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THE FUTURE CEO

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RISK MANAGEMENT

A new world: why CEOs must tap into geopolitical expertise

From the Brexit vote to the war in Ukraine, there have been several international upsets in recent years. There's a growing case for firms to hire analysts specialising in such risks

Sophia Akram

Hindsight is a wonderful thing, but, if companies could have foreseen the UK's exit from the EU before the referendum in June 2016, things might now look different for British enterprise. As it stands, the extra bureaucracy involved in trading with the EU has upended many companies' business models.

If only there had been a global geopolitical expert on hand to warn of Brexit's implications and to counter the market view that it wouldn't happen. Such expertise might have helped companies to get ahead of the issue, according to Mark Freebairn, partner and head of the board practice at global headhunter Odgers Berndtson.

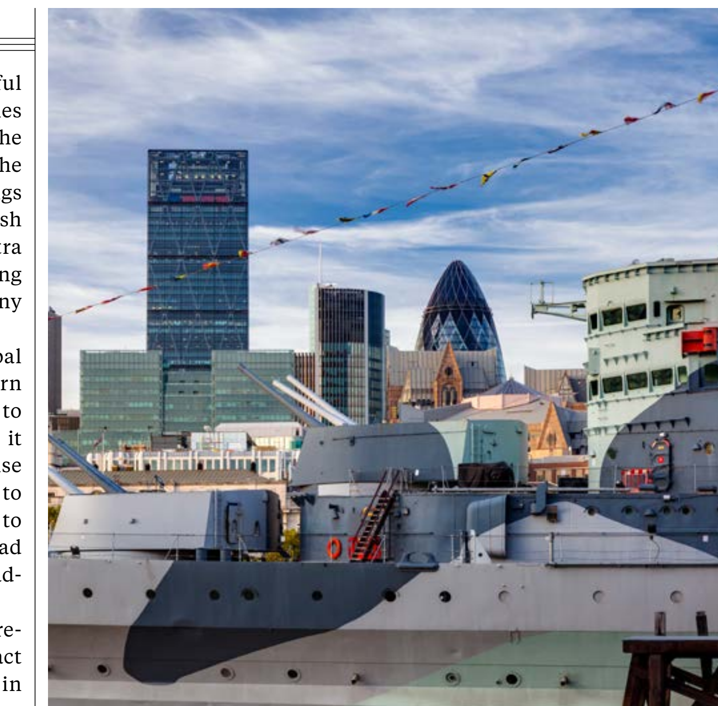
Unfortunately, that lack of foresight has had a resounding impact on economic confidence, even in the seemingly placid world of recruitment. "Economic confidence defines whether or not you're prepared to pay our fees when it comes to hiring someone," Freebairn says.

And it's not only Brexit. The impact of geopolitics on global companies has increasingly made the headlines in recent years. For example, Covid-19 affected 16% of UK businesses' supply chains, while significant disruption hit 30% of firms in manufacturing, wholesale and retail. Meanwhile, Russia's latest invasion of Ukraine and its impact on energy bills in Europe mean that many small business owners will struggle to keep the lights on in the coming months.

"The repercussions of conflict and inflation are people tightening their belts, which is ultimately going to reduce the demand for services," says Jeff Maggioncalda, CEO of online training provider Coursera.

Other issues, such as the trade tensions between China and the US, are also of great concern. Technology has become a geopolitical battleground between the two countries – which account for 76 of the world's 100 most valuable companies – particularly when it comes to regulating 5G and AI.

Of course, the extent to which a given firm will be affected by bilateral tensions, tariffs, sanctions and the rest depends on the exact nature of its business and where it operates. But as the economy becomes ever more global and interconnected, geopolitics is undoubtedly having a greater impact on companies of all sizes across the board.


Jorg Greuel via Getty Images

It's more important than ever, then, for firms and their leaders to be able to tap into genuine geopolitical expertise. But where can they obtain this and how should it feed into their work?

Chon Tang is founding partner of the Berkeley SkyDeck Fund, a high-tech startup accelerator based in Silicon Valley. He reports that companies in this space rely on word of mouth to help them deal with emerging geopolitical challenges.

"We are all just in the early stages of understanding how government interactions are affecting supply chains, investments and mergers and acquisitions," Tang admits. "A lot of CEOs are concerned, but very few have solid answers."

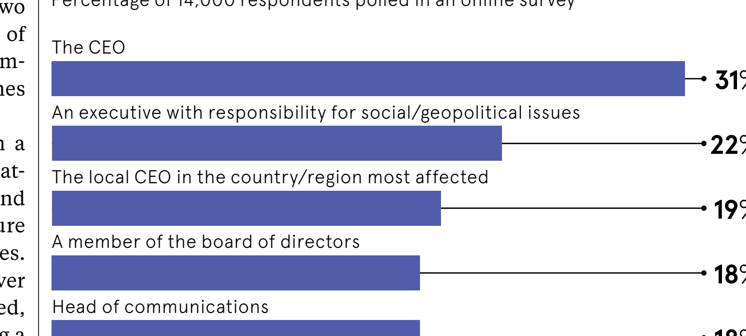
For Iain Pickard, president and COO of risk services firm Sigma7, it's important to take such issues seriously. He says: "The days when geopolitical risk was not something most companies needed to worry a lot about are long gone. It's now a board-level issue."

Pickard advises CEOs to "look at your global operations to figure out where you're exposed and then seek help from the experts".

Beyond what CEOs are sharing by word of mouth, such expertise isn't readily available among ordinary top-tier management structures. Freebairn says that people with the relevant knowledge – typically at a governmental level – aren't necessarily motivated to use it to help a firm gain a competitive edge. As a result, it's often brought in temporarily in the shape of a consultant or a non-executive director.

WHO SHOULD COMMUNICATE THE COMPANY'S STANCE ON A CONTENTIOUS SOCIAL OR GEOPOLITICAL ISSUE?

Percentage of 14,000 respondents polled in an online survey



Edelman, 2022

The need for such knowledge will obviously vary according to the business – there's a vast difference between the needs of a defence company and those of a supermarket, say. Geopolitical expertise is fundamental to Sigma7's business, so it makes sense that its executive deputy chairman is a former deputy commander of Nato, who can access networks that provide deep insights on a country-by-country basis. For example, its contacts in Peru, where a Marxist government has recently been elected, can translate what that means for the mining industry. Meanwhile, its contacts in Egypt know that the price of bread is a significant political problem and that rising grain prices could lead to social unrest.

But the answer to the problem of sourcing geopolitical expertise may already be within reach. Even if there's a distinct lack of expertise in the upper echelons of many companies, it often exists – untapped – further down the hierarchy.

Professors Andrew and Nada Kakabadse from the University of Reading's Henley Business School have observed that many regional or subsidiary managing directors already understand the impact of local politics and geopolitics on their global business. These highly knowledgeable managers are held accountable for achieving local or regional performance targets. Yet they are continually ignored by their top-level management teams, according to the professors, and excluded from initial discussions on strategy in which geopolitical risks may be considered.

Maggioncalda stresses that his firm employs country specialists who understand consumer and business trends and what's happening with various governments. "Our geopolitical insights come from the business model," he says.

Buying in expertise through non-executive directors or consultants can get you only so far. Companies may be better served in the long term by building a broader knowledge base through the diversification of their workforce and digital transformation.

The solution, then, might be to consolidate the geopolitical knowledge that's already available to a company's decision-makers, expand that pool and support it with external expertise where necessary. Then it's just the small matter of learning from those insights and pre-empting the unknown.

INTERVIEW

Ipsos boss decries hybrid working's cultural impact

Kelly Beaver, CEO of the Paris-based research and consultancy firm in the UK and Ireland, is determined that its staff will be spending more time together in the office, 'come hell or high water'

Sam Forsdick

Offering economic and socio-political turbulence aplenty, the past year has proved particularly busy for multinational market research firm Ipsos. But, for its CEO in the UK and Ireland, Kelly Beaver, there couldn't have been a better time to be at the helm.

"In some ways, it's been a brilliant year to take over the reins, because it's allowed me to do more than what some CEOs manage in 10 years," says Beaver, who started the job in November 2021.

And her output seems unlikely to diminish. In her first external review with her leadership team, Beaver was informed that her pace of working was "relentless" – but she has no plans to slow down.

"You set the tone; you can't be complacent," she says. "While we're one of the strongest research businesses in the country, we maintain that only by staying constantly ahead. We can't relax into the status quo."

This need for constant improvement extends to her attitude towards hybrid working. Beaver feels that the company's culture is "being eroded", because colleagues are not spending enough time in the office together and in front of clients. She believes that this is particularly true in the case of the company's more recent joiners.

Beaver, who hosts lunches with the company's graduate recruits, was shocked to find that several of them hadn't made presentations to clients in their first year. And, despite reporting feeling lonely, many were still coming in only once a week.

"That's development that's being stunted," she says. "I am very worried about this and I'm determined to try something new."

That "something new" involves a new approach to hybrid working. "There has to be a balance," Beaver says. "It's not all about the worker having work/life balance."

Previously, employees were asked to come in two days a week – one compulsory day and one day of their choosing – but Beaver will be asking people to have "informed conversations" with their line managers about the business's requirements and their needs to "find something that works for both sides".

While previous efforts to encourage people back to its London office involved social events and in-person training, Beaver says that she is "past incentivising it. I will get them back a couple of days a week, come hell or high water."

Her other pressing concern is the effect of high inflation on the workforce: "The biggest thing on my mind at the minute is the cost of living. It looks like our staff will really struggle if we don't take serious measures between now and next year."

Although she is reluctant to contribute to wage inflation, Beaver is exploring other ways to support the firm's 2,000 UK-based employees. The company already offers a range of financial benefits for staff, including loans. These will be repackaged to ensure that everyone is aware that they are available.

In addition, Beaver hopes to be able to offer all staff below associate director level a voucher that can be used at outlets such as Asda, Tesco and Amazon. She says that this will help people to pay for essentials and offset some of their energy costs. While the figures have yet to be confirmed, she is considering three vouchers for £100 over the winter.

"I have to balance meeting our targets and giving to our staff," she explains. "I'm having to trade this off."

People's worries about the cost of living are also rippling through to the recruitment process. In fact, Beaver has noticed that pay has overtaken work/life balance as the main concern at interview stage. "This side of things is being mentioned too, but I'm no longer seeing it as the dominant issue," she says.

Looking beyond remuneration, Beaver believes that Ipsos' progressive HR policies have been an important weapon in the war for talent. These include shared parental leave and paid leave for pregnancy loss, fertility treatment and issues relating to the menopause.

"If you as an employer can support your people through key life moments, that can pay dividends in terms of talent attraction and retention," she says. "I have an ambition for us to be the most supportive employer in our industry."

Beaver ranks the enactment of these policies among her proudest achievements as a business leader.

"As a female CEO, I find that seeing that we have got things such as menopause policies in place is really reassuring," she says. "It means that we can champion these policies in a very authentic way."

Beaver is the first female CEO of a large research agency in the UK. While she doesn't think much about that point of difference, she does feel a keen sense of responsibility.

"I know that it makes a difference to the women coming up through the business and the wider industry," she says. "The day I got this role, I was inundated with little cards from women across the business congratulating me."

One of Beaver's priorities for the year ahead is to address what she calls the "horrific" gender and ethnicity pay gaps she inherited. According to Ipsos' most recent pay gap reporting, the average difference in pay between genders was 16.6% in favour of male employees. Despite having a more diverse workforce than the UK working population at large (77% white and 23% ethnic minority), salaries tend to favour white employees, with an ethnicity pay gap of 18.2%.

"The previous pay gap I had to stand in front of was not my pay gap," Beaver says. "This next one *is* mine, because the actions I take will start to feed through. I'd be fairly disappointed if it didn't improve."

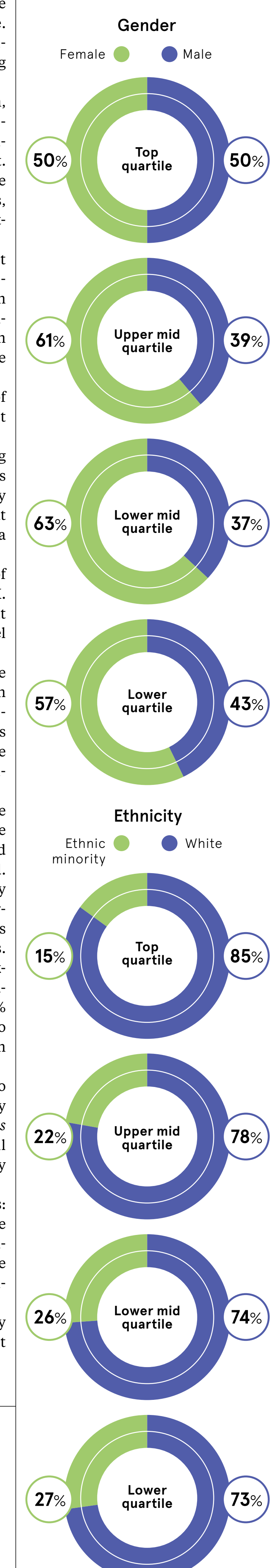
Looking to the future, she says: "My priority is to ensure that we have a sustainable, profitable organisation, where people want to come and work and which makes a positive contribution to society."

The decisive action she has already taken for the business has surely set the tone for what's to come.

> While we're one of the strongest research businesses in the country, we maintain that only by staying constantly ahead

ROOM FOR IMPROVEMENT: IPSOS' GENDER AND ETHNICITY SPLITS

Proportion of employees by pay quartile



Ipsos, 2021

Commercial feature

Succession: why your new CEO needs a next in line

When your current executive team is thinking of moving on, it's already too late

The arrival of a new CEO is a momentous time for any business. It signals a shift in direction, and a recalibration of priorities around the new executive team and its leader. It's an all-encompassing moment that can dominate a business's whole operations – but as well as focusing on the here and now, companies should also look to the future, and their next CEO.

Even before your current chief executive has their feet under the desk, smartly-run businesses should be looking to find who will be their next leader.

"Succession planning is becoming more and more important," says Emily O'Rourke, head of research at Wilbury Stratton, a global talent research firm. "But it can look a little bit of a strange concept if a CEO has a five- or more-year tenure, because if you're doing succession planning right, your CEO is going to be thinking about their succession pretty much from the point they're in that role."

Preparing for your exit on arrival may seem counterintuitive, but it's vital to ensure a good transition of power for the next time a shift in leadership is necessary at a company – as well as a measure often required by shareholders as part of good fiduciary duty.

Wilbury Stratton has advised numerous FTSE 100 and Fortune 500 companies on succession planning exercises, including strategic reviews of the entire executive team. Some of these leaders will inevitably have been in post for only a short time. "If you look at that from an outsider's perspective, it looks quite hostile," says O'Rourke," but it's a huge, fundamental part of the leadership remit to have that successor."

Replacing a vital executive with a strong successor is not something that happens overnight – and finding the right person for the role can take time. For executive team succession programmes, it takes up to three months of focused research to map out and qualify a shortlist of potential succession options. Organisations rarely have the internal capacity to conduct this process, which is where Wilbury Stratton's dedicated research services come in.

"We find companies get into a lot of problems when they're reacting to replacing leadership positions rather than preparing," says O'Rourke. "If you find yourself in a position where a leader is exiting, even with a six-month notice period, that's not really enough time to get someone to step into that leadership role."

That matters when considering the fiduciary duty that businesses have to their shareholders – and more importantly, to regulators. "Any firm that's regulated, from oil and gas suppliers to financial services firms, has a requirement for key leadership positions to have a pipeline attached to the role," she says. Beyond that, "it's just very good business sense," O'Rourke says. It helps evidence to employees that a company is well-run and thinking of the future – and better yet, can act as a method to retain high-flying talent by demonstrating to them a potential route of progression in their career to the c-suite. O'Rourke points to big businesses like Unilever who manage their key talent in global positions across functions to build their knowledge, as well as maintaining their succession plan.

Most businesses claim to have a succession plan in place or in the embryonic stages, but digging a little deeper can often uncover there's little detail involved beyond a high-level acceptance that leaders will eventually need to be replaced. That can often result in companies struggling to compete in the market for skilled talent – leading to sub-par replacements for key figurehead roles. "Hiring in senior leaders from elsewhere can become a very, very expensive problem really, really quickly," says O'Rourke. It can also narrow the pool of talent from which you can select, with knock-on effects on diversity and inclusion.

What companies ought to do is develop an ongoing process of evaluating what's needed from executives and their replacements, and that is revisited every six months to ensure things are up to date, according to O'Rourke. "That's not something that's done very often, in our experience, by big corporates," she says. Organisations rarely have the tools internally to identify, manage and curate datasets pertaining to succession. Data often sits statically on Excel, for example, once an initial scoping exercise is done. These processes are not robust enough to constitute a serious succession planning programme.

But Wilbury Stratton's expertise can add that robustness and rigour to searching for successors in a way that internal processes run by time-poor talent leaders can't. "It gives them confidence to know they've found the best of the best for whatever that role may be," says O'Rourke.

That confidence can radiate throughout companies – allaying fears that some may have about succession planning, that it could prove a surreptitious way to manage them out of their role. "Companies that have really strong succession planning in place have a culture of talking about succession," says O'Rourke. The best companies who are most prepared for smooth successions integrate succession planning into KPIs and target setting for their employees, making it a built-in part of good practice as a leader.

And that goes for businesses, too. "It's reasonable to view it as a failure of leadership to come to the end of a term and not have someone in place to succeed you," says O'Rourke. "People think about it the wrong way round."

> Companies that have really strong succession planning in place have a culture of talking about succession

Key takeaways

1. **Preparation is key**
   Ensuring you have pre-planned an executive succession is vital, as it helps you remain competitive in a changing world.
2. **Create a culture of succession**
   The idea of succession planning can ruffle feathers – so making sure you're clear as to why things are happening and when, is vital to ensure that employees and executives feel valued.
3. **Broaden horizons**
   Proper succession planning enables businesses to select from a broader, diverse range of candidates – ultimately helping your business grow in a better way.

For more information please visit www.wscl.com

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CAREER DEVELOPMENT

Fresh choices in executive education

As they grapple with leadership challenges, many CEOs are returning to the classroom. For some, self-directed learning has become an appealing alternative to MBA courses

Natasha Serafimovska

SDI Productions via iStock

A CEO's job is never easy, but leading a company through a period of great economic uncertainty takes the challenge to a different level. Business leaders must not only keep tabs on cash flow and profitability; they must also minimise employee churn and act as a beacon of hope for those who stay with the organisation.

This combination of challenges has got many CEOs rethinking their approach to leadership and considering whether they need to invest in executive education. A survey by the Graduate Management Admission Council found that nearly half of all executive MBA programmes reported a significant increase in applications in 2020. This trend continued, albeit at a slower pace, in 2021, with a third of MBA courses reporting a substantial growth in applications.

But is an MBA the right choice, especially when there are so many examples of successful CEOs who have forgone university education altogether? How do you decide what's right for you when time is tight and the stakes are high?

There is, of course, good reason for the increased interest in executive MBAs. These programmes usually cater to the busy schedules of business leaders, while giving them an opportunity to see their organisations through a different lens. The diversity of the curricula and the breadth of experience brought by the cohort itself is enough to cover any scenario imaginable – not something to sniff at in a time of crisis.

Several universities are also continuously adapting their programmes to respond to the latest challenges. For instance, this is the first year that the University of Edinburgh Business School (UEBS) is offering a fully online MBA. The University of Cambridge's Judge Business School (JBS), on the other hand, has invested significant time and effort over the past five years to embed digitisation and ESG into its curriculum.

> “Understanding a business in its entirety gives you the confidence, from an entrepreneurial perspective, to think: ‘I know how it all works’

"If I compare what we're doing now with five years ago, the main changes have concerned technological disruption," says Conrad Chua, head of MBA admissions at JBS. "We have added core classes on digital disruption and more electives on big data and data analytics. We also put a great emphasis on environmental, social and corporate governance, which runs throughout everything we teach. In fact, about a third of our teaching distributed across all our core classes has some kind of ESG element to it."

One of the key benefits of an MBA is the real industry scenarios that the students bring to the classroom. Julian Rawel, director of MBA programmes at the UEBS, reports that its most recent intake had about 55 students from more than 20 sectors.

"We take a huge amount of care over how we select," he explains. "We recruit a cohort of differing nationalities, genders and sectors, so that we're creating this kaleidoscope of skills and learning."

This diversity of thinking and holistic overview of how a business runs is what gave Michael Flynn, CEO of London-based sports analytics firm DataPowa, the confidence to start his own business. He completed his MBA at Nottingham University Business School in 1990.

"Before I did that, everyone I knew in business worked for ExxonMobil, because that was the one company I worked for as a graduate straight out of uni. So during the MBA I learnt the most from working with other people who were working in other businesses. I met people from Kodak and Shell; from breweries and banks. The social side of it was as valuable as the courses."

Flynn sold his first business in 2016 and went on to build DataPowa, which he sold for nearly £10m. Had it not been for his MBA, he isn't sure he would have had the know-how or the confidence to go for it.

"I think that understanding a business in its entirety gives you this confidence, from an entrepreneurial perspective, to think: 'I know how it all works. I can build a business.'"

An MBA, then, can be great if you have the time and energy to do it and need to go beyond your scope of expertise to build a business. But they're not for everyone. In fact, many CEOs find that self-directed learning and executive training on the job can be just as good if you take the time to understand your needs.

Melinda Matthews is a former IBM executive and CEO of CodeClan, a digital skills academy based in Edinburgh and Glasgow. She's a passionate lifelong learner. At IBM, she made use of all the learning opportunities it offered, from in-house training on sales strategy to a course for women in leadership at the University of California, Los Angeles.

Matthews spends a lot of time on LinkedIn Learning and Blinkist, as well as talking to other CEOs about the problems she is facing. She chooses what to learn next by studying her own reactions, helping her to determine if something is amiss.

"I think a lot about my reactions – why am I getting this irritated? That has prompted me to realise that maybe I'm not doing something right or that I need a different tool out of the toolbox," she says. "That's cueing me up with the signal that I've got to learn something."

Matthews credits her heightened sense of self-awareness to the years of coaching she received at IBM, which she kept practising long after she moved into a different role.

Coaching is a big part of the MBA programmes at JBS and the UEBS, so much so that the UEBS MBA includes credits from the school's professional development course.

With or without an MBA, good leaders are lifelong learners. Both Flynn and Matthews dedicate significant amounts of time to learning outside the remit of their jobs. Flynn recently finished a Yale course on the science of wellbeing and is starting an archaeology course with University College London in October. Matthews, meanwhile, is practising yoga and learning about meditation, reiki and acupuncture.

While these disciplines may seem unrelated to the challenges of their jobs, they both say that exposure to different fields aids their creativity. Flynn likens his ongoing learning experience to a well-serviced Rolls-Royce: "If you keep maintaining it, it's always going to deliver."

After all, being a good leader isn't about having all the answers. It's about surrounding yourself with the right people who are motivated to find those answers for you. For that, you need more than knowledge. You need intuition, self-awareness and – above all – empathy. And there are many ways to work on those skills. ●

23

of the FTSE 100's CEOs hold an MBA

Robert Half, 2022

THE TOP SCHOOLS FOR EXECUTIVE MBAs

Financial Times business school rankings

Rank	School name	Overall satisfaction	Average alumni salary	Value-for-money rank
1	University of Pennsylvania, Wharton	9.42	$237,530	87th
2	Columbia Business School	9.52	$218,542	76th
3=	Insead	9.33	$186,784	10th
3=	Harvard Business School	9.56	$207,180	96th
5	Northwestern University, Kellogg School of Management	9.6	$201,455	85th
6	Stanford Graduate School of Business	9.71	$218,805	69th
7	University of Chicago, Booth	9.31	$199,046	88th
8	London Business School	9.2	$174,106	99th
9	Yale School of Management	9.32	$190,941	86th
10	IESE Business School, University of Navarra	9.57	$163,780	95th

FT, 2022

THE SALARY GAP

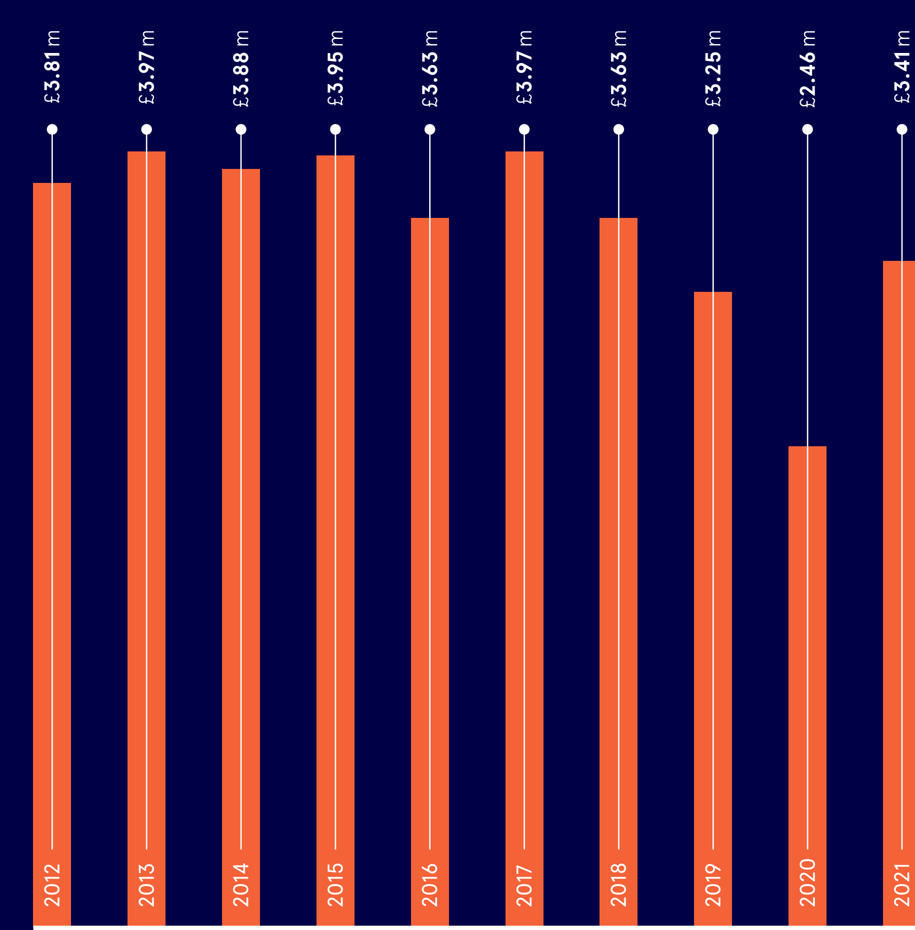
As the cost of living soars in the UK, business leaders' salaries are back in the spotlight. After a contraction in the immediate aftermath of the Covid lockdowns, the gap between the average worker's pay and that of the average CEO is growing once again, presenting difficult questions about fairness during hard times. Eyebrows were certainly raised by the Bank of England's governor, Andrew Bailey, when he urged ordinary workers not to demand substantial pay rises for fear of triggering an inflationary spiral

76% of FTSE 100 CEOs received a pay increase in 2021

90% received a bonus, averaging £1.4m each

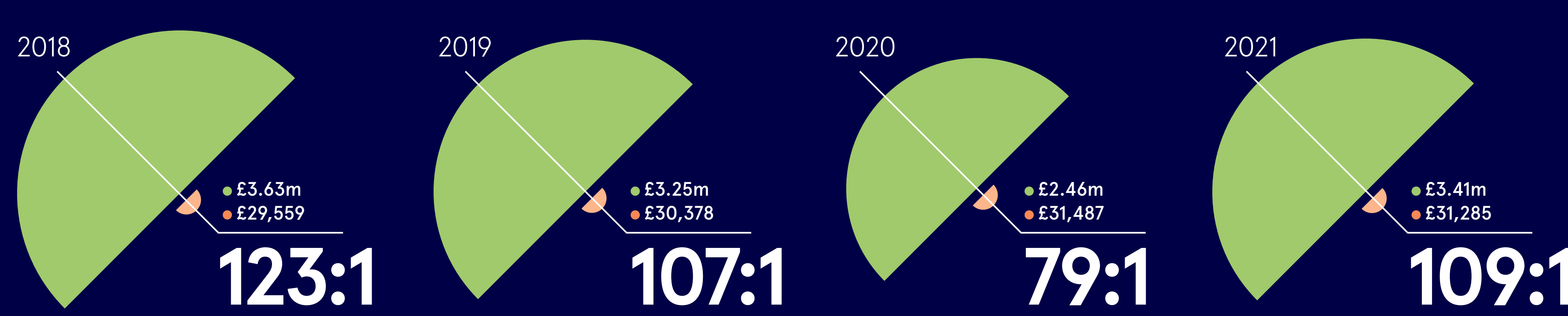
CEO PAY HAS REBOUNDED SINCE THE DEPTHS OF THE PANDEMIC

Median gross pay packages of FTSE 100 CEOs, not adjusted for inflation



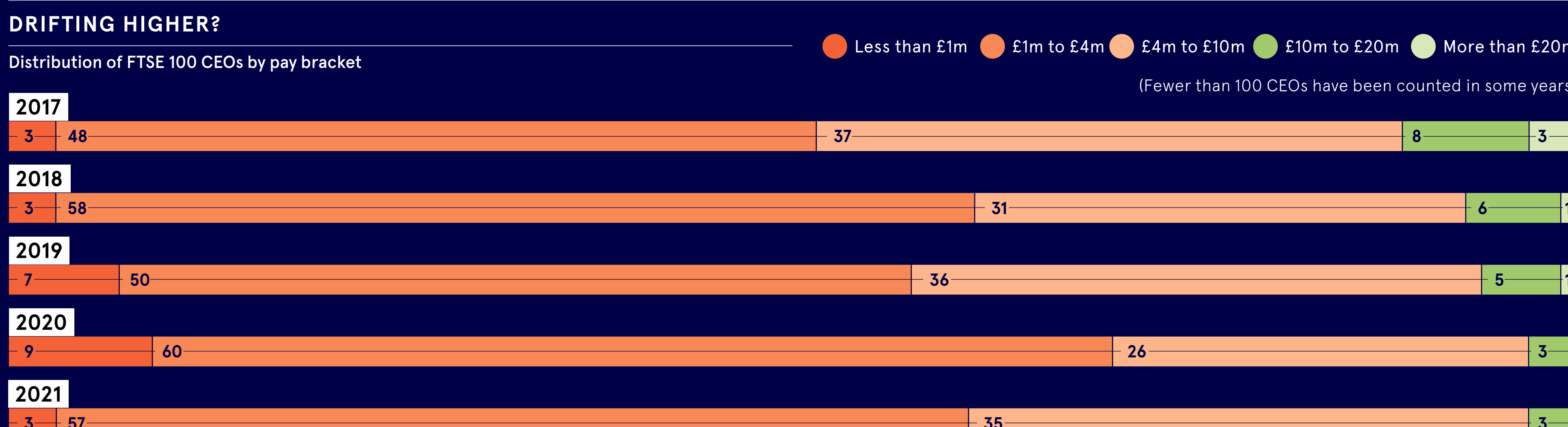
THE PAY GAP BETWEEN FTSE 100 CEOs AND UK WORKERS IS WIDENING AGAIN

Median gross pay packages, not adjusted for inflation



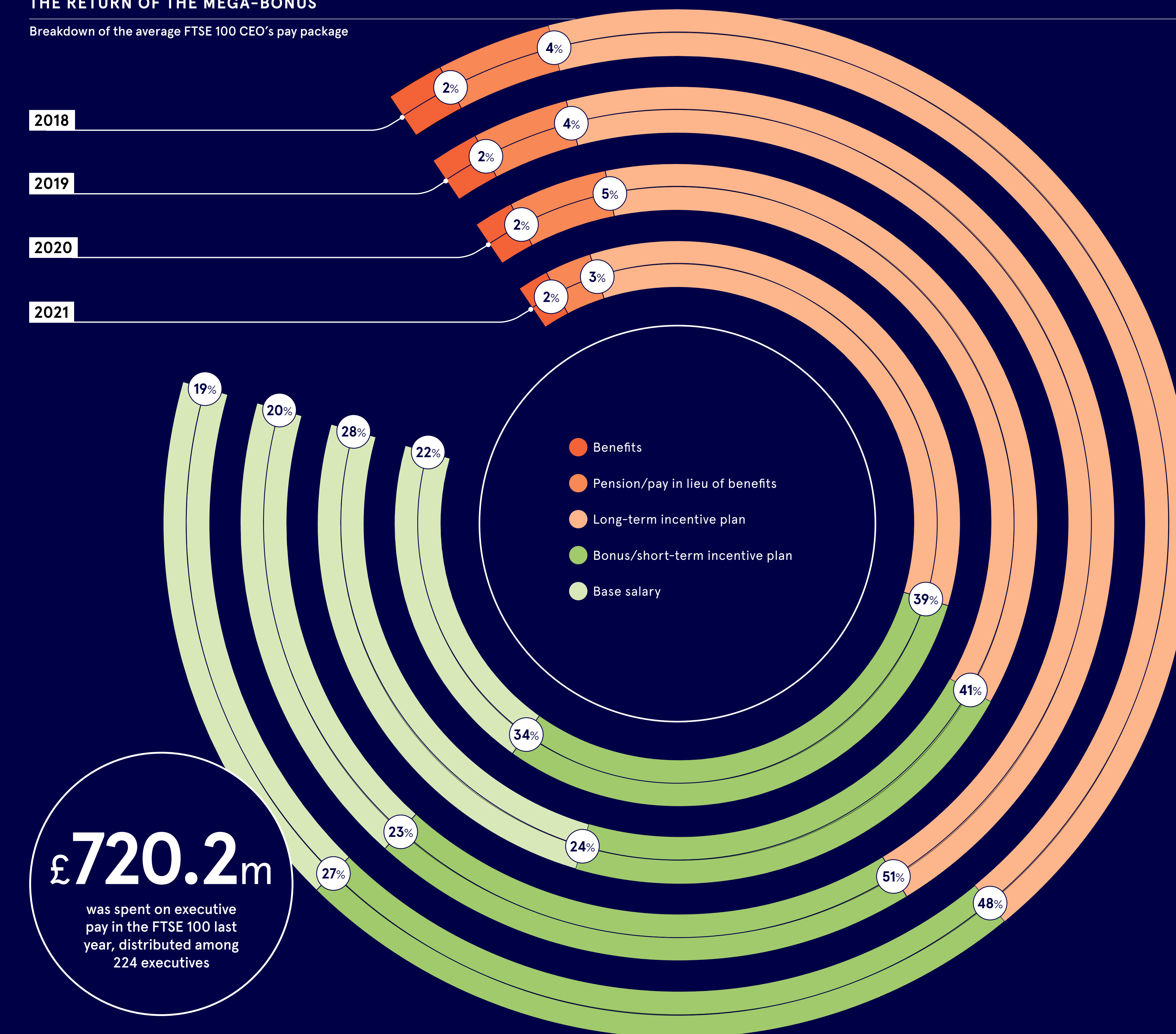
DRIFTING HIGHER?

Distribution of FTSE 100 CEOs by pay bracket



THE RETURN OF THE MEGA-BONUS

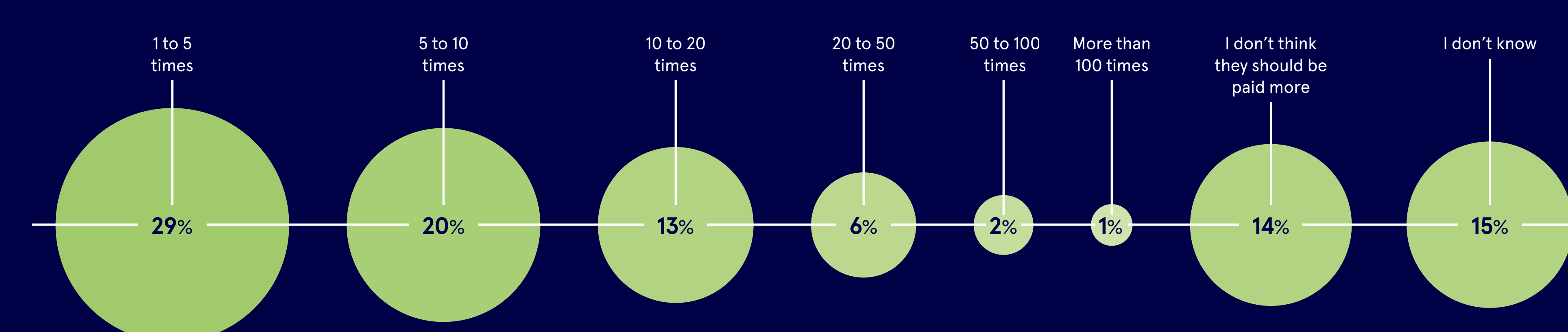
Breakdown of the average FTSE 100 CEO's pay package



£720.2m was spent on executive pay in the FTSE 100 last year, distributed among 224 executives

PUBLIC SUPPORT FOR HIGH EXECUTIVE PAY IS LIMITED IN THE UK

Responses to the survey question: "How much do you think the CEOs of the UK's biggest businesses should be paid compared with their lower- and mid-level employees?"

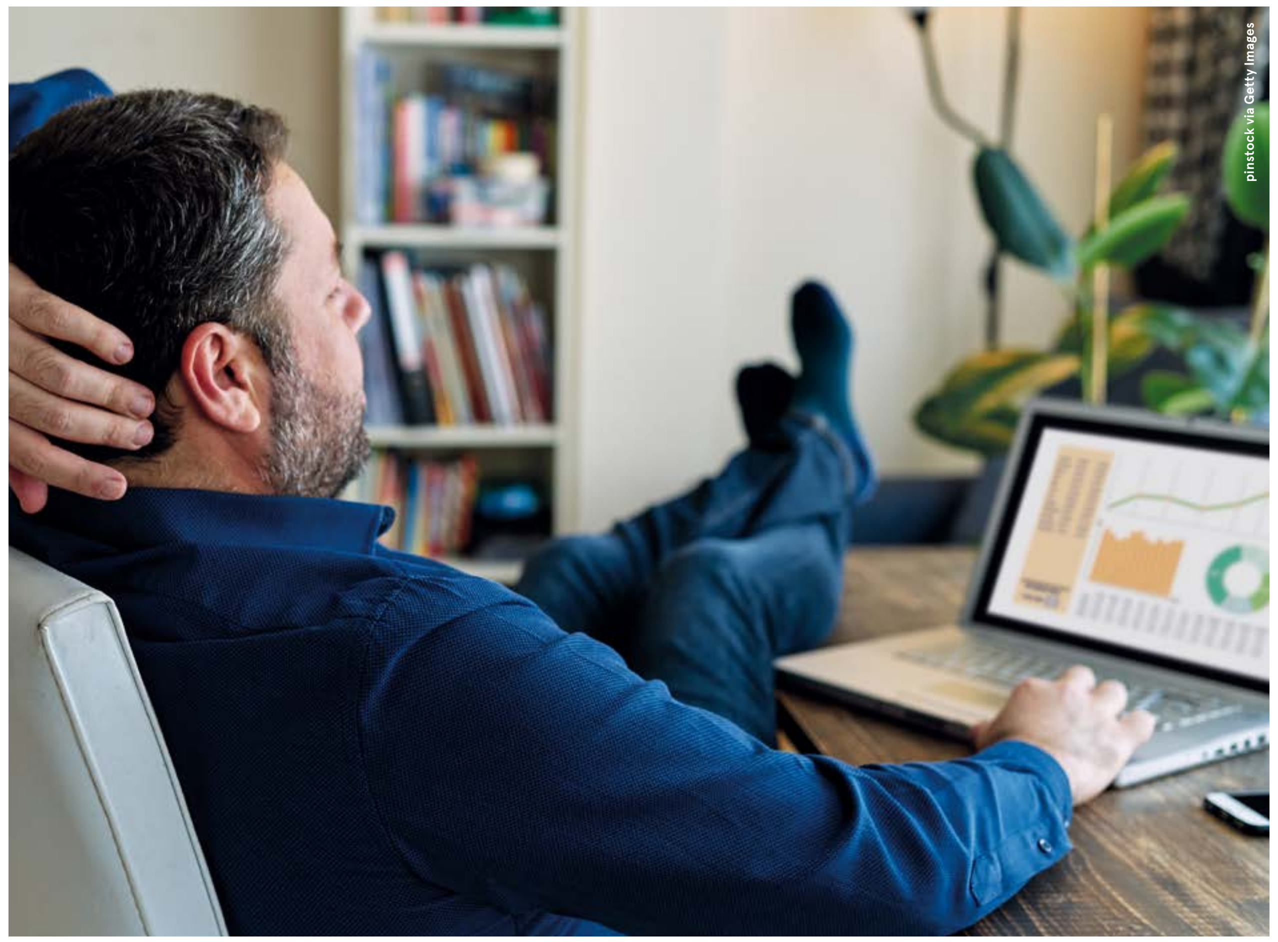


The data for all infographics on this spread was supplied by the TUC, the High Pay Centre and the Office for National Statistics, 2022

HYBRID WORKING

Remote control: the rise of the hybrid CEO

Hybrid working isn't just for the rank and file – business leaders are logging in regularly from home too. But what does that mean for company culture?



pinstock via Getty Images

David Stirling

Whether we liked it or not, among the kids' schoolbooks and the empty takeaway boxes, working from home was the norm for many people during the depths of the Covid crisis. And remote and hybrid working are still in vogue. According to the Office for National Statistics, the proportion of hybrid workers in the UK rose from 13% in early February this year to 24% in May. As many as 14% of the nation's workers were fully remote that month.

Of course, these figures include not only employees but also chief executives – traditionally seen as office stalwarts, given their position. But can the boss really work as effectively in their converted barn or garden office?

One of these hybrid CEOs is Mark Chaffey, of technology talent hub hackajob. "If a CEO works remotely, they have a little bit more headspace to shut out the noise and do any deep work that's really important," he says. "Remote working forces a culture of output and accountability rather than presenteeism and micro-management. I've found it largely positive."

David Tuck, group chief executive of Kin + Carta Europe, is another hybrid boss who believes this setup works. "Most organisations have a few offices across the country or globe, so CEOs have almost always been hybrid. And working from home enables some focused work, such as strategic initiatives or prepping for board meetings," he says. "The fundamental question is: what do people want from their CEOs? Their time? Rarely. It's usually their energy. Their energy is what feeds and drives people. That's best done in person, but it can be done remotely too."

Not all leaders feel the same way, of course. Netflix co-founder Reed Hastings has said that he does not see "any positives" in remote working, while David Solomon, chief executive of Goldman Sachs, has declared the practice "an aberration that we're going to correct as soon as possible".

Research from global recruiter Robert Walters earlier this year found that 60% of professionals feel disengaged under remote working owing to a lack of face time with leaders in their organisations. They claimed that their output and morale were lower as a result of seeing their CEO only once a week.

The research concluded that remote work was killing company culture, even at the top.

"There are elements of the CEO role that can be done remotely and there are benefits from having more personal thinking time," says Toby Fowlston, CEO of Robert Walters. "But the softer aspects of leadership require a high degree of face-to-face interaction. You really need to sit down with people over lunch and have honest conversations. Younger workers also need to watch and learn from their 'grey-haired' bosses at first hand. Without all of this, you end up with echo-chamber management."

Dan Goman, CEO of Ateliere, a digital media supply chain and distribution platform, agrees that less visibility will affect morale over time. Despite this, he considers his firm's move to a hybrid schedule comprising two days in the office each week to be successful.

"We have seen higher employee satisfaction and we have seen higher productivity overall. Retention and engagement rates have been off the charts. Personally, I am connecting differently with staff, via recorded video messages or internal company newsletters. But I do all this from the office. Sometimes I'm the only one here, but it is important for me as a leader to be visible. People want to see me here and be ready to give them a quick response."

Chaffey doesn't see his relative lack of visibility as an impediment to his effectiveness as a leader.

"I work one day a week in the office. I don't see hybrid working as an issue, because we have an all-hands meeting every Wednesday, so everyone knows that they will have that interaction with me every week. They can submit anonymous questions, and I make it clear that people can always come to me directly if they ever have any questions," he says. "Because I outline all this so heavily, people have got more access to me now than they ever did. Employees really value the trust I give them. They feel empowered and supported. I think this is better than my being in the office five days a week."

Another remote leader, Simon Waterfall of craft soda-maker Soda Folk, says he misses the camaraderie of the office and his ability to offer quick support to colleagues, who may be struggling professionally or personally.

"I can't take them for a coffee if they're 200 miles away. But I enjoy the fewer, more focused meetings and not being dragged into office politics," Waterfall says. "We try to meet up regularly, particularly when we need creative brainstorming sessions. So, perhaps if you're a creative business, hybrid working may not be the best long-term answer. But working as a hybrid CEO is really a mindset and it's certainly something you could also do in a FTSE-100 business."

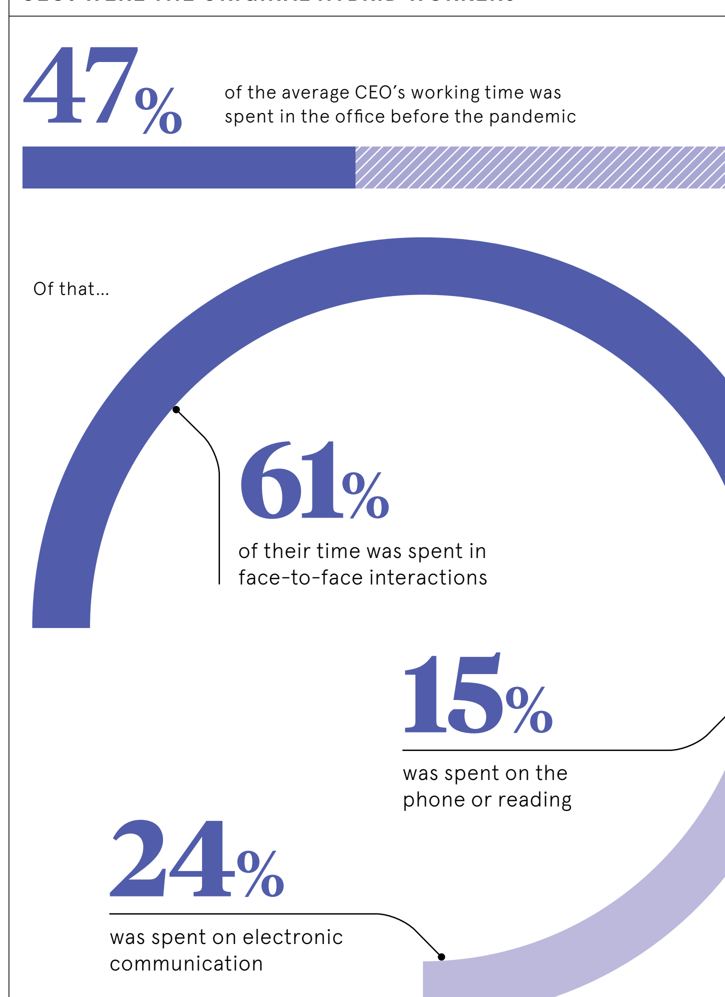
Anita Williams Woolley, professor of organisational behaviour and theory at the Tepper School of Business in Pittsburgh, agrees with his assessment.

"You can still be a role model if employees have enough access to you," she says. "You don't need to be in a specific location. If companies are committed to hybrid working, then it can be more effective if CEOs are also working in the same fashion. This should ensure that all systems and processes work well. But it could be an issue for some employees if they see their boss working remotely when they have been denied the option to do so themselves."

It seems that, provided that you give your people the choice of hybrid working, it can be an effective model for a business leader.

> The fundamental question is: what do people want from their CEOs? It's usually their energy. Their energy is what feeds and drives people

CEOs WERE THE ORIGINAL HYBRID WORKERS



Porter and Nohria, 2018

INSIGHT

'CEOs need to be sensitive to how business actions affect people and planet'

A Q&A with **Dr Roger Barker**, director of policy and governance at the Institute of Directors, on how CEOs can meet the increasing demands being placed on them

Q How have the CEO's responsibilities changed over the past decade?

A The role of the CEO has become ever more complex and challenging. It is sometimes said that it's impossible to please everyone all of the time, yet an effective CEO is increasingly expected to meet the demands of several stakeholders simultaneously.

For shareholders, the CEO must be able to lead the business to satisfactory returns in the short, medium *and* long term. For employees, the CEO needs to be an authentic leader who understands their concerns and defines for them a meaningful purpose. For a range of other stakeholders, the CEO must demonstrate that their organisation is a strong and reliable partner that's committed to behaving responsibly. Indeed, a good CEO increasingly needs to be able to communicate mission and purpose – in a way that creates a sense of emotional commitment to the organisation.

Of course, a CEO's credibility has long depended on demonstrating a profound understanding of the industry and business model of the enterprise. But what has changed over the past 10 years is the need for CEOs to acquire sensitivity in respect of how the actions of their businesses affect people and planet – while still generating a profit.

Q We are facing crises ranging from the cost of living to climate change. How should business leaders prioritise where they focus their attention?

A The priorities for each organisation will be different. For some, the imperative will be ensuring the short-term survival of their business. Others can focus on the longer-term purpose of their enterprise and invest in its people and future. But all CEOs will need to retain a laser-like focus on the needs of customers and the ways in which their organisations can deliver meaningful innovation.

CEOs also need to be seen to be responding to challenges in a responsible way, even when there are tough decisions to be made. Employees should always be a CEO's primary concern, because none of the challenges facing an enterprise can be overcome by one person acting alone. Business is a team effort. Motivated employees provide the basis for future success. And their attitudes will shape the ability of the CEO to deliver against both financial targets and the organisation's ESG agenda.

Q How should CEOs go about delivering meaningful progress against sustainability targets?

A The CEO should ensure that everyone in the organisation receives relevant training on climate science, sustainability and net zero to ensure a strong awareness of the issues. Such knowledge is needed at all levels of the organisation, from long-serving board members to the newest front-line recruits.

Given the importance of incentives in shaping behaviour, the remuneration of the CEO and other senior executives should, ideally, be linked to their company's achievement of sustainability targets. The CEO has a leading role to play in nurturing a culture of sustainability. As well as establishing relevant key performance indicators and clear policies, they can do this through their recruitment choices, their communications and even their personal behaviour.

Dr Roger Barker
Director of policy and governance, Institute of Directors

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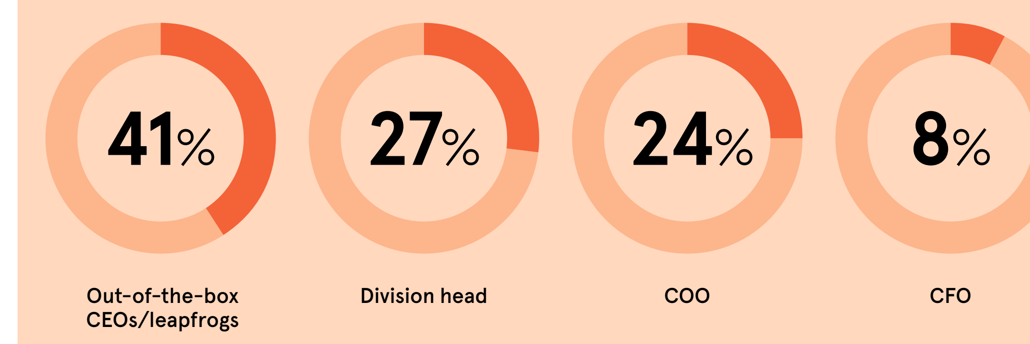
WHO IS THE BEST FIT FOR THE EXECUTIVE SEAT

Share of CEOs whose company performed in the top quartile by market-adjusted shareholder returns, by CEO's previous role



Harvard Business Review, 2022

How to find the right executive for your business

The best candidates aren't those who are already at your direct competitors. It helps to cast your net wider with the help of recruitment agencies

More than half of executive search firms believe skill shortages are a problem for businesses. Casting around to find the best candidate to lead your company is becoming ever trickier – particularly when candidates often come from a small group of individuals who don't always represent wider society.

"Historically, the perception of hiring a CEO was that it was typically quite male-dominated," says Simon Eglise, co-founder of global recruitment agency EC1 Partners, which specialises in finding leaders for fintech companies.

The problem is exacerbated in a young, fast-growing sector like fintech, where the rules of what makes a good CEO are still being drawn up. Conservative businesses tend to draw from the same pool of candidates, invariably leaders at direct competitors. It results in a game of musical chairs that benefits neither would-be leaders, nor the companies they're sent in to lead.

"There's a real shortage of good quality people that tick a lot of the boxes needed to be a CEO," says Eglise. "Companies try to eliminate risk by ticking so many boxes in finding the right person that they fail to think outside the box in terms of who could actually be right to run the business."

When EC1 looks for CEOs to connect with company clients, the team seeks out people who can set the key structural layers within a business and scale them. That includes everything from culture and vision to direction and execution. "I think things have moved on from CEOs telling people what to do, to now getting people to follow," says Eglise. "People who have that vision are of more overriding importance than someone who has that title on their CV."

It's something EC1 has tackled when helping clients find new CEOs for their companies. One established US fintech business which provides software to investment managers felt confident that it could find a CEO for its 150-strong European team without any outside help. The firm's stature in the industry meant it had a deep network to tap into and a good reputation to trade on. Six months on without finding the right candidate to be the next CEO, the firm contacted EC1. "In a fairly short period of time, we were able to present 10 ideas – five in the typical mould and five from the left field," says Eglise. The firm chose one from the left field selection of candidates and made them CEO of the European operations. A year on, they've improved the business.

The model is one that other businesses have followed when working with EC1 to hire their next leaders, with similar success. Although EC1 specialises in securing candidates for fintech companies, it's beginning to expand further as word spreads.

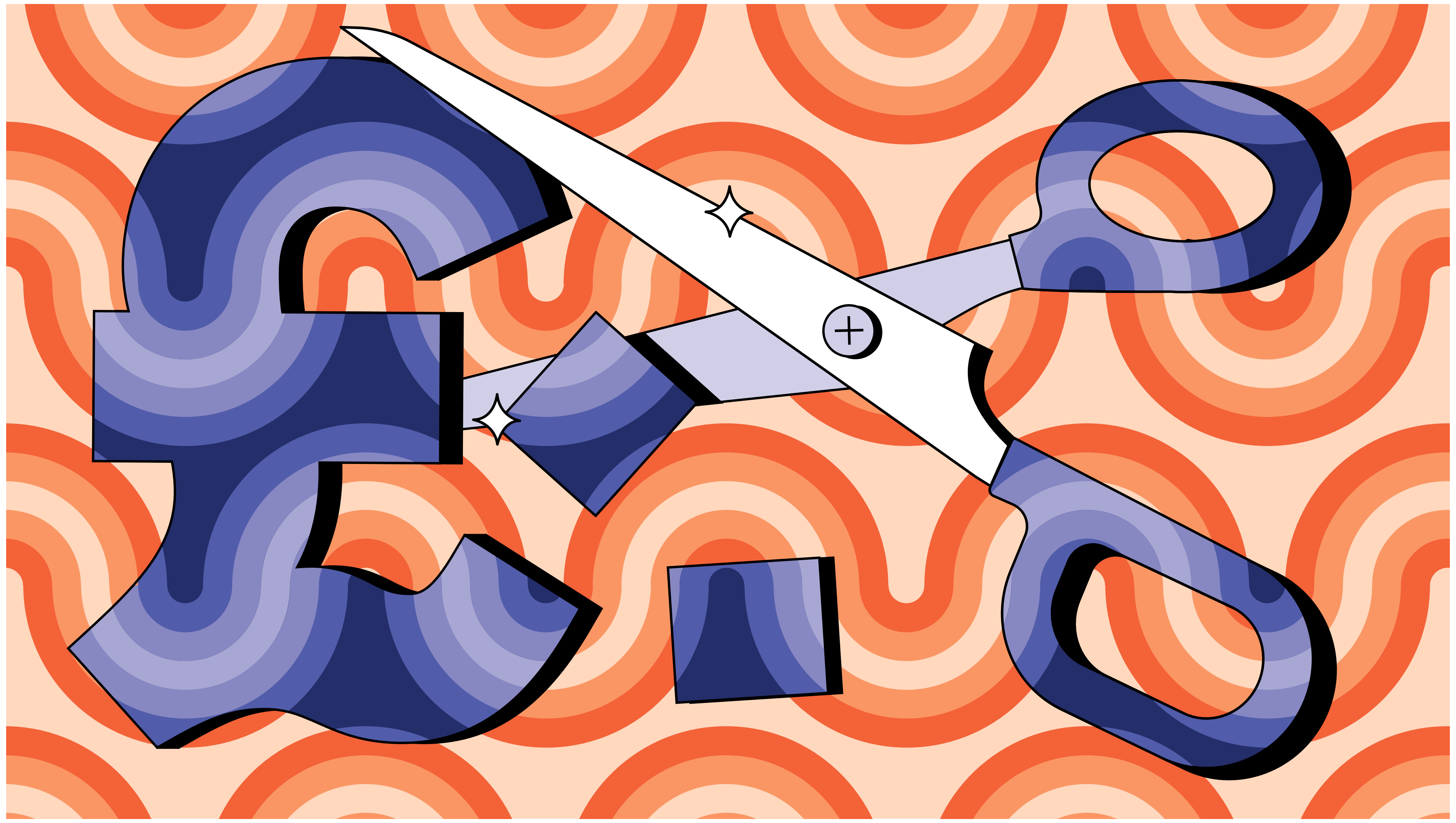
Finding the right person to lead your business involves looking beyond the norms and thinking about what it is you want your executive to achieve. "It varies from firm to firm," says Eglise. "I don't think there's a secret sauce."

But there are some key principles that most businesses look for from their leadership. "Companies are looking for people who can implement scale, increase profitability and build a business of individuals that are brought together by a vision and enjoy working there," he says. "Vision, culture and diversity tend to be mentioned on almost every call now."

To succeed in 2022, it's important for businesses to rely less on the same old faces from the same old networks, and to cast their net wider, seeing who else can bring a change to your business. "Those who may not necessarily have had a C-suite role before can show they have the passion, drive and energy to implement scale," he says.

It's an industry in flux, and that means headhunters also need to adapt. Getting external viewpoints and names outside the ordinary might just be the kick-start your company needs.

> There's a real shortage of good quality people that tick a lot of the boxes needed to be a CEO



CRISIS MANAGEMENT

History channelled – tips from the 1970s

An energy crisis, inflation and industrial strife all sound familiar to those who remember the decade that gave us the three-day week. What strategic insights can today's business leaders glean from it?

Alec Marsh

However fond you are of glam rock, or indeed the Dagenham-built Mark III Ford Cortina, the 1970s are not widely regarded as a vintage era for British industry and the UK generally. Rather, what sticks in the mind for many people who are old enough to remember living through that decade is the lights going out during the three-day week of 1974, thanks largely to the oil crisis of 1973.

That same crisis, of course, also stoked the inflation that pushed the consumer price index to 25% in 1975 and sent interest rates to 15% in 1976 – all culminating with the so-called winter of discontent in 1978-79, when rubbish piled up in the streets amid a wave of industrial action.

It's no surprise, then, that the country's current economic woes – including an energy crisis, inflation and labour shortages, to name but a few – are being compared to those that it endured in the 1970s. There are, though, key differences.

According to Richard Portes, professor of economics at London Business School, one overlooked cause of inflation was the effect of the economically expansionist policies pursued by Edward Heath's chancellor, Anthony Barber – the so-called Barber boom of 1970-73. Because the Treasury then had the power to set bank rates, "there was no restraining force" to counter the effects of the Conservative government's taxation and spending decisions. Now that the Bank of England has autonomy, things are different.

There are other important differences between then and now too. The price of oil increased fourfold in the 1970s, whereas recent rises have been substantially lower. And it was the strength of the trade unions in the 1970s that turned the inflationary pressures of the Barber boom and the oil crisis into a wage-price spiral. This shouldn't happen today, Portes argues, given the unions' relative weakness – especially in the private sector, which forms a significantly larger part of the overall economy than it did in the 1970s.

Any reasons to be cheerful are offset by the "expansionary effects of whatever policy the new prime minister will adopt", which Portes fears "will push rates up much more than people expect now".

> It's almost inevitable that you'll have to pay higher salaries and eventually start charging higher prices. There is nothing else you can do

Business leaders would be wise, therefore, to brace for what's coming. Thankfully, looking back to the 1970s can provide some pointers.

"If I were running a firm now, I would be doing everything to minimise the impact that rising rates will have on its balance sheet and its revenues and costs," Portes warns. "It's not impossible that rates could go up very substantially."

Meanwhile, businesses must also do their best to resist calls for higher wages, Portes suggests. And, because of the recessionary conditions facing the UK, Europe and the US, they should "look to emerging market countries that are doing well" for export opportunities.

But Portes' colleague at London Business School, Freek Vermeulen, professor of strategy and entrepreneurship, believes that it might be far easier said than done to stare down wage demands and seek out new markets. Businesses will have little choice but to accept rising wage bills if they want to retain staff, he argues – especially given the backdrop of labour shortages.

"It's almost inevitable that you'll have to pay higher salaries and eventually start charging higher prices," Vermeulen says. "There is nothing else you can do."

He advises CEOs to explore automation where possible, but adds that there are "no quick fixes" here unless the right solution is already on the shelf. CEOs should also be wary of the "risky temptation" of making redundancies and trying to produce the same output with fewer resources. "Research shows that in the longer term that can do more harm than good," Vermeulen warns.

He lauds the example set by Herb Kelleher, co-founder and CEO of Southwest Airlines, who built long-term trusting relationships with the company's trade unions from the late 1970s through to the mid-2000s, neutralising many potential industrial problems in the process.

Another solution that business leaders of today could adopt would be something familiar to their forebears from the 1970s: diversification. "What we saw in the past", says Vermeulen, "was that, when their circumstances changed, firms had multiple divisions and they could shift resources and emphasis. Companies have become hugely focused over the past decade or two, so they have lost that flexibility. I could imagine 'diversification' becoming less of a dirty word in five years."

Lastly, he advises business leaders to reconsider the very nature of uncertainty and what that means for their organisations.

"We should stop thinking about change and transformation as periodic, as something we have to go through," Vermeulen says. "We must look at the designs of our organisations so that they're geared up for permanent change. This time it's labour shortages, energy prices and inflation, but maybe there will be something else five years from now."

So what does a business that's well geared up for change look like?

"There is not one perfect form," he says. "Those that change and build in these changes – maybe even proactively – develop a capability for change. It's one of these 'use it or lose it' capabilities. You build it by doing it."

Dr Joe Lane, lecturer in strategy at Henley Business School, agrees: "In the past, we said that firms should 'think efficiency' when faced with a crisis. Now we say that they need to be doing this all the time, because we're constantly in that state of flux. Change is continuous."

Fortunately, advanced digital tech – another big difference from the 1970s – gives business leaders several advantages over their predecessors. There is a lot more data and information available to inform decision-making, whereas leaders in the 1970s were often relying on experience. What's more, companies with digital infrastructure, products or services can change and adapt far more quickly than before.

Lane's advice, then, for CEOs? "Hang on. It takes time, but things do rebound."

But when they do, you might find that things are rather different, warns David Edgerton, professor of the history of science and technology at King's College London.

"Because we are heading towards a genuine social crisis – people won't be able to heat their homes and children will be going hungry – the state will have to intervene," he stresses "In essence, that is what's going to have to happen."

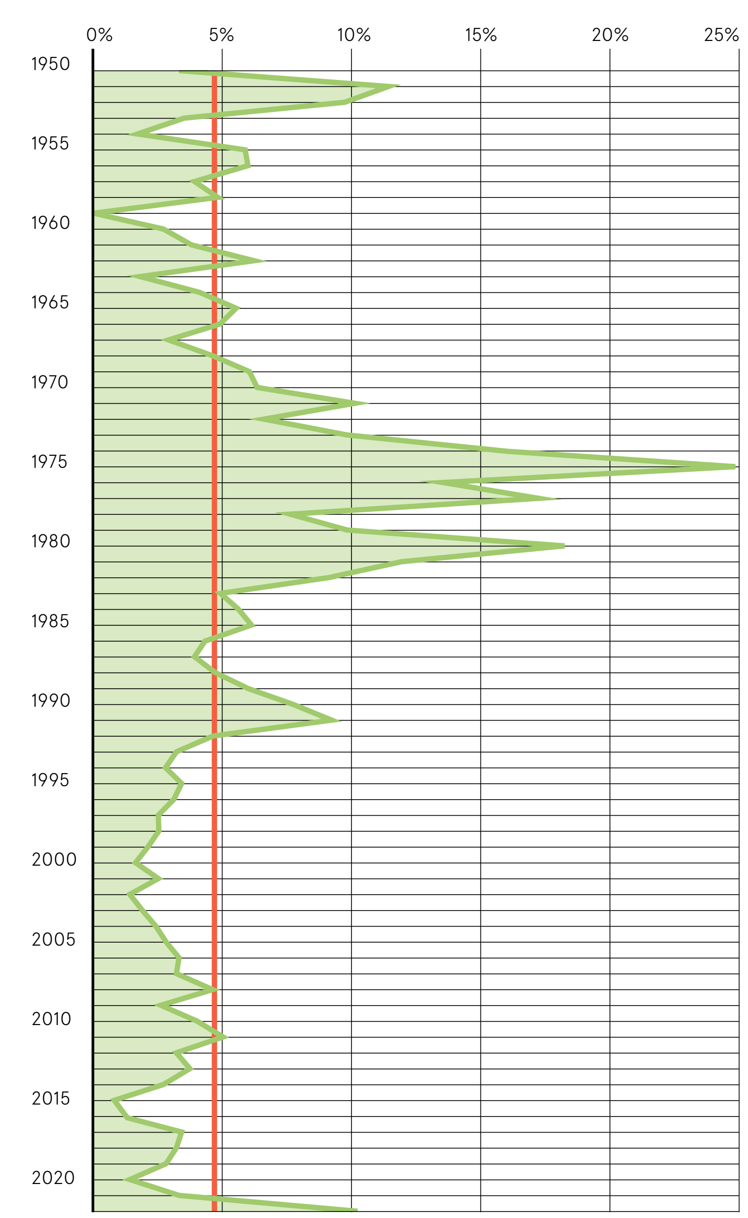
Like the Thatcherite wave of privatisation and marketisation that followed the crises of the 1970s, state action in the coming years "will change the economic playing field", according to Edgerton. Building on previous interventions – such as nationalising and bailing out the banks during the financial crisis of 2007-08, and the wide-ranging furlough scheme in the early months of the pandemic – this crisis will force the state to intervene as never before. Well, not since the 1970s, when it nationalised Rolls-Royce.

"Many companies would welcome state regulation of energy prices," notes Edgerton, who adds that business leaders should keep a close eye on this shifting political and socio-economic landscape.

"We have a profound political crisis. The government is going to find it extremely difficult to act sensibly, but it will be forced to," he predicts. "Don't just look at politics; look at the realities on the ground. We need to think about the real economy in ways we haven't done for a very long time. It's not just about entrepreneurs, profits and stock markets; it's about transport, food and energy. It's about people's needs – and that's quite a big change."

INFLATION IS RETURNING TO LEVELS NOT SEEN IN 40 YEARS

Consumer price index



Office for National Statistics, 2022

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Q&A

The wisdom of organisational sensemaking

The science of sensemaking can be unlocked through innovative tools that power better executive decision-making, says **Dr Mike Carter,** chief scientific officer at Tensense

Q How have the challenges facing CEOs and boards evolved in recent years?

A Leaders are gradually accepting that a business landscape shaped to some degree by uncertainty and disruption is now more of a norm than an exception. The speed, quantity and scale of major changes have all accelerated over the last decade. We are experiencing many events which are seen as exceptional in our recent experience – Brexit, a global pandemic, roaring inflation, a major war in Europe, widespread drought, a gathering crisis in American democracy. It is natural and perhaps even comforting to accept the assumption that each event is a one-off, and we'll go back to the more stable situation to which we had grown accustomed. Yet on every one of those issues, it is more likely than not that this assumption is wrong.

Q In this landscape, are traditional decision-making methods becoming less effective?

A The rise of the digital economy and the nature of technology has resulted in a presumption that both information and actions have to be instant. Yet set against an increasingly uncertain world, instant information and actions are fragile and prone to error. Meanwhile, the notionally rational models of decision-making, both in human and technology-driven forms of decision-making, are contingent on the repetition of previous problems. But businesses are experiencing problems they've never had to deal with before. If the challenges they face are increasingly novel, the contingencies and assumptions that have historically been relied on to inform decision-making are redundant. In many ways, the rulebook for leadership is being thrown out of the window.

> Set against an increasingly uncertain world, instant information and actions are fragile and prone to error

Q At Tensense you refer to 'organisational sensemaking'. What does that mean and why is it relevant to all businesses today?

A Sensemaking is a scientific term that describes how people notice what is happening around them, derive meaning, make decisions and take actions. It has been used by myself and colleagues to deconstruct and reconstruct the build-up to disasters where the actions of people have played a major role, e.g. 9/11, the explosions of the Challenger and Columbia spacecraft and the tragic shooting of Jean Charles de Menezes on the London Underground. Although it can be enhanced, sensemaking is an entirely natural part of our evolutionary development that for better or worse made humans the preeminent species. Organisational sensemaking is the collective meaning and understanding that people in organisations generate – but it is rarely utilised as a valuable tool to inform decision-making and action. By understanding and capturing the sense that people make of the environments in which they work, leaders can be much better enabled to understand threat and opportunity. The intuitive sensing of a developing issue is far more valuable than traditional management information which tells leaders their organisation started to underperform several months ago. Today, more than ever, this information is time-critical.

Q How does Tensense provide an early diagnostic tool for business performance?

A We use technology and science to gather information from people about key performance areas through the streamed analysis of light-touch clues and then present these back as part of a business performance early-warning system. Our unique combination of sensemaking and organisational experience (OX) data, collected regularly, provides measurable, actionable insights in real time, fed into a business intelligence platform for comparison with other performance metrics. The resulting insights act as an early-warning system, effectively allowing business leaders to see around corners, detecting issues before they become a threat and identifying opportunities way earlier than they ordinarily could.

For instance, we were retained by a US private equity company to support the new CEO of a West Coast tech firm with bases in the US, Europe, the Far East and Australasia. The regular financial metrics raised no alarms on performance, but the CEO asked for Tensense to be regularly deployed. Tensense measures prospective rather than retrospective information, and our insights were indicating that the Sydney office was becoming distracted by serious performance challenges and that the incumbent leadership team had switched off from this growing reality. This enabled the CEO to fly to Australia to spend six weeks identifying the issues and assisting the leadership team in fixing them. This timely intervention was truly business-critical, and it is just one example of how Tensense enables leaders to get to the total truth more quickly.

For more information, visit tensense.ai

Tensense.ai

LEADERSHIP

How to take the helm in the midst of a crisis

Becoming CEO in an emergency is one of the biggest tests a leader can face. Here are the secrets to steering the ship to calmer waters

Sam Forsdick

After a summer in which the Conservative Party subjected itself to a bruising leadership contest, Liz Truss faces a daunting challenge in both taking prompt action to help a nation gripped by the cost-of-living crisis and bringing together a divided party – tasks that proved beyond the abilities of her predecessor at 10 Downing Street.

CEOs can find themselves in a similar situation when installed at the top of a business with its back against the wall. Former Expedia CEO Dara Khosrowshahi was parachuted into Uber to root out the toxic culture that had developed under Travis Kalanick, its founder-CEO, for instance. Similarly, US luggage brand Away was tasked with finding a new leader at the end of 2019 after an exposé by *The Verge* uncovered the "cut-throat culture" that had been allowed to develop under the stewardship of Steph Korey, its co-founder. Her replacement, Stuart Haselden, lasted just over a year at the firm and only four months as its sole CEO.

Dean Forbes, a specialist in transforming the fortunes of struggling businesses, says that being an incoming leader is "a lonely, daunting and sleepless experience". The CEO of Forterro has experience of turning around four companies, which were in varying states of distress when he came in. He believes that the first task of any incoming leader should be to turn around the fortunes of the business first before looking to change its culture.

"In a transformation situation, the patient is on the table in trauma," Forbes says. "You need to change things in the business quickly so that you preserve its life."

Decisiveness and good communication are therefore crucial skills for turnaround leaders, but so too is patience.

Forbes explains: "Everything might not work the way you said it would. What you mustn't then do is unpick the changes you've made at the first sign of danger. You have to be patient, let these things flow through and then communicate what went well, what didn't and what needs to be done differently next time. This way you'll always appear in control."

> "The worst thing an incoming CEO can do is to bad-mouth the previous incumbent, because people then start to look at things through your lens of negativity

Forbes believes that the new prime minister should focus on "mastering internal and external perceptions. Politics is such a difficult job. But, if I were to be in that position, the first thing I'd do would be to come up with a sequence of opportunities to demonstrate the united nature of the party and look for ways to let the public see that we are all aligned."

Changing public opinion can be particularly difficult, according to Randall Peterson, professor of organisational behaviour at London Business School. His research into the perceptions of different groups has shown that people outside an organisation tend to be far more critical of that organisation than its members will be.

"Insiders always think that their group is highly diverse, while outsiders think that the group is much more homogeneous," Peterson says. "If you've got a few rogue elements within that group, the internal perception is that the few should not define the whole, whereas outsiders tend to think that the entire organisation is like that."

This means that, when there are rifts inside the camp, finding out what binds people and gives the group a shared purpose is crucial. Peterson advises business leaders to "figure out what works for everybody". This can help to "rebuild the trust as well as refocus the culture".

After winning a succession battle, the victor may be tempted to oust any remaining opposition, but this would be a mistake, says Peterson, who has observed such behaviour after mergers and acquisitions.

"Trying to crush the little partner will only focus its energy," he says. "Instead, find the things that will bind the businesses together. You need to co-opt a little bit of what the opposition was talking about."

The worst thing an incoming CEO can do is to bad-mouth the previous incumbent, according to executive coach Terez Rijkenberg. "Your team may initially agree with your disparaging remarks, but what often happens is that people start to look through your lens of negativity, causing them to focus on your shortcomings too," she warns.

Instead, Rijkenberg says, leaders should focus on the positives to help establish trust and draw attention away from the past. Then they can redirect attention towards the outcomes they want to achieve.

Making assumptions about why people lost confidence in your predecessor is another mistake to avoid. Asking for feedback on the previous leadership gives people a chance to voice their concerns, making them feel heard and supported. This may not always yield the responses the incoming leader wants to hear, but it's an important part of the transition process.

Forbes cites resilience as a key attribute for any turnaround CEO. "No matter how bad the situation you're coming into is, people will still think everything was great before you got there," he says.

But Forbes adds that, because the work is so tough, few things match the sense of achievement he derives from saving a business in distress.

"There is nothing more rewarding", he says, "than seeing it revitalise itself under your stewardship and seeing your actions driving out that toxicity day by day."

42%

of companies don't have a succession plan in place should their CEO depart tomorrow

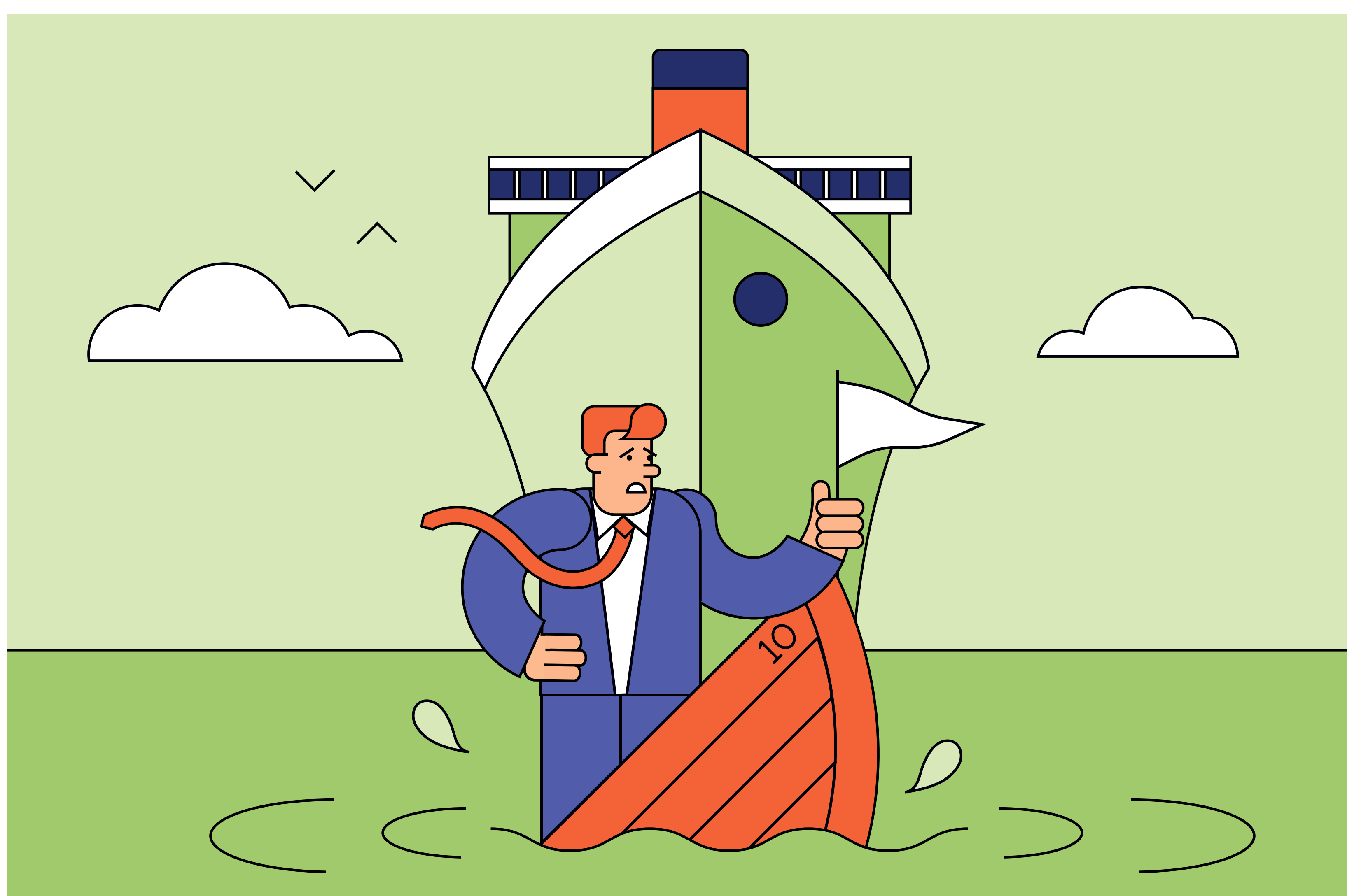
29%

of companies lack a way to assess their vulnerability to leadership risk

2 in 3

CEOs believe that there is no succession plan for their role

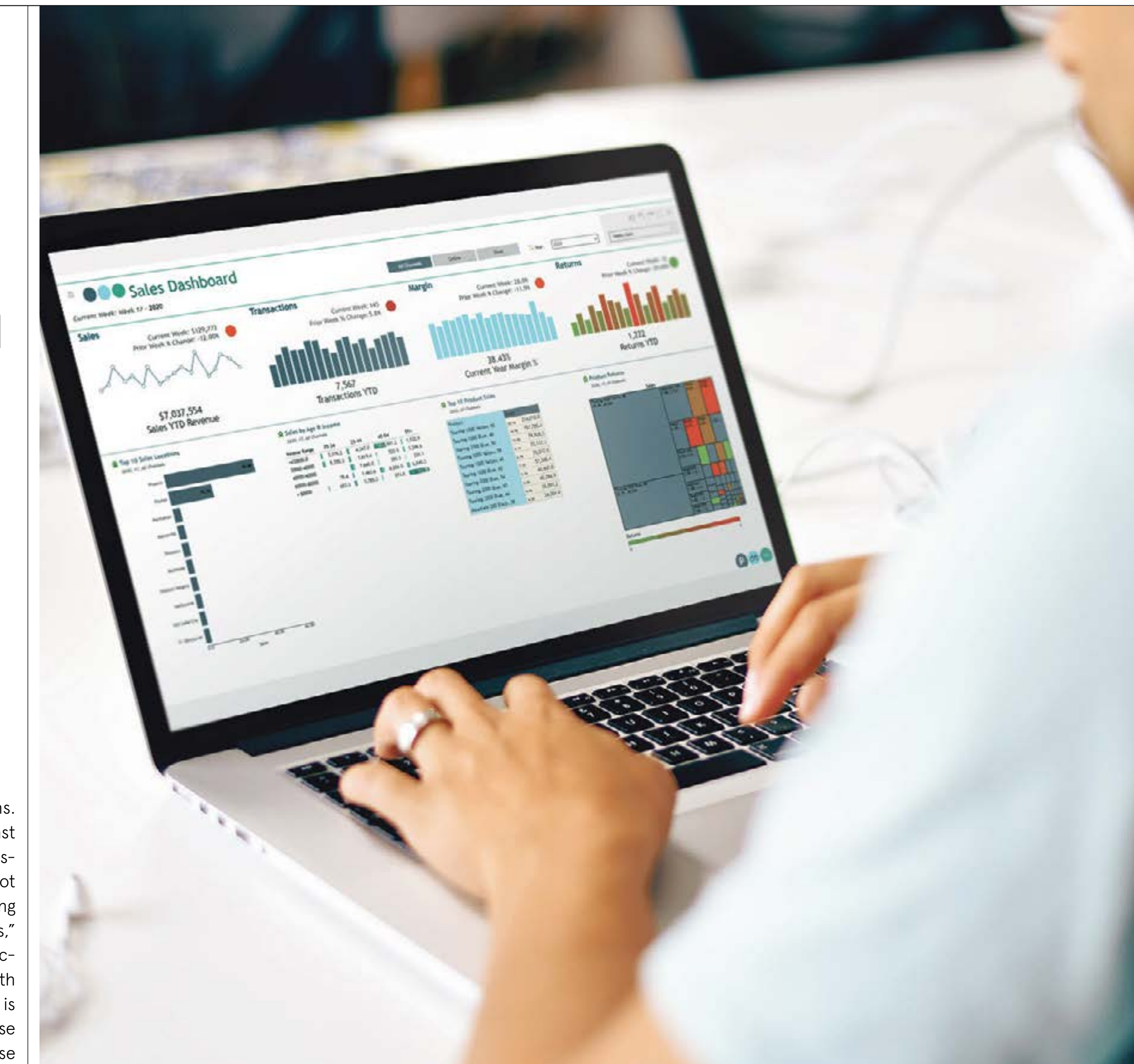
Armstrong Craven, 2022



Commercial feature

Why analytics is the catalyst that turns data into intelligent decisions

Decision intelligence is set to become a critical tool in the CEO's toolbox, bringing the power of data to everyone within the organisation



Ever since the dawn of technologies like the hand-held calculator, we have been empowered to make quicker decisions with digital data at scale. Technology has evolved drastically since then, of course: today, an overwhelming amount of data permeates everything we do and say.

Most recognise the transformational power of data in business, but even as 'big data' got bigger and bigger (and bigger), many of the opportunities in it have remained relatively untapped. Too little data; too much data; or the enormous amount of laborious processes and manpower necessary to actually empower people to use it – there have been roadblocks. What was missing were a couple of key ingredients: automation and artificial intelligence.

But now automation and AI are powering the next evolution in using data – decision intelligence. While once there was business intelligence – a static sort of interpretation, with limited generative capabilities – decision intelligence makes data-driven decisions available and useful to everyone, in all business units and at all levels.

And not a moment too soon, because despite the awareness of data's transformative power, an enormous gulf exists between what decision-makers want and what they have.

According to a recent IDC study, 83% of CEOs say they wanted their organisations to be more data driven, and 87% of CXOs say that becoming an intelligent enterprise is a top priority. But in practice, only 30% of decision makers say that actions in their organisations are driven by data analysis. Only 33% are comfortable questioning the KPIs and metrics used in organisations, in other words, interrogating the quality of the data beneath the superficial layer of numbers or statistics.

However, a separate IDC study found that a third of C-suite decision makers globally are now enthusiastic about the potential for decision intelligence, which is already helping businesses leap ahead from the limitations found in traditional business intelligence platforms, and no longer relegated solely to data scientists or statisticians.

"If you're basically querying against the database and preparing visualisations based on what's in it, that's not different from what we've been doing with BI (business intelligence) for years," says Chandana Gopal, research director for future intelligence at IDC. "With decision intelligence, what's different is really enabling organisations to analyse data to generate insights – to make those insights available to everybody, and make it pervasive within the organisation."

For companies like Mr Kipling manufacturer Premier Foods, decision intelligence powered by Pyramid Analytics is helping it connect data from all of its sources. For example, SAP Business Warehouse with Amazon RedShift is helping to provide visibility and insights across all business functions. Already, the platform is allowing the company to automate insights into the recyclability of the products it generates, shifting it away from laborious manual processes and helping the business meet sustainability goals.

London's Regent Street staple Liberty, meanwhile, is using decision analytics to inform its omnichannel retail strategy – rolling out self-service, in-depth analytics across finance, buying, merchandising, web and shop floor, available on any device, anywhere – creating massive time savings and allowing the business to better measure and prepare for peak shopping hours. It's becoming evident that businesses equipped with this kind of actionable data are likely to inch ahead of competition due to the sheer speed and power of automated insights; whether businesses are really data driven or not will ultimately be a differentiator in today's hyper-competitive landscape.

But the end results could be even more profound, says Omri Kohl, CEO of Pyramid Analytics, provider of a decision intelligence platform used by data scientists and non-technical line of business users alike, with organisations one day transforming into "autonomous companies" where burdensome manual decision-making is completely taken over by AI.

> "If change starts from the bottom up and there's no support from management, people will continue to make decisions based on their gut instinct

43%

of organisations with excellent delivery of insights at scale have a business leader in charge of enterprise intelligence

Future of intelligence survey, IDC, August 2021,

This would mark a shift to an outcomes-based kind of analytics, which Kohl compares to TV. It's rare for most viewers to obsess over the technical ins and outs of how a show can be broadcast, streamed, processed and viewed in real time: "The same should happen with analytics – eventually, all I care about is the outcome. What can I do better, and how can I perform smarter, better and faster in my organisation? That's what we're trying to deliver in decision intelligence, providing you with the outcome."

But how do you get to that point? Many businesses have, of course, invested in analytics technologies for decades, adds IDC's Gopal. To reach the next step, a holistic, joined-up approach is required.

"You have all the technologies you need, but do you have the ability to access all the insights they need to make decisions on a day-to-day level?" she asks. "Does your organisation have the skills, the culture, the understanding, the trust? All of these elements must come into place to be able to leverage technology to really guide decisions and actions after those decisions."

The CEO has a critical role to play in bringing about these changes. To create businesses with data as their beating heart, CEOs will need to lead by example.

"If change starts from the bottom up and there's no support from management, people will continue to make decisions based on their gut instinct," comments Kohl. "This works to a certain degree – but not when the decisions are super complex."

Even small changes at the leadership level can cascade into wider organisational shifts. When CEOs begin debating the accuracy and quality of data they are making decisions with, adds Kohl, suddenly the conversation is no longer quantitative and forces the business to align on being data driven.

At the same time, leadership must work to dissolve the data silos that can naturally form within organisations.

Just as most businesses have a single CRM system, says Kohl, it makes little sense to have hundreds of often ad-hoc analytics initiatives all running independently. "In those cases, you can't really see a single version of truth across the organisation," he says. "It's extremely costly to support so many localised initiatives from different groups, functions and even different people."

With that single source of truth established, businesses can be better served by one analytics platform with capabilities that cut across departments and, crucially, one that's simple enough to use that every employee is encouraged and able to actually engage with it. This is where internal initiatives around data literacy matter: "It's one thing to make a decision to become data driven," says Kohl. "It's a completely different story now to support everybody to start implementing that capture.

"Analytics isn't one size fits all – my requirements are different to colleagues in finance, to the controller, to the CFO, to the accountant, to the bookkeeper. Each one of us has different requirements, different needs, and this is where automation and AI can influence the way people actually use analytics without preliminary knowledge."

Armed with the data, tooling, understanding and resolve to make it happen, this is the task of the data-driven CEO – leveraging automation and AI to empower every user, no matter their function.

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