

THINK ACT

BEYOND MAINSTREAM

MASTERS OF PARADOXES

Key findings of the Chief Strategy Officer Survey 2013

IMPROVE
EFFICIENCY

3.6

INCREASE
MARKET SHARE

3.5

CUT
OPERATING COST

3.1

Importance of strategic goals
on a scale from 1 to 5

THE BIG THREE

5 FTE

is the median number of employees in strategy departments of the 156 European firms we surveyed

✕ p. 6

41%

of respondents say that portfolio management was their most important strategy topic in 2012

✕ p. 9

10.8 months

is the average time a strategy takes to be fully integrated into the company's operations

✕ p. 10

Who
will become
CSO?
✕ p. 7

EDITORIAL

Dear participants and contributors,

Thank you for helping to make this year's European Chief Strategy Officer Survey the success that it is.

With more than 150 participants and contributors from 14 different European countries, the European CSO Survey by Roland Berger Strategy Consultants and the University of St. Gallen, now in its third edition, is the world's leading study of CSOs and strategy departments.

The role of CSO is still evolving – and will get even more demanding. Last year, we wrote about how we are living in times of uncertainty. Trends can change suddenly, developments are rarely linear and results are becoming almost impossible to predict. So why bother planning at all?

We believe that uncertain times are good times for strategists. After all, strategy is nothing if not critical reflection on uncertainty. If everything were predictable, there would be no need for strategy.

Today's firms need a new type of strategy and a new type of strategic leadership. This is the core message of our study this year. The informal, get-up-and-go CSO of yesteryear no longer fits the bill: What firms need is a carefully calculating, thoughtful, mediating CSO with a cross-functional, interdisciplinary mindset who nevertheless can make decisions fast and implement them effectively. As the title of our study puts it: CSOs have to be "Masters of paradoxes".

On behalf of Roland Berger and the University of St. Gallen, we are pleased to present our insights in this report and hope they will serve as a basis for defining the role of tomorrow's CSO.

Sincerely,



Dr. Tim Zimmermann
Partner, Roland Berger Strategy Consultants



Prof. Dr. Markus Menz
Assistant Professor of Strategic
Management, University of St. Gallen

To think and act strategically in an uncertain world is not a question of "either/or" but of "both/and". No matter what industry or region: Modern-day CSOs must be able to pursue apparently contradictory objectives at the same time

ABSTRACT What we've found

The CSO – Chief Strategy Officer – is a relative newcomer to the C-suite. The role has quickly established itself as a formal member of the top management team or head of the central strategy department. Alongside the Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Information Officer (CIO) and Chief Marketing Officer (CMO), the CSO now has a secure place among the top functions in firms right across Europe.

The results of the third edition of our CSO Survey, now covering 14 different countries, paint a clear picture of the role of the chief strategist. To add value at the firm level, today's CSO must above all be a master of paradoxes. In times of uncertainty, it is no longer a question of "either/or" but of "both/and": both growth and efficiency, speed and rigor, openness and leadership, short-term success and long-term prospects. The ideal CSO

creates new impetus and leverages his* experience. He is not afraid of conflict but is able to make compromises. He anticipates and addresses the challenges affecting the firm without taking unnecessary risks.

Dealing with these conflicting objectives calls for individuals with a cross-divisional, cross-functional, interdisciplinary mindset. Managers who act strategically for the good of the firm as a whole rather than focusing on momentary advantage. People who can tolerate the frustration of targets not being met, the trade-offs being too large or the playing field changing beneath their feet.

What goes for the CSO, goes for the organization as a whole: They must be "ambidextrous" – able to pursue apparently contradictory objectives at the same time. Ambidexterity is becoming the key to success, profitable growth the new guiding principle across all industries and regions. Which means that the role of the CSO is more interesting and more important – as well as more complex – than ever before.

*Or her; we will use male pronouns throughout for the sake of simplicity.

METHOD

How we did it

For this year's CSO Survey, we contacted the chief strategists of 500 of the biggest firms in Europe. Of these, 156 agreed to take part in our survey – a response rate of 31%. They include CSOs from firms in German-speaking countries (Germany, Austria, Switzerland = DACH), Benelux (Belgium, the Netherlands, Luxembourg), the Nordic countries (Norway, Sweden, Finland, Denmark) and "Latin Europe" (France, Italy, Spain, Portugal). That makes our CSO Survey the biggest study of chief strategists and strategy departments in the world. The participating firms have an average headcount of 25,000 and most are listed on the stock exchange.

As well as looking at the sample as a whole, we also examined various sub-groups. This yielded several useful insights, especially when we split the sample into the following three groups and evaluated them separately:

INDUSTRY – We examined the five following sectors: financial services (13% of all respondents), retail and consumer products (10%), the industrial sector (41%), life sciences (11%) and services (25%)

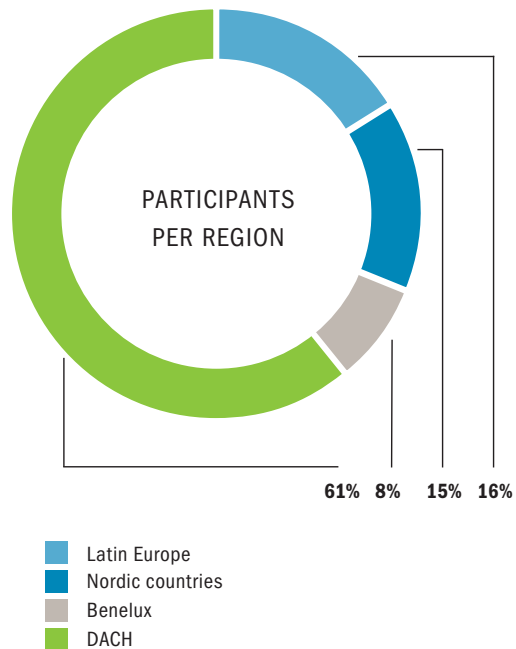
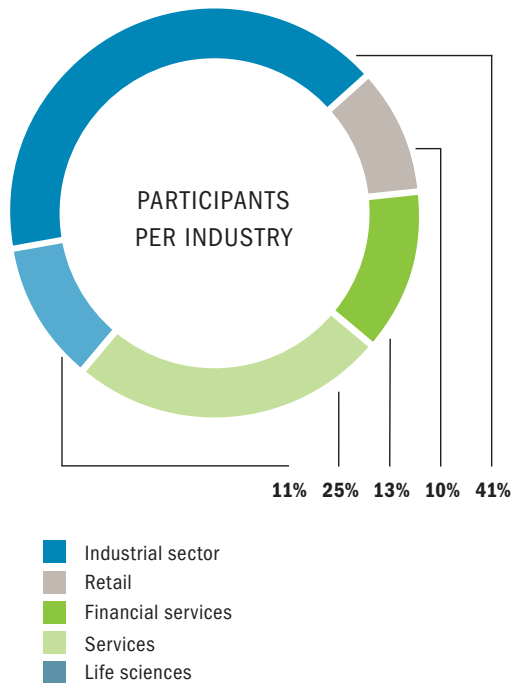
REGION – We further divided respondents into German-speaking countries (61%), Benelux (8%), the Nordic countries (15%) and Latin Europe (16%)

FIRM PERFORMANCE – On the basis of five KPIs (sales growth, profitability growth, EBIT, ROE, debt/EBITDA), we split the sample into "high performers" and "low performers". Respondents were asked to estimate their own KPIs in an industry comparison.

Analyzing the sample by industry, region and firm performance revealed some surprisingly clear differences with regard to strategic topics and approaches. As in previous years, financial services differ from the rest in many respects, such as their appetite for risk. Firms in Latin Europe are primarily concerned with consolidation, while their peers in German-speaking countries are (once again) more interested in growth. High-performing firms clearly approach certain issues and tasks differently than do less successful firms. On this basis, we identified a number of overall success factors which form the basis for our seven statements below.


SAMPLE ANALYSIS

Respondents by industry and region



Managing target conflicts and finding the right balance – that's the CSO's core task today. Seven statements

STATEMENT 1 The bar has been raised

In last year's survey, we noted that the relevance of CSOs grows in times of uncertainty, but the size of their strategy departments does not grow to the same extent. Our forecast was correct: While strategy departments and their leaders have continued to gain importance and the role of the CSO has changed, the number of employees working in strategy departments has not kept up. Compared to 2011, the median number of employees in the strategy department of firms in German-speaking countries (DACH) remained 7 full-time equivalents (FTE). For  firms in Europe as a whole, this median was 5 FTE.

A good 80% of firms in the survey currently have no more than two people in the strategy department for every 1,000 FTE in the firm, although there is a great deal of variation between companies. Thus, the strategy department of some corporations with more than 50,000 employees is no bigger than that of some medium-sized firms with fewer than 10,000 employees.

If requirements are growing faster than resources, then the bar has been raised: CSOs must now achieve more with the same resources. This varies depending on indus-

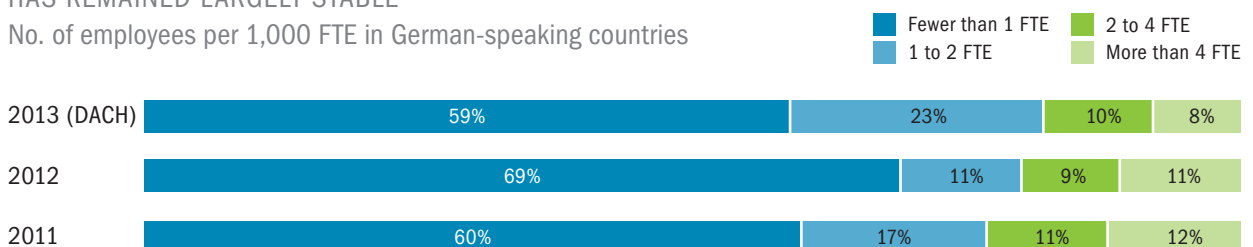
try and region. CSOs working for financial services companies and in the Nordic countries, for example, have seen above-average growth in both their importance and the resources at their disposal. CSOs working in retail and in the Benelux countries, by contrast, are a long way behind. What's more, firms in life sciences and the industrial sector and those in German-speaking countries and Benelux have particularly large strategy departments.

There are also industry-specific and regional differences regarding where the CSO is located in the firm's organizational setup. Some 17% of CSOs have a place on the executive board of the company, especially in the service industry (36%) and in the Nordic countries (50%) and Latin Europe (25%). Fewer than one in three firms in the full sample have a strategy committee in the board of directors, and none in the case of the retail and life science firms or in the Nordic countries – possibly due to different types of governance models.

To summarize, CSOs generally find themselves having to meet constantly growing expectations with existing resources. The strategy process therefore needs to be highly efficient. The problem of increasing importance combined with scarce resources is the first of the seven conflicts of objectives that today's successful CSOs must resolve.

THE AVERAGE SIZE OF STRATEGY DEPARTMENTS HAS REMAINED LARGELY STABLE

No. of employees per 1,000 FTE in German-speaking countries



STATEMENT 2

Knowledge and networks are key

What qualifies a CSO for his position? When it comes to personal background, CSOs have a number of things in common: They are typically younger than 50 (four out of five respondents), have a degree (three out of four have either a bachelor's or a master's, one in four has a Ph.D.), and a disproportionately large number of them studied at a top international university (see p. 13).

It is clear what companies are looking for in a CSO: They want someone who is a breath of fresh air but not inexperienced. Six out of ten CSOs have expertise in strategy or general management gained from previous positions. Firms appoint people already in the firm ("insiders") and newcomers ("outsiders") in roughly equal proportions. In the case of insiders, two out of three have been with the firm less than ten years. In German-speaking countries, the number of outsiders grew once again, up four percentage points compared to the previous year, to 49%.

Broadly speaking, in many industries and regions the job of CSO is a springboard for highly qualified, ambitious professionals with strong process and methodological skills. But the door is not closed to well-connected insiders. What counts is knowledge and networks.

A comparison between high-performing and low-performing firms is interesting here. Successful companies rely on experienced insiders more often (27% of their CSOs have been with the firm for at least ten years – almost double the rate for low performers). There are regional differences, too. The Nordic countries have the most experienced chief strategists (44% with the firm for at least ten years). This seniority is likely due to the higher formal positioning of the CSO within the Scandinavian governance model.

Two types of CSOs thus exist: young dynamos and seasoned old hands. Both types can be successful, but both need the right education and a good network behind them.

WHO WILL BECOME CSO?

Outsiders vs. insiders



47%

of CSOs at the European companies we surveyed are outsiders who joined the firm less than two years ago. All others are insiders, nearly evenly split between tenure of 2-5 years (19%), 6-10 years (15%) or longer (19%).

CSOs ARE BECOMING CENTRAL COORDINATORS IN CORPORATE HEADQUARTERS

Activity clusters in strategy departments of European companies

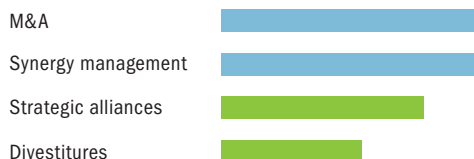
CORPORATE DEVELOPMENT



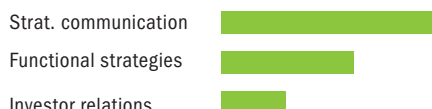
PROCESS MANAGEMENT



PORTFOLIO MANAGEMENT



CEO ASSISTANCE



■ > 70% ■ 60-70% ■ < 60%

STATEMENT 3 Good strategists act as mediators

How has the job of CSO changed compared to last year? The traditional fields of strategy formulation and strategic initiatives remain high on the CSO's agenda, as does acting as a sounding board for the CEO or board of directors. But the clearest gains in importance in German-speaking countries, compared to the previous year, are in mergers and acquisitions (M&A) and synergy management – areas where close cooperation with other functions is called for. Across Europe, realizing synergies is even more important.

Corporate development remains a very important area for CSOs in all industries and regions (and especially in financial services). However, the biggest growth in importance is seen for portfolio management. In particular, CSOs in high-performing firms and the Nordic countries (perhaps for cultural reasons) place a strong focus on process management.

More and more, a priority task for CSOs is to create a corporate business model, leverage synergies at the firm level and optimize cross-functional processes. CSOs who exploit their full possibilities have the chance to become the central coordinator in the corporate headquarters, working closely with other corporate functions and

operating units. These new demands on the role call for new skills on the part of the chief strategist.

CSOs appear to be in a good position to perform this coordinating, interactive role. They already see themselves as playing a leading role not just with regard to the key strategic decisions in their firm, but also in areas such as M&A and expansion into new markets. They say that they work closely and on an equal footing with the finance, marketing & sales and operations functions. Yet despite their central position in the power structure, getting others involved remains important: There is no strategic issue where the central strategic department, or indeed any other corporate function, has the clout to go it completely alone (the biggest influence on any strategic issue – 49% – is enjoyed by the finance function with regard to planning and budgeting decisions).

The conflict of objectives for the CSO here is finding a way to position himself appropriately while at the same time creating a corporate business model that everyone sees as adding value. Not surprising, then, that CSOs have to continually come up with convincing arguments and demonstrate the value of strategic decisions for the entire firm. But it is worth their while: A CSO that meets these requirements becomes a mediator between corporate functions and a protector of higher interests – and thus a true strategic leader.

STATEMENT 4 Growth is not enough

Our results show that corporate development receives the greatest attention from CSOs, while portfolio management has gained the most in importance since last year's survey. The most important strategic decision of the past year for the firms in the survey was also mainly in portfolio management (41%), followed by growth (22%), costs (19%) and strategy implementation (16%), the last three virtually neck-and-neck. Other topics were of very little importance.

✕ ment (41%), followed by growth (22%), costs (19%) and strategy implementation (16%), the last three virtually neck-and-neck. Other topics were of very little importance.

Once again there are interesting differences between industries and regions. Portfolio management is by far the most important topic for financial services, the industrial sector and services, while growth issues are high on the agenda for firms in retail and the life sciences. Not surprisingly, growth is also (once again this year) an important topic for firms in German-speaking Europe and the Nordic countries, as well as for high-performing firms, while it has almost no importance at all in Latin Europe.

New this year is the fact that growth and efficiency topics overall rank about the same. When asked about the primary goal of their most important strategic decision of the past year, respondents were equally split between increasing market share and improving efficiency, followed closely by cutting costs.

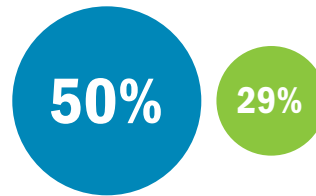
In other words, the traditional cycle of phases of growth followed by phases of consolidation no longer applies. Gaining market share at the cost of profitability is passé – expansion must go hand-in-hand with attention to efficiency. The current concept is one of profitable growth through smart portfolio management and maximum efficiency gains. The new core challenge for successful organizations is ambidexterity: the ability to combine contradictory characteristics. This is perhaps the most serious conflict of objectives that today's CSOs must manage.

PORTFOLIO MANAGEMENT AND GROWTH ON TOP OF CSO AGENDA

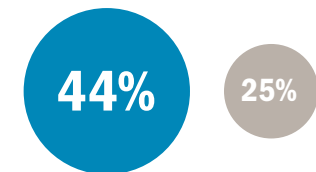
Most important strategy topics in each industry

- Portfolio management
- Growth
- Strategy implementation

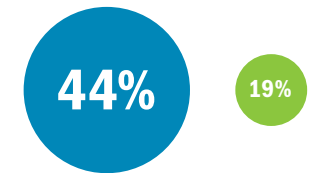
FINANCIAL SERVICES



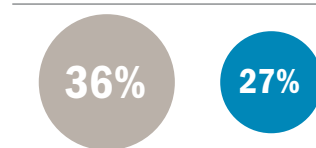
INDUSTRIAL SECTOR



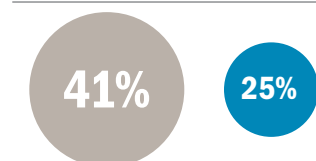
SERVICES



RETAIL

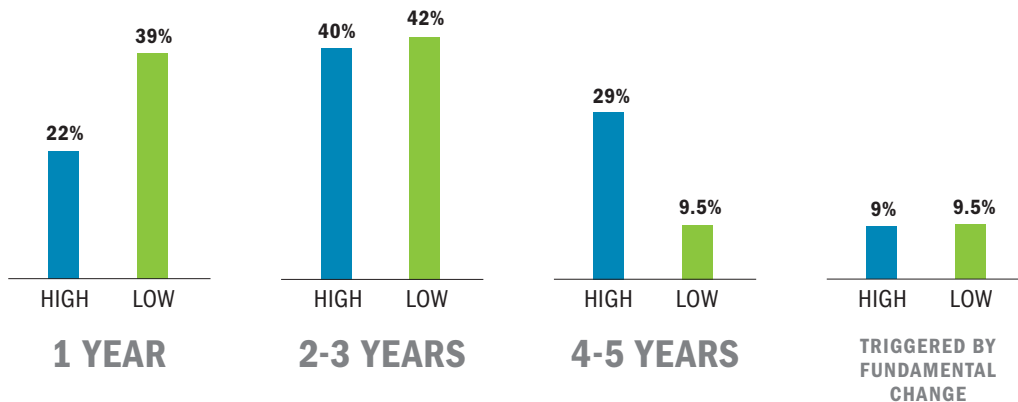


LIFE SCIENCES



SUCCESSFUL FIRMS ACT FROM A LONG-TERM PERSPECTIVE

Length of strategy cycle, high vs. low performers



STATEMENT 5 Pacemaking pays off

What characterizes the most important strategic decisions? The CSOs are in agreement here: Time pressure is growing and uncertainty continues unabated. That means it's a good time for strategy – but is it a good time for CSOs too? Chief strategists have always had to be two things at once: able to take fast and decisive action while being thoughtful and aware of the risks. This isn't new.

What is particularly important today, however, becomes clear when we compare high-performing with low-performing firms. Successful firms make bold strategic decisions from a long-term perspective, based on open discussions. Their CSOs say that they make unsatisfactory compromises relatively rarely, and thus they avoid the trap of suboptimal consensus-based solutions.

Speed is important, but it is not the be-all and end-all. Most CSOs, especially those in successful firms, say that they act (and react) faster than the competition. But three out of four firms take at least three months over their most important strategic decisions. When it comes to the top issues, at least, the risk of making an irreversible commitment is clearly greater than the time pressure.

Financial services companies are above-average in terms of the speed of their decision making, while firms in the life sciences and services industry and in the

consensus-oriented Nordic countries weigh up key strategic decisions particularly carefully. Surprisingly, high-performing firms take longer on average to make decisions than less successful firms. However important speeding up processes is, it appears that the quality of the decisions made is what matters.

Equally important is having a well-structured process and properly adhering to it. This is clear when we look at the implementation cycles. Despite increasing time pressure, persistence and perseverance evidently pay off. High performers are not so much faster when it comes to implementation as more comprehensive. Across all the companies in the survey, implementing a strategy from decision to full integration takes more than ten months on average. ✕

Most firms act carefully rather than chasing every trend and coming up with a new bunch of initiatives every year. Typically, a strategy cycle lasts two to three years – rather less in the industrial sector and for retailers, and rather more in the financial sector and life sciences. Low-performing firms are more than twice as likely to have strategy cycles that last less than a year – a further indication that taking a perspective of longer than a year pays off.

Clearly, today's CSOs find speed important but they avoid taking action for action's sake. High performers are fast to act but not overhasty. They demonstrate that pacemaking and long-term goals pay off in an increasingly dynamic world.

STATEMENT 6 Conflicts are useful

The openness with which strategic discussions are carried out today, according to many CSOs, can lead to conflict or in the worst-case scenario even split the top management team. Differences of opinion, differences over the contents of decisions, and disagreements between senior executives are common. Tension, personal friction or even open clashes between individuals also occur. Once again, the chief strategists of financial services companies appear to be particularly busy here, while the CSOs of retail firms and companies in the Nordic countries are more consensus-oriented.

Conflicts can help expand one's field of perception and boost creativity. However – and this seems to be the secret of success of high-performing firms – rational disputes should not be allowed to tip over into emotional conflicts or interpersonal problems. To put it another way, differences of opinion are both useful and important, but they must be sensibly managed and follow clear rules. Otherwise they can have a negative impact on a team's productivity and its ability to make decisions.

Our evaluation shows that firms which make high-quality strategic decisions are particularly good at solving conflicts in a matter-of-fact manner, without people taking things personally. Conflict management is thus another hot-button issue where CSOs must increasingly prove their worth.

GOOD DECISIONS ARE MADE
IN A MATTER-OF-FACT MANNER
Frequency and impact of conflicts
in strategic decision-making

DIFFERENCES OF OPINION

3.1

DIFFERENCES ABOUT CONTENT

3.0

DISAGREEMENTS

2.9

TENSION

2.7

FRICTION

2.6

ANGER

2.5

PERSONALITY CLASHES

2.4

INCREASING NEGATIVE IMPACT

Mean values
1 = to no extent
5 = to a very great extent

STATEMENT 7

Business agility is critical

What are the strategy topics of the future? The CSOs in our survey are clear: Business agility will shape their agenda most going forward, meaning the ability to adapt quickly to changes in the business environment. Innovation, business model design and fast execution are right at the top of their list of priorities. But other rather academic-sounding topics such as dynamic capabilities, the extended enterprise and the learning organization are also increasingly relevant in practice. At the bottom of the list come three topics that are paradoxically receiving great media attention at the moment: big data, real-time strategy and corporate social responsibility (CSR).

Despite this strong move in the direction of business agility, the strategy of most CSOs is very risk-aware and rather careful. There is no clear appetite for risk except in the financial sector. Indeed, quite the opposite: CSOs prefer to act slowly and approve projects step-by-step rather than put all their eggs in one basket. The bottom line is that strategy must strengthen business agility without taking unnecessary or incalculable risks. Here, again, CSOs must resolve a conflict of objectives and achieve the right balance.

UPCOMING TOPICS

Strategy activities of the future



**INNOVATION
MANAGEMENT**



**BUSINESS
MODEL DESIGN**



**FAST
EXECUTION**



**DYNAMIC
CAPABILITIES**



**NETWORKS AND
COOPERATION**



**LEARNING
ORGANIZATION**



BIG DATA



**REAL-TIME
STRATEGY**



CSR

SCHOOLS OF STRATEGISTS

WHERE CSOs COMPLETED THEIR STUDIES

GRADUATES (AT LEAST 2)
PER UNIVERSITY*

Northern Europe

Aalto (Helsinki) 7
Copenhagen Business School 3
KTH (Stockholm) 3

Western Europe

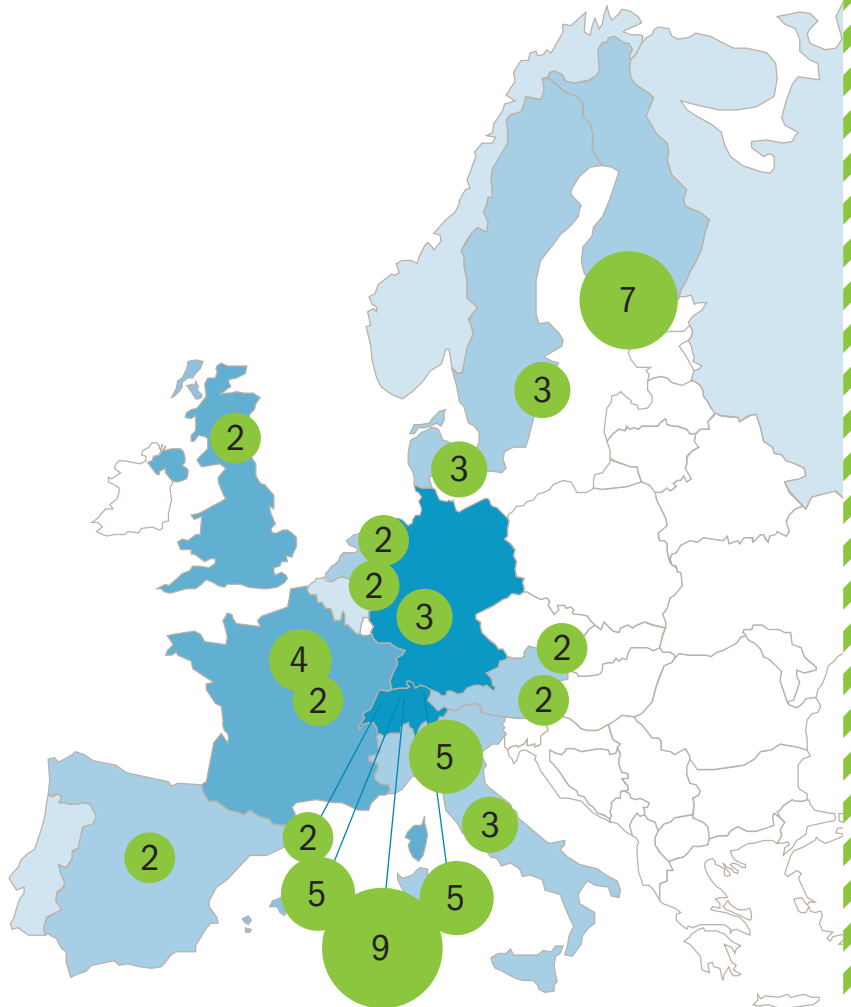
TU Delft 2
TU Eindhoven 2
HEC (Paris) 2
Insead (Fontainebleau) 4
University of Stirling (Glasgow) 2

Central Europe

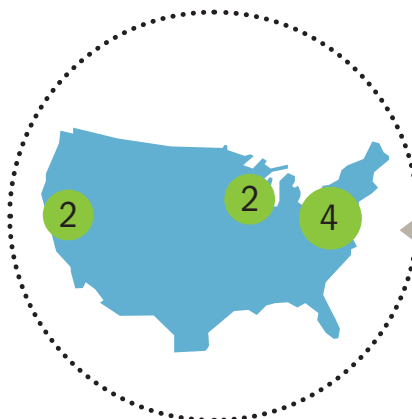
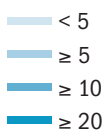
University of Bern 2
TU Darmstadt 3
TU Graz 2
University of St. Gallen (HSG) 5
University of Vienna 2
ETH Zurich 9
University of Zurich 5

Southern Europe

IE (Madrid) 2
SDA Bocconi (Milan) 5
Sapienza (Rome) 3



GRADUATES PER COUNTRY*



USA

MIT 4

Northwestern University 2

Stanford 2

* 113 in total

Taking a closer look shows which parameters influence the CSO's role in the various industries and regions

DEEP DIVE A Differences between industries

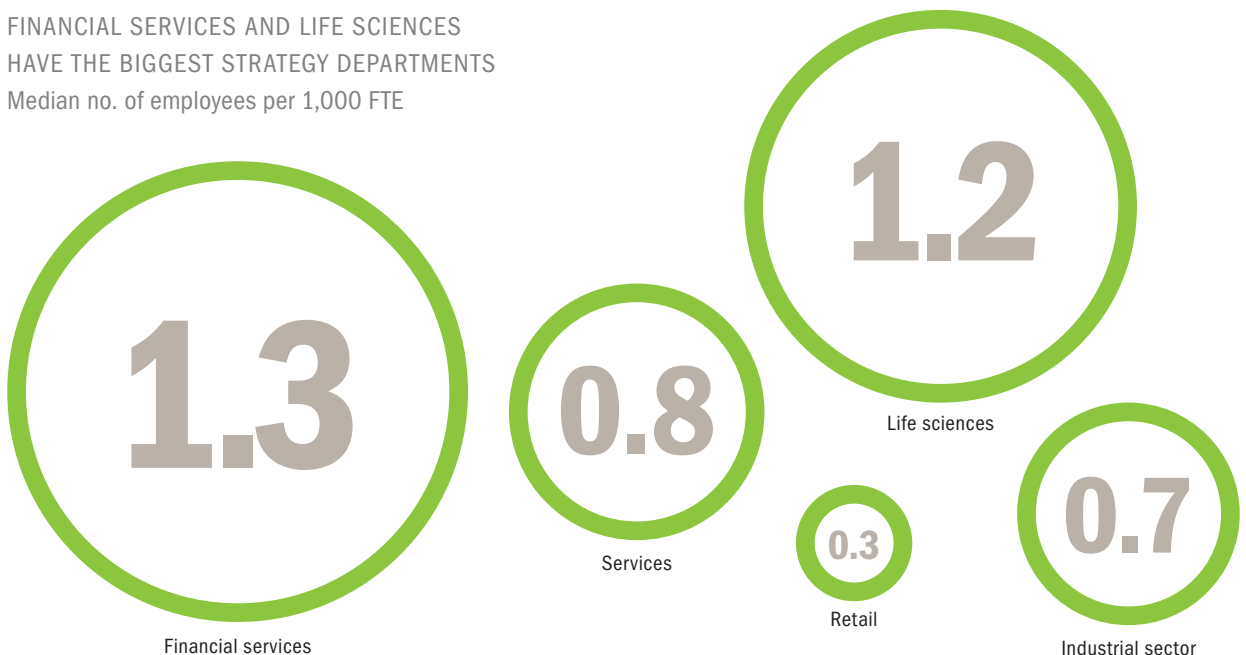
Examining the results for the various industries separately – financial services, retail and consumer products, the industrial sector, life sciences, and services – reveals some interesting differences.

As in the previous years, the financial services industry stands somewhat apart from the other sectors. First, its companies are to a large extent CEO-driven, with the Chief Executive triggering new strategy cycles in two out of three companies we surveyed. Second, they are also more aggressive when it comes to strategy design than companies in other industries, achieving the highest scores for risk appetite and desire to increase market

share and improve efficiency. Third, they are very self-confident in terms of the quality, speed and comprehensiveness of their decision-making. And fourth, in their CSO's perception they are more likely to form coalitions and deal with conflicts during the strategy process than in other industries.

One possible explanation for these results is that the financial services industry is currently undergoing major change, with increasing regulation, the arrival of new technology and shifts in customer requirements. Pressure to innovate and short product lifecycles give the strategy function a more prominent role, and focus attention on topics such as business model design and big data. As a result, the role of the CSO has changed and its importance grown more strongly here than in any other industry.

FINANCIAL SERVICES AND LIFE SCIENCES
HAVE THE BIGGEST STRATEGY DEPARTMENTS
Median no. of employees per 1,000 FTE



At the opposite end of the spectrum lies the retail industry. Here, the role and significance of the chief strategist has not changed that much in recent years. Strategy resources and budgets are felt by CSOs to have grown less strongly than in other industries. In part, this could be due to competition between the roles of CSO and Chief Marketing Officer (CMO) in this industry, the latter often sharing responsibility for strategic topics. In retail, companies are also less future-oriented than in other sectors and feel themselves less exposed to uncertainty and time pressure. At first sight, this would appear to create a more comfortable environment for the CSO, whereas a lack of urgency and a delay in strategy activities can make his job even more demanding.

The life sciences industry – which has relatively large strategy departments compared to other sectors – also scores below average in terms of its orientation toward the future. The decision-making process is particularly long in this industry: In more than one-third of the companies we surveyed, the most important strategic decision last year was more than ten months in the making – not one financial services company took this long.

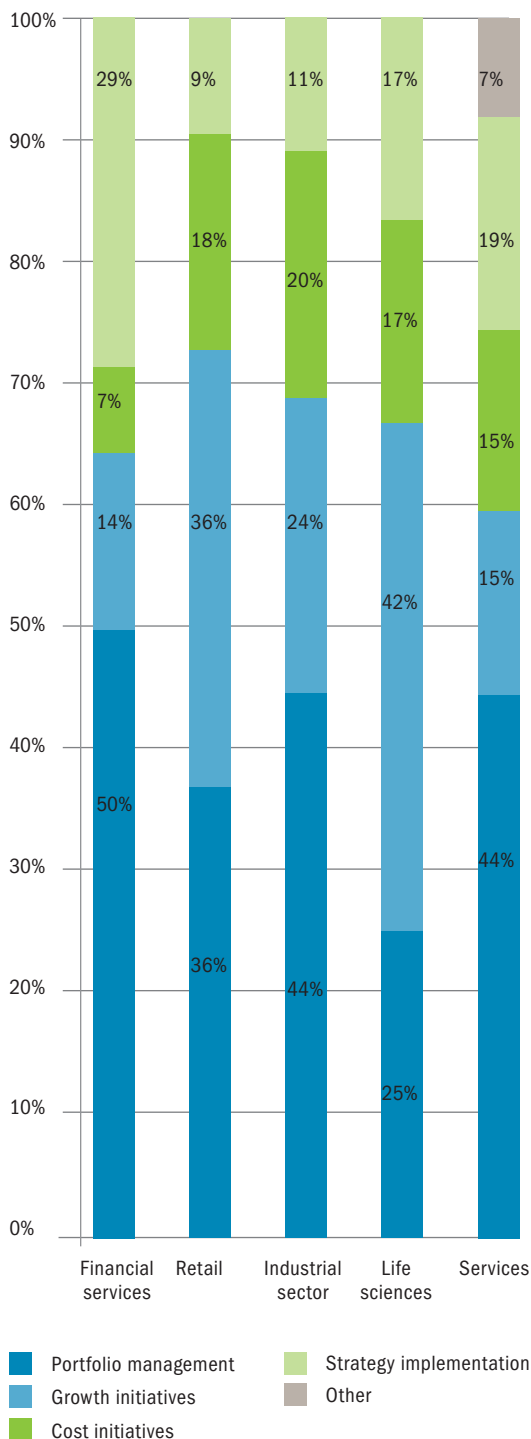
Companies in the services industry likewise spent a long time over their key decisions last year. Firms in this sector also have the highest proportion of CSOs with seats on the executive board (36% of companies, compared to just 9% in the retail sector). In addition, they score highest with regard to adjustments that become necessary due to operational constraints during implementation.

Finally, the industrial sector. Companies here take a rather cautious approach. Few outsiders are appointed as CSOs (36% compared to 50% or more on average in other industries). Moreover, the industry's strategy cycles are very short – only up to three years in 87% of the companies we surveyed – which suggests that the strategy process is more frequently linked to budgeting here than in other sectors (42% of these firms make plans annually).

As said before, portfolio management continues to grow in importance across all industries. This is particularly true in financial services, industrial sectors and the services industry, where for more than 40% of firms the most important strategic decision last year concerned the configuration or coordination of their portfolio.

LIFE SCIENCES AND RETAIL HAVE A CLEAR FOCUS ON GROWTH

Top strategy topics in various industries



DEEP DIVE B

Differences across regions

Examining the results on a region-by-region basis also produces some telling insights.

As mentioned above, German-speaking countries (Germany, Austria, Switzerland = DACH) and Benelux have the biggest strategy departments on average. As expected, the situation in Latin Europe seems to be strongly affected by the current economic situation, which means fewer resources and many cost initiatives for strategy departments. CSOs report that uncertainty and time pressure are particularly strong. Not surprisingly, strategic decisions are very often aimed primarily at improving efficiency. The decisions also take a very long time to implement – almost 14 months on average – probably because they are often more substantial due to the current economic difficulties.

To nearly the same extent (almost 13 months on average), the Nordic countries as well need a long time to implement strategic decisions, albeit for different reasons. One factor here may be again the culture of discussion and consensus-building. Differences in the governance model also make some other interesting results plausible: In Nordic countries, the CSO more often sits on the executive board and comes from inside the company than in other regions. One more apparent difference: Boards of directors here do not have strategy

committees at all. In other words, the position of CSO is more of an ultimate career goal than a springboard.

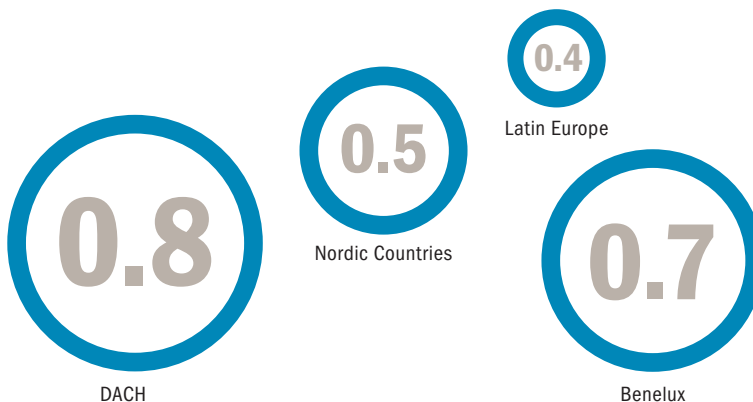
One big surprise is that the role and significance of CSOs have changed even more in Nordic countries than in crisis-ridden Latin Europe. The least change is seen in Benelux. Companies here also typically have a strong short-term orientation and show little tendency to think in terms of scenarios. At the same time, they are the most active when it comes to identifying acquisition targets. This high level of agility seems to affect strategy implementation, however. Benelux companies are ranked the lowest by CSOs in terms of the extent of integration of strategic decisions into the company's operations and their overall effectiveness.

Companies in German-speaking countries, on the other hand, do particularly well when it comes to the results of the strategy process. They exceed other regions also in terms of their risk aversion, despite the fact that they are particularly characterized as CEO- and CSO-driven. One explanation is the current positive economic situation of companies and the region in general: There is no external pressure to change that might increase the tendency to take risks. Instead, the emphasis lies on maintaining current performance.

In a nutshell: Latin Europe is (still) in crisis, Nordic countries are highly dynamic despite their focus on consensus and dialogue, Benelux is constantly on the look-out for acquisition targets and German-speaking countries act carefully.

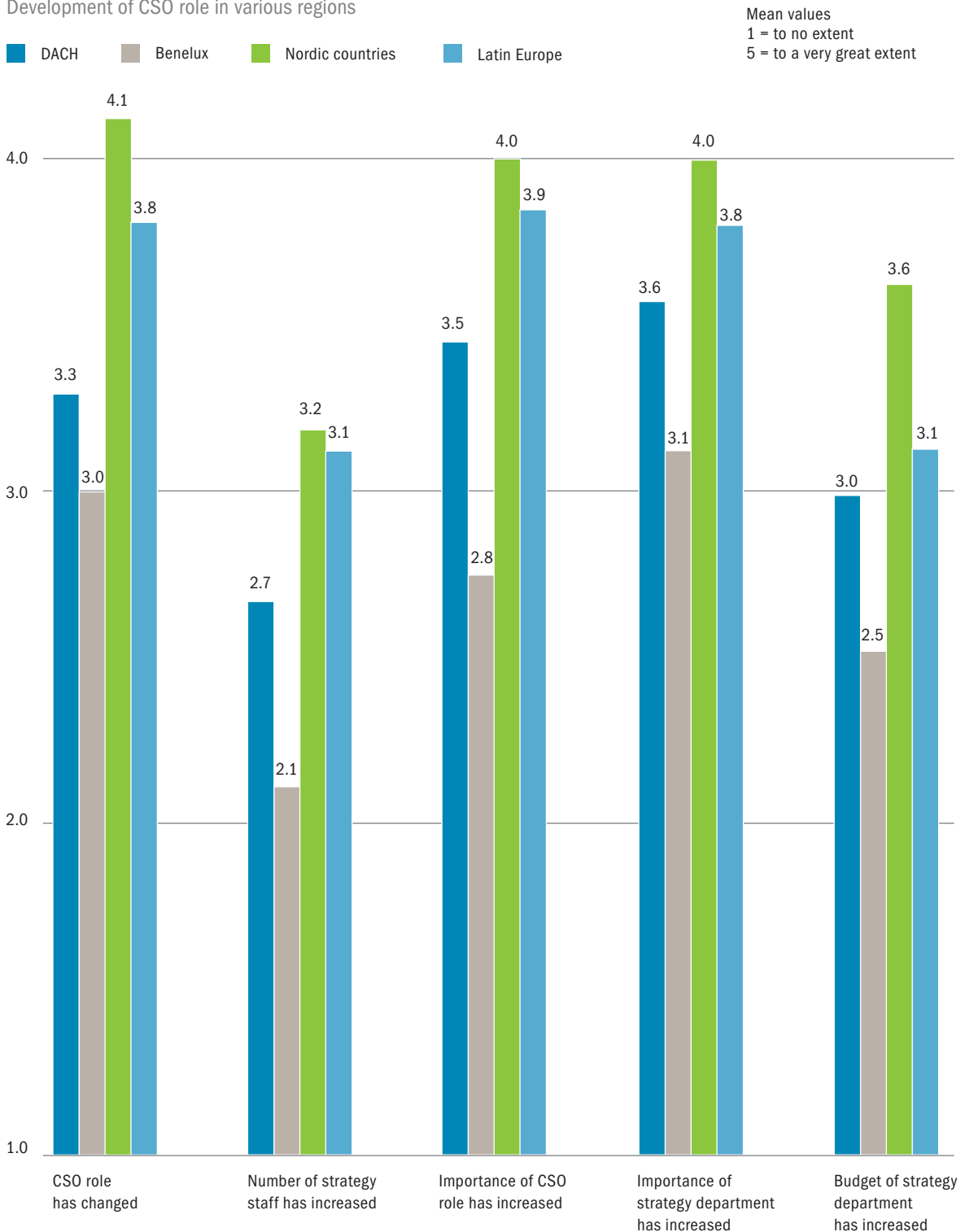
IN LATIN EUROPE, STRATEGY DEPARTMENTS HAVE TO GET ALONG WITH FEWER RESOURCES

Median no. of employees per 1,000 FTE



OVER THE PAST THREE YEARS, COMPANIES IN NORDIC COUNTRIES AND LATIN EUROPE HAVE SEEN THE BIGGEST CHANGE IN THEIR STRATEGY DEPARTMENTS

Development of CSO role in various regions



COMPONENTS OF TODAY'S CSO TITLES
WITH SIZE DENOTING FREQUENCY
IN THE SURVEYED COMPANIES



OUTLOOK

The CSO of the future: What's next?

"The role of Chief Strategy Officers", "CSO's role in times of uncertainty" and now "Masters of paradoxes" – these were the titles of our first three European CSO Surveys. What's next?

To answer that question, we will continue to monitor how chief strategists and their departments develop in terms of relevance, influence and resources. Already, our latest CSO Round Table on October 10, 2013 in Munich raised a number of questions that require analysis and further discussion:

- > How do CSOs structure, staff and (re-)organize their strategy departments?
- > What career paths do CSOs follow – what qualifies them for the position of chief strategist, how long do they stay in charge, and what do they do when they move on?
- > How do CSOs collaborate and interact with others within the organization, e.g. the CEO and the heads of operating units?

> How do CSOs influence and target strategic corporate goals such as innovation and change?

We look forward to finding out which of these topics will be top of next year's agenda. Although the CSO's role is becoming clearer and more firmly established with each passing year, there are bound to be some surprises. After all, uncertainty is the CSO's constant companion.

But one thing is clear: Strategies – and the farsighted leaders that can plan and implement them – will be needed more than ever. There is much talk of strategy and tactics converging, short-term orientation taking over and portfolios of experiments being more successful than master plans. Yet strategy clearly has a future. Indeed, it is likely to become more important as globalization continues. The greater the complexity, the greater the need to reduce it. And that is precisely what strategy does.

We look forward to continuing this discussion with you next year. Thank you once again for participating in the European CSO Survey 2013, especially those of you who attended this year's Round Table in Munich. Your contribution has been invaluable. ♦

PUBLISHERS

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