

THE NEXT BIG DISRUPTION: COURAGEOUS EXECUTIVES

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“Every day we read about the fate of businesses that lack the courage to embrace change. Technology is not just an enabler of new business models—technology is the hero of our future story. This story begins with leaders who continuously rethink and discover new ways of getting faster, leaner, and more innovative. This involves disruption across the whole organization—people, process, and technology. It will only happen if we’re nimble, agile, and as close to our customers as possible. Through continuous feedback and iteration, organizations must try new things, pivot quickly, sunset what isn’t resonating, and remember that in our change or die world, perfect must not be the enemy of good.”

Rathi Murthy, SVP and Chief Technology Officer
Gap, Inc.



INTRODUCTION

There are many threats—and opportunities—facing businesses in this age of digital transformation: industry disruption from nimble startups, economic pressure from massive digital platforms, evolving security threats, and emerging technologies. Today's era, in which all things are possible, demands a distinct type of leadership. It calls for bold individuals who set their company's vision and charge ahead in a time of uncertainty, ambiguity, and boundless opportunity. It demands courage.

In collaboration with Northstar Research Partners, ThoughtWorks surveyed successful leaders from a variety of industries in the U.S., U.K., India, and Australia to find out what it means to be a Courageous Executive. This research explored how leaders navigate change and drive digital transformation to stay ahead of the curve in this increasingly complex, fast-moving, and unpredictable digital era.

"As companies across all industries embrace the changes of our increasingly digital world, we're seeing leaders at the helm of these companies dive deeper into how technology is implemented and how it works. Executives around the globe are learning that a strong grasp of technology matters, and they're finding ways to adapt. A tenacious commitment to embrace technology is what sets apart truly Courageous Executives."

Guo Xiao, President and Chief Executive Officer
ThoughtWorks



THE RISE OF THE COURAGEOUS EXECUTIVE

Since 1993, ThoughtWorks has partnered with enterprise organizations and leaders around the world to transform their businesses through technology. With thousands of executive relationships and hundreds of transformational journeys, we've identified a unique segment of leaders we call Courageous Executives.

Some are breathing new vitality into legacy enterprises, while others are shaking up stale industries with new platforms and business models. They are boundless in their thinking, bold in their actions, and passionate about technology. This is why we believe **Courageous Executives are the next major disruptive force in business, creating a powerful competitive advantage through their leadership style.**

Over the years, we have observed, and have come to define Courageous Executives by these core characteristics:

COURAGEOUS EXECUTIVES

- understand leaders must possess both business and technology acumen.
- put technology at the core of business to provide innovative customer experiences.
- see the big picture beyond challenges and opportunities.
- are relentlessly curious about technology.
- believe innovation can, and should, come from anyone.
- proactively seek to create change.
- value fast, frequent experimentation to mitigate risk.
- stay committed and supportive through uncomfortable change, risk, and failure.
- focus on outcome (results) versus output (project completion).
- value open, lightweight architecture to bring ideas to market quickly.

Based on our observations, we sought to quantify our understanding of Courageous Executives in order to better understand their attitudes and approaches.

This report examines the four imperatives through which Courageous Executives are creating a powerful competitive advantage for their businesses:

1. Driving Technology Transformation
2. Creating Cultures of Experimentation
3. Nurturing Customer Relationships
4. Shaping the Future of Work

SURVEYING COURAGEOUS EXECUTIVES

The executives in the online survey met these criteria:

- All strongly identified as advocates for digital transformation across their businesses.
- All have active roles in implementing or directing how technology enables their businesses.
- Their companies are growing and revenue or profit has significantly increased due to a technology change they implemented.
- All strongly identified as risk takers with 85% willing to take above average or significant risks.

We've compiled the insights of this highly select cohort as a measure to gauge your own approach to addressing and mastering the rapid-fire reality of our changing digital landscape.

ThoughtWorks also conducted interviews with executive clients and colleagues around the globe. Look for their unique perspectives on courageous leadership captured in the Profiles in Courage at the end of each section.

PROFILE IN COURAGE

JOHN WALDEN | Chief Executive Officer FTD

John Walden joined FTD, a 107-year-old international floral wire service and wholesaler, in spring 2017. As the CEO of Argos, a U.K. retailer, and its parent company, Home Retail Group PLC, he led a successful turnaround, which resulted in Sainsbury's acquisition of the company for £1.4 billion (\$1.8 billion USD). He spoke with us about that experience.

"Argos was a traditional catalog retailer with 800 shops around the U.K.—people walked in and placed their order on paper. Although they were the largest general merchandise retailer in the country with a strong iconic brand, profits continued to decline for a number of reasons. In turnaround situations like this, you see vividly what happens when leaders are invested in a once-successful strategy: changing markets, competitive sets, technologies, and people that are unable to recreate themselves, quickly become outdated and stuck.

I knew we were going to move the business online and into digital formats, so I started telling the company and the outside world that we were going to be a digital company. I talked about us being a technology company because we needed new capabilities and people who were invested in this path. I got as many people as possible involved in the assessment of the business and the development of the new strategy to create advocates who were optimistic and eager to take it on. Ultimately, the turnaround was very successful—not because I was smarter than anyone else—there was just a big difference in approach by someone who was less beholden to prior strategies and rationale.

Now at FTD, I'm excited by opportunities to create digital capabilities and experiences to better serve and delight consumers and our florist network."





**COURAGEOUS EXECUTIVES
DRIVE TECHNOLOGY
TRANSFORMATIONS**

“Leaders must be able to talk about technology in a way that has resonance with the business, and engage with technology in a way that hasn’t happened in the past.”

Stewart Holmes, Head of Business Performance,
Global Cards and Americas, Chief Operating Officer, Managing Director
Barclaycard

New trends in technology demand attention from the leadership of all organizations. From endlessly shifting security threats and legacy architecture, to machine learning and artificial intelligence, technology is disrupting entire industries. Characteristically, Courageous Executives embrace all of this as an opportunity for competitive advantage. So it's no surprise that **65% of the executives surveyed said their top priority as a leader is digitizing and adapting to new technology. This is followed closely by increasing company growth and revenue (63%)**. At the bottom of this list: managing cash flow (5%) and cutting expenses (3%).

Courageous Executives know grasping the ins and outs of technology matters: **54% have developed a deep understanding of technology and a remarkable 57% have written code.** Vuyo Mpako, Head of Digital Channels and eCommerce for Standard Bank Group of South Africa, sums it up: “Business and technology are integrally related. You cannot call yourself a business leader or a technology leader only; you must be both.” Identifying as one or the other—and behaving that way—may be a fast path to obsolescence.

It's important to note, courageous doesn't mean fearless. **Only 42% of Courageous Executives said, “I don't fear technology changes or new technologies,”** indicating that most leaders do feel some natural apprehension. They're just not letting it stand in their way. Let's look at how they overcome that fear to boldly lead their business.

THEY GET SMART

When faced with a major technology change, 63% of Courageous Executives say their first step is to research heavily. How? By attending conferences (66%), directly consulting their in-house IT staff (58%), and engaging with online communities and groups (58%).

Bruce Kratz, Vice President of Research and Development for U.S.-based Sparta Systems, explained his approach: "I will feel so passionate about a decision that I am willing to risk my job over it. However, I won't get to that point until I canvas other experts and mentors. I gather a lot of information and opinions."

The instinct to reach out to a trusted network is a hallmark of Courageous Executives who possess a distinct self-awareness. "People who really embrace technology tend to ask a lot of questions. They know it's okay not to know. Courageous leaders are humble; they understand that they don't have all the answers and seek help—either through a strategic consultancy or hiring the right people," explains Célia Pronto, Chief Digital Officer of Casual Dining Group, which operates 300 restaurants in the U.K.

In sharp contrast, a scant 8% of executives started a technology transformation by looking at the budget. The implication is clear: **Courageous Executives see beyond the bottom line.**

"I'm a big believer in big audacious goals. On day one, I called the company together and I told them: 'We're going to more than double revenues in the next few years.' People looked at me like I was crazy. But we accomplished that, and we did it together. Now we're on our double-down strategy to do it again."

Eileen Martinson, Chief Executive Officer
Sparta Systems

THEY LEARN FROM COMPETITORS AND LISTEN TO CUSTOMERS

Digital transformations are most often fueled by competitive threats, followed by customer demands and employees. Around the globe, **47% of Courageous Executives said their competitors are the biggest driver behind major technology changes.** That number was significantly higher in Australia (56%) and India (52%). Globally, about 30% of all leaders said customers are the biggest driver of change, but here, the U.S. is the outlier with 44%. Coming in third, 19% of executives said their employees drive new technology.

Bottom line: Competitive encroachment and changing customer demands often go hand in hand, so leaders need to keep an eye on both.

"Imagine when Amazon, Facebook, or a startup completely disrupts your market and all of a sudden your customers expect you to behave differently. If this hasn't already happened to your business, it will. This isn't just a tech problem or a business problem. Leaders need to understand both sides of the equation."

**Dr. Rebecca Parsons, Chief Technology Officer
ThoughtWorks**



We know what's driving tech transformations, now let's see what those transformations might look like. Courageous Executives' responses, in ranked order, may indicate how they're prioritizing their investments.

For obvious reasons, security is on top of everyone's mind, and companies are stepping up efforts to prevent hacks through more sophisticated intrusion detection and data encryption. However, when we asked Courageous Executives what gets their creative wheels turning, they chose technologies that represent opportunities for better customer experiences. Célia Pronto, Chief Digital Officer of Casual Dining Group, says, "We're really excited about Augmented Reality, not because it's new but because not a lot of brands have figured out how to use it. AR offers some really interesting possibilities for restaurants. The menu could 'serve up' items based on dietary needs and in multiple languages. You could see where your food comes from and track the progress of the food being prepared."

Artificial intelligence and machine learning also represent tremendous possibility for more personalized and intuitive customer experiences. Francesca Schuler, Chief Operating Officer of InShape Health Clubs, told us, "We're using technology to better understand our club members, their individual goals and health needs, and where they are on their paths. We're also using technology to enable team members to better serve our customers, keeping them motivated and moving toward their health goals."

We've seen how Courageous Executives discover and embrace technology, and which technologies have their attention. Next, we'll learn how they're creating cultures that enable them to move from vision to reality.

Which technology trends are currently on your business agenda?

- 1  Security
- 2  Human and Machine Interaction
- 3  Digital Platforms
- 4  Artificial Intelligence and Machine Learning
- 5  Augmented and Virtual Reality

PROFILE IN COURAGE

JOHN MARCANTE

Chief Information Officer
Vanguard

The Vanguard Group is an American investment management firm that started in 1975. Today, they manage more than \$4 trillion worth of assets. We spoke with John Marcante, Chief Information Officer, about how they have evolved to stay innovative.

"Business value at startup speed is one of our key transformations. I think about it like Maslow's Hierarchy of Needs: having a flexible, service-oriented infrastructure is food and shelter. Being able to quickly create, test, iterate, and automate products and microservices is the next level. As you go up the pyramid, the rewards get bigger, but it's more difficult. You're challenging the culture: people, processes, budget systems, legal, compliance, and security. The pinnacle is being a truly lean and innovative organization."

But the principles of innovation and lean work can't just sit in IT. We take cross-functional teams to Silicon Valley to meet with tech firms, startups, and entrepreneurs, then integrate what we learn into our processes and culture. We experiment with products and services much earlier, testing ideas with customers while they're still prototypes on paper. That allows us to pivot earlier, before investments have been made. We've moved people with experience in lean teams out of IT and into corporate strategy to help implement lean across our organization.

You have to challenge everything about the way your business is run and try new things. Does this mean we throw spaghetti against the wall and go with whatever sticks? No. Everything we do must be aligned with our mission—be good for our clients, our crew, and the community."



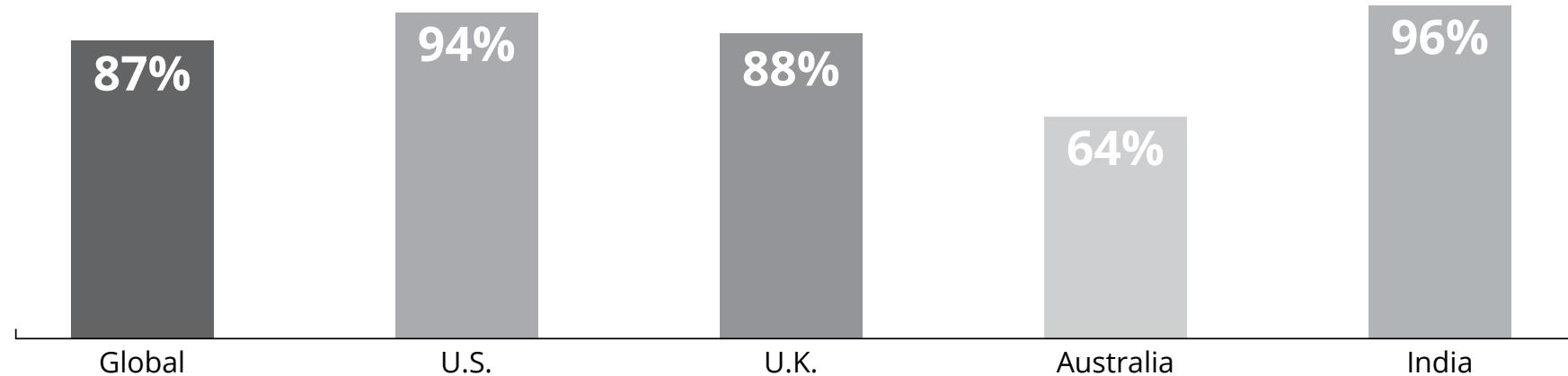


COURAGEOUS EXECUTIVES CREATE CULTURES OF EXPERIMENTATION

"Go for it. The risk is you're going to get left behind. The real risk is in not changing."

Ben Lewis, Chief Executive Officer
River Island

Courageous Executives' comfort with risk is the hallmark of their identity—**87% of the executives in our survey agree that taking risks is necessary to achieve goals and maintain a strong competitive advantage.** Another 62% said their willingness to take risks their competitors wouldn't is what sets them apart from other C-suite executives.



Courageous Executives agree that taking risks is necessary to achieve goals and maintain a strong competitive advantage.

It is important to note that Courageous Executives aren't taking risks alone or unadvised. Almost 40% have built a network of external advisors and just as many have hired an external resource to augment existing technology capabilities. They're also creating the optimal conditions for smart risk-taking by enabling experimentation and curiosity.

THEY MODEL CURIOSITY AND EMPATHY

Globally, 71% of Courageous Executives said what sets them apart from other executives is their passionate curiosity and continual research of new technology. This curiosity manifests in creative approaches: Francesca Schuler, Chief Operating Officer of InShape Health Clubs, says, "My leadership style is always pushing curiosity with my team and modeling this behavior. We do 'Idea Bootcamps' to engage in customer experiences outside of the fitness industry. We spend time talking about what we love and what we can apply to our business."

A vice president of a major U.S. online retailer told us, "My team isn't an extension of my fingers; I see them as explorers I'm sending on an expedition. My job is to make sure they're properly equipped, not tell them what to do every second. I create the physical and mental conditions that allow them to stay curious and engaged, to think about business problems and come up with innovative ideas, versus feeling bored, unhappy, or overly stressed."

Courageous doesn't mean fearsome or dictatorial. In all regions, executives most frequently described their leadership style as supportive, with friendly and courageous tied for second (although U.S. leaders favor being diligent over friendly). Only 1% described their style as stern.

From interviews, it was clear Courageous Executives didn't expect employees to go with the program just because they say so. These empathetic leaders recognize that changes in processes, structures, roles, and culture can be difficult. They frequently used the phrase "taking people on a journey," to describe a collaborative, team-oriented approach.

"Yes, courageous leadership is all about being brave and making tough decisions, but it's more about how you take people with you on the transformation journey and being transparent about decisions. You need to be human and honest about how difficult changes are for people."

Célia Pronto, Chief Digital Officer
Casual Dining Group

76% of Courageous Executives

have experienced at least one major failure in their career.

THEY VALUE FAILURE

The most overused colloquialism from the tech industry is “fail fast!” That was the rebel yell from technologists in response to businesses stuck in safe and repeatable, but stifling processes. For Courageous Executives, failing fast is synonymous with quick learning, and costly risk is mitigated through rapid experimentation.

Just how fast and frequent? **“The most successful entrepreneurs [have] built a company that is constantly running experiments—not one or two per year, more like a few per day,”** says author and CEO of Singularity University Peter Diamandis.

Progress towards this kind of agility requires a cultural shift from the top down. Polly LaBarre, bestselling author and founder of *Fast Company*, explains, “More organizations and leaders need to develop a facility for failure—the ability to metabolize it. If you view failure as part of the process of innovation and experimentation, and you figure out a way to squeeze as much insight as possible out of those mistakes, that’s going to give you a lot of value going forward.”

Courageous Executives recognize a strong case for investing in technology that allows teams to experiment quickly. “We’ve run many experiments that failed, but the fact that we learned it didn’t work was a success. We can show that we spent a lot less money, cycled through ideas very quickly to get to the right answer, and got the right outcome. That’s the kind of thing a CFO gets excited about,” says John Marcante, Chief Information Officer of Vanguard.

A culture of experimentation may also positively impact team performance. When asked how their employees react to failure, 54% said they become more motivated to succeed and 25% said they seek to learn from their failures.

PROFILE IN COURAGE

BRUCE KRATZ

Vice President, Research and Development
Sparta Systems

Courageous leadership means inspiring others to think and act boldly, even when it's difficult. Bruce Kratz, Vice President of Research and Development at Sparta Systems, a quality management and regulatory compliance software provider, shared how he motivated his team to innovate within a heavily regulated industry.

"We have a very unique customer base of pharmaceutical companies and medical-device manufacturers with very strict regulations around testing. People didn't think there was any room to innovate and automate, which meant some really talented people had to repeat the same manual processes again and again. I wanted them to use their brainpower for the more difficult problem solving, which is better for them and better for our clients.

There was definitely some concern that we would not be compliant ... that we'd automate people out of jobs. I'm happy to report we successfully made the transition, and now we're one of the only companies in this industry that handles testing via automation. In the end, we actually grew the size of our team, we gave our developers a safety net to innovate and experiment, we delivered a better product, and our clients are happier, too.

You have to be willing to question everything and try new ways, even if it's unpopular, difficult, or seemingly impossible."





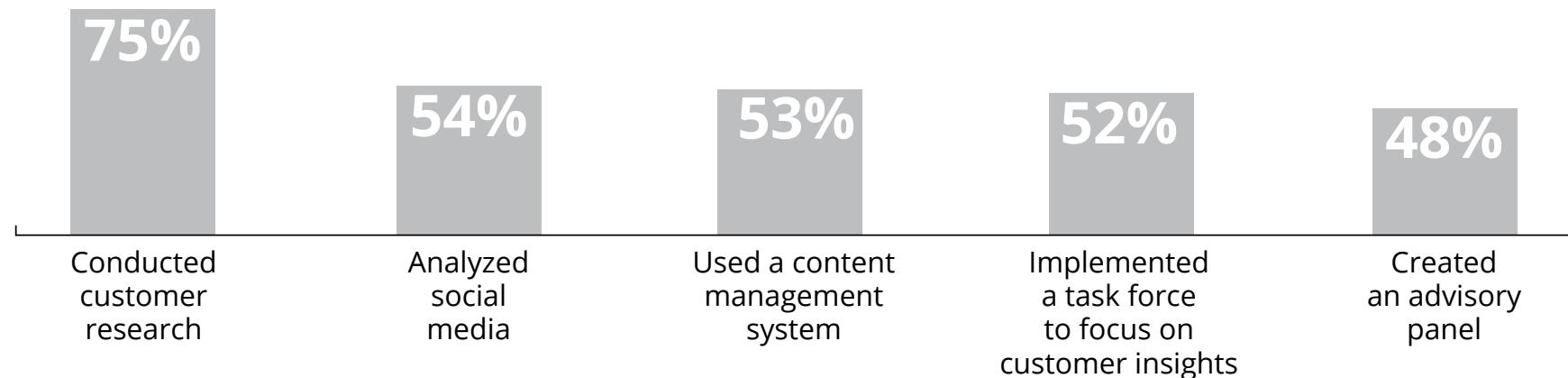
COURAGEOUS EXECUTIVES NURTURE CUSTOMER RELATIONSHIPS

Major technology decisions are often made in response to customer demands: 91% of the executives in our study said that customer input drives their strategic technology decisions. While there is some agreement as to the best methods for gathering that customer input, there are some revealing contrasts as well.

THEY VALUE CUSTOMER DATA

On a global basis, the most common method for gathering insights to inform technology decisions comes from customer research, with 88% of Australians citing this as the number one source of insight and 80% of executives from India, 74% of U.S. executives, and 66% of U.K. execs agreeing.

What is the most common method for gathering insights to inform technology decisions?

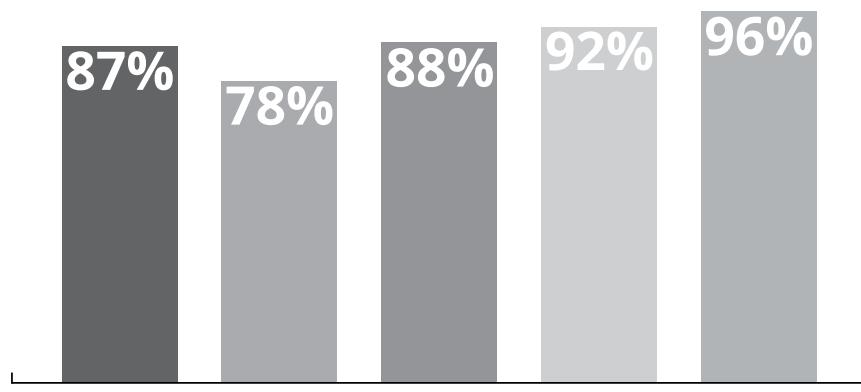


THEY ENGAGE WITH CUSTOMERS

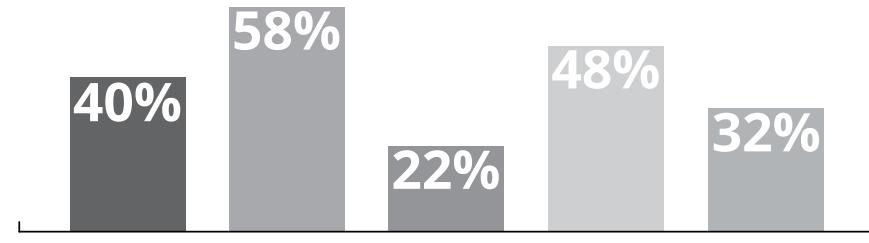
Bestselling author and business advisor Ram Charan emphasizes the importance of including customer insights at every stage of a project: **"Most ambitious missions don't have a clear picture. Executives have to be able to picture it. And the picture has to be in terms of a customer benefit, a customer usage, a customer behavior. If you have that, you will have no problem getting the alignment."**

Gathering and analyzing customer data helps inform this picture, but who ultimately takes responsibility for listening to and interpreting customer insights varies by region. Globally, 87% of executives said they have a dedicated team. However, 58% of U.S. and 48% of Australian executives said they go directly to the source and speak with customers themselves, compared to 32% in India and 22% in the U.K.

Courageous Executives in the U.S. also claim to engage directly with customers more frequently, with 50% speaking with customers weekly or daily. In the U.K., Australia, and India, executives speak directly with customers less frequently; it is more likely that dedicated employees interact with customers.



We have an internal team dedicated to understanding our customer.



I speak directly with my customers.

This dedicated approach to customer insights and customer experience is definitely on the rise. In the early 2000s, only four Fortune 500 companies had chief customer officers on staff. In June 2017, a search on LinkedIn returned 1,400 chief customer officers, and, more broadly, over 12,000 C-level executives with the word *customer* in their titles.

Analyst Charles Trevail of AdAge points out that companies have finally learned they cannot simply pay lip service to this role. "The chief customer officer (CCO) is more than just the corporate spokesperson and advocate for seamless omni-channel customer experiences ... they bring the customer voice to any project. By working closely with the digital team and ... other key stakeholders, CCOs can ensure the company is designing, testing, refining, delivering, and marketing experiences customers actually want."

THEY LISTEN CLOSELY

Using social media as a measure of customer attitudes highlights a dramatic difference in regions, with 68% of Australian, 60% of both British and Indian, and just 38% of American leaders mining their social feeds for insights. Never before has such an important metric of a brand's performance been so public. **It takes courage to engage with customers, get honest about what's broken, and fix it—especially when that fix isn't always fast, easy, or inexpensive.**

Peter Harmer, Chief Executive Officer of IAG, an Australian multinational insurance company, is leading by this example: "Our focus is on the customer. We're in the experience delivery business. We have to think entirely differently about how we partner, whether we build or whether we buy, but always, always seeing through the lens of the customer."

Gone are the days of “we know what’s best for our customers.” Now, all companies—and leaders—are in the business of delivering outstanding customer service. Here’s how Courageous Executives report doing just that:

	Global	U.S.	U.K.	Australia	India
Listening closely to their feedback and making changes accordingly	69%	60%	80%	64%	72%
Acknowledging customers' feedback and expressing a genuine willingness to serve	61%	62%	62%	60%	60%
Offering ongoing support and specials	53%	58%	48%	68%	36%
Treating a customer like a valued partner	61%	60%	50%	72%	76%
Being transparent and honest when it comes to mistakes made	51%	58%	40%	44%	64%

“You must be able to respond to your customer quickly—within days, not weeks, and hours, not days. We’ve set up an environment for building software where we can get changes out the door quickly, which allows us to act on the changing requirements of our customer. The time between having a great idea and getting that idea to the customer is extremely short.”

Vice President, major online retailer

PROFILE IN COURAGE

CÉLIA PRONTO | Chief Digital Officer Casual Dining Group

No two digital transformations are exactly alike, but common patterns emerge when you've seen your fair share. Célia Pronto, the Chief Digital Officer of U.K.-based Casual Dining Group, has lead digital transformations for retail, hospitality, and restaurant brands for nearly 11 years. She shares some hard-won wisdom:

"Transformations start with the vision of where you're going, and then you work back from there. When people love the vision and understand it, it's easier to get consensus.

But be prepared: the most complicated part of any digital transformation isn't the technology—it's people. Most difficulties start as you move from vision to implementation, when the budget, structure, process, and organization changes happen. People may have bought into a vision, but when it starts impacting them—and control starts to shift—that's where you meet resistance. So spend a lot of time thinking through the human factors: the new stakeholders, the relationships, and the impact of change on the people involved.

Find a few early adopters who can lead the implementation and demonstrate early wins to generate excitement and create more allies. Acknowledge that you don't have all the answers. Be willing to make tough decisions even if they're not popular or people don't understand the rationale or technology. Take the time to explain and be transparent."



A close-up, profile shot of a man with dark hair and a well-groomed mustache. He is wearing a light-colored, ribbed button-down shirt. His gaze is directed towards the right side of the frame, suggesting contemplation or focus. The background is blurred, showing what appears to be an office environment with other people.

**COURAGEOUS EXECUTIVES
ARE SHAPING THE FUTURE
OF WORK**

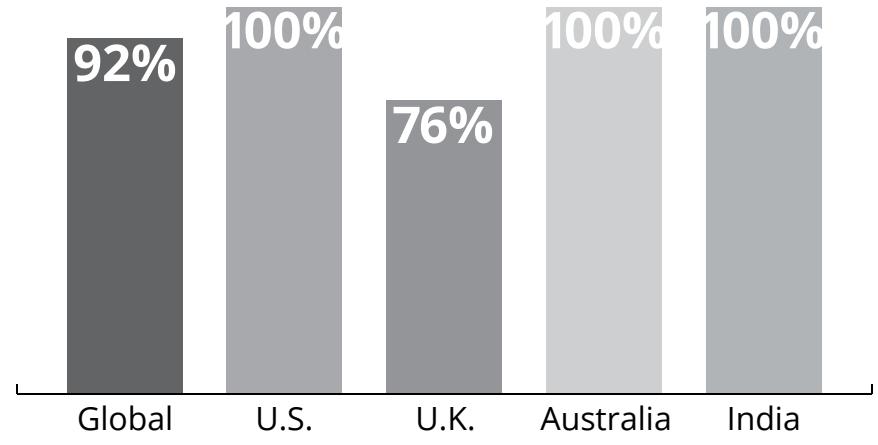
The places and ways in which people work are undergoing massive disruption from technology, a global and multi-generational talent pool, and changing values about when, where, and how people want to work. Courageous Executives are at the very forefront of the changing workplace, tasked with attracting and retaining talent, creating (or changing) a company culture, and preparing for a future where work looks very different.

One defining characteristic of Courageous Executives is their highly collaborative approach. “Courageous leadership means that you don’t pretend to know everything, but that you are willing to engage a broad range of stakeholders, a diverse group of people, to propel an organization forward, to define a pathway. So I think courageous leadership isn’t about the individual anymore, it’s about the group,” says Claire Cockerton, Founder of ENTIQ & Innovate Finance.

At the global level, 92% of executives say their team is involved in decision-making. But when you look more closely at the regional level, executives in the U.K. are behind their counterparts on team involvement.

THEY BUILD THE RIGHT TEAM

When faced with a digital transformation, most companies do not have all the necessary people on staff or in the right roles. Decisions have to be made about whether to build, buy, or partner with the right resources—either way, transformation is not a go-it-alone proposition. Courageous Executives don’t presume to have all the answers, and they understand the importance of having the right people at the table—whether in-house or external.



My entire team is involved in decision-making.

When asked how they've embarked on a technology transformation, almost half (47%) have created new tech roles on the leadership team or built a team with technology expertise (45%). These strategic hires may explain the emergence of technical roles like Chief Digital Officer, Chief Technology Officer, Chief Data Officer, and Chief Innovation Officer.

Additionally, more than a third looked outside of their organization for partners, advisors, and delivery specialists.

How do you adapt your leadership style to get the most from technology?

47% Created new roles on my leadership team

45% Built a team with technology expertise

37% Built a network of external advisors

36% Hired externally to augment existing capability

90% of Courageous Executives agree:
"Discovering subject matter experts and new talent helps my context and credibility and is crucial to my company's success."

THEY'RE PLANNING AHEAD

There is no question that technology is automating repetitive tasks and disrupting the labor market. Back-office operations, responding to frequent customer inquiries, processing orders, warehousing, driving—most of these tasks have already been automated or will be soon.

For the Courageous Executives in our survey, it's clear they're anticipating a day when technology replaces some portion of their labor force: **87% are preparing for technology's impact on replacing workers by researching new technologies that may enable savings on staff costs, and 83% are limiting new hires to reduce ongoing overhead.**

Additionally, 70% of executives surveyed also predict that replacing white-collar workers with technology is a natural progression and is to be expected. (If that sounds a bit grim, some studies estimate that technology will automate up to 30% of an executive's daily tasks. Think about what you could do with that much extra time in your workday.)

Using technology just to automate jobs and cut overhead is not only short-sighted, it will have a devastating effect on our communities and economy. Truly courageous, visionary leaders will look beyond cost-cutting toward creating new opportunities for people when tasks and jobs are automated.

They will be thinking about the new roles, skills, training, and talent. They will be preparing their workforce for the future.



"You have to build passion and acumen for both business and technology within your team. The more integrated and cross-functional teams that you build, the more people learn from each other. It's not just about coding; It's solving real business problems. That's what excites people."

**John Marcante, CIO
Vanguard**

PROFILE IN COURAGE

AJ SUTERA

Executive Vice President, Chief Information
and Technology Officer, Finish Line

Finish Line is a \$1.4 billion athletic footwear and apparel retailer with more than 900 locations. AJ Sutera shares how a customer-first approach is helping to transform his organization from the inside out.

"Courageous leadership means doing what is right for your customer, even when it requires significant organizational and structural changes that are provocative and unnerving. At Finish Line, we have a mission to deliver an epic finish to each customer. But how we do that is changing—retail can no longer be a merchant-driven business. Our customers inform our way of working, who we are, and how we serve.

I believe in *servant leadership*. Doing things to better serve our customer—that's my true north, the lens through which I plan strategy and make decisions. Implementing this starts by aligning your corporate ethos with your customer. This approach invariably changes how your organization is structured and how it operates; you have to connect cross-functional teams. Challenge the strategy. Adopt an agile way of working, value guidance over governance, and focus on accountability and outcomes. It requires education and transparency at every level—especially the board—around pain points and how things will be different. There will be implications for your corporate strategy, digital, legal, supply chain. This is not an IT problem! It's not just evolving technology, but the entire organization.

With this approach, we're making great progress toward near real-time responsiveness; we're working on ways to use the in-store platform to gather the kinds of insights we get from our website, as well as some very cool visualizers to enhance our in-store experience."



CONCLUSION

Technology is an equal-opportunity disruptor. In order to survive in our rapidly changing world, it's vital to acknowledge that antiquated leadership won't push businesses forward. For every slow-moving enterprise struggling to stay relevant, there's a lean startup about to change the landscape overnight. For every legacy brand that deepens customer loyalty through a digital transformation, there's a hot tech brand stumbling to recover from scathing reviews and scandalous headlines.

Take note: the organizations that evolve and thrive will be lead by Courageous Executives. In this era of chaos and uncharted possibility, Courageous Executives are the ones willing to challenge everything: the status quo, internal siloes, and immovable strategies no longer stand a chance. They are erasing the lines between business and technology. They are radically rethinking business models and what customer value looks like. They are hiring, empowering, and growing multidisciplinary, future-ready employees. They are creating work cultures that reward curiosity, rapid experimentation and "innovation from anywhere." They are investing in platforms that allow their businesses to get ideas to market in weeks, not months.

These leaders are perhaps the greatest single threat to companies that remain stuck, slow, or hesitant to change.

Courageous Executives will not be disrupted—they ARE the next big disruption.

ADDITIONAL RESOURCES

ADDITIONAL READING

Seismic Shifts

In this exciting series, ThoughtWorks reviews technology trends and captures the five Seismic Shifts that are radically changing people, business, and the world.

The Quick and the Dead: Leadership in an Age of Digital Complexity

by Guo Xiao, President and CEO, and Chris Murphy, Global Managing Director, Europe, Middle East and South Asia

eBOOKS

Adaptive Leadership: Accelerating Enterprise Agility

by Jim Highsmith, Executive Consultant

BUSINESS TRANSFORMATION IN THE FOURTH INDUSTRIAL REVOLUTION:

A Guide for Courageous Executives

by Sai Mandapati, Chief Commercial Officer and Dan McClure, Innovation Design Lead

Business and technology continue to merge. Explore underlying market changes, new opportunities, and practical steps for building new agile enterprise capabilities.

VIDEO

ThoughtWorks Live: Mastering the Chaos

with Chris Murphy, Global Managing Director, Europe, Middle East and South Asia

So You Think You're A Technology Company

with Joanna Parke, Managing Director, North America

RESEARCH METHODOLOGY

This research drew on quantitative and qualitative techniques. Online survey data was collected and analyzed by Northstar Research Partners. They surveyed 150 C-level executives.

- 100% lead Fortune 500 companies with 100 employees or more.
- 87% have occupied their office for at least three years.
- 79% report more than \$100 million in revenue.
- Respondents were primarily presidents or CEOs. The data also includes insights from CIOs, CMOs, COOs, and CTOs.
- Respondents represented nine industries: healthcare, finance, technology, telecom, retail, manufacturing, construction, energy, and professional services.
- The online survey covered four regions: North America, the United Kingdom, Australia, and India.

Additional insights and commentary were captured via phone interviews with clients and colleagues as well as from interviews and presentations at ThoughtWorks' executive events, ThoughtWorks Live and [ParadigmShift](#).

ABOUT THOUGHTWORKS

ThoughtWorks is a custom software development company with over 4,500 passionate, purpose-led individuals working in 15 countries around the world. We tackle complex problems around digital strategies, product innovation, intelligent empowerment, responsive enterprises, and at our core, software delivery. We believe in empowering our clients and enabling them to change their competitive position through technology.

Our successful delivery history is the basis for the nearly 100 books written by ThoughtWorkers. Our sought-after thought leaders regularly take the stage at global conferences such as SXSW, Agile Alliance, Collision Conference, Web Summit, and the NRF Big Show to name a few. In 2016, Anita Borg Institute named ThoughtWorks the Winner of the 2016 Top Companies for Women Technologists Program. We believe that ambitious missions need disruptive thinking.

Learn more about us at thoughtworks.com. Find us on [LinkedIn](#), [Twitter](#), and [Facebook](#).

ABOUT NORTHSTAR

Northstar Research Partners, a member of the MDC Partners Network, is a leading global full-service market research and consulting firm. Established in 1998, Northstar has completed thousands of qualitative, quantitative, and consumer anthropology studies with services in both consumer and business-to-business channels.

Northstar is a global, multi-award-winning customer insights agency. In 2014, it was one of the most nominated MRS agencies. In the U.K., it won both the 2014 International Research and Newcomer of the Year categories. In 2013, Northstar was winner of the Business-to-Business category. Northstar is proud to have been twice awarded the prestigious Grand Ogilvy and Gold Prize at the Advertising Research Foundation Ogilvy Awards.

The background features a complex, abstract geometric pattern composed of numerous overlapping triangles and rectangles in shades of red and black, creating a sense of depth and motion.

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