



# Making the Difference: The 2008 CIO Agenda

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# Foreword

Enterprises expect IT to deliver solutions that make a difference. Although this seems obvious, it's hard to deliver on this expectation when CIOs and IT organizations focus on generic IT solutions.

CIOs expect significant change over the next three years. This creates an opportunity for them to lead their IT organizations in making a difference by using information and technologies in new ways.

How CIOs handle this opportunity will determine their future, as well as that of their IT organization.

This report addresses the question, *What is on the CIO's 2008 agenda?*

*Making the Difference: The 2008 CIO Agenda* was written by members of the Gartner EXP research team: Mark P. McDonald (group vice president), Tina Nunno (managing vice president) and Dave Aron (vice president).

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# Executive summary

Being different is easy. Making a difference is a challenge. Executives expect IT to make the difference in their business strategies. Eighty-three percent of CIOs surveyed anticipate significant change over the next three years that will entail delivery of new products, services and capabilities that support the enterprise strategy.

Enterprise expectations have been building over the past three years, as CIOs have moved from growing IT's contribution to creating enterprise leverage. CIOs have been building capabilities to meet expectations; however, making the difference requires them to move beyond thinking of IT in terms of technical cost and risk. Such thinking leads to generic IT that puts technical feasibility and operation above business value.

CIOs who respond to business expectations seek to create distinctive solutions that define IT's contribution to the business. Creating distinctive solutions requires the refocusing of both a CIO's attention and IT investments—from generic IT to information and technology solutions that make the difference.

To create distinctive solutions, CIOs need to extend their strategies, metrics, personnel and leadership approaches. They must recognize how the enterprise needs to change to serve customers in unique ways, generate operational returns and develop new products and services. These are the areas in which IT can make the difference. Making the difference will require new skills, roles and relationships within the enterprise, and new approaches to delivering business-relevant solutions.

According to the more than 1,400 CIOs responding to this year's survey, 2008 represents an important year in the transformation of IT's role. Following a "doing more with less" strategy will not help the enterprise change for the better. CIOs need to focus their strategy on "making a difference with what they have." Leading CIOs indicate that in 2008, IT will need to evolve from a provider of technology that works, to a creator of solutions that make the difference to customers and the market.

## **Enterprises expect IT to make the difference**

In 2008, executive expectations for IT will accelerate toward greater support for solutions that attract, engage and retain customers. Delivering on these expectations requires IT to create distinctive solutions that make the enterprise stand out. IT can't accomplish this goal by relying on existing generic technologies, which, though they work, do not contribute to a unique customer experience. Enterprise expectations will change the role of CIOs and their IT organizations from technology provider to solution partner.

CIOs clearly feel this change coming. Eighty-three percent of them predict significant change in their enterprises over the next three years—change such as implementing new products and opening new markets. The success of these initiatives will determine future roles and responsibilities for the CIO and the IT organization. Meeting enterprise expectations and contributing to an environment of change will require CIOs to

recognize that strategic value comes from making a difference in the enterprise rather than from managing generic IT.

Enterprises expect distinctive solutions from IT that address strategic, customer and market needs. These enterprise expectations form the basis of the 2008 CIO agenda.

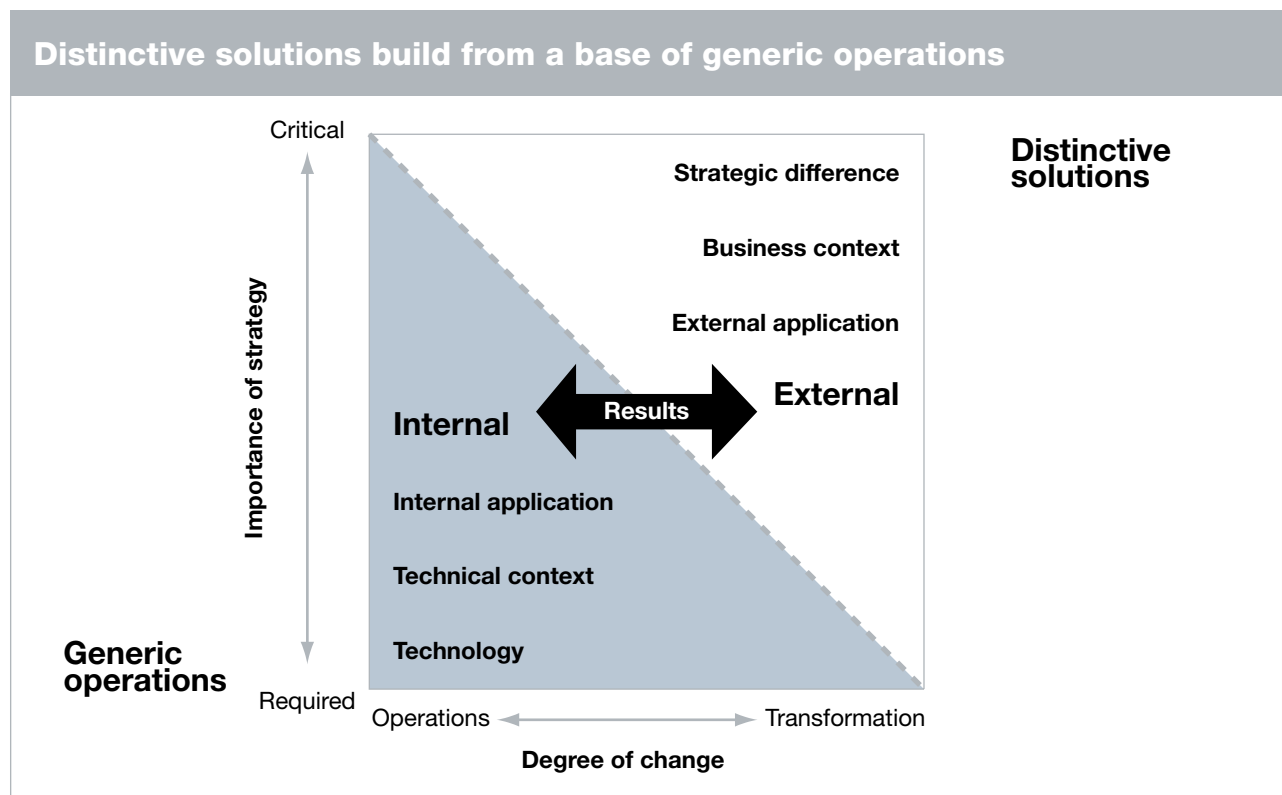
<b>Enterprises are accelerating their expectations for IT to make the difference in supporting growth</b>			
<b>To what extent will each of the following be a top priority for you in 2008?</b>			
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Improving business processes	1	1	1
Attracting and retaining new customers	2	3	3
Creating new products or services (innovation)	3	10	9
Expanding into new markets or geographies	4	9	**
Reducing enterprise costs	5	2	2
Improving enterprise workforce effectiveness	6	4	**
Expanding current customer relationships	7	*	*
Increasing the use of information/analytics	8	7	6
Targeting customers and markets more effectively	9	*	*
Acquiring new companies and capabilities (M&As, etc.)	10	*	*
* New question for 2008 ** New question for 2007			

## IT makes a difference with platforms for growth and innovation

Business expectations are extending IT's strategic value. Leaders want to create a distinctive enterprise that serves customers in unique and more effective ways. This requires IT to focus on what it can do with technology to create distinctive solutions in which information and technology are an integral part of strategy execution. This

is in contrast to generic IT, where the CIO and IT concentrate on providing technology capabilities that match the market.

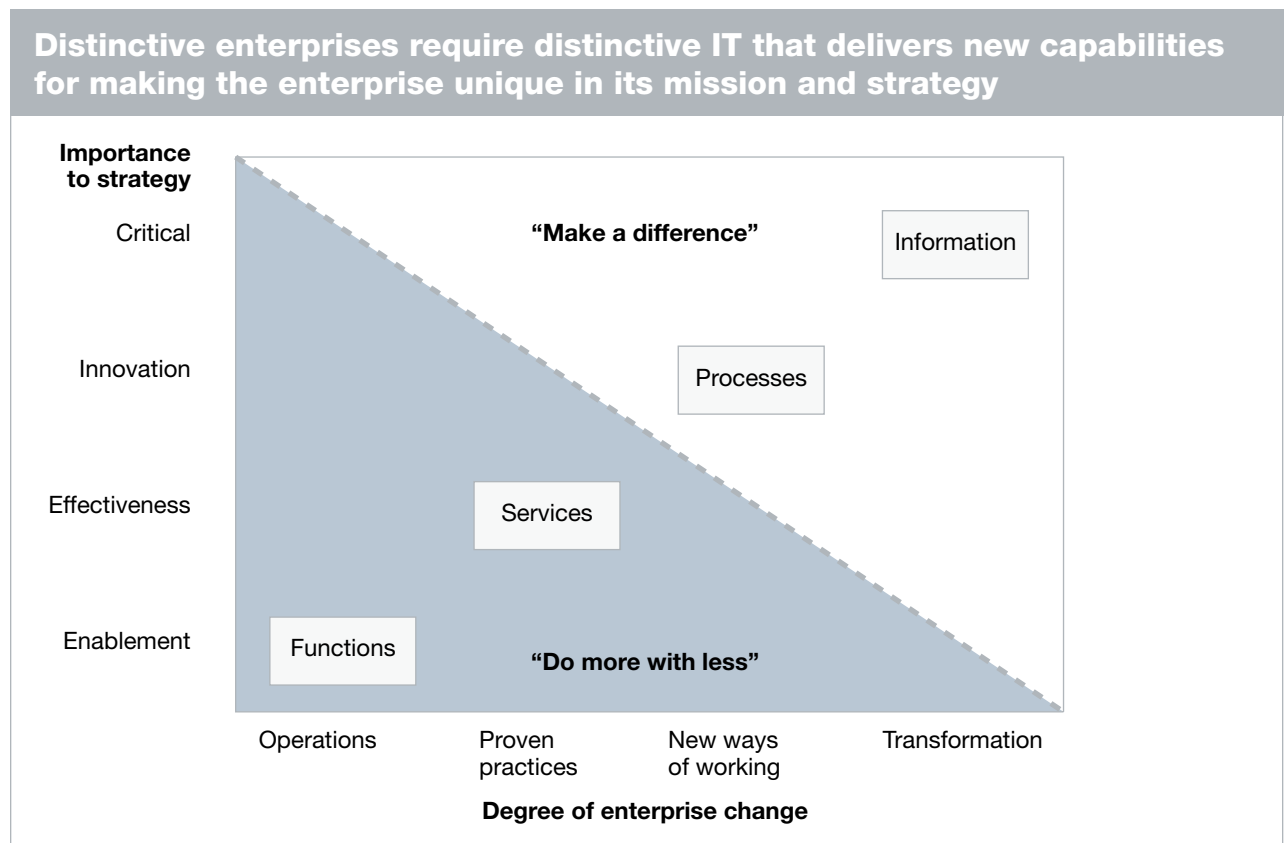
IT organizations need to understand and manage their resources to deliver generic technology operations and use those operations to build distinctive solutions by adding the external focus and business context that create strategic difference.



## Planning to create the difference in 2008

Enterprise expectations for IT have been evolving since 2006, placing greater emphasis on customers, growth and other strategic issues. The IT

organization has been evolving to meet these expectations. Because CIOs see significant change coming in the next three years, they need to act now to build the skills, capabilities, processes and resources to deliver the distinctive solutions required to achieve strategic value.



### **Report toolkit—A reference to selected tools in this report**

#### **Case studies**

Ford Motor Company—Collaborating across boundaries to foster distinctive IT solutions

Hallmark—Making the IT organization integral to enterprise strategy

Saur—Information and processes are making the operational efficiency difference

Motorola—Using Web 2.0 to create agility at scale

Bank Monte dei Paschi di Siena—Creating the “endless bank”

#### **Figures**

How enterprises expect IT to make the difference in 2008

2008 CIO strategies rely on proven practices

CIOs will invest in core technologies to drive distinctive solutions in 2008

Distinctive solutions versus generic operations

CIOs and IT are expanding their focus to make the difference

#### **Tools**

Evaluate your IT portfolio to match solution context with solution type

Choose the right solution approach based on the business context and goals

CIO agenda executive action plan

2008 CIO top 10 strategies

2008 CIO research agenda

## **About the survey and this report**

The 2008 Gartner EXP CIO Survey was conducted between September and December 2007. This year’s survey encompasses more than 1,400 organizations located in 33 countries and across 26 industries. The median enterprise IT budget is \$89 million.

This report is organized in three levels, which correspond to the first three sections.

- The first concerns industrywide trends and explores the shaping of executive expectations for IT, as well as the shaping of CIO strategies that respond to those expectations.

- The second concerns the IT organization and analyzes the factors that drive its effectiveness and value.
- The third is more personal and concerns how CIOs should deal with changes in their role as business and technology leader.

The fourth section contains recommendations that echo this multilevel approach. After considering global and enterprise issues, it focuses on steps CIOs and their IT organizations can take to make a difference.