THE TICKER

DOES YOUR C-SUITE NEED A MAKEOVER?

Artificial intelligence. Cloud computing. 5G. Collaborative robots. With the seismic shifts in business modes and marketplaces over the past decade, CEOs and companies have had to be more nimble than ever. And for bold executives looking to lead their companies into an uncertain future, there is still one area that may be ripe for disruption: the C-suite.

The concept of a small leadership group making strategic decisions on behalf of a company dates back to the 1920s. By the 1980s, now-standard roles (CIOs, CFOs) had begun to emerge in the C-suite; few major structural changes to executive leadership have been made since.

A number of forward-looking CEOs, however, believe it is time to reevaluate. In a 2019 EY survey of global chief executives, 72% said they are considering changing or adding C-suite roles to better handle new business imperatives. More than 4 in 5 (82%) have already done so in the past five years. Top additions include chief innovation officer, chief digital officer, chief strategy officer, chief data officer and chief ethics officer. (One title still underrepresented is chief inclusion officer—fewer than 10 members of the S&P 500 boast that role in their C-suites, *The Wall Street Journal* reports.)

But simply adding new C's to the

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roster will not provoke a sea change. It is vital to establish and communicate the specific objectives, responsibilities and accountabilities of a given new role, and executives must have a clear understanding of how the new role can add strategic value and improve decision-making at the top. Without this, a new CXO title could sow confusion among employees and customers or interfere with business processes.

If your fact-finding mission reveals that your C-suite could benefit from a structural overhaul, you will need to decide if it is right to add new titles or completely level out an antiquated hierarchy and bust silos. While the rebuilding process may be difficult, it also could lead to a new class of executive talent that is better equipped to make bold decisions for the future.

"You may even need a different caliber of people, because some people may not be fit to run that new role," Abdul Aziz Al Ghurair, CEO of Mashreq Bank, told EY. "People are scared of these changes."

The C-suite can be one of CEOs' greatest assets or greatest liabilities. Do not be afraid to cast a critical eye on its structure and composition to ensure long-term success.

"Amidst the upheavals rewriting the rules of business strategy, yesterday's leadership model isn't likely to work tomorrow," concluded Michael Kanazawa of EY. "CEOs and their C-level teams must broaden their horizons, looking beyond current market drivers."

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