

Hunting and Harvesting in a Digital World

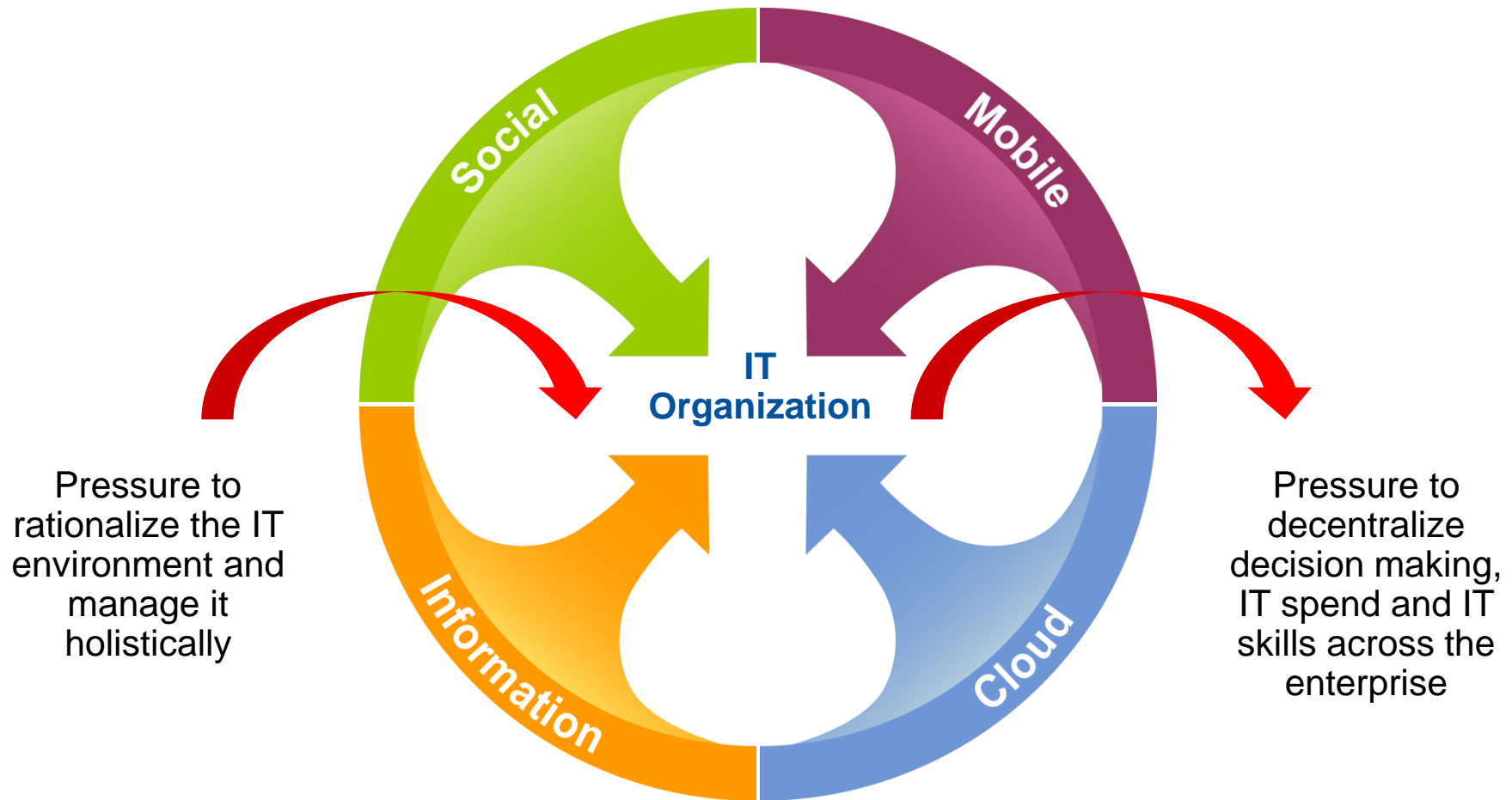
Lee Weldon

About the 2013 CIO Survey and Agenda Report

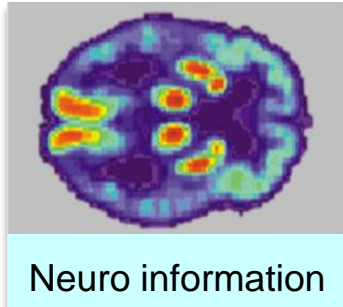


- Longest running survey of CIOs, since 1999
 - Data collected between September & December 2012.
- More than 2,000 responses from 36 industries and more than 41 countries.
- 2012 CIO Survey results used in more than 2,100 research notes
- Concentrating on understanding the context and expectations CIOs face in terms of:
 - Top Business Priorities
 - Top Technology Priorities
 - Top CIO/IT Strategies
 - CIO IT Budgets

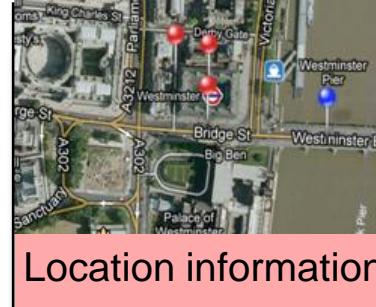
Different Forces Continue to Push and Pull the IT Organization



New Kinds of Information Can Create Business Advantage Breakthroughs

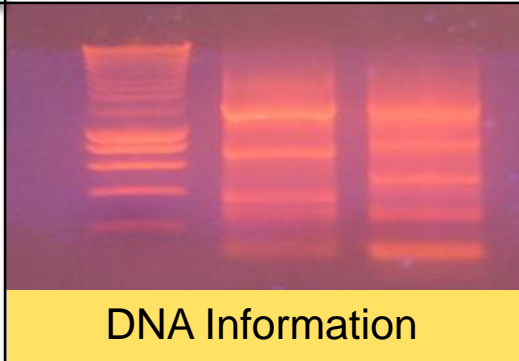


Why move on to ...

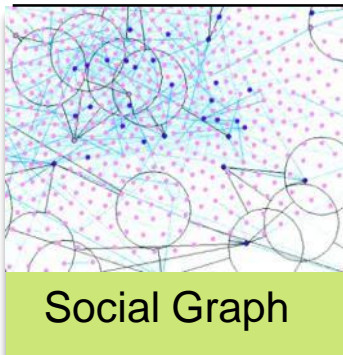


all this exotic stuff ...

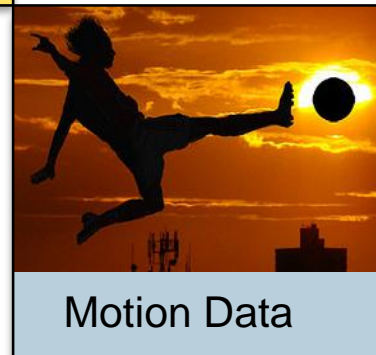
when your existing data ...



still has more value to give?



Two words:

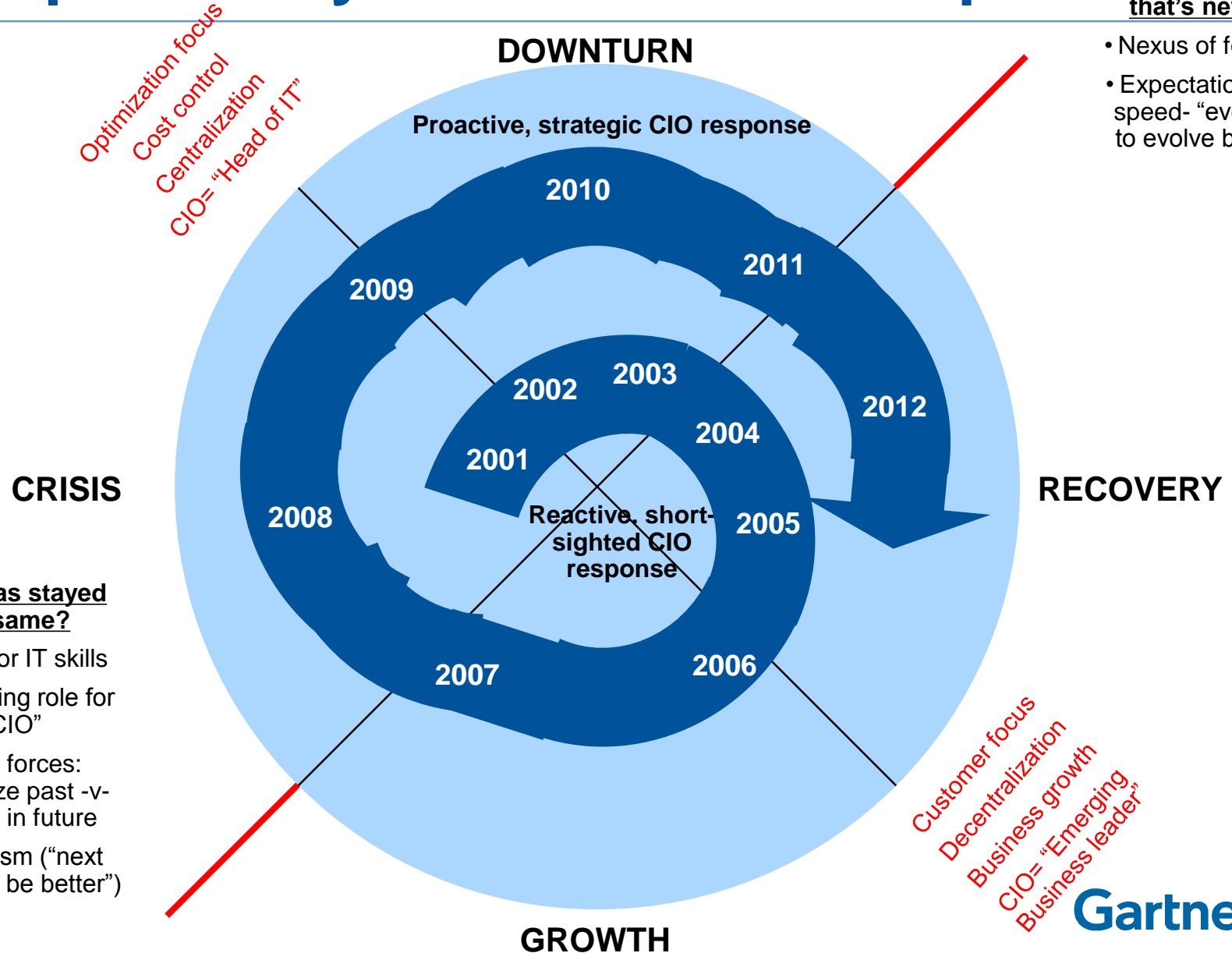


DIMINISHING RETURNS

The past +10 years have been a spiral

What has emerged that's new?

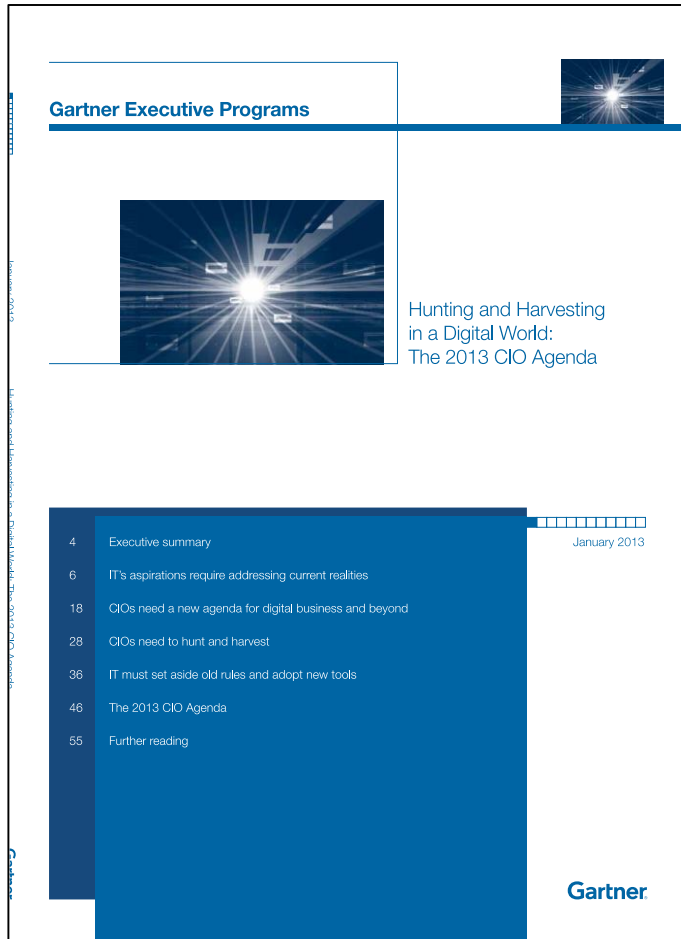
- Nexus of forces
- Expectations of speed- "evolving to evolve better"



What has stayed the same?

- Need for IT skills
- "Emerging role for CIO"
 - Dual forces:
 - Optimize past -v-
 - Invest in future
- Optimism ("next year will be better")

Hunting and Harvesting in a Digital World



- **IT's aspirations require addressing current realities.**
- IT needs a new agenda for digital business and beyond.
- IT must set aside old rules and adopt new tools.

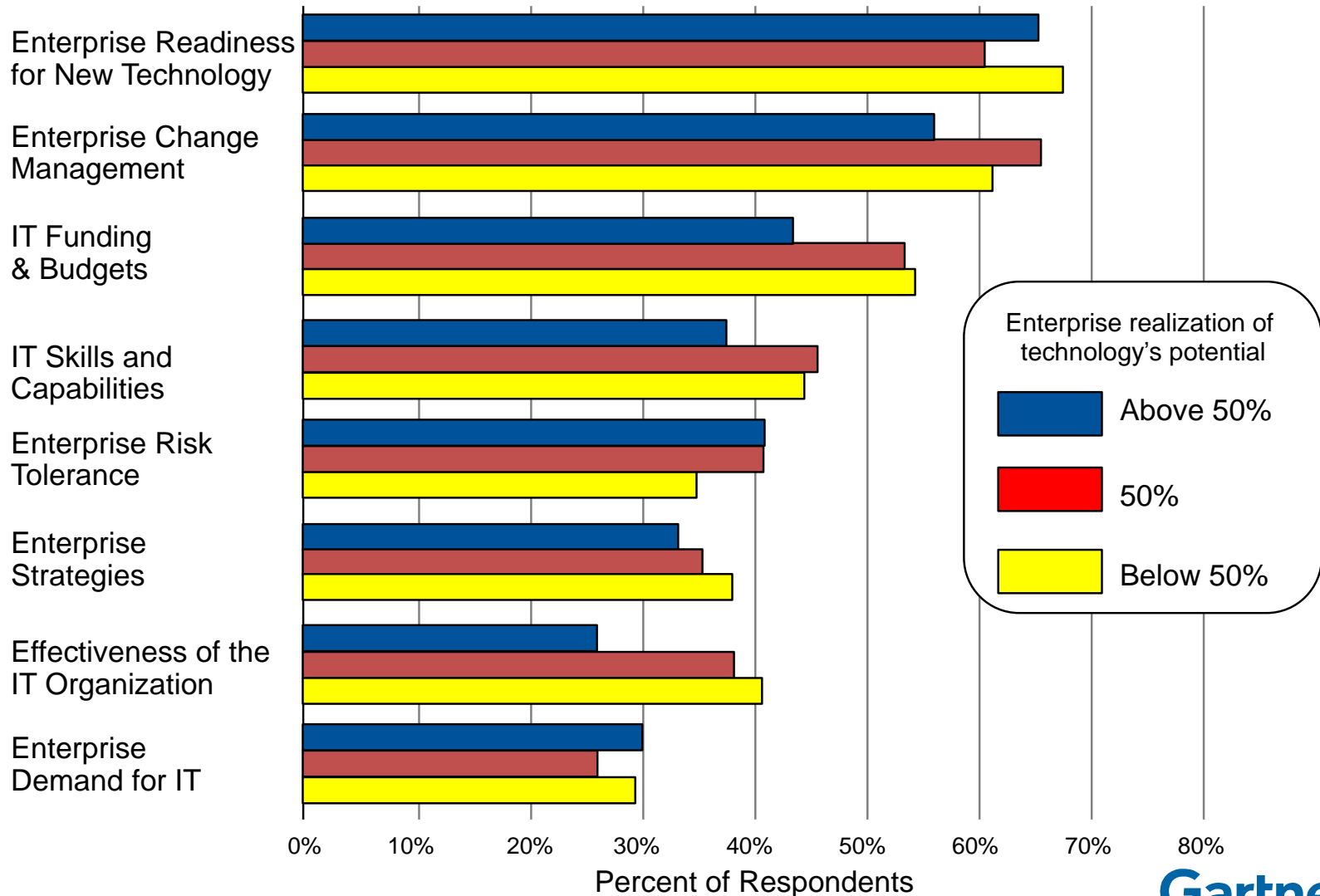
The Quiet Crisis In IT

- CIOs see their organizations realizing an average of only 43% of technology's potential.
- CIOs cannot expect to raise this level by working within IT
- CIOs resist structural change to address structural challenges



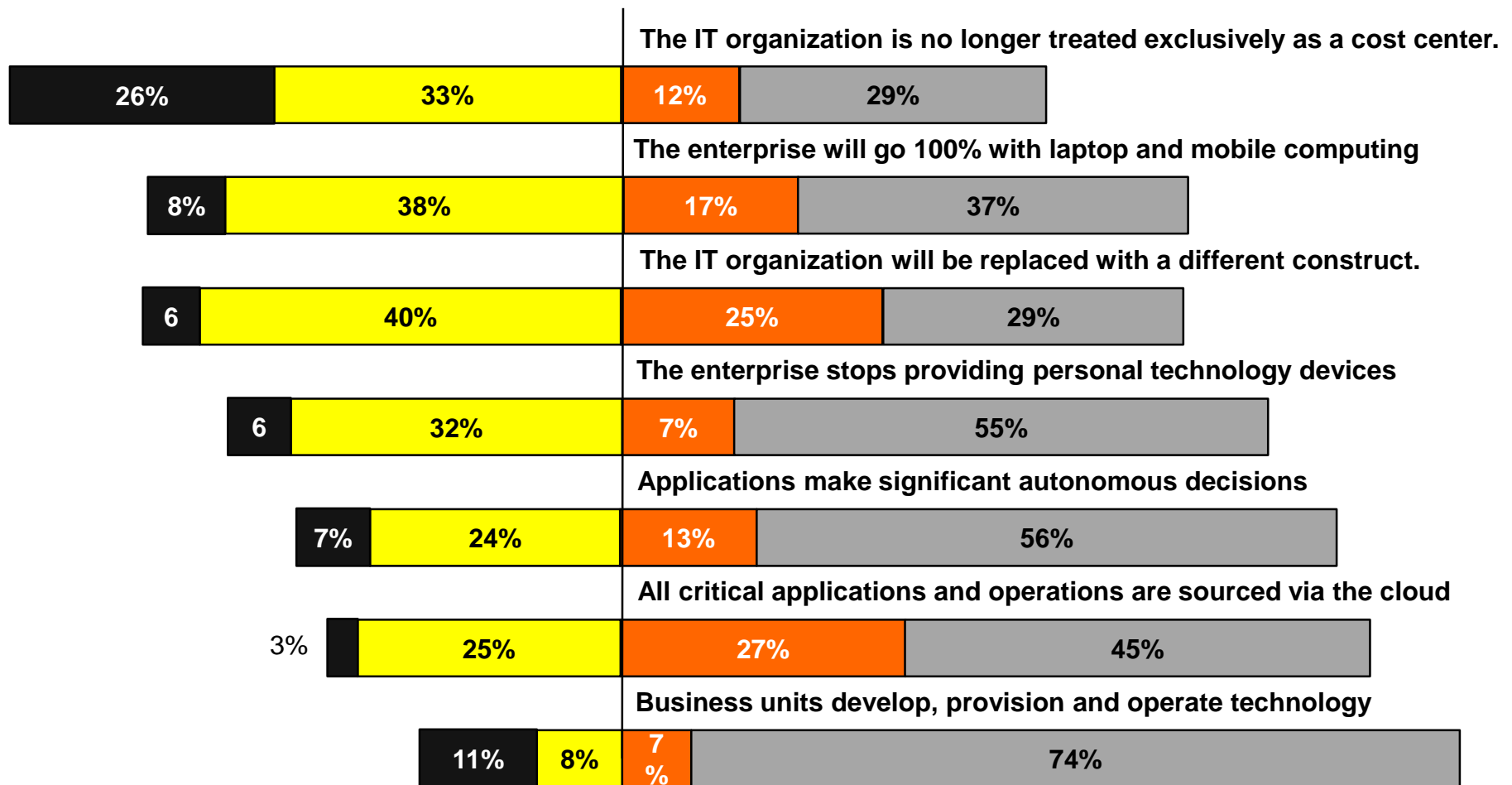
CIOs cannot expect to raise this level by working within IT.

Question: What are the factors that keep your enterprise from realizing the full potential of technology



CIOs anticipate significant change over the next three years

2016



Legend:



Already there



By 2016

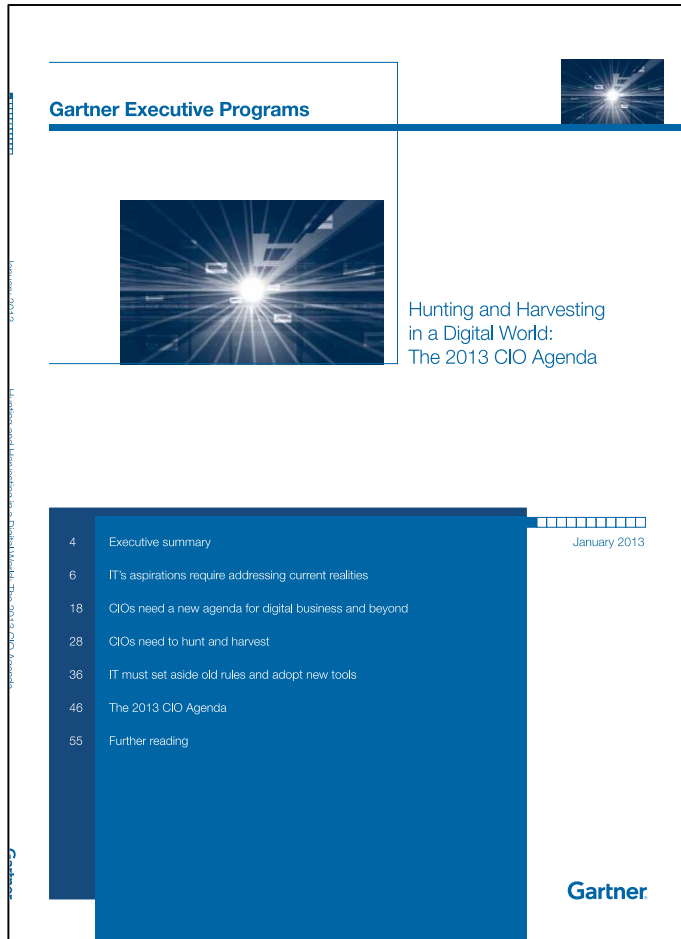


By 2020



Do not know when

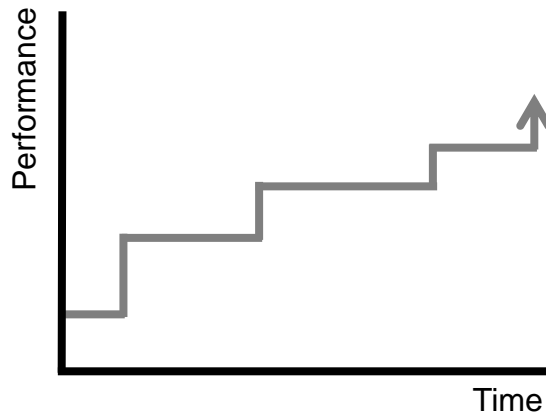
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Extending IT's performance profile beyond tending to harvesting and hunting for digital value.

Tending



Working within existing constraints supporting 'step' change.

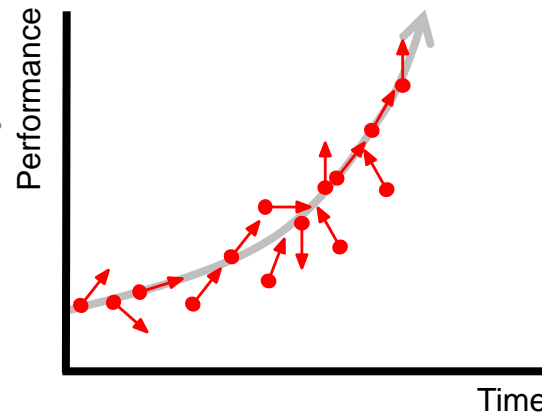
Improving current operations and resources

Generating value through optimization

Making upgrades to existing capabilities and systems.

Concentrating on achieving the IT plan, at cost and with quality.

Hunting



Searching for new innovations, the arrows, that expand business opportunities and strategy.

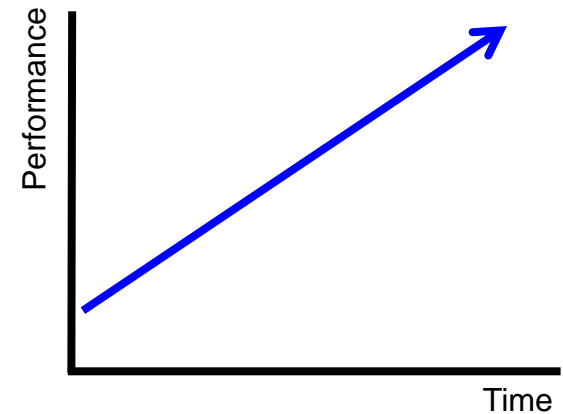
Disrupting markets with new digital innovations and offerings.

Generating value by extending the frontier of performance

Implementing new digital solutions

Concentrating on linking across the enterprise and create new sources of value, results and revenue

Harvesting



Exploiting business capabilities to achieve consistent growth and performance along the line.

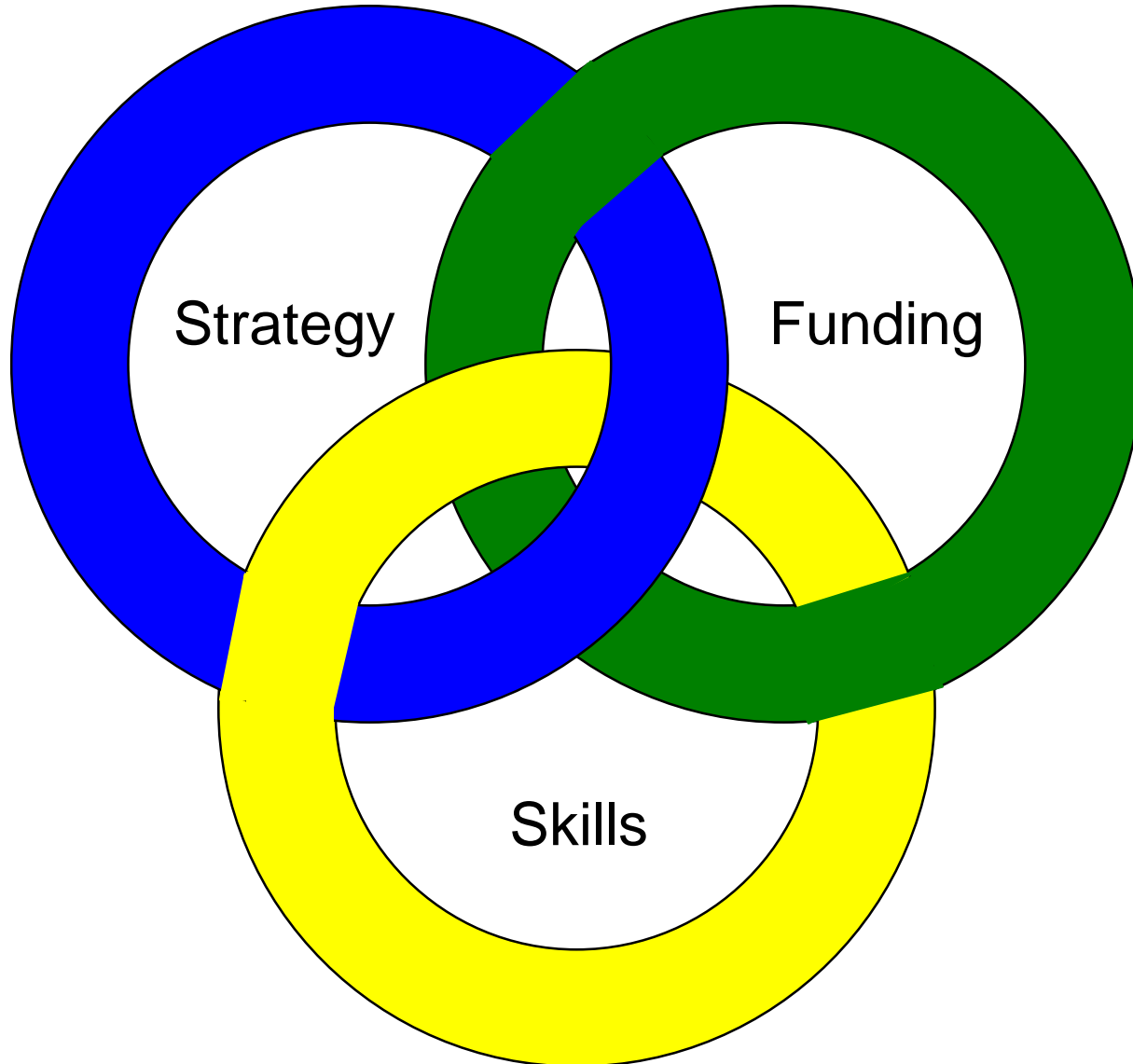
Transforming business products, services, processes and operations.

Generating value by actively managing business results

Creating new operations and sustaining performance levels.

Concentrating on achieving the business plan via changing business performance

CIOs Need to Address Three Interlocking Issues to Determine IT's Digital Future.



Strategy: 2013 Global Business Top 10 Strategies

Business Strategies

Ranking of business strategies CIOs selected as one of their top three in 2013.

Ranking	2013	2012	2011	2010	2009
Increasing enterprise growth	1	1	1	*	*
Delivering operational results	2	5	9	*	*
Reducing enterprise costs	3	3	3	2	2
Attracting and retaining new customers	4	2	2	5	4
Improving IT applications and infrastructure	5	*	*	*	*
Creating new products or services	6	4	4	6	8
Improving efficiency	7	6	8	*	*
Attracting and retaining the workforce	8	8	12	4	3
Implementing analytics and big data	9	*	*	*	*
Improving business processes	10	13	5	1	1
Expanding into new markets and geographies	21	10	11	13	10

Strategy: 2013 CIO Top 10 CIO Strategies

CIO IT Strategies

Ranking of IT strategies CIOs selected as one of their top three in 2013.

Ranking	2013	2012	2011	2010	2009
Delivering business solutions	1	1	2	1	3
Improving IT management and governance	2	5	4	6	4
Improving IT organization and workforce	3	10	6	10	8
Reducing the cost of IT	4	2	3	3	2
Consolidating IT operations and resources	5	8	5	9	9
Expanding the use of information and analytics	6	4	7	7	10
Implementing mobility solutions	7	7	18	*	*
Implementing business process improvements	8	9	8	4	5
Improving business alignment and relationship	9	6	10	2	1
Developing or managing a flexible infrastructure	10	3	1	8	11

* New response category

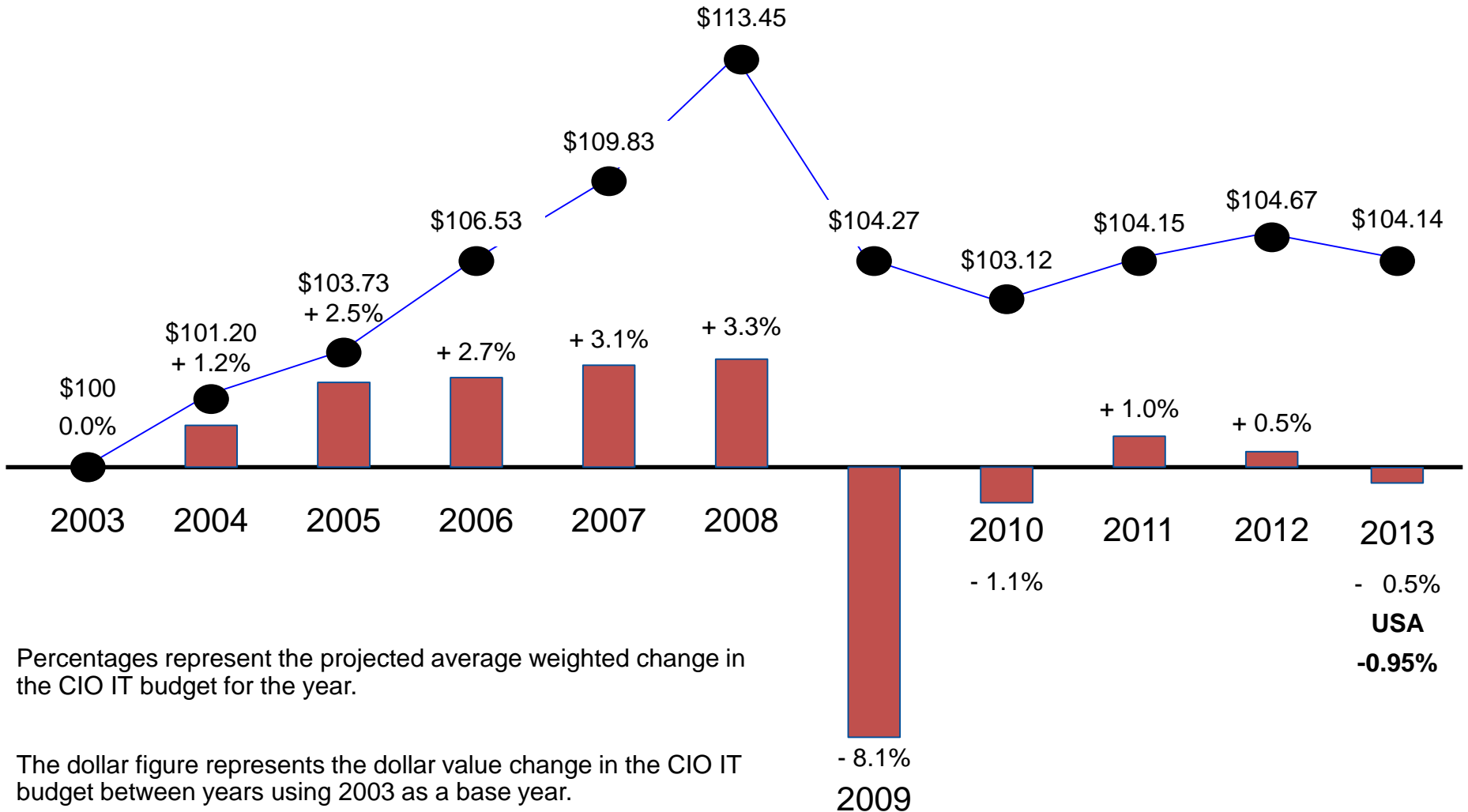
Strategy:

2013 Global CIO Top 10 Technologies

CIO Technologies		Ranking of technologies CIOs selected as one of their top five priorities in 2013.				
Ranking	2013	2012	2011	2010	2009	
Analytics and Business Intelligence	1	1	5	5	1	
Mobile Technologies	2	2	3	6	12	
Cloud Computing (SaaS, IaaS, PaaS)	3	3	1	2	16	
Collaboration Technologies (workflow)	4	4	8	11	5	
Legacy Modernization	5	6	7	15	4	
IT Management	6	7	4	10	*	
Customer Relationship Management	7	8	18	*	*	
Virtualization	8	5	2	1	3	
Security	9	10	12	9	8	
ERP Applications	10	9	13	14	2	

* Not an option in that year

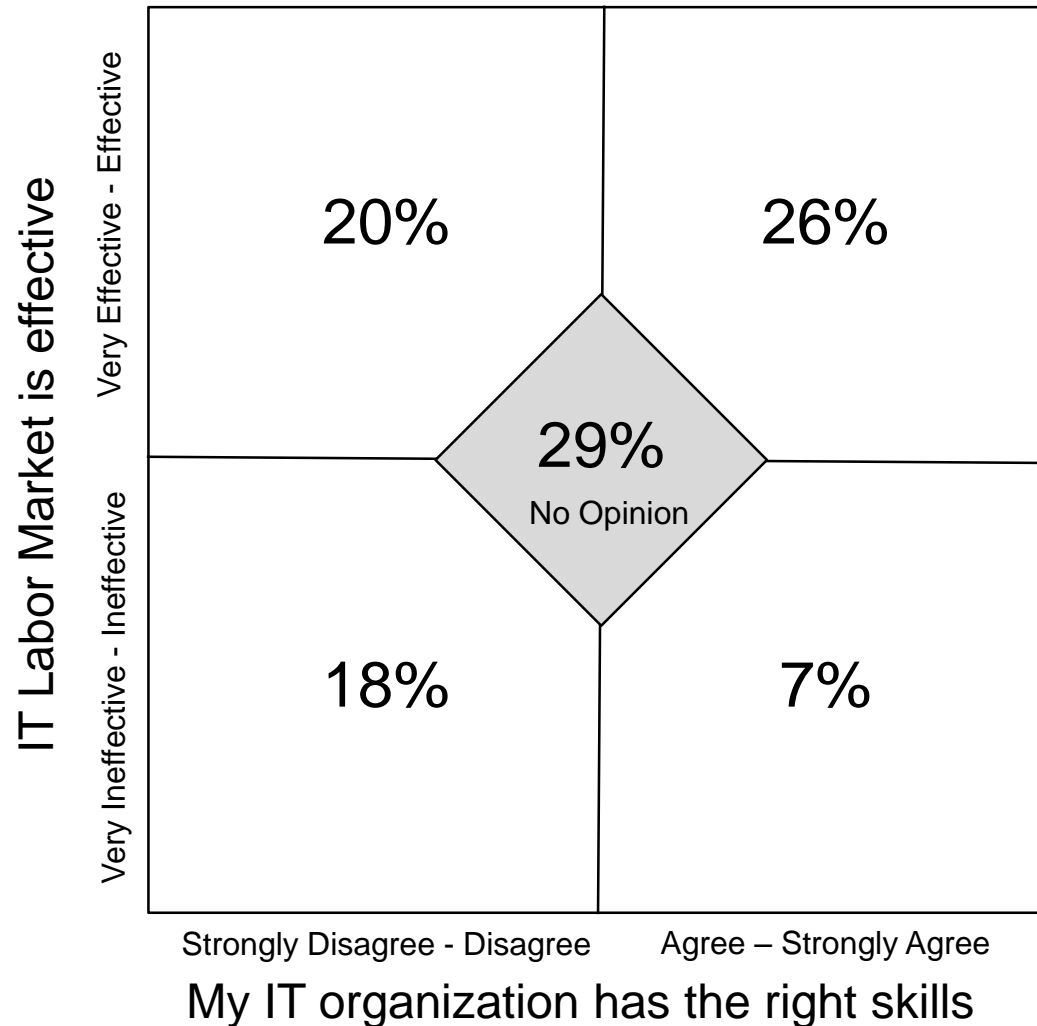
Funding: 2013 Global Weighted Average CIO IT Budgets



USA
-0.95%

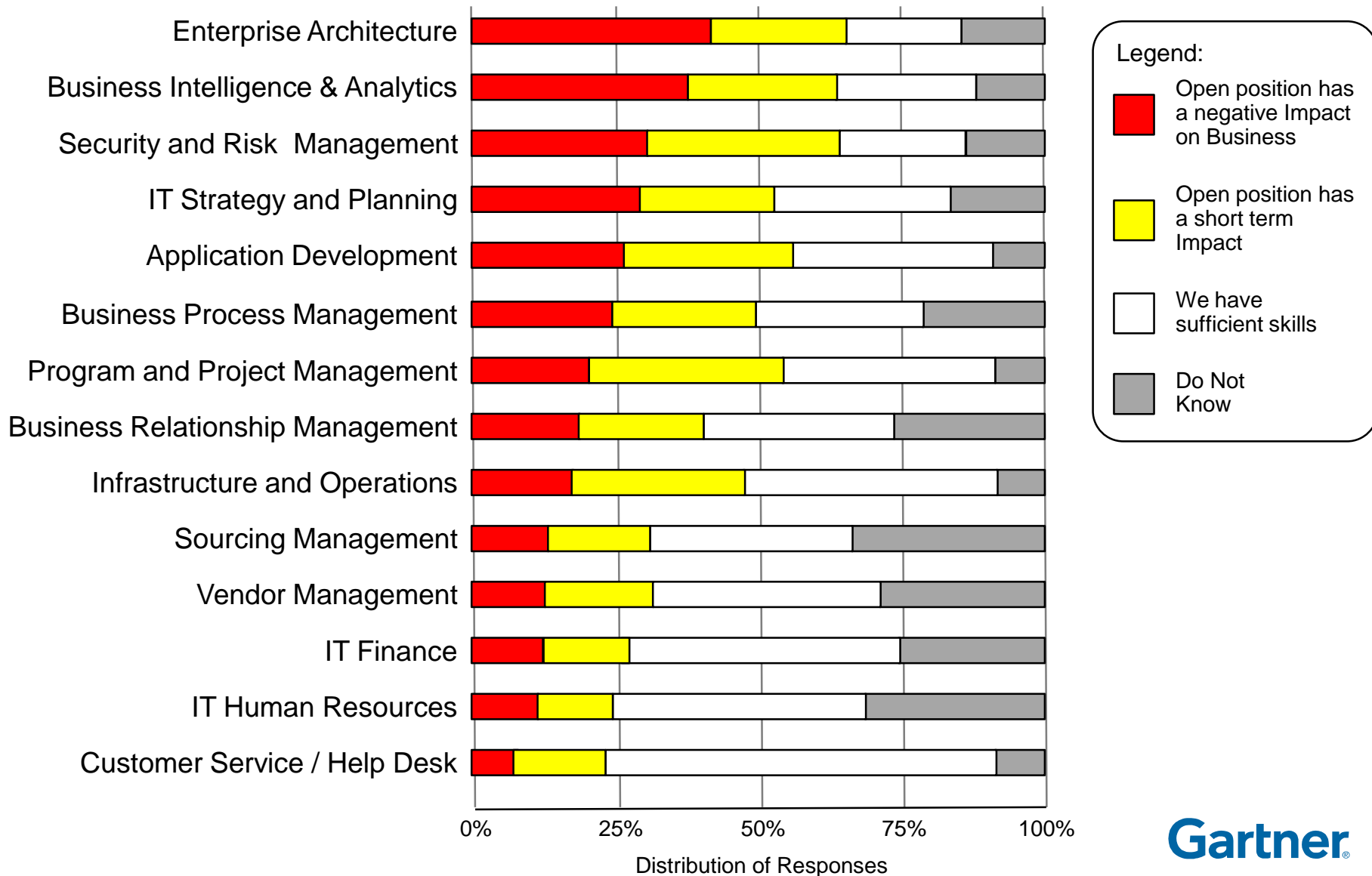
Skills:

The IT Labor market 'works' 26% of the time.

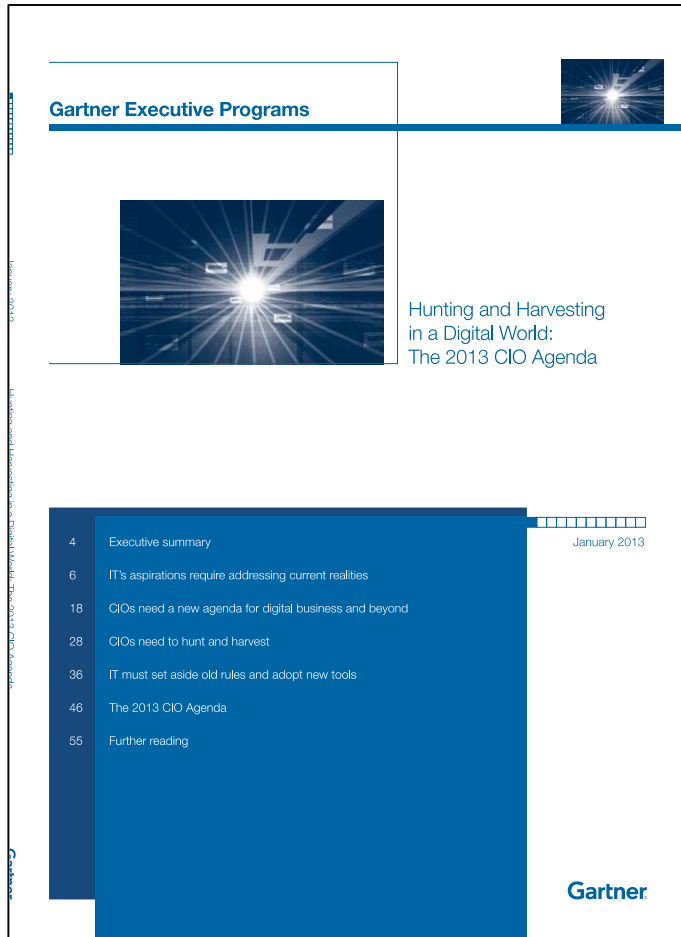


Skills:

Building the talent to hunt and harvest



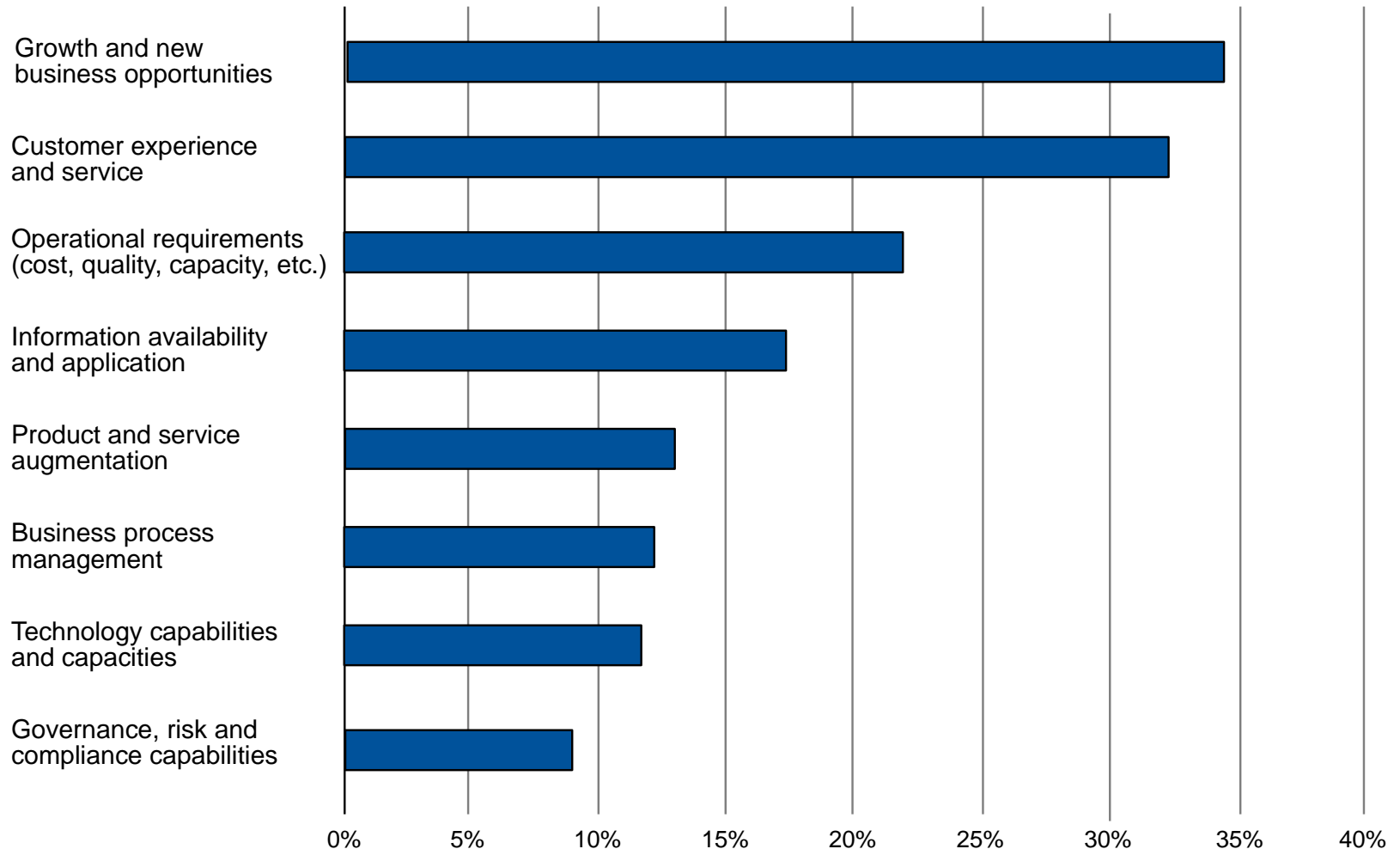
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Do: Improve the customer experience and growth

The Drivers of Organizational Innovation and IT Plans



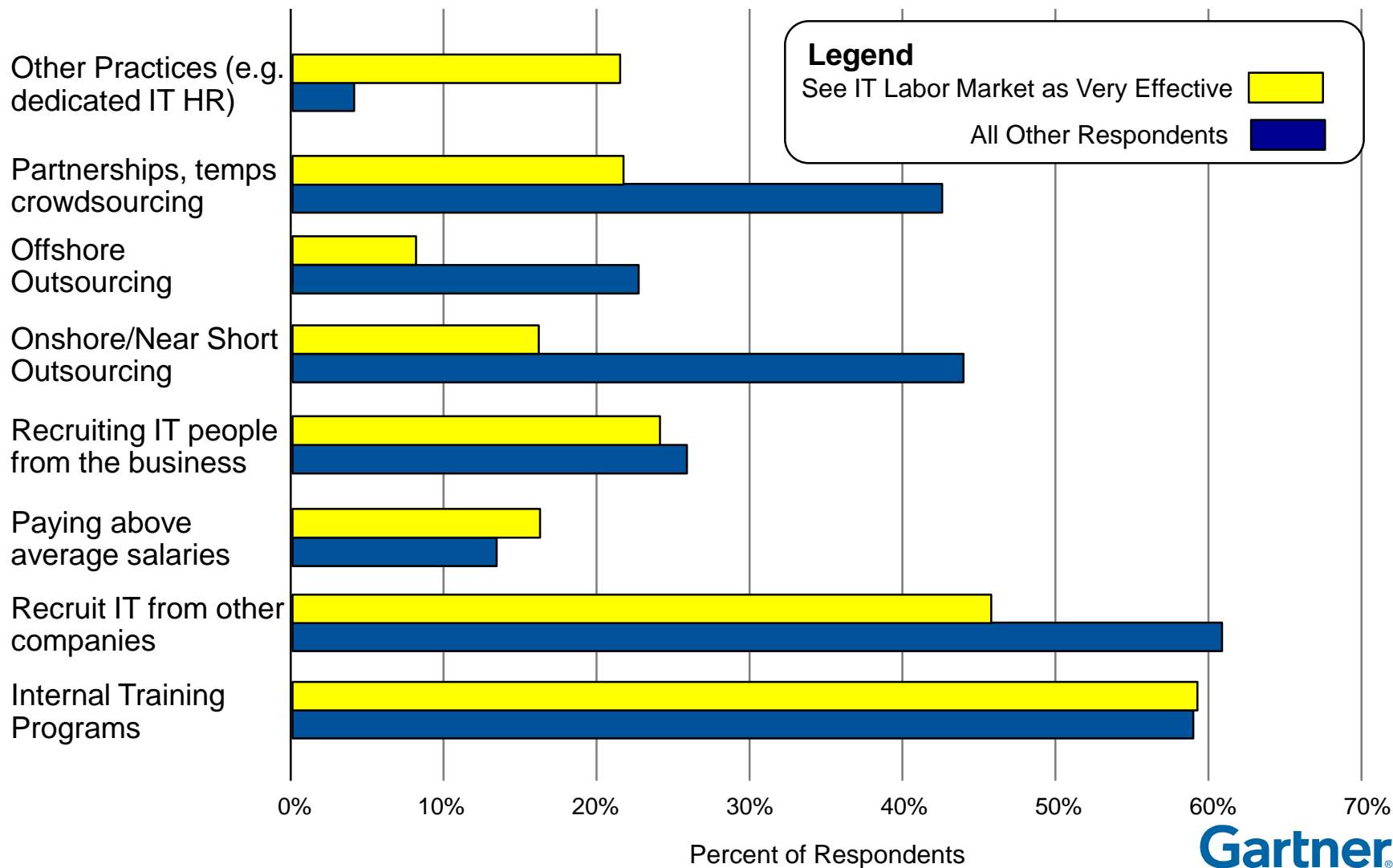
Percent of Respondents Ranking the item #1 or #2

Redo: Invest in Digital IT

	Mobile	Big Data / Analytics	Social Media
Mobile	17% Only Mobile	18% Both Mobile and Big Data	17% Both Mobile and Social Media
Big Data / Analytics	21% All Three Technologies	11% Only Big Data	8% Both Big Data and Social
Social Media		21% All Three Technologies	8% Only Social Media

Undo: Building skills requires breaking old HR management habits

Question: How are you planning to address labor market concerns?



Don't Do: Repeat Past Practices and Expect a Different Result

Do not:

- Discount the business strategy in setting IT priorities, resources and commitments.
- Lose sight of the quality, capacity and cost of current operations.
- Segregate IT from the rest of the enterprise via limiting interactions between IT and the rest of the organization.
- Use restrictive governance and other management practices that limit IT's involvement and create barriers for the business to engage IT.
- Think of enablement as the endgame for IT; the endgame is business performance improvement.
- Fail to communicate the rational and options for the things you will not be doing this year.

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