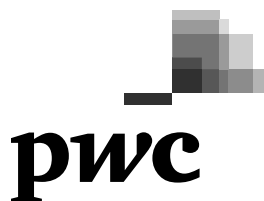


# *The 2016 Chief Digital Officer (CDO) Study*

&

## Global findings



Findings are  
confidential and  
under embargo until  
June 21<sup>st</sup>

# ***Executive summary***

***Company demographics***

***Individual CDO demographics***

***Methodology***

# *Strategy& continues to develop powerful thought leadership focused on Chief Digital Officers*



## About the study

- Global study focusing on the Chief Digital Officer
  - How many of the top companies worldwide have a CDO, who are these CDOs and how do they fit in the organization
  - Draws on a combination of global data based on desk research and CDO interviews from various industries
- Powerful complement to PwC's "Digital IQ" survey
- Fourth piece of Strategy& thought leadership about CDOs in what we aim to develop into a flagship annual study (like the Strategy& CEO Success Study which has over 16 years of experience with reputation building and client engagement)

## The 2016 CDO study

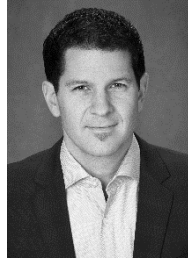
- This year's edition of the study analyzes CDOs at the top 2,500 public companies worldwide
- The deep-dive topic acknowledges the fact that the nature and brief of CDOs vary depending on the companies' digital ambition and goals. It looks into how the CDO who **gets appointed fits into the company's digital ambitions and how they're embedded in the organization** to carry those ambitions out

## ***Study authors***



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- His focus is technology and digital transformation.

## ***Summary of research results***

- 1** 19% of all companies have a CDO in place
- 2** 38% of companies in **EMEA** and 23% of companies in **North America** have a CDO
- 3** **Companies** in the **financial services and consumer-focused industries** have the highest CDO ratio
- 4** **The largest companies** have the highest CDO ratio (33%)
- 5** 60% of all **CDOs** identified were **hired** during **2016** and **2015**
- 6** Relatively speaking, **Utilities and financial institutions** put the most **CDOs in place** during **2016** and **2015**
- 7** 40% of CDOs are **C-level members**
- 8** **Leading backgrounds** of CDOs are “**Marketing, Sales and Customer Service**” with **39%** and **Technology** with **32%**
- 9** 52% have been **recruited internally**, 46% are **external hires**
- 10** 16% of **C-Suite CDOs** are **female**, 84% are **male**

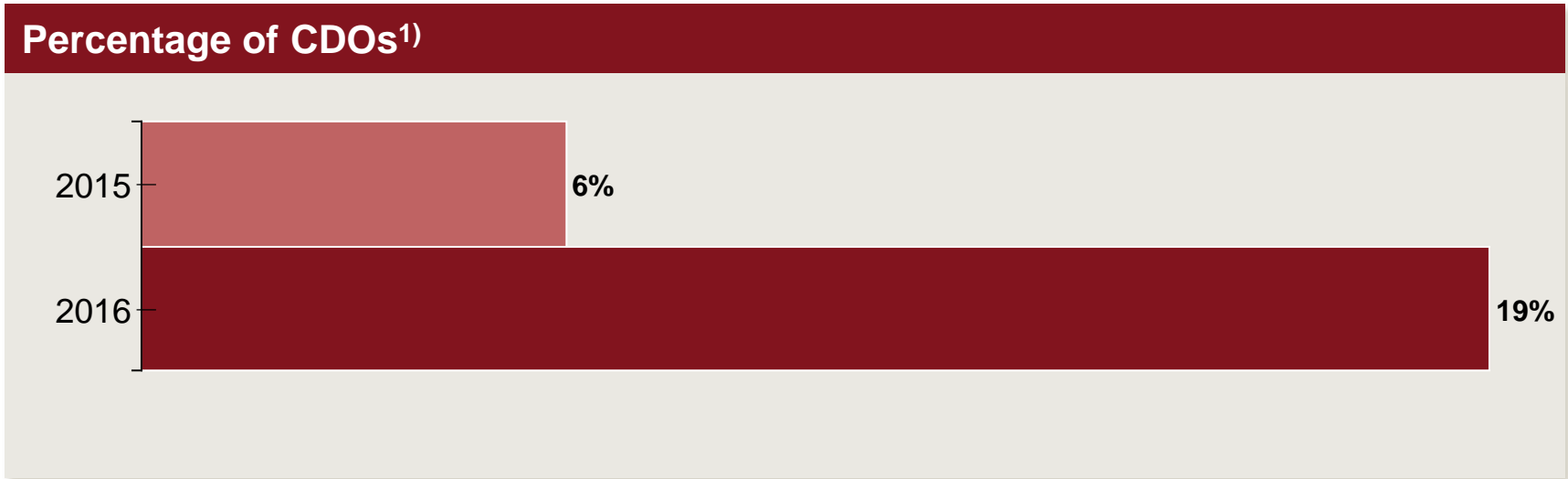
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*Company demographics*

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*Methodology*

# 1 **The Chief Digital Officer role remains on the rise: 19% of all companies have a CDO in place**

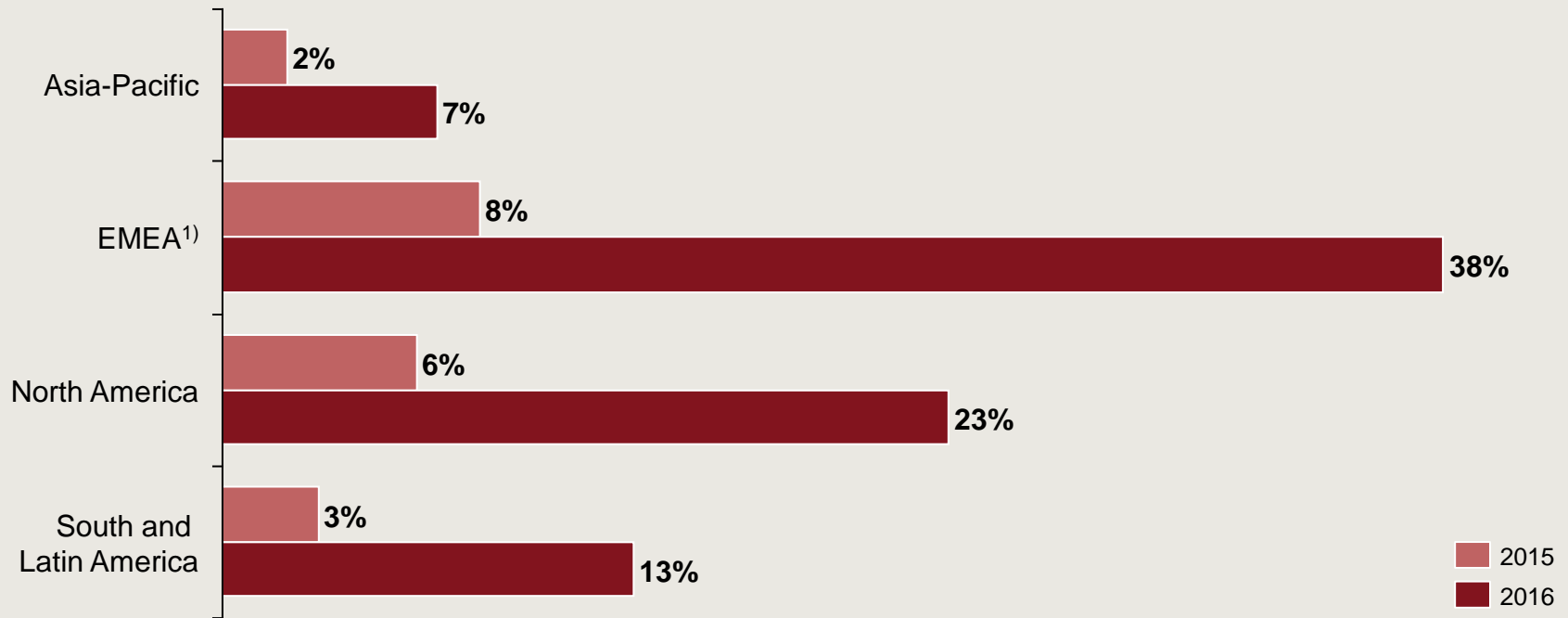


1) The sample for the 2016 CDO study contains the 2,500 biggest companies; in 2015 the study contained the 1,500 biggest companies. Comparing Top 1,000 companies of the 2015 and the 2016 study (based on sales) validates the trend; 2015: 6.9% vs. 2016: 19.7%.

Source: Strategy& 2016 CDO Study

## 2 **38% of companies in EMEA and 23% in North America have a Chief Digital Officer**

### Companies with CDOs by region

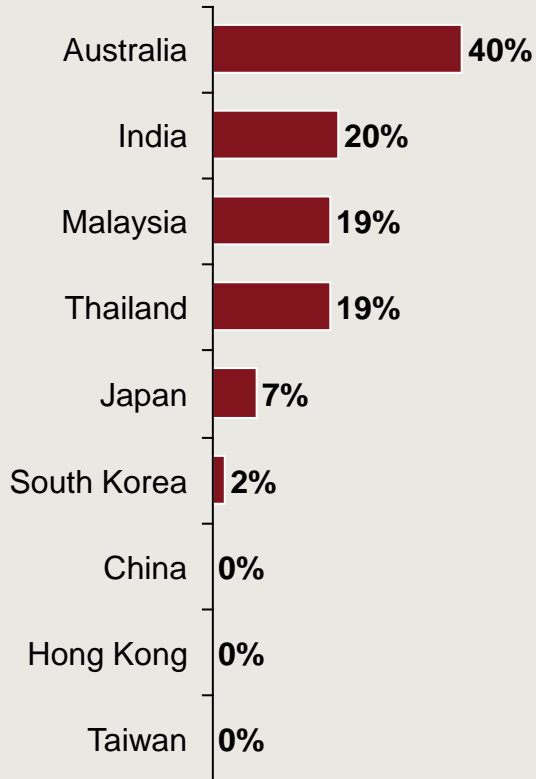


1) EMEA includes Europe, Middle East and Africa.  
For further information on sample sizes see slide 26  
Source: Strategy& 2016 CDO Study

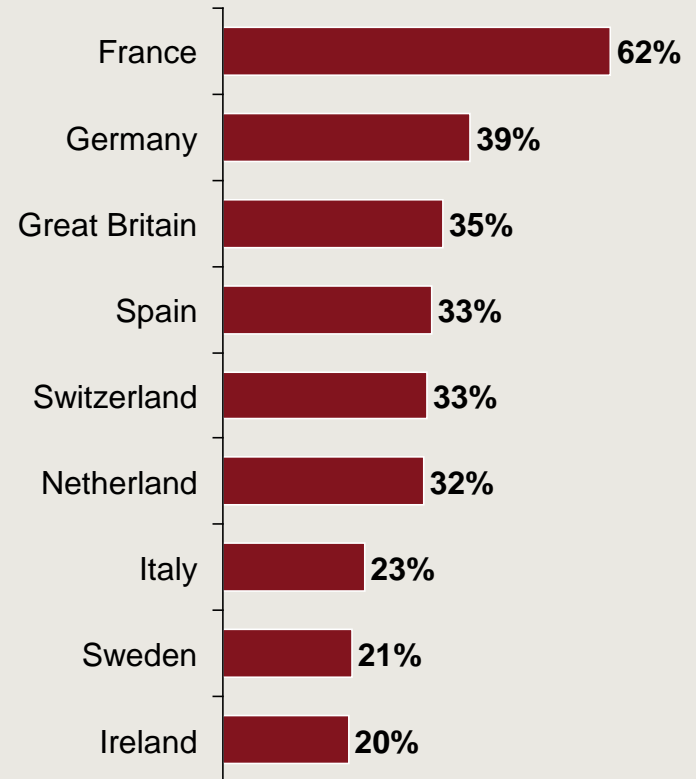


## 2 *CDOs in Asia-Pacific and European countries<sup>1)</sup>*

### Companies in Asia-Pacific with CDOs



### Companies in Europe with CDOs

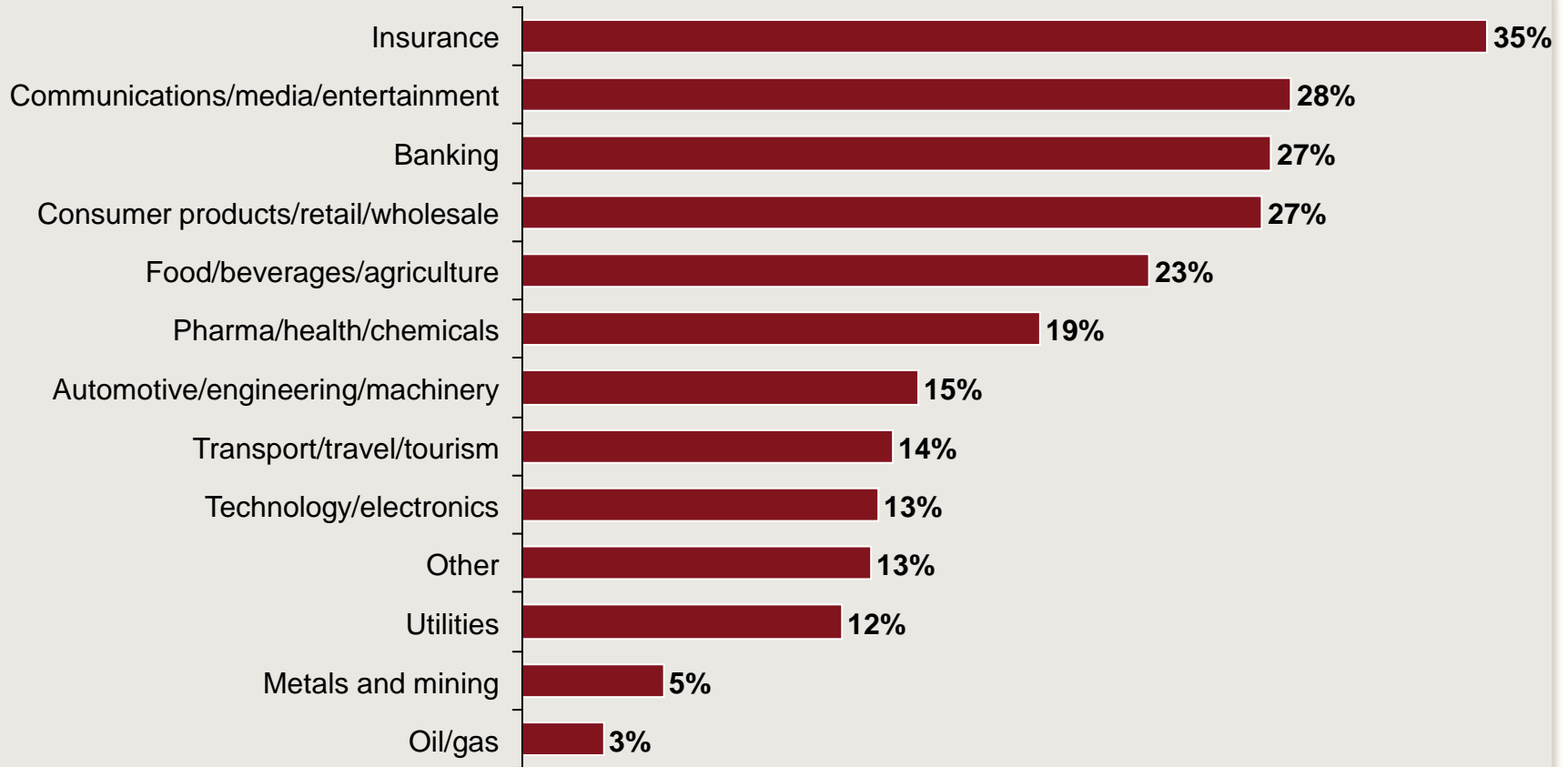


1) Only countries with a sample size of  $\geq 20$  companies are considered  
Source: Strategy& 2016 CDO Study

3

## ***Companies in the financial services and consumer-focused industries have the highest CDO ratio***

**Percentage of companies with CDOs by industry<sup>1)</sup>**



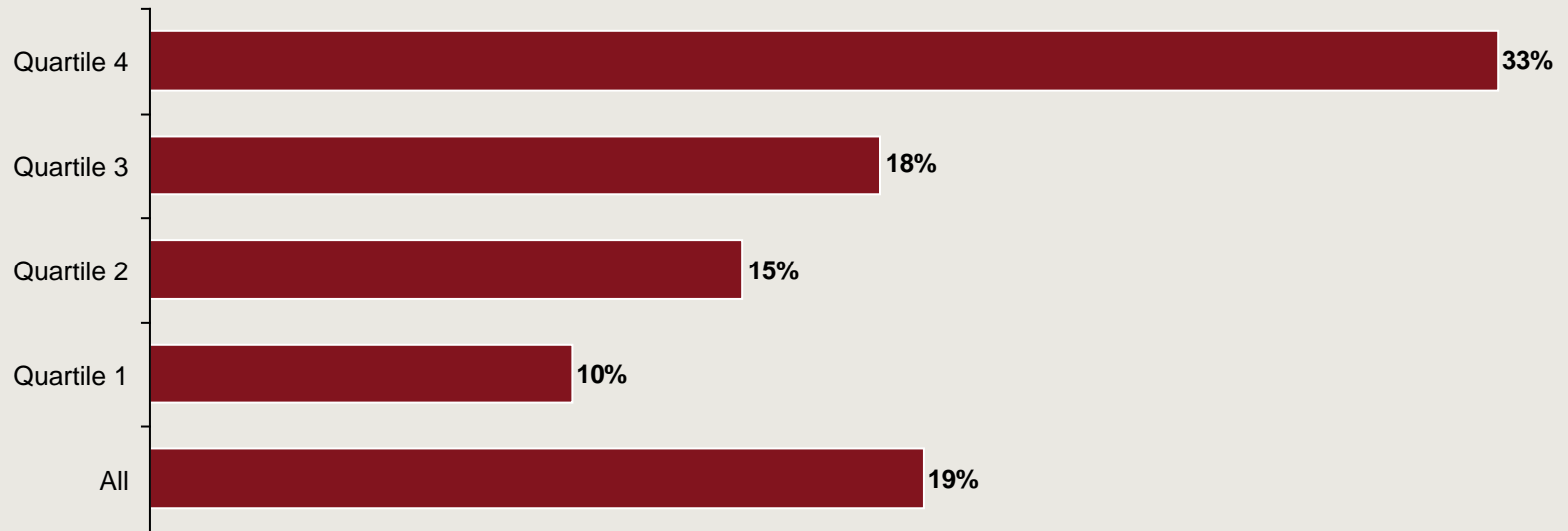
1) Sample size of all companies: n=2,500

For further information on sample sizes see slide 26

Source: Strategy& 2016 CDO Study

## 4 **Larger companies tend to be ahead of the curve in appointing CDOs**

Percentage of companies with CDOs by market cap<sup>1) 2)</sup>

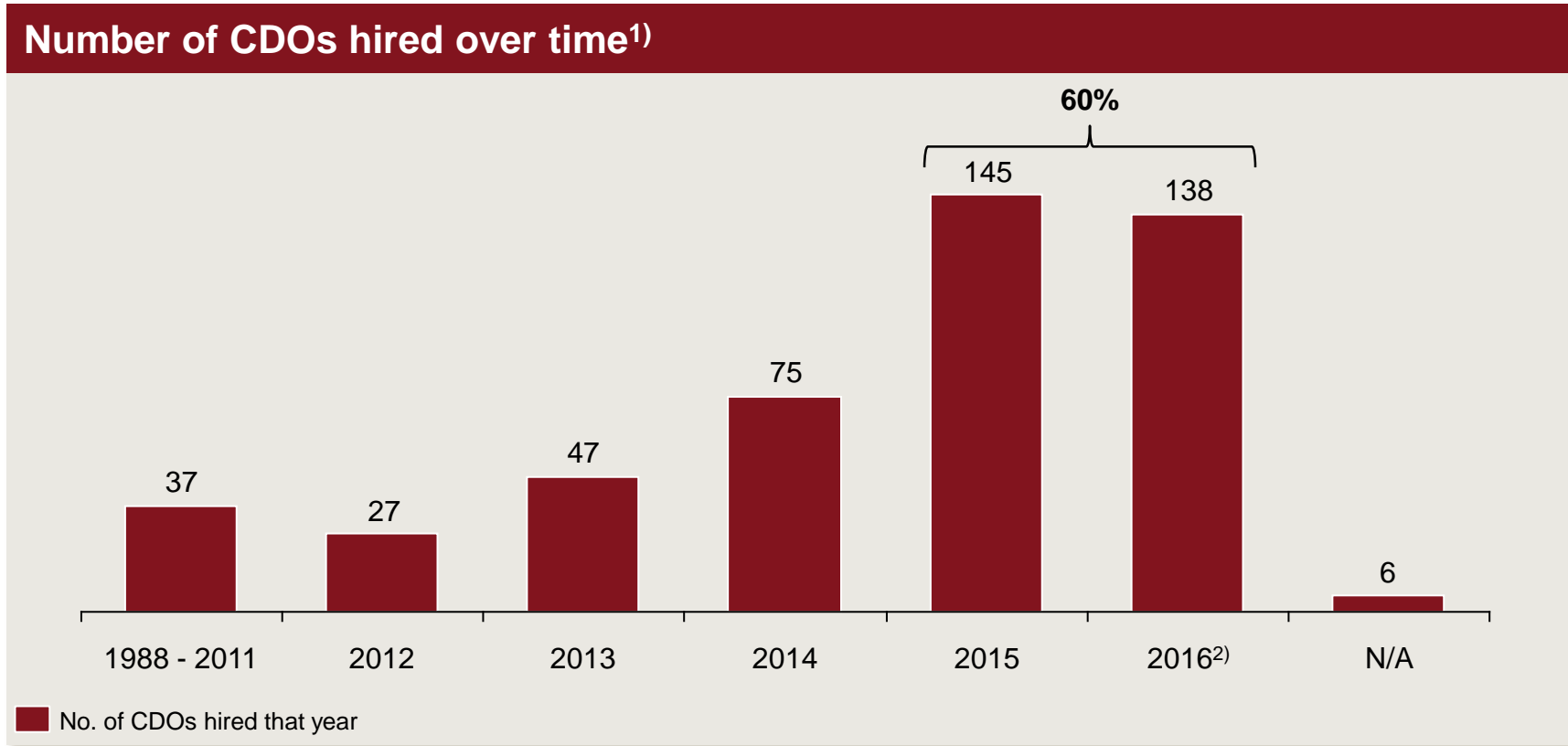


1) Sample size of all companies n=2,500

2) Quartile ranges: (4) 18 – 525,2 US\$bn, (3) 8,7 – 18 US\$bn, (2) 5,6 – 8,7 US\$bn, (1) 0,8 – 5,6 US\$bn

Source: Strategy& 2016 CDO Study

## 5 **60% of identified CDOs have been hired since 2015**



1) Sample size: n=475

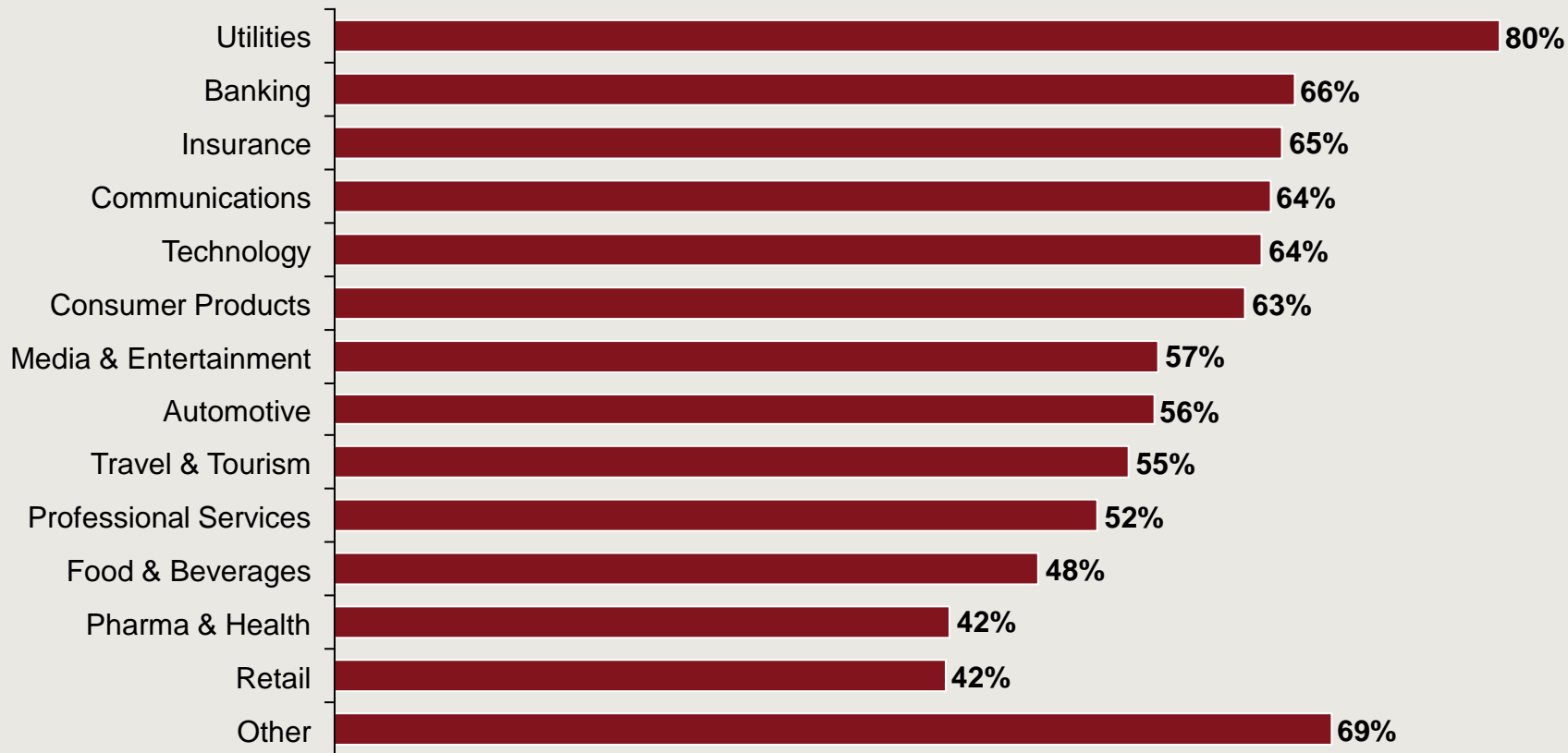
2) Data collection is as of July 1, 2016

Source: Strategy& 2016 CDO Study

6

## ***Relatively speaking, Utilities and financial institutions put the most CDOs in place during 2016 and 2015***

**Percentage of CDOs who have been hired in 2015 or 2016 by industry<sup>1) 2)</sup>**



1) We analyzed how many CDOs were hired during 2016 and 2015 compared to the overall amount of CDOs in the respective industry.

2) Only industries with  $\geq 10$  CDOs are considered.

Source: Strategy& 2016 CDO Study

*Executive summary*

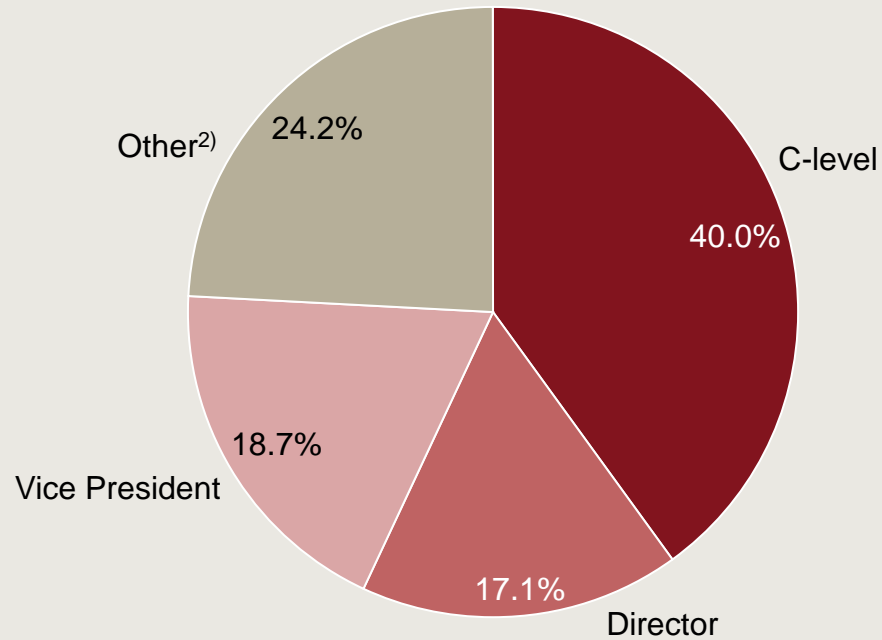
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*Individual CDO demographics*

*Methodology*

## 7 40% of CDOs are C-Suite members

### CDOs by organization structure<sup>1)</sup>



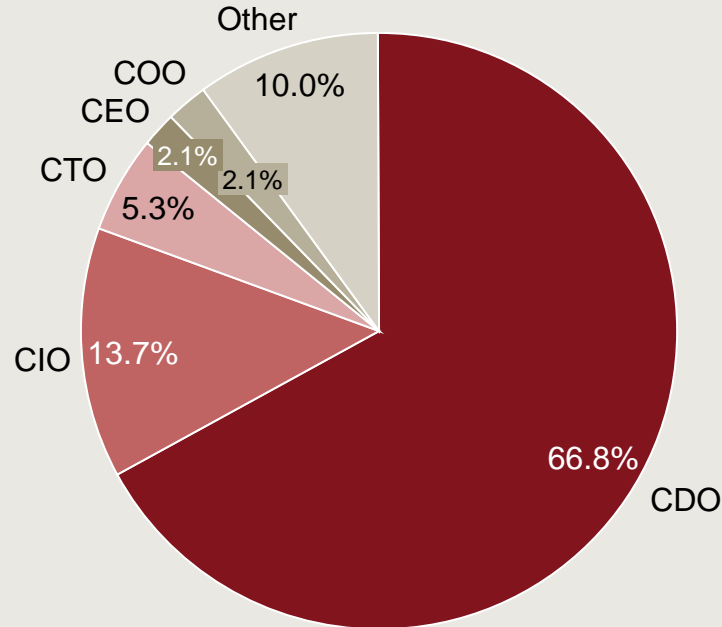
1) Sample size: n=475

2) Various titles often unique to individual companies, for example, "global head of digital transformation".

Source: Strategy& 2016 CDO Study

**7 Out of the C-Suite members 67% have the title “Chief Digital Officers”**

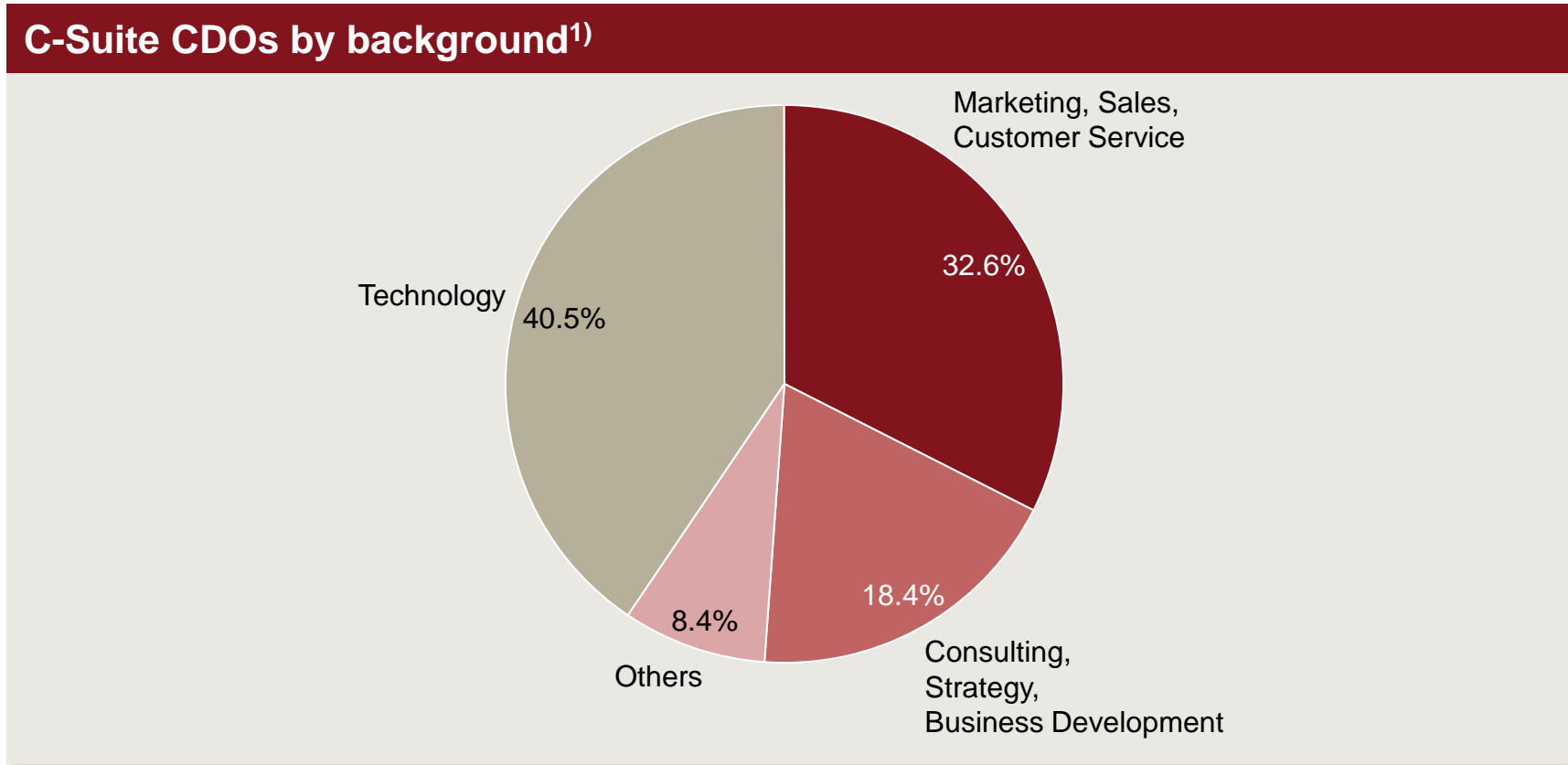
**CDOs by title<sup>1)</sup>**



1) Sample size: n=190  
Source: Strategy& 2016 CDO Study

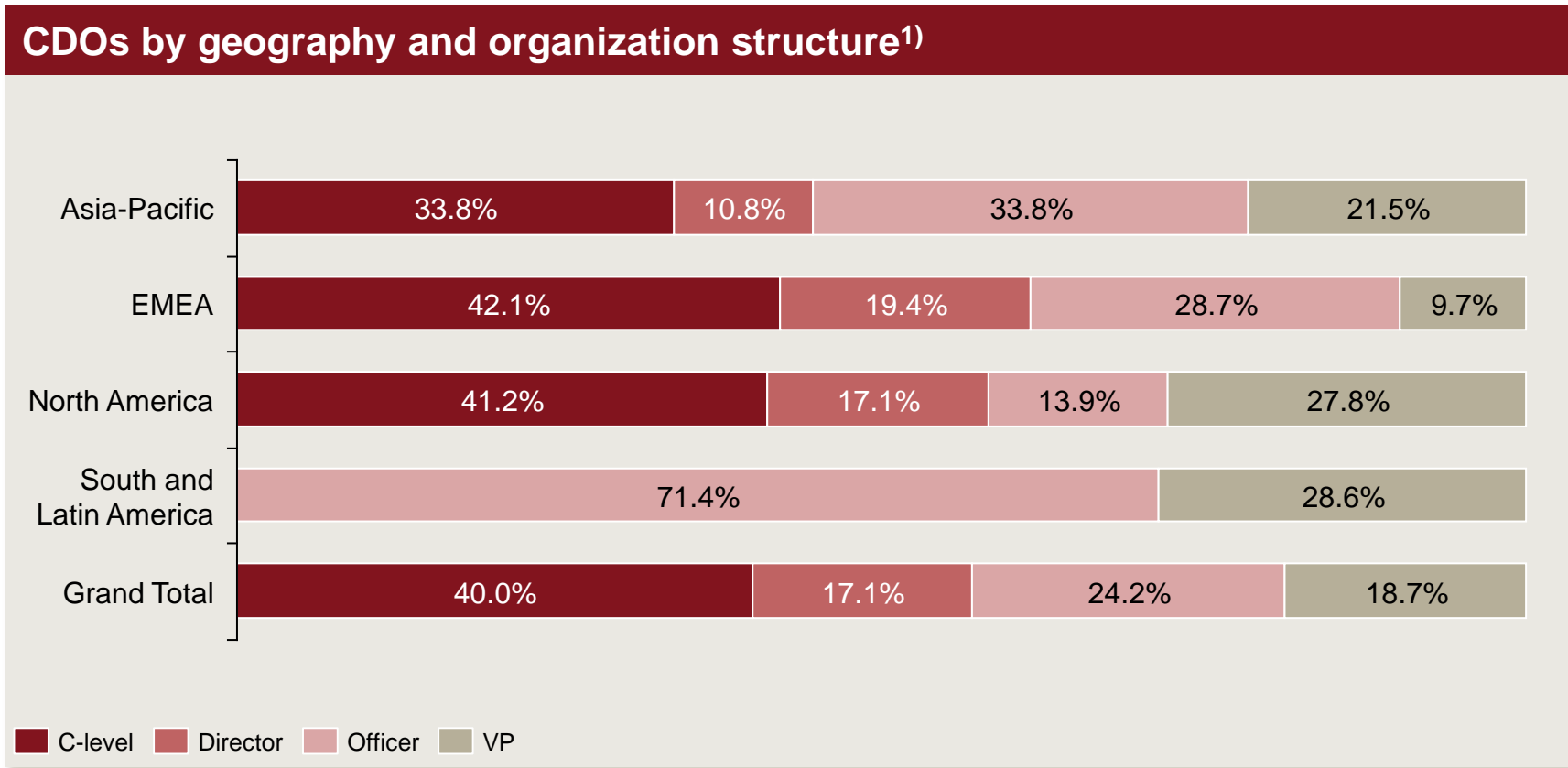


## 7 **41% of the C-Suite CDOs have a technology background**



1) Sample size of C-Suite CDOs: n=190  
Source: Strategy& 2016 CDO Study

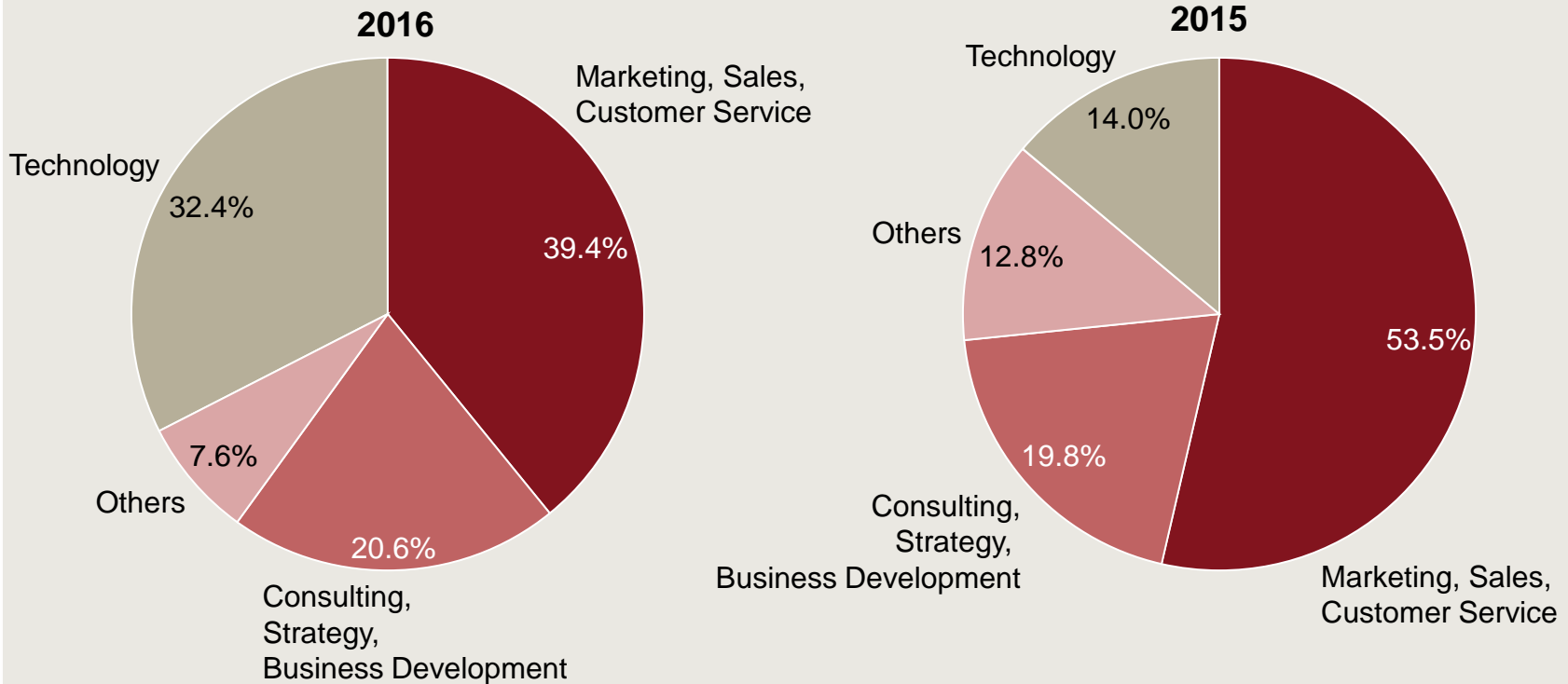
## 7 Companies in EMEA and North America are more likely to have a CDO in the C-Suite



1) Sample size by region: Asia-Pacific: n=65, EMEA (Europe, Middle East, Africa): n=216, North America: n=187, South and Latin America: n=7, Total: n=475  
Source: Strategy& 2016 CDO Study

**8** *The number of CDOs with technology background has increased significantly*

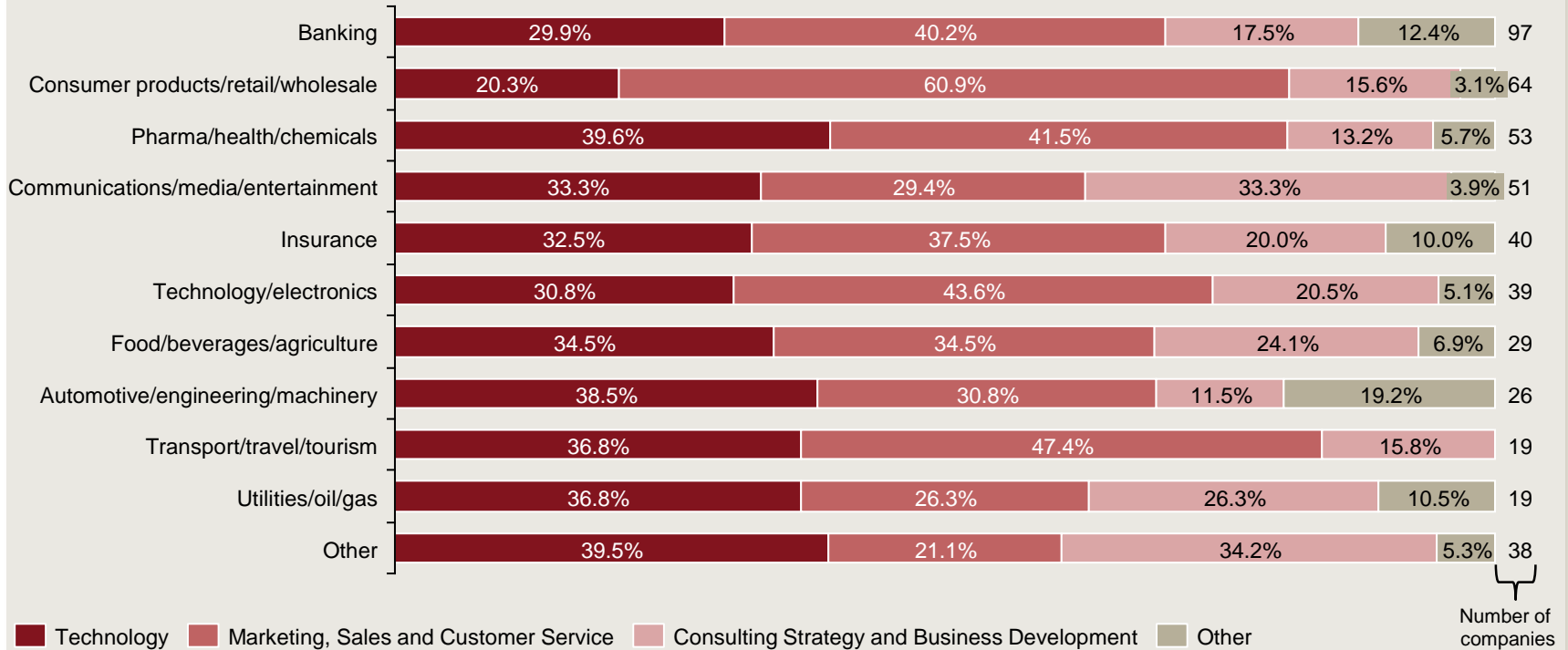
**CDOs by background<sup>1)</sup>**



1) Sample size 2016: n=475, 2015: n=86  
Source: Strategy& 2016 CDO Study

## 8 **Technology and Marketing, Sales and Customer Service backgrounds are the dominant throughout the industries**

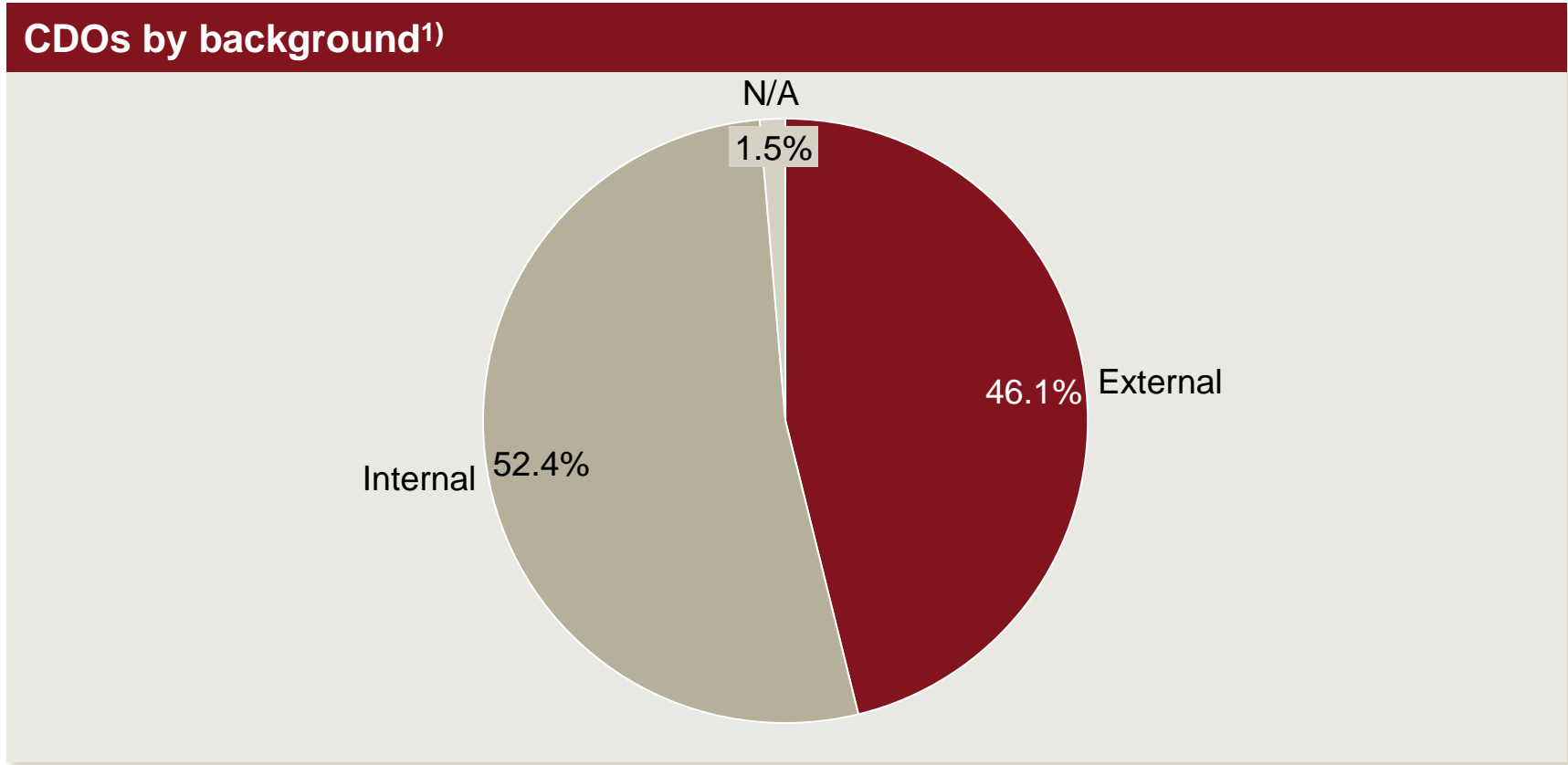
### CDOs by background and industry<sup>1)</sup>



1) Sample size: n=475

Source: Strategy& 2016 CDO Study

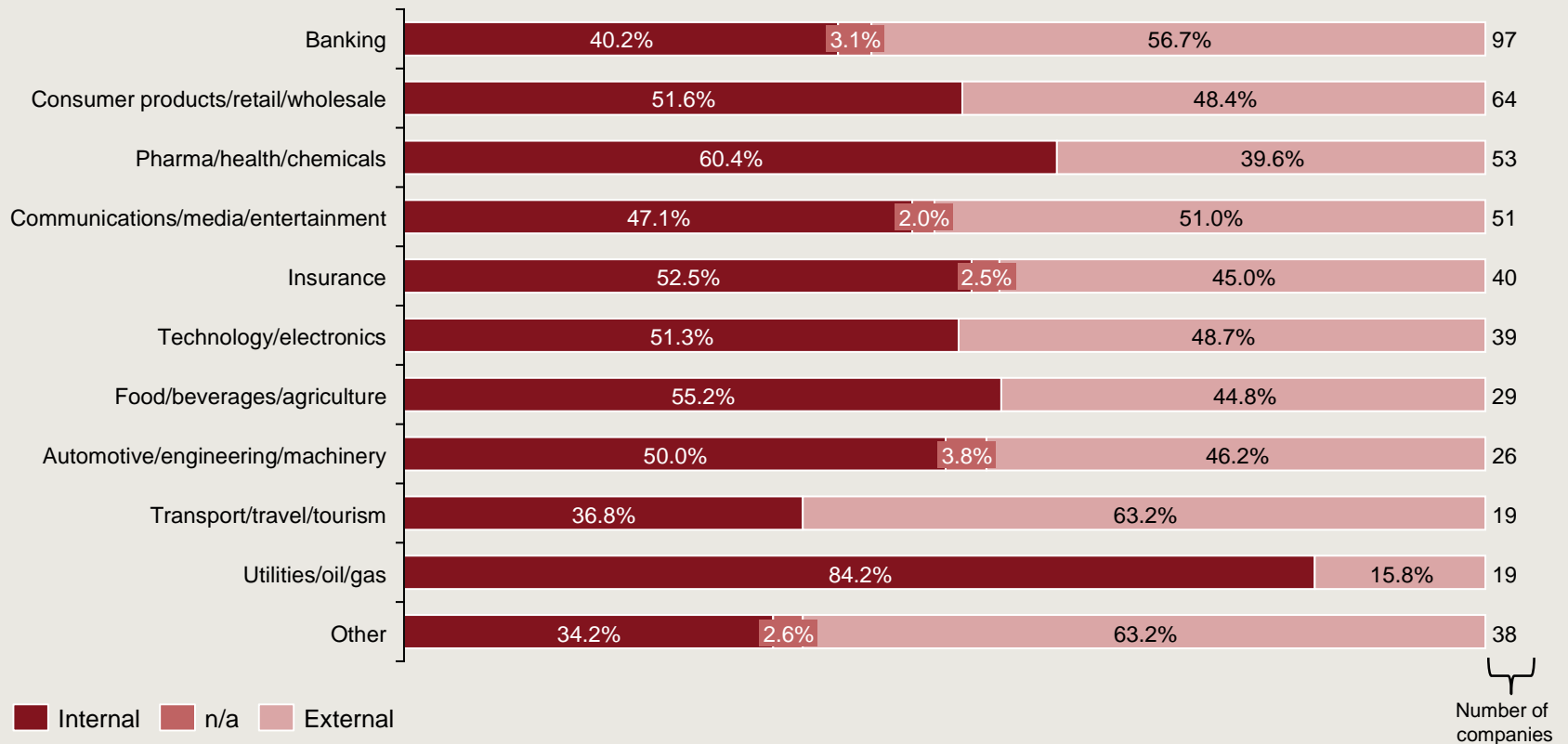
**9** *52% of CDOs have been recruited internally, 46% are external hires*



1) Sample size: n=475  
Source: Strategy& 2016 CDO Study

## 9 External versus internal hires vary by industry

### External vs. internal hires in percentage by industry<sup>1)</sup>

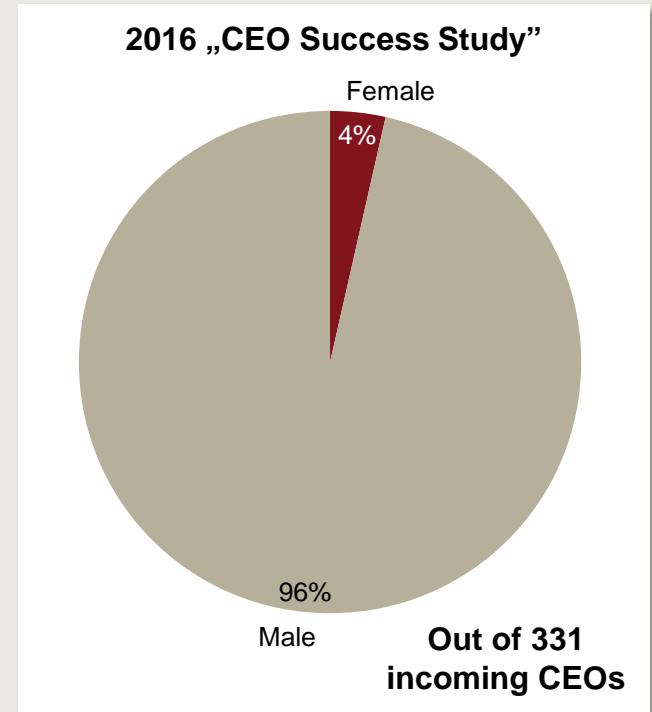
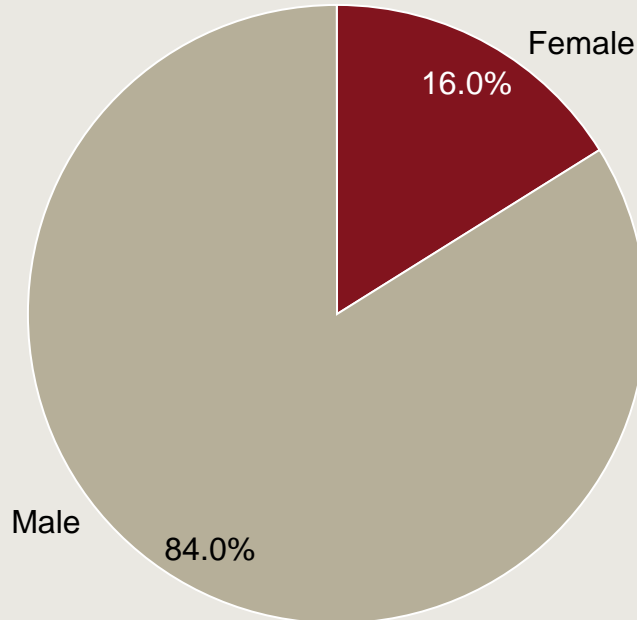


1) Sample size: n=475

Source: Strategy& 2016 CDO Study

**10 16% of C-level CDOs are female, 84% are male**

**C-Suite CDOs by gender<sup>1)</sup>**



1) Sample size of C-Level CDOs: n=190  
Source: Strategy& 2016 CDO Study

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# Methodology

## Definition of a CDO

*We define the CDO as that executive, no matter of the title, who has been given the task of putting into practice the digital mission of his or her company or business unit. This could be a high level member of the C-Suite; variously called the CDO, CTO, CIO, CSO or else – whose presence is critical in helping define his or her company's overall strategic direction and bringing about its cross-functional transformation into a full digital enterprise.*

### Population (n = 2,500)

- Global top 2,500 listed companies by market cap as of July 1st, 2016
- Holding companies without operating business excluded

### Source for ranking

- Bloomberg

### Sources to identify CDOs or equivalents

- Company / Executive directories: Avention, BoardEx
- Corporate homepages
- Business network platforms: LinkedIn, Xing
- Press databases: Factiva
- Internet search

### Customized Strategy & classifications for

- Industry segments
- Geographic region
- CDO background
- Company market cap

# Structure and characteristics of companies observed

Industry	Count	%
Banking	353	14
Technology	245	10
Pharma & Health	187	7
Oil & Gas	134	5
Utilities	128	5
Food & Beverage	119	5
Retail	116	5
Insurance	113	5
Consumer Products	111	4
Transportation	98	4
Chemicals	92	4
Media & Entertainment	92	4
Communications	89	4
Automotive	77	3
Professional Services	77	3
Real Estate	72	3
Machinery	68	3
Metals & Mining	58	2
Other	55	2
Electronics	54	2
Building Construction	48	2
Travel & Tourism	42	2
Engineering	34	1
Pulp & Paper	22	1
Wholesale	9	0
Agriculture	7	0
<b>Grand Total</b>	<b>2,500</b>	<b>100</b>

Region	Count	%
Asia-Pacific	977	39
EMEA	637	25
North America	831	33
South & Latin America	55	2
<b>Grand Total</b>	<b>2,500</b>	<b>100</b>

Quartile	Market Cap	Count
4	\$18B – \$525.2B	625
3	\$8.7B – \$18B	625
2	\$5.6B – \$8.7B	625
1	\$0.8B – \$5.6B	625
<b>Grand Total</b>		<b>2,500</b>

Source: Strategy& 2016 CDO Study

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