



# Delivering IT's Contribution: The 2005 CIO Agenda

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|           | Business process, security, growth and effectiveness form the challenges facing the CIO in 2005. Delivering secure, high-quality IT services is the basic requirement for all CIOs. That done, CIOs can better contribute to their enterprise strategy and effectiveness. Understanding where you stand is the first part of setting your 2005 agenda.   |    |
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# Foreword

In 2005, the IS organization will continue to transform itself in support of business growth.

The challenge for CIOs will be to contribute to that growth. This will require delivering an efficient core of IT services, keeping an eye on the CEO relationship and paying attention to security and risk, while building business process capability.

*Delivering IT's Contribution: The 2005 CIO Agenda* draws on more than 1,300 CIO responses from around the globe and across many industries. This report presents the key findings in answer to the question, *What are the high-priority items setting the CIO's business and technology agenda?*

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# Executive summary

CIOs are transforming the IS organization so it can contribute to business growth and efficiency.

That contribution starts with a core of secure, high-quality IT services. It also requires aligning the CIO role with business expectations. Increasingly, this means that CIOs must create business results without upfront investments. Business processes and business intelligence will play strong roles in resolving this paradox.

## Time for results

CIOs and IS are in the midst of a transformation, from internally focused departments and cost containment, to supporting growth. In 2005, CIOs will clearly focus on contributing to business results, often in the form of improving and integrating business processes and delivering more effective business intelligence.

Last year, CIOs prepared for the upswing in economic growth. Now it's time to deliver IT's contribution to growth. Why? Simply put, CIOs and their organizations must deliver more value than the business can buy in the marketplace, or face commoditization. They are doing it by delivering secure, high-quality IT services and, in some cases, by extending those services into business processes.

## The new CIO leader

This transformation requires CIOs to excel in three distinct, but related, roles. Being a "new CIO leader" requires finding the right balance across these roles, either through their personal abilities or, more likely, through the IS leadership team they assemble. The three roles are:

- The senior technology executive responsible for leading the IS organization

- The technology leader responsible for applying technology to enterprise issues and challenges
- A member of the executive team who needs to develop his or her own business, technology, leadership and personal skills

The 2005 CIO agenda provides guidance and insight on these roles, based on the experiences of more than 1,300 peers from around the world.

## The end of enablement— The beginning of contribution

The 2005 CIO agenda defines the requirements for IT contribution. This changes the IT-business conversation from discussions about enablement to plans for contribution. "IT enables the business" is a phrase often used to describe IT's relationship to the business. But what does enablement mean? How do you measure it? How do you communicate it?

We believe that it's time to stop using the word, enablement. Strike it from your vocabulary. Replace it with "IT contributes to the business." You know what contribution means. You can measure it. You can communicate it.

Delivering IT's contribution is at the core of the 2005 CIO agenda.

## **Section 1: CIOs are leading the IS organization through a transformation**

- Enterprise IT expectations are driving transformation.
- IS's contribution: Quality IT services, business processes and business intelligence.
- The IS organization's contribution is shaped by the enterprise's competitive context.
- CIOs are building a reputation for quality service and growth.
- Effective enterprises have effective IS organizations.

## **Section 2: IS is specializing based on the enterprise and IT environments**

- Enterprise and IT effectiveness go hand in hand.
- CIO priority: Continue to develop and manage secure, high-quality IT services.
- Enterprise and IT effectiveness matter to strategy.
- Enterprise and IT effectiveness drive the CIO agenda.
- CIOs need to concentrate more on the CEO relationship.
- CIOs with positive business relationships tend to report to the CEO.

### **Section 3: Business processes and business intelligence: The 2005 focus**

- Business process integration, not automation, is a significant business priority.
- Business process re-engineering is giving way to business process fusion and business process innovation.
- Business intelligence improves information quality, rather than quantity.
- Business processes and business intelligence are opportunities and threats for CIOs.
- Business processes and business intelligence increase IS's contribution to the business.

### **Section 4: Setting your 2005 agenda**

Our top-level recommendations for 2005:

- Keep tight control over IS.
- Create a stable core of IT services.
- Manage the CEO-CIO relationship.
- Pay attention to security and risk.
- Build a business process capability.
- Get the right information to decision makers.

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