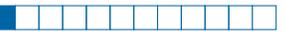


Executive Summary Hunting and Harvesting in a Digital World: The 2013 CIO Agenda

This is an Executive Summary of an Executive Programs monthly report. Each report covers a relevant and compelling CIO topic and contains tools, templates and case studies members can put to work in their own unique context.

We are confident this summary will demonstrate the unmatched quality of Gartner thought leadership and how our unique CIO research and insight can support you as you advance your key initiatives.



January 2013

FOREWORD

CIOs face a complex future, caught between current IT operations and digital opportunities. On average, CIOs report that their enterprises realize only 43% of technology's business potential. That number must improve if companies are to realize value from IT in a digital world. The CIO agenda for 2013 involves adopting new approaches to hunting for innovations and opportunities that deliver digital value, while harvesting increased business performance from products, services and operations.

The 2013 CIO Agenda addresses the question, *What are the opportunities and challenges facing CIOs in an increasingly digital world, and how are they addressing them?*

As an agenda, this report concentrates on discussing the results of this year's CIO survey and the actions of leaders in the face of ongoing operations and emerging digital challenges. It raises more questions than it answers but in the process seeks to help CIOs evaluate their agendas for the coming year. The questions and answers establish the research agenda for 2013 and inform the direction of the Executive Programs reports outlined in the final section of this report.

"Hunting and Harvesting in a Digital World: The 2013 CIO Agenda" was written by Mark McDonald (group vice president and Gartner Fellow) and Dave Aron (vice president and Gartner Fellow).



Mark McDonald



Dave Aron



We would like to thank the many organizations and individuals that generously contributed their insights and experiences to the research, including:

- The 2,053 CIOs who responded to this year's survey, representing more than \$230 billion in CIO IT budgets and covering 36 industries in 41 countries.
- The contributors to our interviews and case studies: Tunde Coker, Access Bank (Nigeria); Mike Capone, ADP (U.S.); Saul Hernandez, Alpha Natural Resources (U.S.); Sabine Everaet, Coca-Cola Europe (France); Fredrik Karlsson, DeLaval (Sweden); Mike Bracken, Government Digital Service (U.K.); Claudio Laudeauzer, Grupo Fleury (Brazil); Joan Miller, Houses of Parliament (U.K.); Michael Hanken, Multiquip (U.S.); Marc Franciosa, Praxair (U.S.); Tony Bridgewater, Salmat (Australia); Sundi Balu, Telstra International Group (Hong Kong); and Scott Studham, University of Minnesota (U.S.).
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- Other members of the CIO & executive leadership research group: Richard Hunter, Raymond Laracuenta, Ken McGee, Leigh McMullen, Mark Raskino, Andrew Rowsell-Jones, Michael Smith, Lee Weldon and Colleen Young.

EXECUTIVE SUMMARY

According to CIOs, the enterprise realizes only a fraction of technology's potential. Realizing the full potential of digital technology opportunities requires changing IT practices and tools. To hunt for digital innovations and opportunities, and consistently harvest value from products, services and operations, CIOs must set an agenda that leads to new attitudes, behaviors and roles.

IT's aspirations require addressing current realities

CIOs report that, on average, their enterprises realize only 43% of technology's potential. Volatility, uncertainty, change and other challenges erode business and IT capabilities, raising the stakes for the business and IT. Though exceptional companies exist, the vast majority of IT organizations need to address fundamental gaps in their performance relating to strategy, funding and skills. Only in this way can IT meet digital business expectations and its own aspirations.

CIOs need a new agenda for digital business and beyond

How technology will support growth and results is a fundamental question for the future. It is no longer sufficient to tend the IT "garden" and declare success. Digital technologies provide a platform to achieve results, but only if CIOs adopt new roles and behaviors to hunt for digital value. CIOs require a new agenda for digital business and beyond — an agenda that secures IT's future strategic role, funding and skills.

CIOs must hunt and harvest

Traditionally, the CIO role concentrated on tending to IT operations. However, the world has changed and IT must adapt by extending its role in the enterprise. Hunting and harvesting entail new attitudes and responsibilities for IT that reflect the realities of digital business. CIOs, therefore, have three tasks today: Tend to the legacy, hunt for new digital business opportunities, and harvest value from business process changes and extended products/services.

IT must set aside old rules and adopt new tools

In a world of change, it is concerning that a majority of CIOs, according to the survey, do not see IT's enterprise role changing over the next three years. IT rules regarding enablement, governance, alignment, organization, metrics, etc. — created more than 20 years ago — addressed automating and integrating business operations for cost reductions and efficiency gains. IT needs new tools if it hopes to hunt for digital innovation and harvest raised business performance from products, services and operations. Without change, CIOs and IT consign themselves to tending a garden of legacy assets and responsibilities.

The 2013 CIO Agenda

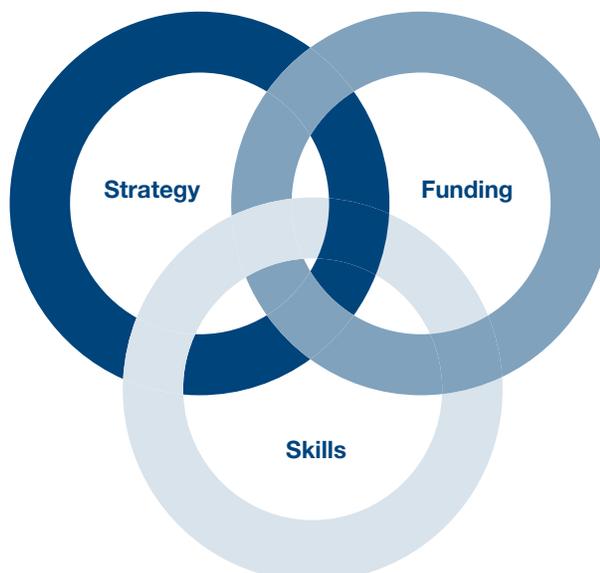
The CIO agenda outlines the challenges for 2013 and the actions required for success. CIOs foresee a finite set of tasks that define what they "do new," undo, redo and choose not to do. These actions, and decisions not to act, reflect the need to establish a new financial, organizational and enterprise rationale for information technology.

The 2013 CIO Agenda must deal with three interlocking issues: IT strategy, funding and skills

IT's digital aspirations demand that IT's current realities be addressed. IT has emerged from a decade of managing cost, risk, security, quality of service, etc. The digital world facing CIOs in 2013, however, is radically different than the one they have known for the last 10 years. Actually, 2013 harks back to 1997, inasmuch as the broad-scale adoption of digital technologies presents many of the same challenges as the adoption of the Internet.

Now, as then, CIOs and IT leaders confront a changing technology model that entails corresponding changes in IT strategy, funding and skills. Again, as shown in the figure below, these are interlocking issues that require a coordinated response to convince the enterprise and the IT organization that the future needs to be different from the past.

Three interlocking issues determine IT's digital future



The new agenda that CIOs need for the age of digital business goes beyond tending to current concerns and embraces the following principles:

- Expand the strategic digital roles of the CIO and IT to establish new sources of relevance in a world where marketing, sales and the customer experience garner more investment and innovation, as well as attrition. Increasing IT's digital strategic relevance establishes the rationale for more IT funding (if it's not strategic, why expect a budget increase?).
- Invest in digital IT by recapitalizing IT budgets that have been optimized to provide stable operations at the lowest possible cost. A decade of doing more with less gives the enterprise more of the same IT at a time when it needs to be digitally different. Increased funding in support of strategic digital projects redefines the context for IT skills and capabilities.
- Build a digital IT organization by creating a cadre of new IT professionals, since a lack of skills is a CIO's Achilles' heel, limiting the IT capacity and quality essential to digital results. Moreover, without the right skills, CIOs cannot deliver on strategic objectives or generate a return on increased IT investments.

Despite confidence in their ability to execute against business strategies and priorities, CIOs recognize that the role of IT must change in response to a changing world. This is the reason for extending IT's role beyond tending to today's operations, to hunting for digital innovations and harvesting current value to produce additional results.

Tending, hunting and harvesting represent an expanded role for IT in the digital world

IT's role in a digital world is broader than its past role of tending to current operations and applications — and realizing only a fraction of technology's potential for the enterprise. CIOs who hope to extend IT's role in the digital world, however, must add new roles and behaviors.

While CIOs must hunt and harvest in the future, they still must tend to current concerns. This is where changing and expanding business and IT leadership practices and tools come in.

CIOs recognize that they must set aside old tools and adopt new rules. They cannot simply add more items to the agenda; there is not enough IT capacity to start new things without stopping others.

All this sets the context for presenting the 2013 CIO Agenda — not just as a set of recommendations, but as an integrated approach defining “do new,” undo, redo and don't do elements. Included in the full report are descriptions of each element — its goals, requirements and actions.

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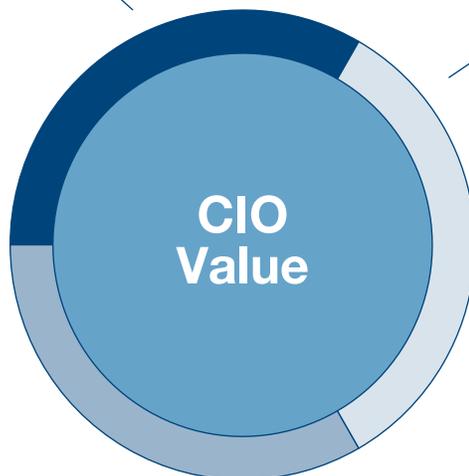
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GARTNER EXECUTIVE PROGRAMS REPORTS are created from a yearly research agenda developed from member feedback and the Gartner CIO Agenda report (informed by the world's largest annual CIO survey). From that agenda, 12 monthly reports are produced and sent out to members, as well as published on the member portal.

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