

# C-suite executives see "Uberization" as primary competitive threat, according to IBM study

November 4 2015, by Suzanne Aronowitz

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Two years ago, CxOs ranked IT security low on their list of technology concerns. Now, they name it number one. Credit: IBM

The trend of "uberization" or industry disruption caused by an unlikely competitor has become a dominant concern of the C-suite, finds a new IBM study. In just two years, the percentage of C-suite leaders who expect to contend with competition from outside their industry increased by more than a quarter—rising from 43 percent in 2013 to 54 percent

today.

The IBM study, "Redefining Boundaries: Insights from the Global C-suite Study," is based on findings from more than 5,200 CEOs, CMOs, CFOs, CIOs and other C-suite leaders across 21 industries in more than 70 countries. The respondents—most of whom participated in face-to-face interviews—represent a wide range of public and private enterprises.

Conducted by IBM's Institute for Business Value, the report reveals that CxOs now expect industry convergence to be the primary force impacting their business in the next three to five years and that the highest-performing enterprises place greater priority on cognitive capabilities than market-followers.

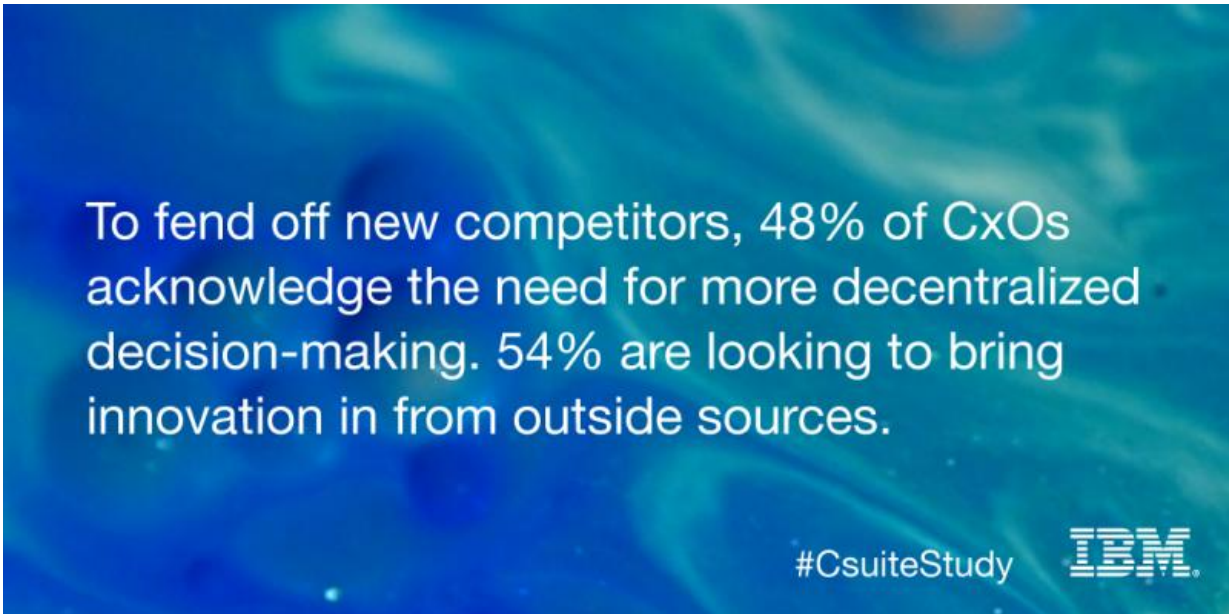
"When it comes to the competition, C-suite leaders clearly have a new threat to consider—one that is often invisible until it is too late," said Bridget van Kralingen, [senior vice president](#), IBM Global Business Services. "At the same time, the highest performers see advances in areas like [cognitive computing](#) and systems that can sense and learn as the key to dealing with disruptive events, showing a path forward for all executives."

C-suite leaders from the highest-performing companies are 24 percent more likely to be focused on cognitive computing. The study recommends enterprises use predictive and cognitive analytics to help forecast what might happen with a greater level of confidence and get ahead of unseen competitors.

## **Beware Unwelcome Intruders**

The biggest risk to businesses used to be a new rival with a better or cheaper offering, making it relatively simple to alter strategies. Today,

entrenched players are being threatened by new entrants with completely different business models, as well as smaller, more agile players unencumbered by legacy infrastructure.



CxOs are being threatened by new market entrants with completely different business models, as well as small, agile players. Credit: IBM

"The biggest threat is new competitors that aren't yet classified as competitors," said Piotr Ruszowski, CMO, Mondial Assistance.

Forty-eight percent of CxOs acknowledge the need for more decentralized decision-making. Fifty-four percent are looking to bring innovation in from outside sources and 70 percent plan to expand their partner network.

## **Implement Customer Feedback, Don't Just Ask for It**

Many CxOs interviewed freely admitted that they find it hard to see what's coming next. Yet, when it comes to identifying and exploring new trends and technologies, only half of respondents are utilizing customer feedback. This despite the fact that in IBM's 2013 Global C-suite Study, 60 percent of CEOs said they planned to directly engage their customers and proactively apply what they learned to set their business agendas. Two years later, it's still a gap waiting to be closed.

Most CxOs anticipate changing the way their organizations engage with customers. Sixty-six percent of CxOs expect to focus on customers as individuals —up 22 percent from 2013—and 81 percent plan to drive more digital interaction, a 19 percent increase from two years ago.

"We anticipate relying more heavily on partnerships and adjacencies, and on innovating by listening to clients and developing solutions together," said David Mills, CEO, Ricoh Europe, United Kingdom.

## **Role and Risks of Technology**



When it comes to the competition, C-suite leaders have a new threat to consider -- one that is often invisible until it is too late. Credit: IBM

CEOs put technology at the top of the list of external forces buffeting their organizations for the past three IBM C-suite studies. Now, for the first time, all C-suite executives—regardless of role—identify technology as the most important external force impacting their enterprise.

CxOs believe cloud computing, mobile solutions, the Internet of Things and cognitive computing are the technologies most likely to revolutionize their business. When it comes to risks, two years ago IT security ranked low on the list of concerns. Now, 68 percent of respondents rank IT security as the number-one enterprise risk.

## **About the IBM Global C-Suite Study**

The current global C-suite Study is the eighteenth in IBM's C-suite study series. IBM conducted its analysis with more than 5,200 C-suite leaders worldwide by using a global team of business strategists, consultants, data scientists and statisticians. IBM Watson Analytics was also used to extract additional inferences from more than 7,600 open-ended responses.

### **More information:**

"Redefining Boundaries: Insights from the Global C-suite Study,"  
[www-935.ibm.com/services/c-suite/study/](http://www-935.ibm.com/services/c-suite/study/)

Provided by IBM

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