

CES 2016: Five Key Trends and What They Mean for Leaders

Last week, Spencer Stuart explored new innovations and trends at the annual Consumer Electronics Show (CES) in Las Vegas. We hosted an exclusive reception for some of the industry's senior-most executives and, during the course of the week, consultants from several of our practices — Automotive, Digital, Marketing Officer, Information Officer, Consumer Goods, Financial Officer, Energy, Private Equity and Technology, Media & Telecommunications — met with various leaders and walked the convention center floor to get a real-time pulse on how these trends are impacting nearly every industry, function and role. Based on these conversations and observations, we've identified five key trends and their implications for senior leaders in this fast-paced, innovation-focused world.

Every company is becoming a technology company — and needs technology talent to drive innovation and overall consumer experience.

The technology phenomenon Marc Andreessen observed in his famed *Wall Street Journal* essay, "Why Software is Eating the World," has expanded into hardware and is manifesting itself in Internet of Things (IoT), wearables and automotive. The numerous consumer, financial services, healthcare and industrial companies at CES evidenced how intertwined — and mission critical — technology and customer experience have become for nearly every industry. For example, classic toymaker Lego introduced a new robotics kit and sports apparel company Under Armour continued to establish itself as a digital health brand focused on building and engaging a fitness community. The thirst for true innovation demands that many organizations bring on new and multifaceted skill-sets (e.g., user

experience, networking, software and device design), prompting organizations to consider whether it's more effective to develop expertise organically or acquire talent through acquisitions. We see historically insular industries such as automotive pursuing talent from top tech companies like Google and Apple, and expect the flow of talent between core technology companies and adjacent industries to increase. We anticipate that the war for talent will intensify, placing those with the product experience, supply chain relationships and cultural agility to migrate between industries in the proverbial (and perhaps even literal) driver's seat. In order to attract this highly sought-after talent, many organizations will have to rethink their traditional talent acquisition techniques.

Alliances and partnerships have never been more important, requiring leaders to be strong relationship builders.

IBM's announcement of new partnerships with a seemingly eclectic group of companies such as Under Armour, Whirlpool and Medtronic is merely the latest indicator that companies will need to collaborate with unconventional partners in order to drive innovation and bridge skill gaps. With the rise of open platforms and rapid pace of change, "going it alone" is not a viable long-term option for many organizations. Alliances with larger

companies can help smaller and early-stage companies survive and scale successfully; smaller organizations focused on next-generation innovations can help larger organizations stay up to date on the next big thing without having to make significant R&D investments. Thus, companies will need leaders with open, collaborative, partner-focused mindsets who can think holistically across today's interconnected ecosystem.

Mobile makes the world smaller and demands that leaders think globally.

It was readily apparent at CES that the world is becoming even smaller as mobile technology expands reach to new geographies. Netflix co-founder and CEO Reed Hastings announced that the company launched in 130 more countries, signifying a major focus in international growth. Carolyn Everson, vice president of global marketing solutions at Facebook, shared that there are 7.2 billion mobile connections globally — nearly matching the number of people on the planet.

As messaging apps and platforms like Facebook, Instagram, Twitter and Snapchat and the devices that power them continue to proliferate, geographic borders fade. In addition, European tech companies are quickly becoming global players, presenting acquisition opportunities for U.S. companies. Global experience and perspective are becoming table stakes for the executives of the future in an increasingly mobile-first, interconnected world.

Cybersecurity remains a top priority and is not just the technology function's responsibility.

The volume of intelligent devices at CES was staggering, from smartphones and connected cars to insulin trackers and touchscreen refrigerators. However, such innovations inherently come with cybersecurity risk. Leaders in engineering, product development and IT will need to bring deep understanding of security threats and expertise in designing plans to mitigate

them. At the same time, cybersecurity is not isolated to the purview of specific functions: It's a risk management issue that affects the entire organization. The issue requires ownership at the top, with a CEO and board that are educated about potential risks and how to protect the organization.

Content is key to consumer engagement today and needs to be driven by leaders who "get it."

CES shined a bright light on the various ways digital has dramatically changed how content is created and consumed. "Digital Hollywood" was a prominent multi-session theme. Virtual reality had a prolific presence. Dish Network unveiled a new streaming service. These trends combined with consumer demand for instant engaging, personalized experiences are quickly

elevating content as a strategic priority for a broad array of companies beyond media. To maximize the content opportunity, marketing, sales and IT leaders will need to collaborate in new ways. We have also seen some organizations establish C-level content roles in order to provide strategic leadership and help harness content's relationship-building power.