

# Changing the Game

The role of the CEO in the era of Digital Disruption



# Introduction

Digital transformation is radically changing corporate business models, thus requiring the development of a structural and continuous approach to innovation. Whatever the business strategy is, its execution requires the participation of all stakeholders in a fundamental cultural change.

The CEO, being the first representative of the company, plays a crucial role as key promoter and source of inspiration for this cultural transformation, and this role is not only expressed within the company's boundaries. Indeed, CEOs are always more visible to the outside world and to the increasing multitude of stakeholders who interact with the company.

First, companies are always more exposed to customer opinions and feedback, that today play an active part in the process of creating new products and services. Moreover, customers always pay more attention in choosing their preferred brands, looking at a company's values and goals, therefore looking at the top managers and mainly at the CEO.

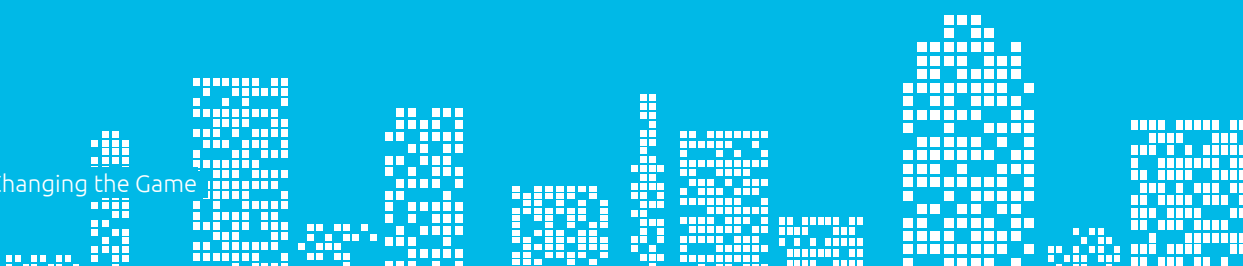
In addition to customers, the CEO is visible to suppliers, partners, and distributors, as the company works in increasingly complex ecosystems, with the participation of different actors. As a result, innovation itself takes place through collaboration with external parties and cannot disconnect from the context in which the company is operating.

Finally, the CEO interacts intensively with the board in order to build the company's vision over the medium and long term, to determine the company's positioning in the market, and to decide the investments to be made to insure successful innovation.

But how can the CEO play this new role? Beyond the managerial functions, what and how can they contribute personally in order to inspire and promote a cultural change which is open to innovation?

Capgemini in Italy, in collaboration with Capgemini Research Institute, investigated this phenomenon by surveying more than 150 Italian CEOs.

The results of this survey are illustrated in this report.



# «Customer centricity», exploration and collaboration are at the heart of the culture of innovation

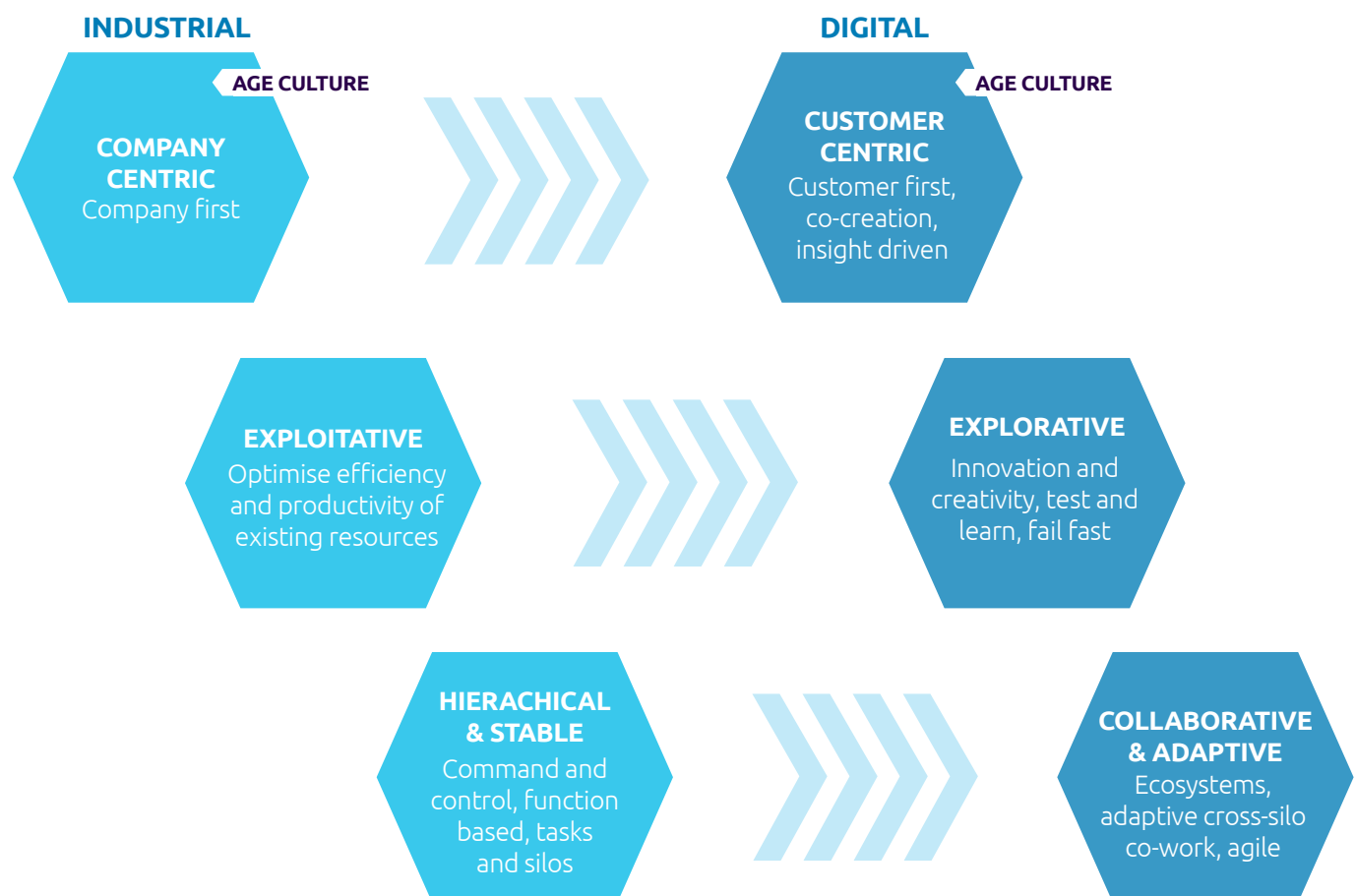
Digital transformation is shaping a new way companies address business challenges and design business models across all industries. It entails the adoption of a new company culture in order to maximize the benefits and reduce the risks of the transformation.

In conducting this research, our first approach was based on a shared definition of company culture. So, how should company culture be defined? We assumed that it is a set of leadership and communication styles, shared

values, and people's behaviors and attitudes, visible or perceptible both within and outside the organization.

Given this statement, we should clarify what the main features are which characterize the new digital culture compared with the one we define as traditional industrial culture.

In our previous study Culture First! (Capgemini Invent, 2018), three key elements were identified as leverage to the new approach.



Source: Culture First!, Capgemini Invent, 2018

## Shift from company to customer centricity

Traditionally, companies were focused on building products they thought could be the best solutions for their clients. Today, thanks to digital channels and growing interactions, customer's voice can be heard more easily and be put at the center of products and services design and consumption models.

Customers can co-create and stimulate innovation within the companies, and thanks to digital technologies they can research, compare, and rate products and services more easily.

Moreover, because of a wider offering by many different companies, customers pay always more attention in choosing their preferred brands, looking at company values, social impact and commitment to sustainability issues.

## Shift from exploitation to exploration

Talking about exploitation means talking about optimization of existing capabilities and resources available within the firm. An exploitative strategy characterized the operative models of most companies until now. However, even if exploitation leads to high and

increased profit margins, focusing just on it can make a company vulnerable to rapidly changing outside world.

Hence, being more oriented to innovation and developing an explorative attitude today is vital for companies in order to survive. This means having the courage to make mistakes, fail fast, and learn quickly. Digital transformation thereby forces organizations to adopt a more explorative approach in order to be successful in the future.

## Shift from hierarchical and stable to collaborative and adaptive

During the industrial age, organizational boundaries were clearly defined and rather impermeable. Inside the company, steep hierarchies, task orientation, and working in silos characterized the organizational setup.

The fast-paced, innovation driven digital age, however, requires a totally different type of organization. Companies are moving from a "command & control" approach, where hierarchies are at the core of the organizational structure, to a network approach, where an agile method is increasingly adopted.

Participating in platforms and ecosystems is becoming a key activity to enrich a company's value proposition, take advantages from new distribution channels to target different customer segments and collaborate both in production and go-to-market operations.

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*Nowadays the world is more horizontal and less vertical: we went from speaking to the client to speaking with the client. We are on the same level, it is a genuine dialogue. Putting the client at the center of the business implicates evolving the way of decision making: a new product or a new trend are usually born from this kind of dialogue.”* Cristina Scocchia, Kiko

# CEOs are aware of their central role in cultural change, but they engage in different ways

Before considering how CEOs can personally contribute to the process of cultural transformation, our intent was to understand to what extent CEOs are aware of this new role of “cultural game changer”.

CEOs show different levels of sensibility to how they should play this new role.

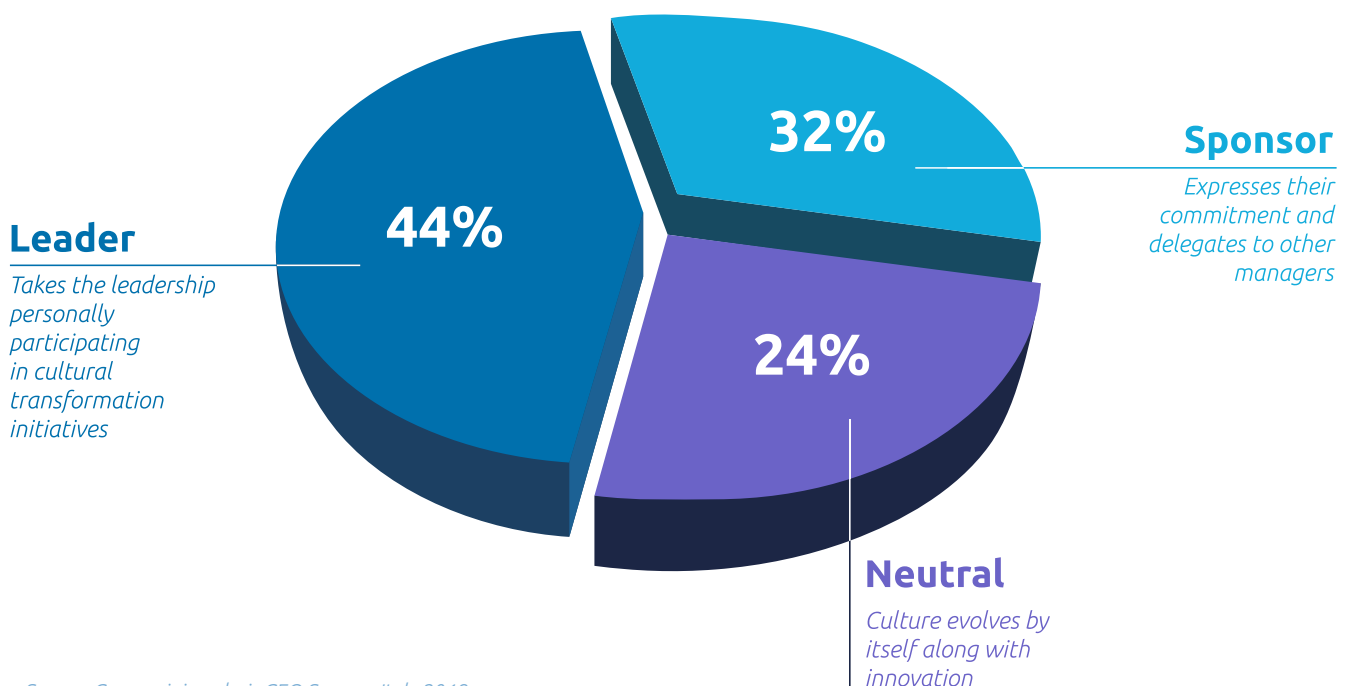
The relative majority (44%), which we call “Leaders”, decides to be the point of reference for the cultural change initiatives. They are totally aware of their responsibility to inspire and promote innovation, to the point of becoming a symbol of the company’s evolution.

Subsequently, we identified the “Sponsors” (32%), which represent CEOs preferring to delegate this role to one or more managers and maintain

more of a backseat position for themselves.

Lastly, we identified a third category, the “Neutrals”, which are a small but relevant percentage (24%). The CEOs falling into this category do not consider necessary to intervene proactively in the process of cultural transformation. They believe that their companies are intrinsically innovative, and that therefore the culture of innovation evolves accordingly as a natural process. CEOs who belong to this category do not personally undertake initiatives aiming to consolidate cultural transformation. Doing this, however, they fail to keep into consideration the risks deriving from the speed of change, which is not comparable to the previous age: the risk for these CEOs is to become simple followers, being slow in the process of transformation and always a step behind competitors.

## What is the CEO’s personal commitment to the company’s cultural transformation?

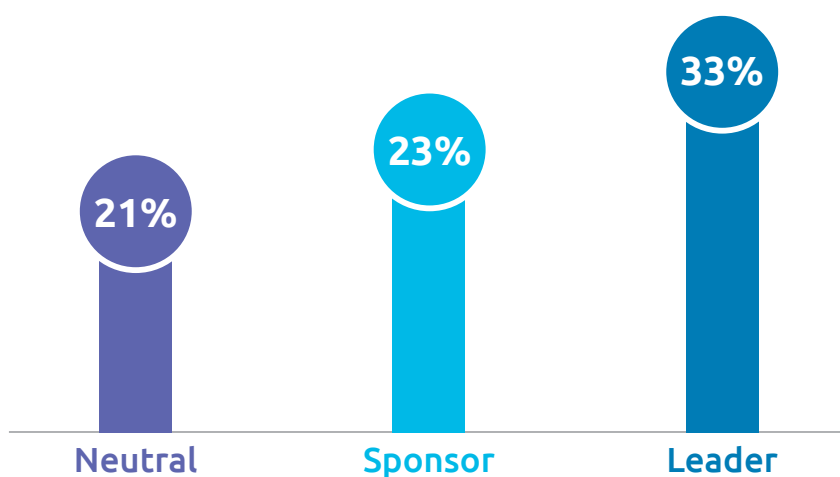


Source: Capgemini analysis CEO Survey - Italy 2019

To confirm this deduction, our study highlights that, already now, companies whose CEO takes a “Neutral” position on the cultural transformation are slower than others to benefit from innovation.

Only 21% of companies whose CEO is “Neutral” can generate significant revenues from innovative products or services, against 33% of companies whose CEO has an attitude as “Leader”.

### Percentage of companies with innovation revenues exceeding 20% of total revenues



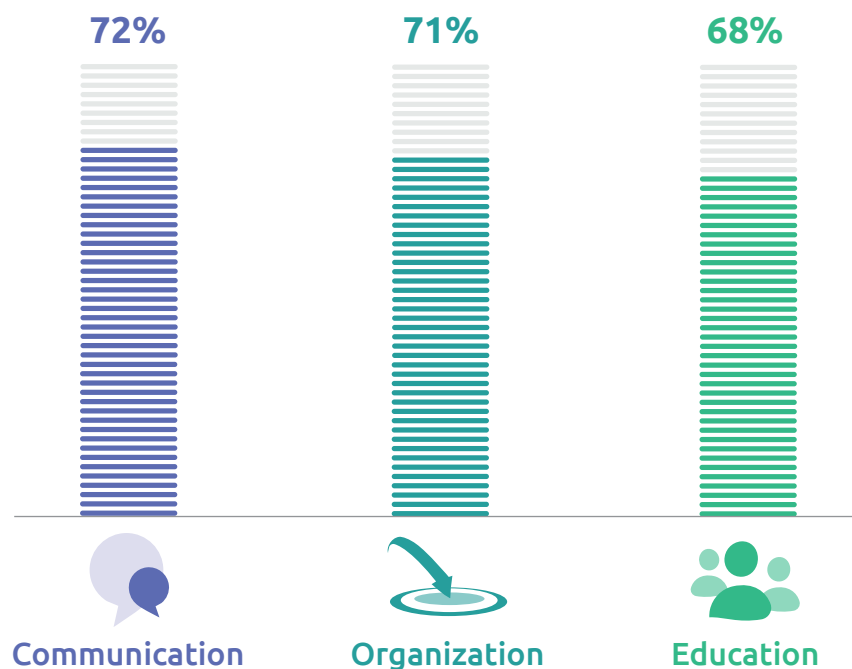
Source: Capgemini analysis CEO Survey - Italy 2019

<sup>1</sup> “Significant” means that revenues generated by innovation are greater than 20% of the total revenues of the company, as asked in the survey.

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*The CEO has to adopt a lateral thought to change perspective and anticipate the future, by acting ahead of time: we need to be «current visionaries»*  
Luca Girardi, Cantina Girardi

# Communication, Organization and Education are the areas in which CEOs can have the greatest impact on cultural transformation



Source: Capgemini analysis CEO Survey - Italy 2019

In our research we wanted to identify the principal areas in which a CEO's personal impact is the most significant and decisive. In other words, when it comes to putting innovation into practice, which are the areas that CEOs consider to be the most important for their personal contribution to cultural transformation?

Analyzing the results of the survey, three areas emerged

which can be defined by three verbs of action: communicate (72% of the respondents), organize (71%) and educate (68%). These areas prevailed over others such as monitor, control, evaluate, command, and push technology adoption.

The next paragraphs elaborate the most relevant findings in each of these areas.

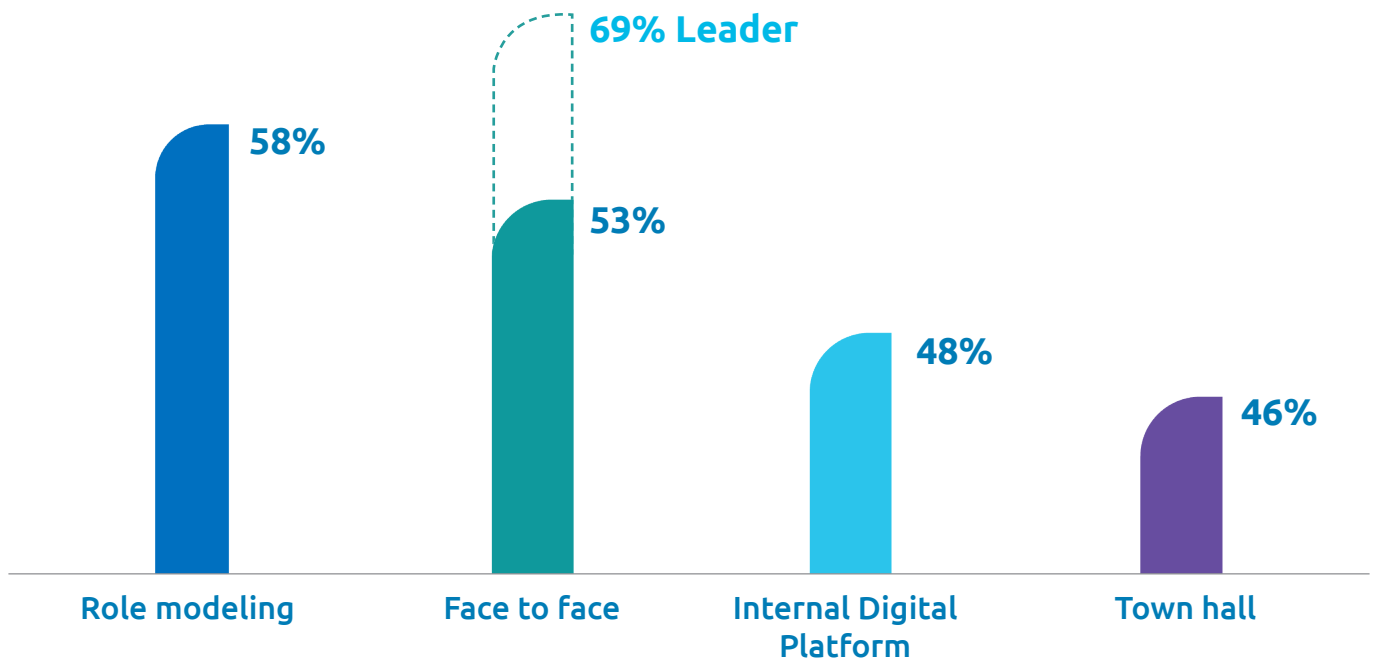
**“An organization is complex like a human body, where every organ has a very specific and necessary function. The CEO can manage this complexity only by taking the role of activator of the collective intelligence of the entire organization”** Massimiliano Pogliani, illycaffè

# CEOs adopt different ways to communicate, both traditionally and digitally

CEOs think they can give their major contribution to the emergence and development of a culture focused on innovation through sustained and effective communication. However, even if digital transformation enables new

ways to communicate both with internal and external stakeholders, digital channels are just partially used by the CEOs: direct human touch is still very important when it comes to transferring values, work styles and culture.

## How CEOs communicate to promote the culture of innovation



### Role modeling

The most effective way CEOs consider promoting the culture of innovation is role modeling (58% of CEOs).

Role modeling means behaving according to the values, the vision and the mission of the company. As Roberto Grasso (DAS - Generali Group) said, *"the CEO has to be a model: expose himself and be a good example"*. This approach is required by the fact that the CEO is the main representative and the first ambassador of the company, and their actions must be necessarily consistent with the messages they communicate.

*"In order to change an organization, you have to start from the top until you reach the lowest level of the pyramid. Fundamental is also the coherence between what we say and what we apply in everyday life («walk the talk»)"* Mario Paterlini (Sapio) said.

The CEO must therefore take a leading role and be an inspiration for all the other stakeholders: connecting the unconnected and revealing the opportunities to fruitful collaborate among different teams' players.



“There is a large personal boost component of the CEO to innovation. A drive to connect people and show them the possible collaborations”  
Franco Restelli, Schneider Electric

## Face to face

53% of CEOs adopts a face to face approach to establish direct and valuable connections with a wider audience - not only with first-line managers. Face to face is even more common for those CEOs clustered as “Leaders” in cultural transformation (69% of the respondents), that tend to prefer personal meetings even more than their “Sponsors” and “Neutrals” peers do.

Face to face communication allows CEOs to better understand people’s needs, feelings and desires. This encourages open and sincere interactions, so that the CEO is perceived as a real component of the squad and a participating leader, entitled to challenging their employees.

*“In my role of CEO, I’m very interested in adaptive leadership: adopting an approach of observation from the top, to act as a stimulus, sometimes even with provocative questions. Incitements are meant to suggest new thoughts to all collaborators, from managers to employees”* said Debora Paglieri (Paglieri).

Sometimes face to face communication is facilitated by little symbolic messages or simple but very concrete actions. *“My desk is placed in front of the entrance door. It is the first thing you find when you enter the company. For me it’s a strong message: there are no barriers between others and me. I’m ready to listen to everyone”*, Tino Canegrati (HP Italy) said.

## Internal Digital Platform

48% of CEOs use internal digital platforms – as intranet or newsletter services – for engaging employees, writing personal messages or communicating via videos. Additionally, platforms are becoming a useful tool to enhance collaboration in general across the entire organization. They are used both for formal and informal communications.

In the first case, CEOs routinely use a wide range of tools,

from simple newsletters to streaming videos, to update employees on the company’s results, tell them about the most important initiatives, and to illustrate the business goals for the following months.

In the second case, platforms are used as a sort of a social network to increase a sense of belonging to the company and faster peer-to-peer interactions.

## Town Hall

Another way 46% of CEOs make their presence amongst employees significant is through Town Hall meetings. Town Halls provide intimate moments during which personal engagement and human interactions are very intense and meaningful, and can be a great occasion to celebrate the present and communicate a vision of the future. Town Halls can be run both by startups and well-established companies.



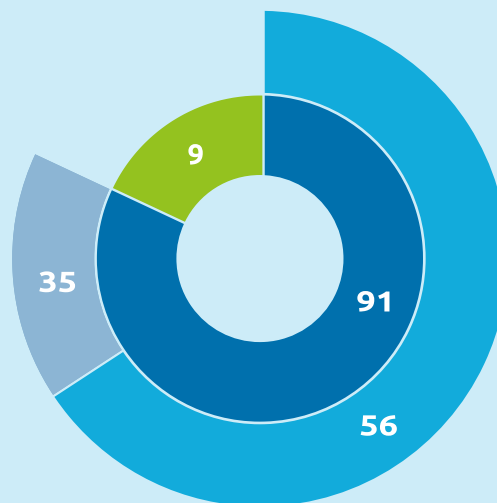
# To which extent are digital tools used to gather feedback from customers?

In the era of digital culture, the huge amount of available data coming from different channels makes it easier to know the final customer better and therefore build a relationship based on mutual understanding and trust, going beyond the traditional one-way communication from company to customer.

However, when it comes to putting the customer first, not all companies are sufficiently equipped to do so

through digital channels. Even though they recognize the high importance of customer feedback, 35% of the companies do not have the adequate degree of digitalization, meaning that they are not ready to capture valuable information about customers via digital points of contact. In any case, it should be stressed that 56% of the companies are aware of customer centricity when we talk about feedback and are preparing to face the challenge by adopting new digital technologies.

## Digital readiness to catch customer feedback



Source: Capgemini analysis CEO Survey - Italy 2019

Companies that attribute high importance of customer feedback to innovate

Companies that attribute low importance of customer feedback to innovate

Companies that use digital tools to get customer feedback

Companies that do not use digital tools to get customer feedback



# Cultural transformation impacts emotions and feelings

## What is Emotional Intelligence?

As presented in our previous report Emotional Intelligence – The essential skillset for the age of AI (Capgemini Research Institute, 2019), emotional intelligence refers to the ability of people to recognize, understand, and perceive emotions effectively in everyday life.

Daniel Goleman, psychologist, science journalist, and an expert on emotional intelligence, and Richard E. Boyatzis, author, professor and an expert in leadership development and emotional intelligence, group these skills into four main categories.



### Self-management:

Controlling your emotions effectively and taking positive initiatives, e.g. via emotional self-control, adaptability, achievement orientation, and positive outlook



### Self-awareness:

Understanding your own emotions and how they affect your performance



### Relationship management:

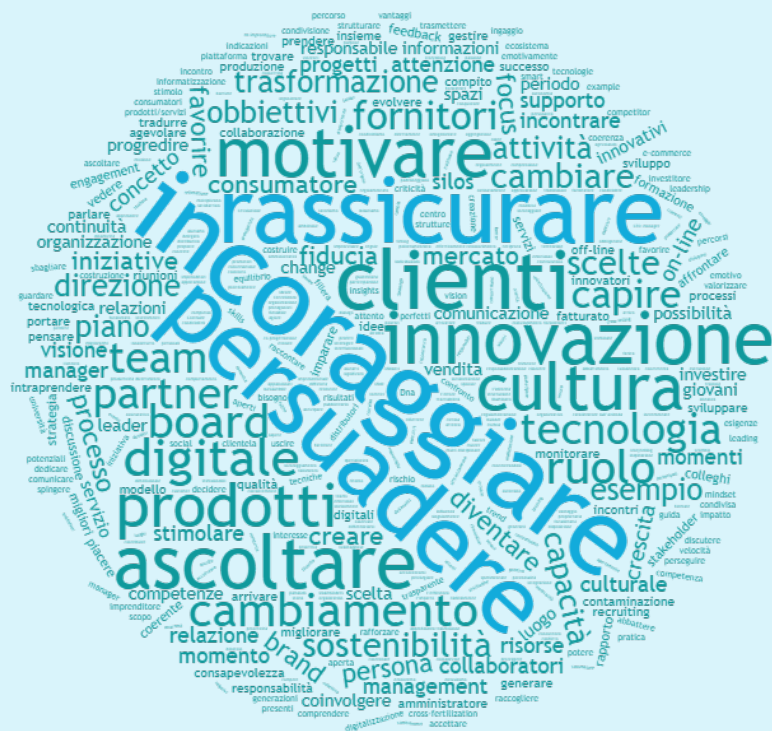
Managing interactions with others to help them feel understood, e.g. via coaching, teamwork, influence, conflict management, and inspirational leadership



### Social awareness:

Accurately gauging and reading situations and people around you, e.g. via empathy and organizational awareness

*Source: Emotional intelligence, Capgemini Research Institute, 2019*

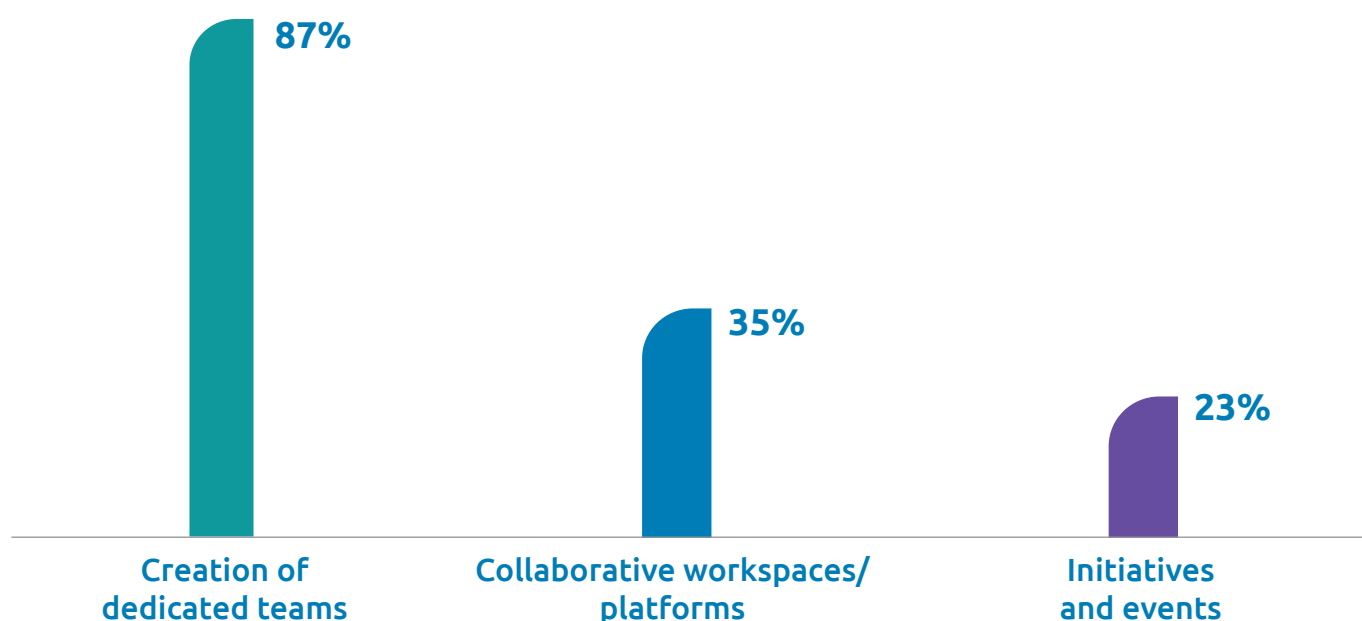


# CEOs believe that collaboration is the cornerstone for creating a culture of innovation

The second action that CEOs can undertake to create a culture of innovation within the company is organizing people and resources. Innovative organizations are designed to boost collaboration and exchange of

information, promoting human and meaningful relations. Hence, what are the organizational tools available to CEOs to foster a culture of innovation?

## What organisational tools are available to CEOs to foster a culture of innovation?



Source: Capgemini analysis CEO Survey - Italy 2019

## Teams

The introduction of specialized teams committed to innovation is the largely preferred organizational strategy, chosen by 87% of CEOs.

Our research revealed that breaking the silos is a top priority for CEOs in order to facilitate collaboration among resources. It is worthy to say that, according to some CEOs, the risk of silos forming is partially dependent on the dimension of the company, and even more in these cases, the very CEO is key to avoiding that silos prevent fertile interactions and collaboration across functions and departments. *"The concept of silos cannot find space in a company. The role of the CEO is precisely to prevent the formation of non-communicating silos, break them if created and always reconnect people"* said Ivan Lapenna (BPM Vita).

Innovation teams are always very diverse by nature, heterogeneous and inter-functional, made up by components with different studies and professional backgrounds, age and gender: this is necessary to catch the advantages deriving from cross-fertilization and knowledge contaminations. Usually, the very common trait among components is the entrepreneurial spirit: teams are usually formed by different kinds of employees who may also have diverse seniority in the company, but all share an "innovator's spirit", the ability to not settle for the ordinary and constantly question the status quo.

At the same time, it is important that these teams are able to summarize and build a unique point of view, to clearly

define the company's innovation strategy and approach to the market and avoid the dispersion of energies and the lack of focus. But dedicated teams are not the only way to foster innovation through people inside a company. Other organizational models are used by Italian CEOs, such as Digital Factories or Innovation Agents.

Digital Factories are dedicated units aiming to accelerate the digital transformation and innovation of the main activities of a company, thanks to the adoption of lean and agile practices. They are usually based on a central core management team having elevated digital skills, whose members come from Business & Technology areas, and part-time staff functions. They primarily operate in the fields of operational efficiency and customer experience.

Innovation Agents are specific people in charge of spreading innovation across the company. Quite often they do not form a closed team, while acting as "innovative influencers" with colleagues they speak and work with. *"In order to break the silos, the action of the CEO is essential. Firstly, to facilitate communication among the different production sites and functions of the company. Secondly, to promote a process of empowerment and collaboration. Team Domino which consists of "change agents" was introduced into the company. These are employees who act like spokespersons and promoters of innovation within the company"* said Stefano Mariotti (Manifatture Sigaro Toscano).



## Workspaces

Physical spaces dedicated to innovation have been created by 35% of CEOs. This category includes many types of locations: from demo centers and innovation hubs to informal spaces designed to let people chat, relax and follow creative inspirations.

Talking about informal spaces, Niccolò Branca (Branca International) said: *"We have organized yoga and meditation courses during working hours, and we have a relax room, where anyone can go to think or to rest. These initiatives are meant to help us all live with balance and they facilitate the communication between people who work in different functions and structures".*

Moreover, an always increasing number of companies organize workspaces as open spaces. This helps to stimulate interactions and facilitates relationships among co-workers. In open spaces, also the location of meeting rooms and coffee machines is designed to encourage the movement of people in the space. If people move to go to a meeting or for a coffee, they will inevitably walk past colleagues desks and a conversation or exchange of ideas will probably happen. In this way information circulates and relationships are created and reinforced.

Finally, there are companies that have completely rethought their work and office spaces, moving their headquarters to a new location to build a sort of "new land" able to communicate company values and cultures.

## Digital Platforms

Digital platforms are tools used to enable remote working and allow more efficient exchange of information amongst teams and departments (i.e. knowledge management), being a simple point of aggregation to collect ideas and inputs for product or process innovation.

Franco Restelli (Schneider Electric) said: *"We have an open platform, globally active, that allows our people to suggest improving ideas, especially regarding products. Every trimester, the collected ideas are evaluated, and we decide which of them to bring on".*

However, though CEOs recognize the great value of these type of platforms, many of them also highlight that digital tools by themselves are not enough to boost innovation, precisely because even more important is the approach of the people and the cultural context in which these technologies are introduced. *"Digital has an important role in the company, both to improve productivity and to manage work with more flexibility. However, the main prerequisite to smart working is what I define as smart connecting: using digital to reinforce the culture of working together, to break down distances and to encourage integration abilities, by facilitating the creation of trust among the colleagues"* said Andrea Lovato (Tenova).

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*In the interaction with the board, innovation and sustainability are key topics, which are often treated with great engagement from everyone"*

Alberto Bertone, Sant'Anna



**48%** of CEOs discusses innovation frequently with the board, using precise KPIs to monitor changes

**32%** of CEOs do not use KPIs when it comes to sharing innovation results with the board

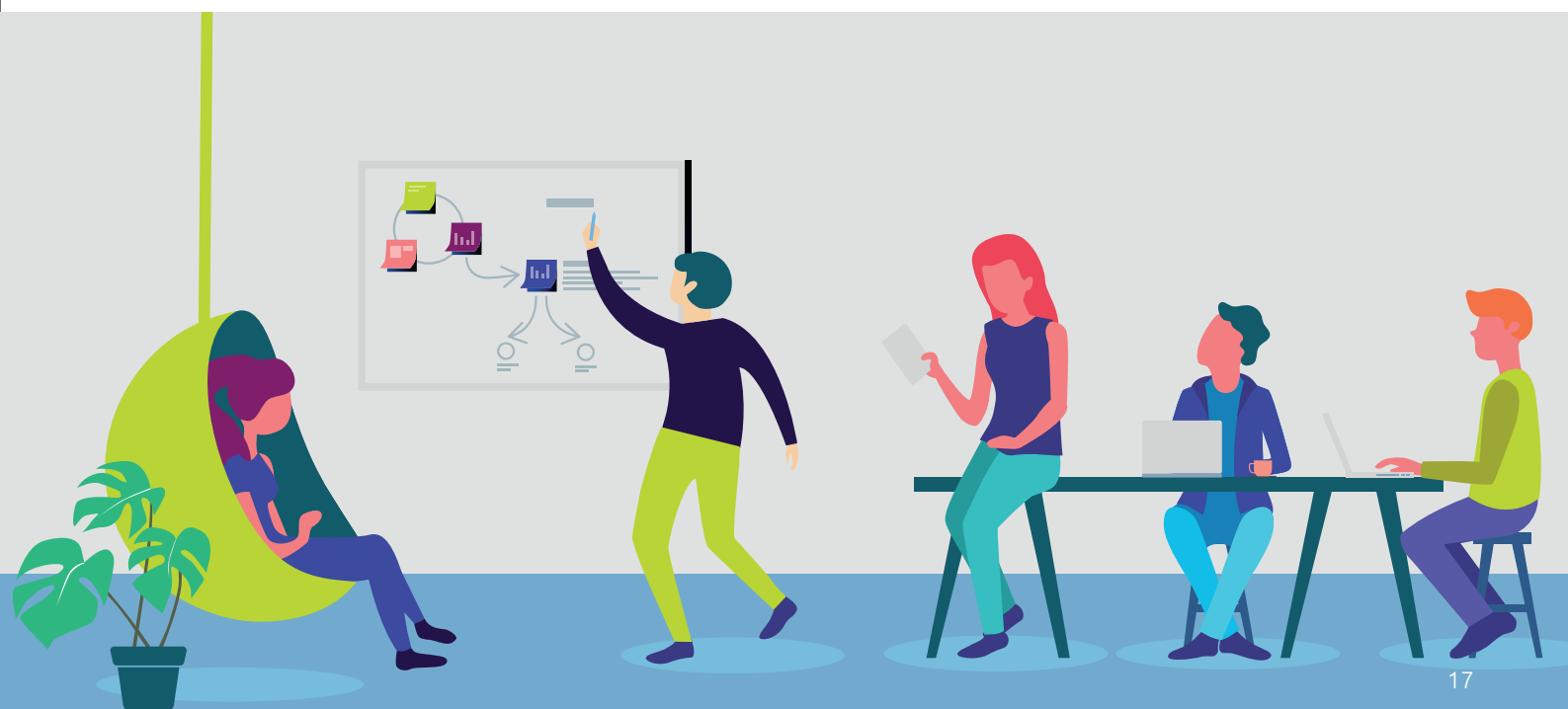
## Board engagement

If we analyze the way Italian CEOs involve the board, the results are that in many companies, innovation initiatives are discussed with high frequency and through the use of structured and defined KPIs (48%). In many companies, however, the CEO is not able to bring innovation issues so frequently to the board table (36%). This is because, as some of the CEOs heard in one-to-one interviews have also pointed out, the board often spends much of its time discussing day-to-day issues, solving unforeseen problems and fulfilling the tasks assigned to it by law or company regulations. Often the discussion of innovation with top management therefore moves to informal moments, rather than in official meetings.

An interesting fact to note, however, is that, regardless

of the frequency with which innovation is discussed on the board, each time the issue is addressed, 68% of companies treat it using KPIs to measure the return on innovation, a sign of the special attention that CEOs and top managers - often stimulated by investors - put into measuring progress in this area.

*"The board is very sensitive to the theme of culture: we often discuss the progress of cultural transformation in the company, of significant importance, looking at the KPIs established in our strategic plan. For this purpose we have created the role of Change Manager who, leading a multi-functional working group, defines and implements concrete change actions towards a new culture of «transform and perform»", said Mario Paterlini (Sapio).*

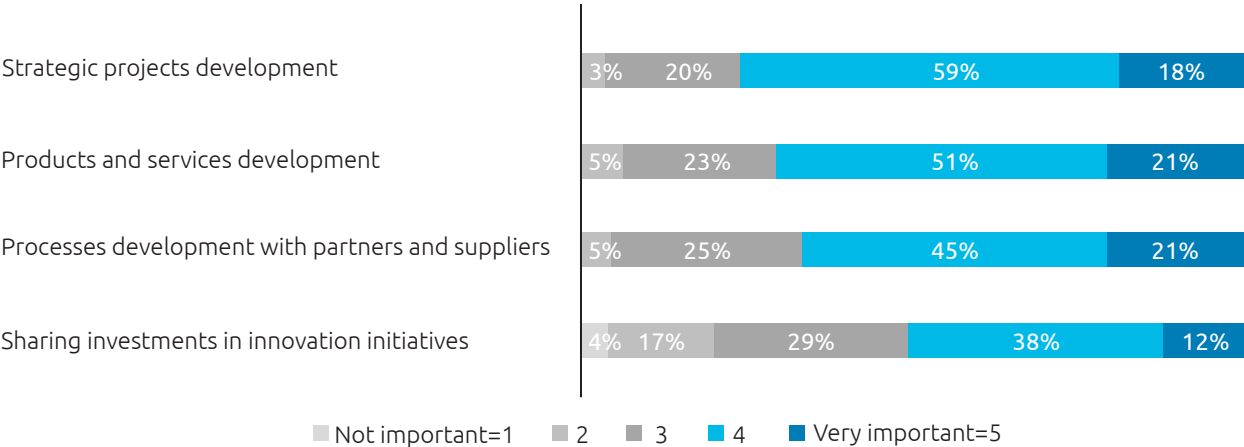


# Collaboration with partners

Collaboration with partners and the supply chain is especially relevant to certain issues, such as the development of new strategic projects, the creation of new solutions, products and services, and the development of integrated processes and operations between the company and partners/suppliers. The

increasing complexity of the business world and the rapid pace of transformation push different players to cooperate, sometimes very closely: it is worth noting that 50% of the companies consider very important sharing investments or engaging in joint ventures with partners to capture opportunities related to innovation.

## How important is collaboration with partners and suppliers for companies innovation strategy



Source: Capgemini analysis CEO Survey - Italy 2019

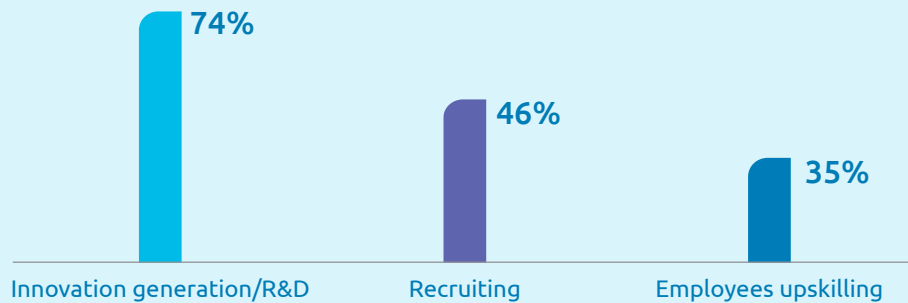
The integrated collaboration with the supply chain is particularly intense in order to address specific challenges, specifically sustainability. To build a real sustainable business, in fact, the culture of sustainability must necessarily extend to the entire supply chain and cannot remain confined within the company. Alberto Bertone (Sant’Anna) said: *“Our company is very sensible to the theme of sustainability. We are focusing most of our innovation thinking in this direction. The realization of a green packaging has led to a shift in the company’s culture. Indeed, the warehouse is a wooden bio-architecture; printers use environmentally friendly materials; the heating system for the offices uses the heat generated by the machines; floor cleaning detergents are natural and non-polluting. As a result, involving our suppliers in this cultural change with us was simple”.*

CEOs are very keen to build personal and strong relationships also with distributors, to be more conscious of the market trends and hear the voice of the final customers. Thanks to integration with distribution channels, companies can capture data and feedback more effectively and precisely.

Moreover, many companies require high quality standards for their suppliers in order to guarantee premium products and services for their clients. Codes of conduct, special supply agreements and joint work teams are some of the most common methods to ensure this result.

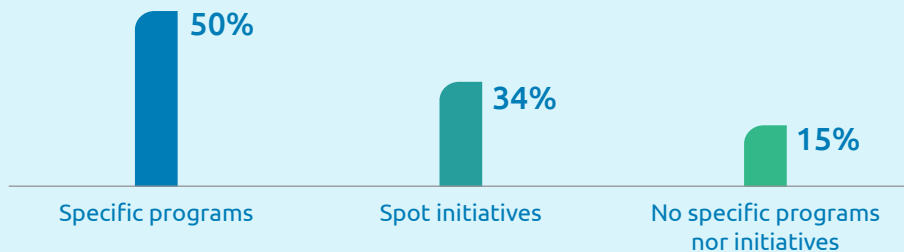
## Collaboration with universities and startups

How do companies collaborate with universities or research centers?



Source: Capgemini analysis CEO Survey - Italy 2019

How companies collaborate with startups?



Source: Capgemini analysis CEO Survey - Italy 2019

Cooperation with universities and research centers is mainly conducted to co-generate innovation, thanks to joint initiatives of R&D (74%). The Open Innovation paradigm seems therefore to be embraced by most of the CEOs interviewed. This is not an easy challenge, since cooperating in R&D activities requires organizational choices and specific capabilities – such as the *absorptive capacity* or the ability to overcome the syndrome known as *Not-Invented-Here (NIH Syndrome)*.

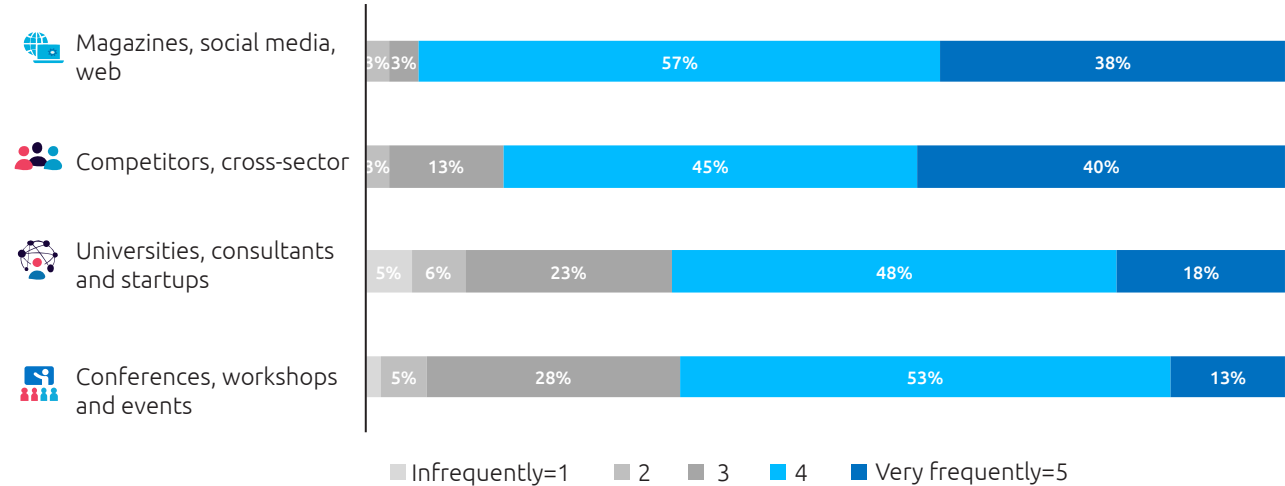
Secondly, universities are a key partner in providing skilled talents for recruitment (46% of CEOs). But it is not only about recruiting, it's something deeper. Companies interact with universities to approach gain better knowledge of the world of the younger generations, like generation

Y and Z. This helps them to understand what the expectations, ambitions, values and ways of thinking of these generations are, in order to become more attractive.

Also collaboration with startups seems to be an emerging trend. Even if 15% of CEOs states they don't have any specific program to work with them, 50% of CEOs has set up a program for startups and 34% occasionally collaborates with them. *"I strongly try to promote interactions with startups, even if sometimes it involves a greater complexity for the purchasing department, due to the risks deriving from their greater exposure. However, I do it because I believe that they can be a source of inspiration and stimulate a more open mind and a culture of progress"* told us Debora Paglieri (Paglieri).

# CEOs spend time and effort on personal learning

## What are the channels that CEOs use as sources of learning about innovation?



Source: Capgemini analysis CEO Survey - Italy 2019

Education and training comprise the third pillar on which the CEO's role as "game changer" is built upon. For the CEOs surveyed, promoting the professional and human growth of their employees is just as important as dedicating time and effort to developing their own personal and business culture.

The processes of education and training are always more shared and less isolated, both among CEOs themselves and between CEOs and other key people, such as senior managers.

Magazines, social media and web are the channels most adopted by CEOs (95%) to nurture the culture of innovation, keep up to date and collect new stimuli and inspirations.

Additionally, the meticulous observation of competitors and cross-sector key players is actively practiced by the vast majority of CEOs (85%). Digital transformation is blurring the boundaries between traditionally defined industries, in that, CEOs must pay attention not only to the strategies and operations of their traditional competitors, but also to companies operating in other industries, such as the giant tech firms or emerging startups, before they become

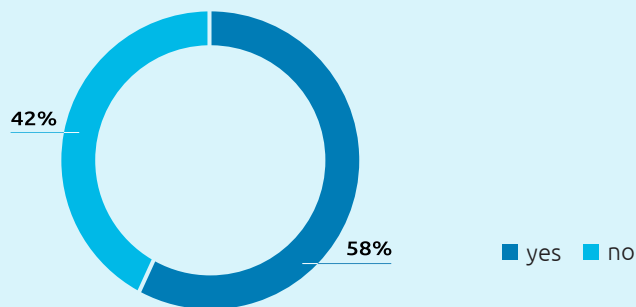
unexpected newcomers. Franco Restelli (Schneider Electric) said: *"We observe and we are also inspired by large companies in other sectors: Google, Amazon etc. Paying attention to these players is not only a cultural and philosophical choice, but it helps us understand in which direction the world is going, and what disruptive ideas will come to our market. More and more companies that until yesterday were not classified as our competitors, will become ones in the world of tomorrow, and it is important to observe how they are getting in".*

Finally, working with universities, consultants, startups and attending workshops, seminars or specific events help CEOs to build a robust viewpoint on business and technology trends.

But the knowledge of CEOs is not just a matter of academic preparation and continuous study; on the contrary, it entails also the sedimentation of the experiences on the field and a kind of inquiring approach. *"A CEO needs to be informed. This kind of knowledge does not come just by reading, but it comes by also seeing and experiencing. A managing director needs to know how the market is changing as well as the world. There is always a lot to learn by talking to the supply chain"*, Alberto Bertone (Sant'Anna) said.

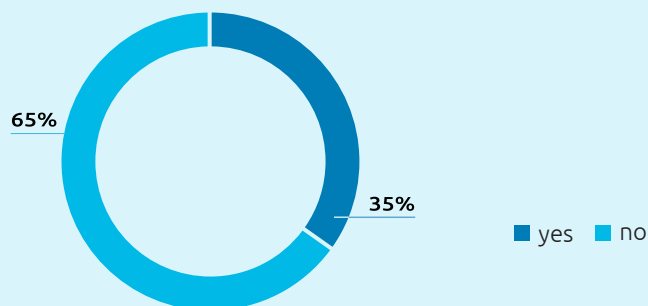
## Upskilling employees

Do CEOs use upskilling and training to reward employees who innovate inside the company?



Source: Capgemini analysis CEO Survey - Italy 2019

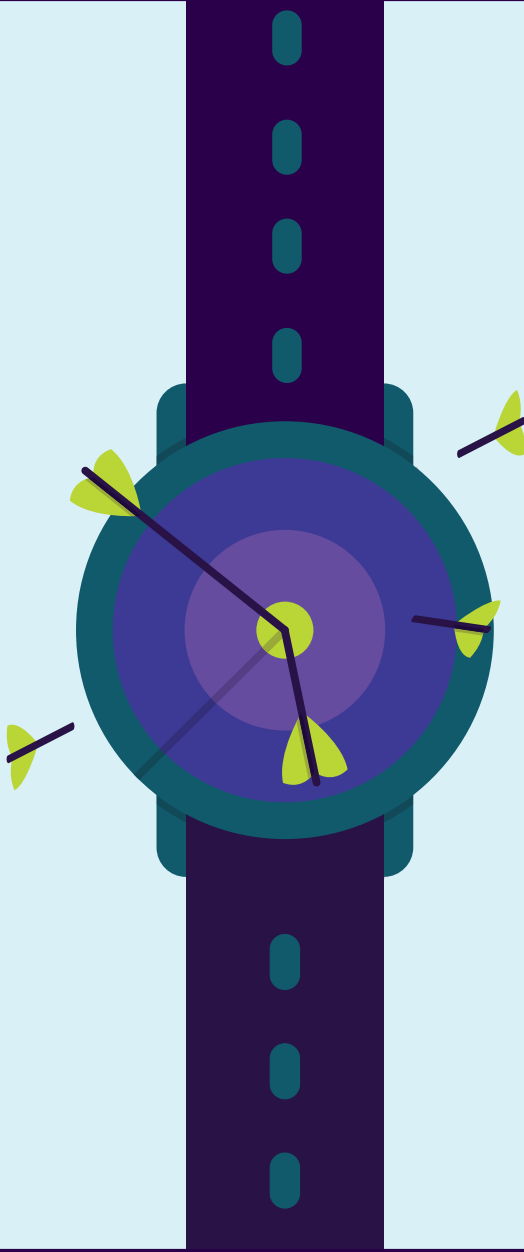
Do CEOs partner with universities to upskill their employees?



Source: Capgemini analysis CEO Survey - Italy 2019

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*In our point of view, the professional growth of our employees is crucial. This is also due to the fact that the needs of a person are put before everything else. We enhance internal resources through continuous training courses - addressed to all seniority levels, both on hard skills and soft skills. Moreover, the CEO has an active role of encouragement for professional development”*  
Franco Gattinoni, Gattinoni Group

An illustration of a target with a dark purple outer ring, a teal middle ring, and a yellow center. Four arrows with yellow fletching and dark purple shafts are shown hitting the target. One arrow is in the center, one is in the teal ring, and two are in the purple ring. The target is positioned on the left side of the page, partially overlapping a light blue rounded rectangle.

## In a culture of innovation, failure is a learning point

Failure is certainly not a remote possibility when it comes to innovation. Freedom to fail, confidence with mistakes and openness the unknown are the key qualities a company dealing with transformation must possess. People must be encouraged to be resilient and able to learn from mistakes. In addition to that, passion and engagement must be cultivated to not lose a positive attitude towards change. Paolo Medaglia (Energizer) said: *"If you want to have passionate collaborators, you must have collaborators who feel free to undertake new initiatives. Change is always more difficult when you have trained perfect executors who have never been set free. Giving autonomy and the chance of making mistakes is fundamental to stimulate participation: there must be room to do things. I don't ask my employees to be perfect, but I ask them to be challengers".*

But tolerance to failure can be developed only if there is a method to analyze and digest mistakes, in order to process their motivations and derive as many benefits as possible, and the CEO must also in this case be the first example of this spirit. *"In a growth it is necessary to innovate freely, but with well-defined rules: we changed accordingly to the concept of A/B test. Even junior employees are given the opportunity to try, to fail but above all, to make decisions which if successful are well rewarded. The entrepreneurial spirit is considered a fundamental characteristic of growth for the people. In addition, the role of the CEO, besides setting an example, has the goal to focus innovative efforts on the wellbeing of the company and not on the individual initiatives",* said Mauro Giacobbe (Facile.it).

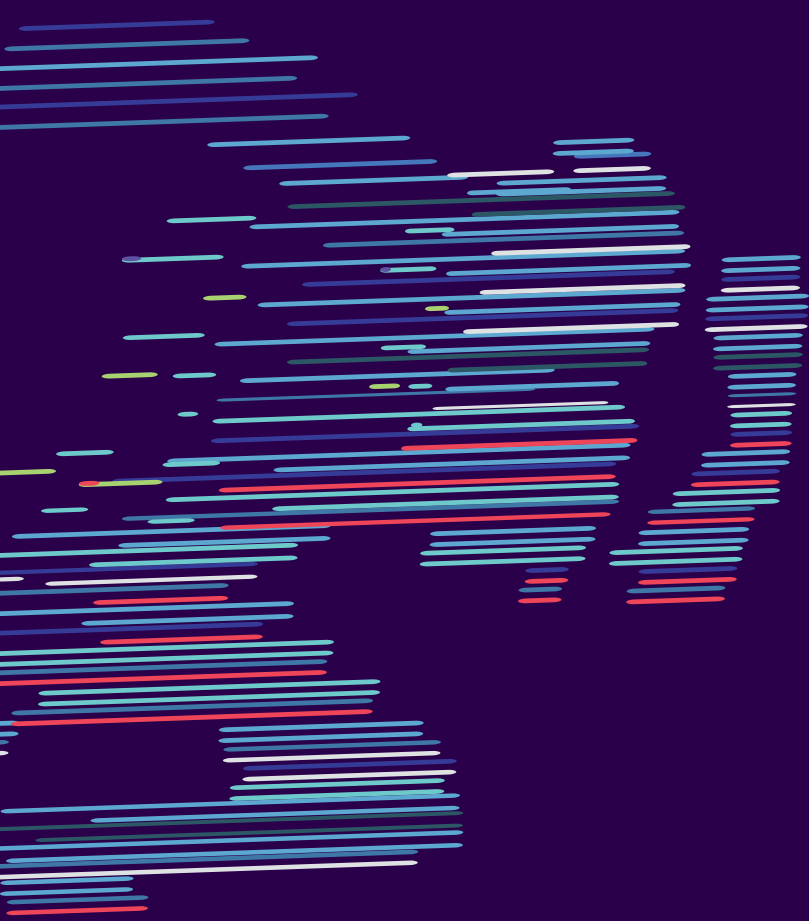
# Conclusion

The profound transformation deriving from digital shift and the growing pace of innovation impact company businesses and organizational models. In this context, the ability to effectively and promptly respond to change is vital, but technological mastery is not enough to tackle this challenge.

It is crucial to evolve a new culture for the whole company, oriented to innovation, and CEOs must play a key role to trigger a concrete cultural change within the organization. Their qualities of leadership and personal engagement deeply affect company positioning and results.

The most innovative companies are usually led by CEOs who are personally engaged in promoting a culture of innovation. Therein, the CEO embodies a role model, leading by example, and pursues direct and frank human interactions. They act as a connector of the unconnected – being a point of reference for all the stakeholders – oriented mainly to communicate, organize and educate to change.

Finally, our study shows that the transformative challenge, as well as technological and cultural, is also emotional. Change is hard to face and can be scaring, so that CEOs must be able to speak also to the emotional side of all the stakeholders involved. Hence, emotional intelligence becomes always more a key competency of CEOs to enable the culture of innovation.



# Research Methodology

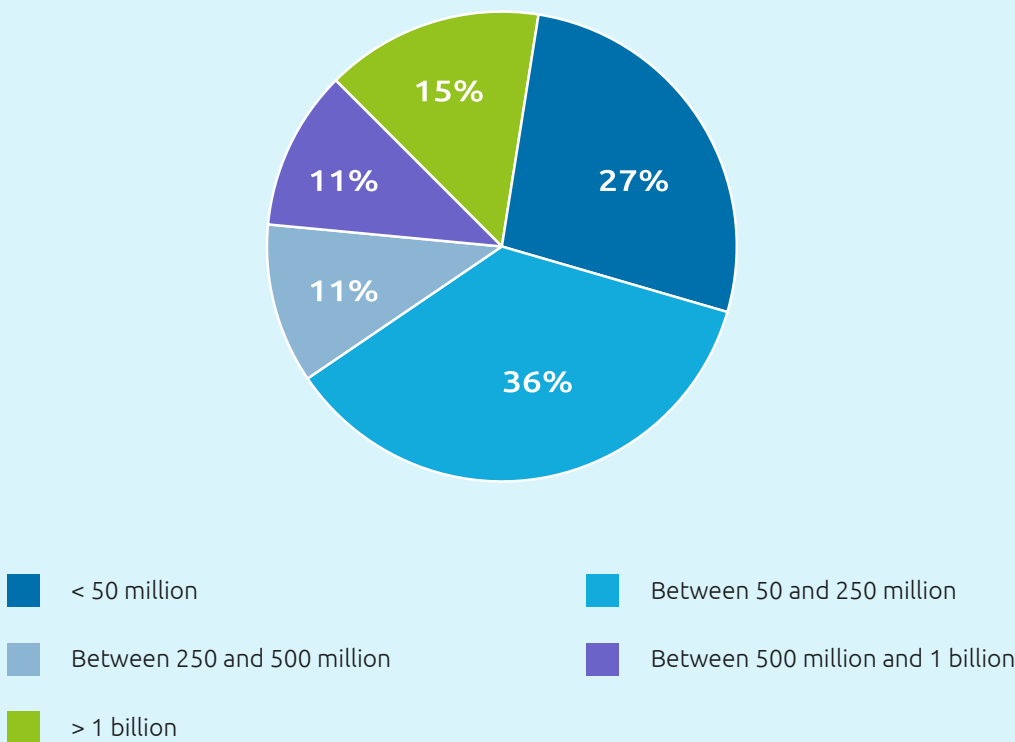
## Approach

An on-line survey was distributed to a defined target of CEOs<sup>1</sup>. Moreover, to gather insightful qualitative information, some in-depth one-to-one interviews were conducted, involving a selection of high-profile participants.

## Panel composition

The on-line survey was answered by 140 CEOs – leading small, medium, large companies – complemented by 16 one-to-one interviews. In the following figures panel the composition is represented by company dimension according to revenues and by industry.

### Panel distribution by revenues (in Euro)



Source: Capgemini analysis CEO Survey - Italy 2019

<sup>1</sup>For the purpose of this research, the term “CEO” includes the Italian terms of: “Amministratore Delegato”, “Consigliere delegato”, “Country manager”, “Direttore Generale”, “Presidente esecutivo” and similar job titles.



## Areas of research

In defining the key issues to investigate, 5 research areas were identified. All the questions of the on-line survey contribute to describing these 5 dimensions.

1. Company. In the Company dimension, the characteristics of the CEO as sponsor of a transformative culture within the company (both towards managers and employees) are examined in depth.

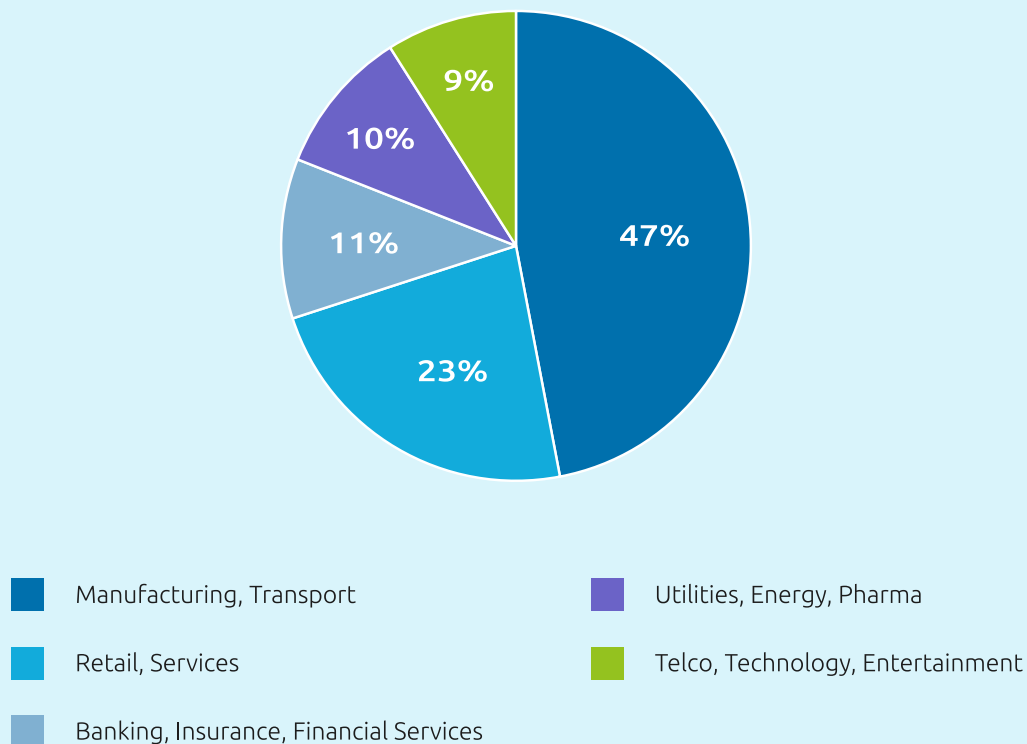
2. Board & Investors. This section addresses the CEO's ability to involve the Board in complex transformation initiatives.

3. Partners & Suppliers. This section investigates the role of the CEO in the creation of an innovative ecosystem culture, understood as a natively integrated supply chain in terms of technology, business and shared knowledge.

4. Personal Impact. This section analyses the degree of personal involvement of the CEO in digital transformation and the extent to which their behavior reflects the culture of innovation.

5. Customers. This section deepens the CEO's vision on products and services that evolve according to the voice of the customer.

## Panel distribution by industry



Source: Capgemini analysis CEO Survey - Italy 2019

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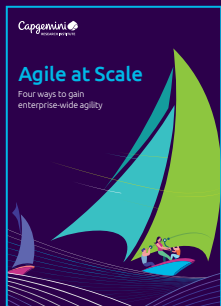


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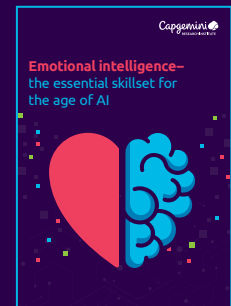
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