



**A new world**

Innovation and the CIO

February 2017

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# Contemporary CIOs need to deliver successful technology innovation

## Deloitte Survey: Introduction

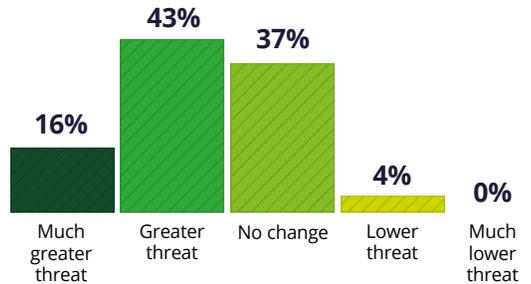
We surveyed 53 Swiss CIOs and IT leaders on the topic of technology innovation over two weeks in October 2016. Respondents came from across a range of industries and from both large multinational and smaller domestic organisations.

### 1. Innovative competitors pose a real and growing threat



**59%**

of Swiss CIOs perceive the threat from innovative competitors growing during the past two years. Only 4% report reduced threat.



### 2. CIOs recognise that the world has changed; a cautious approach to technology innovation is no longer appropriate



**Only 24%**

of CIOs agree with the following statement: *"Despite recent hype over innovation nothing has really changed for us"*

**Only 22%**

of CIOs agree with the following statement: *"Caution about new technologies is appropriate. 'Smart follower' strategy is the winning approach"*

### 3. The business is looking to IT to initiate innovation

What model of interaction with the business for technology innovation is most common in your organisation?



Role of IT in innovation	Average score (1-4)
4. IT pro-actively proposes fully formed innovative solutions	2.84
3. Business seeks active collaboration with IT	3.06
2. Business seeks input - IT advises and implements	2.51
1. Business drives innovation - IT implements	1.59

# If the CIO can't deliver innovation – someone else will

## 4. Demand for innovation from IT is real and much greater than previously



**59%**

say the priorities for our IT organisation have clearly changed – demand from 'the business' for technology-enabled innovation is far higher than previously

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## 5. Barriers to innovation are deep rooted



**74%**

of CIOs say that lack of time is the number one innovation barrier

**45%**

of CIOs say that innovation is impeded by their organisation having a low tolerance for failure

**45%**

of CIOs also say that lack of talent in their organisation is an innovation barrier

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## 6. Pivoting towards innovation is difficult for many IT organisations



**53%**

of the CIOs agree with the following statement:  
*"Years of cost and risk reduction has made it difficult to quickly develop innovative capabilities"*

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## 7. The risk for the CIO – if you don't do it, someone else will



**35%**

of organisations have moved responsibility for some or all of technology innovation outside of the IT department

# CIOs are confronting the innovation challenge with enhanced structure & funding

## 8. CIOs are moving towards more systematic and formalised innovation

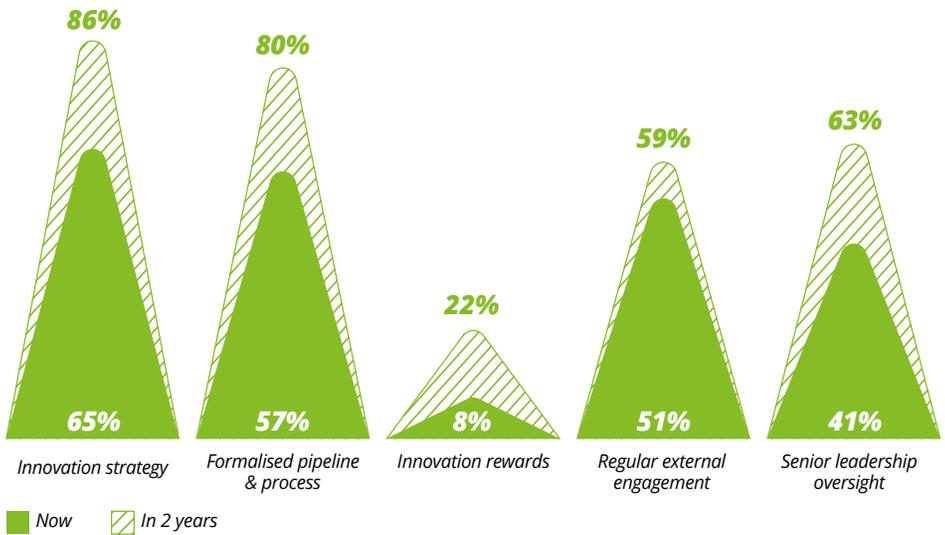
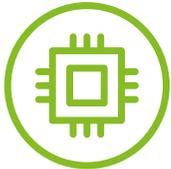


**More than 80%**

of CIO respondents plan a more systematic and formalised innovation framework

## 9. CIOs are increasing their use of technology innovation enablers

Which of these aspects of technology innovation are present in your organisation?



## 10. Investment in technology innovation attracts talent



**53%**

of the CIOs agree with the following statement:

*"Our investment in innovative technology is a great tool to hire and retain talent"*

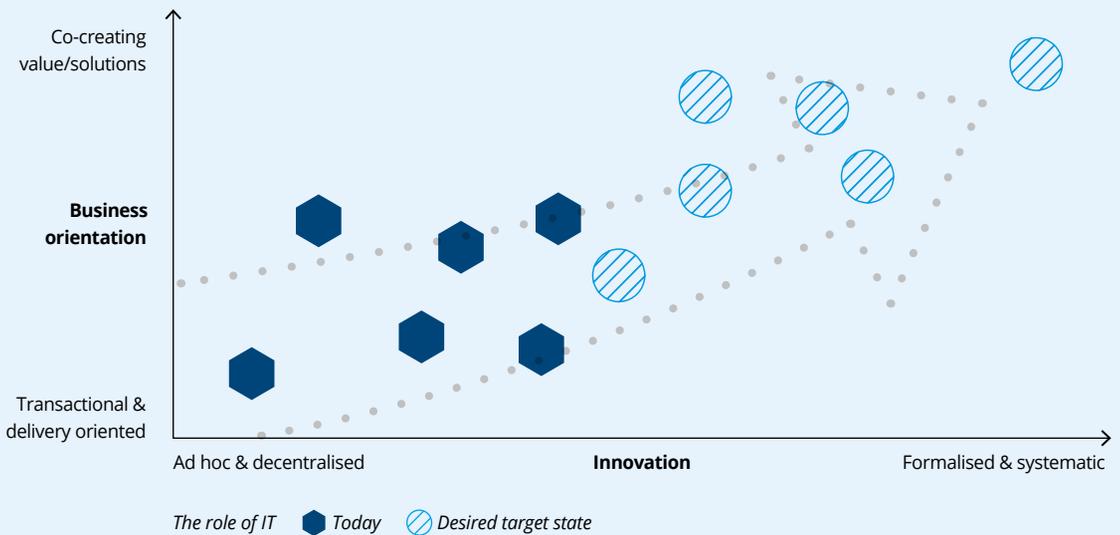
# Jump starting the innovation capability of an IT function

## Global Financial Institution – Technology Innovation Case Study

Deloitte supported an IT leader at a Swiss global financial institution to jump start the IT organisation’s ability to deliver technology innovation to the business.

### 1. Initial Situation

Interviews with key business stakeholders confirmed their need for a strong IT partner to provide technology innovation



### 2. Approach

A sharp focus on four areas drove a material increase in technology innovation across the IT organisation in just a few months

#### Enabling Technology Innovation



#### DISCOVERY

What emerging technologies are relevant for the business? What are promising use cases?



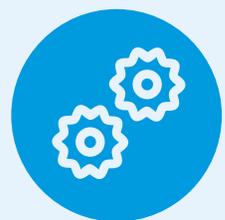
#### STRATEGY

How important is technology innovation for the business? How can this be reflected in the IT strategy?



#### SOLUTIONS

How can benefits from technology innovation be delivered and made visible to the business?



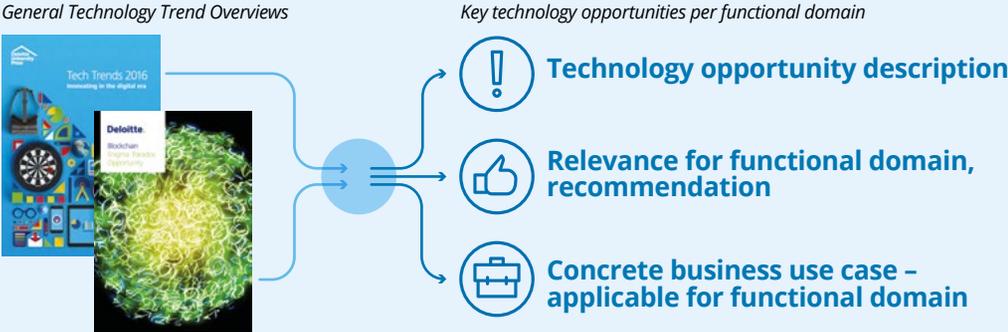
#### CAPABILITIES

How and where do technology innovation roles and responsibilities need to be embedded?

# Deloitte insights inspired new technology use cases

### 3. Technology Innovation Discovery

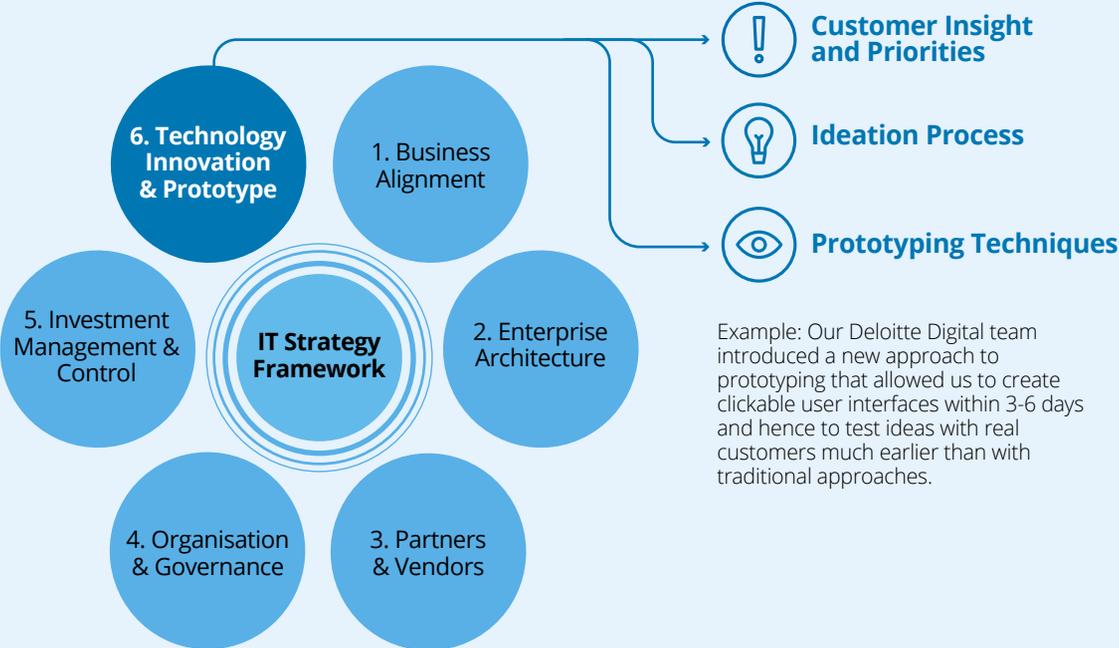
We rapidly synthesised applicable external technology precedents for each functional domain – this triggered innovation thinking and stimulated the development of concrete new use cases



Example: Based on external research we provided the top technology trends impacting finance operations, including an example of how cognitive technologies can improve straight-through invoice processing from 20 to 80%.

### 4. Technology Innovation Strategy

We incorporated technology innovation into the annual strategy review cycle



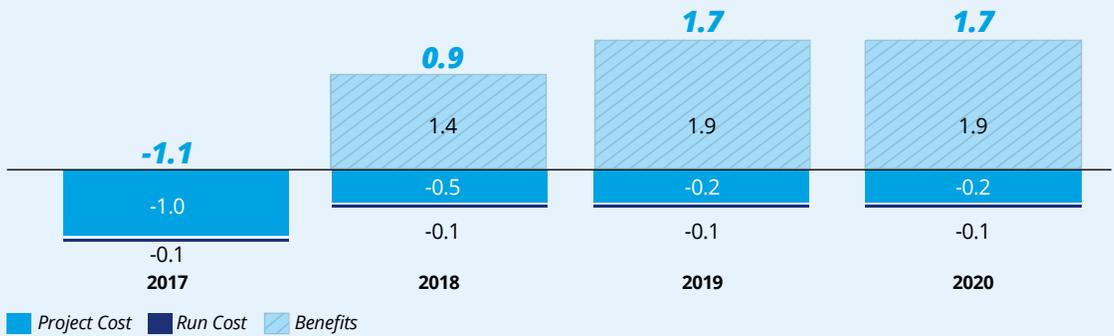
Example: Our Deloitte Digital team introduced a new approach to prototyping that allowed us to create clickable user interfaces within 3-6 days and hence to test ideas with real customers much earlier than with traditional approaches.

# Identified projects were subjected to rigorous evaluation to prove long-term value

## 5. Technology Innovation Solutions

We created rigorous project charters and business cases that specified how the identified technology innovations will deliver value mid- and long-term

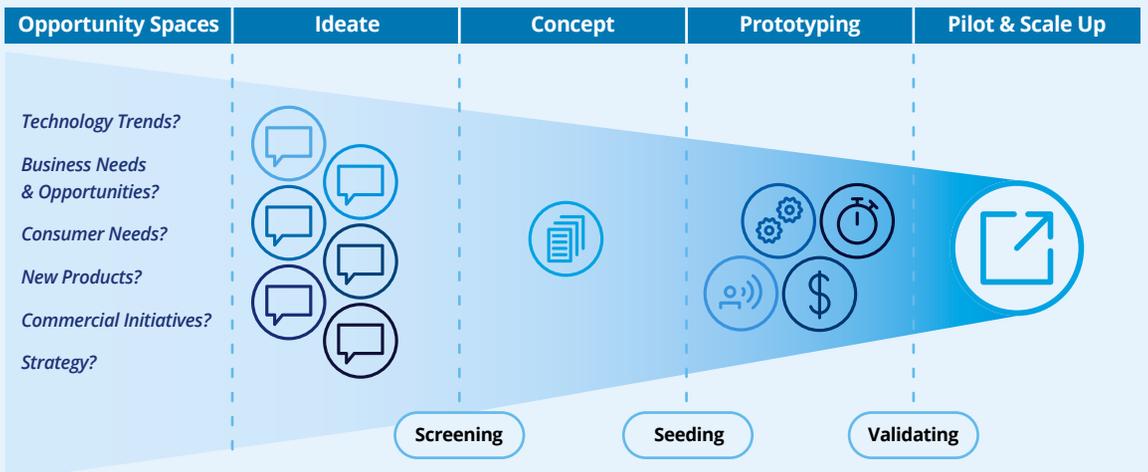
Cost-benefit summary for Technology Innovation X (in M USD)



Example: In collaboration with the responsible business and IT leaders, we created a project proposal that showed how investments into innovation in analytics can generate quantitative and qualitative value for the business.

## 6. Technology Innovation Capabilities

Applying the technology innovation funnel process, we established a way for internal resources to consistently and systematically identify and deliver innovative ideas



Example: We established an idea management process and linked it to a simple but powerful tool that will support the crowdsourcing of ideas from employees.

# Contacts



**Michael MacNicholas**  
mimacnicholas@deloitte.ch  
+41 58 279 6778



**Lukas Diener**  
ldiener@deloitte.ch  
+41 58 279 7596

Deloitte Consulting AG  
General-Guisan-Quai 38  
P.O. Box 2232  
8022 Zurich  
Switzerland

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