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The C-Suite Knowledge Gap

**What additional expertise is required
in a C-Suite role?**

Executive summary

Knowledge requirements of Middle Managers and C-Suite Executives

- 61.5% for Middle Managers
- 73.5% for C-Suite Executives
- To close the difference of 12% Middle Managers need **19%** uplift in knowledge

Middle Managers Top 6 knowledge requirements	C-Suite Executives Top 5 knowledge requirements
1. Vision, Purpose & Values	1. The Business Model
2. People, Talent & Performance	2. Vision, Purpose & Values
3. The Business Model	3. Stakeholders (including investors)
4. Clients & Accounts	4. People, Talent & Performance
5. Cyber, Risk & Ethics	5. Governance, Structure and Processes
6. Digital & Data	6. Diversity, Inclusion & Culture

Knowledge priorities and changes from Middle Managers to C-Suite Executives

- To enter C-Suite roles, boards expect Middle Managers to increase their knowledge in all areas except *'Tech, Architecture & Systems'*.
- Middle Managers need to make the biggest leap in knowledge in the *'Stakeholders'* and *'Governance'* areas.
- *'Business Model'*, *'Vision'* and *'People'* are top five areas of knowledge for both Middle Managers and C-Suite Executives and are therefore key.
- *'Legal'*, *'Diversity'*, *'Innovation'* and *'Environment'* all require knowledge increases of over 10%.
- *'Tech'* and *'Production'* are clearly considered more as Middle Management than C-Suite roles.

Research approach

Research purpose

To understand:

- In which knowledge areas are C-Suite leaders expected to have expertise?
- In which knowledge areas are Middle Managers expected to have expertise?
- What is the extent and nature of the 'knowledge gaps' between Middle Management and the C-Suite?

This will help us identify:

- The areas of knowledge where Middle Managers need to develop expertise in order to enter the C-Suite.
- The knowledge and expertise required from an effective C-Suite team.

Research method

- Quantitative survey of senior Board Directors representing all business sectors.
- A total of 18 areas of knowledge measured (see table on right).

Knowledge areas measured	
Functional	Governance
1. Clients & Accounts	1. Environment, Climate & Society
2. Cyber, Risk & Ethics	2. Governance, Structure and Processes
3. Digital & Data	3. Stakeholders (including investors)
4. Diversity, Inclusion & Culture	4. The Business Model
5. Finance & Tax	5. Vision, Purpose & Values
6. Innovation & Product Development	
7. Legal, Regulations & Compliance	
8. Marketing & Sales	
9. Operations, Processes & Sustainability	
10. People, Talent & Performance	
11. Production & Manufacturing	
12. Supply & Procurement	
13. Tech, Architecture & Systems	

Throughout the report we use a **knowledge scale** where:

100% = expert knowledge expected

0% = zero knowledge expected

The knowledge gap

61.5%
Middle Managers

73.5 %
C-Suite Executives

12%
Difference between Middle Managers and C-Suite Execs
19%
Middle Manager uplift in knowledge needed to close gap

Average knowledge requirement

- The average knowledge requirement for a Middle Manager across all 18 key knowledge areas is 61.5% (using our scale, where 100% means expert knowledge is expected and 0% means zero knowledge is expected)
- The average knowledge requirements for a C-Suite Executive is 73.5%.

Increase from Middle Management

- So to close the difference of **12%** in average knowledge requirement to successfully enter and operate in the C-Suite, Middle Managers need to uplift their knowledge, proportionally by **19%**.

Diversity of knowledge

- To ensure knowledge diversity within the C-Suite Executive team, you would not want this uplift in knowledge to be spread evenly across the C-Suite. This is usually resolved by:
 - The varied functional knowledge of C-Suite leaders, such as the CFO, CLO, CHRO, COO, CIO and CMO.
 - Boards and CEOs promoting individuals into the C-Suite to fill their team's knowledge gaps.

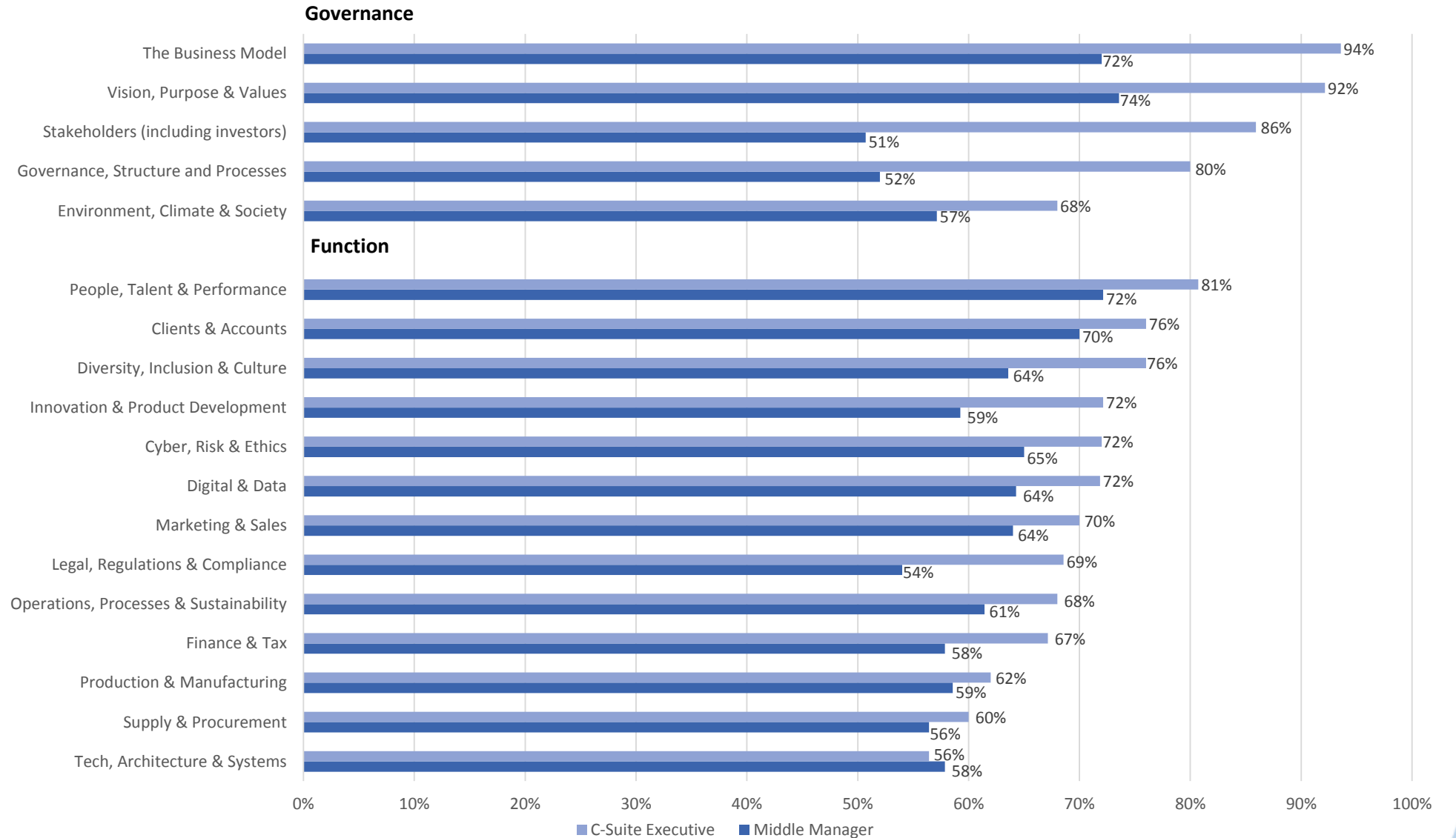
C-Suite requires knowledge increase in all areas – except one

- Boards expect Middle Managers to increase their knowledge in all areas when entering the C-Suite, except *'Tech, Architecture & Systems'* where there is a small drop in knowledge expectations at C-Suite level.
- *'Tech, Architecture & Systems'* should not be confuse with *'Digital & Data'*, where knowledge expectations are higher for both Middle Managers and C-Suite Executives.

The knowledge expectation gap between Middle Managers and the C-Suite

Knowledge expectation

100% = expert knowledge expected, 0% = zero knowledge expected



Middle Manager

Knowledge requirements and priorities

Middle Managers	Knowledge	Order	G & F
Vision, Purpose & Values	74%	1	G
People, Talent & Performance	72%	2	F
The Business Model	72%	3	G
Clients & Accounts	70%	4	F
Cyber, Risk & Ethics	65%	5	F
Digital & Data	64%	6	F
Marketing & Sales	64%	7	F
Diversity, Inclusion & Culture	64%	8	F
Operations, Processes & Sustainability	61%	9	F
Innovation & Product Development	59%	10	F
Production & Manufacturing	59%	11	F
Tech, Architecture & Systems	58%	12	F
Finance & Tax	58%	13	F
Environment, Climate & Society	57%	14	G
Supply & Procurement	56%	15	F
Legal, Regulations & Compliance	54%	16	F
Governance, Structure and Processes	52%	17	G
Stakeholders (including investors)	51%	18	G

G = Governance Knowledge Area
F = Functional Knowledge Area

The 3 Ps – ‘Purpose’, ‘People’ and ‘Process (i.e. Business Model)’ are the most important knowledge areas; and the only areas that score above 70%.

Clients vs Marketing – ‘Clients & Accounts’ knowledge is more important (+6%) than ‘Marketing & Sales’.

Digital vs Tech – ‘Cyber’ and ‘Digital’ knowledge areas higher than ‘Tech’ (+6%) and higher than other operational areas.

Diversity vs Environment – ‘Diversity’ knowledge is more important (+7%) than ‘Environment’.

Operations – operational areas such as ‘Operations’, ‘Product development’, ‘Manufacturing’ all cluster at around 60%.

Finance vs Legal – ‘Finance’ is ahead of ‘Legal’ (+4%) but behind ‘Cyber, Risk and Ethics’ (-7%).

Governance loses – ‘Legal, Regulations & Compliance’, ‘Governance, Structure’ and ‘Stakeholders’ come last.

C-Suite Executive

Knowledge requirements and priorities

C-Suite Executives	Knowledge	Order	G & F
The Business Model	94%	1	G
Vision, Purpose & Values	92%	2	G
Stakeholders (including investors)	86%	3	G
People, Talent & Performance	81%	4	F
Governance, Structure and Processes	80%	5	G
Diversity, Inclusion & Culture	76%	6	F
Clients & Accounts	76%	7	F
Innovation & Product Development	72%	8	F
Cyber, Risk & Ethics	72%	9	F
Digital & Data	72%	10	F
Marketing & Sales	70%	11	F
Legal, Regulations & Compliance	69%	12	F
Operations, Processes & Sustainability	68%	13	F
Environment, Climate & Society	68%	14	G
Finance & Tax	67%	15	F
Production & Manufacturing	62%	16	F
Supply & Procurement	60%	17	F
Tech, Architecture & Systems	56%	18	F

G = Governance Knowledge Area
F = Functional Knowledge Area

The C-Suite has significantly higher knowledge requirements than for Middle Management

- The highest knowledge score for Middle Managers was *'Vision, Purpose and Values'* at 74%.
- For C-Suite Executives 74% would be the eighth highest area of knowledge.
- This means that C-Suite Executives need to have knowledge in seven areas that is greater than the highest knowledge that a Middle Manager requires in any area.

Vision and Model – almost 100% knowledge of *'The Business Model'* and business direction (*'Vision, Purpose, Values'*) is expected of C-Suite executives.

Governance – governance dominates: four of the top five scores are for governance areas of knowledge.

People – *'People, Talent & Performance'* is in the top five behind *'The Business Model'*, *'Vision'* and *'Stakeholders'*.

Production, Supply and Tech – are the areas where least knowledge is expected.

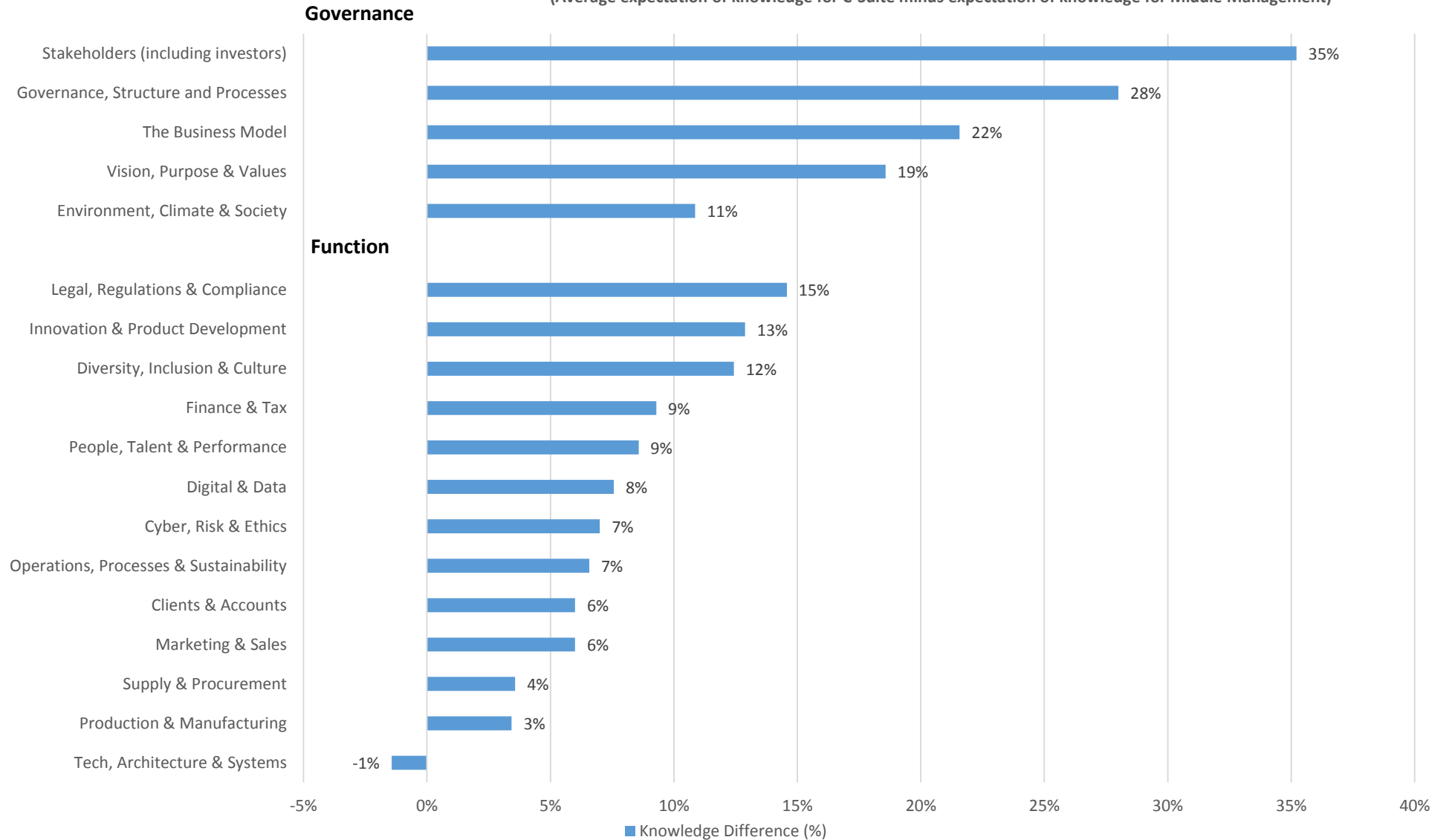
Knowledge priority and changes

Middle Managers	Order	Knowledge	Change	Knowledge	Order	C-Suite Executives
Vision, Purpose & Values	1	74%		94%	1	The Business Model
People, Talent & Performance	2	72%		92%	2	Vision, Purpose & Values
The Business Model	3	72%		86%	3	Stakeholders (including investors)
Clients & Accounts	4	70%		81%	4	People, Talent & Performance
Cyber, Risk & Ethics	5	65%		80%	5	Governance, Structure and Processes
Digital & Data	6	64%		76%	6	Diversity, Inclusion & Culture
Marketing & Sales	7	64%		76%	7	Clients & Accounts
Diversity, Inclusion & Culture	8	64%		72%	8	Innovation & Product Development
Operations, Processes & Sustainability	9	61%		72%	9	Cyber, Risk & Ethics
Innovation & Product Development	10	59%		72%	10	Digital & Data
Production & Manufacturing	11	59%		70%	11	Marketing & Sales
Tech, Architecture & Systems	12	58%		69%	12	Legal, Regulations & Compliance
Finance & Tax	13	58%		68%	13	Operations, Processes & Sustainability
Environment, Climate & Society	14	57%		68%	14	Environment, Climate & Society
Supply & Procurement	15	56%		67%	15	Finance & Tax
Legal, Regulations & Compliance	16	54%		62%	16	Production & Manufacturing
Governance, Structure and Processes	17	52%		60%	17	Supply & Procurement
Stakeholders (including investors)	18	51%		56%	18	Tech, Architecture & Systems

Please note that the 'change' column in the above graphic illustrates the change in priority, not in score.
For example, 'Clients & Accounts' drops in priority by three places but still requires a 6% uplift in knowledge.

Where the C-Suite is expected to have more knowledge than Middle Managers

C-Suite 'Knowledge Premium'
 Extent to which C-Suite is expected to have more knowledge than Middle Management
 (Average expectation of knowledge for C-Suite minus expectation of knowledge for Middle Management)



Middle Manager knowledge priorities to enter the C-Suite

C-Suite order	Knowledge area	Middle Manager order difference	Middle Manager % knowledge difference
3	Stakeholders (including investors)	15	35%
5	Governance, Structure and Processes	13	28%
12	Legal, Regulations & Compliance	4	15%
1	The Business Model	2	22%
6	Diversity, Inclusion & Culture	2	12%
8	Innovation & Product Development	2	13%
14	Environment, Climate & Society	0	11%
2	Vision, Purpose & Values	-1	19%
4	People, Talent & Performance	-2	9%
15	Finance & Tax	-2	9%
17	Supply & Procurement	-2	4%
7	Clients & Accounts	-3	6%
9	Cyber, Risk & Ethics	-4	7%
10	Digital & Data	-4	8%
11	Marketing & Sales	-4	6%
13	Operations, Processes & Sustainability	-4	7%
16	Production & Manufacturing	-5	3%
18	Tech, Architecture & Systems	-6	-1%

Stakeholders and Governance

- Of the top five C-Suite areas of knowledge (highlighted in blue in the table on the left), Middle Managers need to make the biggest leap in knowledge in the 'Stakeholders' and 'Governance' areas.

Business Model, Vision and People

- The remaining top five C-Suite areas of knowledge are also top five areas of knowledge for Middle Managers, so the gaps in knowledge required are less extreme. Of these areas, 'Business Model' is the highest priority followed by 'Vision' and 'People'.

Legal, Diversity, Innovation and Environment

- All require knowledge increases of over 10%.

Cyber and Digital

- Appear comparatively less important but they still require knowledge increases.

Tech and Production

- Are clearly considered more as Middle Management than C-Suite roles.