

# The Evolution of the CIO Role

CIO Summit

7 June 2023



# The CIO Agenda is the 'Transformation Agenda'



INTERNAL

EXTERNAL

Market Dynamics Driving Disruption

**75%** of leaders say **creating ecosystem partnerships** is a core priority over the next year

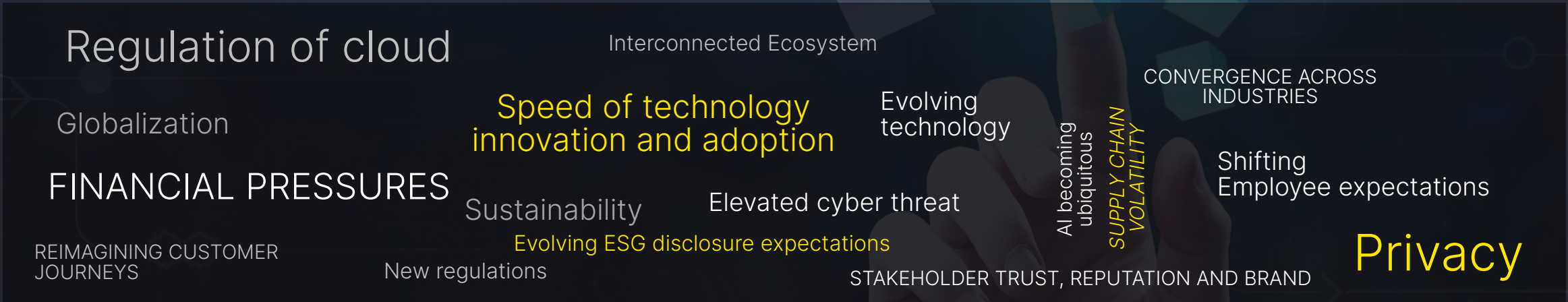
**63%** of organisations are investing in **cybersecurity** to build **digital trust** for customers, employees, and partners.

**Only 8%** leaders said that they have an **established** and **active governance** function

**90%** of investors attach greater importance to companies' **ESG performance** regarding their investment strategy and decision-making.

**60%** leaders believe that there's an industry-wide **shortage** of the type of skills that would help accelerate their **digital transformation** efforts

**80%** of CIOs will implement **intelligent capabilities** to sense, learn, and predict changing customer behaviours.





# The **Transformative CIO** is driving towards an eco-systems of platforms and capabilities to deliver Composable Tech-enabled Business processes

The future is now! The **complexity of business is reflected in the Now**. Our current technology landscape is **impeding agility and speed to value**.

## Roles of the Transformative CIO

Business focused

Technology Advocate

Digital Transformation Leader

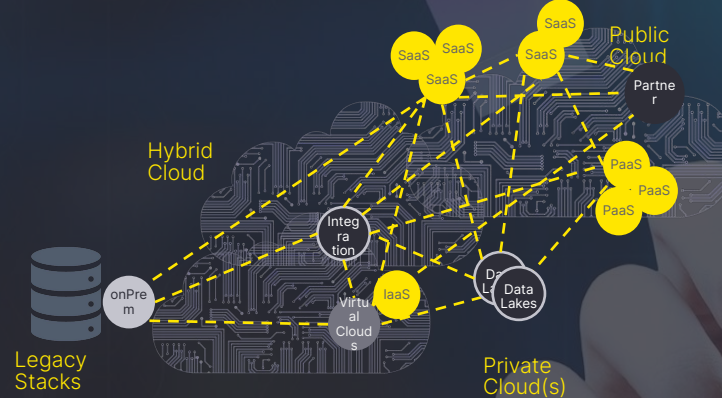
## Now\*

Cost optimized, **separate business and IT** stacks, rigid, linear and inefficient



## Next

**Disjointed Capabilities**. Cloud services purchased to solve immediate problems. Multiple stacks competing as master. operated under hybrid ways of working



**Current world Spaghetti architecture:** rough-cut integrated services increasingly complex and layered to provide capabilities and visibility

## Beyond

**Composable business service\*\*s**, each component business aligned, responsive, adaptable, replaceable and flexible



“The ‘new normal’ is disruption. Organizations that lean into this reality and leverage their innovation capacity, technology and reach will not only survive, but grow as a result.

Gartner

# Unleashing your Potential to be a **Transformative CIO**



As the role of **Transformative CIO** evolves

The role of an organisation must also transform

Leading to an increased focus on value and collaboration

## 3 x Roles

Business focused

Technology Advocate

Digital transformation leader

## 4 x Qualities

Visibility | Flexibility | Reliability | Securability

## 6 x Habits

Focused on customers first and foremost

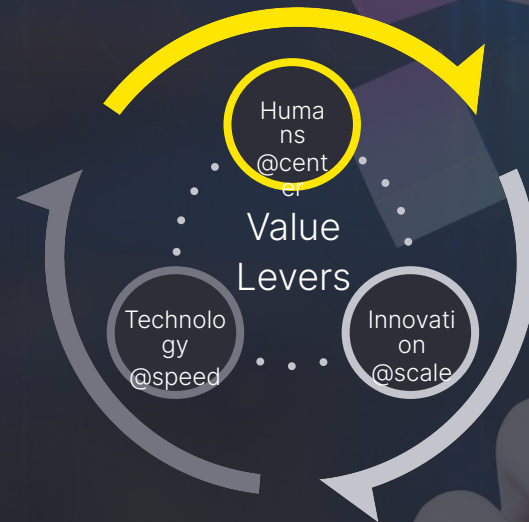
Accelerating AI to drive growth

Driving innovation through ecosystems and partnerships

Nurturing talent with new incentives and strategies

Activating governance plans for emerging tech

Powering innovation by leveraging data and being agile



Increased cross-functional collaboration

## Business focused

The **Transformative CIO** aligns technology spend to business value. They ask themselves where do these new technologies fit in the broader picture? Will they scale and how can we use this investment to drive down costs and incur an even faster execution.

## Technology Advocate

The **Transformative CIO** has moved from being an IT manager to becoming a technology advocate within the organisation — the person who the business function leaders want to work with to understand how new technologies will differentiate them from the competition.

## Digital Transformation Leader

The **Transformative CIO** needs to be able to say to their business 'this is how the technology is going to evolve, this is where it's going to be in five years, and here's what we need to do next.'

# The Qualities the Transformative CIO exhibits



As the business is disrupted and must adapt, so must the CIO. The **Transformative CIO** person enables the entire organisation in their strategic mission and exhibits four key **qualities** for their organisation to succeed.

## Visibility

- ▶ The **Transformative CIO** needs to make the critical data needed for insightful decisions available across the organisation
- ▶ They need to start with uniting various data stores across the organisation and beyond with the right data architectures and platforms
- ▶ Soft skills such as communication, consensus-building, and leadership, are just as critical to the **Transformative CIO** in making enterprise visibility a reality.

## Flexibility

- ▶ The **Transformative CIO** has an “on-demand” mindset that enables flexibility while controlling IT costs. They will evaluate their fixed costs and determine what and when they can be turned into variable costs.
- ▶ They automate tactical tasks and focus more on the strategic. Low-code environments make this possible and allow for organisations to quickly shift to new customer trends
- ▶ Flexibility is an ecosystem approach which includes partners and alliances

## Reliability

- ▶ The **Transformative CIO** is still beholden to keeping their technology running and working efficiently, however the **Transformative CIO** takes the concept of IT reliability to the next level, looking at ways to “stress test” their technology environments — in effect looking to pinpoint potential failures via “what-if” scenario planning.
- ▶ The **Transformative CIO** is more than someone who keeps the lights on. They provide the reliability needed to support day-to-day operations for today and the digital transformation needed to thrive tomorrow.

## Securability

- ▶ The **Transformative CIO** understands that enterprise IT security demands a deeper knowledge of line-of-business operations so they can predict which parts of their enterprise are the crown jewels
- ▶ The **Transformative CIO** works with their chief information security officer (CISO) to devise methods to protect and counter any efforts to compromise the organisation staying one step ahead of hackers and state-sponsored efforts to steal valuable corporate intellectual property. It is an arduous effort that requires constant attention.

# The engrained **Habits** of the **Transformative CIO**



## The six habits of **Transformative CIOs**

Through our research we've identified a group of companies that are leading the pack in digital transformation. These have six habits in common.

Businesses that aim to create long-term value for their customers, people and society ought to consider these six habits carefully and actively plan how to build them into their existing businesses.

①

**Focusing on customers first and foremost**

②

**Accelerating AI to drive growth**

③

**Driving innovation through ecosystems and partnerships**

④

**Nurturing talent with new incentives and strategies**

⑤

**Activating governance plans for emerging tech**

⑥

**Powering innovation by leveraging data and being agile**



# A question for you?

## Are you a Transformative CIO?

39%

Lead business transformation initiatives

29%

Strengthen IT and business collaboration skills



31%

Update data security to boost corporate resilience

### Are you playing the three key roles?

- ▶ Business focused
- ▶ Technology Advocate
- ▶ Digital Transformation Leader

### Do you exhibit the four key qualities?

- ▶ Visibility
- ▶ Flexibility
- ▶ Reliability
- ▶ Securability

### Have you embedded the six key habits?

- ▶ Focused on customers first and foremost
- ▶ Accelerating AI to drive growth
- ▶ Driving innovation through ecosystems and partnerships
- ▶ Nurturing talent with new incentives and strategies
- ▶ Activating governance plans for emerging tech
- ▶ Powering innovation by leveraging data and being agile

Source: 2020 State of the CIO Executive Summary, IDG, 2020



# EY Technology

A leading transformation provider

45,000+ technologists worldwide

\$4b in revenue FY21

\$1.5b annual tech investment

30+ technology and industry alliances

30+ technology acquisitions in the past three years

100+ academic technology and innovation relationships

27 wavespace innovation hubs



Building a better working world

## Transformation through the power of people, technology and innovation



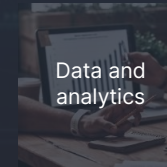
**Humans@center:** radical customer centricity and far deeper employee engagement and commitment

**Technology@speed:** embracing technology to develop new processes, products, services and businesses, and to deploy it at the speed demanded

**Innovation@scale:** challenging boundaries, and being more nimble to ideate, pilot and implement radical changes

## Global leading-class technology capabilities to reimagine industries

Technology Consulting delivers long-term value to our clients, our society and our teams by applying the power of technology, data and ecosystems to unlock human potential and transform businesses.



## Powered by alliances


## Recognized as 'leaders' in technology

**Data and Analytics** – Service Providers (Gartner) and Worldwide Business Analytics Consulting and Systems Integration Services (IDC)

**Emerging Tech** – Artificial Intelligence Business Services (IC) and Worldwide Artificial Intelligence Services Service Providers (IDC)

**Alliances** – SAP S/4HANA Application Services (Gartner), Worldwide Microsoft Implementation Services (IDC), ServiceNow Services (HFS Research) Worldwide SAP Next-Generation Implementation Services (IDC) and Worldwide SAP Implementation Services (IDC)

**Tech Solution Delivery** – IT Services, Worldwide (Gartner) and Asia/Pacific Cloud Security Services, (IDC)

**Cybersecurity** – Cyber Resiliency Services (NelsonHall, Cybersecurity Services (ALM Intelligence) and GCC Professional Security Services (IDC)

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Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.



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