Closing Priority Gaps in CIO Maturity: Benchmark Results From the IT Score for CIOs

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Initiatives: CIO Leadership of Strategy, Governance and Operating Models

Benchmark data from Gartner’s IT Score for CIOs highlights two areas that most CIOs need to mature as part of their efforts to accelerate digital transformation. This note provides insights on how to improve in assessing and managing business demand and contributing to organizational change.

Overview

Key Findings

- CIOs need a strategic planning tool to measure their IT organizations’ maturity so they can prioritize improvement efforts. Without a clear focus, CIOs will struggle to accelerate digital transformation initiatives within their organizations.

- CIOs rated “Assessing and Managing Business Demand” and “Contributing to Organizational Change” as activities highly important to their organizations’ strategic objectives. However, on average, organizations reported low maturity in these areas — limiting IT’s contribution to business outcomes.

Recommendations

CIOs aspiring to improve critical capabilities that impact IT’s role in the enterprise must:

- Use Gartner’s IT Score for CIOs to assess the importance and maturity of IT activities and prioritize development of high-importance, low-maturity IT activities.

- Leverage IT’s expertise to influence and shape the enterprise demand for information technology to deliver against digital business needs.

- Identify and remove barriers to organization change and help build an adaptive enterprise change culture.
Data Insights

Gartner's IT Score for CIOs is a strategic planning tool for CIOs and the IT leadership team. This tool measures 28 functional activities across two dimensions:

- **Importance.** How important is each of the functional activities to the company's (or organization's) strategic objectives across the next 12 months?

- **Maturity.** How advanced are the organization's capabilities at performing a functional activity (relative to Gartner's assessment of practices associated with the activity)?

CIOs should participate in this assessment to determine how well the IT function is performing in its current state and prioritize improvement of high-importance, low-maturity activities — providing a strategic framework for starting, maturing, restarting or rebranding the role of IT in the enterprise. See Note 1 for methodology details about the IT Score for CIOs.

CIOs should use Gartner’s IT Score for CIOs to assess IT’s role in the enterprise and how well IT performs that role.

— *Figure 1 illustrates the 28 functional activities and their average maturity scores covered in the IT Score for CIOs. The activities are categorized into seven CIO objectives, which are shown in the first row of Figure 1.*
Analysis of benchmark results from over 250 IT organizations \(^2\) shows that most of the 28 CIO activities within the seven objectives demonstrate medium maturity (maturity score between 2 and 3).

The questions most often asked by CIOs are:

- Which of these activities should I prioritize for improvement?
- What actions do I need to take to drive progress?
- How do I compare against peers?

### Average Maturity of Functional Activities Assessed in Gartner’s IT Score for CIOs

<table>
<thead>
<tr>
<th>Objectives</th>
<th>2+ Engage Business Leadership and Stakeholders</th>
<th>3 Perform Strategy and Planning</th>
<th>2+ Apply Technology Leadership and Innovate</th>
<th>3- Manage IT Governance</th>
<th>2+ Manage IT Finance</th>
<th>2+ Develop and Manage Talent</th>
<th>2+ Manage Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Market IT Capabilities</td>
<td>3 Scope Strategy and Vision</td>
<td>2+ Apply Analysis and Innovate</td>
<td>2+ Allocate IT Decision Rights</td>
<td>3- Prepare and Manage IT Budgets</td>
<td>2- Source and Manage IT</td>
<td>2+ Develop IT Workforce Strategy</td>
<td>2 Define and Evolve IT Services</td>
</tr>
<tr>
<td>2 Assess and Manage Business Demand</td>
<td>2+ Develop Strategy</td>
<td>3- Optimize the IT Operating Model</td>
<td>2+ Operate IT Governance Framework</td>
<td>2+ Perform IT Financial Analysis</td>
<td>2- Source Internal and External Talent</td>
<td>2 Measure IT Performance</td>
<td></td>
</tr>
<tr>
<td>3 Establish IT Engagement Posture</td>
<td>3 Communicate Strategy</td>
<td>2+ Leverage Technology</td>
<td>3 Manage IT Risk</td>
<td>3- Prioritize IT Investment</td>
<td>3- Develop Skills and Competencies</td>
<td>2+ Communicate and Report IT Performance</td>
<td>2+ Act on Metrics for Improvement</td>
</tr>
<tr>
<td>2 Contribute to Organizational Change</td>
<td>2+ Develop the Technology Roadmap</td>
<td>2+ Hone IT Delivery Capability</td>
<td>2+ Sustain and Evolve IT Culture</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

n = 252 IT Organizations

Source: Gartner’s IT Score for CIOs Benchmark Data Oct 2020 - Feb 2021

Note: Maturity is measured on a scale ranging from 1 (Low) to 5 (High) and assesses how advanced an organization’s development is in a functional activity relative to Gartner’s best practice research. Maturity scores are refined with a (+) or (−) to indicate intermediate levels of maturity. In the benchmark scores, no functional activity received a high maturity score.
To help CIOs prioritize activities for improvement, we analyzed benchmark data from Gartner's IT Score for CIOs and compared the average maturity and importance score for each of the 28 activities (see Figure 2).

The results highlight two areas that many CIOs must mature as part of their efforts to accelerate digital transformation:

1. **Assess and Manage Business Demand**: The IT organization's ability to identify, anticipate or shape the needs and expectations of the enterprise.

2. **Contribute to Organizational Change**: The IT organization's contribution to enterprise organizational change, especially technology-driven initiatives.

Most CIOs must prioritize these areas in order to realize the true potential of information and technology to enhance, grow and reshape their organizations and their teams for digital business transformation.
The importance versus maturity framework allows CIOs to understand the relative importance of functional activities, which each fall into a quadrant based on the average maturity and importance score. For the activities in each quadrant, CIOs should take the following actions:

- **Prioritize (top left).** These activities should be prioritized to improve maturity as they are of high importance to organizations’ strategic objectives but are relatively less mature.

- **Sustain (top right).** These activities are already highly mature. CIOs should sustain maturity in these activities as they are important to organizations’ strategic objectives.
■ **Maintain (bottom left).** These activities are less important to organizations’ strategic objectives and demonstrate relatively low maturity. CIOs should be judicious about allocating additional resources to improve maturity of these activities. However, the foundational value of these activities suggests CIOs should maintain the current level of maturity in these areas, albeit with less of a continuous focus than activities in the “Sustain” quadrant.

■ **Reallocate Effort (bottom right).** These activities are more mature relative to their importance to organizations’ strategic objectives, and additional resources may provide little benefit. CIOs should reevaluate the time and effort allocated to these activities and reassess whether full value is being realized. CIOs should consider opportunities to reallocate resources from these areas toward priority areas, while maintaining maturity.

### Actions to Drive Progress

Figure 2 shows that “Assessing and Managing Business Demand” and “Contributing to Organizational Change” are crucial for achieving CIOs’ strategic objectives at most companies. To improve maturity in these activities, CIOs should:

■ Assess their current maturity in these areas using Gartner’s IT Score for CIOs

■ Leverage the path to maturity to improve the top priority activities (see Figures 3 and 4)

■ Compare how advanced their organizations’ capabilities are relative to peers.

■ Apply our activity-specific research insights.

### Assess and Manage Business Demand

Most IT organizations have a formal intake process to sense business demand and designated IT staff to manage the IT-business interface. As organizations mature, they become more proactive in demand sensing and management by offering consulting services and moving “upstream” to shape ideas earlier. CIOs can use three practices to change business leaders’ mindsets about the value IT can add to the organization (see 3 Practices to Create Business Demand for Enhanced IT Value Beyond ‘Run the Business’). We recommend CIOs develop a deeper understanding of the enterprise strategy, communicate the business value of IT in business language and describe outcomes connected to the enterprise strategy.
More progressive CIOs use product management principles to manage demand. They organize work by how it is consumed rather than how it is produced and align technology and IT delivery resources with business capabilities and outcomes. In these organizations, product line managers play a primary role in identifying and shaping demand for specific business domains by applying a portfolio management approach to investments in their product line.

T-Mobile deepened the company's connection to customer outcomes by defining product management structures, mindsets and skills around those outcomes (see Targeted Product Management for Customer Outcomes (T-Mobile)). Some CIOs use customer journeys to actively shape the demand of external ecosystem partners for new products and services (see Case Study: Technology Investment Prioritization Based on Customer Journeys (Autogrill)).

At the most advanced level, CIOs can also use AI/automation to be more proactive at demand management as technology demand and activities become more distributed.
Contribute to Organizational Change

Most IT organizations use a top-down approach to manage organizational change and adopt a “one size fits all” model when communicating organizational change activities. In these organizations, change initiatives often fail because employees don't know how they must change their behavior or why, and inconsistent messaging creates distrust and causes change resistance. **Accelerate Organizational Change Using the 4 Adoption Styles** describes how to increase chances of successful change by understanding different employee change adoption styles to clarify the actions individuals need to take. Additionally, using a “From/To/Because” model of communication around change can also help to create a common understanding of the change and the need for it (see **Start Organizational Change With a From/To/Because Model**).
More progressive CIOs establish formal change management procedures and roles and train project, program and IT leaders on effective organizational change management practices. Culture is a significant roadblock to reaching higher maturity in organizational change management, making change leadership essential to advancing to the highest levels of maturity of organizational change.

Progressive CIOs apply Gartner's ESCAPE model of change leadership, which provides a step-by-step guide that is organized in two phases — inspire and engage — to grow and achieve change leadership excellence (see Use the ESCAPE Model to Develop Change Leadership). The inspire phase initiates the deliberate actions that form the foundation and create the context for the enterprise to change, including support mechanisms and the right conditions for executing the required changes. The engage phase initiates actions that invite employees to participate in change and unlock the hidden potential for change. The ESCAPE model is designed to help CIOs shift their focus from change management to change leadership. CIOs who look to lead their employees through one or more separate changes, and also help the entire organization to do so, can meet the demands of the digital era by becoming better managers and leaders.

Advanced maturity in contributing to organizational change requires shifting the culture and mindset of the IT organization. To do this, CIOs must embrace change leadership and co-create change with their IT workforce.
Figure 4. Path to Maturity for Contribute to Organizational Change

Contribute to Organizational Change

- **Open Source Change: Making Change Management Work**
- **Twenty Principles for High-Speed Change**

Evidence

1. The Gartner IT Score for CIOs is part of the **The Gartner Score Diagnostic Family**, which is a set of diagnostics designed to help measure, prioritize and improve a function's performance on critical activities.

2. Gartner IT Score for CIOs benchmark data from 252 IT organizations between October 2020 and February 2021.
Note 1: Methodology for Gartner’s IT Score for CIOs

Methodology

The IT Score for CIOs offers the best of Gartner expertise and peer-based research. This maturity assessment is designed to help organizations measure, prioritize and improve their function’s performance on critical activities.

Maturity is measured on a scale ranging from 1 (low) to 5 (high). It measures how advanced an organization’s development is in a functional activity relative to Gartner’s expert assessment of practices associated with that activity. Each activity comprises several subactivities and each subactivity is represented by a yes or no question. Each question is weighted 1 through 5 depending on how progressive the activity is according to Gartner analysis. Roughly, a 1 is considered a below average or 10th-percentile practice, while a 5 is considered a 90th-percentile practice. Therefore, by design, the maturity scale offers an implicit degree of benchmarking. Maturity scores are further refined with a “+” or “−” to indicate intermediate levels of maturity within an activity (to prevent CIOs from chasing higher scores).

Importance is measured on a scale of 1 (low) to 5 (high). Importance measures how important each functional activity is to the overall effectiveness of the function in meeting its business objectives.

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How Gartner Score Helps You Assess Maturity and Prioritize Improvements

IT Score for CIOs