
- Innovation must be orchestrated from the top

- Hungry for change
- Consumers as opportunity to differentiate
- Business model innovation, global business designs

- Embody creative leadership
- Reinvent customer relationships
- Build operating dexterity

- Empowering employees through values
- Engaging consumers as individuals
- Amplifying innovation with partnerships

456 interviews
765 interviews
1130 interviews
1541 interviews
1709 interviews
We compared outperformer and underperformer responses and have highlighted key differences.

**Three performance categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underperformers</td>
<td>Low revenue growth and low profitability</td>
<td>22%</td>
</tr>
<tr>
<td>Outperformers</td>
<td>High revenue growth and high profitability</td>
<td>19%</td>
</tr>
<tr>
<td>Peer Performers</td>
<td>All other performance combinations</td>
<td>59%</td>
</tr>
</tbody>
</table>

**Particular attention on Outperformers**

- No significant difference between outperformers and underperformers on 82% of tested characteristics
  - Though outperformers and underperformers often say the same, outperformers are superior at doing what they say
  - In this study we focus on common performance factors, while we highlight the most significant differences between out- and underperformers

Note: Relative performance is defined by CEO self-assessment of revenue growth and profitability compared to industry peers
Source: QB “How does the revenue growth of your organization compare to your industry peers over the past 3 years? (n=1589); QC “How does your organization’s profitability (or efficiency for public sector) compare to your industry peers over the past 3 years?” (n=1600)
Introduction

Chapter One

Chapter Two

Chapter Three

The CEO Agenda

Embracing connectedness

Empowering employees through values

Engaging customers as individuals

Amplifying innovation with partnerships

Leading in the connected era
Embracing connectedness

Technology is now driving more organizational change than any other force – even the economy. How are CEOs harnessing this unrealized potential?
Technology has become the most important external force for CEOs, and significantly impacts how they build economic value.

What we learned from all CEOs

- Organizational openness introduces new opportunities to create value through employee collaboration
- Consumer reveal insights into what, when and how they want to interact
- Virtually all organizations now partner, creating new avenues for innovation

What outperformers do differently

- Outperformers embrace greater openness, and excel at executing tough change
- Outperformers strongly differentiate through better data access, insight and translation into actions
- Outperformers are more likely to partner for innovation, disrupt, and derive revenue from new sources
For the first time, CEOs identify technology as the most important external force impacting their organizations.
Outperforming organizations are especially focused on combining technology with the business to drive innovation and growth.

Integrating business and technology for innovation

68% more
69%
41%

“We need to leverage collaboration to create value and innovate with partners.”
Consumer Products CEO, India

“How do you unleash the innovative power of the people who deal with your consumers every day?”
Insurance CEO, United Kingdom

Source: QE “To what extent has your organization integrated business and technology to innovate?” (n=623)
CEOs create more economic value by cultivating new connections within and across three domains.

1. **Empowering employees through values**
2. **Engaging customers as individuals**
3. **Amplifying innovation with partnerships**
How will CEOs create more economic value by empowering employees through values?

Organizational openness introduces new opportunities to create value through collaboration.

To re-balance control with openness, CEOs are focused on values, collaboration and mission.

Outperformers embrace greater openness, and excel at executing tough change.
CEOs plan dramatic improvements in internal and external collaboration – which requires organizational openness

Changing the organization

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Consumer Products</th>
<th>Global – Top 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnering/collaborating with other organizations</td>
<td>51%</td>
<td>53%</td>
</tr>
<tr>
<td>Decision-making processes</td>
<td>49%</td>
<td>43%</td>
</tr>
<tr>
<td>Internal collaboration</td>
<td>45%</td>
<td>52%</td>
</tr>
<tr>
<td>C-suite composition, skills and responsibilities</td>
<td>44%</td>
<td>52%</td>
</tr>
<tr>
<td>Management and/or organization structure</td>
<td>37%</td>
<td>52%</td>
</tr>
<tr>
<td>Governance models</td>
<td>27%</td>
<td>52%</td>
</tr>
<tr>
<td>Values of your organization</td>
<td>19%</td>
<td>52%</td>
</tr>
<tr>
<td>Supervisory board composition</td>
<td>17%</td>
<td>52%</td>
</tr>
</tbody>
</table>

“We need to find new ways to collaborate and spread knowledge and awareness.”

Consumer Products CEO, India

Source: Q19 “To what extent will you sustain or make changes to the following aspects of your organization over the next 3 to 5 years?”

(Global n=1598 to 1678) (Consumer Products n=98 to 101)
To re-balance control with openness, CEOs are focused on values, collaboration and mission.

### Organizational attributes to engage employees

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Consumer Products</th>
<th>Global – Top 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics and values</td>
<td>76%</td>
<td>65%</td>
</tr>
<tr>
<td>Collaborative environment</td>
<td>57%</td>
<td>63%</td>
</tr>
<tr>
<td>Purpose and mission</td>
<td>58%</td>
<td>58%</td>
</tr>
<tr>
<td>Ability to innovate</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Industry leadership</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Personal autonomy</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Stability of the organization</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Financial rewards</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Work-life balance</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Work flexibility</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Cultural diversity</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Customizable compensation</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Comprehensive mentoring</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

“*We will differentiate ourselves by leveraging the skills of organization that we have not leveraged before.*”

Consumer Products CEO, Canada

Source: Q18 “What are the most important organizational attributes to engage employees?” (Global n=1709) (Consumer Products n=102)
In this new environment collaboration, communication and creativity are seen as key success factors for employees.

**Personal characteristics for employee success**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Consumer Products</th>
<th>Global –Top 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative</td>
<td>71%</td>
<td>75%</td>
</tr>
<tr>
<td>Communicative</td>
<td>64%</td>
<td>67%</td>
</tr>
<tr>
<td>Creative</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>Flexible</td>
<td>58%</td>
<td>61%</td>
</tr>
<tr>
<td>Opportunity seeking</td>
<td>58%</td>
<td>61%</td>
</tr>
<tr>
<td>Globally-oriented</td>
<td>49%</td>
<td>61%</td>
</tr>
<tr>
<td>Analytical / quantitative</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>Assertive</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>Technology-savvy</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Disruptive</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

“Today’s connected economy is full of ambiguity, and the skills required to navigate that ambiguity are collaboration, creativity and communication.”

Healthcare CEO, Australia

Source: Q17 “What are key personal characteristics that help employees to be more successful in a connected economy?”
(Global n=1709) (Consumer Products n=102)
Outperformers excel at executing tough change

Ability to manage change

Outperformers: 73% more
Underperformers: 40%

Outperformers Underperformers

69%

“We need employees who think like owners of the company.”
Consumer Products CEO, China

Source: Q3 “How successful has your organization been at managing change in the past? “ (n=637); average ability to manage change is 54%
So, how do you empower employees through openness?

1. Replace rulebooks with shared beliefs
   - Confront cultural reality
   - Build values employees will live out
   - Recalibrate controls

2. Build future-proof employees
   - Create unconventional teams
   - Concentrate on experiential learning
   - Empower high-value employee networks

3. Provide the means to collaborate at scale
   - Pursue social collaboration technologies
   - Devise incentives that foster collaboration
   - Re-imagine employee “suggestion box”
Replace rulebooks with shared beliefs

In open organizations, rules and regulations cannot keep up with the multiplicity of situations – employees must buy into a set of shared beliefs to inform everyday decision making

- **Confront cultural reality**
  Take a hard look at your actual corporate character – not the reputation you intend to project, but what is actually revealed through employees’ decisions and actions

- **Allow your employees to focus on the customer**
  Let your employees focus more on the customer by limiting internal meetings to once per week

- **Re-calibrate controls**
  Grow employees outside their area of expertise

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**Consumer Products Beverage, Europe**

**Purpose**

- Build and align common values to generate results
- Develop a culture of entrepreneurial religion who think like owners

**Activities**

- Articulated core beliefs and expected behaviors
- Enabled employee to focus more time on the customer
- Challenge employees to research areas outside of expertise
Build future-proof employees

Organizations need employees who are equipped to adapt – those who are collaborative, communicative, creative and flexible

- Create unconventional teams
  Intentionally mix specialties and expertise so that employees rub shoulders with diverse types of people who think differently and have different backgrounds

- Concentrate on experiential learning
  Broaden the range of situations and experiences that employees are exposed to in their normal work – incorporate external influences, like consumers and partners, wherever possible

- Empower high-value employee networks
  Encourage employees to develop a diverse and extensive network of contacts – don’t underestimate the value of their social networks as both potential collaborators and prospective consumers
Provide the means to collaborate at scale

As organizations globalize and the boundaries between functions blur, organizations need more extensive, sophisticated methods of collaborating

- **Pursue social collaboration technologies**
  Ensure employees can quickly find needed expertise and can engage the collective intelligence of the organization – capture experts’ knowledge in searchable repositories

- **Devise incentives that foster collaboration**
  Be sure employees are clear on how collaboration benefits them individually – intrinsic motivators are visibility and reputation, competitive spirit and shared goals

- **Re-imagine the employee “suggestion box”**
  Use social media technologies to pursue good ideas – through open dialog, collective construction of solutions and feedback on results

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**Consumer products beverage, USA**

**Purpose**

- Promote sustained growth through empowerment, responsibility and trust
- Build skills and become part of local communities

**Activities**

- Introduced social media including comment spaces, blogs and an idea network
- Integrated enhanced podcasts with two-way interactions
- Pursued community out-reach
How will CEOs create more economic value by engaging consumers as individuals?

Consumers share insights into what they value individually, and when and how they want to interact.

To connect individually, CEOs plan a step change in social media interaction and continuing face-to-face engagement.

Outperformers strongly differentiate by better data access, insight, and translation into actions.
Consumers share insights into what they value individually, and when and how they want to interact

**Consumers will share information if they perceive a benefit from doing so**

*What is your willingness to provide information in exchange for something relevant to you (non-monetary)?*

<table>
<thead>
<tr>
<th>Category</th>
<th>Completely willing</th>
<th>Neutral</th>
<th>Completely disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media usage (e.g. media channels)</td>
<td>45%</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Demographic (e.g. age, ethnicity)</td>
<td>43%</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>Identification (name, address)</td>
<td>33%</td>
<td>28%</td>
<td>41%</td>
</tr>
<tr>
<td>Lifestyle (# of cars, home ownership)</td>
<td>30%</td>
<td>29%</td>
<td>41%</td>
</tr>
<tr>
<td>Location based</td>
<td>28%</td>
<td>28%</td>
<td>44%</td>
</tr>
<tr>
<td>Medical</td>
<td>26%</td>
<td>28%</td>
<td>46%</td>
</tr>
<tr>
<td>Financial</td>
<td>15%</td>
<td>21%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Source: IBV Retail 2012 Winning Over the Empowered Consumer Study n= 28527 (global) P04: “What is your willingness to provide information for each of the following items if [pipe primary retailer] provided something relevant to you in exchange?”
CEOs identify consumer insights as the most critical investment area

Drawing insight from information – Areas of improvement

<table>
<thead>
<tr>
<th>Area</th>
<th>Consumer Products</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers</td>
<td></td>
<td>73%</td>
</tr>
<tr>
<td>Supply chain</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>61%</td>
<td>40%</td>
</tr>
<tr>
<td>Markets and competitors</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>Operations</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td>Human resources</td>
<td>41%</td>
<td>43%</td>
</tr>
<tr>
<td>Risk management</td>
<td>33%</td>
<td>38%</td>
</tr>
<tr>
<td>Financials</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

“Each customer has distinctive traits we need to understand. To manage this complexity, we must be a digital cheetah – fast, eager and lean.”

Telecommunications President, Indonesia

Source: Q23 “In which areas do you plan to improve your ability to draw meaningful and executable insights from available information?”
(Global n=1609 to 1658) (Consumer Products n=99 to 101)
CEOs want to understand individual consumers better and respond faster

### Change required to meet customer expectations (3 to 5 years)

<table>
<thead>
<tr>
<th>Change required</th>
<th>ConsumerProducts</th>
<th>Global –Top 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve understanding of individual customer needs</td>
<td>78%</td>
<td>72%</td>
</tr>
<tr>
<td>Improve response time to market needs</td>
<td>76%</td>
<td>72%</td>
</tr>
<tr>
<td>Increase social and environmental responsibility</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Increase transparency and corporate accountability</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Harmonize customer experiences across channels</td>
<td>43%</td>
<td>55%</td>
</tr>
<tr>
<td>Include consumers / citizens across product / service life cycle</td>
<td>38%</td>
<td></td>
</tr>
</tbody>
</table>

“An understanding of individual customer needs is vital to today’s highly competitive environment.”

Consumer Products CEO, Romania

Source: Q9 “To what extent will your organization change to meet customer expectations compared to your industry peers over the next 3 to 5 years?” (Global n=1652 to 1676) (Consumer Products n=99 to 101)
To connect individually, CEOs plan a step-change from traditional to social media, while continuing face-to-face engagement.

"Social networking has and will continue to significantly change how we do business. The way we collaborate with our customers will be transformed."

Enrique Salem, CEO, Symantec

Source: Q8 “What are the three most important mechanisms your organization will use with consumers over the next 3 to 5 years?” (n=1709)
*Face-to-face / sales force / institutional representatives
Outperformers strongly differentiate in data access, insight, and translation into actions – key to engaging consumers as individuals.

Outperformers are twice as good at driving value from data:

- **Access to data**
  - Outperformers: 54%
  - Underperformers: 26%
  - Consumer Products: 48%
  - More: 108%

- **Draw insights from data**
  - Outperformers: 54%
  - Underperformers: 26%
  - Consumer Products: 46%
  - More: 108%

- **Translate insight into action**
  - Outperformers: 57%
  - Underperformers: 31%
  - Consumer Products: 44%
  - More: 84%

Source: Q22 “How good is your organization at driving value from data? [Today]” (Global n=631 to 636) (CP n=101 to 102)
So, how do you win the race to gather and convert data into customer insight and action?

1. Let “big data” reveal the customer you never knew
   - Look outside to complete the view
   - Connect pieces into profiles
   - Empower staff with predictive analysis

2. Listen lavishly, respond with focus
   - Listen at an individual level
   - Capture what employees see and hear
   - Respond with relevance and speed

3. Be where your consumers expect you to be
   - Leverage the fact that mobile “changes everything”
   - Blend the physical and digital worlds
   - Offer value that stands out
Let “big data” reveal the customer you never knew

Today’s analytics provide opportunities to explore big data, detect patterns and reveal new insights – knowing how to effectively access, analyze and use data is crucial to understanding and engaging individual consumers:

- **Look outside to complete the view**
  Incorporate external sources, especially social media and complementary data sets from partners – blend internal and external views to discover unexpected insights

- **Connect pieces into profiles**
  Use analytics to distill what’s valuable from an abundance of data – assemble vital pieces into holistic profiles of individual human beings

- **Empower staff with predictive analytics**
  Embed insights where front-line decisions are made – ensure data-driven decision making is part of everyday processes

**Consumer Products Food Co, USA**

**Purpose**
- Gain deeper insight into consumers with similar purchase patterns
- Build “analytical culture” to better manage categories

**Activities**
- Offer product suggestions when funds began to fade from certain categories
- Improve sales team effectiveness by pushing millions of customer recommendations to the sales representative
Listen lavishly, respond with focus

In exchange for more insight, consumers want organizations to interact selectively and responsibly – offering what they want, when and where they want it

- **Listen at an individual level**
  Look beyond aggregate customer information based on market segmentation – use sources that allow you to hear directly from individual consumers

- **Capture what employees see and hear**
  Establish easy ways to channel clues employees observe in their customer interactions – incorporate these insights into your analysis

- **Respond with relevance and speed**
  Study each customer touch point and find ways to respond more selectively and create deeper connections that build loyalty and advocacy

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**Consumer Products Apparel, Australia**

**Purpose**
- Increase customer satisfaction
- Improve process, workflow effectiveness and time to market

**Activities**
- Introduced social network analysis to help identify key opinion leaders, tailor offerings and understand behavior and decision making
- Established real-time analytics to assess new product penetration and success
Be where your consumers expect you to be

Mobility is elevating customer expectations: organizations have a tremendous opportunity to create value out of immediacy – to be ready with relevant services and information in the context of the moment

- Leverage the fact that mobile “changes everything”
  Take advantage of location-based services and new forms of e-commerce

- Blend the physical and digital worlds
  Exploit augmented reality to make mobile part of integrated, multichannel customer experiences

- Offer value that stands out
  Interact in ways that are attention-grabbing, meaningful and tailored to the individual

Retail Luxury Brand, USA

Purpose
- Leverage customer insights obtained from past online interactions to formulate personalized, timely experiences

Activities
- Used mobile capabilities to enhance online and in-store customer personalization and overall engagement
- Improved customer loyalty by anticipating needs and establishing consistent high-quality customer service
How will CEOs create more economic value by innovating differently with partners?

Commitment to external partnering has grown significantly.

Virtually all organizations now partner, creating new avenues for innovation.

Outperformers are more likely to partner for innovation, disrupt, and derive revenue from new sources.
Commitment to external partnering has grown significantly since 2008

Historical comparison of external partnering versus in-house

Partner extensively

- 69% Global 2012
- 55% Global 2008
- 68% Consumer Products 2012
- 58% Retail 2012

“We’re partnering to increase our time-to-market for new services.”
Telecommunications CEO, France

“Extended partnerships at all levels in all facet’s of the value chain/supply chain.”
Consumer Products CEO, Europe

Source: Q16g “What will your operating strategy be in 3 to 5 years, compared to today?” [Partner extensively / Do everything in-house]
(Global 2012 n=1685; Global 2008 n=1130) (Consumer Products n=100)
Outperformers partner substantially more often for innovation

External partnering for innovation

To a very large extent

<table>
<thead>
<tr>
<th></th>
<th>Global</th>
<th>Consumer Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>To a very large extent</td>
<td>53%</td>
<td>40%</td>
</tr>
</tbody>
</table>

To a very large extent

<table>
<thead>
<tr>
<th></th>
<th>Global Outperformers</th>
<th>Global Underperformers</th>
</tr>
</thead>
<tbody>
<tr>
<td>To a very large extent</td>
<td>59%</td>
<td>46%</td>
</tr>
</tbody>
</table>

28% more

“Today’s innovation needs to be more open with more collaboration.”

Consumer Electronics CEO, United States

Source: QD “To what extent does your organization collaborate and partner (externally) to innovate?” (Global n=627 to 1625) (Consumer Products n=97)
Outperformers pursue more disruptive types of innovation and derive more revenue from new sources

**Industry model innovation**

- Creating entirely new industries:
  - Outperformers: 94%
  - Underperformers: 35%
- Moving into different industries:
  - Outperformers: 46%
  - Underperformers: 31%

**Revenue from new sources**

- More revenue from new sources:
  - Outperformers: 48%
  - Underperformers: 37%

"Push to innovation - take advantages of things that change radically and leverage the opportunity"

Consumer Products CEO, Switzerland

Source: Q13 "What key initiatives will you implement over the next 3 to 5 years?" (n=153 to 154); Q11 “What approximate percentage of your revenue comes from new sources, including new products and services, markets or industries?” (n=625)
So, how can organizations partner more effectively to meet the innovation challenge?

1. Fundamentally change how you partner
   - Achieve differentiation through social innovation
   - Expand scope of partnerships
   - Tackle the shared governance challenge

2. Make partnerships personal
   - Broaden responsibility for managing partnerships
   - Foster relationships at each level across partnering organizations
   - “Partners” can be a community of people

3. Break collaboration boundaries
   - Explore unconventional partnerships
   - Think like a disruptor
   - Innovate together as a system
Fundamentally change how you partner

The pressure and costs to innovate mount, and boundaries between organizations are becoming more porous. Interactions span more functions and are more continuous, with control and governance increasingly being shared.

- **Achieve differentiation through social innovation**
  Extend communication and collaboration tools so that peers can interact within and across organizations – integrate data resources to reveal unexpected, mutually beneficial insights.

- **Expand scope of partnerships**
  Evaluate ways to extend and connect existing partnerships on innovation, to include ideation, R&D, and also sales, marketing or HR.

- **Tackle the shared governance challenge**
  Establish ways to share key aspects of control – such as prioritization, decision making and funding – that are traditionally dominated by one partner.

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**Consumer Products and Veterinarians, UK**

**Purpose**
- Form relationships with other industries to promote product innovation.

**Activities**
- Partnered with Veterinarians to understand changes in animal health and influence product quality.
- Develop relationships with trusted advisors to consumers and collaborate for better products and animal health.
Make partnerships personal

Technology now presents opportunities for much deeper connections with partners – opportunities for innovation – both spontaneous and orchestrated – are rising in step with interconnectedness

- **Broaden responsibility for managing partnerships**
  Embed relationship management capabilities within the organization – use centralized alliance management functions to supply specialized skills

- **Foster relationships at each level across partnering organizations**
  Provide avenues to develop personal connections among peers at every level

- **Consider the possibility of “partners” being a community of people**
  Don’t limit your view to organizations – your most valuable “partnership” might be a group of individuals

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**Retail business, China**

**Purpose**

- Enhance strategic partnerships by engaging employees across sales channels

**Activities**

- Created strategic distribution partnerships focused on product planning and promotions
- Employees gather customer insights which are routed to partner organizations to inform future product development

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Break collaboration boundaries

To address rising complexity, organizations need to look beyond traditional partners and conventional views on innovation for new inspiration and necessary capabilities:

- Explore unconventional partnerships
  Study nontraditional alliances emerging in other industries and look for parallel applications in your own – integrate capabilities not commonly found in your own industry.

- Think like a disruptor
  Stretch thinking beyond business as usual, even when business as usual is working – question norms, introduce new stimulation from outside.

- Innovate together as a system
  Approach untenable issues or grand challenges by partnering across the entire system – with competitors, governments, non-governmental organizations and more.

Automotive business, Japan

Purpose
- Innovate processes to reduce the number of components used in car manufacturing.
- Improve speed and flexibility of production.

Activities
- Formed collaborative partnerships with suppliers to promote innovation.
- Reduced procurement costs and improved component design.
Leading in the connected era

Undoubtedly, our world and the institutions and people in it are becoming more connected. How will CEOs respond organizationally and personally?
In this period of rapid and disruptive change, CEOs lead while learning, outlining three traits critical to their personal success.

**CEO characteristics for success**

<table>
<thead>
<tr>
<th>Trait</th>
<th>Consumer Products</th>
<th>Global – Top 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-obsession</td>
<td>57%</td>
<td>61%</td>
</tr>
<tr>
<td>Inspirational leadership</td>
<td>61%</td>
<td>60%</td>
</tr>
<tr>
<td>Global mindset</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>Competitive instinct</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Leadership teaming</td>
<td>47%</td>
<td>58%</td>
</tr>
<tr>
<td>Disruptive creativity</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Risk tolerant</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Transparent</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Boldness</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Diversity-driven</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Financial skills</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Environmentally / socially devoted</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Technology-savviness</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

“**Inspirational leadership is essential – people need to know where you are leading them and why.**”

Government Director General, New Zealand

Source: Q25 “What are the five most important characteristics that a CEO needs to be successful over the next 3-5 years?” (Global n=1,707) (Consumer Products n=102)
CEOs will lead bold change by providing inspirational leadership to their people, consumers and collaborators

Source: Q25 “What are the five most important characteristics that a CEO needs to be successful over the next 3 to 5 years?” (n=1707)
We analyzed over 10,000 quotes to uncover the deeper thoughts of CEOs that relate to their key personal aspirations.
How CEOs drive new economic value through connections

**Empowering employees through values**
- Organizational openness introduces new opportunities to create value through employee collaboration
- To re-balance control with openness, CEOs are focused on values, collaboration and mission
- **Outperformers embrace greater openness, and excel at executing tough change**

**Engaging consumers as individuals**
- Consumers share insights into what they value individually, and when and how they want to interact
- To connect individually, CEOs plan a step change in social media interaction and continuing face-to-face engagement
- **Outperformers strongly differentiate by better data access, insight, and translation into actions**

**Amplifying innovation with partnerships**
- Commitment to external partnering has grown significantly
- Virtually all organizations now partner, creating new avenues for innovation
- **Outperformers are more likely to partner for innovation, disrupt, and derive revenue from new sources**