

RISE OF DIGITAL LEADERSHIP

IIC PARTNERS EXECUTIVE SEARCH WORLDWIDE

2016

Methodology



WHO

501 Senior Executives

*70% Managing Director
Level or above
23% Female
77% Male*



WHERE

43 Countries

*EMEA: 250
Americas: 134
APAC: 76*



WHEN

**23 March 2016 -
17 May 2016**

8 Weeks



HOW

Online Survey

*15 minutes
33 questions
Qualitative Survey*

Ideal Chief Digital Officer is equal parts technology leader and marketer.

According to a survey of 501 global business leaders conducted by IIC Partners Executive Search Worldwide, 3 out of 4 survey respondents (76 percent) said they did not have a Chief Digital Officer in place to own their digital transformation strategy. 80 percent of senior executives stated that they believe investment in digital transformation within their organisation is very or extremely important to future success. In contrast, however, only a third of survey respondents said they plan to hire a Chief Digital Officer within the next two years.

Companies that do not have a Chief Digital Officer said the CEO, CIO and CMO roles serve as the primary leadership figures responsible for managing the vision and implementation of digital transformation, alongside their other responsibilities.

Ruth Curran, Managing Partner of MERC Partners based in Dublin and Global Chair of IIC Partners Executive Search worldwide commented: “Senior executives recognize the importance of investing in digital transformation for future success. However, as technology evolves and digital continues to disrupt business units and industries, a CEO who has primary oversight for this mandate will diminish their capacity to effectively manage the rest of the organisation and lead their teams. Management of digital transformation is best directed by a devoted leader who can competently own and execute a comprehensive strategy.”

The survey found that respondents were divided when asked which functional background best qualified an executive to fill the role of Chief Digital Officer. 45 percent of executives surveyed said the ideal Chief Digital Officer should have experience within the Technology or IT function, while 43 percent said he or she should have a Marketing or Sales background.

IIC Partners Executive Director, Christine Hayward, commented on this divided perception: “The schism we are seeing in the ideal functional background of a Chief Digital Officer speaks to the hybrid nature of the role. He or she should possess an innate understanding of technology accompanied by a firm knowledge of employing digital transformation and strategy to support organisational growth. This cross-functional skillset will drive continued innovation and programs across the enterprise from a central visionary perspective,” Ms. Hayward said.

“The qualities sought after in a Chief Digital Officer are rooted in the softer skills of management,” said Curran. “A successful CDO must exercise and exhibit persuasive leadership tactics to garner the buy-in and support of other senior leaders across the organisation. Companies are not only looking for a candidate to identify valuable opportunities for digital transformation to work for the business, but lead through influence and instill confidence from other key stakeholders critical to its success.”

“ Management of digital transformation strategy is best directed by a devoted leader who can competently own and execute a comprehensive strategy... ”

KEY FINDINGS



Finding A CDO



- For companies that do not have a Chief Digital Officer in place, the CIO, CMO and CEO are the primary leadership roles responsible for overall digital transformation strategy and implementation.
- 1 in 2 survey respondents agreed that ownership of digital transformation strategy should be managed by one leader.
- 38% of survey respondents said they spend 10% - 30% of their time managing their company's digital transformation strategy.



- Top 5 Skills Sought After When Hiring a CDO:
 1. Ability to influence across an organisation
 2. Innovation (products / services / channels / markets)
 3. Experience with digital channels (web, mobile and social media)
 4. Process orientation (digitally streamline internal processes)
 5. A “Nimble Thinker” - able to predict trends and digital needs of business

Hiring The Ideal CDO



- 46% of survey respondents reported they find their executive digital talent by partnering with executive search firms.
- Companies that have a Chief Digital Officer identified the top 3 responsibilities of their CDO:
 1. Ensure digital assets are working harmoniously across business units
 2. Articulate strategic vision to fellow leadership teams
 3. Champion increased business value through the use of digital assets



- Survey respondents were divided when asked which functional background serves a Chief Digital Officer best - 43% reported marketing and 45% reported technology.
- 31% of survey respondents plan to hire a Chief Digital Officer in the next 2 years.
- Only 24% of companies reported they had a Chief Digital Officer in place to manage digital transformation strategy.

Digital Influence



- 87% of survey respondents said that digital transformation greatly informs and influences the strategic direction of a company's future.
- 1 in 3 companies (34%) said they did not have the right structures or processes in place to leverage digital transformation.
- 80% of survey respondents deemed investment in digital transformation as critical to a company's future success.



- The top 3 barriers cited for implementing digital transformation strategy within the organisation were:
 1. Perceived shortage of digital skills internally
 2. Perceived financial costs
 3. Fear of change by the organisation
- 49% of respondents scored their company a 7/10 or higher on digital transformation initiatives.

Finding A CDO



Finding A CDO



Companies without a Chief Digital Officer identified the CIO, CMO and CEO roles as the primary leaders responsible for overall digital transformation strategy and implementation.



72% of organisations understand the implications of digital transformation to enable effective decision making.



38% of respondents spend between 10% - 30% of their time managing their company's digital strategy. They expect that to increase on average by 27% in the next 2 years.

Finding A CDO

Top 10 Skills Sought After When Hiring a CDO:

- 1 Ability to influence across an organisation
- 2 Innovation (products / services / channels / markets)
- 3 Experience with digital channels (web, mobile and social media)
- 4 Process orientation (digitally streamline internal processes)
- 5 A “Nimble Thinker” - able to predict trends and digital needs of business
- 6 Ability to implement solutions that are scalable
- 7 Ability to enlist support of other senior executives
- 8 Analytical competency
- 9 Process orientation (external initiatives and strategy)
- 10 Ability to attract and retain digital talent



75% of digital initiatives undertaken
have had anticipated impact.

Finding A CDO



1 in 2 survey respondents agreed that ownership of the digital transformation strategy should be managed by one leader.

42%

said they don't have a strong digital transformation strategy but plan to implement one in the near future.

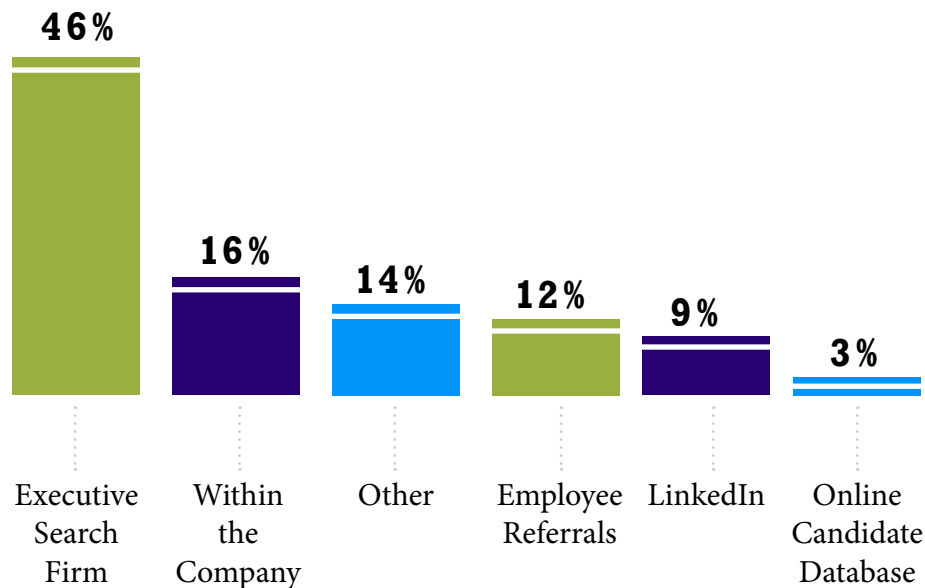


Hiring The Ideal CDO



Hiring The Ideal CDO






Where do you find your digital talent?



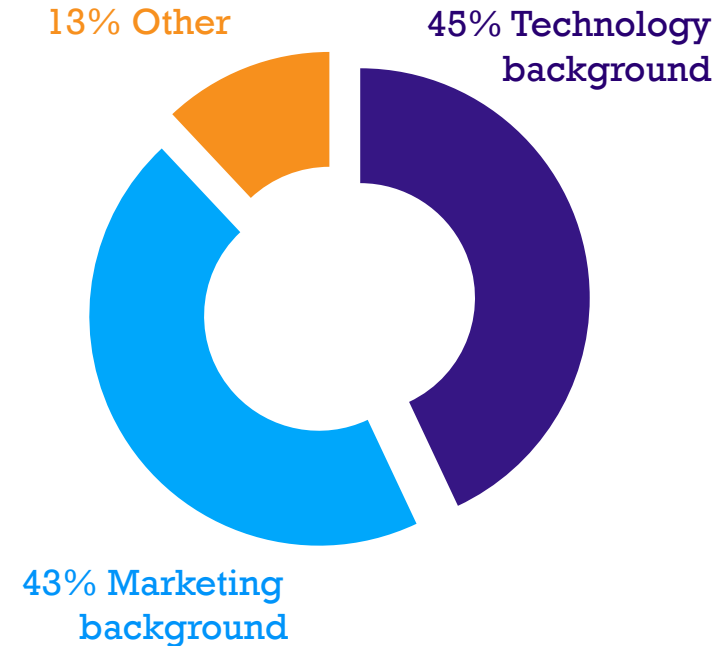
39% said they had a Board member responsible for oversight of digital transformation strategy. 45% reported they did not have a Board member responsible for oversight and 16% said "Unsure".

Hiring The Ideal CDO

Key Responsibilities of a Chief Digital Officer

-  Ensure digital assets are working harmoniously across business units
-  Articulate strategic vision to fellow leadership teams
-  Champion increased business value through the use of digital assets
-  Drive continued innovation across the business
-  Create and maintain onboarding programs across the enterprise

The ideal Chief Digital Officer is equal parts technology leader and marketer.

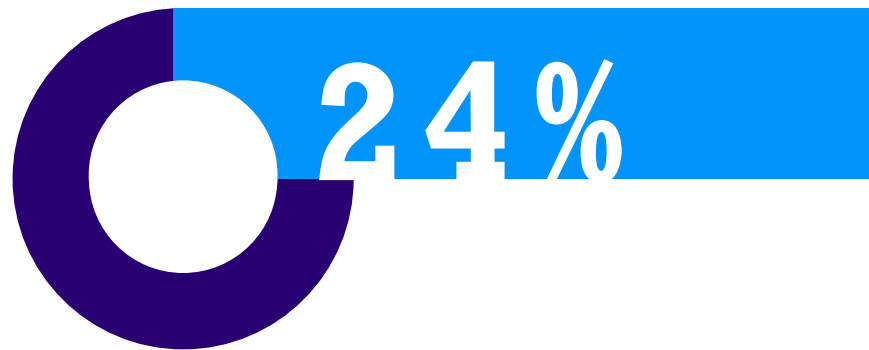


Hiring The Ideal CDO

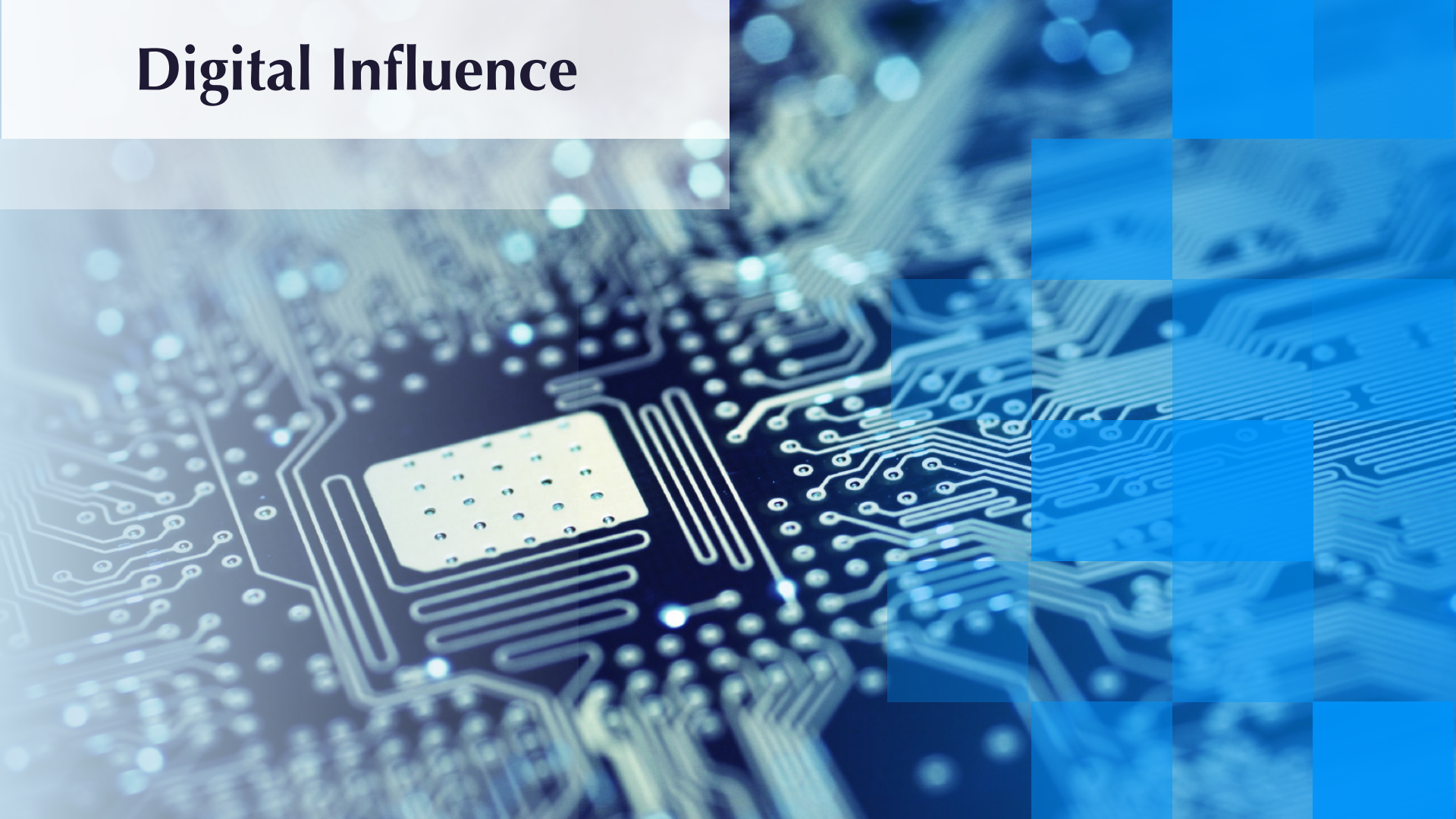
2018

31% of survey respondents plan to hire a Chief Digital Officer in the next 2 years.

Only 24% of companies reported they had a Chief Digital Officer in place to manage digital transformation strategy.



Digital Influence



Digital Influence

87%

87% of organisations surveyed said digital transformation greatly informs and influences the strategic direction of the company's future.



4 out of 5 respondents deemed investment in digital transformation as critical to the company's future.

Digital Influence

Top barriers that impede implementing digital transformation strategy within the organisation:

- 1 Shortage of digital skills internally
- 2 Financial costs
- 3 Fear of change by the organisation
- 4 Concerns about data confidentiality
- 5 Technological limitations
- 6 Irrelevance of digital transformation to overall organisational goals

2 in 3 companies (66%) said they had the right structures or processes in place to leverage digital transformation.



Digital Influence

**DTS = Digital Transformation Strategy*

P
E
R
C
E
I
V
E
D

Social Media



78% say social media as very important to DTS

+1%



79% have implemented in DTS

Mobile Website



84% view a mobile website as very important to DTS

-27%



57% have implemented in DTS

Mobile App



66% believe a mobile app is very important to DTS

-16%



50% have implemented in DTS

Big Data



71% think big data is very important to DTS

-30%



41% have implemented in DTS

Cloud-based Software



66% see cloud-based software as very important to DTS

-13%



53% have implemented in DTS

A
C
T
U
A
L

Digital Influence

Digital transformation has had the largest impact on Technology and Marketing departments and the least impact on Human Resources and Legal departments across organisations.

Largest Impact

- Technology
- Marketing

Medium Impact

- Sales
- Operations
- Research & Development
- General Executive
- Finance

Least Impact

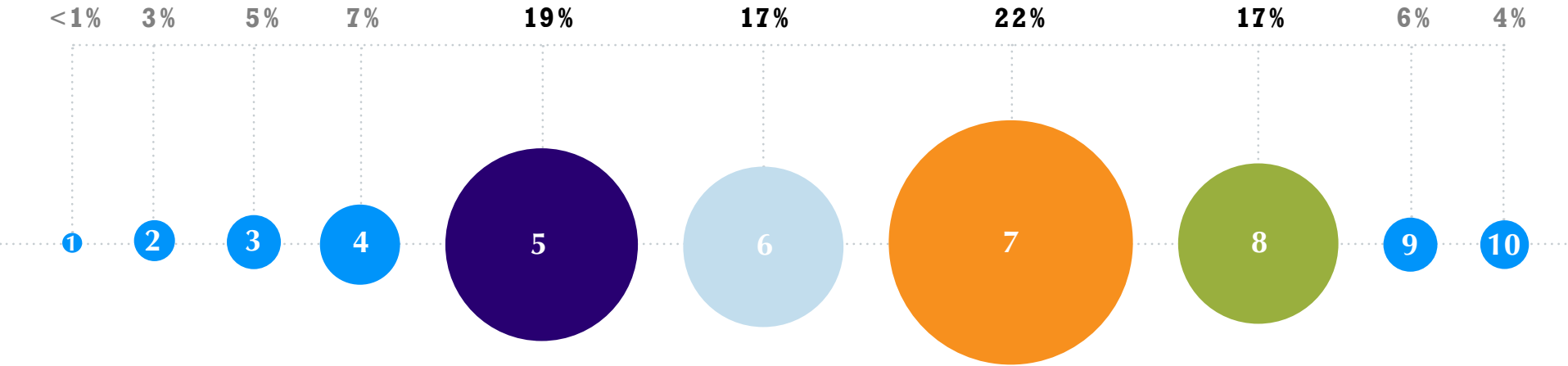
- Human Resources
- Legal

77%

77% of respondents said “Enabling Remote Workforces” is very important to digital transformation strategy.



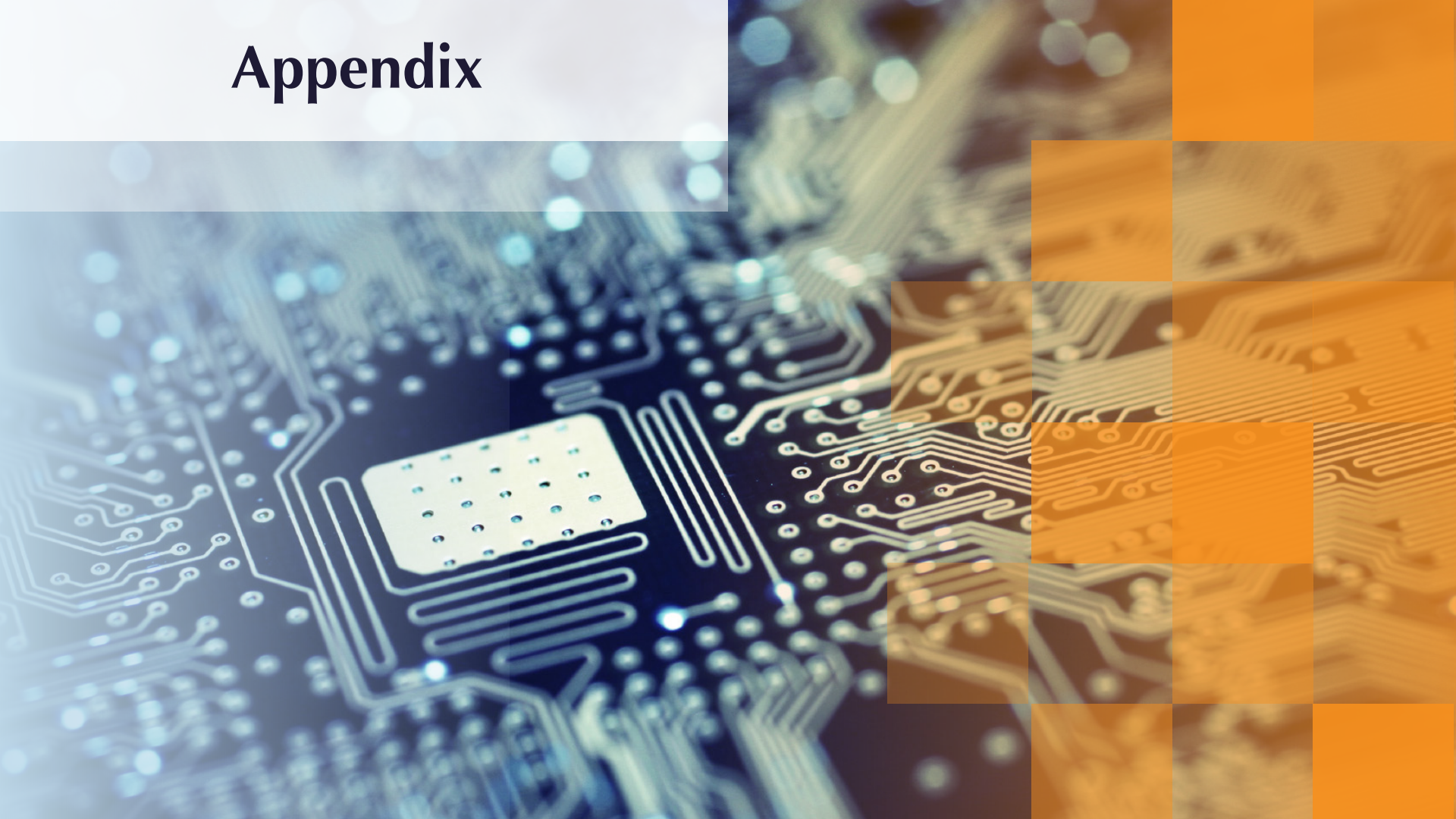
Digital Influence



49% of respondents rated their company as 7 out of 10 or higher when asked where their organisation matched on digital transformation initiatives. 10 represented being highly digitalized and 1 represented not at all digitalized.

**Percentages rounded to nearest whole percent.*

Appendix



Industry Segments

Technology / Media: 13%

Consumer Products: 10%

Healthcare: 9%

Professional Services: 9%

Manufacturing: 8%

Financial Services: 8%

Automotive: 7%

Pharmaceuticals / Life Sciences: 6%

Retail: 5%

Industrial: 4%

Human Resources: 3%

Not-For-Profit / NGO: 3%

Energy / Utilities: 3%

Transportation: 2%

Entertainment: 2%

Education: 2%

Construction: 1%

Tourism / Hospitality: 1%

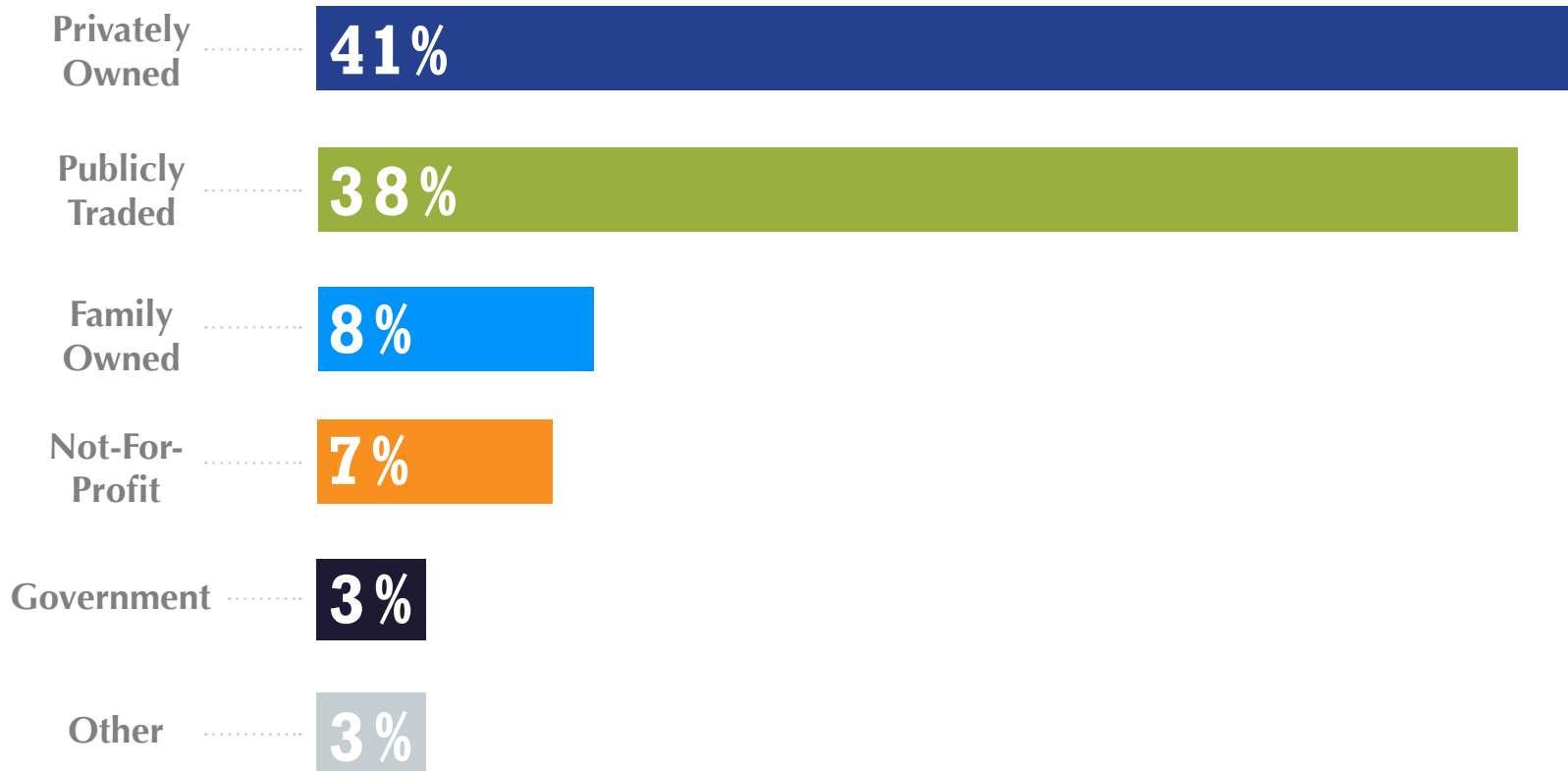
Agriculture / Forestry: < 1%

Mining: < 1%

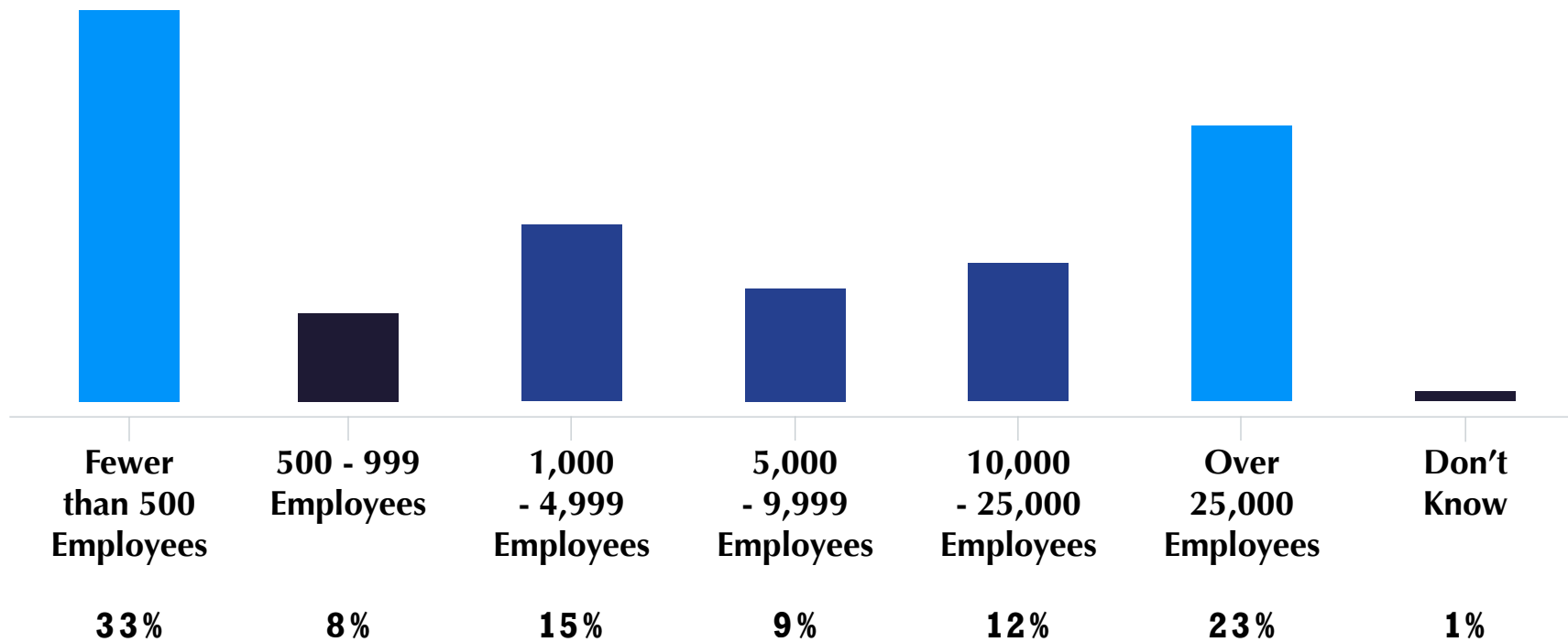
Other: 5%

**Percentages rounded to nearest whole percent.*

Organisation Type



Organisation Size



**Percentages rounded to nearest whole percent.*

Demographics



43 countries represented



Average age: 49



70% of participants are Managing Director level or above



77% of respondents were male



23% of respondents were female

IIC Partners (www.iicpartners.com) is one of the top 10 executive search organisations in the world. The network of “Independent International Consultants” is made up of 43 independently owned and managed executive search firms representing 52 offices in 34 countries, all considered to be leaders in the geographic and industry markets they serve.

IIC Partners offers solutions in addition to executive search for digital talent advisory and leadership needs. IIC Partners’ global capabilities include organisational assessment, talent mapping and board consulting services to strengthen and elevate a client’s digital transformation strategy. For more information on our Technology, Digital Media and Telecommunications Practice contact Christine Hayward, Executive Director of IIC Partners, on chayward@iicpartners.com.

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