



The Deloitte CIO Survey Applying the Internal Audit Lens



Know the worth of risk.

January 2014

The results of Deloitte CIO Survey for 2013 are in, highlighting the opportunities and challenges faced by CIOs around the globe – what do the findings mean for Internal Audit?

Introduction

CIO Survey 2013: Applying a Different Lens - Implications for Internal Audit

Deloitte recently conducted a survey of 700 Chief Information Officers (CIOs) around the globe, aimed at identifying what challenges CIOs are facing, and where the opportunities to excel and shape the role of the CIO within the organisation exist. These were broken down into 5 key areas:

- IT budgets and priorities
- Business partnering
- Talent
- Innovation and
- CIO career

The full report on the survey is included in this publication for your perusal, however we thought it also useful to apply a different lens to the results, by examining the potential implications from the perspective of the internal audit function.

Set out on the following pages are the key findings from the survey, specifically focussed on the first 4 areas, and our views on what this means for Internal Audit. We hope you find this a useful perspective.

Liz Brown
Risk Services Partner
IT Assurance Product Leader, Australia



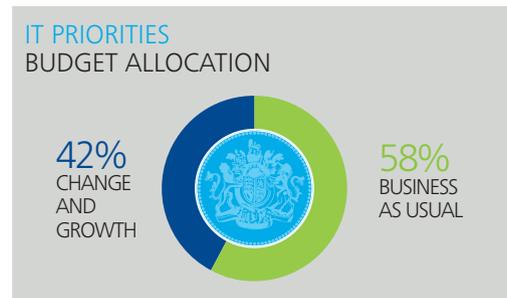
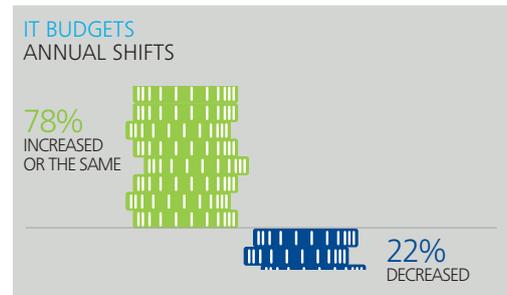
Key Findings – The Internal Audit Lens

IT Budgets and Priorities – spend is up, but on projects and digital initiatives, not BAU

The recent trend of ever tightening belts in the IT function has for some time been an area to monitor from an internal audit perspective, as overextended resources in particular have placed a strain on control processes. It is therefore interesting to see somewhat of a reversal of this trend, with only 22% of CIOs reporting a decrease in funding in 2013.

The split of spending shows a significant proportion – 40% - of this spend is on project and growth/change initiatives, and only 60% on BAU. This highlights 2 potential areas of concern for Internal Audit - is there appropriate visibility of, or involvement in, IT project assurance activities by IA, and are BAU activities being stretched to the point where the basics from a controls perspective are being neglected. “Not getting the basics right” is considered a common gap exploited in cyber hacking activity, so maintaining appropriate levels of control over the basics is in fact getting more important, not less.

The news re budgets isn't quite so good for the public sector - perhaps not unexpectedly, given the focus on fiscal prudence, the belt tightening continues. The silver lining, however, is this is providing a boost to innovation, as cost constraints forces greater consideration and adoption of technologies like cloud which in the past have perhaps not been given due consideration. More on the implications of this for Internal Audit is covered in our section on innovation.



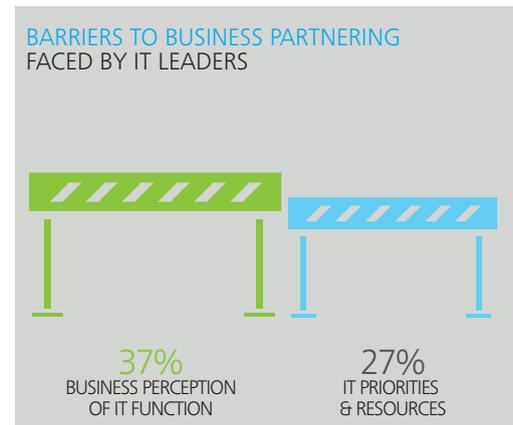
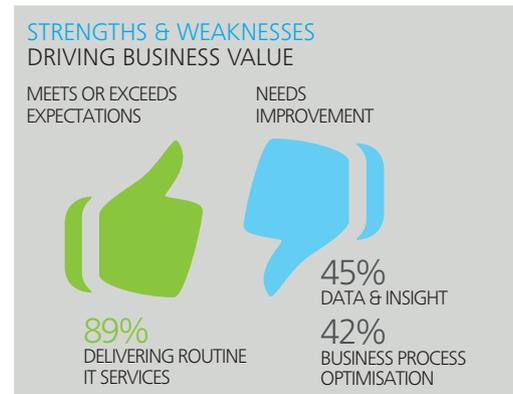
Business Partnering – *differing perceptions on ability of IT to deliver what business wants*

The role of the CIO can vary significantly, and one area of greatest divergence is in relation to the degree of involvement in business strategy development versus delivery. It's clear that CIOs want to strengthen the partnership between business and IT at the strategic level, and the benefits of closer alignment of business and IT strategy are well documented, however there is still work to go to reach this state - the survey indicated delivery of routine IT services is still the dominant role of the IT function.

The potential reasons for this failure to transition to a true business partner, per the Australian data, seem to stem from one of 2 factors – a lack of understanding by the business of what the IT function does, and conversely, a lack of understanding by the IT function of what the business really wants from them.

A result of this apparent disconnect (beyond the broader risk of missed opportunity regarding technology enablement) can be an increased risk of responsibilities/ ownership "falling through the cracks", and a subsequent breakdown in controls occurring. Management of system segregation of duties/ review of user access is a classic example of where additional focus by IA can be very prudent.

There is also a broader risk in the form of disengaged employees which can sometimes translate into either a personnel flight risk (loss of talent) or at worst, increased risk of fraudulent or malicious activity by disgruntled employees. Internal Audit can play a key role in identifying where these communications barriers exist, allowing management the opportunity to develop action plans in a timely manner to resolve them.



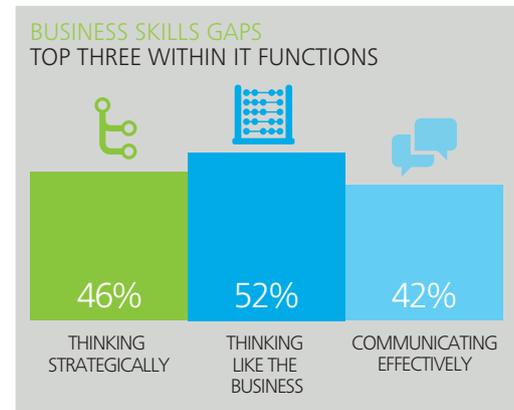
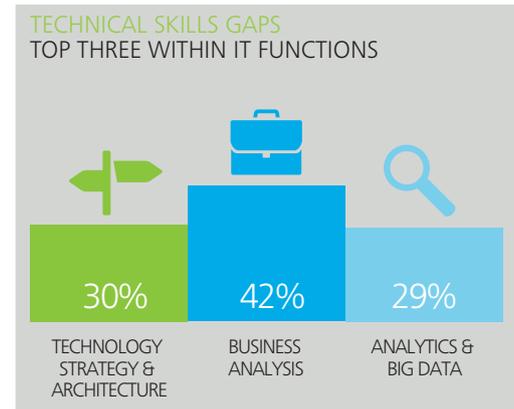
Talent - business savvy IT resources in short supply

The demand for IT staff who can talk business continues to outstrip supply. Following on from the business partnering trends, in order to shift from a service provider to a business partner, IT needs to have resources with the right blend of technological expertise and business skills, and this need is the source of the current skills gap. Perhaps reflecting a general trend, Australian CIOs are using improved work/life balance offerings to attract talent to fill these gaps rather than redesigning roles or providing access to cutting edge IT projects.

Specialist skills (eg data analytics) also in short supply, reflecting the broader challenge of the resource market keeping up with the ever changing world of IT.

What does this mean from a risk perspective? A lack of “hybrids” who can walk in both worlds of IT and business increases the risk that IT doesn’t understand what is driving business requests, and so, increases the risk of IT not meeting the needs of the business – opportunities for gaps and inefficiencies are significant. IA has a role in identifying where such gaps and inefficiencies may exist.

Interestingly, the same may hold true for the Internal Audit function itself – do our IT auditors understand the business context for the work they do, and can they therefore quantify the real impact of risks and findings effectively ?



Innovation – the next wave is coming - get ready

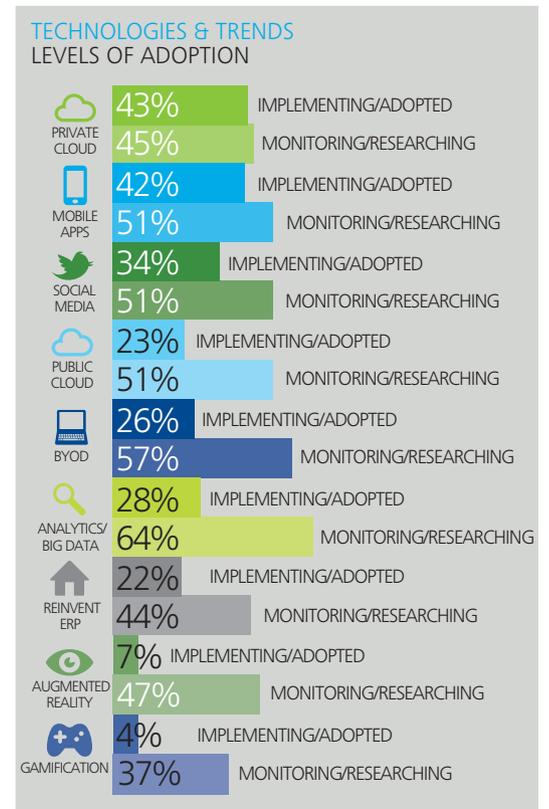
It was clear from the survey that CIOs are well aware of the “Innovation Imperative”, with innovation being seen as a key platform to drive both competitive advantage and operational efficiencies.

However, the translation of this into tangible results is far less advanced, with key reasons cited as priorities and budget/resource constraints plus, again, a lack of understanding of IT within the business. The majority of emerging technologies are still in monitoring and researching mode, and even mobile and private cloud and social are only at approximately 40% adoption/implementation levels, despite the perception of widespread use in corporate environments

The key impact for Internal Audit? New risks and skillset challenges - while adoption rates are lower than expected, the take up is growing and each of these emerging technologies bring their own set of risks, from security and privacy considerations on public cloud and mobile devices to the reputational risks associated with social media (mis)management. How organisations are managing these risks and whether IA has the skills to be able to assess controls over those risks are key questions to ask and act upon.

Internal Audit also has another role to play - providing independent insight to management and the board on the role and function of IT to help decrease the knowledge gap for business on matters related to IT. Having a point of view is highly valued.

It was interesting to note that extraction of value from big data in a cost effective and sustainable way continues to be an elusive goal for most organisations. When Big Data does finally start to realise its potential, IA functions need to be armed with the skills to both assess controls in place over data integrity in these environments as well as have embedded the practical use of analytics in the Internal Audit process itself.





The Deloitte CIO Survey 2013
Reconnect. Rebuild.
Reimagine. Redeliver.



Welcome

Welcome to The Deloitte CIO Survey findings for 2013. This year, we present a truly international outlook, reporting on the responses of over 700 Chief Information Officers and other IT leaders from 36 countries across the Americas, Europe, the Middle East, Africa, Asia and Australia. The survey aims to provide an insight into the opportunities and challenges which CIOs across industries and geographies are faced with as they continue to establish themselves with their executive management teams – both as respected technology and business leaders.

While the results vary somewhat between regions and industries, what is most striking is the consistency in the issues faced by CIOs across the world. This should offer some comfort to IT leaders reading this report as they navigate their way through an ever-more-challenging and fast-changing business environment.

This report presents the highlights from The Deloitte CIO Survey of 2013. Within each chapter you'll find:

- A summary of the key insights across all respondents internationally
- A visual overview of the findings by topic
- Practical tips from Deloitte specialists to help tackle some of the key challenges cited
- A comparison with local results from Australian participants.

We hope you'll find this report to be a valuable tool to help further develop your role as a trusted IT leader. To the many executives who have provided input into The Deloitte CIO Survey for 2013, thank you for your time and insight. We look forward to continuing the dialogue with you.

Robert Hillard
Managing Partner
Technology Agenda, Australia



Executive summary

The results of our survey suggest that the worst of IT budget cuts are behind us, with less than a quarter of CIOs reporting a budget decrease this year. While this is welcome, it is clear that CIOs are operating in an extremely challenging environment – one characterised by ever-increasing business expectations, rapid increases in the pace of business and technological change, shrinking technology adoption lifecycles and a shortage of available talent. The role of the CIO as a trusted partner to the business, in what for many parts of the world remain difficult economic times, has never been more important or challenging.

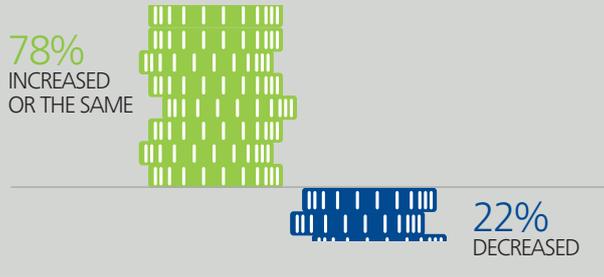
How are CIOs responding to this challenge? Firstly, they are developing and maturing their business partnering function. The results provide overwhelming evidence that CIOs feel there is more to be done to establish themselves as highly effective business partners. Building a dedicated business partnering function is one of the most powerful tools at the CIO's disposal as they seek to change the nature of their relationship with the business.

Secondly, they are seeking to drive the innovation agenda. The majority of CIOs recognise that IT has an essential role to play in this space yet only 35 per cent believe their IT function is considered a credible hub of innovation within their business. The survey points to a number of areas where the IT function could consider providing additional focus in order to deliver more in innovation terms to help support business growth and competitiveness. Finally, CIOs are addressing their talent shortage. Our results tell us that recruitment and retention of talent, with the right skills to support new business demands, is a significant issue for CIOs.

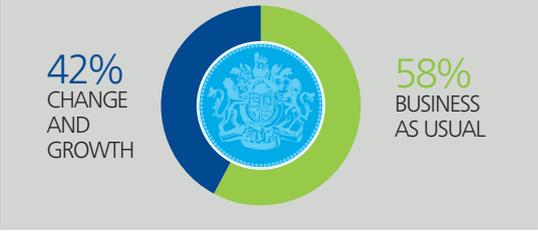
People who can really understand the business, think strategically and communicate effectively are those in most demand. The challenge for the CIO is that these are exactly the areas in which they are having most difficulty recruiting staff.

From the actions they are taking, it is clear that CIOs want to make a more strategic impact on their organisations. Our survey suggests that roles that provide them with the opportunity to do this are exactly what they are looking for. CIOs indicated that being able to make a greater contribution to the business strategy and a 'new challenge' are key reasons to consider a career move. A third of CIOs indicated that they do not find their career entirely fulfilling. Taken together, these results surely represent a missed opportunity for both CIOs and their peers in the business. This should give pause for thought to boards and business executives – are they getting the best out of their IT leaders in terms of the contribution they can make inside and outside of the C-suite? Equally, CIOs should consider the role they can play in proactively making this happen.

IT BUDGETS
ANNUAL SHIFTS



IT PRIORITIES
BUDGET ALLOCATION

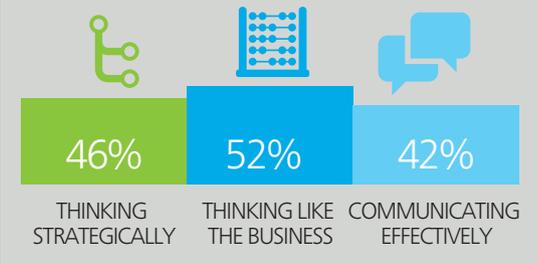


BUSINESS PARTNERING
IT EFFECTIVENESS

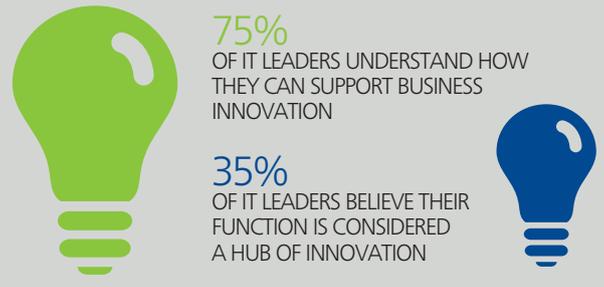
61% RATED "FAIR" OR "POOR" PARTNERS TO THE BUSINESS



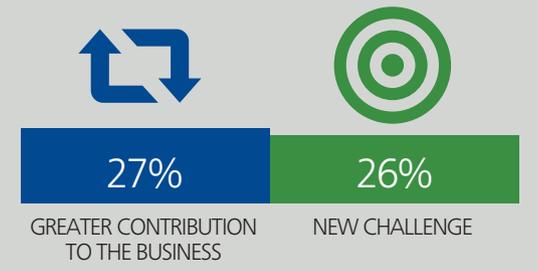
TALENT
BUSINESS SKILLS GAPS



SUPPORTING INNOVATION
THROUGH TECHNOLOGY



CIO CAREER
TOP REASONS TO MOVE ON



IT budgets and priorities

Key findings

On the up

Our survey results suggest that business investment in IT is on the rise with only 22 per cent of total respondents reporting a budget decrease from the previous year. This is reflective of most geographies and industries, with the only notable exception in the Public Sector where over a third of CIOs experienced a decrease in IT budgets this year.

Growth and change vs business as usual

So what are CIOs spending their money on? Our respondents reported that almost 60 per cent of their IT budgets are being allocated to “business as usual” activities and the remainder to support business growth and change. While this is still a significant proportion earmarked to “keeping the lights on”, it represents a move in the right direction for those IT functions with an appetite to drive growth and change.

When asked about budget priorities, in excess of 80 per cent of CIOs indicated that responding to new business needs is their primary focus this year. Driving digital strategy through new technologies and trends, such as mobile, cloud, social media and analytics, is seen as the next highest priority for over 50 per cent of respondents. This is perhaps a reflection of the reported upkeep/increase in IT budgets and indicates a renewed focus on driving change and innovation agendas.

Operating models and sourcing

In order to respond to new business needs, CIOs are not placing a high importance on restructuring operating models or reconsidering how they source new capability from their external suppliers. IT leaders might be missing a trick here to develop and maintain sustainable capability which is responsive to shifting business needs.

What is clear from our survey is that developing and delivering new capabilities to meet changing business requirements is the highest priority for CIOs. But are they up to the job? Are they considered a credible candidate? And can they effectively partner with the business to deliver transformational change?

The Australian experience

Fully 40 per cent of Australian CIOs reported that they had not experienced any movement in their budgets over the past year. They were generally aligned with the global trend in allocating budget to business as usual.

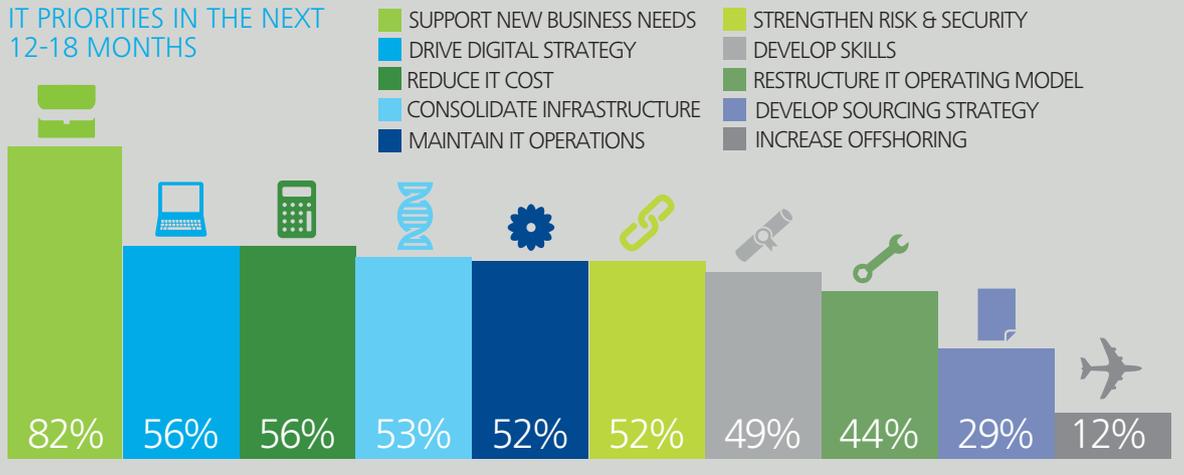
In terms of Australia’s current IT priorities, our CIOs aligned with the global response “responding to new business needs” as their first choice. The majority of global participants then sought to “drive digital strategy” while Australians chose to “strengthen risk and security”, “reduce and retain IT cost” and “develop IT staff and skills”.

What keeps Australian CIOs awake at night?

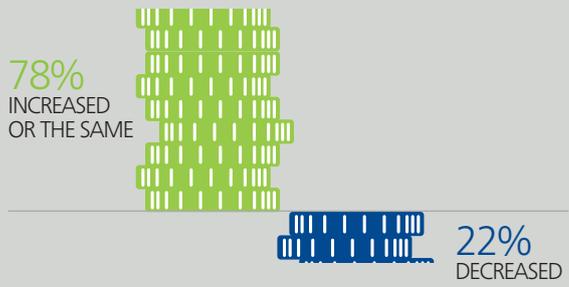
There were several headaches keeping Australian CIOs awake at night – the most predominant being restrained budgets, cost cutting and where the spend is delivered. The budget concerns in particular gave rise to fears that the CIO would be unable to deliver on projects and programs, deal with security threats, or transform the IT group fast enough to meet the expectations of the business.

Business continuity was raised as an issue as it relates to disaster recovery, accessing old data from legacy systems and unmanaged legacy systems that ICT does not know about.

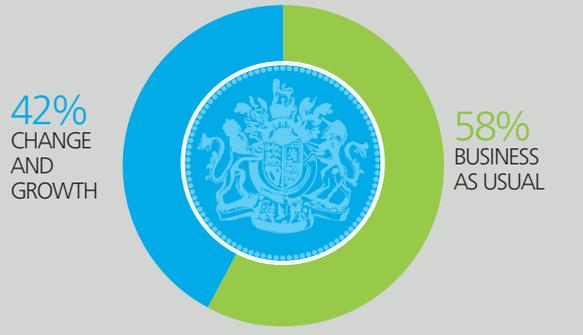
IT PRIORITIES IN THE NEXT 12-18 MONTHS



IT BUDGETS ANNUAL SHIFTS



BUDGET ALLOCATION BUSINESS AS USUAL VS. CHANGE & GROWTH



Business partnering

Key findings

Raising the game

Our survey reveals that IT leaders recognise the need to be an effective business partner and that opportunities exist for IT to add more value to the business in which they operate. For example, almost 70 per cent of those surveyed believe they can make the biggest difference within their organisation by enabling business strategy. However, our CIOs acknowledge that they still have some way to go to improve their reputation as a credible partner to the business. This was highlighted by the 61 per cent of respondents who rated their existing business partnering capabilities as either fair or poor, only collaborating with other business areas to add strategic value from time to time, or not at all. So what is stopping CIOs from being consistently effective business partners?

Service provider or business partner?

A significant proportion of CIOs still see their team's greatest asset as delivering routine IT services, with 89 per cent rating their effectiveness in this space as either meeting or exceeding expectations. At the same time, they recognise more needs to be done in areas which help facilitate business change – in particular, improving their team's capacity to provide high-quality data and insight, and optimising new business processes. If CIOs themselves feel their 'sweet spot' is in the delivery of routine services, then it will be difficult for their stakeholders to view them any differently.

Business perception

When asked to identify the top barriers to effective IT business partnering, CIOs cited a lack of business understanding and a poor perception of the role of the IT function as the main reasons. The second-most-common barrier is seen as conflicting IT priorities and a lack of resources to support a dedicated IT business partnering strategy. Our chapter on Talent explores how significant capability gaps in terms of business-facing skills within IT organisations could be contributing to both business perception and resulting resource issues.

All is not doom and gloom

A positive finding from our survey is that establishing a

dedicated business-partnering function seems to be giving CIOs the best chance of achieving excellence as a strategic partner, suggesting that more focus in this area is likely to yield better results. Of those respondents who rated their IT function as an 'excellent' strategic business partner, 65 per cent already have a dedicated business-partnering function in place. Tellingly, of those that rated themselves as "poor" partners to the business, 88 per cent have not yet formalised this capability within their teams.

The Australian experience

Australia fared worst globally in their business partnering function (32 per cent). The IT business engagement model is still an issue for Australia where many CIOs feel they have not successfully embedded a model that best engages with the business functions. However, they still ranked themselves highly as a strategic partner – 68 per cent considered themselves fair and 32 per cent excellent.

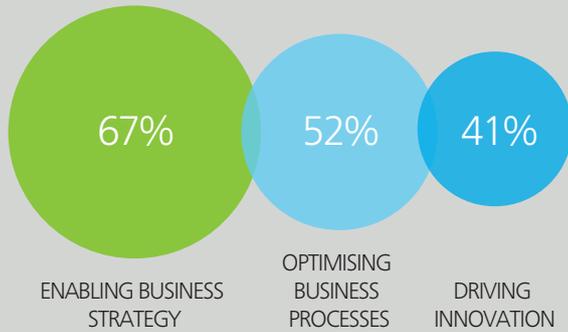
While Australian CIOs agreed that the business generally expected them to be enabling/implementing business strategy, they also felt strongly that they were expected to deliver on programs and projects and routine IT services. These results again support the fact that Australia is failing badly at their business partnerships either because the business does not understand what they do or because they are do not understand what the business really wants from them.

What keeps Australian CIOs awake at night?

There were wide-ranging concerns from the perception that the CIO and IT were not appreciated in their contribution to the success of the business to the unwillingness of the business to accept the changes the IT group is driving through the organisation or the CIO's ability to meet the expectations of the business in terms of capacity and delivery time.

Additionally, the CIOs felt constrained and confused by the many changes occurring in their environments including "how is the political/business/regulatory environment going to change this week and how will it affect my budget and priorities this time" and the "changing business priorities and lack of a clear business strategy direction" making it difficult to complete and implement a complementary IT strategy.

IT VALUE DRIVERS TOP WAYS BUSINESS LEADERS EXPECT IT TO ADD VALUE



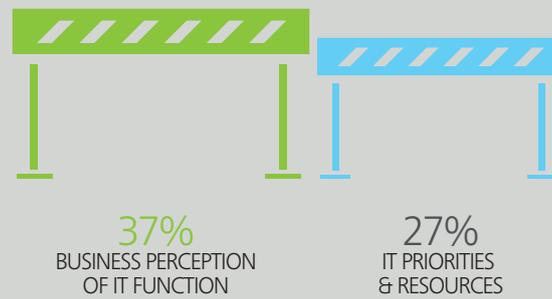
STRENGTHS & WEAKNESSES DRIVING BUSINESS VALUE



IT BUSINESS PARTNERING EFFECTIVENESS



BARRIERS TO BUSINESS PARTNERING FACED BY IT LEADERS



Business partnering

Quick wins

What can an IT leader do to get closer to the strategic hub of their organisation and become a more-effective business partner?

Strengthen your internal network

As businesses continue to digitise and expenditure on technology outside the IT function increases, the need for IT leaders to build and nurture relationships across their organisations becomes crucial. A good place to start is by identifying the most important relationships that will help you and your IT function progress – whether they are with business leaders to collaborate on strategy, fellow officers to help you gain greater access to board members, or customer-facing staff to service end-users.

Make it personal

Successful CIOs proactively understand their business partners' objectives and views on technology, and use this knowledge to help establish common incentives and goals for greater collaboration. For example, finding ways to deliver real-time business data to the finance director; helping Sales & Marketing to invest in the right technologies for interacting with customers; or helping the COO achieve further operational efficiencies through technology.

Talk business

Adopt and embed within your teams the use of business-friendly language. For example, when talking with the CFO, put technology requests in business terms – know how to calculate the business return on investment, articulate the total cost per unit per IT service, and question every cost. Remember, your colleagues don't care about cloud, ERP or big data. They care about financial reporting, sales cycles, customer satisfaction, capacity issues, supply chains and the other things that consume their time and attention.

Demonstrate "inside out" business understanding

When you secure that seat at the boardroom table, make sure you use it well. Build a strong working knowledge of your organisation's goals and objectives and be able to articulate the role technology can play in achieving them. Put yourself forward to play a leading role in a major transformation project and demonstrate first-hand how technology can really drive business change.

Build your army

The trick now is for IT leaders to really commit to this new way of thinking – one which involves proactively generating ideas, acting as an information broker by providing insights to support business decisions, and delivering business transformation by introducing new business model innovations. This means continuing to identify and invest in multi-faceted, future-focussed team members who not only understand complex technologies but also how they can enable business objectives.

“Engaging the business and helping them to fully understand the value of IT as a business partner is a real challenge.”

Survey participant, Malaysia



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Talent

Key findings

The talent gap is in business-facing skills

Responses to the Talent section of our survey suggest that many CIOs are still struggling to find the right blend of technology expertise and business skills to support business demands. Over half of CIOs are experiencing difficulties sourcing staff who can think like the business, while just under half are struggling to find professionals who can think strategically and communicate effectively. Our *Business Partnering* findings suggest that this talent gap is also seriously impacting the effectiveness of CIOs as business partners.

Wanted: business-centric technical skills

In terms of technical skills, the top areas CIOs identified as in need of improvement were equally business-focussed and strategic in nature. A total of 42 per cent of CIOs are demanding more in terms of business analysis skills, for example; that is, team members capable of identifying business needs and delivering technology solutions to business problems. Around a third of CIOs are also experiencing shortages of skills within their teams in delivering technology strategy and architecture, and analytics and big data.

Getting creative with talent attraction

This continued shortage of talent in business-centric roles within the IT function seems to be due in part to a lack of experienced staff in the market, according to respondents across the majority of regions. However, many IT leaders are adopting increasingly creative tactics to attract and retain this new breed of professional into their organisations.

Over 40 per cent of respondents are redesigning IT roles and structures and/or providing access to cutting-edge IT projects, possibly reflecting a growing realisation that IT leaders need to start making a role in IT a much-more-attractive career choice. These responses outweighed traditional strategies, such as paying above the market rate, and providing better work/life balance opportunities.

Missing an opportunity?

Only 12 per cent of CIOs are offering opportunities on projects outside the IT function as a mechanism to attract and retain talent. We believe IT leaders are missing a chance to get closer to the business by not placing a greater emphasis on encouraging teams to build relationships and foster better links with other business functions.

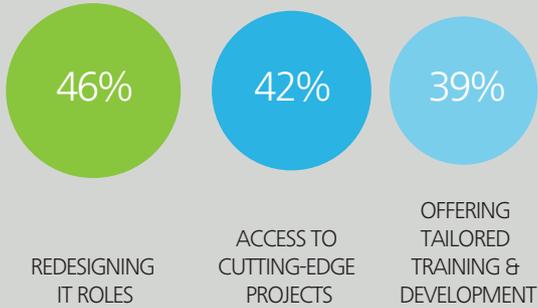
The Australian experience

Not so surprisingly, it is that Australia (58 per cent) along with Canada (50 per cent) and Russia (47 per cent) bucked the trend in developing creative careers and chose to focus more on promoting work/life balance to attract and retain talent than redesigning IT roles and structures.

What keeps Australian CIOs awake at night?

Although recruitment came through as an issue in the survey, it was only specifically mentioned in relation to gaining access to the appropriate skills and experience in regionally located business operations. This is an important issue for Australia with the vast distances between major cities and regional outposts.

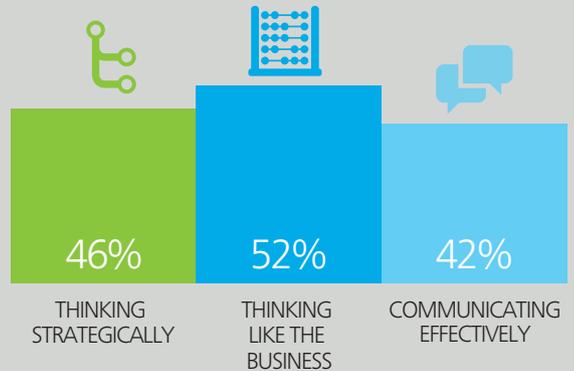
RECRUITING & RETAINING TALENT
TOP TACTICS



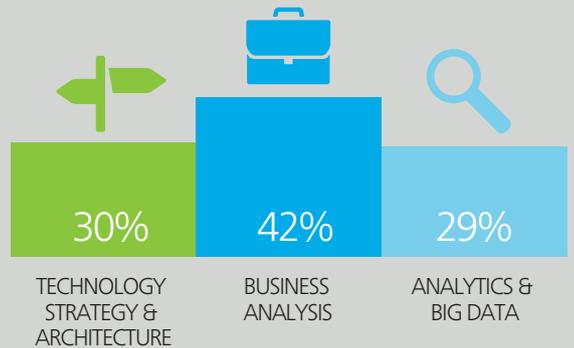
RECRUITMENT
CHALLENGES



BUSINESS SKILLS GAPS
TOP THREE WITHIN IT FUNCTIONS



TECHNICAL SKILLS GAPS
TOP THREE WITHIN IT FUNCTIONS



Talent Quick wins

What changes can IT leaders make in order to up-skill their teams and attract the right talent?

Technical skills as pre-requisites, not differentiators

IT organisations require a “breed” of technologists who are able to demonstrate competencies such as thinking like the customer, maintaining relationships, applying strategic thinking, being innovative and having razor-sharp focus on continuous improvement. IT talent which excels in these areas is more likely to differentiate your business. Revamp your focus on IT talent management from being focussed on skills to behaviour/competencies.

Bolster your training curriculum

Consider formalising non-technical training pathways together with your technical curriculum. Identify training programs which address dealing with ambiguity, complex stakeholder management and effective communication to complement technical learning pathways.

Don't shrink from recruiting non-technical resources

Challenge the status quo in your organisation and don't hesitate to recruit and on-board non-technical resources into your IT organisation. Broaden your search criteria to include candidates with demonstrable experience of creative problem-solving and innovation. Not only can such recruits help kick the tyres on current ways of thinking, but they can also bring with them

new perspectives and valuable business contacts.

Make room for exciting projects in your portfolio

Seek opportunities to deploy your staff on new and challenging projects within the organisation. Such projects usually provide exposure to more business-focussed activities and also provide contact with more senior business stakeholders. This keeps the workplace fresh and exciting for technical staff and also provides an opportunity to learn “soft skills” on the job.

Take a punt on encouraging external contact

Social network and mobility are expanding personal networks more than ever. Businesses are increasingly harnessing the power of “crowd-sourcing”. Encourage your staff to become members of online communities and projects. The next big thing to differentiate your business might be born in a community created or contributed to by a member of your team.

Think, act, do business

Develop and embed ways of working which demonstrate ownership of business outcomes by the IT organisation. Set objectives and monitor performance of IT staff on business outcomes. Reward IT staff on their ability to deliver business outcomes and ensure success is communicated to other teams within the organisation.

“Personal development and opportunities outside of the IT function are key to attracting and retaining the right talent.”

Survey participant, UK



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Innovation

Key findings

The business needs IT innovation

Technology-driven innovation is fast becoming a key lever for organisations to realise competitive advantage, a message re-inforced by the fact that almost two-thirds of CIOs confirmed that innovation is a key part of their organisation's business strategy. Three-quarters also stated they have a clear understanding of how their IT function could support their organisation's innovation strategy, citing operational efficiency, market development, and product/service differentiation as being the top three ways that innovative technologies could add the most business value.

IT is not yet delivering on its innovation potential

Despite these perceived opportunities, 65 per cent of CIOs do not believe that their IT function is considered a credible hub of innovation within their organisation. Almost half of all respondents claim that IT priorities, resources and budget constraints are the key barriers preventing them from effectively supporting their business's innovation agenda. A further proportion of IT leaders see opposing strategic priorities and a lack of understanding of IT within the business as obstructing the progress of IT innovation. Many of these are considered to be the top barriers CIOs feel are preventing them from becoming effective business partners.

Innovative technologies

Despite emerging technologies promising a transformational and disruptive effect on the business, our survey results suggest that many IT leaders are still only just starting to leverage their potential to support their innovation agenda. The highest adoption rates

are being seen across mobile, private cloud and social media; however, these technologies are still only being implemented or fully operational within around 30–40 per cent of respondent IT functions. At the same time another 40–50 per cent have still not moved beyond researching these rapidly evolving technologies, indicating that there is still significant potential to be unlocked.

Big data, big gap

Big data is fast becoming a key strategic asset in many organisations. Despite this, over half of respondents are still at a very early stage of the adoption curve with 64 per cent of respondents still only monitoring or researching these technologies. It appears that many CIOs remain to be fully convinced of the benefits that big data and analytics can bring to their businesses.

The Australian experience

Interestingly, big data ranks as Australia's biggest gap in technical skill, which rates third at a global level.

Australia also stood on its own with 32 per cent believing that their innovative technologies could add business value through brand reputation and customer experience.

The main barriers to innovative delivery in Australia were:

- IT priorities and resources
- budget constraints and
- business perception and understanding.

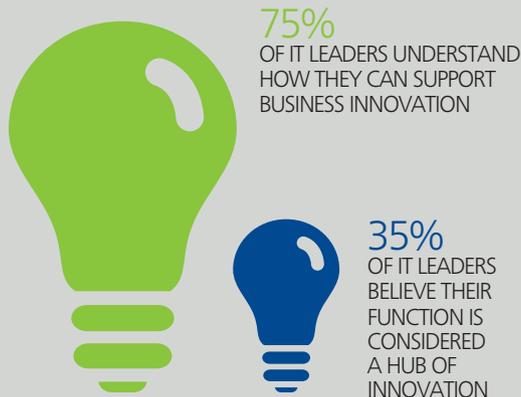
BUSINESS VALUE THROUGH TECHNOLOGY



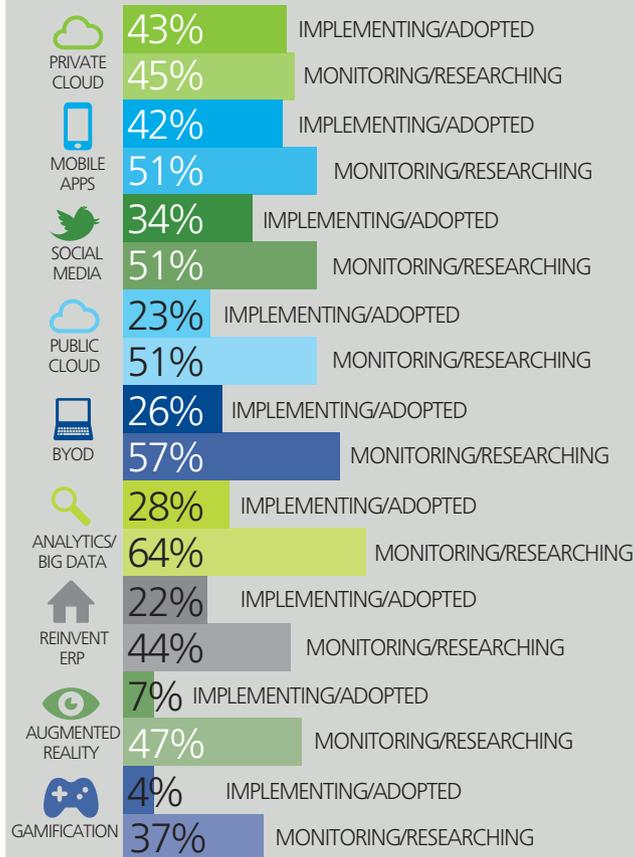
INNOVATION BARRIERS FACED BY IT LEADERS



SUPPORTING INNOVATION THROUGH TECHNOLOGY



TECHNOLOGIES & TRENDS LEVELS OF ADOPTION



Innovation

Quick wins

What steps can CIOs take to start building a culture of innovation within their IT functions and really drive business change and growth through technology?

Get in the driving seat

At a time when technology is the key force driving business innovation, IT leaders have never been in a better position to play a central role in developing the business for change and growth. Leading CIOs are identifying key ways to leverage the latest technology forces and trends to drive new business capabilities and are able to clearly articulate how this investment will create business value. For example, consider ways to demonstrate how mobile can help reshape your organisation's customer, employee and supplier experiences, or how combining analytics, mobile and social media can provide your business leaders with insights that can improve decision-making.

Big (data) opportunity

If your IT budgets and resources constrain you to focus on just one area of innovation this year, consider getting a firmer grip on big data and analytics. Helping to make sense of the vast quantity of data within your organisation to aid decision-making will very quickly put you in the running for board-level attention. Begin by exploring a specific domain, such as customer base, product or pricing, and identify practical entry points to big datasets that are digestible in scope and can enrich current analytics. Start small and deliver something quickly before the business loses interest.

Innovation connections

Get closer to your wider business and supplier network to help you shape your innovation strategy. Call upon your Chief Operating Officer to understand how technology can help you innovate existing business models; spend time with Marketing and Product Development to improve your grasp on market and customer trends; and make use of your CFO's commercial focus and board-level connections to help design a business case for your innovation plan. And don't forget your external vendors and business partners can also be a valuable source of innovative input – invite them to share real examples of how they have delivered innovation, either within their business or for clients, which demonstrates tangible business outcomes.

The new norm

Instil a culture of innovation within your IT function by encouraging your staff to challenge current thinking and giving people the space and time to develop new ideas. Incorporate innovation responsibilities into job descriptions and objectives, and visibly reward staff for their innovative contributions. And don't forget to set aside some budget to invest in the right initiatives that will not only help grow your business but also help build your function's reputation as innovators within your organisation.

Shake up your recruitment process

If you're serious about putting innovation at the core of your IT function, then it also needs to be at the core of your recruitment strategy. Invite your recruitment team to help design a hiring process that really reflects the culture you are trying to build within your IT function and the type of innovative talent you are looking to attract. From fresh advertising and job descriptions that excite and inspire, to interview questions that encourage candidates to demonstrate their passion and flair for innovation.

“The top management do not see IT as a strategic tool for innovation and transformation.”

Survey participant, Finland



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CIO career

Key findings

Appetite for more business impact

It is clear from the survey that IT leaders want to have a more strategic impact on their organisations than they currently do, with the top motivation for a career move being a desire to make a greater contribution to business strategy. They believe that enabling the business strategy is the top way that their business stakeholders expect them to add business value. This suggests that IT leaders are clear on where their priorities need to be, but do not feel they are currently in a position to deliver against this in their current organisation. This indicates that many organisations are not getting the best out of their IT leaders in terms of the contribution they can make in the C-suite and indeed risk losing them altogether.

A fulfilling career?

Our survey demonstrates that the role of the IT leader is not necessarily one of short tenure, as 69 per cent of respondents have been in their current role for more than three years, and 40 per cent have been in the role for more than six years. However, one-third of respondents do not agree that their role as an IT leader gives them a range of job opportunities for a varied and fulfilling career. This perhaps indicates frustrations amongst CIOs, who recognise there are opportunities to add value but are constrained in delivering on their potential.

Business-focussed career move

The idea of IT leaders moving to a career outside of IT may have been unlikely in the past, but our survey shows that attitudes and aspirations on this are starting to change. Although approximately half of respondents felt they would most likely remain in an IT leadership role for their next career move, many are still attracted and aspire to new and even more senior roles in the executive management team – most notably the

COO or CEO – in their quest for a new challenge and a greater influence, contribution, and impact on the business strategy.

The Australian experience

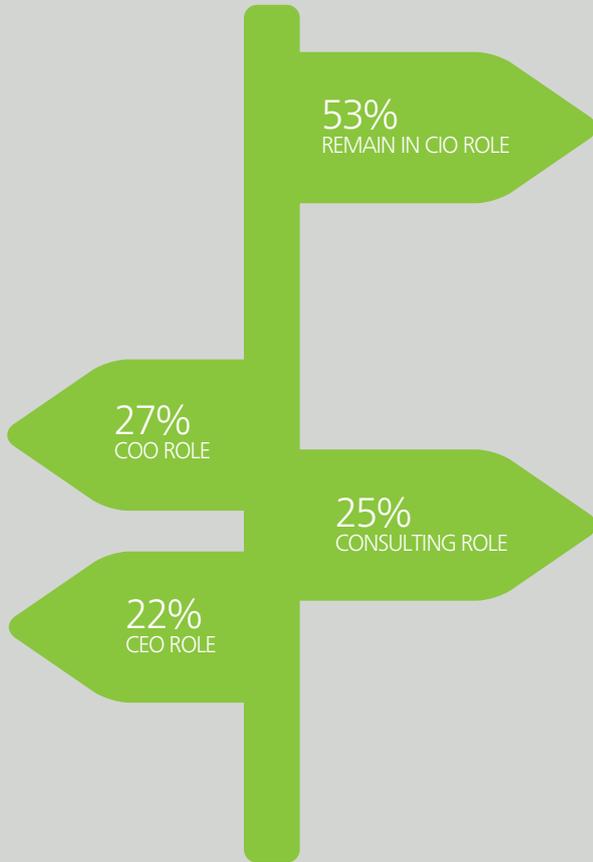
Australia again went against the global trend, with 44 per cent of Australian IT leaders having been in their role for less than two years. Having said that, Australians were also very positive about their career development, with 84 per cent believing that they had a clear understanding of leadership scope and expectations and access to the training and development opportunities to meet their career aspirations. They were less enthusiastic that the IT industry provides them with a range of job opportunities for a varied and fulfilling career.

Our Australian CIOs did not see themselves changing their role in general. Those who did thought they would move into an expert or consulting role or the role of COO. Surprisingly, the Chief Development Officer (CDO) was not a popular option considering the current focus on digital disruption.

What keeps Australian CIOs awake at night?

Most interestingly though was this comment on the role of the CIO, “I would love to see the CIO become Chief Innovation Officer with the three layers of management (CEO, CFO and COO) all understanding and accepting the role a true CIO can play to the business, revenue and strategy”.

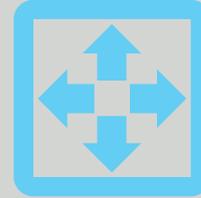
WHERE NEXT CIO CAREER CONSIDERATIONS



JOB SATISFACTION TRAINING & CAREER OPPORTUNITIES



34%
OF IT LEADERS DO NOT
AGREE THAT THEY HAVE
ACCESS TO ADEQUATE
TRAINING AND
DEVELOPMENT



33%
OF IT LEADERS DO
NOT AGREE THAT THEY
HAVE ACCESS TO
OPPORTUNITIES FOR
A FULFILLING CAREER

CAREER MOVES TOP REASONS TO MOVE ON



GREATER CONTRIBUTION
TO THE BUSINESS



NEW CHALLENGE

CIO career

Quick wins

What can CIOs be doing to remain fulfilled in their roles and give themselves the best opportunities to fulfil their career aspirations?

Four faces of the CIO

The CIO's remit in business today is far wider reaching and higher up on the boardroom agenda than ever before. In order to establish yourself as a credible player within the executive management team, it's vital that you master the art of situational leadership. This means balancing your multi-faceted role as a technologist, operator, strategist and catalyst and being able to identify the right 'face' to bring to the table depending on the situation at hand. Although this can be hugely challenging, get it right and it can also be hugely rewarding.

Building the next generation of CIOs

Planning for your own succession by building a management team that supports your vision for the company will give you the best opportunity to evolve as a business leader – either within your IT function or as part of the wider executive management team. Identify your next generation of CIOs and provide them with stretch opportunities which not only help to mould them, but which also free up your time so you can engage in bigger picture dialogue with the rest of the business.

Broaden your experience

More and more CIOs are emerging with direct experience of a business function, rather than with a traditional IT background, so these are some of the likely candidates that you'll be up against at your next career move. Put yourself in the best position to compete with these individuals by gaining experience in other parts of your business. Consider, for example, how technology can play a more influential role in areas such as operations, finance, M&A, product development and marketing. This exposure will serve you well if in the future you decide to look beyond the traditional CIO career path. Also make time to see what is happening externally. It's not enough to just be well read regarding the latest external publications – it's crucial to interact with other CIOs to bring back new ideas that will be valuable to your business.

“A seat on the board is the one thing that would attract me to a new role.”

Survey participant, UK



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Regional variations

Canada

More likely to...

- Rate themselves as 'excellent' business partners
- Promote work/life balance to recruit and retain talent
- Adopt Public Cloud.

Less likely to...

- Focus on maintaining IT operations
- Have talent gaps in technology strategy & architecture
- Have problems recruiting.

Western Europe

More likely to...

- Have talent gaps in communications and business analysis skills
- See budget constraints as barriers to business partnering.

Less likely to...

- Adopt BYOD or to have moved beyond monitoring analytics and big data.

Southern Europe

More likely to...

- Have experienced IT budget cuts
- Rate themselves as an 'excellent' business partner
- Have talent gaps in compliance, risk & security.

Least likely to...

- Be experiencing problems recruiting.

South America

More likely to...

- Have seen an increase in the IT budget
- Have been in current role for more than 10 years
- Be motivated by an improved salary when considering a new role.

Least likely to...

- Have skills gap for staff that can communicate effectively.

Northern Europe

More likely to...

- Be supporting 'business as usual' IT.

Less likely to...

- Provide access to cutting-edge projects to attract and retain talent.

Eastern Europe & Russia

More likely to...

- Rate themselves as 'excellent' business partners
- Promote work/life balance to recruit and retain talent
- Have talent gaps in compliance, risk & security.

Less likely to...

- Have an established IT Business Partnering function.

Asia

More likely to...

- Have seen an increase in the IT budget
- Be supporting change and growth activities
- Have an established IT Business Partnering function
- Be experiencing problems recruiting
- Be implementing augmented reality technology and reinventing ERP
- Have been in current role for more than 10 years.

Least likely to...

- Be meeting business expectations for providing high-quality data and insight, enabling business strategy, and optimising business processes.

Middle East

More likely to...

- Have talent gaps in compliance, risk & security.

Least likely to....

- Promote work/life balance to attract and retain talent.

Africa

More likely to...

- Have seen an increase in the IT budget
- Be supporting 'business as usual' IT
- Have an established IT Business Partnering function.
- Be experiencing problems recruiting
- Adopt analytics/big data and social media.

Least likely to...

- Provide access to cutting-edge projects to attract and retain talent.

Australia

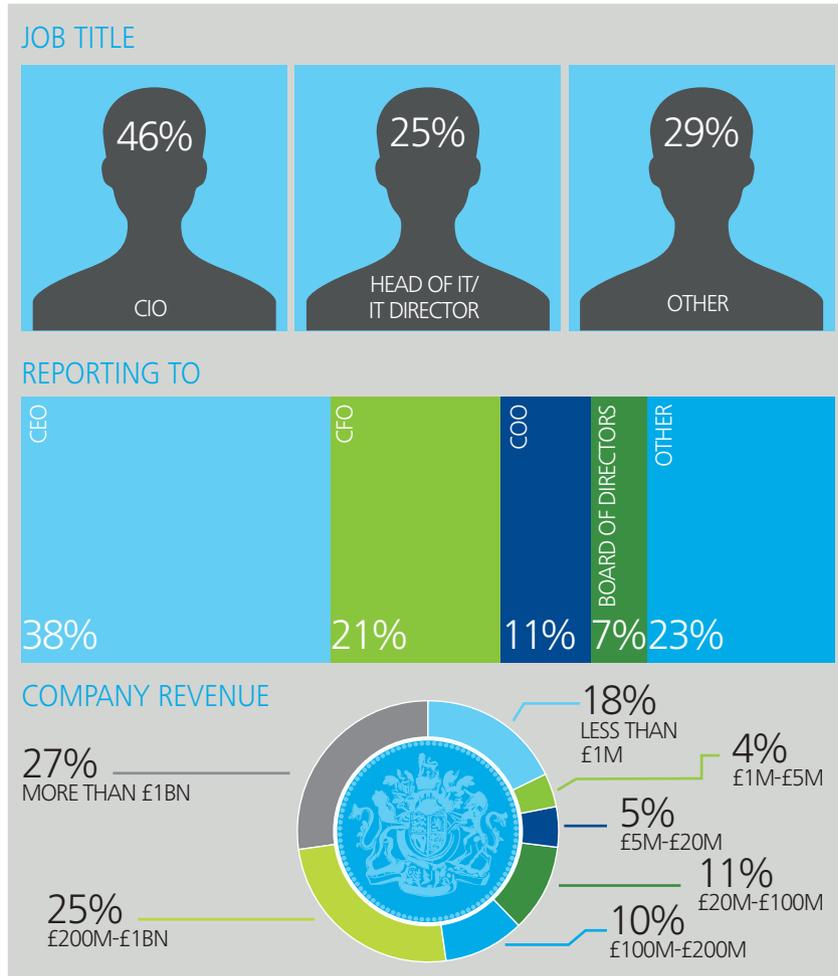
More likely to...

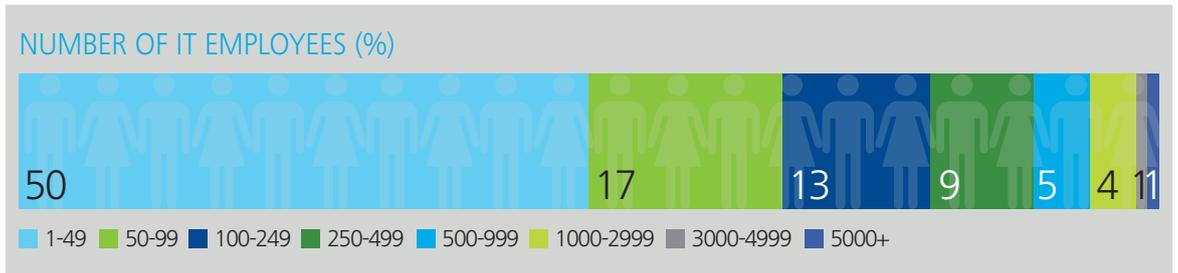
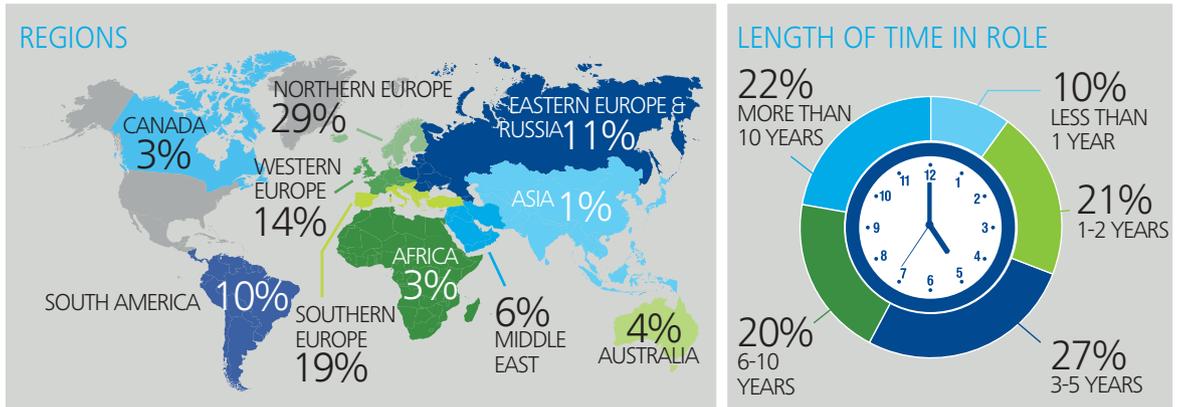
- Be supporting "business as usual" IT
- Promote work/life balance to attract and retain talent
- Have been in current role for less than two years.

Least likely to...

- Have an established IT Business Partnering function.

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