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# The Changing Role of the CIO: From the periphery to the core

CIOs face continued pressure to 'keep the lights on' while also contributing to revenue growth.

CIOs are continuing to spend less time on day-to-day management.

CIOs have a greater focus on contributing to business outcomes; revenue and strategy are a central focus.

# The CIO's role is evolving as digital transformation sweeps through business

The Changing Role of the CIO is the first report in our four-part series analysing the findings of Logicalis' Global CIO Survey. Logicalis' Global Survey is an annual study, now in its seventh year, which canvassed the opinions of over 800 CIOs from around the world. The research reveals that significant change is afoot and comes at a critical time for today's CIOs and IT departments as digital technologies reconstruct the business landscape.

Back in 2013, CIOs were devoting 70% of their time to the day-to-day management of technology. This year's figure was just 33%. Today's CIO is allocating only a third of their time on what was once considered the bread and butter of their role. Change is happening.

#### So, what is going on?

It appears that as digital transformation sweeps through industries across the world, the traditional CIO role as a technologist is shifting. Today's CIO is looking beyond technology and towards the business needs of the organisation itself; their role has a greater focus on revenue and strategy.

# 35%

OF CIOS SPEND LESS TIME ON THE DAY-TO-DAY MANAGEMENT OF IT THAN THEY DID IN PREVIOUS YEARS

# The CIO is no longer the endpoint of a career

The findings of the research suggest that the CIO role is now one that encompasses broader executive responsibility. Rather than being the endpoint of a career path, the role is very much about building business success. 43% of CIOs are now measured on their contribution to revenue growth. In 2018, this figure was at 35%.

Over the last 12 months, 61% of CIOs have spent more time on strategic planning while 74% say reshaping their organisations' customer experience has become a significant benchmark of their performance. Additionally, 50% say that their performance is measured on the service innovations they introduce.

One of the traditional markers of the CIO role is to reduce costs, which is typically achieved by cutting back on personnel, virtualising servers with containers, adopting more cloud-based services and decommissioning software.

The study shows that cost-cutting is still an essential element within a CIO's role, although this year there has been a reduced focus on calculating and evaluating success according to these cost reduction measures alone. In last year's survey, 62% of CIOs reported that success was quantified in terms of IT cost reductions, compared with 55% this year. **555%** OF CIO'S ARE MEASURED ON THEIR SUCCESS OF IT COST REDUCTIONS, COMPARED TO



LAST YEAR

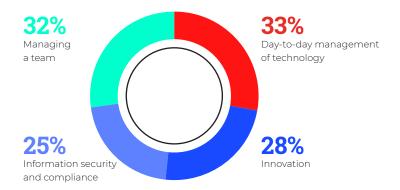
### CIOS SPEND 2500 OF THEIR TIME ON INFORMATION AND SECURITY COMPLIANCE

# Conflicting pressures

While CIOs are being tasked with greater strategic responsibility, they are still dealing with conflicting pressures; among these are cybersecurity, compliance, business continuity and other large-scale projects.

Cybersecurity and compliance have gained even greater significance at the executive level following the introduction of legislation such as Europe's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA) in the US and similar rules in other parts of the world.

There is now an increasingly important need for CIOs to meet information security and compliance needs as executive boards seek to avoid worst-case scenarios. As such, 48% of respondents say the time they have spent on security defences has increased in the last year. On average, CIOs are spending a substantial 25% of their time on information and security compliance.



This is inconsistent with the finding that 44% of CIOs say their performance is measured according to their success with risk management while 39% say it is by meeting security compliance benchmarks. These measurements are further borne out by the fact that system availability is a performance benchmark and measure of success for over half of CIOs (54%). Yet these findings conflict with the increased strategic and revenue-driving responsibilities CIOs are now largely expected to shoulder.

# Pulled in many directions

An augmented focus on strategy and revenue should have a broad impact on the time CIOs can spend on innovation, so it is notable that over half of CIOs (51%) have dedicated more time to innovation in the past 12 months. However, there are evident inconsistencies in how CIOs spend their time; 30% of CIOs say they have had to reduce time spent on innovation, for example.

Today's CIO is expected to identify and leverage technology within the context of driving strategic business goals, rather than maintaining and developing infrastructure and areas such as BYOD.

45% of CIOs say their main business priority in the next 12 months is customer experience and 54% cite innovation.

In this context, innovation can be interpreted as working on and developing processes that improve both the customer and employee experience, with 74% of respondents stating how they have increased their focus on this area.

Operational efficiency was cited as the main objective for the next 12 months by the majority (61%) of respondents, which will be driven by the introduction of innovative technologies such as artificial intelligence and robotic process automation, coupled with the paring down of legacy systems and processes.

Given that nearly half of respondents (47%) cite increased revenue and business growth as their priority in the next 12 months, it's clear that many CIOs are facing a management dilemma.



OF CIOS HAVE INCREASED THEIR TIME SPENT ON INNOVATION

## Under pressure

The study shows that CIOs are under increased pressure as their role expands from that of chief technologist to a more strategic, executive-style position aimed at increasing revenue. This growing pressure is harming their enjoyment of the job. Almost half of CIOs (49%) believe their job satisfaction has decreased in the last 12 months, while just under a third (29%) say their work/life balance has worsened.

Alongside the increased business responsibility, most CIOs (80%) are spending more time on building and operating digital platforms. Supporting business initiatives is an increased demand for 67% of CIOs.

CIOs seem to be pulled in two directions as they strive to retain balance with reduced budgets and higher security risks while contributing to strategy development, execution and revenue growth.

### Almost half of CIOs state that job satisfaction has decreased in the last year





## Conclusion

These survey results indicate that the role of the CIO has changed and is continuing to evolve as digital transformation is reshaping nearly every industry. It also represents a significant change for CIOs, given that they are no longer solely focused on maintaining and building out the IT infrastructure, but are now expected to focus on business performance at the strategic level.

Technology is central to unlocking competitive advantage and operational efficiency and as such, needs to be embraced. The survey shows that organisations must ensure that the CIO is fully supported; they need the necessary resources to carry out their job effectively to successfully meet the increasing strategy and revenue-growing demands.

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# About Logicalis

Logicalis is an international multi-skilled solution provider. We design, support and execute our customers' digital transformation, keeping them relevant in the digital economy and directly contributing to business success.

Our customers span various industries and geographical regions. We are the advocates for some of the world's leading technology companies including Cisco, HPE, IBM, CA Technologies, NetApp, Microsoft, Oracle, VMware and ServiceNow.

Our focus is to engage in the dynamics of our customers' vertical markets including financial services, TMT (telecommunications, media and technology), education, healthcare, retail, government, manufacturing and professional services.

We apply the skills of our 6,500 employees in modernising key digital pillars; these include data centre and cloud services, security and network infrastructure, workspace communications and collaboration, data and information strategies and IT operation modernisation.

The Logicalis Group has annualised revenues of \$1.7 billion, from operations in Europe, North America, Latin America, Asia Pacific and Africa. It is a division of Datatec Limited, listed on the Johannesburg Stock Exchange, with revenues of more than \$4.3 billion.

For more information, visit https://www.logicalis.com/

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