

# The CIO of the Future

Research Report



**Becoming a Business Game-Changer**

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# The CIO of the Future: Becoming a Business Game-Changer

While most CIOs agree that their role will change in the next five years, less than a third see themselves as developers of business strategy or drivers of their company's competitive future today, according to a new study by Emerson Network Power. Nearly half characterize themselves as IT service providers and cost centers to the business leaders in their organization.

One challenge preventing CIOs from playing a more strategic role is the sheer complexity of the job. They find themselves dealing with an IT infrastructure that has been pushed to the limit with new technologies and growing business demands and must devote most of their time to making sure "the lights stay on."

At the end of the day, there is little time or budget remaining to allow them to focus on strategic priorities that help their organizations stay ahead of business demands. Those CIOs who do manage to stay ahead of business demands are ones who are able to budget for innovation and focus on strategically adopting new technologies.

## Survey Methodology

In an effort to better understand the changing role of the CIO, Emerson Network Power surveyed CIOs and top IT executives of companies in the United States, Latin America, Europe and Asia. Participants were recruited by EMI Online Research Solutions from panels of IT decision makers, and screened to be the top IT executive at a company, business unit or region; including those with the title Chief Information Officer. Online interviews were completed in February 2013. The sample of 560 respondents was balanced by region, industry and company size to the population of IT executives at companies with 500 or more employees.

## Changing Role of CIO

An overwhelming majority of CIOs have experienced changes in their roles, and expect those changes to continue. Ninety percent stated that their role had changed at least slightly. CIOs from Asia (79 percent) and Latin America (78 percent) lead the pack in expecting significant change in their role in the next 5 years. This is compared to less dramatic change

expected in the United States and Europe, where about half believe their role will change significantly in the next 5 years.

The most-cited changes that are expected to occur to the CIO role involve developing and adopting advanced technology, such as cloud computing and virtualization.

**"The transition to the cloud is affecting all aspects of our operation, so I feel that it's going to be the greatest challenge." (CIO, USA)**

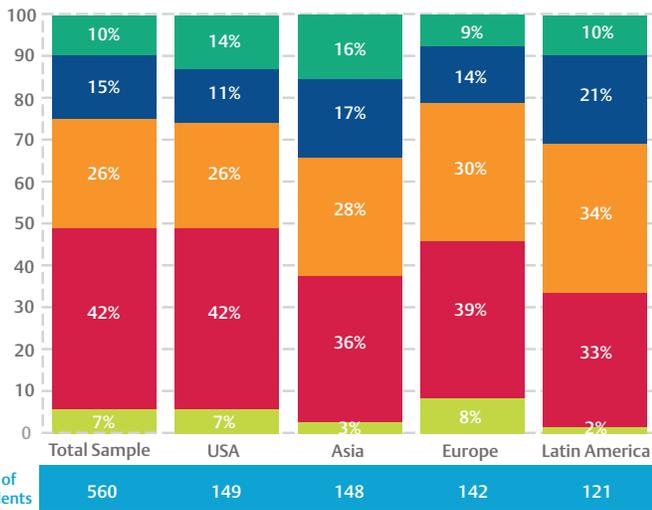
Making improvements to management and operations are also seen as pivotal to the evolution of the CIO role. Those improvements include taking on more responsibility for business decisions, training others how to leverage data analytics and contributing to increasing company profitability with technology that supports revenue growth and reduces costs.

The combination of the increasing role of technology in society and business' growing dependence on IT means more responsibility, challenges and pressure for CIOs and IT leaders, but correspondingly higher importance to the organization.

## Growing Need to be More Strategic

At a time when industry analysts such as Gartner, and publications such as *CIO Magazine* are directing CIOs to be more strategic, forty-two percent of CIOs still characterize themselves as "IT service providers" and "cost centers" to the business leaders in their organizations, rather than "IT partners," "business peers" or "business game changers\*."

There is a noticeable difference between the United States and the other regions on this topic, especially in the



42% of CIOs consider themselves “IT Service Providers” to the business leaders in their organizations. In Latin America, one third considers themselves “IT Partners” and one third “IT Service Providers”

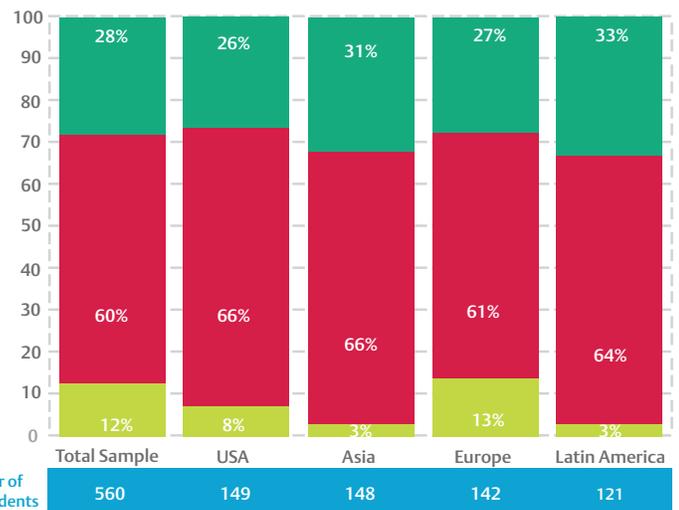
<span style="color: green;">■</span> <b>Business Game Changer</b> - driver of competitive future	<span style="color: orange;">■</span> <b>IT Partner</b> - influential collaborator	<span style="color: lightgreen;">■</span> <b>Cost Center</b> - unappreciated value
<span style="color: blue;">■</span> <b>Business Peer</b> - develop business strategy	<span style="color: red;">■</span> <b>IT Service Provider</b> - reliable and effective	

emerging markets of Asia and Latin America. Latin American and Asian CIOs are more likely to see themselves as business peers and partners, with Asian CIOs more often identifying as key drivers of the business.

While the majority of CIOs do not perceive themselves as game changers or business partners, they do believe they are successfully aligning IT with business demands. Sixty percent of CIOs state they are aligned with business demands while nearly an additional one-third (28 percent) say that they actually stay ahead of business demands.

Those CIOs staying ahead of business demands are doing so by taking a more strategic approach to their role; using data analysis to support business decision-making, forecasting and adopting new technologies, and actively embracing innovation.

**“Users are becoming both more mobile and more tech savvy. Younger workers come into the workforce with different technology expectations.” (CIO, Asia)**



60% of CIOs consider themselves aligned with business demands Only 28% consider themselves ahead of business demands

<span style="color: green;">■</span> Ahead of business demands	<span style="color: red;">■</span> Aligned with business demands	<span style="color: lightgreen;">■</span> Not keeping up with business demands
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### Acting as IT Service Providers

When it comes to the issues keeping CIOs up at night, the study sheds light on a glaring barrier preventing many CIOs from adopting a more strategic role.

The challenge preventing many CIOs from playing a more strategic role seems to be the sheer complexity of the job. Overall, CIOs identified 40 issues as being very or extremely important to their role as IT leader in their organization. While they understand priorities and what issues will have the greatest impact on business, CIOs find themselves spending most of their time simply acting as “IT service providers” and doing everything they can to make sure the IT infrastructure stays up.

As business strategy becomes increasingly dependent on technology, there is an opportunity for the CIO to become more of a business partner and potentially a business game changer.

### Becoming a Business Game-Changer

Most CIOs listed “budgeting for innovation” as an important issue; however the majority of CIOs also admit it is one of the issues they are acting upon the least. While innovation is imperative to business success, budget limitation can stifle that innovation. There is an opportunity for CIOs to become advocates for innovation by promoting a more strategic, well-funded approach. They can make the case that adopting

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this type of approach with technology innovation is beneficial to the continued growth and success of the organization. Unfortunately, to become this advocate takes time and resources; something that is in short supply for most CIOs. Our [Executive Brief, “Identifying the Biggest IT Resource Drains,”](#) (EmersonNetworkPower.com/EfficiencyDrains) includes common operational efficiency drains to address to help carve out time and resources for strategic initiatives.

There seems to be an opportunity for CIOs to embrace a more strategic role when it comes to social media tools. While CIOs overwhelmingly say that enabling employee and customer collaboration with social media tools is not of highest importance, they also agree that social media tools will cut traditional email use in half for internal collaboration among employees and for collaboration with customers by 2018.

Security presents another opportunity. Of the 40 issues identified by CIOs as being important, those that they are acting upon the most are focused on security, such as protecting data stored in mobile devices and ensuring enterprise security. This is not a new issue for corporations. Security is also one of the concerns most cited by companies reluctant to move to the cloud. Those CIOs who are able to adequately address data security issues and alleviate concerns will be better positioned to adopt new tools and paradigms, such as cloud computing and BYOD initiatives.

## Conclusion

The findings of this Emerson Network Power study highlight a growing opportunity for CIOs to become more strategic in their role and have a greater impact on the success of their companies. While many IT professionals are taking steps to become the strategic IT leaders, this study indicates that more can be done; particularly when it comes to budgeting for innovation and providing clear direction for new applications of technology, such as in the use of social media tools for collaboration.

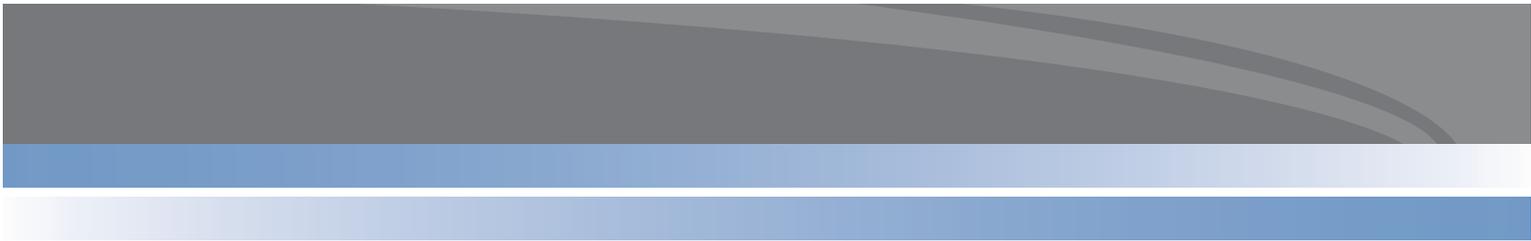
By creating the time and the budget to embrace innovation and focus on adopting new technologies, CIOs can stay ahead of business demands and ensure IT is driving the business toward financial objectives.

## Works Cited

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CIO Magazine. “2013 State of the CIO Survey,” January 2013.

This survey used the same scale for relationship between CIOs and Business Leaders in their companies.



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