

A man in a dark suit stands with his back to the camera, looking out a large window. His hands are clasped behind his head, suggesting a moment of stress or deep thought. The window reflects the cityscape and mountains outside. In the foreground, a wooden table holds a white cup of coffee. The overall mood is contemplative and professional.

DEALING WITH DISRUPTION: FINDING EXECUTIVE CAPABILITY



B I E



INTRODUCTION

Disruption is the new state of play. New technologies, a global marketplace and constant change mean that industries, organisations and individuals face challenges to their status quo on a continuous basis.

Against this backdrop, agility is key. In research conducted by BIE, 94 per cent of nearly 150 business leaders reported that being more agile is a priority for their organisations. From business evolution to business transformation, companies are changing the way they operate on a fundamental level. In fact, 82 per cent of business leaders said leading and delivering step changes in how the business is conducted (business transformation) is their highest priority.

To achieve these changes successfully, you need the appropriate executive capability at each stage. You need to ensure that you have the right people, in the right roles, at the right time.

In a disruptive environment, expecting that these requirements will be met by your current executive team alone is generally unrealistic. Even the most accomplished business leaders do not necessarily have the experience and knowledge to handle

every eventuality without some outside help. In a recent BIE survey, only 42 per cent of business leaders say they currently have the internal capability to deliver business transformation. Furthermore, around 75 per cent of business transformations fail, **according to the McKinsey Global Survey 2015.**

So where do businesses find the executive capability that will enable them to be agile and to compete in a disrupted environment?

This eBook aims to answer that question by focusing on:

- How disruption is making businesses reassess their executive capabilities
- Disruption in the recruitment and consulting industries
- Solutions for businesses seeking to adapt



HOW DISRUPTION IS MAKING BUSINESSES REASSESS THEIR EXECUTIVE CAPABILITIES

In a global and digital society where change is the norm, disruption is a constant. Regardless of their industry, business leaders need to ensure that they are well-equipped to deal with this reality.

In the foreword to the publication, “**Boards in challenging times: extraordinary disruptions**”¹, Sir Peter Gershon writes: “Much of our established management thinking and research is based on companies operating in a steady state environment or one of incremental change. Businesses are increasingly facing extraordinary disruptions and the growth in shareholder activism will impose greater accountability for how leaders address these issues.”

Whatever their focus - be it company turnaround, business transformation or a change in leadership - business leaders need to achieve competitive advantage for their organisation. But how many of them are suitably prepared to excel in an environment of constant change?

Often, the present make-up of a company board is not conducive to change. For instance, the Alvarez & Marsal publication found that the “CEO Superman” is in decline and, instead, boards need to be flexible and collaborative, looking both internally and externally for solutions to issues. This is not evidence of deficiencies in the board - it simply shows that business disruption creates previously unencountered scenarios.

In this capricious landscape, there are barriers to success; the current roles are not necessarily the best ones; new positions need to be created and filled. The key challenge is how to access the right people at the right time, over a period of time, to meet these changes head-on. So business leaders are looking for innovative solutions when it comes to their recruitment and consulting needs - thereby disrupting these industries in turn.



¹ “Boards in challenging times: extraordinary disruptions”, Alvarez & Marsal and Henley Business School



DISRUPTION IN THE RECRUITMENT AND CONSULTING INDUSTRIES

Traditionally, businesses have accessed the right people either through consultants or recruitment companies. In the past, these industries have adhered to autonomous business models. But things are beginning to change.

The big consultancy players are being challenged by hybrid boutiques offering more flexible and bespoke solutions to organisations that are looking for access to experienced executives from consulting or corporate backgrounds. These new models are derived from the realisation that, in an age of disruption, businesses require different capabilities over time and need to be able to flex and adapt to successfully meet previously unencountered challenges.

Both the recruitment and consulting industries have business models and market structures that have stayed the same for decades. But now they are in flux. As the wider business environment changes, recruiters and consultants need to acclimatise to provide services that reflect this new corporate worldview.

Writing for the Harvard Business Review (HBR), Clayton Christensen asks: "If you are currently on the leadership team of a consultancy and you're inclined to be sanguine about disruption, ask yourself: Is your firm changing (at least) as rapidly as your most demanding clients?"

Disruption creates a reactive, domino-effect that can't be ignored. So, in general terms, how have recruitment and consulting changed?

The world is more connected and so organisations rely less on recruitment firms – but when they do use them, they expect recruiters to deliver more value than they might have in the past. Today, businesses want candidates to live up to their expectations – both in terms of their skillset and their ability to integrate smoothly into the organisation. Therefore, to succeed, recruitment firms now need to be more proactive, building up strong and mutually beneficial relationships with both candidates and businesses. Their networks need to be better than ever and they need to leverage data and technology. And they can't find just any candidate; they need to find the candidate.

In consulting, firms are starting to offer more tailored and bespoke services. Organisations face unique problems at different times and their capability requirements change in relation to this. Businesses want in-depth expertise and support at every stage of their corporate project and so may look to different providers to achieve this.

Returning to Clayton Christensen's comments in HBR: "We are seeing the beginnings of a shift in consulting's competitive dynamic from the primacy of integrated solution shops, which are designed to conduct all aspects of the client engagement, to modular providers, which specialize in supplying one specific link in the value chain. The shift is generally triggered when customers realize that they are paying too much for features they don't value and that they want greater speed, responsiveness, and control."

Increasingly, midmarket and boutique firms are taking to the stage. And we are also seeing the emergence of a new, hybrid model, where organisations offer both recruitment and consulting services, and seek to tailor their offering to their clients' specific needs – from scoping and planning a corporate project, right through to post-delivery.

“

ORGANISATIONS FACE
UNIQUE PROBLEMS
AT DIFFERENT TIMES
AND THEIR CAPABILITY
REQUIREMENTS
CHANGE IN
RELATION TO THIS.

”





SOLUTIONS FOR BUSINESSES SEEKING TO BE MORE AGILE

Business leaders across the board are coming up against unforecastable obstacles and, consequently, organisations that traditionally help them surmount these are having to adapt as well. So could this disruption in the recruitment and consulting sectors provide the answer that businesses seeking to become more agile are looking for?

Traditionally, recruitment and consulting firms have helped at specific points in the strategic review, planning and scoping, and delivery stages of corporate initiatives. Typically, consultants come in to help strategise and plan (and possibly kick-start a project); recruiters find the people to implement the change and/or oversee operations post-implementation. But now organisations are emerging that can offer more flexible help to cover each stage, from modular solutions, to services that take a business right through from the start to the end of their project. The traditional approach is still there, but it may not necessarily be the best route for every business.

The table below outlines this new landscape. As we can see, an organisation taking a traditional approach would use a combination of recruitment and consultancy services for set elements of their project. However, a business using a modular or hybrid solution would draw on the relevant expertise at the relevant time, whenever that might be - it's about finding the right people at the right time.

OPTION	STRATEGIC REVIEW	PLANNING & SCOPING	DELIVERY
Traditional multi-vendor	Consultancy partner	Executive team	Recruitment partner
Traditional consultancy	Consultancy partner	Consultancy partner - Blended team of junior consultants	
Modular or hybrid solution	Hybrid partner –experts from consulting or corporate background over time - on an interim or permanent basis.		



CONCLUSION

Businesses across the spectrum are facing disruption as macro forces combine to place intense pressure on their operational structures. In this new landscape, business leaders are having to re-evaluate their organisation's executive capabilities. In many instances, the makeup of their board is not conducive to implementing the fundamental changes required.

Therefore, businesses need to gain access to the right people both at the right time over time, in order to meet the new challenges they face. While business leaders have traditionally turned to recruiters and consultants for their needs – from business evolution to business transformation - these business models are also evolving in an age of disruption. New paradigms are emerging that enable organisations to fulfil these needs.

Today, business leaders are seeking a bespoke fit for their organisation. In order to become more agile and to deal with disruption, they need flexible solutions that fulfil their executive capability needs.

The logo for BIE (Business Intelligence Executive) features a stylized graphic of three overlapping teal diamonds to the left of the text 'ABOUT BIE' in a dark, sans-serif font.

ABOUT BIE

The smarter alternative to a traditional consultancy approach.

In a fast-paced commercial environment that demands agility and the need to constantly adapt, our mission is to support the evolution of businesses – either incremental or transformational – by shaping, co-creating and delivering high quality consulting and recruitment solutions.

BIE brings you the capability to strengthen your competitive position. We find the right combination of exceptional people at the right time, capable of scoping and leading strategic initiatives to transform, turnaround or improve your business.

BUSINESS TRANSFORMATION

We drive successful transformation through a flexible blend of our transformation specialists with exceptional consulting and corporate experience.

BUSINESS TURNAROUND

Experienced turnaround specialists from a consulting and corporate background will support your turnaround and cost reduction initiatives.

EXECUTIVE LEADERSHIP

Whether it's identifying experts to strengthen your internal capability or replace talent, providing 'backfill' solutions to enable evolutionary change or creating teams of specialists to help you deliver a major transformation, we work across the permanent and interim spectrum to provide you with the right people at the right time.

We have deep functional expertise in:

- Executive Leadership
- Finance
- Human Resources
- Supply Chain & Procurement
- Technology
- Programme & Change Management

This ensures that whatever evolutionary opportunity you face, you can find the leadership and internal capability to deliver it.

To arrange a completely free consultation to discuss your current and longer term challenges and opportunities, please visit www.bie-executive.com/arrange-a-business-consultation or call us on **0203 440 5250**.

www.bie-executive.com