Top Insights for the World's Leading Executives

2015–2016 Annual Edition

CEB

WHAT THE BEST COMPANIES DO

Inside

Signature Insights from 2015

Speed Doesn’t Have to Sacrifice Quality

Fear is everywhere in today’s global markets, and it can be sparked by almost anything: the possibility of a recession, the volatility of emerging markets, and the rationale (or lack thereof) behind the stock market’s various upticks and drops.

This macro-level fear can translate to extreme slowness for an individual business’s operations. Evolving market dynamics can cause plans made in January to change, and internal challenges can complicate matters even further.

As we look back on our most recent research this year, one sentiment sums up what we’ve heard around the C-suite: “It seems more difficult to get stuff done; we just feel really slow.”

An Unsustainable Situation for Executives

Executives across all functions find themselves in a painful—and unsustainable—situation. On one side, internal and external customers want them to move more quickly and respond more readily.

On the other, executives’ ability to execute quickly is slowed by the complexity of large matrixed organizations, risk-averse leaders, consensus decision making, and excess information.

As we look back on our most recent research this year, one sentiment sums up what we’ve heard around the C-suite: **“It seems more difficult to get stuff done; we just feel really slow.”**

Meanwhile, expectations for high-quality decisions are unrelenting. Leaders are moving slowly at precisely the time they need to move more quickly and more effectively.

At first glance, this doesn't appear to be a new problem. C-suite executives are commonly thought to be impatient with their teams' pace and progress on any initiative. But this perennial problem has a new, urgent flavor. Companies—particularly larger ones—face a set of dynamics that are making it more difficult to execute:

- Large companies are bigger than ever. In 1990, in nominal dollar terms, the 500th company in the US Fortune 500 had $543 million in revenue. In 2014, the 500th company had $5 billion in revenue. In nominal dollar terms, the threshold for being "big" has gone up by nearly 10 times and nearly five times after adjusting for inflation.
- Collaboration has exploded within these big companies. Two-thirds of knowledge workers report a significant increase in the amount of collaboration required to do their job, and they estimate that they interacted with 10 or more different people each day to do their job.
- Huge advances in connectivity and technology have more than tripled the daily information flow to the average worker. And mobility has put the computing power of the Apollo moon mission into each of our pockets.

Slowness Impedes the Entire Organization

Organizations haven't quite mastered converting knowledge workers' collective intellect into better results. In fact, at this stage, it seems that collaboration is the enemy of both speed and better outcomes.

Our research shows that greater information actually reduces the ability to make decisions and act. The past year has provided evidence that the new work environment is all too often the slow work environment. We frequently see collaboration and consensus slowing pace and reducing ambition.

Consensus Buying: As major purchasing decisions become increasingly collaborative, the cycle time to make a decision slows, and—more worryingly—the desire to pursue an innovative solution shrinks measurably. On average, business buyers find it takes twice as long to make a purchase than expected. More specifically, when more than five buyers influence a purchase decision, the likelihood of that purchase's completion becomes only 31%, compared to a better-than-even chance when presenting to five or fewer buyers. This creates an issue for the sellers, but it is an equally big problem for the buyers, who often settle for too-general choices that don't move the business forward.

Committee Hiring: As more future colleagues are consulted in a hiring decision, the cycle times of recruiting departments slow to a crawl. Time to fill grows exponentially every time an additional interviewer is consulted about a candidate. If an interview process expands from including three people to five, the length of time to fill doubles. On average, Recruiting takes 62% longer (or five more weeks) to fill seats than it did just five years ago.

Technology Clock Speed: Corporate IT has been the epicenter of this paradox. Even as agile development and standardized cloud platforms have slashed the time needed for development, timelines for delivering new capabilities have actually grown due to increased demands from business partners. As a result, 63% of business leaders think their company responds too slowly to technology-enabled opportunities.

The potential economies of scale and scope from increased information flow, size, and collaboration are being gobbled up by the cost of consensus and collective action. Unsolved, this problem creates painful opportunity costs and undermines competitiveness for talent and customers.

The most advanced corporate leaders we talk with, however, increasingly focus on building "corporate clock speed" by creating conditions where size, collaboration, and abundance of information help companies hit the gas pedal rather than the brake.

The goal is not to turn back time, but instead to adapt corporate processes, decisions, and—most importantly—leadership behaviors to this new reality.

Helping Executives and Their Teams Be Fast and Right

All this slowness has significant implications for executives managing their functions. Conventional wisdom says that business leaders must trade off speed for effectiveness.

At CEB, we believe that's a false choice. We help our members advance their careers and their organization's performance by helping them save time and make better decisions at once. It's the promise of being fast and right and the cure for corporate slowness.

In this edition of Top Insights, we'll share a number of trends that contribute to organizational slowness, and we'll provide guidance on how the best companies are overcoming them by being both fast and right.

The goal is not to turn back time, but instead to adapt corporate processes, decisions, **and—most importantly—leadership behaviors to this new reality.**

Compliance & Legal

Situation

Privacy- and technology-related risks are increasingly the top-level concerns for senior executives and boards of directors.

Insight

Privacy failures disproportionately result from employee errors and weak processes, even compared to outsiders with malicious intent. Privacy must rethink how it addresses the risk of privacy failures, as limited focus on process governance and training increases risk.

Potential

Fostering a well-equipped and savvy workforce protects a company's data from the inside out, ultimately reducing the risk of controllable failures.

Employees commonly contribute to process failures in an attempt to meet seemingly innocent business demands and needs.

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Address the Internal Risks of Privacy Failures

The Privacy Danger Within

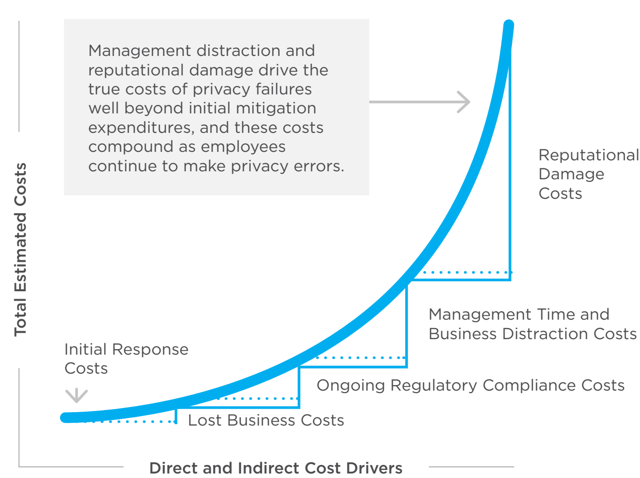
Privacy Risks Stem from the Inside

Although news of cyber attacks continue to grab headlines around the globe, privacy and data protection violations increasingly occur as a result of misguided, and often uninformed, employees.

Our research shows that 59% of unintentional data privacy failures were caused by employee errors during the working day and that 38% of unintentional failures were caused by weak processes and procedures within the company.

New issues arise before others are fully resolved, compounding already increasing privacy costs. As such, privacy functions continuously look for solutions to mitigate these employee-driven privacy failures.

Impact of a Privacy Failure
Costs Associated with Privacy Failures
Illustrative

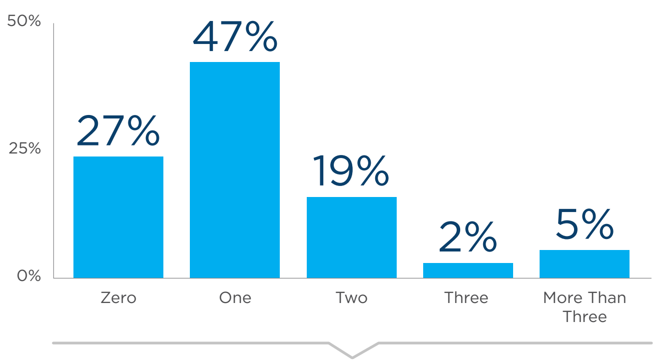


Source: CEB analysis.

“We want people to have a good understanding of what secure behavior looks like, as well as to see how they are exposed to information risk in their own roles. This context has really helped us embed the security mind-set across the business.”

Masha Sedova
Director
Trust Engagement Salesforce

Annual Privacy Training
Hours of Annual Training
By Percentage of Companies



Roughly 50% of companies incorporate privacy training into other training courses, and the brief time spent on privacy content makes it difficult for employees to understand and correctly apply appropriate behaviors.

n = 59.
Source: CEB 2014 State of the Data Privacy Function Survey.

Strength Weak Links

Many companies struggle to develop cohesive privacy frameworks due to two major weaknesses: business processes lacking privacy guidance and limited employee training.

Without clearly defined parameters, privacy functions struggle to consistently address privacy concerns, leading to disjointed management and frequent process breakdowns.

Companies with leading education efforts experience far fewer employee-driven privacy failures, but most privacy functions provide only limited training each year.

Forward-Looking Solutions

Over half of employees making privacy-related decisions believe that policies and procedures slow down business execution. In fact, most prefer and rely on manager or peer guidance over tools, training, and policies. To combat this challenge, two approaches should be taken:

1. **Strengthen Processes with Integrated Privacy Guidance**
    - **Embed Easy Direction:** Integrating privacy guidance into business workflows enables employees to quickly access support resources and incorporate privacy considerations.
    - **Assess Processes for Improvement:** Establishing a method for regularly evaluating existing workflows proactively identifies and corrects privacy failures.
    - **Establish Governing Principles:** Providing employees with principle-based policies guides appropriate decisions while flexing to changing needs.
2. **Reduce Employee Error with Application-Based Training**
    - **Reinforce Privacy Messages:** Creating a structured and targeted approach reinforces privacy training outside annual training efforts.
    - **Drive Behavioral Change:** Developing memorable content and behavior reinforcement techniques appeals to employee engagement and motivations.
    - **Incent Employee Adoption of Desired Behaviors:** Recognizing and rewarding employees supports individual employee adoption of key privacy behaviors.

Situation

In today's complex business environment, organizations are moving at a more rapid pace. In addition, Legal is being asked to partner with an extended group of decision makers across the enterprise who are creating legal risk exposure. These changes force general counsel to balance their organization's growth objectives with legal risk implications.

Insight

Changes in corporate decision making render Legal's relationship-based service model unsustainable. Today, middle managers—not executives—make the majority of decisions with legal implications. They vastly outnumber legal staff, are more geographically dispersed, and expect swift issue resolution.

Potential

Legal teams that build scalable strategies for identifying and managing legal risk are more efficient and have greater influence in their organizations.

Employees Don't Value Legal

- **21%** of employees don't know they have a legal department.
- **59%** of employees make decisions without being aware of the legal implications.
- **74%** of employees believe the time and effort needed to interact with Legal isn't worth it.

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Build Your Organization's Legal IQ

Legal Risk Management

The Spread of Legal Risks

The new work environment—defined by rapid pace, collaborative decision making, and technological advances—has distributed legal risk creation more deeply in organizations.

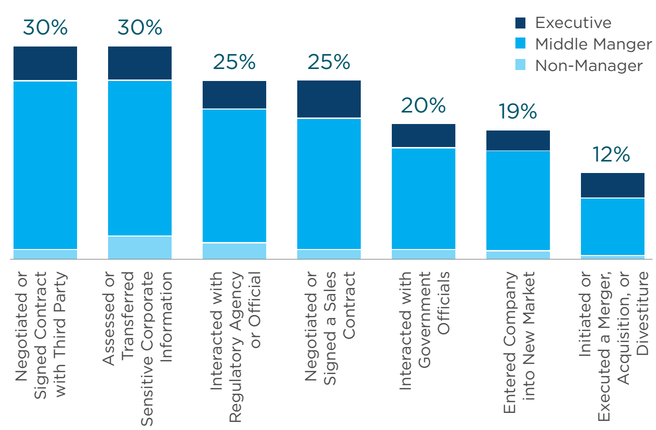
Most general counsel are reacting by putting in-house lawyers on the front line, directly interacting with internal clients at the executive level. They want Legal to be present when key business decisions are being made, to spot risks, and to help the business manage or avoid them.

However, the locus of business decision making has shifted away from the executive level. Today, 75% of middle managers make decisions that involve significant legal implications, including third-party contracts, new products, and new market entries.

Shifting the Center of Decision Making

Percentage of Employees Making Business Decisions in the Past Year

Select Decisions

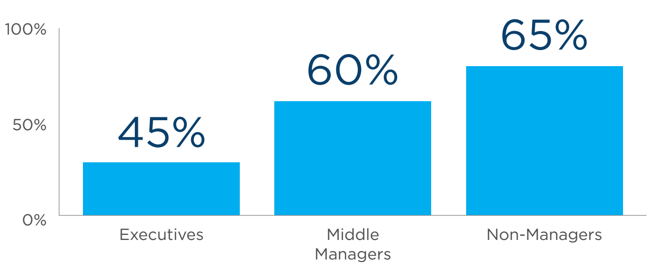


n = 2,249 employees making at least one of the Business Decisions.
Source: CEB 2014 Corporate Legal Decision-Making Survey.

“We aren’t here to manage your risk. We are here to help you make better decisions so you can take smarter risks and gain a competitive advantage.”

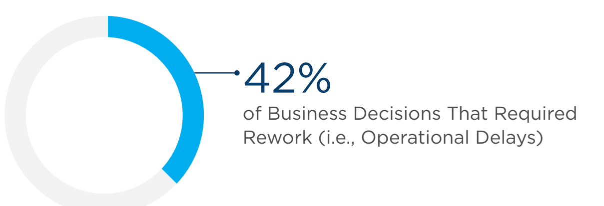
Eric Eissenstat
SVP, General Counsel, Chief Risk Officer, and Secretary
Continental Resources

Mapping Clients’ Legal Uncertainty
Percentage of Employees Who Do Not Understand the Legal Implications of Their Decisions
By Employee Level



Consequences of Middle Management’s Uncertainty

1. Excessive Risk Taking



2. Excessive Risk Aversion

n = 2,249.
Source: CEB 2014 Corporate Legal Decision-Making Survey.

Poor Legal Acumen Among Internal Clients

Unfortunately, although decision-making authority has shifted, employee awareness has not. Sixty percent of middle managers make business decisions without fully understanding their legal implications. This under-informed decision making costs organizations in one of two destructive ways: excessive risk taking or excessive risk aversion.

The Goal: Build Your Organization’s Legal IQ

General counsel need to drive middle management’s desire to involve Legal and adopt legal guidance when making a key decision.

Companies with a high degree of Legal IQ—or client decision quality as it pertains to legal risk—stems from three characteristics: 1) clear line of sight into legal risk creation in the business, 2) easy issue resolution for clients, and 3) greater legal acumen among business decision makers.

Three Recommended Action Items for General Counsel

- **Improve Legal’s Line of Sight:** Use existing tools and interactions with business leaders to understand the drivers of internal risk creation.
- **Make Issue Resolution Easy:** Embed practical guidance into employee workflows to resolve issues in the moment. Alternately, point employees to the right subject matter expert who can support issue resolution objectives.
- **Foster Legal Acumen:** Nurture an environment where business clients understand when to involve Legal and adopt its guidance.

These three steps can help Legal prioritize staff time on high-value issues while ensuring the maximum number of internal clients receive timely legal guidance.

Situation
As companies expand, their third-party networks continue to become larger and more diverse, creating significantly greater compliance and reputational risk. Compliance teams must manage these third-party risks while enabling rapid decision making and the achievement of business goals.

Insight
To manage this risk properly, Compliance must evolve its approach to not only establish risk-based processes but actually reduce the internal cost of third-party compliance. Compliance teams need to become Business Accelerators.

Potential
Best-in-class Business Accelerators achieve greater process adherence, and they have more influence over business decisions with reduced costs and time spent on third-party risk management.

Take Action

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Reduce the Cost of Third-Party Compliance

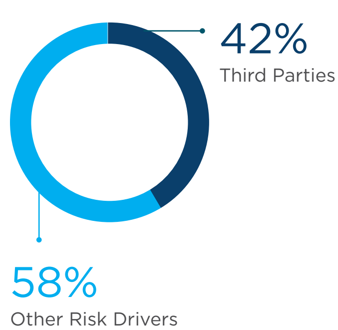
Third-Party Risk Management

A Growing Third-Party Network Requires Advanced Risk Management

Third parties create over 40% of companies' total compliance risk exposure, magnifying many compliance concerns including bribery and corruption, data privacy, and reputation risk. With the median company working with 5,000 third parties, compliance executives must find a way to manage this extensive network without slowing down important business decisions.

Typically, compliance departments default toward a rigorous policy- and standard-based process to manage and enforce standards for third-party behavior. This setup, however, slows decision making and can often create more risk, as internal partners avoid compliance processes.

Third Parties Drive Compliance Risk Exposure
Percentage of Risk Exposure That Compliance Executives Attribute to Third Parties



Select Examples of Third-Party Risk

Bribery and Corruption
91% of FCPA cases between 2011 and 2014 involved third parties.[a]

Data Privacy
31% of 2014 corporate data breaches involved third parties.

Reputation Risk
Only **47%** of executives feel prepared to manage the reputational risk created by third parties.[b]

n = 47.
Source: CEB 2015 Third-Party Risk Diagnostic.
[a] CEB Settlements Analysis.
[b] Tatiana Serafin, "Reputation Risk Leading Company Concern in 2015," *Forbes*; January 2015, http://www.forbes.com/sites/tatianaserafin/2015/01/05/reputation-risk-leading-company-concern-in-2015/.

> “If you’re only getting involved at the last step—when the business has already decided to bring on a third party—you’re managing the process, but you’re not managing the risk.”
>
> **Matthew Frank**
> Global Compliance Counsel
> Johnson Controls

Undercutting the Advantage

The dual costs of increased risk exposure and an expensive management process undermine the business rationale for using third parties. Although it’s understood that managing third-party compliance risk is difficult, current efforts come at an unacceptable cost. Solve by identifying where the process goes wrong, typically attributed to three fundamental flaws:

- **Flaw 1—**Compliance is not considered in strategic decisions.
- **Flaw 2—**Compliance fails to consider the business cost of third-party risk management processes.
- **Flaw 3—**Compliance relies on direct authority to control third-party behavior.

The Cost of Third-Party Compliance
Estimated Cost of Each Activity per Year

Compliance Costs	Business Costs
20% Compliance Time Spent Managing Third-Party Risk	**18,000** Business Days Spent Waiting for Third-Party Approval[a]
28% Compliance Budget Spent Managing Third-Party Risk	**$525,000** Annual Due Diligence Spend[b]

n = 55–82.
Source: CEB 2015 Third-Party Diagnostic.
[a] 18,000 = 60-day median cycle time x 300 estimated number of new third parties receiving due diligence in a given year.
[b] $525,000 = Basic Due Diligence ($250 estimated charge of basic due diligence per third party x 300 estimated number of third parties that receive due diligence) + Enhanced Due Diligence ($15,000 estimated charge for enhanced due diligence x 30 estimated number of third parties that receive enhanced due diligence).

A Better Role for Compliance: Become a Business Accelerator

Compliance can address these flaws and significantly improve its third-party risk management by taking a Business Accelerator approach to third-party risk management. Business Accelerators achieve greater risk reduction—with less cost and time spent—by improving the efficiency of internal third-party oversight.

Best-in-class teams implement the Business Accelerator approach by employing three strategies:

1. **Make Third-Party Compliance Costs Transparent**
   - Create incentives for internal partners to consider third-party risk.
   - Support the initial selection of potential third parties.
   - Obtain business buy-in and internal support for third-party management.
2. **Reduce the Total Cost of Compliance**
   - Ensure third-party information is directed to internal stakeholders.
   - Build internal capability for managing third-party risk.
   - Prioritize a solution orientation.
3. **Harness Third-Party Self-Interest**
   - Focus segmentation on the identification of specific risks to be managed.
   - Build incentives for third parties to improve their compliance programs.
   - Map third-party management support to capability gaps.

By implementing these Business Accelerator strategies, companies can better manage compliance risk and increase internal process adherence while reducing the business cost of third-party use.

CEB Resources for Compliance & Legal Executives and Their Teams

Compliance and legal executives work with us to build plans that drive results, to benchmark and allocate resources, and to minimize exposure to risk and fraud by leveraging the following products and services:

Our Services

Leadership Councils

- CEB Compliance & Ethics
- CEB Data Privacy
- CEB for Legal Executives
- CEB Compliance & Legal for Midsized Companies

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Inprogress
Treatment Plan

Finance

Eliminate the Misuse of Financial Analysis

Drive Better Decisions Through Problem-Focused Analysis

Situation
Decision makers misuse financial analysis more than half the time, which can cost companies up to 1% of revenue.

Insight
The biggest driver of analytic misuse is the quality of financial analysis itself, as most FP&A teams focus too much on providing decision makers with the right answers and recommendations. Compared to this answer-focused approach, a problem-focused approach is twice as effective at driving decision making with proper use of analysis.

Potential
By delivering problem-focused analysis, FP&A has the opportunity to drive profitable decision making and to prove the ROI on Finance's investment in analytics.

The Solution
To reduce decision makers' misuse of its analysis, FP&A should reframe its analytic output to help them understand the financial trade-offs in the business problem they are solving.

Take Action

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Finance's Biggest Investment Is Underperforming

FP&A's role is to provide analysis and drive profitable decision making. The investment in this role continues to increase: in 2013, spend on analytics increased more quickly than any other finance spend. However, FP&A produces analysis that business partners frequently misuse when making important business decisions, which has significant consequences:

- FP&A executives personally fail to deliver on the promise of FP&A.
- The ROI on FP&A's analytic investments is trending negative.
- The misuse of financial analysis can cost companies up to 1% of revenue per decision.

How Companies Misuse Analysis

The misuse of financial analysis occurs when decision makers:

- **Don't Use Analysis—**Analysis that is not used either is brought in too late to make a difference or is not valued by decision makers. Only 25% of FP&A executives report the disciplined application of their analysis.
- **Misinterpret Analysis—**Almost half of decision makers lack the analytic judgment to fully understand the results of FP&A's analysis.
- **Selectively Use Analysis—**Decision makers often "cherry-pick" analysis to support a preordained conclusion. These decision makers assume that their initiative is well founded and that they just need to find the data points to justify their decision.

Misuse of Financial Analysis Is Within FP&A's Control

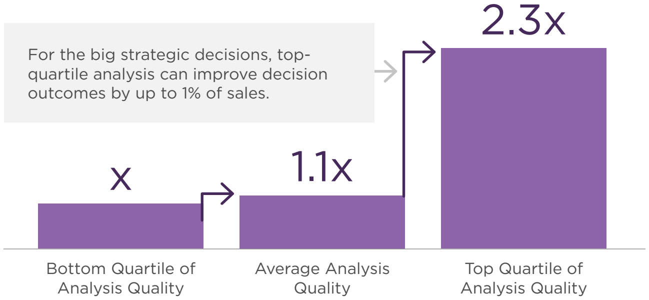
Contrary to popular belief, the biggest driver of analytic misuse is the quality of financial analysis itself. In fact, organizational characteristics—decision type, restricted decision rights, opportunistic decision making, and integrity of decision makers—contribute negligibly to the misuse of financial analysis.

Problem-Focused Analysis Drives Better Decisions

Typical financial analysis provides grounded, rigorous, data-driven answers to specific questions. This answer-focused approach is problematic because it obscures alternatives and financial trade-offs implied by the recommendations.

Rather than driving toward answers to a specific question, leading financial analysis focuses on clarifying the problem. Compared to an answer-focused approach, this problem-focused approach is twice as effective at driving better use of financial analysis by decision makers.

A Big Return on Going from Good to Great Analysis
Indexed Value of Decisions Driven by Bottom-, Average-, and Top-Quality Analysis
Reported by Senior Decision Makers



n = 2,305 decision makers.
Source: CEB 2015 Financial Analysis Impact Assessment.

To provide problem-focused analysis, FP&A teams need to focus on three principles:

1. **Anticipation—**Anticipate future decision needs through routine analysis by outlining the implications of analysis beyond the near term and drawing attention to relevant scenarios. Our research shows that when analysis is directly linked to decisions, business partners are more likely to use it.

   Example—While publishing a monthly analytic report, provide a narrative of controllable drivers of sales variance for similar business units to produce analysis that informs an upcoming decision.

2. **Prototyping—**Engage stakeholders through prototyped analytic models to identify hidden decision-maker beliefs and to provide a holistic picture of alternatives and uncertainties. Our research shows that business partners are less likely to misinterpret analysis when they are involved in the process.

   Example—When handling an unexpected request for evaluating a white-space opportunity, iteratively develop a model (with business input) to analyze the impact of alternative investment paths.

3. **Disruption—**Disrupt decision makers' conventional thinking by helping stakeholders understand unforeseen trade-offs and critical uncertainties. Our research shows that business partners are less likely to selectively use data when FP&A creates doubt in conventional wisdom.

   Example—During a CapEx business case evaluation, conduct a pre-audit analysis to understand how the project could enter its maturity year in a poor position to reinforce the business's understanding of critical uncertainties.

Is Outsourcing Right for Your Finance Function?

Insights from the CEB Finance Performance Benchmarks

Situation
Outsourcing in Finance is on the rise, and 85% of finance executives plan to increase their reliance on outsourcing over the next two years.

Insight
67% of finance executives say the promise of cost savings is the biggest driver of outsourcing. However, our data shows no relationship between outsourcing and long-term cost savings.

Potential
Finance will get the most value by looking beyond the initial drivers of outsourcing and considering all risks and trade-offs when evaluating outsourcing options.

Understanding the Risks of Outsourcing
As finance organizations look for additional efficiencies, they plan to rely heavily on outsourcers to jump-start or supplement shared services centers. However, outsourcing is fraught with risks and transition challenges that often erode potential savings.

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Outsourcing in Finance on the Rise

Outsourcing has gained global prominence as a strategy to improve efficiency in an environment defined by ongoing cost pressure, global business expansion, and the ever-increasing digitization of business processes. In fact, 85% of finance executives plan to increase their reliance on outsourcing over the next two years.

Although companies may engage outsourcers for several reasons (e.g., to improve organizational capabilities, to drive process improvement), 67% of finance executives say the largest driver of outsourcing is the promise of cost savings.

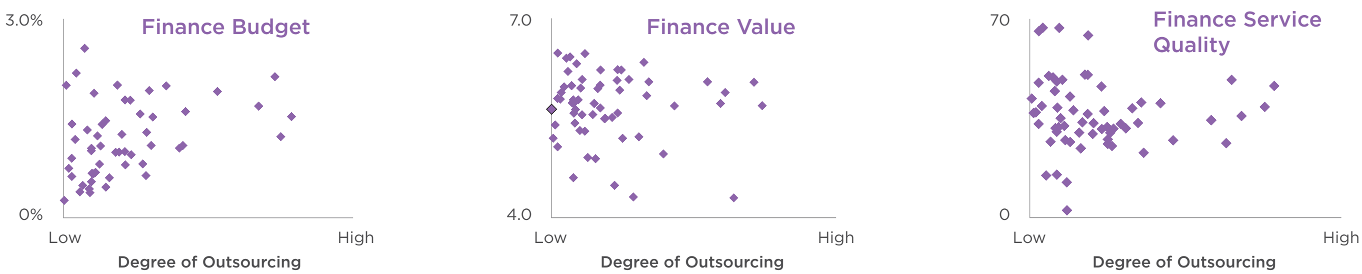
The Truth About Outsourcing: Risks and Trade-Offs

Although most organizations look to outsourcing to reduce costs, our research shows that companies see little, if any, savings from a higher degree of outsourcing. Companies often see immediate cost savings after transitioning to outsourcing models, but costs frequently creep back in, negating the initial cost savings.

In addition to not seeing cost savings, after several years in an outsourcing engagement, companies also do not see a relationship between outsourcing and service quality or value delivered to the business. In fact, our data suggests a slight decrease in value as the degree of outsourcing increases.

> "After relying on outsourcing for a number of years, we actually found that in-sourcing allowed us to make significant strides in both reducing costs and increasing service levels. For us, this made a lot of sense."
>
> **Executive VP of Finance**
> Ingram Micro

No Relationship Between Outsourcing and Cost Savings, Value, or Quality



n = 173 finance executives.
Source: CEB analysis.

Evaluate Outsourcing Opportunities

To determine when it is best to outsource an activity, assess how the activity contributes to the company's competitive advantage by using the guide below:

Contribution to Competitive Advantage	Impact on Day-to-Day Operational Performance: Low	Impact on Day-to-Day Operational Performance: High
High	**Invest to perform internally if the following exist:** • Strong internal competencies • Low implementation cost **Outsource if the following exist:** • Low internal competencies • High implementation cost	**Retain in house:** For those with low internal competency, invest to perform internally.
Low	**Outsource** **Onshore if:** Time zone and language competencies are essential for service delivery **Offshore if they are:** • Heavy labor and manual tasks, or • Labor arbitrage benefits	**Outsource if it:** • Does not add to core competency, or • Can be done more efficiently by a specialized provider. **Retain in house only if:** • Lack of specialized providers • Low operating costs and high costs of transition.

Source: CEB analysis.

Alternative Paths to Achieve Benefits

Rather than immediately turning to outsourcing, consider the following options to achieve the benefits that Finance seeks through outsourcing:

- **Automation—**Before investing sizeable sums in preparing processes for outsourcing, consider the savings opportunities by spending that money on process improvement.
- **Captive Offshore Shared Services—**For companies with a global footprint, consider operating a captive shared services center in a low-cost location, especially in markets where the company already has operations.
- **Outsourcing with Close Attention to Skills—**The biggest differentiators of success in outsourcing are in the quality of the skills of staff—within the BPO and the company itself. Both teams must have contract management skills and be able to handle issue escalation without creating an adversarial relationship.

Close the Finance Talent Skills Gap

Building the Finance Team for 2020

Situation
In recent years, finance competency gaps have widened because of an inadequate focus on staff development, poor alignment with corporate HR activities, and low investment in future finance leaders.

Insight
The most critical skills—including analytic, strategic, and technology skills—are undervalued and missing from most finance teams.

Potential
Finance teams must learn how to effectively hire, coach, and train staff in order to build a team with the key competencies to excel.

A Broken Pipeline of Future Leaders
Since 2009, leadership investment in the middle management layer has declined by 20%. Now, managers are unprepared to take on additional responsibilities and train junior staff. As a result, 81% of finance staff are dissatisfied with leadership pipeline readiness.

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Growing Demand for Improved Finance Talent
CFOs have a mandate to run a team that can meet increasing demands for financial insight while keeping total finance costs low. Yet achieving top-tier talent outcomes is increasingly difficult. In fact, 75% of CFOs believe their teams lack the skills to help the organization make the right decisions.

Finance Focuses on the Wrong Competencies
Two-thirds of evaluation criteria for finance staff measure and reward hard worker competencies. However, staff who demonstrate competencies in guiding strategic decisions disproportionately and positively affect department performance.

Critical Competencies for Finance Today

Builder
- Creates vision and fosters buy-in
- Sets business-aligned goals for the team
- Reinforces team members' efforts
- Develops people and talent pools

Persuader
- Articulates views clearly
- Uses experience to develop insight
- Simplifies complex ideas
- Adapts and tailors communication style
- Challenges business assumptions

Strategist
- Has a strong understanding of business operations
- Discusses financial performance in terms of key value drivers of the business
- Generates options and identifies the most effective solutions
- Identifies trends and patterns to generate meaningful insight

Unicorns Are Indeed a Myth

Our research shows that only 1% of finance staff excels at all three of these competency profiles. Therefore, it is crucial to develop well-rounded teams.

Emerging Competencies for Finance in 2020

Trends such as more geographically dispersed workplaces, more matrixed organizational structures, and the greater volume of information are increasing the complexity that companies face. With these changes, talent needs will shift, and new competencies that are undervalued today will become more important:

- **Business Navigation—**Delivers business objectives by working through other functions as appropriate
- **Social Intelligence—**Connects with others in a deep and direct way; stimulates reactions and intelligent debate
- **Virtual Collaboration—**Can work productively, drive engagement, and demonstrate presence as a member of a virtual team
- **Cross-Cultural Awareness—**Collaborates seamlessly with cross-cultural teams in different geographies
- **Business Translation—**Keeps reporting and analysis focused on relative KPIs for each stakeholder or business unit
- **Evidence Structuring—**Builds a comprehensive, high-quality body of evidence when creating insights and solutions

Develop Critical Finance Competencies

CEB Finance Leadership Academy's blended learning approach combines participant-led instruction with immediate real-world application to develop key leadership skills, tools, and sustained support to drive strategic business growth. **Learn more.**

- **Business Function Fluency—**Demonstrates ability to understand and apply concepts across multiple disciplines
- **Business Teaching and Training—**Explains financial concepts required to interpret analysis; teaches the business to read finance reports
- **IT Innovation, Fulfillment, and Vendor Management—**Keeps up to date on finance IT knowledge and emerging technologies; manages system implementations
- **Business Coordination:** Connects Finance's multiyear plan to business objectives; understands cross-functional priorities

Develop Talent Through Coaching

Training is the most common approach to building the essential skills needed among finance staff. However, our research found that manager-led coaching increases competency development among finance professionals significantly more than other common training and development approaches.

Plan Your Coaching Efforts

Key Elements of an Effective Coaching Process

1. Know Your Strengths

How to Do It
Identify your top strengths where you are completely or partially comfortable at coaching others.

Coach's Strength Assessment Template

2. Plan for Your Weak Areas

How to Do It
Share peer success stories to enable direct reports to learn from others' experiences.

Tips for Successful Peer-Based Learning

3. Identify Employees' Specific Weak Areas

How to Do It
Go beyond general development areas to focus on underlying competency weakness.

Sample Issue Analysis, Coaching Starter Questions

4. Overcome Coaching Resistance

How to Do It
Tactfully address underlying motivation for objection using proven strategies.

Strategies for Addressing Rebellion

5. Roll Out a Coaching Plan

How to Do It
Guide coaching efforts to employee development areas and the metrics that track coaching progress.

Sample Coaching Plan

6. Incorporate Coaching into Daily Workflows

How to Do It
Ask key questions to understand key employee issues, and turn the moment into a coaching opportunity.

Coaching in the Moment Framework

Source: CEB analysis.

CEB Resources for Finance Executives and Their Teams

CEB's Finance practice includes finance professionals from the world's leading companies. The best practices, training, and workflow support offered helps finance leaders become more valuable business partners, develop their teams, and transform Finance to drive profitable growth.

Our Services

Leadership Councils

- CEB Accounting & Reporting
- CEB Finance Leadership
- CEB Finance
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- CEB Investor Relations
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CEB Finance Leadership Academy

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CEB Finance Talent Assessment

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Human Resources

Situation
Highly specialized roles and skills are developing across all industries and are critical to organizational success. But many companies lack the right data, insights, and tools to find such talent and hire them.

Insight
Organizations must approach the market differently: understand how these skills are evolving, use talent analytics to find such critical talent, and locate nontraditional talent pools they may have overlooked.

Potential
By discarding outdated hiring methods in favor of new strategies for finding critical talent, HR can create greater business outcomes.

Take Action

Become a member of CEB TalentNeuron.

CEB TalentNeuron helps HR address location, talent, and competitive information to achieve strong talent and financial outcomes.

Contact Us to Get Started

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Compete for Critical Talent

How to Hire the Hyper-Specialized Knowledge Worker

The New Era of the Knowledge Worker

The global talent market looks much different than it did just five years ago. Hiring for specialized skills such as digital marketing, mobile, cyber security, and big data has grown exponentially, as has a need for specificity—or fragmentation—within traditional knowledge worker roles.

However, many organizations are struggling to source and acquire such talent. Traditional sourcing techniques can't keep up with the demand, resulting in widening skills gaps and a sharp rise in time to hire.

Demand for Specialized Skills Has Increased Exponentially
Data from CEB TalentNeuron shows the fragmentation of some big data skills from 2008–2014.

Data Science-Related Roles Between 2008–2010	Growth in Talent from 2008	New Big Data Science Roles Since 2010
Data Scientist	30 times	Big Data Architects Data Ecologists
Data Architect	3,440 times	Director, Head of Forensic Data Analytics
Data Marketing Analytics	20 times	Director, Risk and Business Analytics Big Data Engineers
Data HR Analytics	50 times	Big Data Principal Engineers

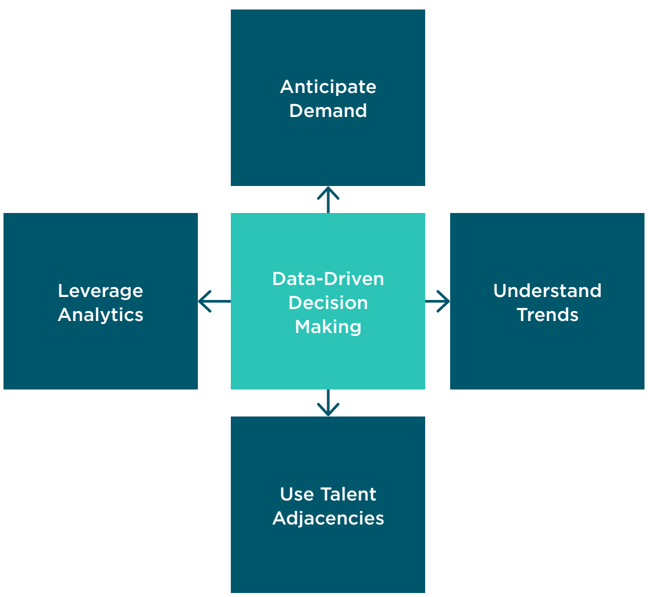
Hadoop's Platform Status → R Programming Skill Gaining Popularity

Source: CEB analysis.

“[With CEB TalentNeuron], we were successful in attracting talent from the target cities and relocating them...without wasting precious advertising dollars and recruiting efforts.”

Jonathan Turner
Director, Global Talent Management
B/E Aerospace

Data-Driven Decision Making



Anticipate Emerging Demand

To stay ahead of the competition, HR must understand and track how talent is evolving, know what innovative and disruptive skills are emerging, and enable the identification of critical workforce segments for your company.

Understand Today’s Skills Taxonomies and Trends

Job descriptions can often read like wish lists for ideal candidates. Companies usually update these posts by adding more and more desired criteria to what they already want. Too many parameters for a particular job opening can limit your talent pool. However, they can be used effectively if they are expanded to include indirect, but highly suitable, talent from adjacent industry verticals.

Leverage the Power of Big Data Analytics

HR must be armed with the right data and analytics tools to make more informed talent decisions, drive line decision making, attract and source top-tier talent, and develop a strategic relationship with business partners.

Create Compelling Career Paths

Engage and Retain Critical Talent

Situation

- Two-thirds of organizations will face an internal skills shortage in the next three to five years.
- Only 30% of employees are satisfied with the future career opportunities at their organizations.

Insight

Most organizations focus on employee career ownership to create a growth-based career culture. Unfortunately, employee ownership strategies create a misalignment between employees' needs and the organization's needs, leading to internal skills shortages and increasing regrettable turnover.

Potential

Leading organizations build growth-based career cultures through career partnerships that both the organization and employees gain value from. Employees gain employability while organizations gain competitive advantages.

Resources for Creating Career Partnerships

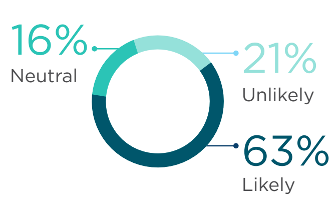
Our employee engagement surveys and best practices will help identify the highest-priority teams for disengagement and will provide steps to implement career partnerships appropriate to your needs.

Today's Careers Fail Both Employers and Employees

Since the recession, organizations can no longer rely on a predictable, promotion-based career culture to build internal competencies and retain employees. In response, 90% of heads of HR say they want to move away from a promotion-based career culture to a growth-based one where employees move laterally to acquire new skills. Most organizations create this culture through employee career ownership—providing sample career paths, access to job boards, and career conversations.

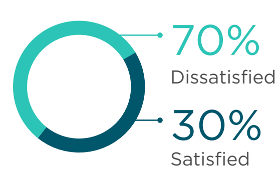
However, employee career ownership will not result in a growth-based culture, and employee and organization needs will stop matching. Employees may not align their career choices with the organization's needs, buy into the return on employee ownership, or find opportunities within the organization. In addition, managers may be unwilling to share the best talent across the organization. Ultimately, employees will look elsewhere for growth, leading to an internal skills shortage.

Likelihood Organization Will Face an Internal Capability Shortage in the Next Three to Five Years
Percentage of Heads of HR



n = 124.
Source: CEB 2015 Careers Head of HR Function Survey.

Employee Dissatisfaction with Center Opportunities
Percentage of Employees Dissatisfied with Future Career Opportunities at Their Organization



n = 8,550.
Source: CEB 2015 Careers Employee Survey.

Take Action

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"[CEB] is an organization that brings us insight that otherwise we wouldn't have...to other people in business either in our industry or outside of it...[and] really unique ways of thinking."

Barbara Koontz
Vice President, Human Resources
Xerox Corporation

Shifting to a Career Partnership Model

	Current Approach Employee-Owned Careers	**New Approach** Career Partnerships	
Design	Design careers around **positions.**	Design careers around **experiences.**	Solves Capability Misalignment
Motivate	Motivate employees with **title progression.**	Motivate employees with **employability.**	Solves Motivation Misalignment
Market	**Pull** employees to new positions.	**Push** internal opportunities to employees.	Solves Marketing Misalignment
Manage	Set **expectations** for talent sharing among managers.	Create a talent **brokerage** for managers to share talent.	Solves Manager Misalignment

Source: CEB analysis

Stimulate Employee Engagement Through Career Partnerships

Organizations can create growth-based career cultures through career partnerships, aligning employees' needs for learning and growth with the organization's needs for a variety of skills.

- Design careers on different experiences where employees can grow skills for more-senior roles, instead of career ladders to positions.
- Motivate employees by showing them how their growth is improving their employability and potential for career advancement, rather than through title progression.
- Market internal positions by targeting and pushing the right opportunities to employees, rather than using passive channels like internal job boards.
- Manage talent by sharing skilled workers among teams through a talent brokerage, keeping employees engaged and providing managers with the right skills at the right time.

Career partnerships would not only decrease the likelihood of a skills shortage by 20% and increase employee career satisfaction by 30% but also increase annual revenue by 5%–8%.

Situation
Every year, nearly 70% of the money that organizations spend on learning could be going to waste.

Insight
Improving the quality of L&D solutions will address less than 15% of this wasted spend. The rest of the waste comes from poor-quality or duplicative L&D solutions supplied by the line.

Potential
When the L&D function and other learning suppliers in an organization work together as a "learning franchise" and assess the impact of all learning investments, they not only cut wasted spend but also boost employee performance and their ability to contribute to business results.

Metrics That Matter™ is the world's leading analytics solution that measures learning program efficiency, effectiveness, and impact, making a scientific, statistically validated connection between L&D and business results.

Take Action

Become a member of Metrics That Matter™.

Metrics That Matter™ is the world's leading learning analytics solution.

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Lift the Impact of Learning

Next Generation L&D Management and Analytics Strategies

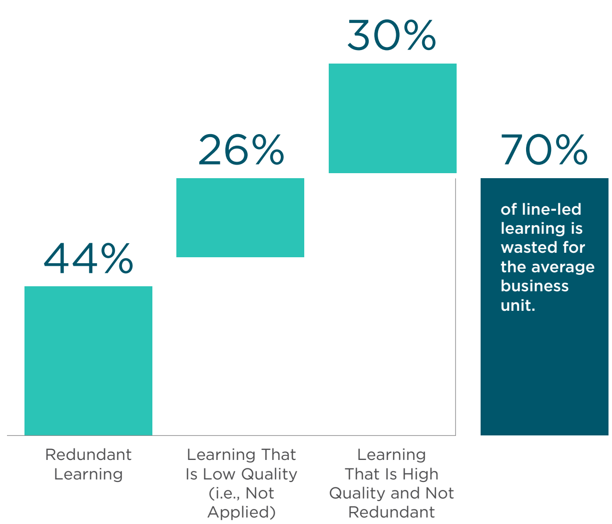
More Learning Going to Waste Than You Know

Due to greater availability and accessibility of learning content and technologies, today's L&D function accounts for only about 40% of the typical organization's total L&D spend.

The rest of the L&D spend comes from a rapidly growing set of learning suppliers in the line. Due to a lack of coordination between this community and the L&D function, the typical organization wastes L&D spend through duplicative and low-quality "scrap" learning.

Wasted learning not only generates more rework for L&D and tarnishes the overall brand of learning but also results in millions of hours of lost employee productivity.

Wasted Learning = Duplicative Learning + Scrap Learning
Percentage of Total L&D Spend

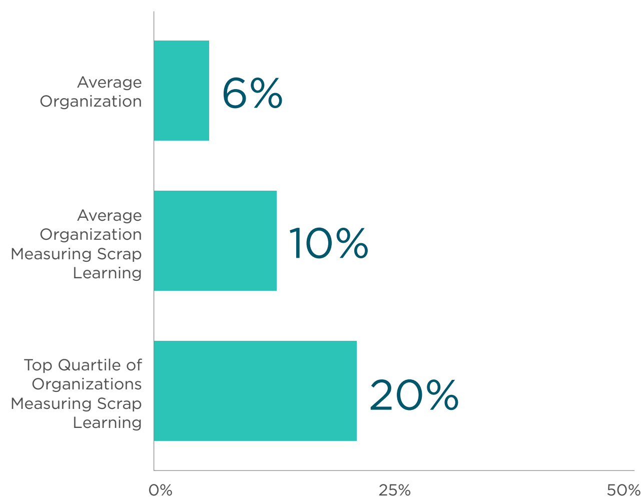


n = 1,519.
Source: CEB 2015 L&D Functional Effectiveness Survey.

“The return on our investment with CEB surpassed our expectations in just four months....Because of our new membership, we were able to improve our leadership development model, and the guidance and support our Executive Advisor™ provided saved us months of time and effort. The quality of support is akin to having a handful of extra team members.”

Kristi Heeney
Manager—Corporate Development
Hallmark Cards, Inc.

Performance Gain Due to Learning
Annual Increase in Employee Performance Attributable to Managing Scrap Learning



n = 18,582,356.
Source: CEB analysis.

Increase Performance While Reducing Scrap

Many L&D functions seek to cut wasted learning by increasing the quality of their L&D solutions and eliminating duplicative L&D solutions supplied by the line, effectively seeking to become the organization’s best-in-class learning supplier.

But this approach fails to recognize that solutions supplied by other learning partners may actually be more effective, less costly, and more innovative than those supplied by the L&D function.

The best L&D functions seek to boost the quality of all L&D solutions, regardless of who builds or delivers them. They have learned that they must work with all learning suppliers as collaborative “learning franchises” to ensure learning is optimized to drive critical talent and business outcomes.

By using analytic tools that integrate with existing learning platforms, the learning franchise can measure, benchmark, communicate, and predict the impact of its learning solutions. Armed with these insights, all L&D suppliers work together to identify the most critical learning priorities, set learning standards, and improve the organization’s L&D capabilities.

The payoff to this approach is huge: organizations that manage their L&D investments strategically with analytics that lead to actionable insights:

- Reduce the average rate of scrap learning from 45% to 33%,
- Cut their total wasted L&D spend by an average of US$6.9 million, and
- Improve L&D’s impact on employee performance by as much as 20%.

Maximize the Impact of Workforce Surveys

Drive Strategic Action and Deliver Sustainable Change

Situation
Over 90% of organizations conduct workforce surveys, but only 20% of senior leaders at those companies feel that doing so helps drive business performance improvements.

Insight
Employee surveys are often not linked to organizational strategy and are therefore ill equipped to provide insights that advance strategic organization-level action.

Potential
Transform your workforce survey program so it is a powerful tool that leaders can use to execute strategy more effectively and achieve meaningful change across your organization.

Survey Programs Are Under-Delivering on Their Potential
More than half (60%) of employees say actions taken since the last survey have not resulted in any tangible change.

Disconnected from Strategy

Surveys are traditionally seen as confined to HR, without the strategic relevance needed to contribute to company-level conversations. In cases where surveys address business strategy, they are often limited to general questions about whether the strategy is understood or has been communicated. They do not directly measure or address the company-wide capabilities needed to support specific business priorities or the overall business strategy. This prevents executives from gleaning actionable insights that determine and advance business outcomes. As a result, senior leaders delegate action to managers, hoping it collectively creates organization-wide change.

Take Action

Become a member of CEB Workforce Surveys.

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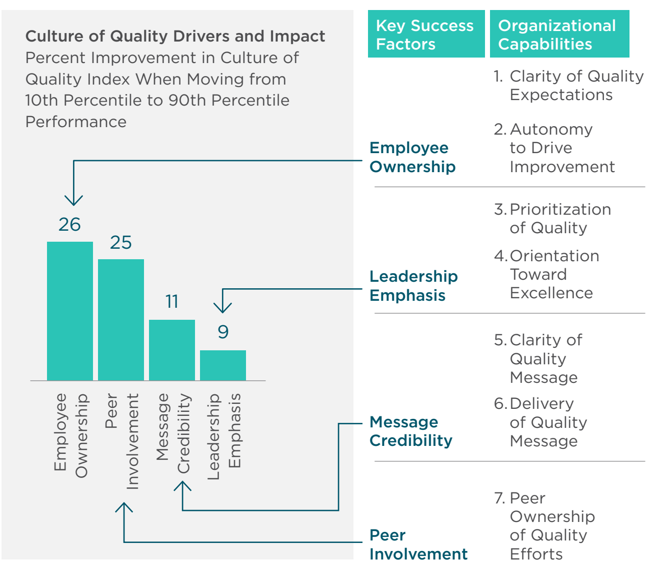
> “We need to demonstrate we’re taking action on our survey results at the firm-wide level so that employees feel their input was heard and made an impact.”
>
> **CEO**
> Financial Services Industry

Example of Workforce Capabilities That Support an Organizational Strategy of Quality



Source: CEB analysis

Identify and Measure Critical Workforce Capabilities

Our research shows that 44% of firms’ strategic initiatives in the past three years have failed because they were poorly executed. Barriers to strategy execution are talent related, which means that HR plays a vital role in helping execute strategy. Your organization’s strategy requires a certain type of organizational culture behind it in order to succeed, and there are some important differences in cultures for different business priorities.

For example, if your firm competes by being a low-cost leader—offering the lowest-priced products or services relative to your competitors—your organization needs to foster a culture that emphasizes capabilities such as efficiency, conformance, and tight management of customer expectations. On the other hand, if your firm differentiates by offering the highest-quality products or services, your culture needs to value capabilities such as a strong peer and leadership emphasis on quality and individual autonomy. Designing your survey to measure your workforce on these critical capabilities will show you a more detailed picture of whether your organization is aligned to support your strategy. And survey results can, in turn, be leveraged in driving organization-wide changes to deliver on your strategy.

Take Informed Action to Drive Sustainable Change

Organizations should coordinate action planning at the firm-wide level as well as at the individual manager level to address improvement gaps in the capabilities that support their strategy. Consider taking top-down, targeted action to address firm-wide improvement areas through initiatives such as manager training courses and leadership workshops. Such initiatives should be complemented by individual action-planning support for managers such as action plan templates, tips, proven tactics, and tools.

Refocus Plan Design Around Employees

Improve Talent Impact Through Inside-Out Rewards

Situation
Total rewards executives face unprecedented pressure to improve talent outcomes through rewards programs while holding costs down.

Insight
Most organizations take a market-focused approach to rewards plan design, which results in most plans converging closely around the market median. Within this narrow range, rewards can only have a very modest impact on talent outcomes.

Potential
Rewards that instead focus on meeting employee needs can improve intent to stay and performance by double digits because they are far more relevant to employees' work and lives.

Save Money and Better Allocate Your Resources
We can help you increase the efficiency of your total rewards plan by helping identify the highest-impact plan design strategies to use while either maintaining or decreasing spend.

Take Action

Become a member of CEB Total Rewards Leadership Council.

CEB Total Rewards Leadership Council helps you take insights from the best companies to save time and make better decisions.

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TotalRewards.Support@cebglobal.com

Market Focus Is Failing Companies
Talent diversification, competition, and cost pressures make it difficult to design compelling rewards plans.

Almost 80% of organizations base their rewards off competitors, but that approach is costly and inefficient. For the average 10,000-employee organization to move from the 45th to the 50th percentile of market for total compensation, it would cost US$58 million and would yield negligible improvements in voluntary attrition.

3 in 4
organizations' plan designs converge around market median.

n = 104.
Source: CEB 2015 Total Rewards Plan Impact Survey.

Only 2.1%
improvement in intent to stay when organizations take a market-focused approach to total rewards plan design

n = 104.
Source: CEB 2015 Total Rewards Employee Survey.
Note: Total pay includes an employee's base pay, short-term incentive, and long-term incentive amounts.

"CEB data helps me sell my specific concepts to the organization [at] the CE levels, the CEO level, the leadership level….You have credibility."

Kent Lingerfelt
Senior Vice President, Total Rewards
Equifax, Inc.

Plan Designs That Meet Employee Needs Drive Talent Outcomes

Employee Need
A requirement—like financial security—that allows the individual to thrive in either work or life

To drive employee **retention**, plan designs must meet employees':

- Financial needs,
- Career and development needs,
- Work–life balance needs, and
- Acknowledgment needs.

To drive employee **performance**, plan designs must meet employees':

- Physical health needs,
- Emotional needs, and
- Family needs.

n = 6,229.
Source: CEB 2015 Total Rewards Plan Design Employee Survey.

A Strategic Shift in Total Rewards Plan Design Is Required Today

The best companies are moving to an employee needs focus, in which they design their rewards plan around the most important needs of critical talent.

To successfully make the shift away from a market competitor focus, Total Rewards must overhaul three key elements of the rewards design process:

- **Strategy—**Identify employee needs that the organization will meet.
- **Management—**Manage the portfolio of rewards based on employee needs.
- **Design—**Design plans that target employee needs.

An employee needs approach achieves real talent impact. According to our research, a rewards plan designed in this way improves intent to stay by 15% on average.

Situation
Three-quarters of business units have leaders who are not equipped to handle the future needs of the organization.

Insight
The most effective leaders and teams navigate complexity, activating internal networks to accelerate impact. Only 1 in 10 leaders work this way.

Potential
To drive business results, leadership must be redefined to develop strong individual performers, as well as those who realize the strength in the collective approach.

The New Model for Leadership Success Worldwide
CEOs are strategizing how to create "one company" results, where everyone thinks and acts in the best interest of the overall enterprise. Do your leaders work this way? Find out how to assess and develop your leaders to drive results—faster.

Take Action

Launch CEB Enterprise Leadership Solution.

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Transform Leaders to Drive Results—Faster

Do Your Top Leaders Deliver Results?

Organizations Do Not Have the Right Leaders for the Future
Our research has told us that senior executives aren't confident in the strength of their leaders—and whether their leaders are future proofed.

Leaders are missing the big picture. In response to growing complexity in the workplace, many leaders retreat and focus narrowly on their individual span of control, but this kind of leadership is not enough to drive the kind of business results that organizations expect.

HR Leaders Have Specific Concerns Around Agility, Innovation, Responsiveness, and Team Enablement

- 16% — **Enablement:** Only **16%** believe leaders remove barriers to their teams' performance.
- 22% — **Innovation:** Only **22%** say their organization effectively generates innovative ideas.
- 25% — **Agility:** Only **25%** believe leaders will be able to adapt to a significant change in business strategy.
- 29% — **Responsiveness:** Only **29%** believe leaders can adapt to big shifts in the market.

Source: CEB 2014 Enterprise Leadership Head of Function Survey.

"Right now, our leaders aren't willing to think outside their own business units, and it's hurting our performance. We need to get leaders thinking about how to have an impact on the broader organization."

Director
Global Leadership Development
Logistics Organization

Why the Lack of Confidence in Today's Leaders?

It's not a traditional leadership competency problem. Two-thirds of leaders are already effective or very effective at traditional leadership competencies. But the performance that got our leaders to where they are today is not what organizations need moving forward. We have studied the work environment for years and have explored how changes affect employees. For leaders in particular, complexity is the new norm, which creates new challenges—specifically when it comes to working with peers across the organization and their teams.

The Changing Leadership Environment

Peer Interactions Are More Complex

More Stakeholders to Consult
Most leaders agree that the number of people they need to consult to make a decision has increased.

Shifting Job Requirements
More than 80% of leaders agree their jobs are increasingly diverse and include more responsibilities than before.

Leader–Team Dynamics Are More Complicated

Geographically Dispersed Teams
More than half of leaders report an increase in time spent working with direct reports in different locations in the past three years.

Leaders Have Less Time with Their Teams
Employees spend an average of three hours a week with their leader, half the time they had a mere two years ago.

Our leaders' organizations, work environments, jobs and teams have all changed radically, and the models and assumptions that have governed a traditional outlook on leadership are no longer sufficient to drive business results. In this new environment, a new kind of leader is needed.

What Is the New Model for Leader Success?

Most leaders primarily contribute to the organization by focusing on their individual and business unit goals. In the figure below, the left side of the model shows the primary focus of most leaders and leadership models today: individual leaders achieving their individual objectives and helping their teams do the same. This is a traditional vertical leadership model. The right side of the model shows a focus on network performance and team task performance. The focus is on contributing to performance of the whole.

Transform Leader Performance: CEB Enterprise Leadership Model

Individual Leadership		Network Leadership
Leader Task Performance Leaders effectively execute individual tasks.	+	**Leader Network Performance** Leaders improve others' performance and use others' contributions to improve their own performance.
Team Task Performance Leaders enable their teams to achieve their collective tasks within the team.		**Team Network Performance** Leaders enable their teams to be network performers outside the immediate team.

=

Enterprise Leadership: Effectiveness meeting individual goals, contributing to and using the performance of other teams, and leading their team to do the same.

Business Benefits

Teams with enterprise leaders have:

+12% Revenue
+23% Innovation
+20% Customer Satisfaction
+30% Engagement

Although leaders still need to focus on individual objectives, they also need to work together as well. We call this network leadership. Together, strong individual plus strong network leadership creates enterprise leaders.

Accelerate Recruiting

Achieve Quality at Speed

Situation
The average time it takes for Recruiting to fill a position has risen substantially in the past five years. This slowdown is exposing organizations to unnecessary talent risks and to the cost of lost productivity.

Insight
Speed doesn't kill quality. In fact, most organizations have significant opportunity to speed up hiring without compromising quality. Simply helping hiring teams cope with the sources of complexity that are slowing down hiring is not the solution.

Potential
Accelerating hiring reduces the risk of losing talent to key competitors and minimizes the cost of lost productivity and recruiting rework.

Resources for Accelerating Recruiting
To achieve quality at speed, refer to our requisition prioritization toolkit and practical guides for improving time spend. Recruiters can also participate in CEB Talent Advisor Leadership Academy, a blended learning approach that develops next generation talent acquisition competencies.

Take Action

Become a member of CEB Recruiting Leadership Council.

Contact Us to Get Started

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Business Partners Don't Act on Quality
More complex hiring requirements have, in turn, complicated recruiter workloads, recruiting processes, and hiring decisions. As a result, average time to fill is at 63 business days—21 more days than it was five years ago.

This slowdown exposes organizations to the risk of losing talent to competitors and costs an average of US$8.5 million per 1,000 vacancies in lost productivity and additional recruiting work.

New Complexity Slows the Hiring Workflow

More Complex Recruiter Workloads	**Over two-thirds** of recruiters struggle to manage burdensome workloads that are higher, more diverse, and filled with more specialized needs.
More Complex Recruiting Process	**Four out of five** recruiters struggle to work through additional stakeholders, technologies, and regulations adopted to help execute the hiring process.
More Complex Hiring Decisions	**Hiring managers take 30% longer** to review and select candidates for new types of positions or skills.

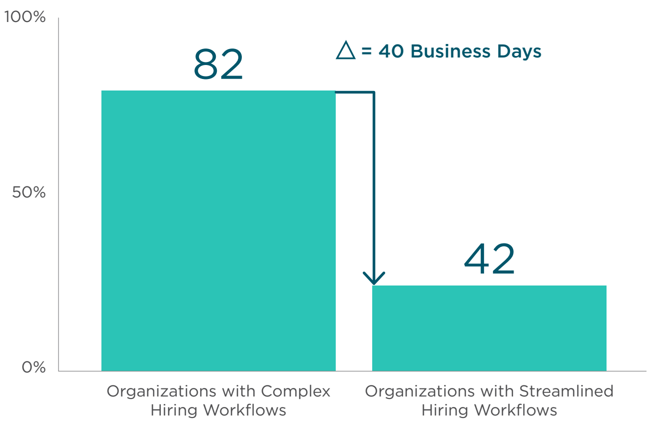
Outcome: Slower Hiring for Quality Hires

n = 432 recruiters.
Source: CEB 2015 Recruiting Efficiency Audit.

“CEB is there as a support structure, as a thought leader in terms of some of the ideas that I can get and leverage.”

Sharon Tan
Global Head of Recruitment
ANZ Banking Group

Streamlined Workflow Cuts Time to Fill by Nearly Half
Median Time to Fill (Business Days) for Organizations with Complex Versus Streamlined Hiring Workflows[a]



n = 487 recruiters.
Source: CEB 2015 Recruiting Efficiency Audit.
[a] We built a composite measure that combines resource prioritization, recruiting process complexity, and recruiter and hiring manager effectiveness at influencing and making selection decisions. This chart compares median time to fill for organizations in the bottom decile and top decile on that composite measure. Organizations with a streamlined hiring workflow have no different quality of hire compared to those with a complex hiring workflow.

Speed Up Through Streamlined Workflows

Providing additional resources, standards, tools, and information to help hiring teams fill roles more quickly negligibly affects time to fill. Why? Because it doesn’t fundamentally solve for the root causes of the hiring slowdown—recruiter workload complexity, process inefficiency, and sluggish decision making.

To improve time to fill without sacrificing quality, stop focusing on enabling hiring teams, and start streamlining the hiring workflow. The best companies do three key things:

- Realign existing recruiter resources to speed up hiring for current and future requisitions.
- Identify and remove hidden process inefficiencies that slow down hiring.
- Better manage the information and stakeholders that influence hiring decisions.

Streamlining the hiring workflow increases recruiting efficiency more than three times than simply enabling hiring teams, as it cuts time to fill by nearly half. By shaving eight weeks off the average requisition’s time, Recruiting can save an organization over US$16,000 per hire.

Beyond the HIPO Hype

Reduce Risk and Realize More Value from Your HIPO Program

Situation
HIPOs are 91% more valuable to the organization than non-HIPOs, but 73% of HIPO programs fail to deliver business outcomes or ROI.

Insight
Few organizations realize strong returns on their HIPO programs despite large investments.

Potential
By applying best practices to identify, benchmark, develop, and manage HIPOs, companies can realize the promise and reduce the risk of their HIPO program.

Take Action

Launch CEB High-Potential Solution.

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Most Organizations Fail to Recognize Value from HIPOs

Most organizations understand the importance of their high-potential employees (HIPOs). Our research shows that they bring 91% more value to the organization and exert 21% more effort than non-HIPOs. HIPOs can help drive productivity and efficiency throughout the business, but most organizations are not realizing this value. In fact, 73% show neither business outcomes nor ROI.

Who Are Your True HIPOs?

Nearly half of organizations lack a systematic process for identifying HIPOs, with many overemphasizing the importance of past performance. Yet selecting HIPOs based on past performance alone proves problematic: only 1 in 7 high performers is actually a HIPO. Organizations must assess for aspiration, ability, and engagement to accurately identify their true HIPOs.

Leveraging Benchmarks

Failing HIPO programs are often the result of ineffective development strategies. This is caused by a lack of accurate data to link HIPO development to program results. Only 25% of senior business leaders use HR analytics for key talent decisions. Most organizations rely on highly subjective data to drive their HIPO development strategies.

Why Traditional Approaches to Development Are Failing

By overemphasizing traditional training approaches in HIPO development, organizations are focusing too heavily on building competencies in isolation and too lightly on helping HIPOs apply what they learn to improve performance on the job. In fact, focused and targeted on-the-job development plans can improve employee knowledge and skills by up to 16%.

Realize the Promise of Your HIPO Program

HIPOs affect the business the most. In fact, business leaders indicate that HIPOs are more than 91% more valuable to the business than core employees. By using best practices to identify, benchmark, and develop HIPOs, companies can realize the full potential of their HIPO programs and enjoy:

- Increased ROI from HIPO programs,
- Accurate identification and higher retention of top talent,
- An effective succession pipeline, and
- Accelerated talent development through targeted learning in people's real work context.

Top Tips for Maximizing the Impact of Your HIPO Program

1. **Use objective and predictive measures to identify and validate true HIPOs.**

   Without a way to accurately identify HIPOs, many organizations simply assume their high performers are their high-potential employees. The reality is that higher job levels require different skills and levels of commitment than lower-level roles, so excellent performers today are not necessarily tomorrow's leaders.

2. **Review your use of HR analytics.**

   Most business leaders don't use HR analytics to inform talent decisions. Revisit the analytics you currently use. Quantify each on its degree of subjectivity, and use this to identify critical data gaps that risk your HIPO program success.

3. **Develop your HIPOs through on-the-job learning experiences.**

   Traditionally, most HIPO development focuses on classroom training. But in reality 70% of learning comes through experience, 20% from learning through others, and only 10% from formal training. Provide a structure, guidance, and tools that show HIPOs how to learn and what to learn during these experiences, and give them ongoing feedback to support their progress.

4. **Design the HIPO program to achieve the capabilities needed for future success.**

   Although no organization can perfectly predict its future, most strategic-planning exercises will yield a list of objectives three to five years out. With those objectives as the starting point, you can then articulate your HIPO program objectives to ensure the skills you are identifying align with what will be most critical to future business results.

CEB Resources for HR Executives and Their Teams

We help HR functional executives and their teams execute efficiently, benchmark performance against best-in-class metrics, and achieve critical business objectives through successful talent and functional strategies. We provide the guidance and tools that enable business leaders and managers to overcome common challenges, improve their workforce, and drive the organization's performance.

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- CEB HR for Midsized Companies
- CEB Learning & Development
- CEB Recruiting
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- CEB HR Analytics Leadership Academy
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Information Technology

Situation

Over half (63%) of business leaders believe their company responds too slowly to technology-enabled opportunities.

Insight

IT leaders focus too much on faster development and miss the 85% of opportunities to accelerate IT that occur before development begins. To take advantage of these opportunities, IT must become adaptive by collaborating, flexing in response to change, and applying judgment based on context.

Potential

By reworking IT's processes and driving change in IT team behavior and mind-sets, CIOs can position IT to make a greater contribution to competitive advantage—faster.

CEB IT Leadership Academy's blended learning approach combines participant-led instruction with immediate real-world application to build the key competencies required for IT professionals to adapt to the speed to market come first principle.

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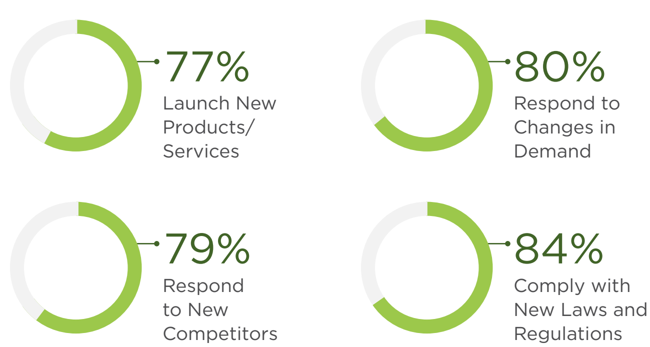
Accelerate IT's Clock Speed

Business leaders want it all. More than three-fourths of business leaders agree that quick delivery by IT is critical to their ability to launch new products and services, respond to new competitors and changes in demand, and comply with ever-changing regulations.

But, more than half of business leaders (63%) still feel their organizations are too slow to exploit technology-enabled opportunities.

To give their companies a competitive advantage from speed, CIOs must move beyond trying to use standards to streamline IT or specific carve-outs designed for speed. They must instead equip their teams to be adaptive. In adaptive IT organizations, the entire IT team collaborates, flexes, and applies judgment based on context. The result is faster clock speed—the end-to-end pace at which IT understands business needs, decides how to support those needs, and responds by delivering capabilities that create value.

IT Speed Is Important to Achieve This Goal
Percentage of Business Leaders Who Agree



n = 3,263 business partners in 17 functions and 5 seniority levels.
Source: CEB 2015 IT Clock Speed Survey.

Percentage of Teams in IT That Are Self-Contained

Self-Contained Teams "Hermits" with few users and inputs		**Interdependent Teams** "Socialites" with many users and inputs
Eliminate as many remaining handoffs as possible.	**How to Become Faster**	Map and improve existing handoffs.
< 10%	**Percentage of Teams**	> 90%

Source: CEB analysis.

Three Steps to Accelerate IT Clock Speed

Progressive CIOs are accelerating IT's clock speed by improving handoffs, streamlining processes, and expediting decision making. These steps can cut more than a month off a six-month project:

1. **Promote IT-Wide Collaboration for IT-Wide Speed—** Recognizing that more than 90% of teams are interdependent, leading CIOs encourage cross-cutting collaborations to deliver business outcomes more quickly, instead of trying to accelerate each of IT's functional silos independently.
2. **Default to Process Fast Tracks and Self-Service—** Leading CIOs encourage their teams to default to the fastest process options, including self-service, and to adapt the level of rigor to the value and risk at stake.
3. **Delegate Decision Accountability—**To avoid delays from over-escalated decisions, leading CIOs equip staff at IT's business interface to make more decisions for themselves.

Foster a Culture of Speed in IT

Speed in IT also requires changes in organizational culture. To drive cultural change, CIOs can use town halls, newsletters, and scorecards to help their teams think about their contribution to overall speed, rather than simply try to be as fast as possible themselves.

CIOs can also encourage IT employees to become comfortable with lighter-weight processes and to avoid second-guessing decisions to sacrifice process rigor in return for speed. And CIOs must relocate decisions about what to build, and when, closer to the rest of the business and must scale back the role of central committees where senior IT leaders have traditionally held sway.

Situation

IT's business partners expect accelerated speed to market, but the pressure to move quickly directly counters Infrastructure's internal mandates for cost efficiency, reliability, and scalability.

Insight

To accelerate speed to value, Infrastructure must determine where business demands for speed to market will require changes in infrastructure service models, technology roadmaps, and business case development.

Potential

Infrastructure organizations that can rebuild their service models to meet emergent, short-cycle demands can improve speed of delivery by as much as 10 times, at a lower total cost to serve.

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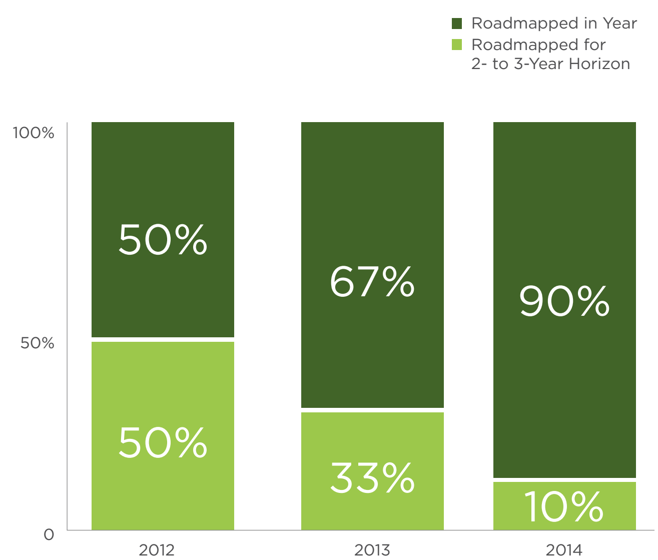
Adapt Infrastructure Investment Planning for Speed

Infrastructure's Investment Models Are Not Built for a Speed-First World

Traditionally, infrastructure investment planning has focused on long-term capital investments. Today, however, technology plans rarely include firm commitments past a 12- to 18-month time horizon.

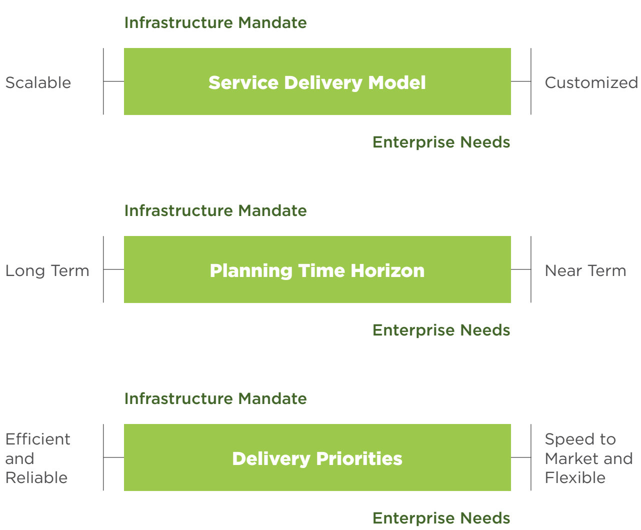
Today's business climate demands faster speed to market and smaller-scale, short-lifecycle solutions. Although Infrastructure leaders recognize the growing demand for accelerated speed to market, most infrastructure investment decision making and support models haven't adapted to the new, speed-centric world, and they are unsure of how to adapt without compromising service cost and quality.

Shrinking Technology Planning Horizons



Source: CEB 2012–2014 Emerging Technology Roadmap Surveys.

Infrastructure's Tension with Speed



Source: CEB analysis.

Incorporate Speed into Investment Decisions

Leading Infrastructure organizations adapt their approaches to infrastructure service models, technology roadmaps, and business case development to better meet business demands in a speed-first world.

- **Separate disposable from enduring needs in the service model.**
  Improve speed to market and reduce Infrastructure cost by creating services dedicated to emergent, non-scalable business demand. Isolate "disposable" demands that require speed to market and smaller-scale, short-lifecycle solutions, and create an architecturally distinct hosting service that tailors provisioning and support resources to business need.

- **Reorient roadmaps to adapt to changing business demands.**
  Adopt more-dynamic approaches to roadmapping that match key investment decisions to changing business demands. To do this effectively, use leading indicators to identify when and where investments are headed off course and require resource reallocation decisions. To manage the added complexity of new demands, monitor demands for technology exceptions to identify when the business benefits of a standards refresh outweigh the risk of complexity.

- **Engage stakeholders to reduce decision uncertainty in business cases.**
  Refocus business cases on business-relevant trade-offs, and identify the uncertain and untested assumptions that place investment returns at risk. To do this effectively, analyze patterns of use, adoption, and cost to frame alternative recommendations and help stakeholders understand trade-offs.

Situation

Frequent and sophisticated cyber attacks now target every kind of organization. In response, companies have sharply increased investments in information security, but attacks are still getting through.

Insight

The old way of choosing security investments is not working. Most companies focus on tools and security analytics without clearly understanding the impact of their investment. Those that do track impact tend to invest very differently.

Potential

A new information security investment model that assesses and manages the impact of investments will drive a very different pattern of investment. Companies will be able to invest less, but they'll be able to reduce risk to a much greater degree.

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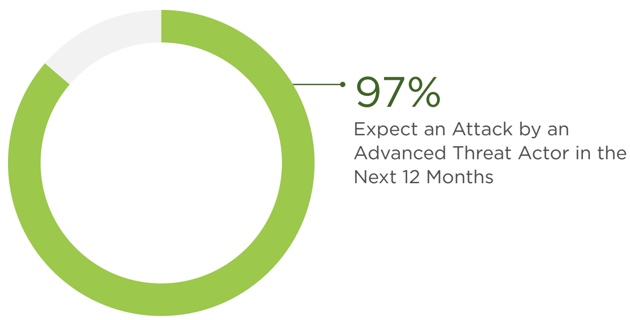
Why You Need a New Information Security Investment Model

CISOs Expect Sophisticated and Targeted Attacks in the Next Year
Percentage of CISOs



Source: CEB 2013–2014 Responding to Advanced Threats Survey.

Today's attackers are using more sophisticated methods and are targeting an increasing number of organizations. Nearly 90% of chief information security officers (CISOs) consider the sophistication of today's attacks different in kind from those their organizations have historically faced, and virtually all agree their organization will be the target of one of these attacks this year.

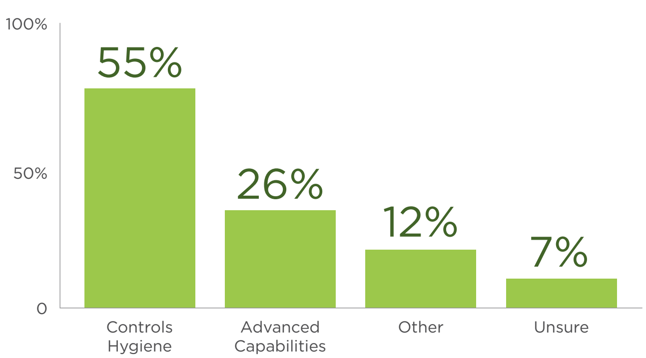
In response, companies have increased investments in information security. Security spending and team size have more than doubled in the past four years, on average.

More Investment Doesn't Translate into Reduced Risk

With a need to do something quickly, many organizations invest in advanced capabilities, such as new tools that promise protection from sophisticated attacks. This kind of investment allows IT to answer senior executives asking for proof that they have "done something." However, the evidence is clear that today's security investments are not working.

Tools provide very limited utility if they haven't already solved for some of the security basics—notably controls hygiene[1] and security staff skills. Although these are the basics, most companies do not yet have a good handle on them. For example, over 99% of breaches exploit a vulnerability that has been known for more than one year but that the company was still unable to patch.

Investment Areas Offering the Greatest ROI Against Advanced Attacks
Percentage of CISOs



n = 42.
Source: CEB 2015 Information Risk Forum.

[1] The organization's consistency in implementing and maintaining information security controls, as specified in policies or otherwise agreed on, to manage risk and compliance.

Exceptional Hygiene Can Significantly Improve an Organization's Protection Against Advanced Attacks

Over 50% of CISOs said that investing in hygiene measures provides the largest ROI for defending against new and unknown threats. Having exceptional hygiene not only improves IT's ability to block attacks but also provides better visibility of attacks on the organization.

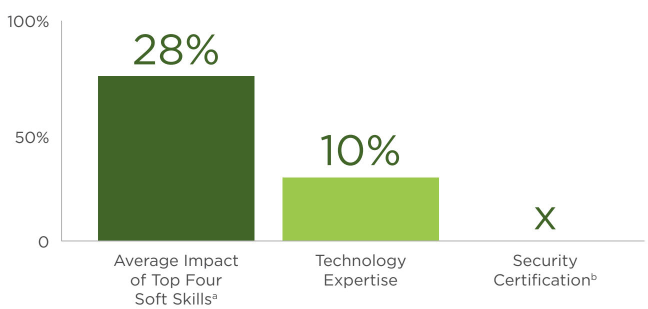
CIOs and CISOs who have had success improving hygiene find that the solution is not applying stronger governance, but rather getting buy-in on hygiene service-legal agreements from controls owners.

Investing in Talent Can Often Provide More Value Than Tools

Once foundational capabilities are in place, organizations often see more gains from investing in information security talent than tools. Analysis shows that moving to top-quartile security talent management drives better security outcomes than making the same improvement in the maturity of a company's information security controls.

Although Information Security used to comprise technical experts whose job was to identify and reduce risk, the role of the function today centers on risk management: helping risk owners in the business line make risk decisions in line with their risk appetite. This requires "soft skills" that today's security staff typically lack, but these critical skills have almost three times the impact on staff performance as technology expertise.

Performance Impact of Staff Expertise
Maximum Impact



n = 267 information security staff.
Source: CEB 2014 Information Security Talent Survey.
[a] High proficiency in any one of these competencies: business results orientation, decision making, influence, and organizational awareness.
[b] Not statistically a significant impact.

Summary

As advanced attacks become the new normal, the impact of information security investments must be carefully assessed and used to prioritize future investments. Companies that perform such assessments find that the most important investments are typically controls hygiene and security talent. Because this pattern of investment differs so much from the usual approach, companies not using this model for security investment planning will waste money and expose themselves to unnecessary risk of breaches.

CEB Resources for IT Executives and Their Teams

Our IT offerings identify the best economic outcome to difficult functional and IT management challenges that CIOs and senior IT executives face. Our insight is vendor-free and sourced from our vast executive network that spans the C-suite. Peer informed and immediately actionable, our solutions help our members transform the IT function and elevate corporate performance by becoming not just better IT managers but also better business leaders.

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- CEB Enterprise Architecture
- CEB Information Risk
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Innovation & Strategy

Situation
Although employees recognize the importance of quality, only 31% report they are likely to act on Quality initiatives—regardless of the benefits such efforts may provide.

Insight
Quality's emphasis on the ROI of its initiatives does little to motivate stakeholder action. However, firms that focus on reducing stakeholder effort during implementation can greatly increase cross-firm participation and overall quality engagement.

Potential
Increasing the ease of stakeholder participation strengthens the firm's quality culture, which can deliver as much as US$350 million in annual productivity savings.

What Are Quality Initiatives?
Quality initiatives comprise any new quality-related product and/or process change that Quality proposes to business partners.

Take Action

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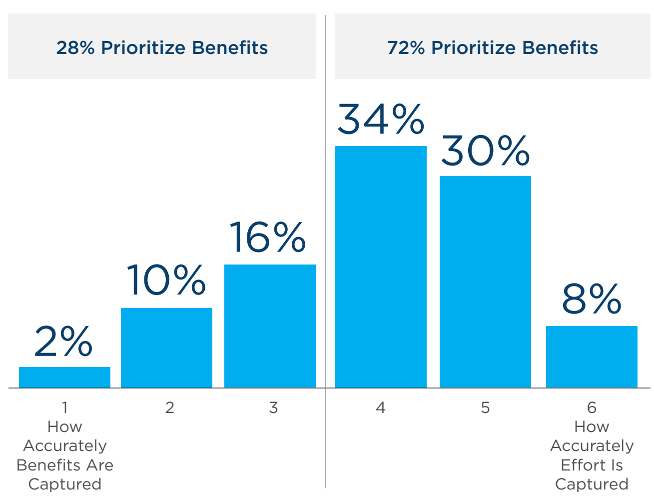
Get the Business to Act on Quality Initiatives

Help Quality Staff Make Initiatives Easy for Business Partners

Business Partners Don't Act on Quality
Quality leaders and business leaders typically see eye to eye on the importance of quality, but middle managers and frontline workers often don't view quality in the same light and will deprioritize improvements that seem burdensome or unnecessary.

When quality initiatives aren't fully implemented, effort is wasted and organizations continue to experience errors. The conventional approach to overcome organizational resistance is to "sell" quality initiatives by emphasizing their benefits. But when forced to make a trade-off, nearly three-quarters of business partners worry more about the effort required than about potential benefits.

Business Partners Don't "Buy In" on Benefits Alone
Business Partners' Biggest Concern When Deciding to Act on Initiatives
Percentage of Business Partners Organized by Strength of Trade-Off

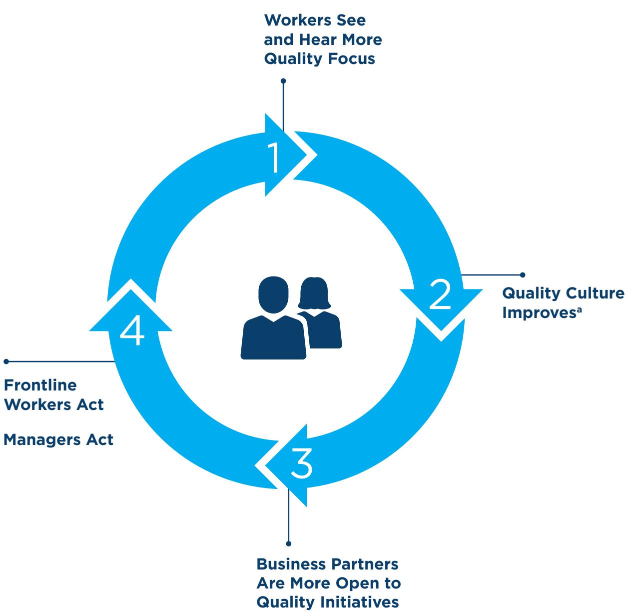


n = 143 frontline workers, 267 managers.
Source: CEB 2014 Quality Business Partner Survey.

> "Our business partners are not opposing our initiatives, but they aren't supporting them either. They are allowing us to take on new initiatives, but they are not encouraging implementation."

SVP Quality
Consumer Goods Manufacturing

Helping Staff Make It Easy Kick-Starts a Virtuous Cycle
Relationship Between Business Partner Action and Culture of Quality



Business Partner Action and Quality Are Strongly Correlated

Quality Culture → Business Manager Action (R = 0.45)[b]

Quality Culture → Frontline Worker Action (R = 0.41)[b]

n = 267 managers; 143 frontline workers.
Source: CEB 2014 Quality Business Partner Survey.
[a] CEB's Culture of Quality Index finds that a culture of quality is driven by the extent to which employees hear, feel, see, and transfer quality during their daily work.
[b] "R" refers to Pearson correlation coefficient, which ranges from -1 to 1. The closer the R is to 1, the more positive the relationship between the two tested variables.

Quality Staff Can Manage Effort by Making it Easy

Quality staff admit they do not consistently apply make-it-easy tactics, and only 45% of business stakeholders report that Quality works to make project implementation easy. Those that do, however, enjoy meaningful shifts in business partner action. Making it easy increases business action on quality-related initiatives, improving the quality culture and the likelihood the business will act on the next project.

Quality leaders need to take three steps to help Quality staff make initiatives easier for business partners:

- Help staff understand the drivers of business partner effort.
- Ensure staff provide support to make it easy.
- Motivate staff to adopt make-it-easy behaviors.

Quality leadership must actively support staff to enable them to adopt new behaviors. Because Quality staff will find it very challenging to transition into active partners who make it easy for the business to act, Quality leadership must dedicate time to helping staff understand what "making it easy" means, showing them how to actually make things easier for the business, and resetting performance expectations around new behaviors.

Prevent Dangerous Trade-Offs in Your R&D Portfolio

Situation
R&D portfolios are dangerously out of balance. Despite increasing the amount of initial funding to longer-term, highly innovative projects, these projects are being traded off—delayed, killed, or scoped down—endangering firms' growth goals.

Insight
Key R&D projects are being crowded out by a flood of short-term incremental projects. Helping business partners make better decisions about those incremental projects—rather than focusing on the value of longer-term projects—can improve R&D portfolio health.

Action
R&D must change how it guides the business away from lower-value incremental projects, as well as strengthen limits on R&D resources available for incremental work.

Resources for Portfolio Management
Use an R&D Spending and Performance Benchmark to see how your portfolio, pipeline, and resourcing measure up against industry peers, or consult our practical guides to improve the effectiveness of your R&D portfolio management process.

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Corporate R&D Portfolios Are Endangering Firms' Growth Goals

Despite increasing the amount of spending on transformational innovation projects by 42% over the past three years, most R&D leaders report that these projects are being delayed, scoped down, or unnecessarily stopped. In other words, they get traded off. R&D often ends up having to redirect its focus under intense pressure from the business to support near-term incremental[1] projects.

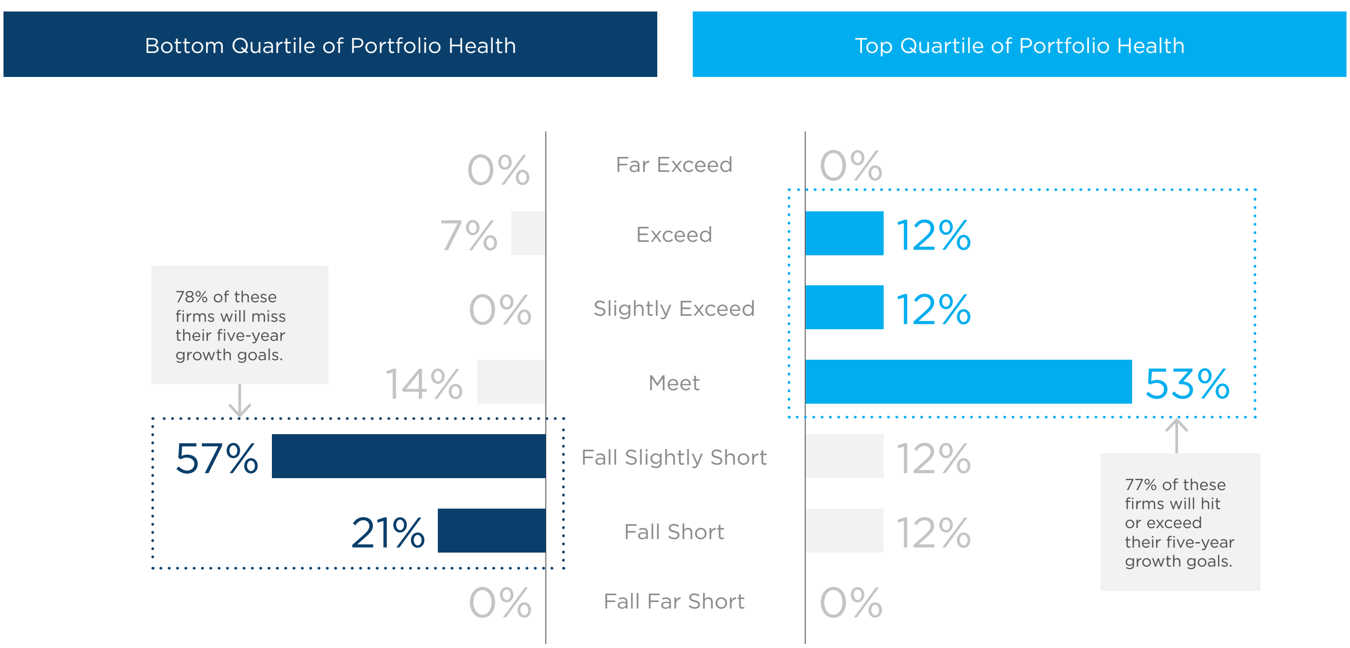
In fact, less than one in four R&D leaders is satisfied with his or her portfolio management process—the process companies use to manage the mix of R&D projects underway. Less than half of R&D leaders believe their portfolios contain a sufficient number of high-value projects and that spending matches strategy. This lack of portfolio health matters: of companies with the unhealthiest R&D portfolios, most (78%) anticipate missing their five-year revenue growth goals.

[1] **R&D Project Type Definitions:**
Incremental: Projects designed to support existing products or services.
Transformational: New-to-market innovation proposals with a high likelihood of achieving significant growth for the company.

> "Our company is constantly faced with difficult trade-off decisions, and of course one thing that's easiest to trade off is long-term, early stage, high-risk R&D projects."

SVP, R&D
Pharmaceuticals Company

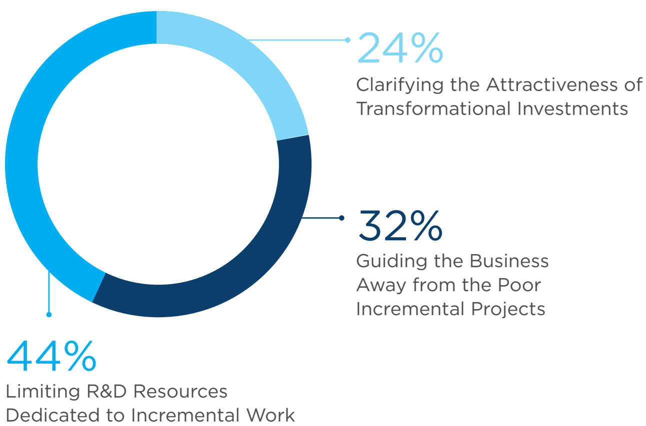
Anticipated Performance on Five-Year Company Revenue Growth Goal
Percentage of Respondents, Based on R&D Portfolio Health[a]



n = 54.
Source: CEB 2015 R&D Portfolio Management Survey.
Note: Totals may not equal 100% due to rounding.
[a] A two-tailed t-test of difference in means shows that the difference in the sample is statistically significant at the 95% confidence level. A similar trend holds true for respondents' 10-year growth goals.

Relative Impact of Trade-Off Management Strategies on Portfolio Health

Percentage of R-Squared Attributable to Each of the Three Key Variables[a]



Attempts to make the business believe even more in the value are much less successful at improving portfolio health than strategies that help the business avoid making bad decisions under pressure.

n = 54.
Source: CEB 2015 R&D Portfolio Management Survey.
[a] These three variables explain 33% of the variance in the portfolio health index in a multivariate regression (R^2 = 0.33). The relative impact of each variable was calculated using relative weight analysis, which calculates the percent contribution of each variable to the R-squared of the three-variable model of portfolio health.

It's a Problem of Incremental—Not Transformational—Innovation

Our research shows that companies put their growth goals at risk by allowing R&D resources and attention to shift from transformational to incremental projects. Most organizations try to protect transformational projects in the same way they secure initial funding—by selling the value of the projects. Our quantitative research shows that attempts to strengthen the belief in the value of these projects is significantly less effective at minimizing trade-offs and improving portfolio health. Rather, helping the business avoid bad decisions concerning incremental projects has proven to be much more successful.

To combat the pull toward incremental work, R&D should guide business partners away from poor decisions and strengthen the limits on R&D resources dedicated to incremental work.

Business partners struggle to conduct high-quality evaluations of potential incremental projects. To address this, R&D leaders must fill in business partners' information gaps by providing critical supplemental data. Make project information more complete by improving the transparency of the full benefits and costs of incremental projects, and make it more accurate by contextualizing it with new data sources.

Decision makers in R&D struggle to make principled resourcing decisions in the moment and under pressure. They must strengthen project resourcing rules to avoid selecting unnecessarily costly options. Create decision rules that direct incremental projects to lower-cost resourcing options by default, and specify preset resourcing options to ensure the lowest-cost trade-off is consistently selected.

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CEB's Innovation & Strategy practice includes R&D, strategy, and Quality professionals from the world's leading companies. We provide best practices, tools, and ideas to make you more effective, accelerate your team's capabilities, and create transformative growth for your organization.

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Procurement & Operations

Improve Employee Outcomes Through Workplace Design

Build an Emotional Connection to the Workplace to Drive Employee Outcomes

Situation
Heads of CRE are contending with workforce shifts, which has called into question how the workplace fits employee needs.

Insight
Building an emotional connection to the workplace is a more powerful driver of employee outcomes than only matching design to satisfy work execution needs. Creating a workplace identity effectively establishes staff's emotional connection to the workplace.

Potential
Employees in organizations with a strong workplace identity have more than double the emotional connection to the workplace than those who do not. Companies that meet employees' emotional needs generate a maximum impact[1] of 26% on productivity[2] and 9% on retention.[3]

Trends Affecting Workforce Shifts

- Changing workforce demographics
- Work that requires more collaboration
- Growing space constraints

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Employees Have Execution and Emotional Needs in the Workplace

Less than half of employees report satisfaction with the workplace. To meet employee workplace needs, CRE must satisfy two different forms of need: execution (the optimal use of the workspace and workplace tools that enable employees to effectively and efficiently do their work) and emotional (employee feelings of interest, desirability, gratitude, and pride when thinking about their workplace). The conventional approach has focused on meeting employee execution needs, although satisfying emotional needs drives stronger employee outcomes.

How to Think About Workplace Emotional Needs
Emotional Needs[a] Addressable Through the Workplace and How They Drive Employee Outcomes

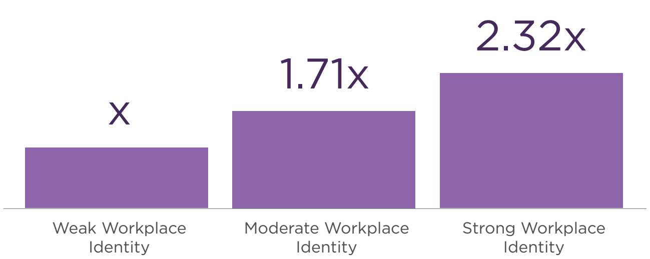
Interest Feeling excited by the workplace design	**Attraction** Feeling a strong desire to be at the workplace
Gratitude Feeling appreciated based on the workplace design	**Pride** Feeling proud to work in a particular workplace

Source: CEB analysis.
[a] Based on distillation of 11 pairs of positive and negative emotions in David L. Robinson, "Brain Function, Emotional Experience, and Personality," *Netherlands Journal of Psychology* 64 (2008): 152–167.
[1] The maximum impact represents the maximum percentage of change in each employee outcome that can be achieved from a 20th percentile to an 80th percentile improvement in meeting execution or emotional needs.
[2] Measured using CEB's Enterprise Contribution metric, evaluating both individual and network performance.
[3] Indexed measure of a series of questions looking at an employee's level of activity looking for a role at a different organization.

“All kinds of consultants have all kinds of strategies that they think work. They may come into your company and tell you how they think you should do it. But when it comes to identity, it must be aligned uniquely to your company.”

Senior Director
Corporate Real Estate and Development
Health Products and Services

A Strong Workplace Identity Drives Stronger Emotional Connections
Impact of Workplace Identity[a] on Meeting Emotional Workplace Needs
Indexed, Varying Degrees of Workplace Identity Strength



n = 800 employees.
Source: CEB 2014 Real Estate Employee Impact Assessment.
[a] Workplace identity is measured as an indexed score of employee agreement with the following statements: 1) “There are aspects of my organization’s physical workplace that I would not be able to find at most other organizations;” and 2) “I understand why my physical workplace is designed in the way it is.”

The Key to Meeting Employee Emotional Workplace Needs Is Workplace Identity

Addressing employees’ emotional workplace needs requires incorporating something they can easily attach to, which can be done using a workplace identity—a collection of differentiable features in a physical workplace that employees can clearly recognize the reasoning behind. Employees in an organization with a strong workplace identity have more than double the emotional connection to their workplace than those in organizations with a weak identity. CRE executives seeking to establish a strong workplace identity should focus on addressing three barriers:

- Knowing what the right workplace identity should be,
- Knowing how to identify differentiable workplace design elements, and
- Ensuring employees recognize the reasoning behind design decisions.

CRE heads regularly introduce interesting elements into their workplaces, but without a differentiable and recognizable story behind those elements, they underperform. Having a workplace identity better meets employees’ emotional needs than simply having a space with a small number of elements that “define” it.

Situation
CPOs need staff to become more strategic as categories mature and traditional techniques yield diminishing returns.

Insight
To increase procurement staff's strategic contributions to the business, stop looking for superheroes and establish teams with complementary skills.

Potential
Strategic procurement staff generate nearly six times as much savings as those who are not strategic (US$4,600,000 versus US$800,000 on average, respectively). Staff who are expected to be strategic—but aren't—result in US$41 million in missed savings and US$1 million in suboptimal use of head count budget.

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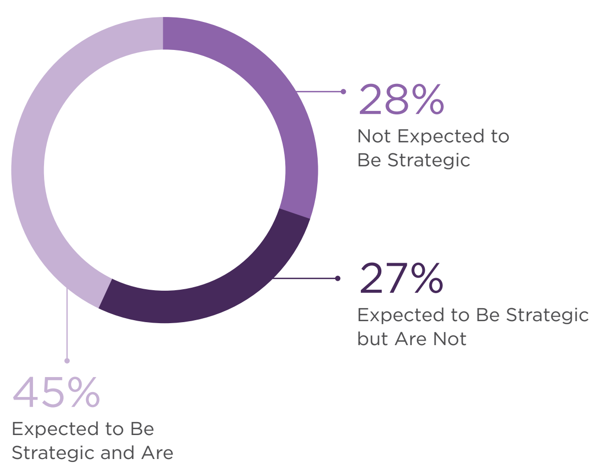
Close the Procurement Staff Skills Gap

Increase Strategic Contributions by Building Complementary Teams

Procurement Has a Shortage of Strategic Staff

Today's procurement workforce has an abundance of sourcing and efficiency experts, but it lacks staff who excel at developing solutions that exceed business expectations and selling their ideas to the business. Strategic procurement staff must excel in six competency groups: 1) functional expert, 2) innovator, 3) results seeker, 4) influencer, 5) adaptor, and 6) complier. Few procurement staff excel in multiple competencies, and a small proportion of staff show improvement in any given competency following traditional training investments.

Not As Many Strategic Staff as We Need
Breakdown of Staff by Manager Perceptions of Strategic Performance
Proportion of All Functional Staff

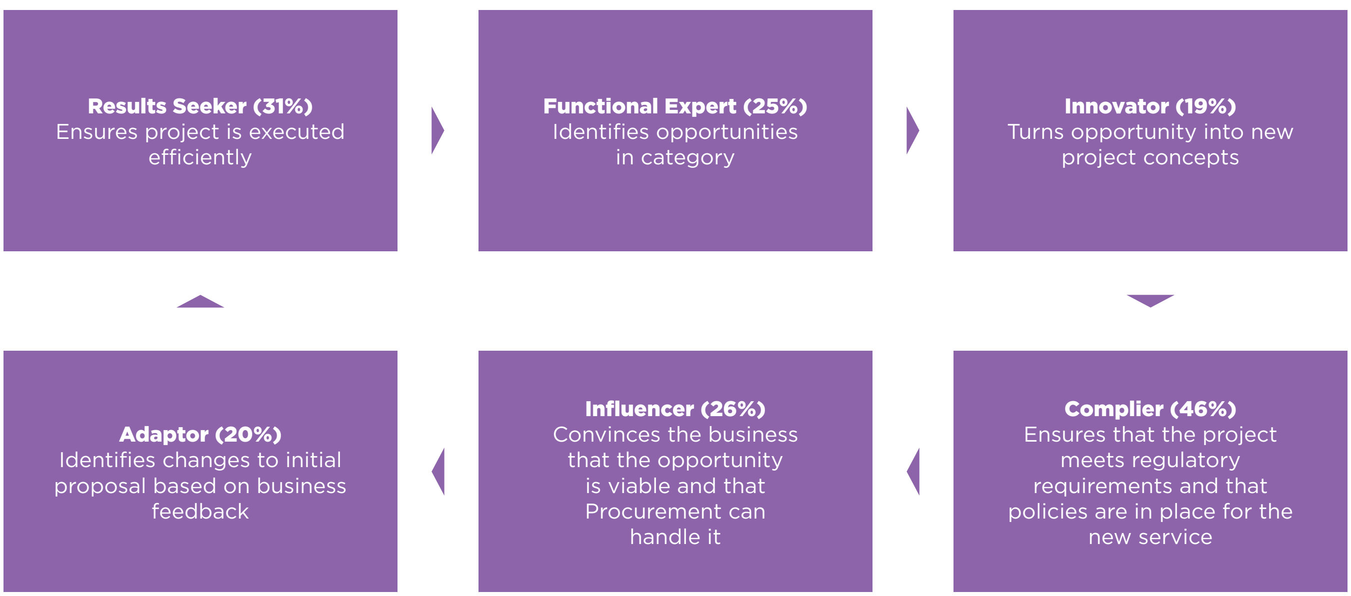


n = 925 procurement staff.
Source: CEB 2014 Procurement Talent Test.

"Our biggest challenge is the time and money it takes to train and develop staff. Also, sometimes you make a mistake and a few months down the line you realize that you have been training the wrong person."

VP Procurement
Retail

The Six Strategic Competencies That Matter Most
Derived from Application of Factor Analysis to Procurement Talent Test Data



Source: CEB analysis.
Note: Percentages refer to percentage of procurement staff who excel at each competency.

Stop Looking for Superheroes

Staff with multiple strategic competencies are rare within Procurement, as only 10% of procurement professionals possess all six. Typically, CPOs build teams around category managers to provide workload leverage as opposed to round out competency gaps. Investments in development activities are worthwhile, but they are often insufficient, as certain competencies are difficult to teach.

Hiring individuals with all six, however, is a suboptimal approach for CPOs because these superheroes are expensive and hard to find. Focusing on finding staff who excel at one or two competencies and creatively building complimentary skill-based teams is much easier to accomplish and is more suited for the typical procurement budget. CPOs seeking to establish teams with complimentary skills must improve their ability to do four things:

- Identify which categories need which strategic competencies,
- Assess which competencies staff possess,
- Map the right staff to the right roles, and
- Overcome inertia preventing optimal staff deployment.

Complimentary Skill-Based Teams Outperform the Rest

By moving from a team without complementary skills to one that combines individuals' competency strengths, companies create a group that is capable of doubling strategic performance as compared to the average category management structure.

CEB Resources for Procurement & Operations Executives and Their Teams

CEB's Procurement & Operations practice includes procurement, real estate, and operations professionals from the world's leading companies. We provide best practices, tools, and ideas to improve functional performance, develop teams, drive innovation that unlocks new savings for the business, and transform the department into a more strategic function that delivers sustainable value over time.

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Risk & Audit

Audit Through Organizational Change

Ensure Audit Delivers Reliable Assurance as Businesses Experience Continuous Change

Situation
Audit functions and their traditional approaches to assurance have struggled to respond to the evolving pace and nature of change, which continues to disrupt the risk universe and make business processes a moving target.

Insight
Audit should not only adapt its own processes to be more agile in times of change but also help the business proactively identify and respond to change-induced vulnerabilities in the risk and control environment.

Potential
By focusing audit resources on the most vulnerable areas of the control environment and focusing the business to remediate the most critical control weaknesses, Audit can reduce declines in risk management effectiveness and accelerate control owners' adaption to change.

Examples of Material Organizational Changes

- Mergers and Acquisitions
- Altered Business Model
- New Product Launch
- Leadership Turnover
- New Technology
- Layoffs
- Divestitures
- Third Parties

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An Increased Pace and Impact of Change

Due to the continuous changes affecting businesses, the auditable risk universe has become a moving target, making it very challenging for audit executives to deliver reliable assurance and ensure that risks are well controlled.

Change is inevitable, and the speed, volume, interdependence, and simultaneity of change presents particular challenges for contemporary organizations, which are now more complex than ever before.

Eighty-seven percent of CAEs agree that competing priorities for management create a challenge for Audit to engage properly with business partners and in turn for the business to effectively remediate Audit's findings.

Challenges Throughout the Audit Process

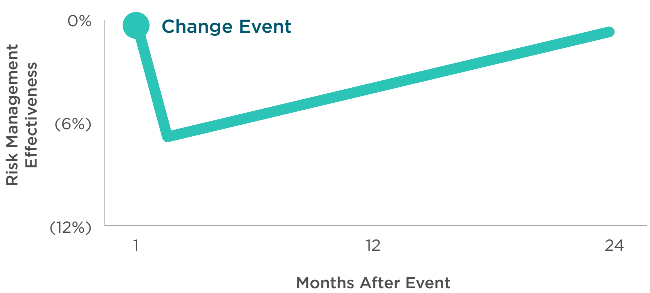
Risk Assessment and Audit Planning	"A growing risk universe makes it more difficult for us to identify and assess new and emerging risks and to prioritize audit engagements."
Engagement Planning	"Shifting business strategy makes it more challenging to scope audit engagements."
Fieldwork	"Constantly changing processes make it more difficult to complete assurance activities."
Reporting and Follow Up	"Management is often too distracted to act on audit findings, making it more challenging for Audit to ensure effective remediation."

Source: CEB analysis.

“We cannot support the business through its rapid growth with retrospective assurance. Where we have been doesn’t matter as much as where we are going.”

Susan Insley
Chief Audit Executive
VMWare

Impact Lasts
Risk Management Shock Following a Single Change Event



n = 3,613 (2015); 11,063 (2011).
Source: CEB 2015 Control Owner Survey; CEB 2011 Engagement Research Survey.

Risk management recovery is hindered in a number of ways:

- Management is distracted by the disruption caused by change, reducing its risk management capacity.
- Change creates many competing priorities, which paralyzes management’s decision making.
- Assurance functions’ exhaustive and often granular recommendations overwhelm management and divert limited resources to low-value remediation.

The Root of the Matter

Our research found that control owners (typically management staff who determine, maintain, or direct policies and procedures) are exposed to even more change than the average employee—leaving them skeptical and drained, creating deficiencies in controls, and reducing risk management effectiveness. Continuous change means that control owners and the business may never fully recover from each change event, compounding the issue.

Most audit departments respond by building audit agility, which represents solutions to improve the speed and flexibility of the audit process itself. However, this alone cannot address the root causes of the decrease in risk management effectiveness.

Forward-Looking Assurance

Audit must adopt new methods to analyze risks more effectively and preemptively address change events.

Help Management Anticipate Risks

- Provide assurance prior to or during change events. Once roles, responsibilities, and processes have stabilized, it is too late for Audit to avert a negative shock to risk management effectiveness.
- Apply forward-looking assurance techniques and output to provide support for new and unstable processes.
- Assess the interdependence of risks to develop a holistic understanding of the risk environment, and identify the most critical combinations of risk drivers and consequences.

Focus Remediation on the Most Critical Issues

- Focus assurance and remediation activities on governance, which lies at the root of most risk management failures during change.
- Enable the business to defer noncritical remediation activity until capacity frees up.

Situation
Almost one-third of material decisions in the business are made outside the senior leadership team's risk appetite.

Insight
Making risk appetite guidance consistent with other messages is the most effective way to make it easy to use—and most affects decision alignment.

Potential
Adopting this approach will help ERM teams move risk appetite from a theoretical or paper exercise to a valuable tool for driving more consistent decisions in the business, and it will save the company from the waste and loss associated with undue risk taking.

Risk Appetite: The amount and type of risk an organization is willing to assume in the pursuit of its strategic objectives

Material Decisions: Decisions that can significantly impact the organization's revenue, operations, or reputation

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Align Decision Making with Risk Appetite

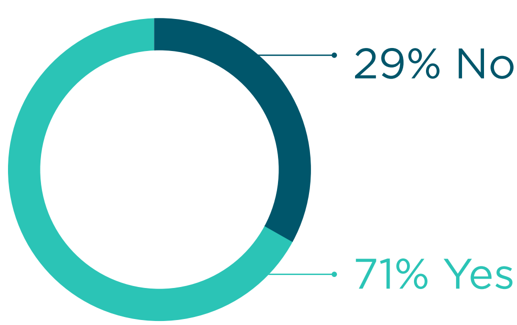
Create an Actionable Framework to Meet Senior Leadership's Appetite for Risk

Who Is Making the Decisions?
In today's highly matrixed and increasingly global work environment, more employees than ever before are making material decisions—and without always considering their decisions' risk to the enterprise.

To embed risk management into decision making, both at a strategic and operational level, organizations first need to understand how much risk they are willing to take in pursuit of their objectives.

But most articulations of risk appetite fail to provide actionable guidance to decision makers. For this reason, ERM teams must create an actionable framework for decision makers to take the appropriate amount of risk that will achieve their business objectives.

Do Material Decisions Conform to Senior Leadership's Risk Appetite?
Percentage of Survey Respondents (Risk Liaisons)

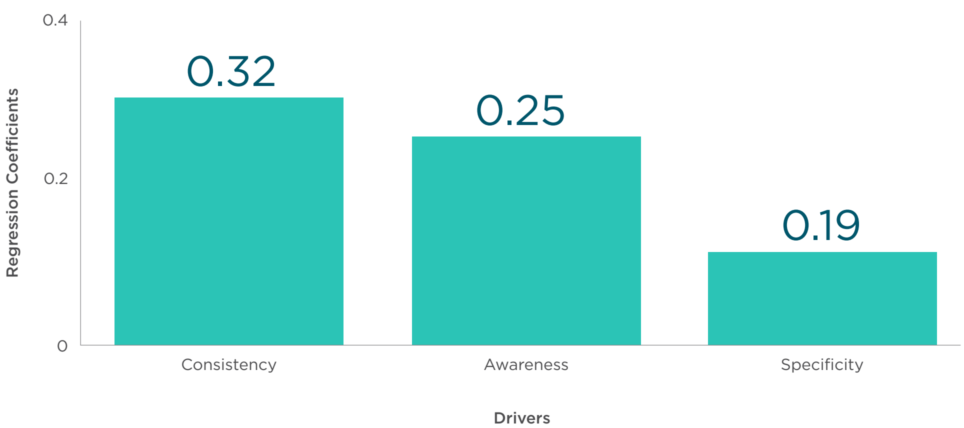


Source: CEB analysis.

“Our senior leadership has reacted very positively to this....It has clarified their understanding of risk, but more importantly it has improved their alignment with the relative importance of strategic objectives.”

Rob Quail
Director of ERM
Hydro One, Inc.

Getting Material Decisions to Align with Risk Appetite
Relative Impact of Drivers



n = 125.
Source: CEB 2015 Risk Appetite Survey for Risk Liaisons.

Driving Maximum Impact for Decision Makers

Making it easy for decision makers to stay within the business's preferred risk appetite framework most impacts decision conformance. The relationship between decision performance and its drivers involves three key factors:

- **Awareness—**Do decision makers know what the firm's risk appetite is?
- **Specific Guidance—**Do decision makers know what actions they should take to meet that appetite?
- **Consistency—**Does the guidance on risk appetite that decision makers receive fit with other guidance or informal messages they receive?

Consistency of risk appetite guidance makes it easier for decision makers to take relevant actions. This can be achieved by ensuring the direction matches other forms of management's messaging. To test your success of this driver, address the following questions:

- Do internal communications and other forms of guidance provided to the business follow the preferred risk appetite framework?
- Are mixed signals being sent to the business regarding what actions and objectives should be prioritized?
- Does our risk appetite framework explicitly include or refer to the strategic preferences and objectives of the firm?

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Sales & Marketing

Situation
B2B purchase decisions increasingly require consensus among an ever-wider range of stakeholders across the organization. Rarely is the limiting factor the salesperson's inability to connect to any one stakeholder, but rather the stakeholders' inability to connect with each other and to reach a healthy consensus.

Insight
Leading organizations equip a very specific type of stakeholder, a Mobilizer, who is highly skeptical, supplier agnostic, and willing to challenge the status quo—the kind of customer most salespeople avoid.

Potential
Mobilizers inspire their organizations to act and forge healthy consensus (well beyond lowest-common denominator agreement).

Resources for Commercial Teams
Through implementation support, CEB Sales Effectiveness Solutions provides commercial teams with Challenger™ skills designed to overcome buying obstacles and win bigger deals.

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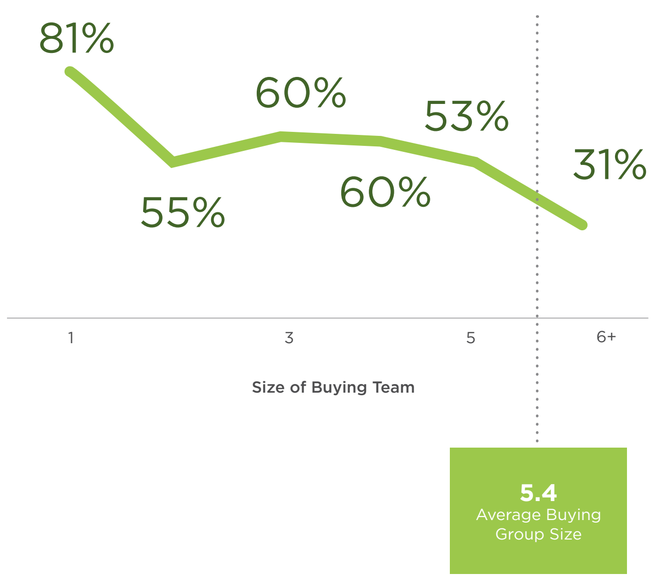
Drive Growth by Creating Customer Consensus

The Rise of the 5.4
B2B buying is now "purchase by committee"—with more stakeholders, competing perspectives, and individual priorities than ever before. Today's typical buying group includes 5.4 diverse stakeholders who struggle to agree on anything other than the easiest, cheapest purchases. Our research shows that for each incremental stakeholder who joins a purchasing committee, the likelihood of purchase drops at a remarkably alarming rate. This decrease is due to the group's inability to recognize a common understanding of their business challenges and required actions.

Groups Are Less Likely to Buy
Q: "We will definitely buy from this supplier in the next six months."

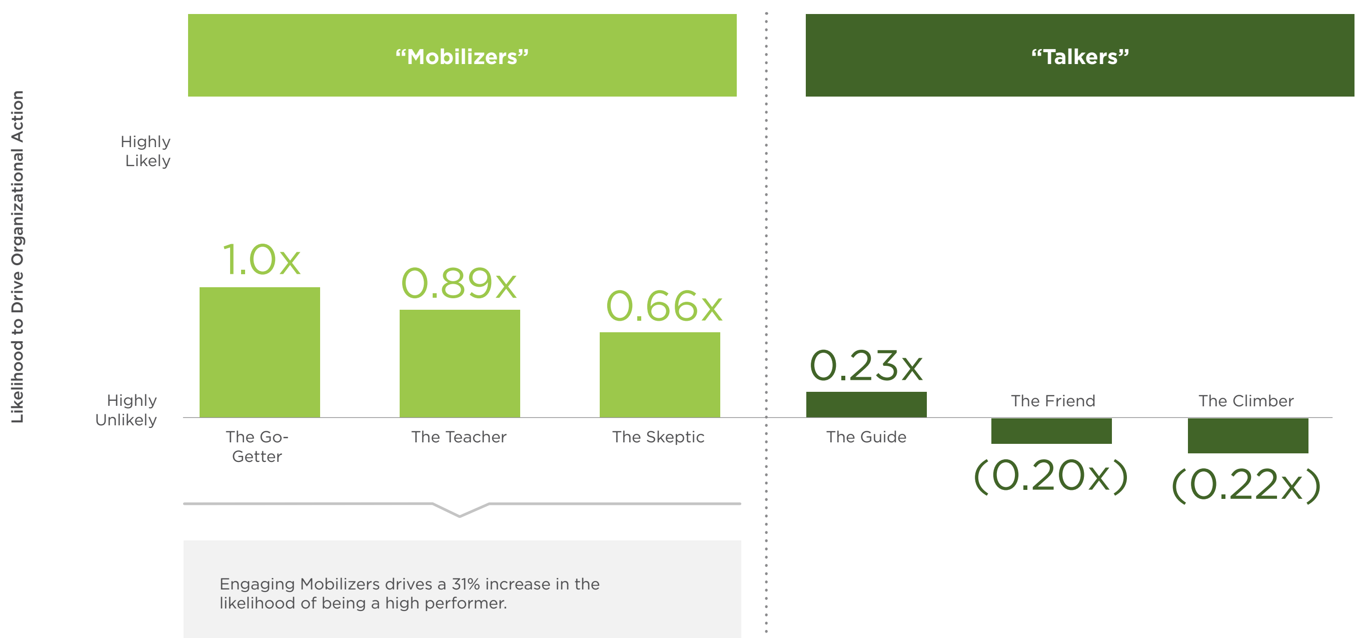


n = 3,000.
Source: CEB/Motista 2013 B2B Brand Survey; CEB Analysis.

"I'm constantly reminding our salespeople to help align customer stakeholders. They often perceive an imaginary line they can't cross when supporting our customers."

Head of Global Sales
Health Care Company

Effectiveness of Customer Stakeholder Profiles at Driving Organizational Action
Indexed



n = 717.
Source: CEB analysis.

Calling on the Corner Office No Longer Works

The driver that most influences a senior decision maker's likelihood of purchase is simply broad organizational agreement for a supplier. Accordingly, instead of prioritizing stakeholders with title, seniority, or decision-making authority, the best sellers seek those who can forge consensus and marshal the internal resources necessary to push the organization to change its behavior. Two-thirds of the time, this not a senior executive.

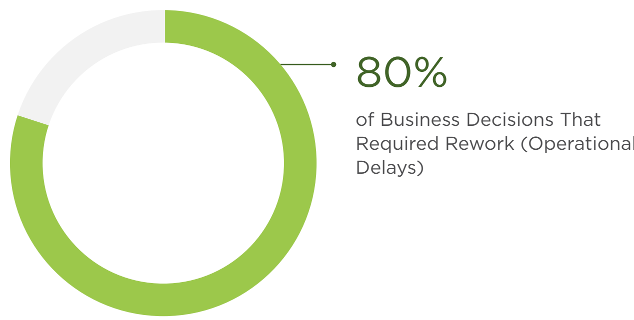
Average-performing sellers predominately engage the most accessible points of contact, which typically fall into the category of "Talkers." However, the ability of these stakeholders is minimal (indeed, often harmful) to building consensus among their peers.

High-performing sellers target three types of stakeholders, whom we collectively call "Mobilizers." Mobilizers are the stakeholders best suited to drive action and consensus within their organization. Bottom line, core-performing sales reps sell to Talkers and fail, while star-performing reps sell to Mobilizers and win. It's the key to winning the consensus-based sale. In fact, high-performing sellers are 31% more likely to engage Mobilizers.

Equip Mobilizers to Drive Growth

Creating consensus across a diverse stakeholder group is never easy, and even the best Mobilizers need help. Add to this the reality that much of the customer's purchase journey occurs before a sales rep is involved, and it's clear that Marketing must engage Mobilizers as well. The best marketing organizations build what they call "Mobilizer toolkits." These toolkits comprise easy-to-use, step-by-step guides that Mobilizers can use to effectively drive change and win consensus.

Receptivity to Supplier Support
Q: "How helpful or unhelpful would you find supplier-specific talking points?"



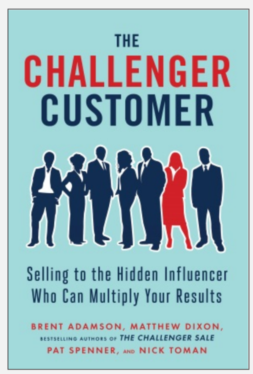
n = 590.
Source: CEB 2013 B2B Global Buyer Survey.
(Answers of 5,6, or 7 on a 7-point scale.)

To create these toolkits, marketing teams:

- Carefully examine past deals (both wins and losses),
- Break down the purchase process into step-by-step stages,
- Pinpoint stakeholders' most likely concerns, objections, and consensus friction points,
- Design content to help navigate these challenges, and
- Package everything in very tactical, easy-to-use tools that Mobilizers can readily find and employ on their own.

The Challenger Customer

Customer consensus requires a new approach—one where Sales and Marketing work together to identify Mobilizers and equip them to win over the rest of the buying group.



For more information and a step-by-step, detailed review of the ideas introduced here, check out *The Challenger Customer: Selling to the Hidden Influencer Who Can Multiply Your Results* (Portfolio) by Brent Adamson, Matthew Dixon, Patrick Spenner, and Nick Toman.

The Portrait of the New High Performer in Service

Hire and Retain the Low-Effort Customer Service Rep

Situation
Service leaders are pressured from all sides: greater customer demands, more complex issues, and cost constraints. Customer loyalty is on the line with every interaction, and that lies squarely on the customer service rep's ability to deliver low-effort service.

Insight
Service organization and customer changes have fundamentally shifted the type of person who is best suited for the customer service rep role, and organizations need to rethink their talent strategy.

Potential
Top performers are naturally suited to simplify the issue resolution process for customers and create low-effort, high-loyalty outcomes.

Customer Service Centers Need "Controllers"
While analyzing the rep types of today's contact center, we found one that outperformed all the others: the Controller. Businesses need Controllers, someone who can take charge and guide customers confidently to a solution.

Changing Customer Needs and Heightened Expectations

Consumers today are increasingly overwhelmed by the amount of information available to them across multiple service channels and touch points. This need has dramatically changed the concept of what customers want out of service interactions. Politeness alone is seen as secondary to simplicity and guidance when customers have a problem to be resolved.

Find the New High Performer

Our research shows that "Empathizer" reps are currently the most popular customer service rep personality type. The Empathizer focuses on soothing the customer and providing a pleasant experience. However, although Empathizers like to spend time helping people, they often struggle to provide low-effort service in complex situations, leaving customers frustrated.

Instead, businesses need "Controllers." We found that the Controller far outperforms all the other rep types, including the Empathizer, when it comes to low-effort customer service—the type of service proven to drive customer loyalty. This is because Controllers can cut through the noise and excess information to guide their customers through each problem efficiently and effectively—providing customers with confidence that their issue is fully resolved.

“CEB provides our organization excellent research, recommendation, and tools to continually improve.”

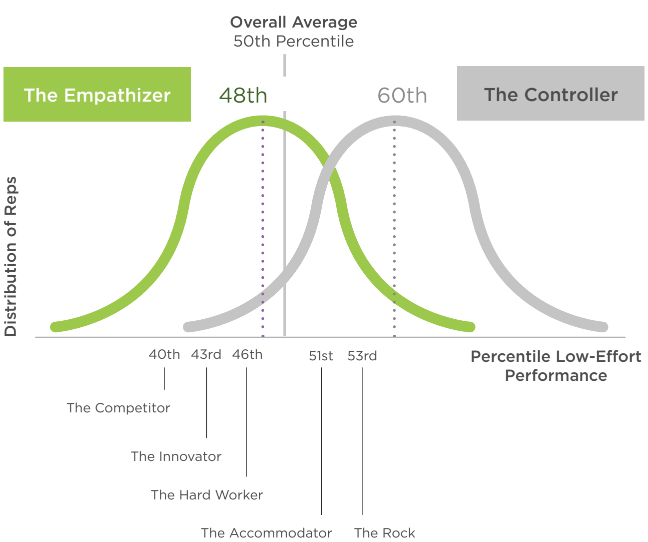
Director, Member Relations
BSBC of Kansas

A New Way Forward

Our research shows that most businesses have a lot of catching up to do when it comes to hiring and retaining the right employees.

- Empathizers make up 32% of the current population of service reps.
- Only 15% of those in customer service rep roles fall into the Controller rep type.
- Only 2% of companies report they would prefer Controllers.

Comparison of Low-Effort Performance Averages by Frontline Rep Types
Smoothed Distribution Low-Effort Performance Curves



n = 1,440 frontline reps.
Source: CEB 2015 Frontline Workforce Fit and Engagement Survey.

From a business perspective, managers concerned about delivering the best customer service should think differently about the assets each rep type will bring to their business. Specifically, companies should focus on three key things when attracting the new high performer for customer service:

- **Focus on Personality—**Look for the confident, outspoken, and proactive candidates, and don’t be swayed by “Mr. Nice Guy.”
- **Reimagine Job Postings—**Start focusing on the unique aspects of the job, the qualities you’re looking for, and the employment value proposition that will best attract Controllers.
- **Consider Recruiter Immersion Programs—**As tested by a leading health insurance company, embed recruiters into contact centers. This enables learning moments and closes knowledge gaps around desired candidate profiles.

Improve Service Experience and Drive Loyalty

Businesses should be mindful that 84% of customers today just want their issue resolved as quickly as possible and are willing to be directed to the best option to solve their problem. Politeness and niceties are expected, but they don’t guarantee customers will be satisfied and loyal in the end. The true value lies in a rep who can simplify things for customers and help them get back to what’s important—their lives.

Situation
Marketing is in a period of intense experimentation. Marketing communications have changed so much that even the term "campaign" feels outdated. Uncertainty and low success rates have put pressure on ROI, and now many brands are reassessing their advertising spend with more agency under review now than in the past three years combined.

Insight
No amount of creative genius or media innovation will drive consistent high performance without a strong core idea. Our research shows that the best-performing initiatives are based not just on ideas that resonate, but rather on ideas that challenge cultural norms.

Potential
Brands that develop culturally disruptive marcomms benefit from a median sales increase of 20%.

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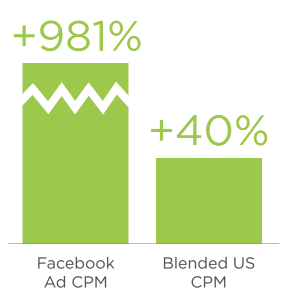
Replicate High-Performing Marcomms

Learn the DNA of Winning Marcomm Initiatives and How to Produce Them Consistently

Marcomms at a Breaking Point

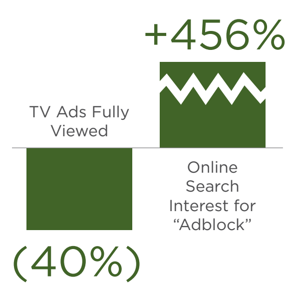
Advertising dynamics have evolved dramatically in the past few years. New channels, more advertisers, and hype around key media sites have driven up media costs. Consumers have also evolved. Shorter attention spans, rising cynicism, and greater savviness have increased ad screening. In fact, just 20% of TV ads are now fully viewed, and digital ads face the same problem. As a result, marketers are paying more to get less. This has led brands to reassess their advertising spend, with more agency spend under review now than in the past three years combined.

Changes in Advertising Costs
2014 Versus 2011
Indexed



Source: CEB analysis.

Changes in Advertising Reach
2014 Versus 2010
Indexed



Source: CEB analysis.

Content Still Matters Most

A comparison of good versus great initiatives reveals that content quality is still the main differentiator.

- Content creation, placement, and activation have little to no effect on the quality of marketing communications. Content, and specifically the nature of a brand's insight, is the most critical component.
- Consumer insight, core message, and creative quality differ widely across good versus great initiatives.
- New technology and channels should not distract marketers from ensuring the core idea is solid.

Brands are trying to break through to consumers by creating more resonant messages that affirm consumers' beliefs and values. This means attaching to a shared value—or belief shared by both brand and consumers—and then creating messages that sum up exactly how consumers feel about that value to elicit support for the brand.

Disruptive Messages Outperform

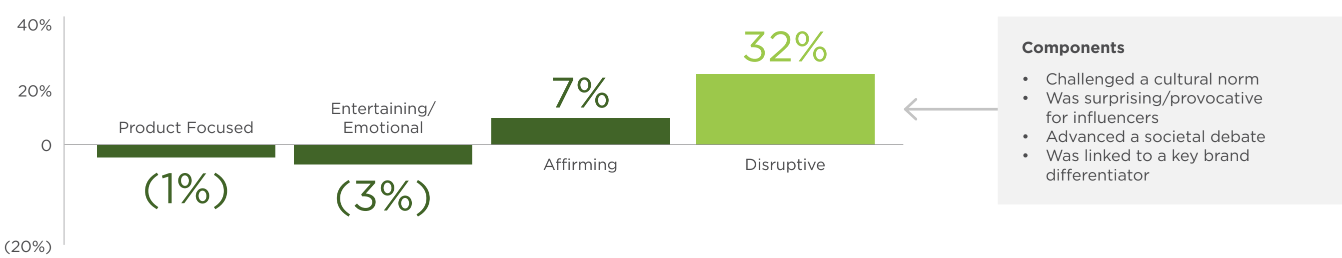
Reflecting consumer values has become commonplace—and is no longer enough to get distracted consumers to pay attention to the message, remember it, and spread it.

Leading brands create initiatives that offer an unexpected angle on a topic of debate. By challenging norms and advancing a debate, disruptive campaigns are more likely to make consumers stop and think and then discuss the idea with others—boosting attention and earned media. Campaigns that disrupt cultural norms are 32% more likely to be high performing, driving a median increase in sales of 20%.

To overcome the difficulties inherent in producing disruptive marcomm initiatives, brands should focus on three key activities. They need to look for cultural outliers to identify and test disruptive insights, align the team with the required level of risk for the brand, and establish scalable processes to ensure their brand stays connected to the debate.

Change in Likelihood of a Marcomm Initiative Being High Performing
By Nature of Core Idea

Statistically Significant
Not Statistically Significant



n = 252 marcomm initiatives.
Source: CEB 2015 Marcomm Initiative Survey.

Sustain Employee Performance Through Change

Communication Tactics for Building Organizational Change Capability

Situation
Despite substantial investments made by heads of Communications to improve change communication, employees continue to be stressed by change. Change-stressed employees create a drag on productivity that threatens organizational performance.

Insight
Most communicators focus on preventing performance declines by building employee commitment to change, but this approach fails to take into account how change can destroy people's fundamental ability to do their jobs. Improving employee capability is by far the most effective way to drive performance through change.

Potential
Improving employee capability is three times more powerful than commitment in driving performance through change.

Resources for Communicators
We offer a variety of resources to help communicators shape messaging, toolkits to enable capability building through communication, and practical guides to inform leaders about change capabilities.

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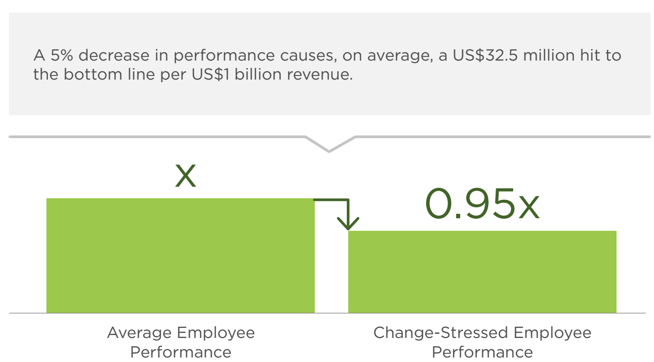
The Bottom-Line Impact of Change

Frequent organizational change takes a toll on companies that extends beyond affecting the "hearts and minds" of employees: it's affecting the bottom line.

With the average employee experiencing a major change every five to seven months, employees are exhausted and stressed. These change-stressed employees perform 5% worse than the average employee, roughly translating to a US$32.5 million hit to the bottom line per US$1 billion in revenue.

Given this impact on performance, communicators are right to focus their attention on effectively communicating organization change to employees.

Impact of Change-Related Stress on Performance
Indexed

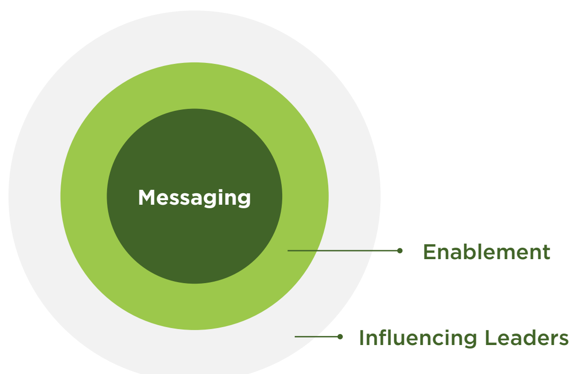


n = 7,354.
Source: CEB 2015 Employee Change Survey.

“With so much change, we’re not even getting tons of complaints anymore. People just seem resigned and blank.”

Head of Communications
Energy Company

Three Ways to Focus Communications on Capability



Messaging

Commitment	Capability
Convey rationale, and build support for change.	Build self-confidence, and prompt information seeking.

Enablement

Commitment	Capability
Enable managers to “sell” changes.	Enable managers to help teams rebuild capability.
Enable employees to share stories of achievements.	Enable employees to share how-to stories.

Influence Leaders

Commitment	Capability
Influence leaders about positioning individual changes for commitment.	Influence leaders about total set of changes to balance with capability.

Source: CEB analysis.

Drive Performance Through Change

Most communicators try to ease the burden of frequent change by framing it as natural and positive, but Communications could make a much bigger impact by connecting employees with the resources they need to sustain performance through change.

Although communicators have traditionally focused on driving employee commitment to change, employee capability has three times as much impact on performance.

Employee capability comprises five essential building blocks:

1. **Comprehension—**Information and training to efficiently complete work
2. **Agility—**Ability to learn and practice new approaches
3. **Network—**Strong relationships for collaborating and getting help
4. **Direction—**Performance objectives to focus on the right activities
5. **Outcome Expectations—**Ability to predict outcomes and implications of work decisions

Continuing to communicate for commitment without also increasing employee capability will not only create more stress for employees but also worsen performance.

To ensure organizations avoid paying a large and unnecessary performance penalty as a result of change, Communications must help employees access resources and tools needed to do their jobs as well as messages to build self-confidence and prompt information seeking.

CEB Resources for Sales & Marketing Executives and Their Teams

CEB delivers insights that upend conventional wisdom and change how executives address long-standing and emerging business challenges. With our guidance, tools, and training, sales and marketing leaders drive excellence in their organizations.

Our Services for Sales & Service

Leadership Councils

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Learning & Development

- CEB Sales Management Leadership Academy
- CEB Sales Effectiveness Solutions

Selection & Assessment

CEB Sales Effectiveness Solution

Our Services for Marketing & Communications

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CEB Products and Services

Leadership Councils

Thirty years ago, we realized that the most pressing challenges facing business leaders everywhere had often already been addressed—or were being solved—by other executives. That remains true today and is at the core of our business.

CEB offers more than 50 memberships aligned with functional and key industry leadership roles. Our membership model is designed to deliver insights, tools, and advice that lead to transformative outcomes for your team and your company. Leadership Councils provide support for decision makers in:

- Compliance & Legal
- Finance
- Financial Services
- Government
- Human Resources
- Information Technology
- Innovation & Strategy
- Risk & Audit
- Marketing & Communications
- Procurement & Operations
- Sales & Service

Talent Management & Measurement

We believe the difference between good companies and great companies is having the right people in the right roles—making talent the single largest driver of corporate performance.

To optimize this potential, department and business leaders must link talent investments to outcomes and manage them with the same discipline and rigor they apply to other critical assets.

With more than 10,000 organizations deploying our talent measurement solutions, we have the most comprehensive view into the drivers of leadership success, employee performance, and employee engagement. We use this knowledge to help you acquire and retain top talent through selection and assessment, skill development, engagement and alignment, and sales effectiveness services. CEB's talent-related offerings include the following:

- Metrics That Matter™
- CEB TalentNeuron
- SHL Talent Measurement™ Offerings
- Leadership Academies
- High-Potential Solutions
- Workforce Surveys

Market Insights

Market Insight memberships are specialized services that address the unique insight and analytics needs of leaders in Marketing, Compliance, and Financial Services. These include our industry-leading CEB TowerGroup and CEB Iconoculture offerings.

Tools and Solutions

Our tools and solutions leverage subject-matter expertise, data assets, and analytic methodologies to produce technologies and customized tools for enhancing and transforming business operations. These offerings focus on the practical, actionable applications of analytics and planning and on best-practice implementation.

About Us

CEB is a best practice insight and technology company. We have a unique view into what matters—and what works—when driving corporate performance. With more than 30 years of experience working with top companies to share, analyze, and apply proven practices, we deliver innovative solutions that help you unlock your full potential.

Every year we equip over 20,000 senior leaders from more than 10,000 organizations across 110 countries with the intelligence they need to respond quickly to evolving business conditions. In doing so we help them more effectively manage their talent, customers and operations to exceed business objectives.

CEB stock trades on the New York Stock Exchange (NYSE: CEB).

100%
of the Fortune 100

90%
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WHAT THE BEST COMPANIES DO