

# From vision to victory: The reinvention of the chief strategy officer

In our engagements with CEOs, one word crops up repeatedly: “reinvention”. Indeed, in PwC’s 27th Annual Global CEO Survey, almost all the surveyed leaders in Malaysia (93%) said they were taking steps to reinvent how their business models create, deliver and capture value. But is that enough? The survey data suggests not. Some 43% were unsure of their company’s viability — a stark figure, and only a slight improvement from last year’s 51%.

This unease stems from structural shifts in a fracturing world with greater trade tensions, currency fluctuations, regulatory reforms and social pressures. These factors intersect with megatrends such as climate change and major technological innovations like generative artificial intelligence (AI). Consequently, leaders are pulling away from traditional annual planning cycles towards a mandate of enterprise-wide reinvention.

A chief strategy officer (CSO) can be critical in making reinvention happen, from challenging prevailing narratives to tackling thorny, long-term viability questions and partnering with other senior leaders to drive complex change effectively. In doing so, effective CSOs provoke, ideate, resolve and raise the “strategic IQ” of their company.

Reinventions of the scale that businesses need are nothing short of revolutions. They require leaders who can anticipate, get in front of and drive change



through the organisation while balancing near-term priorities (rather than reacting to them). Further, they need mechanisms to hold others accountable for strategic goals and initiatives.

And yet, this is easier to prescribe than to adopt. In our PwC survey of CSOs a few years ago, the results were sobering. Only 25% of respondents said they were “very successful” at creating value for their company, and only half claimed they were perceived as a great partner by their internal clients. This is perhaps not surprising given where they said their top teams spent their time — strategy ranked No 4 (14% of their time) — far behind near-term priorities such as operational issues (31% of their time) or short-term financial performance (27% of their time).

A challenge may lie in the ambiguity and idiosyncrasy of the CSO role — and perhaps also in the nature of strategy itself. The field of business strategy has morphed into meaning many different things across constituencies such as mergers and acquisitions (M&A), sustainability and technology. CSOs, for their part,



are already starting with an ill-defined mandate that is prone to overlaps in many cases, and have been all too ready to take on topics with no clear owner.

So, what would a great CSO who can lead the organisation into a golden age of reinvention look like?

## Key groups of CSOs

A useful place to begin with is understanding what a CSO’s role entails. In the course of our work, we have observed various archetypes — none of which are necessarily right or wrong, but rather reflect the realities of industry dynam-

ics and requirements, organisational culture and the unique capabilities of the individuals in CSO roles as well as where the organisation currently is on its strategic journey.

While there are numerous permutations of CSO roles in a company, we typically encounter three main archetypes.

The “Conversation Leader”, a senior individual, usually in a larger organisation with multiple lines of business, is responsible for developing and testing overall strategies for the business lines. This CSO will typically head a team of strategists and will be continuously re-

viewing and developing strategies for the business lines while monitoring the horizon for changes that may require strategic responses.

“Driver” CSOs coordinate and participate in strategic planning and development alongside other C-suite members, but primarily focus on strategy implementation. They oversee the execution of various strategic initiatives and assume the role of a programme manager or coordinator in the organisation’s strategy framework.

“Troubleshooter” CSOs are responsible for delivering various initiatives and occasionally spontaneous ideas of the CEO and potentially other CxOs. The focus may shift based on near-term challenges and priorities. This is a valid role, but it needs to be understood for what it is, with candidates selected accordingly rather than (as often happens) being recruited to develop strategy but not being deployed that way.

The key to success for these CSOs is different in each case.

The “Conversation Leader” is typically close to the other CxOs in terms of seniority and will have a significant team and budget. They will have spent long periods working in strategy functions, either in organisations or in a consultancy. They will have the self-confidence and smarts to be able to formulate compelling evidence-backed stories that convince top peers and board members to pivot and

potentially abandon time-tested but ageing business models in place of new ones.

The “Driver” is likely to have fewer years of experience than a Conversation Leader. This CSO will need a hard-to-find combination of strategic initiative and thinking combined with the ability to monitor and drive initiatives from strategy formulation. In some cases, the Driver generates success by mobilising colleagues or consultants to do the strategy thinking, with the Driver coordinating rather than being the key leader. However, a Driver still needs to be able to control and manage the strategy process. This can be done by adopting and driving a framework approach.

Finally, the “Troubleshooter” needs reservoirs of patience, perseverance and agility to navigate and prioritise management’s wishes and add value. This can be challenging as initiatives evolve based on the latest collective thinking of leadership. In many companies, we see high turnover in this role, often due to misaligned expectations.

These are but a few examples. There are also organisations without a CSO. The strategic function can be housed between the CEO and chief financial officer, where major decisions are made together with the board of directors and supported by other CxOs — from sustainability to digital — with more near-term focused remits, who act as functional executors.

The real challenge for boards and CEOs

today is understanding what type of CSO the organisation really needs — and being bold and clear enough to accommodate it.

## Four considerations for CSOs in Malaysia

With Malaysia’s dynamic business landscape, cultural diversity, regulatory intricacies and limited domestic scale, CSOs can consider the following to be hallmarks of a great CSO:

- Anticipating and adapting to industry and societal shifts to steer organisations through unpredictable environments.
- Integrating environmental and social responsibility into business operations to align with the region’s emphasis on sustainable development.
- Balancing short-term goals with long-term strategic initiatives for sustained growth.
- Working with the board and CEO to inspire and align the C-suite with the organisation’s strategic goals.

## Success at deploying — or being — a CSO

What defines a great CSO? Someone who has a huge impact on the business? A consigliere to the CEO? Or perhaps someone who challenges the received wisdom of the business and helps to introduce new thinking and approaches? Whether you are an aspiring CSO, an existing CSO or are thinking of appointing a CSO, these

questions will be helpful:

1. What is the expected type of CSO needed in the organisation?
2. What budget, team and seniority are appropriate?
3. How is the success of the role measured?
4. Is the role expected to be long term, or is it a stepping stone to another role in the organisation?
5. Which type will the personalities of top management allow to succeed and drive change?
6. Where is the organisation in its strategy journey?
7. What happened to the previous strategic initiatives in the organisation? Why did they succeed or fail? How can they add value to strategic initiatives?

Debating and pinning down the answers to these questions is critical to ensuring the journey from vision to victory is a success. The sponsoring C-suite leaders need clarity on this to ensure the right person is recruited, and CSO candidates also need to test this carefully so they start with a shared view of what success looks like.

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