

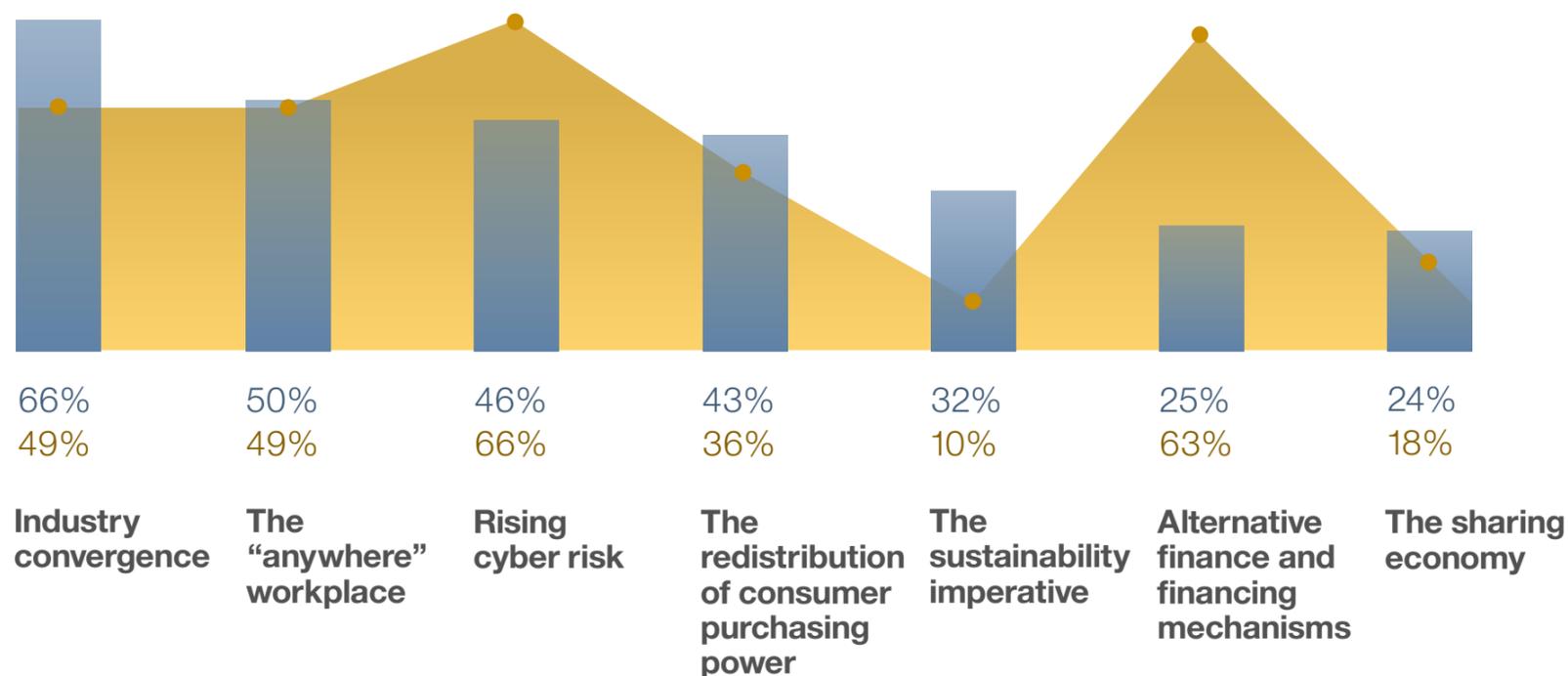
REDEFINING BOUNDARIES

Insights from the Global C-suite Study

Banking and Financial Markets Industry

We surveyed 936 business leaders from the Banking and Financial Markets (B&FM) industry for our latest Global C-suite Study. What differentiates them from CxOs in other sectors?

Figure 1. B&FM CxOs are focusing on completely different trends



A distinctive take on key trends

B&FM CxOs have a distinctive take on the world. Most CxOs say industry convergence is the biggest trend reshaping the business landscape. B&FM CxOs, by contrast, point to rising cyber risk and alternative finance and financing mechanisms (see Figure 1). Yet they're even more worried about the prospect of a land grab than CxOs in other sectors: 65 percent expect more competition from other industries over the next three to five years, compared with 54 percent of our overall sample.

■ Global
■ Banking and Financial Markets



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Banking and Financial Markets – Industry Point of View

Yet, even B&FM CxOs also anticipate more pressure – from a wider range of external sources – than CxOs in other industries. Technological advances, market forces and macro-economic factors all feature prominently on their radar screens, but it’s regulation that looms largest (see Figure 2).

At the forefront of the tech wave

B&FM CxOs are betting far more heavily on mobile solutions and cloud computing than CxOs in other industries. They know these are the two vital technologies required to become “the bank at your fingertips,” as one B&FM CEO put it. They also see great potential in cognitive computing, which they expect to revolutionize how individuals and organizations interact and how knowledge is shared (see Figure 3).

Figure 3. B&FM CxOs are putting their money on mobile and cloud

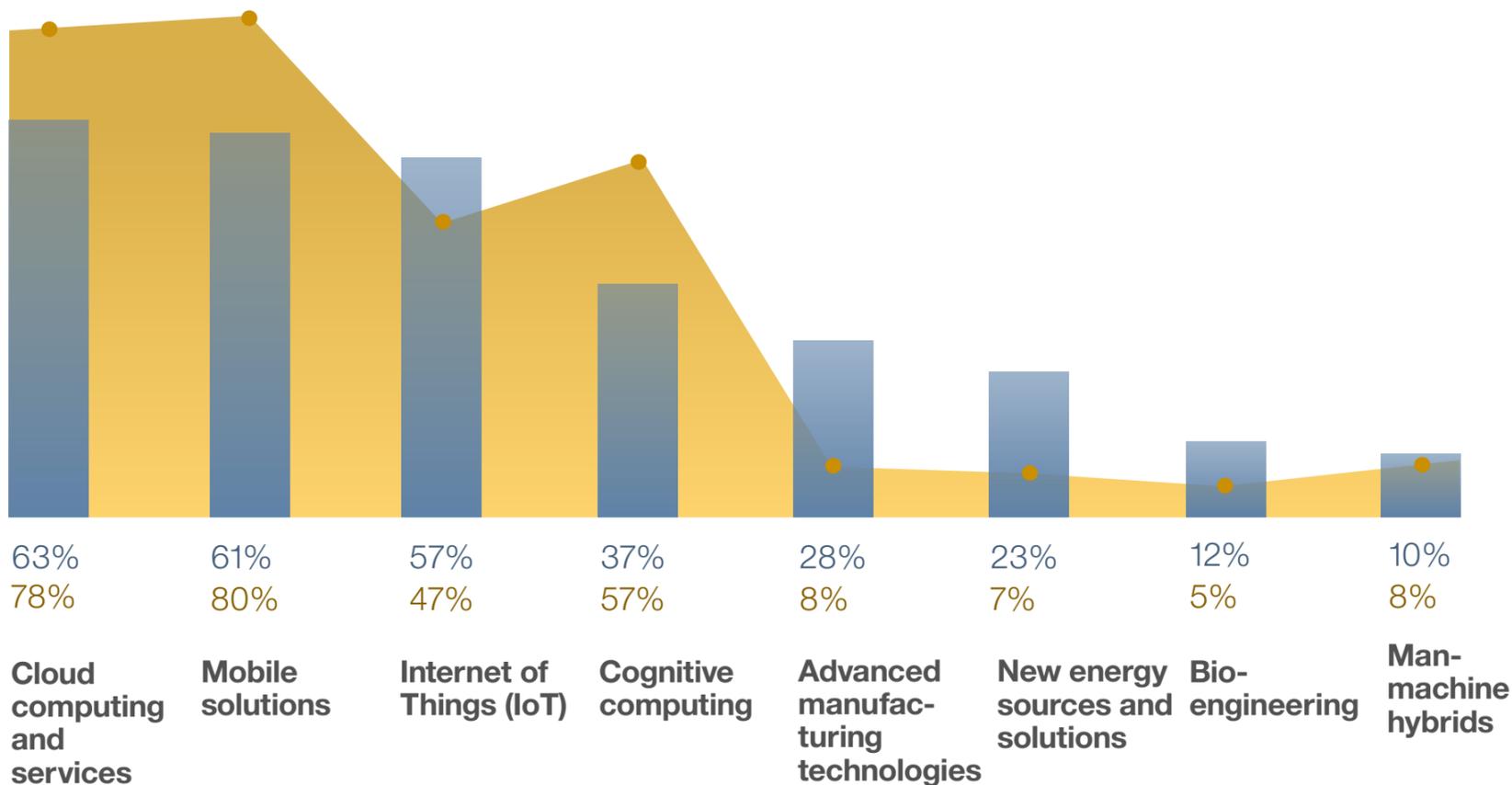
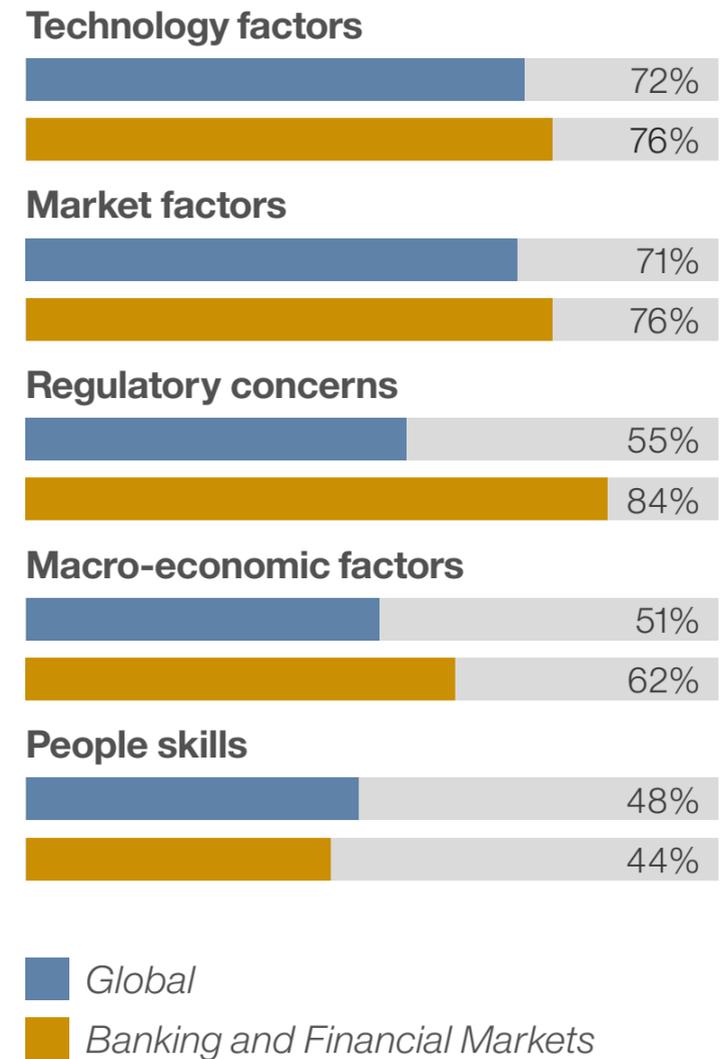


Figure 2. B&FM CxOs say regulation is the biggest external influence



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However, new technologies pose new challenges, and B&FM CxOs are particularly apprehensive about IT security risks. A full 85 percent of respondents told us this was one of their biggest fears, whereas only 68 percent of CxOs in other industries feel the same way.

When it comes to predicting new trends and technological developments, B&FM CxOs may also be missing a trick. We identified a small group of especially successful enterprises in our global sample. Torchbearers – as we call them – pay more attention to their customers than competitors. B&FM CxOs look the other way (see Figure 4). Yet, as one banking CxO pointed out, the voice of the customer should be paramount.

Figure 4. *B&FM CxOs heed competitors more than customers*



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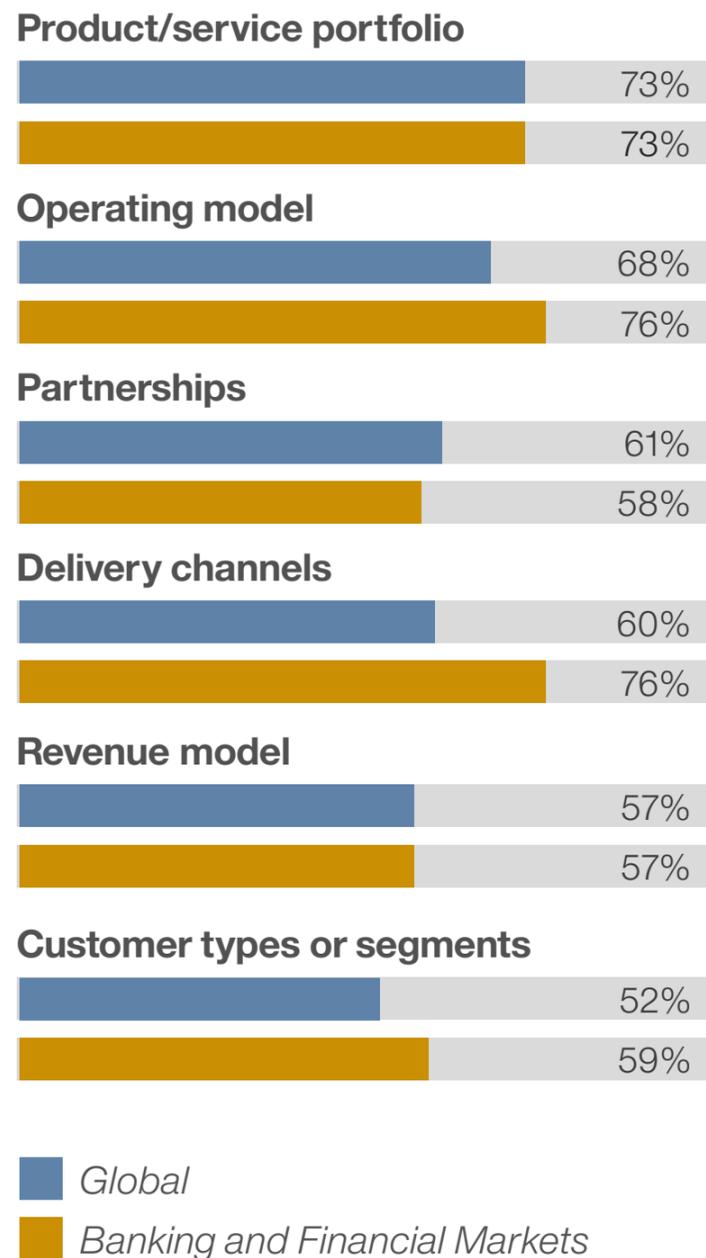
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Change and change about

Like other CxOs, B&FM CxOs plan to reassess their businesses extensively in light of the technological advances they envisage. But their priorities differ from those of their peers in other sectors. They're concentrating, first, on reviewing their operating models and delivery channels (see Figure 5). They're less concerned about changing their revenue models, although this is an area on which Torchbearers tend to focus.

B&FM CxOs are also more risk-averse than Torchbearers. Whether they're launching new business models or new offerings, 80 percent of Torchbearers aim to reach the market first. By contrast only 56 percent of B&FM CxOs aspire to be market pioneers. Yet, in an era of disruptive innovation and intensifying competition, any enterprise that wants to thrive must dominate the market before its rivals do.

Figure 5. B&FM CxOs plan to review their operating models and delivery channels first



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