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Gartner Executive Program Survey of More Than 2,000 CIOs Shows Digital Technologies Are Top Priorities in 2013

Survey Highlights the Need for CIOs to Set Aside Old Rules and Adopt New Tools

STAMFORD, Conn., January 16, 2013 — Organisations realise on average only 43 per cent of technology's business potential, according to a global survey of CIOs by Gartner, Inc.'s Executive Programs. That number has to grow for IT to remain relevant in an increasingly digital world.

The worldwide survey was conducted in the fourth quarter in 2012 and included 2,053 CIOs, representing more than \$230 billion in CIO IT budgets and covering 36 industries in 41 countries. The Gartner Executive Programs report, "Hunting and Harvesting in a Digital World: The 2013 CIO Agenda," represents the world's most comprehensive examination of business priorities and CIO strategies.

Over the last 18 months, digital technologies — including mobile, analytics, big data, social and cloud — have reached a tipping point with business executives. Analysts said there is no choice but to increase technology's potential in the organisation, and this means evolving IT's strategies, priorities and plans beyond tending to the usual concerns as CIOs expect their 2013 IT budgets to be essentially flat for fifth straight year.

"Digital technologies provide a platform to achieve results, but only if CIOs adopt new roles and behaviours to find digital value," said Mark McDonald, group vice president and Gartner Fellow. "CIOs require a new agenda that incorporates hunting for new digital innovations and opportunities, and harvesting value from products, services and operations.

"In a world of change, it is concerning that around half of CIOs surveyed do not see IT's enterprise role changing over the next three years," Mr McDonald said. "IT needs new tools if it hopes to hunt for technology-intensive innovation and harvest raised business performance from transformed IT infrastructure, operations and applications. Without change, CIOs and IT consign themselves to tending a garden of legacy assets and responsibilities."

The survey showed that CIO IT budgets have been flat to negative ever since the dot-com bust of 2002. For 2013, CIO IT budgets are projected to be slightly down, with a weighted global average decline of 0.5 per cent. EMEA is the only region to show slight growth of 0.4 per cent in 2013. "While most CIO IT budgets in Western Countries are expected to be flat or negative, German CIOs are the most pessimistic with an estimate of 2 per cent decline in their IT budgets in 2013," said Dave Aron, vice president and Gartner Fellow.

Digital technologies dominate CIO technology priorities for 2013. The top 10 global technology priorities revealed by the survey reflect a greater emphasis on externally oriented digital technologies, as opposed to traditional IT/operationally oriented systems (see Table 1).

Table 1

Top 10 CIO Business and Technology Priorities in 2013

Top 10 Business Priorities	Ranking	Top 10 Technology Priorities	Ranking
Increasing enterprise growth	1	Analytics and business intelligence	1
Delivering operational results	2	Mobile technologies	2
Reducing enterprise costs	3	Cloud computing (SaaS, IaaS, PaaS)	3
Attracting and retaining new customers	4	Collaboration technologies (workflow)	4
Improving IT applications and infrastructure	5	Legacy modernisation	5
Creating new products and services (innovation)	6	IT management	6
Improving efficiency	7	CRM	7
Attracting and retaining the workforce	8	Virtualisation	8
Implementing analytics and big data	9	Security	9
Expanding into new markets and geographies	10	ERP Applications	10

SaaS = software as a service; IaaS = infrastructure as a service; PaaS = platform as a service

Source: Gartner Executive Programs (January 2013)

CIOs see these technologies as disrupting business fundamentally over the next 10 years. When asked which digital technologies would be most disruptive, 70 per cent of CIOs cited mobile technologies, followed by big data/analytics at 55 per cent, social media at 54 per cent and public cloud at 51 per cent. The disruptiveness of each of these technologies is real, but CIOs see their greatest disruptive power coming in combination, rather than in isolation.

"As CIOs continue to amplify the organisation with digital technologies while improving IT organisational structure, management and governance, 2013 promises to be a year of dual priorities," said Mr Aron. "Key CIO strategies identified in the survey reflect the realities of these dual business priorities and confirm the need to expand IT's ability to hunt for new opportunities and harvest current business value. While CIOs recognise that IT's value contribution comes from delivering business solutions, they also recognise that the prioritisation and delivery of specific results must change."

As needs and opportunities evolve, more CIOs will find themselves leading in areas outside of traditional IT. In addition to their tending role, they are starting to assume responsibility for hunting for digital opportunities and harvesting value. Sixty-seven per cent of CIOs surveyed have significant leadership responsibilities outside of IT, with only 33 per cent having no other such responsibilities. This situation contrasts sharply with 2008, when almost half of CIOs had no responsibilities outside of IT. Almost a fifth of CIOs now act as their enterprise's chief digital officer (CDO), leading digital commerce and channels. Although this nascent role varies in scope and style, it normally includes championing the digital vision for the business — that is, ensuring that the business is evolving optimally in the new digital context.

"IT cannot expect to secure additional funding without assuming new responsibilities or producing new results," said Mr Aron. "Reacting to limited budgets by restructuring costs, outsourcing and doing more with less made sense from 2002 to 2011, when the supply of innovative technologies was scarce. Adapting to, and leading, in the digital world requires doing things differently, yet in ways consistent with the demands of digital technologies. CIOs need to make the case that mainstream emerging mobile, big data, social and cloud technologies justify revisiting IT budget and investment levels."

"CIOs knew that doing the right thing required tending to IT by delivering cost-effective quality services.

CIOs and IT leaders managed cost, complexity and risk to enable business operations in a world of managed stability," Mr McDonald said. "However, the world outside IT changed creating a quiet crisis for IT. Demands have increased in a world grown dynamic and digital. The harder CIOs work tended to current concerns, the less relevant IT became. CIOs know that the future rests in not repeating the past but in extending IT by hunting and harvesting in a digital world."

More-detailed analysis on the CIO agenda for 2013 will be presented in two webinars. During these webinars, Mr McDonald and Mr Aron will outline the results from the 2013 CIO agenda survey and the top business and technology priorities for CIOs. The "Agenda 2013 — Implications for High-Tech Providers" webinar will be hosted on 5 February at 4:00pm UK time. To register for this complimentary webinar, please visit <http://my.gartner.com/webinar/detail/resId=2299616>. The webinar "New Priorities, Technologies and Leaders Shaping the Future of IT" will be hosted by Gartner on 21 February at 3:00pm UK time. To register for this webinar, please visit <http://my.gartner.com/webinar/detail/resId=2299617>.

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Through membership benefits including a team of service delivery professionals, exclusive research, access to CIO experts, peer networking opportunities and a rich online experience, programs such as Gartner for IT Executives CIO, CIO Signature and CIO Essentials equip members with the tools and knowledge they need to deliver exceptional results for their organizations. Additional information about Gartner Executive Programs can be found on Gartner's website at <http://www.gartner.com/technology/cio/>.

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