



FROM IDG

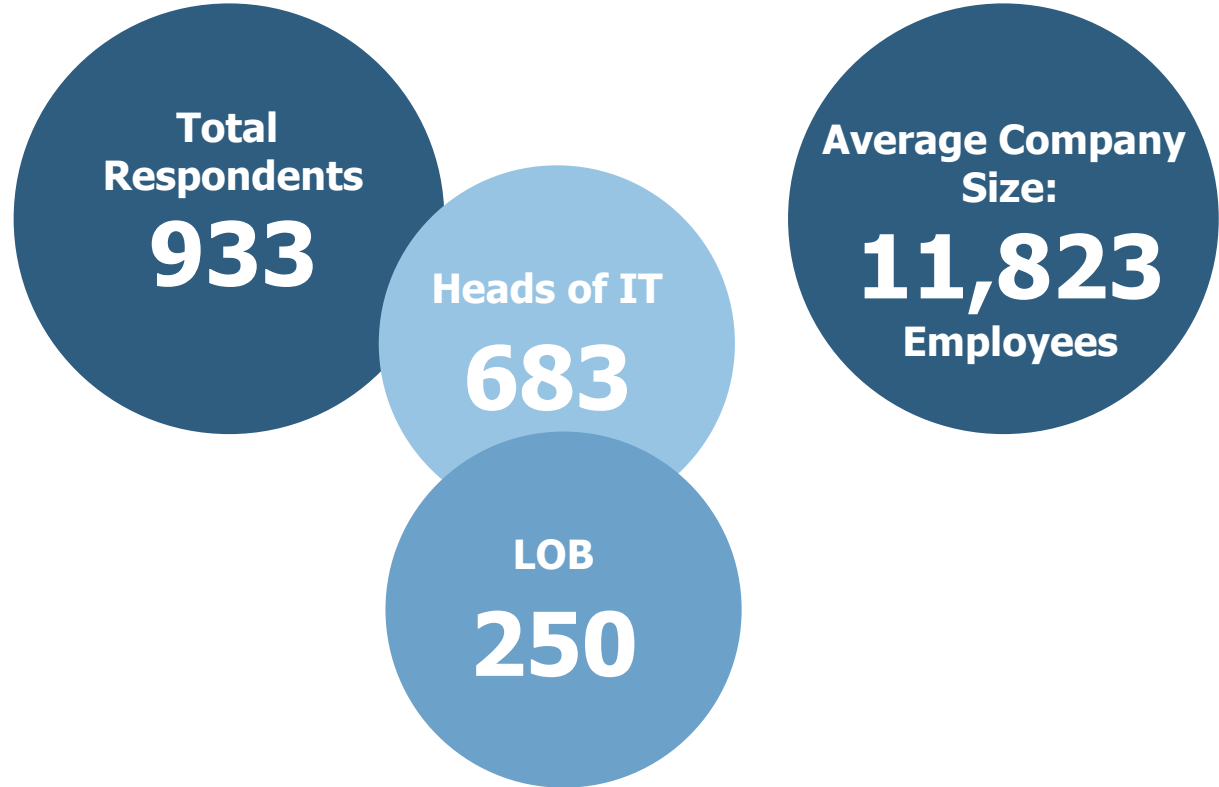
2019 State of the CIO

Julie Ekstrom, SVP IDG

BUSINESS TECHNOLOGY LEADERSHIP

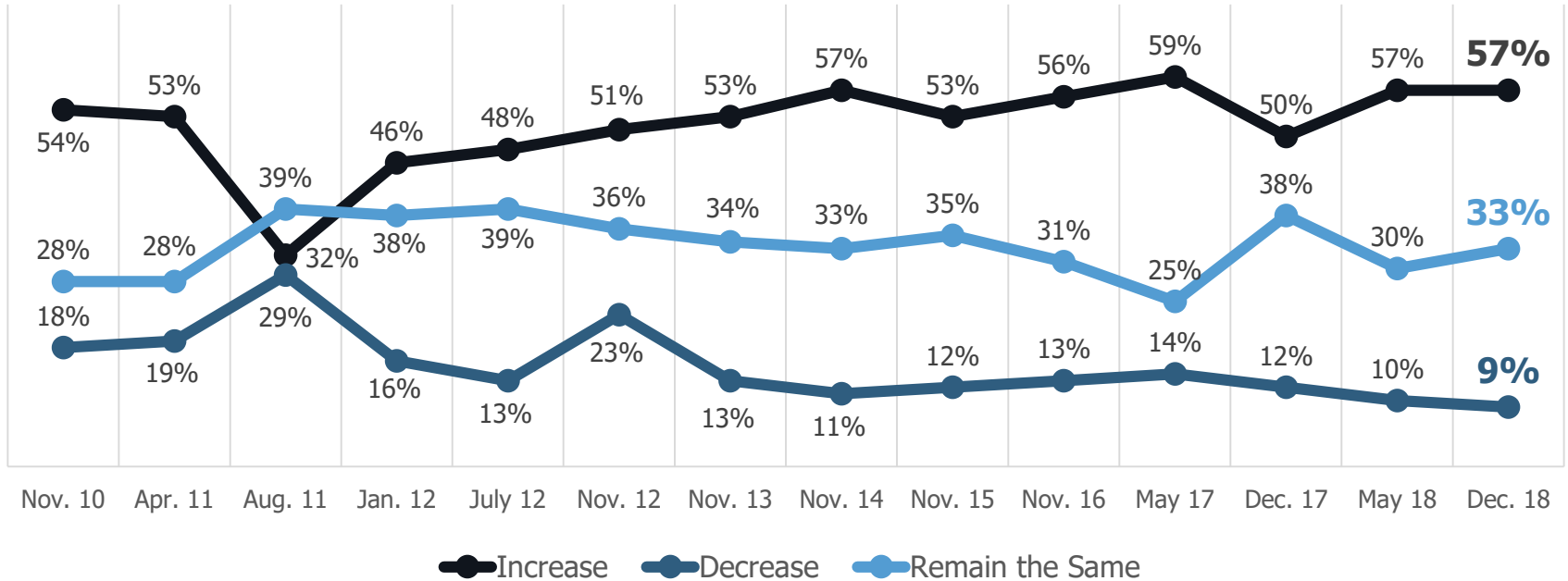
Purpose / Methodology & Numbers

CIO's 18th annual **State of the CIO** survey was conducted with the objective of understanding how the role of the CIO continues to evolve in today's business climate and to help define the CIO agenda for 2019. This definitive benchmarking survey measures the role of the CIO in the organization, budgetary responsibilities, business and leadership challenges, and the key skills needed for the job today.



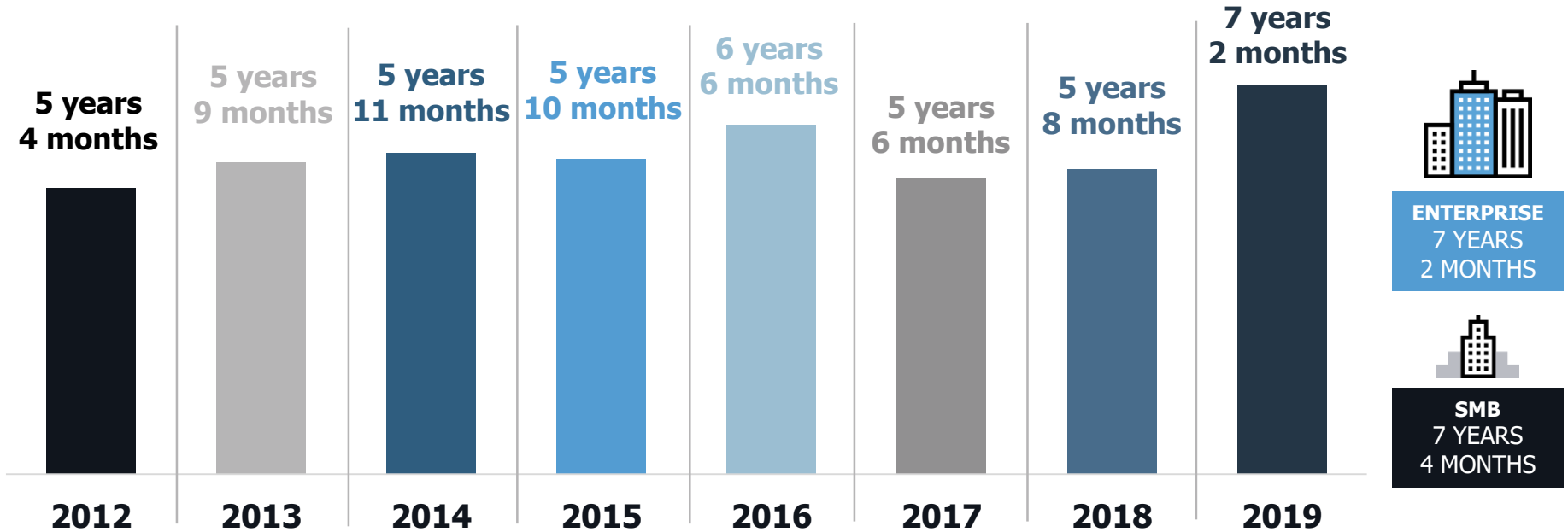
Where Does the Time Go?

Tech Budgets Maintain Stability



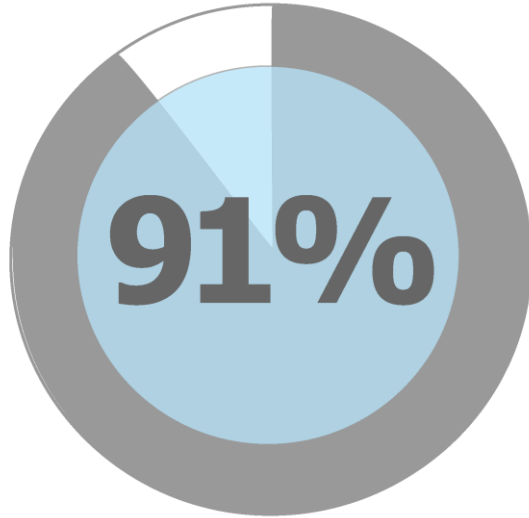
Q: Will your overall IT budget increase, decrease or remain the same in the next 12 months compared to the past 12 months?

CIO Tenure

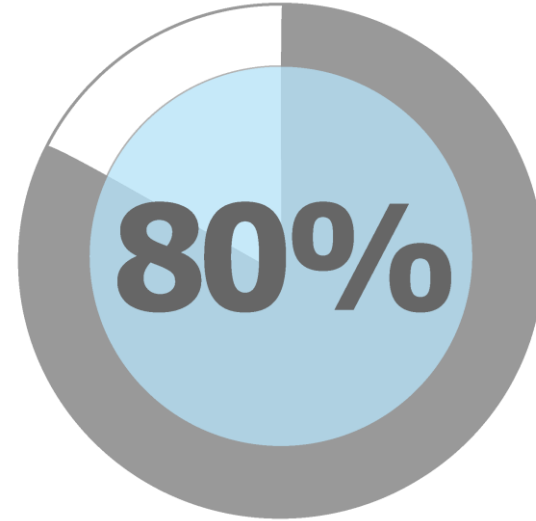


Q: How long have you been in your current position?

Balancing Digital Innovation with Operations



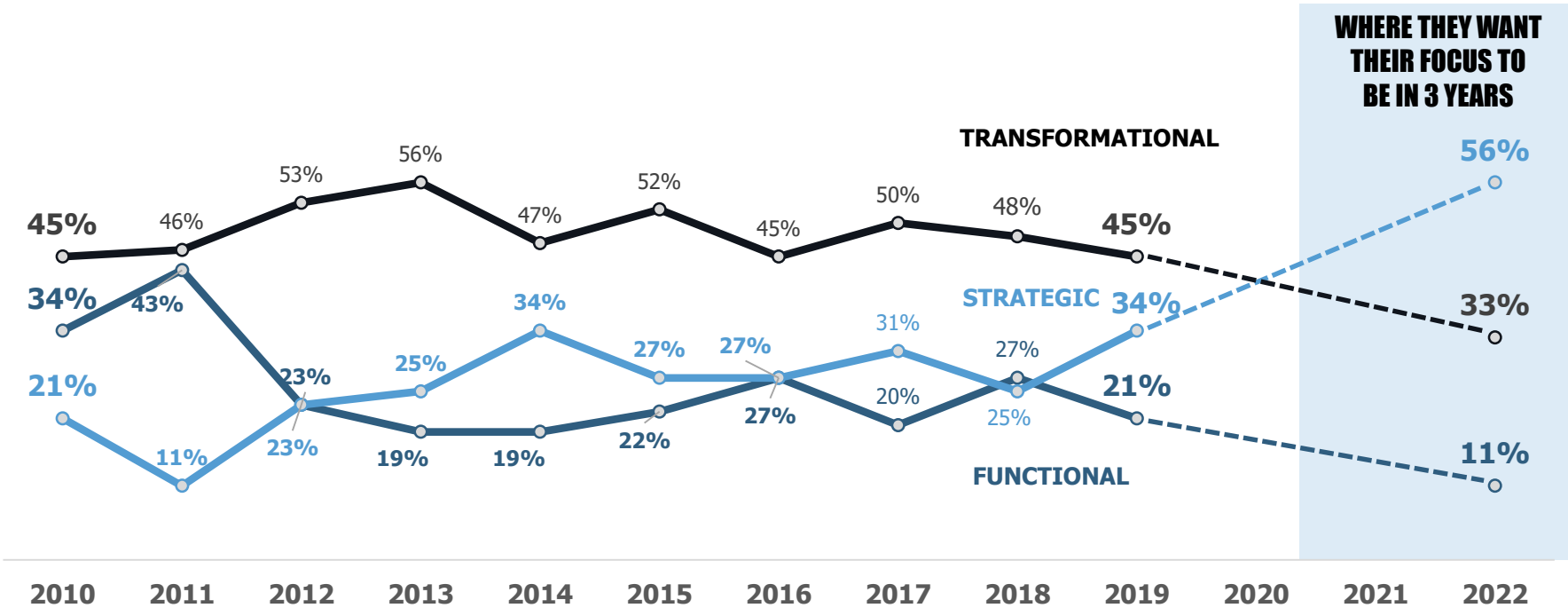
of CIOs say that their **ROLE** is becoming more **DIGITAL** and **INNOVATION** focused



of CIOs say it's **CHALLENGING** to find the right balance between business **INNOVATION & OPERATIONAL** excellence

Q: Please indicate your level of agreement with the following statements: (NET of strongly agree/agree somewhat)

Spike in Time Spent on Strategic Initiatives



Q: Which of the following activities best characterize your focus and how you spend your time in your current role?

Big Changes Predicted in Years to Come

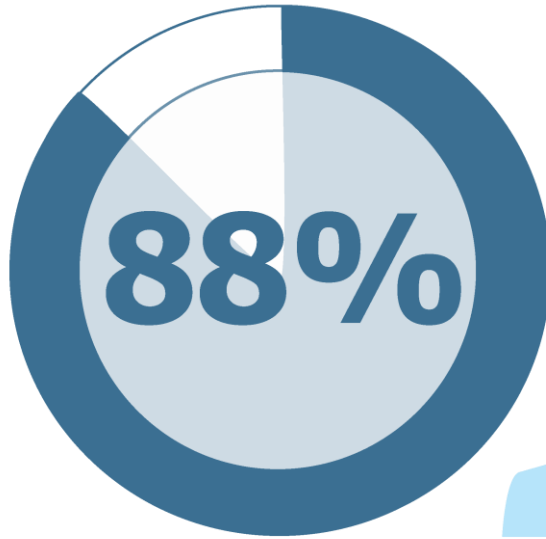
| Functional | Now | In 3 Years |
|---|-----|------------|
| Security management | 51% | 26% |
| | -3 | -25 |
| Improving IT operations/ systems performance | 42% | 22% |
| | -7 | -20 |
| Cost control/ expense management | 33% | 18% |
| | -4 | -15 |
| Managing IT crises | 22% | 11% |
| | +3 | -11 |
| Negotiating with IT vendors | 21% | 12% |
| | -1 | -9 |

| Transformational | Now | In 3 Years |
|---|-----|------------|
| Aligning IT initiatives with business goals | 47% | 25% |
| | -3 | -22 |
| Implementing new systems and architecture | 39% | 30% |
| | +3 | -9 |
| Cultivating the IT/ business partnership | 33% | 23% |
| | -5 | -10 |
| Leading change efforts | 32% | 26% |
| | -1 | -6 |
| Redesigning business processes | 23% | 27% |
| | -3 | +4 |

| Strategic | Now | In 3 Years |
|--|-----|------------|
| Driving business innovation | 35% | 37% |
| | +7 | +2 |
| Developing and refining business strategy | 23% | 30% |
| | +2 | +7 |
| Identifying opportunities for competitive differentiation | 21% | 29% |
| | +4 | +8 |
| Developing new go-to-market strategies & technologies | 19% | 28% |
| | +5 | +9 |
| Studying market trends/ customer needs to identify commercial opportunities | 16% | 24% |
| | +6 | +8 |

Q: Which of the following activities best characterize your focus and how you spend your time in your current role? AND Q: Which of the following activities do you plan to spend more time on in the next 3 years?

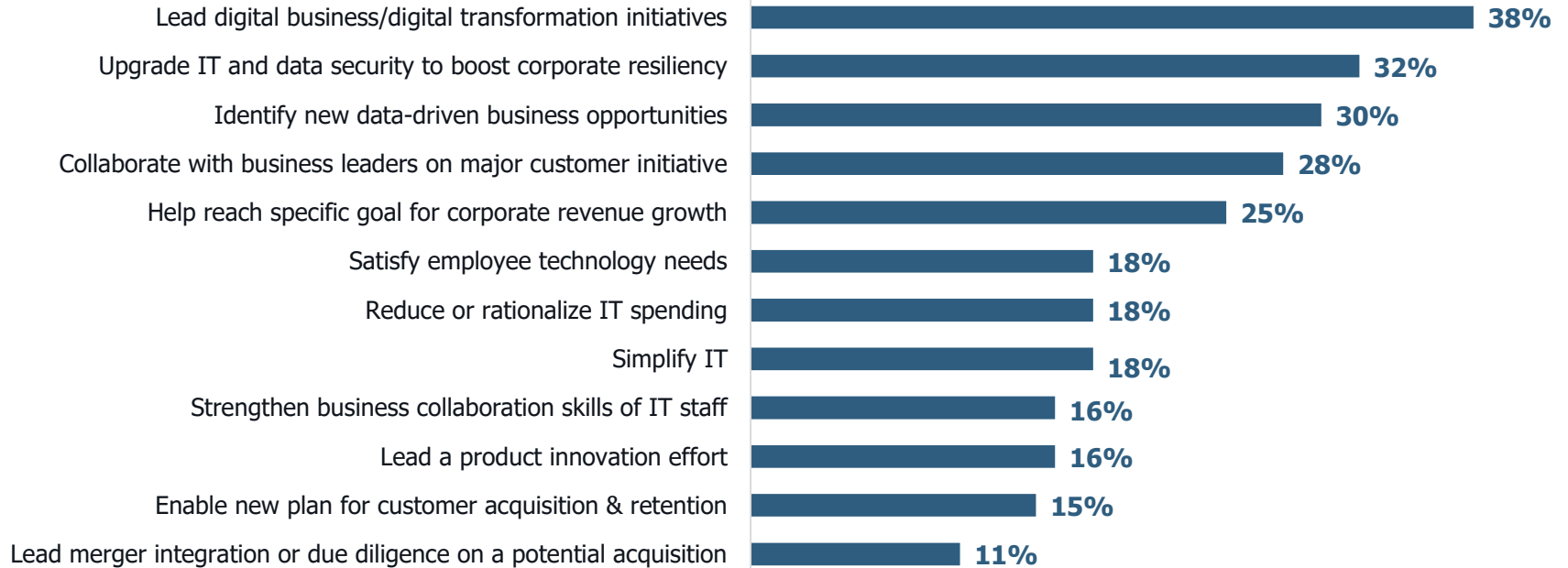
Digital Business Expands the CIO's Role



of CIOs say that they are **more involved** in **leading digital transformation** initiatives compared to their business counterparts

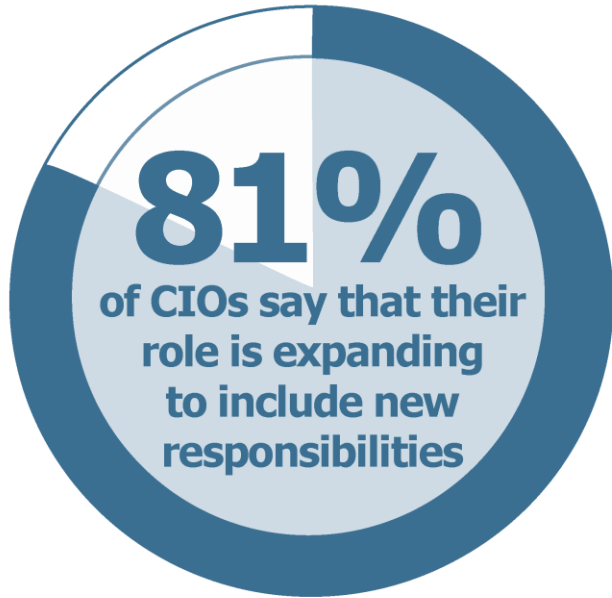
Q: Please indicate your level of agreement with the following statements (NET of strongly agree/agree somewhat)

Digital Business is Priority #1 from CEO



Q: What are the CEO's top three priorities for you in the coming year?

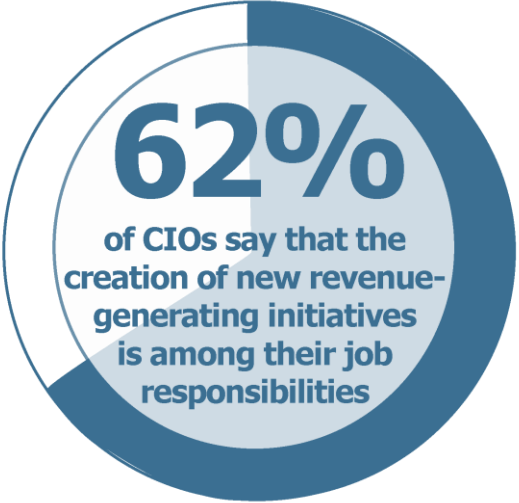
The New CIO+ Roles



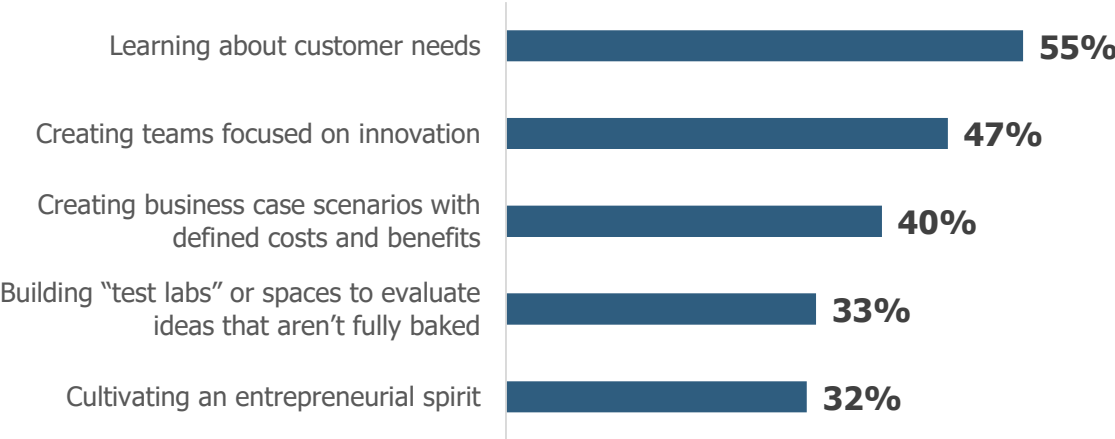
| | |
|-----------------------------|------------|
| Data Analytics | 64% |
| Operations | 43% |
| Business Development | 38% |
| Customer Service | 32% |
| Product Development | 29% |
| Marketing | 18% |
| Finance | 18% |
| Procurement | 16% |
| Sales | 14% |

Q: Is your role at your organization expanding to include new responsibilities? AND If yes, in which areas are you taking on new responsibilities?

Revenue-Generation Among Job Responsibilities



Initiatives in place to become more revenue-driven:



Q: In your current role, is the creation of new revenue-generating initiatives (including the development of new products or services) among your job responsibilities? AND Q: What is your organization doing to become more revenue-driven and/or support the creation of new products or services?

Initiatives for 2019

Consistent Communication with Line of Business

78% of CIOs say that they are **communicating** with the **Board of Directors more** than ever before

Differences
by CIO type:



Q: Please indicate your level of agreement with the following statements (NET of strongly agree/agree somewhat)

CIOs Seen as Strategic Advisors & Consultants



41%

Strategic advisor

Proactively identifies business need/opportunity and makes recommendations regarding technology and or provider selections



21%

Consultant

Evaluates and advises on business need, technology choices and/or providers upon request



10%

Risk assessor

Primarily evaluates and advises on technology choices and/or providers primarily through a risk management, security and/or governance lens



18%

Cautious voice of reason

Identifies red flags and other obstacles to considering new technologies (sometimes perceived by LOB as a roadblock)



11%

Autonomous player

Primarily does their own thing in technology procurement for new initiatives, creating challenges of transparency and visibility



Q: Which of the following best characterizes IT leadership at your organization when it comes to technology considerations?
(BASE: LOB respondents)

Business Initiatives Driving IT Investment

| | Heads of IT | LOB |
|---|-------------|-------|
| Increase operational efficiency | 1 40% | 1 37% |
| Increase cybersecurity protections | 1 40% | 5 22% |
| Improve customer experience | 3 35% | 2 32% |
| Growing the business | 4 31% | 2 32% |
| Transform existing business processes | 4 31% | 16% |
| Improving profitability | 24% | 4 25% |
| Optimize worker productivity | 20% | 20% |
| Introduce new digital revenue streams | 15% | 4% |
| Meet compliance requirements (GDPR, etc.) | 15% | 11% |
| Enhancing/Enabling new product development | 13% | 6% |
| Improve organization's ability to attract and retain talent | 9% | 8% |
| Monetize your company's data | 8% | 9% |

Q: In 2019, which of the following business initiatives will be most significant in driving IT investments at your organization?

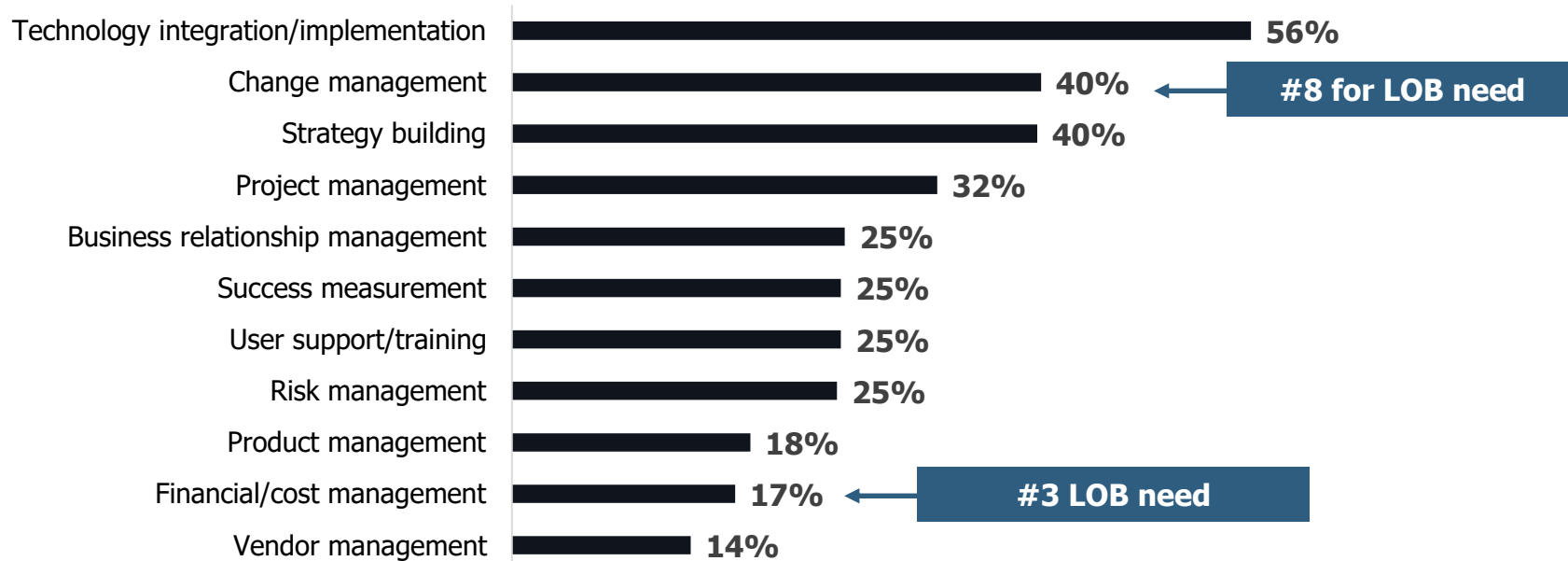
Tech Initiatives Driving IT Investment

| | Heads of IT | LOB |
|--|--------------|--------------|
| Data/Business Analytics | 1 30% | 4 18% |
| Cloud Computing | 2 27% | 1 25% |
| Enterprise Applications (CRM, ERP, etc.) | 3 26% | 11% |
| Security/Risk Management | 3 26% | 2 23% |
| Customer Experience Technologies (chatbots, mobile apps, etc.) | 5 19% | 5 12% |
| Application Modernization/Legacy Systems Migration | 5 19% | 10% |
| AI (Artificial Intelligence) | 14% | 8% |
| Infrastructure Consolidation/Virtualization | 13% | 6% |
| Business Process Management | 13% | 3 19% |
| Machine Learning and Cognitive Systems | 10% | 6% |
| Enterprise Architecture | 10% | 5% |
| Internet of things/Sensor data | 9% | 4% |
| Agile/DevOps processes | 9% | 2% |
| Enterprise Management software & automation tools | 9% | 6% |

Q: In 2019, which of the following technology initiatives will drive the most IT investment at your organization?

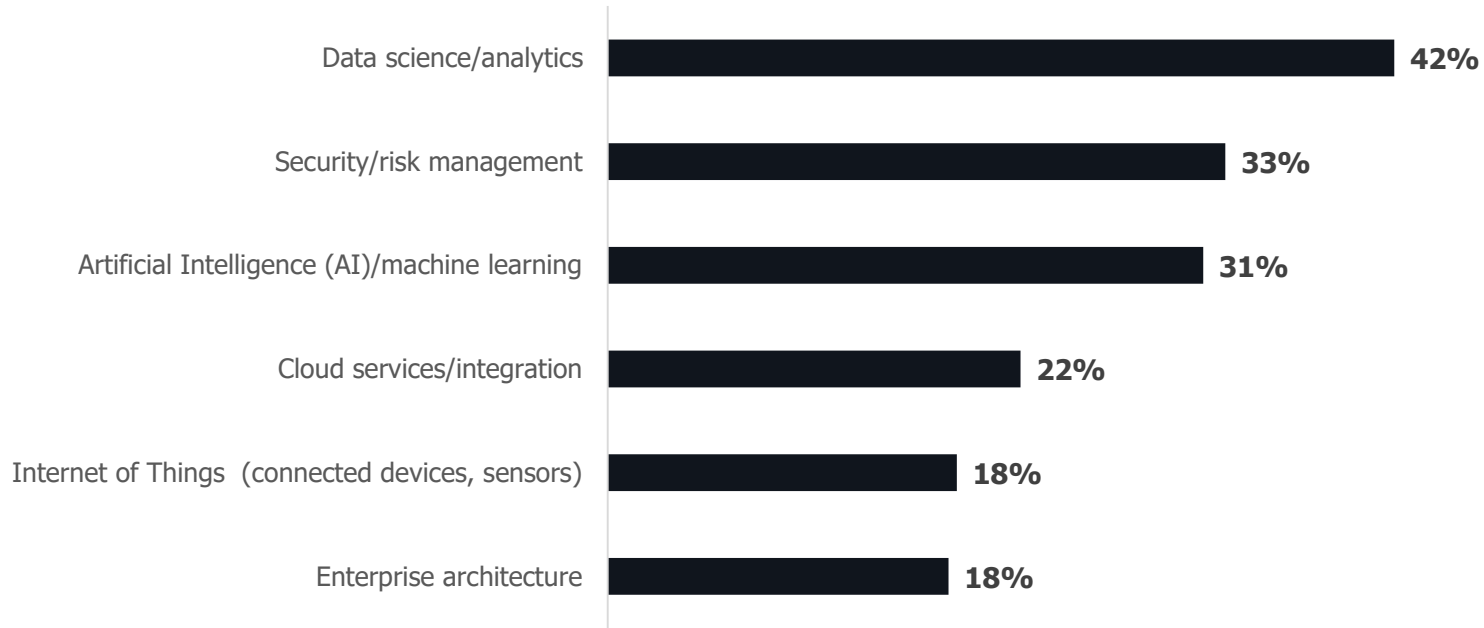
CIO Challenges Persist

Seeking Technology Integration Skills for DX



Q: What skills is your company most in need of to support digital transformation?

Skills Gap – Reskill or Rehire?



Q: In which technology-related areas do you anticipate your organization will have the most difficulty in finding appropriate skillsets? (Showing the top five skillsets)

Conclusions



CIOs are spending increased time on strategic initiatives while maintaining operational excellence.



Focus on the customer and innovation go hand in hand with revenue growth opportunities.



CIO+ 1 roles are expanding well beyond traditional IT.



Close to two-thirds of CIOs say that the creation of **new revenue-generating initiatives** is among their job responsibilities.