Conversation Themes of CIOs, 2Q21: Transform Your IT Organization to Support Digital Acceleration

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Initiatives: CIO Role Evolution

Conversation themes across CIOs from organizations with higher maturity provide another data point for learning and benchmarking. CIOs can use this report to gain insights from more mature peers as defined by Gartner IT Score, and improve their short- and long-term plans and priorities.

Expert Insights

"Mature" and "less mature" organizations are interested in different topics, reflecting where they are on their maturity journeys. These differences are reflected in the topics they discuss with Gartner analysts. We assess the frequency for the top 10 themes in client interactions and sort them along a scale of the maturity level where the themes are most commonly presented, each with its own implications for clients.

Cost Optimization

Why Your Peers Care:

Cost optimization in low IT maturity organizations tends to be a reactionary activity that is required only when business or finance leadership requires a cut in functional spending. Generally, these clients have no ongoing or programmatic discipline of spending review or asset efficiency. Value delivered is seldom part of the reduction analysis. Low-maturity clients ask Gartner where to cut and how to achieve a required savings number. Their focus is commonly tactical, with limited understanding of, or communication about, the longer-term impacts of their reactionary efforts.

Recommended Reading:

Strategic Cost Optimization: Link Cost Decisions to Strategic Priorities
10 Rules for Rapid IT Spend Reduction

12 Rules of IT Cost Management

Use a Structured Approach to Respond to Mandatory Budget Cuts

**Operating Model**

**Why Your Peers Care:**

To meet the pressure for accelerating digital initiatives, most CIOs have recognized that their IT organizations have to be transformed to be more agile to support shifting business priorities and strategies. No IT organization wants to be just an “order taker” — it wants to be a strategic partner. These conversations are about transitioning the IT operating model from a variation of the classic “Plan-Build-Run” model to a product-centric model. For most, the target operating model is Gartner’s service-optimized pattern in which the internal IT function transitions to being the IT services provider of choice.

**Recommended Reading:**

*Use the Right Product-Centric I&T Operating Model for Your Digital Ambition*

*Run IT Like a Business by Applying the Service-Optimizing I&T Operating Model*

*2020 Strategic Roadmap to the Service-Optimizing I&T Operating Model*

**Business Strategy**

**Why Your Peers Care:**

Market uncertainty predates and will survive COVID-19. This realization has led every entity — large or small, public or private — to reconsider and update its strategy or mission. CIOs know that their IT organizations must support the business strategy, but which one? Each CxO is responsible for strategy execution. CIOs are trying to decipher the overarching enterprise strategy to find some commonality of purpose in what otherwise appears to be multiple, disconnected strategies.

**Recommended Reading:**

*CIOs Need to Lead the Way to Adaptive Strategy*
Shared Services

Why Your Peers Care:

Questions on this topic primarily fall into two categories:

1. Recentralization of the IT function, which triggers updates to shared services to drive efficiency

2. How the CIO can integrate digital innovation into business as usual without disrupting operational excellence and shared services

These concerns often relate to the IT operating model and the enterprise structure for I&T.

Recommended Reading:

Ignition Guide for Making a Business Case for IT Shared Services

5 Key Questions to Ensure the IT Shared Services Center Delivers Expected Business Benefits

Shared Services Centers on the Move

Data Management

Why Your Peers Care:

Medium-maturity clients struggle to cope with a wide set of business needs for data. For example, how can they exploit complex data ecosystems to deliver on accelerated digital business needs when the data management infrastructure is no longer sufficient? They tend to recognize that “to cloud” is a foregone conclusion. But they may not be able to “let go” legacy thinking about funding models and vendor products in a world where services, unbudgeted workloads and ecosystems reign or will reign. How do they migrate to the cloud? What are vendor strategies and options? How do they put in place financial governance?
They also tend to work in complex, hybrid environments where data and analytics (or information) governance capabilities are taking place in line-of-business departments, such as marketing, supply chain or even finance, as well as in IT. How do they expand the use of data and adoption of analytics to all parts of the business, while maintaining trust?

**Recommended Reading:**

- How to Plan for Optimal Multicloud and Intercloud Data Management
- Data and Analytics Essentials: Data Fabric
- Tool: The Gartner Data and Analytics Governance Technology Atlas
- Top Trends in Data and Analytics for 2021

**Enterprise Architecture**
**Why Your Peers Care:**

Enterprise architecture is a key competency or practice for an IT organization trying to increase its value contributions. In any entity with over 5,000 full-time equivalents (FTEs), or one spread across multiple facilities, it is rare to find any senior manager or executive who has a strong understanding of the business architecture of the entire entity. Digital optimization or transformation strategies impact multiple aspects of business architecture, including capabilities, processes, organizational structures, information, functions and more.

**Recommended Reading:**

- Quick Answer: How Should Business Architecture Support Digital Transformation?
- The Architect's Business Capabilities Handbook
- Ignition Guide to Rebooting the Enterprise Architecture Practice

**Cloud Strategy**
**Why Your Peers Care:**
Questions on cloud strategy cover the gamut from understanding specific vendor offerings, economics of cloud vs. on-premises solutions, and privacy and security concerns, to setting up a private cloud and more. There are many aspects of a cloud strategy, from technical considerations to cloud as a business enabler.

Recommended Reading:

The Cloud Strategy Cookbook, 2021

Designing a Cloud Strategy Document

Infographic: Cloud-Native and Multicloud — Buzzwords or Key Principles in Your Cloud Strategy

The Role of the Public Cloud in Digital Business Acceleration

Leverage Cloud for Business Innovation and Transformation

External Service Providers

Why Your Peers Care:

These questions relate to choosing, contracting and managing an external service provider. As CIOs transition the internal IT organization to a service-optimized operating model, many realize that they have been trying to be “all things to all people.” This is unsustainable and exposes the need to outsource some IT services to a managed service provider or some other form of external service provider. More-mature clients are looking for more-advanced services.

Recommended Reading:

Quick Answer: What Are the Most Attractive Opportunities in Digital Product and Service Innovation Services?

Market Guide for MDM External Service Providers

How Chief Data Officers Can Scale the Value of Data and Analytics by Working With External Service Providers

Contract Management

Why Your Peers Care:
As clients modernize their legacy applications and digitalize processes further, we receive a lot of questions about specific providers and contracting with these providers. Furthermore, considering the ongoing market uncertainties, especially around changing consumer and constituent behaviors, mature clients are looking to create more flexible and agile contracts.

Recommended Reading:

- Leadership Vision for 2022: Sourcing, Procurement and Vendor Management
- Toolkit: Embed Agility Into Your Procurement Processes
- Tool: Framework for Creating Business-Aligned IT Subcategory Plans
- Tool: Evaluation Criteria for IT Vendor Selection

Customer Experience

Why Your Peers Care:

Improving the customer experience is perhaps the most common digital initiative we see across all industries and all sizes of organizations. A great customer experience can differentiate the entity and is shown to be crucial to both attracting and retaining customers. A great experience depends on data and integration with a variety of business applications. More-advanced clients often ask about how to create an optimal customer experience when many of the supporting business applications are also changing due to increased or new digitalization.

Recommended Reading:

- Infographic: Customer Experience Management Framework
- Three Bold Strategies for Customer Experience Victory
- IT Score for Customer Experience
What You Need to Know

The “themes” presented in this research are produced by an algorithm. A Gartner expert reviews the output and provides the commentary in the “Expert Insights” section using their expertise and other Gartner research. The algorithm may produce different themes or suggest conclusions that differ from those that Gartner experts would produce in their more holistic research. This report is intended to display trends based on inquiry data and may or may not be suitable for a given organization's needs.

Evidence

This report analyzes over 4,100 client inquiries with Gartner experts that were completed from April 2020 through June 2021 that we classified against the following client roles: CIO or head of IT.

These inquiries were from Gartner clients of varying sizes and maturity levels, and may not reflect all Gartner clients, nor all companies generally.

This research is informed by IT Score data from over 1,000 clients, collected from April 2019 through May 2021.

CIOs who have not yet completed IT Score for CIOs should do so to see how they compare in overall maturity in the work activities most important to their success.

Methodology

Gartner tracks and analyzes the concepts clients discuss with Gartner experts. The concepts are then grouped into themes based on commonality. This document is intended to display trends based on inquiry data and may or may not be suitable for a given organization's needs.

The concepts discussed in inquiries are extracted from the text of clients’ questions and experts’ notes about the inquiries. The extraction employs a machine learning algorithm trained on these datasets, followed by removal of filler words, generic terms related to the content area, and vendor and product names. Identical concepts are grouped with standard lemmatization approaches and a Gartner-specific “thesaurus” of identical terms and abbreviations. A Gartner expert reviews the result and removes any spurious output.

Document Revision History

Customer Experience, Cloud Strategy and Enterprise Resilience: Conversation Themes of CIOs, 4Q20 - 20 May 2021