



TAILORING THE STRATEGY FUNCTION FOR SUCCESS

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EXECUTIVE SUMMARY

More companies are creating strategy functions to help develop, communicate, and execute their strategies. CEOs benefit not only because Heads of Strategy help create, interpret, and implement strategy, but also because they can be used in other ways. That's because Heads of Strategy, typically, have fewer routine responsibilities than do other functional heads.

However, companies find it difficult to hire, effectively use, and retain Heads of Strategy. The job is extremely flexible, constantly changes, and can be wide ranging in terms of its scope, so it's not easy to keep someone in the position. While many Heads of Strategy are successful members of the senior team, a significant portion of Heads of Strategy fail.

Our research, investigating how decisions are made about the Head of Strategy in over 50 companies, shows that the primary key to success or failure is the degree to which the capabilities of the Head of Strategy fit with the corporate priorities, the capabilities of the rest of the senior team and the organizational context. Because most Heads of Strategy do not fit perfectly, a secondary factor contributing to success is the degree to which the role is fine tuned to fit the particular strengths and weaknesses of the new appointee, and whether they are given appropriate support as they settle in. That may sound a trifle obvious, but sculpting the role demands a more thoughtful and systematic effort from the CEO than do other positions such as the heads of Finance, IT, or HR.

Tailoring the Strategy Function for Success

In recent years, companies have been creating high-powered strategy functions to help develop, communicate, and execute their strategies, and to track progress. Our research shows that 40% of the biggest 100 US companies now have a Head of Strategy with a seat at the top table. Many are called Chief Strategy Officers, a designation that has proliferated rapidly in American companiesⁱ. As many as 80 of the 100 largest listed companies in the UK now have a dedicated strategy function, according to another study we conducted. (The exceptions are concentrated in sectors such as property, construction, and specialized financial services).

Part of the value of the Head of Strategy -- as we refer to the role in this article -- is that there is no standard job description. Heads of Strategy typically have fewer routine responsibilities than do other functional heads. Although they manage the annual planning process, that isn't a full-time job usually; companies don't entirely overhaul their strategic plans every year. In the Head of Strategy, a CEO therefore has a skilled and seasoned resource on tap, which can be invaluable in an unpredictable and fast-changing world. CEOs can get Heads of Strategy to tackle mission-critical problems and projects for which no other senior executive has the bandwidth. Unsurprisingly, the Head of Strategy is often a key member of the top management team, reporting directly to the CEO, and, particularly in the US, becoming the Head of Strategy can be a prelude to becoming CEO.ⁱⁱ

All the data show that there are wide variations in the work that Heads of Strategy perform. A 2014 St Gallen - Roland Berger survey, for instance, identified 12 different activities that the respondents rated, on average, as being important to them, such as formulating strategy, developing new business

models, coordinating across businesses, implementing strategy, communicating strategy to stakeholders, striking strategic alliances, and providing assistance to CEOs for non-strategic projects. Similarly, a 2008 Accenture survey found that the average Head of Strategy was responsible for as many as 10 different activities while 25% were responsible for 17, or more activities.ⁱⁱⁱ Another survey found that while some activities -- such as strategy formulation or planning -- were very important (or important) for over 90% of Heads of Strategy, there were enormous differences about which other activities were important to them. For instance, strategic alliances, functional strategies, and divestitures were very important (or important) only for about a third of the Heads of Strategy sampled.^{iv} Other, equally important, differences relate to the degree to which Heads of Strategy are embedded in the businesses; the level of involvement in implementation; how they wield power; and their career trajectories.^v

But precisely because the Strategy role is so flexible, companies and their CEOs find it difficult to hire the right Head of Strategy and get full value from their strategy function. The Head of Strategy needs to be able to play so many roles that even talented executives find it difficult to do well across the board. The Head of Strategy must possess a difficult-to-find mix of strategy-related skills, industry knowhow and the ability to develop close relationships with senior executives. One head hunter we talked to was given a job description by their client that consisted of a laundry list of so many roles that they thought it extremely unlikely that they would find a candidate who could perform them all, AND knew the business, AND could get along with the senior team. The CEO of a large technology company confided to us that, before hiring his first Head of Strategy, he spoke to 18 companies to learn how to pick the best candidate, but his new hire still found it tough to fit in. The functional heads resented having someone new looking over their shoulders, and felt that the new hire's approach to business opportunities was "too academic."

Defining the type of individual required up front is made more difficult because it evolves over time. CEOs load up Heads of Strategy with pressing tasks whenever necessary, so much of the Head of Strategy's work is opportunistic. It requires him or her to manage a wide variety of initiatives -- such as making acquisitions, selling off businesses, entering new product or geographic markets, and orchestrating organization-wide change programs -- the need for which spring up unheralded. Several of the CEOs and strategists we interviewed described how previously successful Heads of Strategy lost their job when the challenges facing the organisation shifted – for example from growth to margin improvement – something that Heads of Strategy have in common with CEOs and which distinguishes them from other senior executives.

Installing a successful Head of Strategy is tricky also because the role has some particular challenges. Because the Head of Strategy position has relatively little formal power, appointees need to be good at persuading senior colleagues of their views and handling the criticism they will get when their proposals clash with the personal interests of other executives – particularly when they get involved in reviewing business units for the CEO, or the corporate strategy for the Board. If the appointee is an outsider, working out in advance how effectively they will do this is particularly difficult, so CEOs often go for someone they know – but that typically severely limits the number of candidates. Alternatively, they take the safe option and hire a relatively junior person to act in more of a support role – but that limits the tasks that they can take on, and the value that they can add.

Success in one organization doesn't carry over to another, even if the roles appear to be similar. Even the strategy process, a responsibility for most Heads of Strategy, varies significantly across companies – some focus more on long term vision and others on execution. A previously successful Head of Strategy also has to fit in with a different senior team and organisational context. For instance, when one of our interviewees, who had enjoyed a successful stint as the head of strategy at a food retailer, moved to another company in the same industry, he

had to resign his post quite quickly. As he describes it, the first company had a supportive environment for the Head of Strategy: The CEO used the role to develop strategies and organizational capabilities; several alumni had moved on to senior positions in the business units; and the unit heads appreciated the ideas and insights the strategy function offered. However, at the second company, the organizational context and culture were very different. It hadn't had a strategy function until our interviewee signed up, and the members of the top management team weren't used to having open discussions about their strategies. The business units were fiercely independent and resented, as they perceived it, a new power center encroaching on their turf. That led the Head of Strategy to quit prematurely.

Heads of Strategy studies, such as the annual survey conducted by the University of St Gallen and Roland Berger since 2011, find that one in seven Heads of Strategy is, sooner or later, asked to quit -- comparable to the one-in-six rate at which CEOs were forced out in 2016.^{vi} Only a third of them remain in office for over three years, and just 10% stick around for over five years, so most Heads of Strategy don't stay long enough to see the results of their efforts. In our research 18% of Heads of Strategy failed to have an impact on their companies or were rejected by top management teams.

The difficulty in making the role work well results in a wide variation in satisfaction with it. In some companies the Head of Strategy is highly respected and a valuable member of the senior team. In others, they are kept away from important issues. Several strategists told us about their frustration at not being able to have more influence – but conversations with CEOs and other senior executives suggest that this arises because Heads of Strategy are not always seen as adding enough value or, when they do, it is outweighed by negative impacts – for example, one CEO complained that too many Heads of Strategy are “critics” rather than “a source of new ideas”. Clearly, Heads of Strategy may be common, but their position is precarious partly because defining the role is tricky.^{vii}

It seems logical that it would be particularly valuable for CEOs to have some guidance about how to pick the best individual for a role that varies so widely, for which a strong track record does not guarantee future success and for which the failure rate is high. However, to date there has been little clarity about how to do this. Prior studies even disagree on what are the possible roles. For example, one study distinguishes between “Developers” and “Implementers”, arguing that most individuals lie somewhere along a spectrum between these two extremes.^{viii} A BCG report identifies four roles: Portfolio manager, Strategy orchestrator, Internal consultant and CEO delegate^{ix} and another from McKinsey identifies five: Fund manager (similar to Portfolio Manager), Architect, Mobilizer, Visionary and Surveyor.^x

Beyond the disagreement in what the roles might be, there is very limited guidance about what role fits what situations. McKinsey commented that Heads of Strategy should develop signature strengths and prioritise, because “CSOs are up to four times more effective at the specific facets of their role they intentionally prioritize” – but gives no details on how to translate this into a clear role description.^{xi} The BCG report suggested that the roles it identified would suit certain types of companies; for example, the Strategy Orchestrator might suit a company with numerous synergies between its businesses whereas an Internal Consultant model might suit a company with autonomous units. Another study identified some factors that would influence whether a company has a Head of Strategy – such as the extent of diversification and acquisition activity, and the presence or absence of a COO -- but it didn’t investigate the different roles he or she could play.^{xii} There’s also a broader stream of research showing that the role of corporate functions should be determined by the strategy, but much of that doesn’t focus on the strategy function^{xiii}. Incidentally, the lack of insight into the issue reflects a general problem with research about corporate centers; a recent review of the literature described the corporate center as still being a “black box.”^{xiv}

Our research begins to prize open that “black box,” using interviews to understand how experienced practitioners, including Heads of Strategy, CEOs and CEO advisors go about making the role a success. We also tested the results of the interviews by comparing examples of particularly successful and particularly unsuccessful Heads of Strategy (see sidebar for details of our Research).

ABOUT THE RESEARCH

The primary source of the research that provided the data for this article was a total of 55 interviews that we conducted in two rounds over the past three years. In total we conducted 48 interviews with Heads of Strategy, CEOs, CFOs and 7 interviews with corporate advisors, such as the head of an executive search firm, the CEO of a major management consultancy, and an advisor to private equity firms. This provided information about 55 strategists in 54 companies (in a few cases we discussed two different strategists at one company). The interviewees were from major American, British, continental European and Middle Eastern companies operating across a wide range of industries. Over 75% of the companies had annual revenues of over \$1billion; median revenue was over \$6 billion. We also drew on the results of a separate survey of 35 corporate strategists, describing how strategy is developed in their organizations.

What was different about this research is that we included the views of people other than Head of Strategy, such as CEOs, and focused on understanding how our interviewees thought through what the correct role should be, rather than just describing it. Our questions explored: the range of activities that Heads of Strategy undertook, which were most and least valuable, how to be effective, how the role had evolved over time and how the interviewees thought through what the Head of Strategy should and should not be doing. We also discussed whether the Head of Strategy had been successful or unsuccessful and, sometimes, examples of other successful or unsuccessful strategists (such as their predecessor).

Our initial round of interviews developed hypotheses about what factors contribute to a Head of Strategy’s success or failure. We focused on what executives responsible for strategy-making do in practice, especially how they think about tailoring the Head of Strategy role. Our approach is related to the Strategy-As-Practice framework, which examines how executives develop and execute strategies in specific organizational contexts.^{xv} That methodology looks beyond the economic theory of strategy and the characteristics of the processes used to create strategy, to examine the people responsible for fashioning strategy, how they do so, and the context in which they operate. Doing so provides insights grounded in the realities that strategy-developers experience every day, enabling executives to understand and use the findings easily.

We then reviewed these findings with 12 members of our research centre’s members group, which is a network for Heads of Strategy of major European companies such as Shell and Rolls-Royce, as well as our personal network of executives, and academic colleagues. After those discussions, we conducted a second round of interviews to test and refine the hypotheses we had developed. We identified those Heads of Strategy who had been particularly successful or unsuccessful, and contrasted the two groups to test our hypotheses about what made Heads of Strategy successful.^{xvi}

Our conclusions in this paper also draw on our extensive experience as strategy consultants, as former

How to get the best from your Head of Strategy

Our research demonstrates that success comes when the capabilities of the Head of Strategy are tailored to fit the situation. To achieve this, CEOs and Heads of Strategy go through two cycles of tailoring to get to the best solution (see exhibit 1). The first cycle involves finding the individual whose capabilities best fit three factors: the corporate strategy work to be done, the capabilities of the rest of the senior team and the context.^{xvii} In the second cycle, the role is fine-tuned to get the best possible fit. Also, in the same way that a good tailor will support their client through further adjustments and repairs, a good CEO will find a way to provide a new Head of Strategy with ongoing support to help them settle in and evolve their role as the situation develops.

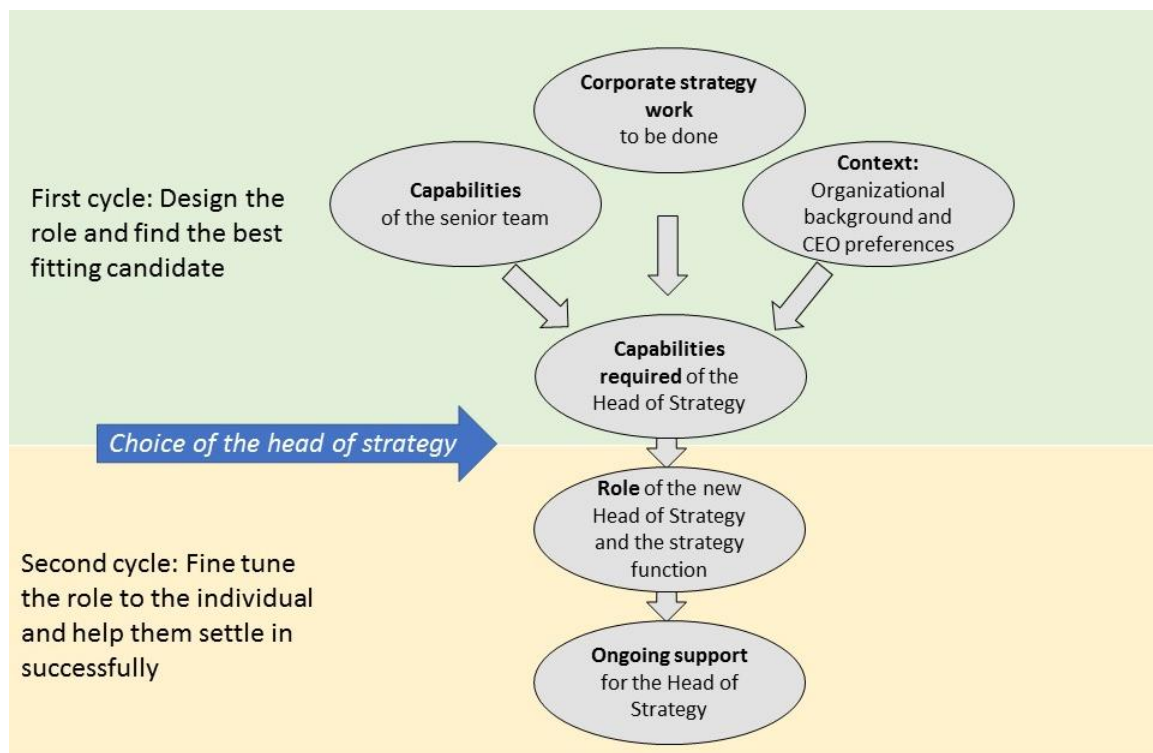


Exhibit 1: Designing the strategy function

This tailoring process also suggests a prescriptive approach to defining the role of the Head of Strategy and getting the best value from the function.

The first cycle; Finding the best fitting candidate

I. The corporate strategy work to be done

The best way to start is by drawing up all the major tasks required to develop and execute the company's strategy. Our research suggests that, to be successful, any Head of Strategy has to have the capabilities required to contribute to the particular corporate work to be done^{xviii}. While this may seem obvious, this can mean that the best person for the job is someone who may not even have a background in strategy. For instance, Vodafone's Head of Strategy between 2006 and 2016, Warren Finegold, led its charge into global markets through M&A. He worked, in his own words, "... on more than \$300 billion in acquisitions and disposals that helped build Vodafone into one of the world's largest telecom groups spanning Europe, India, and Africa." ^{xix} His background was not as a strategist but as an Investment banker at Goldman Sachs and UBS.

The range of possible work is very wide; from running large transformation programmes to fixing the company's pension scheme; from detailed analysis and forecasting of industry developments to a hands-on role in integrating acquisitions. The exhibit (please see Exhibit 2, The Different Types of Corporate Strategy Work) lays out all the kinds of work done by Heads of Strategy based on our, and others', research, so let us use it to delve deeper into the idea.

Stage in strategy process \ Work to be done	Develop	Execute	Operate	Monitor
Corporate Development • M&A, Disposals, JVs • Corporate Ventures • Alliances, Strategic partnering • ...				
Influencing individual Business Units • Business unit strategies • Corporate initiatives • Allocation of people and capital • ...				
Coordinating Business Units • Shared assets/services • Central functions • New organisation • ...				
Other strategic priorities • Review of overall corporate strategy • Board support • Investor relations • Government/stakeholder relations • Environmental, Social and Corporate Governance • ...				

Exhibit 2: The Different Types of Corporate Strategy Work

The Rows. The vertical axis lists four different kinds of strategy-related work. Every company is unique, so only some of the tasks will be relevant in each case.

Corporate development. It involves shaping the company's businesses and partners, through M&A, divestments, joint ventures, and growing the company via franchising or new ventures. The Head of Strategy can play a supporting role in the process, for example in doing the upfront analysis of potential targets, or may take the leading role as in the case of Warren Finegold at Vodafone.

Influencing business units. That entails challenging the business units' existing plans as well as re-allocating people and capital to match the plans. The strategy function usually assumes responsibility for corporate initiatives extending across units such as, for instance, Six Sigma or Big Data. If a business unit has been performing poorly or there have been step changes in the competitive environment, the CEO may want the strategy function to conduct an intensive

review. The business unit heads may themselves ask for help if the strategy function and team have earned a good reputation within the company.

Coordinating business units. The strategy function may be tasked with generating synergies between different parts of the organization, evaluating corporate functions, and conducting reorganizations. If there are synergies, harnessing which will require the creation of a matrix structure, the corporate strategy function may have to play an operational role in coordinating the dimensions of the matrix.

Other priorities. From time to time, the strategy function may be asked to address special strategy-related issues. For example, in highly regulated businesses, such as transport, energy, or telecommunications, influencing regulators drives corporate value. It's a critical activity, so supporting it may be made one of the strategy function's tasks. Similarly, when companies must pay employee benefits from an in-house pension fund, the returns from its investments could create, or destroy, significant value. So, the strategy function may be tasked with finding solutions to limit the risk.

The strategy function must learn to coordinate with all the other central functions and, sometimes, it may take over other functions, wholly or partly, for a while. For instance, investors have strong opinions about strategy, which influence the company's stock price. During a period of change, in addition to an investor relations department reporting to the CFO, the strategy function may have to communicate with investors from time to time. Sometimes, the Head of Strategy may even take on, for a while, the complete responsibility for investor relations.

The Columns. Companies should use the horizontal axis to focus on the stages in the strategy process in which the Head of Strategy should be involved. The best way to arrive at that is to create a menu of options, as we have done below.

Developing strategy. The strategy function's primary role is typically to help develop, review, and revise strategy, but the effort that needs to be devoted to strategy development varies. Some companies -- four of the 32 European companies with a Head of Strategy that we sampled in a separate survey -- don't use an annual planning process; instead they develop their strategies through periodic reviews and projects every three to five years. Even companies that have an annual planning process will, in some years, give their strategy an update with a light touch and address special issues -- such as synergies, M&A, global expansion etc. -- through projects rather than as part of the annual cycle.

Executing strategy. If a company is engaged in a major transformation -- say, reorganizing business units, implementing new IT systems, or reshaping the manufacturing footprint -- the strategy function may get involved. Its work will then be around executing, rather than developing, strategy.

Operational activities. Heads of Strategy are often keen to take on more operational responsibilities. Not only is that useful for personal development, but also, it positions him/her as a senior member of the top management team, which yields information, relationships, power and influence. Thus, the Head of Strategy can sometimes run a business unit, join the board of directors of a joint venture, or take responsibility for another corporate function.

Even activities not traditionally part of the strategist's role may make sense for a Head of Strategy to take on. For example, retailer W H Smith's Head of Strategy, Neil Monnery, personally oversaw a small team that, among other things, allocated shelf space to products in its stores. Space allocation is critical to profitability, and the Head of Strategy had the analytical skills to manage the task. His experience and expertise allowed him to make dispassionate decisions about nettlesome issues, such as eliminating loss-making departments or products, which most retailers find difficult to tackle.

Monitoring progress. The strategy function can have a critical role to play in terms of monitoring how a strategy's execution is progressing. That is often combined with a troubleshooting role when progress on an initiative seems to be too slow or momentum has stalled.

II. The capabilities required of the Head of Strategy.

The most important fit is between the corporate work to be done and the capabilities of the Head of Strategy. Because the work varies widely between companies, so do the capabilities required. If the work required is primarily in corporate development, change management, or in business units developing better strategies, for instance, the ideal candidate should, respectively, have an M&A background (as Vodafone's Head of Strategy, Warren Finegold, did); senior line management experience (H-P's Head of Strategy Mohamad Ali was a former CEO); or be able to set up an internal consulting function - several Heads of Strategy we interviewed were previously partners at global consulting firms (see Sidebar for a checklist of the typical capabilities required of a Head of Strategy).

THE RANGE OF POTENTIAL CAPABILITIES REQUIRED
Managerial skills
Analytical: Data gathering, analysis, synthesis, structuring, story-telling, communication, and presentation skills
Meta-level thinking: Understanding how systems, markets, technologies and industries work, and how they interact and evolve
Envisioning: Developing future scenarios and thinking through their implications
Creativity: Thinking outside-the-box and coming up with creative solutions that bring new life to strategies
Judgment: Taking an objective view of the situation and the options, and exhibiting good judgment when choosing between options
Facilitating: Helping other design strategies and develop roll-out plans
Planning: Managing the process, from design to action plans and metrics
Action orientation: Setting a clear strategy, facilitating the roll-out of strategies, and leading corporate

transformation efforts

#People development: Mentoring, coaching and teaching

Knowledge and experience

The work to be done: Strategy and planning processes, corporate development, joint ventures, etc.

The company: Insights into how the company operates, its strengths and weaknesses

The Industry: Markets, competitors, industry practices

The environment: How a country or region's market works, regulations, technology trends, understanding of related and analogous industries

Persuasion skills

Personal: Empathy, listening, logical reasoning, collaborative, political skills

Credibility with the CEO and top team: Established relationship with key players in the company

Organizational network: Access to information, resources, decisions because of track record and reputation

External networks: Contacts in other companies, customers, industry bodies, regulators, government

Positional power: On the executive committee or in charge of another part of the organization such as business development or IT

Informal status: Occupying an office next to the CEO, free access to the CEO, being a gatekeeper for the CEO's time, a sounding board for executives before they go to the CEO

The capabilities required will change over time as the focus of the corporate work shifts. As that happens, it may be necessary to appoint a new Head of Strategy. Consider Staples, the office-supplies retailer, which had tumbled from being the market leader to being a third of the new leader's size by 1992. The existing management team had not addressed a range of issues including required changes to store sizes, the product range and which geographies the company focused on, so founder and CEO Tom Stemberg hired John Wilson as head of strategy and chief financial officer. Wilson was an industry outsider (he had previously worked as a management consultant and the head of corporate planning at an airline), whom Stemberg described as a "provocateur" and an "in your face kind of guy" who did not work well with the existing line executives, was exactly what the business needed. Wilson rammed through required changes in strategy, such as building bigger and brighter stores, contributing to the

company's revenues nearly quadrupling over the next four years. Wilson went on to be COO of The Gap Inc. and is currently president of Staples Europe.

Later, when Stemberg wanted to inject strategic capabilities into Staples' business units, he recruited Deborah Ellinger, then a partner at a consulting company. Under her, Staples' strategy function focused on hiring executives from outside the organization and training them in strategy-related issues before installing them in the company's business units.

Staples continued to grow, but profitability fell. There was a need to refocus the management team on reducing costs, targetting opportunities based on their profit rather than their growth potential and systematically reviewing all parts of the business for any other opportunities to improve profitability. Stemberg turned to Basil Anderson, who had tackled similar challenges while he was CFO at Campbell Soup and Scott Paper, where he served under CEO "Chainsaw Al" Dunlop. Like Wilson, Anderson was able to lead the senior team but, in Anderson's case, he did this through having "...tremendous relationships and credibility with the operating executives", having served as an independent director on the company's board for several years. With Anderson's help Staples' net profits grew more than tenfold over the next five years.

In some cases, the Head of Strategy's capabilities allow him or her to take on work that is well outside the role as it is traditionally defined. At a leading European logistics company, for instance, the Director of Strategy is a 25-year industry veteran, with a hard to duplicate combination of deep expertise, company knowledge, and understanding of senior executives. He therefore leads a 150-strong central team and several hundred staff in the business units. Together, they allocate all the company's vehicles to different markets, and finalize the operating plans. In the process, the Head of Strategy negotiates tricky cross-business and cross-functional issues on which the company's business and functional leaders may never agree.

A company may sometimes find itself with a Head of Strategy with unique capabilities, for whom it is worth creating a special role. If the candidate has a particular set of capabilities of great value to the company, it can be worth the company's while to fit the role to the candidate. Walgreens Boots Alliance's Rick Mills has been the group strategy officer for 20 years. He was initially hired to work on the integration of Boots and Alliance and then worked with Stefano Pessina, the company's executive chairman on two projects – defining a vision for the industry and Alliance Boots role in it, and some small acquisitions in Eastern Europe. They worked together well and so gradually Mills became more and more of an integral member of the senior team. He has accumulated a unique mix of deep knowledge of the organization, the industry, and how to work with Stefano Pessina, the company's executive chairman. These attributes have allowed Mills to develop his initial strategy “staff” role into becoming a critical member of the senior team, working closely with Pessina to identify and execute deals that have propelled Walgreens Boots Alliance forward on both sides of the Atlantic.

Having hard-to-find capabilities that fit well with corporate priorities was a common feature of all the particularly successful Heads of Strategy in our sample. Lacking such capabilities was also the primary reason for failure for some of the unsuccessful Heads of Strategy. For example, Tim Sanders, previously Group Strategic Planner at Bunzl, had been instrumental in working with the CEO Jim White to grow Bunzl very successfully through mergers and acquisitions during the 1980s and 1990s (a good fit). However, as the business grew, and the economic environment worsened in the 2000s, the corporate priorities changed from growth to extracting value from the portfolio, something that did not fit well with his natural strengths. The need for a change was not spotted early enough and both Sanders and White had to leave when a new team moved in.

In another example, the CEO of a major global retailer appointed a talented manager, then struggling as the head of a business unit, as the Head of Strategy because he was bright and appeared well-qualified for the role. Shortly thereafter, the company got an opportunity to negotiate the acquisition of a family owned retailer it had been courting for years. M&A fell within the Strategy function's remit, but the newly-appointed Head of Strategy couldn't clinch the deal. The CEO realized that negotiating, externally or internally, required strong interpersonal skills that his Head of Strategy didn't possess. That's when it became clear to him that his young protégé would never succeed in the role.

Heads of Strategy need a particularly wide range of skills relative to other functions. They require technical and managerial competence in areas as diverse as doing analysis, meta-level thinking, creativity, business judgment, facilitation, managing processes, people development and leadership. They will also benefit from having experience of the specific work to be done (such as making acquisitions), the company, the industry and the external environment.

Despite often being a small function, Heads of Strategy still need strong interpersonal skills. Almost every task that a Head of Strategy undertakes requires influence, persuasion, and negotiation, so executives who lack an abundance of soft skills are unlikely to get very far in the role.^{xx} They particularly need skills in persuading others, because the role has little power but often requires treading on the toes of senior executives. This involves a mix of personal skills such as listening, empathy, logical argument, collaboration and political savvy, as well as sources of power and influence such as a strong track record, credibility with the CEO and the Board, having free access to the CEO, providing a sounding board for executives before they go to the CEO, a personal network inside and outside the organisation and the power that comes from other positions held.^{xxi}

III. Fitting with the capabilities of the senior team

Successful Heads of Strategy have capabilities that are not only particularly valuable, but are also complementary to those of the rest of the senior team. This provides both challenges and opportunities. In terms of challenges, if the CEO believes that the senior team already contains individuals with adequate skills, there may be no role for even a well-qualified Head of Strategy. As described to us by Simon Bax, CFO for Steve Jobs when he led Pixar, Jobs did not employ a Head of Strategy, because he believed he had enough strategic capability as an individual and in his senior team. He believed that a Head of Strategy might not bring enough to the table. “Steve valued very specific knowledge – not analysis and consultant-type thinking. I could help him because I had worked in LA with (Fox) studios.” Similarly, Justin Atkinson, the CEO of Keller, a £1.6 Billion Industrial services company, told us that “My view of a corporate strategist is frankly just extra arms and legs. But that's my view of someone who knew the industry and business inside out after being there for 25 years and which is why we didn't hire someone.”

The opportunity from being part of a team arises because a Head of Strategy does not need to be skilled at everything. For example, Jackie Yeane, Executive Vice President, Strategy and Corporate Marketing at Red Hat, lacked a background in technology – but that was the strength of most of the other members of the senior team. Yeane brought skills in strategy, marketing and communicating with the Board and investors, as well as being close to the CEO, Jim Whitehurst. Her skills were valuable and complementary.

Successful Heads of Strategy not only possess complementary capabilities, but typically also need to be able to work as part of a team, several of whom have a significant stake in corporate and business unit strategy. Tom Stemberg, the founder and former CEO of Staples Inc., told us frankly: “The real challenge is how to integrate the strategy function with your operating executives, and have

them work well together... As a lone function, it never works... It's all about the team you are trying to create.” A Head of Strategy, especially when hired from outside the company, needs to build relationships quickly. For a new hire, with few decision rights or performance responsibilities because of his or her loosely-defined role, establishing credibility can be tricky. Moreover, adding a senior executive at the top can confuse lines of accountability and communication.

Not being able to fit in with others on the senior team was the primary reason behind the failure of some unsuccessful Heads of Strategy. For example, the CEO of a communications company that we interviewed initially hired a senior and capable individual to be head of strategy, but he didn't contribute many extra insights beyond those that the CEO was already getting from the chief information officer, who was a capable strategist with relevant insight into digital technologies – the most pressing strategic issue for the company at that time. The CEO ended up replacing the head of strategy with a strong but relatively junior analyst who provides analytical support to the senior team; for example, studies of potential new markets.

III. Fitting with the context

A Head of Strategy is more likely to be successful if they fit in with the broader context. Several exogenous factors can have a bearing. Family businesses may want a member of the family to head the strategy function, for instance. In Switzerland, the directors of a public limited company -- not the CEO, who may not even be a member of the board of directors -- have a legal responsibility to develop strategy. Consequently, the Head of Strategy reports to both the chairman of the board and the CEO of the company. That requires the Head of Strategy to have stature, experience, and diplomatic skills to avoid getting trapped between the priorities and persona of the chairman and the CEO.

Some endogenous factors, such as the CEO's preferences, matter too. Each CEO tends to use the function differently, which affects the role as well as the strategy process. At a \$50-billion global chemicals company, for example, the incumbent CEO had used the strategy function to constantly challenge the business units to do better. However, the incoming CEO, who had earlier headed one of the company's business units, preferred a more collaborative approach. To survive the change, the Head of Strategy had to alter his management style as well as the nature of the strategy process.

Compatibility with the existing organisational culture is also important – and is a particular issue with external hires.^{xxii} We described earlier how a well qualified, newly hired Head of Strategy failed in their post because their personal manner jarred with the culture of the organization. In another example, the existing head of strategy at a large European chemicals company was stepping down and a new hire was required. The capabilities required seemed to be clear – the ability to structure a strategic process that helped and challenged the BUs to review their current position, project how the future might evolve, and develop plans that strengthened the short-term position and developed options for future changes. The best fit seemed to be an experienced individual from a major consulting company who had also served in an executive position at another multinational firm. Within a few months it was decided that the decision had been a mistake because the individual in question did not have the right personal style to fit in with the culture of the company, resulting in too many conflicts over a short period of time. A senior executive described to us what he termed the “rules of engagement”. This included building a strong social network and working as a team with a shared stewardship of the organisation. The failure of his successor, despite their considerable talents, he put down partly to their inability to conform to these social rules.

The reasons for success and failure

Our research suggests that failures often occur quickly, and such cases are caused by a mis-fit between the capabilities of the Head of Strategy and any one of, or a combination of, the work to be done, the capabilities of the senior team or the context. The most common problems were an unforeseen clash with the senior team, or not fitting in with the overall organisational context. Occasionally the capabilities required did not match the work to be done.

Some failures occurred after the Head of Strategy had been successfully in post for some years. These were largely due to a change in corporate strategy and the work to be done, for which the incumbent Head of Strategy was not well suited. Such changes were often concurrent with a change in CEO, and sometimes the preferences of the new CEO played a role.

In nine out of the ten examples a poor fit was the reason for failure. In the one other example a capable individual fell out with an important joint venture partner and had to be fired.

Successes were universally the result of the individual having difficult-to-find and highly valuable capabilities that made a significant contribution to the work to be done. This might only last a few years – for example, Mohamad Ali's successful tenure at HP lasted just 2 years 4 months. However, if the work to be done remains similar over a long period of time, or evolves slowly, then a valuable Head of Strategy may be in post for a very long time. For example, Hein Schreuder was in strategy roles for 20 years at DSM, a Dutch company active in health, nutrition and materials, including 15 years as Executive VP of Corporate Strategy & Acquisitions. During this time, he was involved in developing and driving five "Corporate Strategy Dialogues", a periodic process which reviewed and refreshed the corporate strategy, and which was useful for the company

throughout his tenure. His capabilities remained relevant and deepened over time as he became more experienced.

Having the right capabilities may compensate for being a poor fit with the senior team or the organisation. Indeed, sometimes challenging the status quo in uncomfortable ways is part of the work to be done – we have already mentioned the example of John Wilson, an outsider brought in to ram through painful changes at Staples.

Choosing the best fitting individual

In some cases, there may be an obvious choice for the role, but what if nobody quite fits? Wooing capable candidates for the Head of Strategy position is often difficult. Stepping into a staff role, with only soft power, may seem like a dead end to executives set on becoming CEOs. It is often exactly that kind of talent that companies want in the role, though, so one solution is to make the Head of Strategy job more appealing. For instance, a company could promise a move from the strategy function to a senior line manager's position after a certain period; give the new hire an additional role, such as the innovation head or the CEO's chief of staff; or have another function report to the Head of Strategy.

Another solution is to narrow the focus of the job. The strategy function is often where the CEO parks tasks that don't easily fit elsewhere, as we said earlier. However, if a job is too broad, it is unlikely that any executive will have the skills to do it well. It may be better to narrow the scope down and allocate some of the work to others in the senior team, or use external advisors.

At some point, a CEO who has considered all the options may nevertheless be faced with two candidates, neither of whom have all the required capabilities. For example, an inside candidate will have strong links with the senior team and

organisation but an outsider might be better able to bring fresh innovative thinking. One candidate may be able to develop innovative strategies and another be good at implementing them. Someone with the skills required to address today's priorities may not be as useful in the long term as a generalist. In such cases a tradeoff has to be made on the basis of the current and expected corporate work and the strengths of the senior team.

Tradeoffs can also be required when one candidate is better able to do the corporate work, whilst the other fits in better with the senior team or context. For example, we mentioned earlier an example in which a CEO had to tradeoff retaining his capable, senior strategist – who brought in new ideas, but who clashed with his senior team – and replacing him with a more junior analyst (he chose the analyst).

The second cycle; Fine tuning the role to the individual

Referring back to Exhibit 1, choosing the candidate who best fits the situation is a major step, but only the first one. Typically, it is not possible to get a perfect fit and so the next step is to tailor the role, and the strategy department as a whole, to compensate for any weaknesses and utilise any unexpected capabilities that the new appointee might have.

A common issue is that the Head of Strategy lacks certain technical skills. She or he may be stronger in executing strategy than developing it, a common problem. One way out is to hire people for the strategy function that can plug the gaps. For instance, Vodafone's Head of Strategy, Warren Finegold, knew that his expertise was in M&A, so he hired a more process-focused executive to handle the strategy planning process.

Another option is to juggle the roles of the executive team to compensate for the Head of Strategy's capability gaps. For example, when the Head of Strategy is

inexperienced in handling acquisitions and disinvestments, that responsibility can be assigned to the CFO.^{xxiii} In some companies, the Head of Strategy plays a role in developing the strategy-related capabilities of the organization; in others, the Human Resource head manages that task. If the Head of Strategy is good at analysis, but not at sparking debates, the CEO may need to get involved.

Sometimes, an outsider Head of Strategy may not have enough knowledge of the company context to be an effective member of the top management team. That's why every strategy function should have within it one, or more, individuals who know the company well and have built relationships with managers in the business units. To ease a new hire into the company, it's a good idea to start with a narrow role, and build some early successes before giving them more to do. For example, when Hein Schreuder was hired by DSM he was first appointed the strategy head of one business, before being promoted to corporate strategy head. In another company, the Head of Strategy acted as an offline advisor to the CEO, and only after he had struck a relationship with the company's senior executives did he join the top management team.

A case example

The best way of showing how our approach, which mirrors the content of Exhibits 1 and 2, works in practice is through a case study. Consider a company in Europe, whose identity we have disguised, that manufactures and supplies several types of components to automotive manufacturers on the continent such as Volkswagen and Fiat. At this large multi-business organization, the CEO, assisted by the CFO, had traditionally developed strategy.

Corporate Strategy Work to be Done. The key strategic issues perceived by the CEO related primarily to coordination. The various businesses, the central production function, and the national-level marketing and sales units all operated quite independently. But customer offers and prices needed to be

harmonized across countries to improve negotiating positions with the company's increasingly centralized customers. Similarly, sales contracts needed to be written such that the batch sizes and delivery dates met the needs of not just customers, but also those of production. And investments in new manufacturing plants and plant upgrades had to be better coordinated, so they reflected long-term patterns of demand and ensured efficiency across the network of factories. Consequently, there was a crying need for greater coordination between the company's functions and thus, a new system of cross-country and cross-functional coordination would have to be created and executed across the company. This would be too much work for the CEO and the CFO to carry out alone, another senior executive would have to take responsibility for setting up and coordinating and monitoring the new system to ensure that it was effective and efficient (see Exhibit 3).

Stage in strategy process Work to be done	Develop	Execute	Operate	Monitor
Coordination across country BUs and central Production				
• Customer offer (including prices)	✓	✓	BUs and Production	✓
• Sales contracts	✓	✓	✓	✓
• Capital allocation	✓	Finance		
Longer term corporate strategy	✓	TBD		

Exhibit 3: The Corporate Strategy Work to be Done

In addition, the CEO and the CFO believed that the corporate strategy could do with some blue-sky thinking beyond the issues of coordination; the global economy, Europe, and the automotive industry were all changing rapidly.

Capabilities of the senior team. As the next step, the CEO evaluated the company's top executives to see if any of them had the skills to deal with the work

that needed to be done. A well-respected internal candidate, who had experience in working across functions, would have been ideal for the Head of Strategy position given the nature of the task. However, after conducting an analysis, the CEO reluctantly concluded that the existing team didn't have the requisite skills.

Capabilities required of the Head of Strategy: The company needed to make a new hire with the skills to: understand customer needs and integrate them into marketing and sales strategies; update customer offers; develop new contracting approaches; and draw out the implications of all of this for manufacturing and capital expenditure. In addition to some experience in developing corporate strategy in industrial companies, and preferably in automotive, the new hire would have to be credible and persuasive. In the medium term, he or she would have to challenge the beliefs and practices of the production management team, which had been the dominant function in the company for decades. Crucially, the newcomer would need to earn the trust of the CEO and the CFO quickly, as well as the key players running business units and functions such as production.

After reviewing the list of potential candidates provided by an executive search firm, the CEO created a shortlist of two: a marketing specialist and a management consultant. The marketing specialist had worked in several industrial companies; operated in large, global organizations; and was used to coordinating customer-offer strategies across countries. He had spent his career focused on marketing, particularly on go-to-market issues in business-to-business settings. He was dynamic, able to make decisions rapidly, and promised to deliver results. However, he didn't have much experience with production-related issues, or in working with this company. Moreover, he was stronger in marketing than strategy.

By contrast, the management consultant was a partner at a major strategy firm. She had, coincidentally, worked with the company on a few assignments, and earned the respect of several executives in the business units and at the corporate

center. However, although she had consulted with several companies on marketing-and sales-related issues, her go-to-market expertise was not as deep as that of the marketer.

Context: organizational background and CEO preferences. A new hire was likely to meet some resistance from the incumbent top management team. While the marketing specialist was an unknown quantity to them, the consultant had worked with the top team in the recent past, reducing the risk of friction.

Choice of the Head of Strategy. The CEO eventually appointed the consultant as his Head of Strategy. While the marketer would have brought more global go-to-market expertise, the CEO felt that he might be too focused on implementing customer-centric solutions that didn't reflect the production function's constraints. The CEO believed that the management consultant would take a broader view of how, for example, the selling effort and the customer offer should be coordinated with the production function to maximize the value created by the company. While any new hire was likely to meet resistance from the top management team, the consultant had worked with the company over the past few years, reducing the risk of friction. The CEO also felt that the consultant was better qualified to help develop the company's future strategy.

Fine tuning the role of the new Head of Strategy. The next step was to fine tune the role, and the strategy function, to fit the new hire. To compensate for the comparative lack of experience in customer relations, the new Head of Strategy was encouraged to hire managers with marketing expertise for her team. Those executives provided support in the specialized world of business-to-business marketing while the CEO helped the new hire grow into the role.

Ongoing support for the new Head of Strategy. The new appointee was first given oversight of a project to restructure the go-to-market strategy, a relatively self-contained and important effort. After its successful completion, she began

discussions with the production function about how the company should make decisions in the short run about investments in existing and new facilities.

With the new hire settling in at the automotive components-maker, she told us that her next step would be to persuade the CFO and the CEO to give her a larger role in driving decisions about where, when, and how to invest in new production capacities in the long run. She believed that the company's production function evaluated investments using overly simplistic assumptions about the revenues from a new plant; they, typically, assumed that the product was a commodity that would return the same price per unit.

However, she believed that small changes in design, batch size, and delivery could boost the prices they could demand from manufacturers. If that was accounted for while evaluating investment decisions, it would favor the creation of a larger number of smaller, but more flexible manufacturing plants. That would entail higher investments, but the new factories would generate higher margins and shareholder returns. It was only after she had spent some time in the company that this fact had dawned on her, and she felt that she was getting to the point when she could challenge the CFO and the CEO about what was, all said and done, "their baby." When that happened, we felt, the CEO's choice of Head of Strategy would have been vindicated.

Providing ongoing support

The first few months of a Head of Strategy's tenure is a critical time when the risk of failure is particularly high. Thoughtful CEOs (or whomever the Head of Strategy is reporting to) have a clear view about where the fit might need a little more tailoring over time, and look out for problems. There may be a few surprises, which may require a metaphorical needle and thread to patch up. Some Heads of Strategy need encouragement, whereas others need reigning in, or feedback about how their current approach is not working.

To develop and retain them CEOs look for opportunities to give successful Heads of Strategy more responsibilities. Some can develop into valuable assets, providing a unique mix of capabilities, knowledge, and objectivity to the organization. Giving them roles that develop their abilities -- by spending time in an operational role in a business unit, or getting them to manage a joint venture – is a good investment for the future. For example, the Head of Strategy at the logistics company we mentioned earlier was given a variety of development opportunities: He headed operations at one facility, was made the non-executive director of a subsidiary; and was appointed the chairman of another before eventually being appointed the CEO of a new business unit.

When the strategy work changes enough, CEOs typically appoint a fresh Head of Strategy. Even incremental changes in priorities can demand personnel changes. For example, different kinds of Heads of Strategy were involved at Rolls Royce over the years. Miles Cowdry, its director of corporate development from 2008 was particularly good at challenging assumptions and perceived wisdom, valuable skills whatever the situation. He initially hired a director of strategy who was skilled at working with the CEO to peer into the future and generate creative ideas. As Rolls Royce's strategy changed from growth to extracting value from the businesses, a new director of corporate planning, who was particularly strong at project management, was brought in.

Managerial implications

For CEOs, appointing a Head of Strategy is a great opportunity to add muscle to the senior team; however, getting the right individual into the right role is difficult. A tailor-made approach, as described earlier, is the best way of maximizing the chances of success for a new Head of Strategy. Pre-conceived notions about what the Head of Strategy should do can limit the range of options considered, so stretch the thinking by considering extreme options such as not

having a Head of Strategy and using other executives and external advisors, or appointing a heavy hitter in the role, making them part of the top executive group.

Thoughtful CEOs should look ahead and plan the careers of their Heads of Strategy, whilst also recognising that unexpected changes may lead to them having to move them to another position or ask them to leave the company. Ideally they should develop a network to arm themselves with more options when they need to hire a new Head of Strategy. Promising external advisers can be given work to build their knowledge of the company and establish relationships with top management. CEOs can use business unit or corporate strategy functions to develop a pool of potential future Heads of Strategy or strategy thinkers for the business units.

Heads of Strategy can use the tailored approach as the basis for a periodic conversation with the CEO, senior team and their own strategy group about how roles and careers should, and should not evolve. Heads of Strategy should be ambitious in thinking about the new roles they can play, but only where they have the right mix of capabilities and if they have the time. It may also make sense for the Head of Strategy to transfer some responsibilities to focus on other strategy work. In general, Heads of Strategy should not be too possessive about their roles; the strategy function owns little “turf,” and its responsibilities change as the corporate agenda changes. One CEO told us: “It’s important for the strategy group to avoid becoming self-perpetuating staff; I set the group a constantly updated set of projects. It should have the highest rate of turnover.”

Others in the senior team should also think about how the Head of Strategy might best support them – and how they can best support the Head of Strategy. Whilst there can be friction in the relationship, there is mutual benefit from having the support of a (potentially) more objective executive – and the more supported they are, the more effective they can be. Look for deals, such as letting

the strategy function in, in return for the chance to hire members of the strategy function to strengthen the business unit team.

Heads of Strategy can play a unique and valuable role in many organisations. But the nature of the work they do varies widely both from one company to another and within one company over time – more than for other central functions. So, to get best value from the strategy function, the CEO needs to invest substantial time and effort in defining the role they want their Head of Strategy to fulfil, finding a candidate with a good fit and then communicating the role to the top team and onboarding the Head of Strategy get. Having a clear step by step approach, like the one we have laid out and illustrated with an example, can help to get this done successfully.

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- ⁱ M. Menz and I Collischonn, “Der Chief Strategy Officer: Ein Chief für alle Fälle?”, in *Strategische Führung auf dem Prüfstand*, ed. S. Kunisch et al. (Springer-Verlag, Berlin, Heidelberg, 2010), 65-82
- ⁱⁱ R.T.S. Breene, P.F. Nunes PF and W.E. Shill, “The Chief Strategy Officer”, *Harvard Business Review*, 85, no.10 (2007): 84-93
- ⁱⁱⁱ R.T.S. Breene, P.F. Nunes PF and W.E. Shill, “Rise of the chief strategy officer”, *Outlook*, no. 1 (2008): 1-8
- ^{iv} M. Menz, G. Müller-Stewens, T. Zimmermann & C. Lattwein, “The Chief Strategy Officer in the European Firm: Professionalising Strategy in Times of Uncertainty”, *The European Business Review*, May – June, (2013): 5-8
- ^v D. Angwin, S. Paroutis, S. Mitson, “Connecting Up Strategy: Are Senior Strategy Directors A Missing Link?”, *California Management Review*, 51, no. 3 (2009):74-94
- ^{vi} PWC annual report on CEO turnover, accessed via <https://www.strategyand.pwc.com/ceosuccess#VisualTabs2>
- ^{vii} R. Whittington, B. Binayak’s, L. Cailluet, “Opening strategy: Evolution of a precarious profession”, *British Journal of Management*, 22 no.3 (2011): 531–544
- ^{viii} T. Zimmermann, J. Uhr, M. Menz, G. Muller-Stewens, “The Strategists Change, How successful CSOs transform their companies – Key findings of the Chief Strategy Officer Survey 2014”, Roland Berger and The University of St Gallen, (November 2014)
- ^{ix} N. Kachaner and S. Stewart, “Understanding the Role of the Chief Strategy Officer”, Report by The Boston Consulting Group, (December 2013)
- ^x M. Birshan, E. Gibbs, and K. Strovink, “Rethinking the role of the strategist”, *McKinsey Quarterly*, (November 2014)
- ^{xi} M. Birshan, E. Gibbs, and K Strovink, “What makes a great chief strategy officer”, *Harvard Business Review blog*, (May 2015), viewed at <https://hbr.org/2015/05/what-makes-a-great-chief-strategy-officer>
- ^{xii} M. Menz and Scheef, “Chief Strategy Officers: Contingency Analysis of their Presence in Top Management Teams”, *Strategic Management Journal*, 35 no.3 (2014): 461-471
- ^{xiii} See, for example, A. Campbell, J. Whitehead, M. Alexander and M. Goold, *Strategy for the Corporate Level*, (Chichester, United Kingdom: Wiley, 2014); S. Kunisch, G. Müller-Stewens, and A. Campbell, “Why Corporate Functions Stumble; IT, finance, HR, and marketing can lose their way. Here’s how to keep them focused” *Harvard Business Review*, 92 no.11 (2014):110-117; F. Roghe, U. Pidun, S. Stange, M. Kruehler, “Designing the Corporate Centre”, The Boston Consulting Group, May 2013
- ^{xiv} M. Menz, S. Kunisch & D. J. Collis, “The Corporate Headquarters in the Contemporary Corporation: Advancing a Multimarket Firm Perspective”, *The Academy of Management Annals*, 9 no.1 (2015): 633-714
- ^{xv} E.Vaara and R. Whittington, “Strategy-as-Practice: Taking Social Practices Seriously”, *The Academy of Management Annals*, 6:1 (2012), 285-336, is a review article with many relevant references.

^{xvi} We define our successful Heads of Strategy as being a senior member of the corporate team, in a company that was successful during their tenure, were in post for several years or had a valid reason for moving on, and where there was independent verification of their success. Our unsuccessful Heads of Strategy had either been fired or resigned under a cloud. Our interviews included 11 who were successful and 10 who were unsuccessful.

^{xviii} The concept of “Strategic fit”, that performance is increased when certain aspects of an organization “fit” with something else, is well established (see, for example, Fit, Failure and the Hall of Fame, RE Miles and CC Snow, *California Management Review*, Vol 26 no.3, (1984): 10-28, or Strategy, Structure, and Economic Performance, RP Rumhelt, (Harvard University Press, Cambridge, 1974), but can mean many different things (The Concept of Strategic Fit, M Garlichs, (Diplomica Verlag, Hamburg, Germany, 2011). One distinction is between internal fit (e.g., between strategy and structure, technology, HRM, or IT) and external fit (e.g., between strategy and the strategic context or environment – which may be defined on a number of dimensions, such as volatility). In our research we focused on internal fit – but the corporate work is clearly related to the external challenges facing the business and thus there is an indirect link to external fit. Fit can also be between two dimensions - for example, environment and strategy) - or several - for example between environment and strategy, and environment and structure (D. Miller, “Environmental Fit versus Internal Fit”, *Organization Science*, Vol 3 no.2 (1992): pp 159-178). Our research found that there were three variables for which fit was required – and each of those might be segmented into others, for future research. For example, Fit with the senior management team might be segmented into fit with the teams capabilities, and fit with the working style of the team.

^{xviii} While the work of a strategist can be very broadly spread, as described earlier, our research suggested that the most value is generated when working on corporate priorities. When asked to describe their role interviewees typically provided a long list. However, when asked to identify which of these were, in their opinion, most value creating, they universally identified roles that involved supporting or leading an initiative to address a significant and current corporate priority.

^{xx} D. Thomas, “Vodafone’s Finegold to retire” *The Financial Times*, March 30, 2016 viewed at <https://www.ft.com/content/df928b8c-f66f-11e5-803c-d27c7117d132?mhq5j=e7>

^{xxi} The importance of building relationships and power is supported and explored further in Angwin et al.

^{xxii} This review of capabilities come from a mix of our own research and previous studies including Angwin et al., Kachaner et al., Birshan et al.

^{xxiii} Leveraging Culture, J. A. Chatman, S. Eunyoung Cha, *California Management Review*, 45 no. 4 (2003): 20-34

^{xxiiii} The CFO often plays an active role in developing and executing strategy and may sometimes have the Head of Strategy report into them. One survey found that 83% of CFOs are engaged or heavily engaged in strategy formulation and even more in strategy

implementation (J. Karaian, *The Chief Financial Officer: What CFOs do, the influence they have, and why it matters*, (Economist Books, London, 2014)). Recent trends may have swung things in favor of the Head of Strategy (E. Qualtrough, CIO 100 shows CFO losing power to strategy directors, *CIO UK*, April 23 (2015), viewed at <https://www.cio.co.uk/it-leadership/cio-100-shows-cfo-losing-power-strategy-directors-3607589/>