HARVEY NASH
CIO SURVEY 2015
IN ASSOCIATION WITH KPMG

INTO AN AGE OF DISRUPTION

HARVEY
NASH

The Power of Talent

in association with

KPMG

About the Survey and Participants

The Harvey Nash CIO Survey 2015, in association with KPMG, collected data between 6th January and 19th April 2015 and represents the views of 3,691 technology leaders from more than 30 countries, with a combined IT spend of over $200bn. Of the respondents, 33 per cent identified themselves as CIOs, 9 per cent as CTOs, 32 per cent as director / VP in technology and the remaining 26 per cent were spread between a broad range of roles including CEO, COO, CDO and senior executives. The currency used in this survey is US Dollar (USD); at the launch of the survey the conversion rate was GBP 1 = USD 1.51 / Euro 1 = USD 1.18.

THE WATERING HOLE

No technology leader needs to be told that the pace of technological change is quickening. They, perhaps more than any other executive, see it everywhere. Whether it's the 'big' things like the board looking for guidance about how technology can create new business models, to the more prosaic, like walking into an executive meeting and seeing a peer proudly accessing the network holding a non-standard (and perhaps non-secure) new device, the CIO sees it all.

In the past, the IT organisation was like a water company; a natural monopoly strictly plumbed into, and in control of, everything we did. But things are changing, and today much of what IT does might be better described as a 'watering hole'; a place that attracts, unites and gives fuel to often quite disparate groups of people who are there by choice, not compulsion. For the CIO, the difference can be radical; control is replaced by influence, structure by fluidity, certainty by ambiguity.

This year's Harvey Nash CIO Survey, published in association with KPMG, and proudly presenting the views of almost 4,000 technology leaders, shines a light on these important changes. From board priorities to business relationships to careers, the CIO Survey provides insights and guidance about how to succeed in this fast-changing environment.

Despite the world becoming more ambiguous, one thing is for certain: it has never been a more exciting time to be a technology leader.

Albert Ellis
Chief Executive
Harvey Nash Group

Marc Snyder
Managing Director
CIO Advisory
Global Centre of Excellence
KPMG in the US

WHAT'S ON YOUR MIND?

CIO PRIORITIES

IT projects that **SAVE** money **34%** — — IT projects that **MAKE** money **66%**

BOARD PRIORITIES: *TOP THREE:*
1. Improving business processes
2. Operational efficiencies
3. Delivering consistent and stable IT

BOARD PRIORITIES: *FASTEST GROWING:*
1. Delivering business intelligence / analytics
2. Better engagement with customers/prospects
3. Reputation management via social media technology

Improving the relationship between IT & Marketing: **only 33% rate** it as **'very strong'**, but it is **up from 30%** since 2014.

PEOPLE, SKILLS AND TALENT

Technology skills shortage is getting worse **59%** face skills shortage

FASTEST GROWING SKILLS DEMAND:
1. Big data / analytics
2. Change management
3. Development

GREATEST FALL IN SKILLS DEMAND
1. Technical architecture
2. Enterprise architecture
3. Business analysis

Competition for talent is fierce. CIOs increasing technology headcount is at a five-year high.

8% 2015

the proportion of women in IT leadership roles responding to the CIO Survey remains stubbornly low

7% 2014   **9%** 2013   **7%** 2012

DIGITAL DISRUPTION

Digital disruption is occurring NOW for 34% of CIOs and expected within 1-2 years by another 28%

MOST AFFECTED BY DIGITAL DISRUPTION *NOW*
1. Broadcast Media
2. Advertising
3. Technology / Telecoms

Time to build digital infrastructure: 56% will focus on this to allow greater innovation / agility

Greater IT responsibility for digital (8% more CIOs reporting digital ownership this year)

A new colleague: the Chief Digital Officer (17% of organisations now have one, up from 7% last year)

MANAGING THE TECHNOLOGY FUNCTION

CYBER SECURITY CONCERN IS GROWING
1. **Cyber-attack is a serious threat** (nine in ten CIOs agree a malicious and serious cyber-attack could damage the operations and positive brand image of the company)
2. **Cyber-attack is a very real threat** (one in four CIOs reported a major IT security incident in the past twelve months)
3. **Cyber-attack is a growing threat** (only 23% of CIOs believe they are 'very well' prepared for a serious incident, down six per cent from 2014)

IT Budgets are increasing (for 44% of CIOs)

CIOs report that anything between one per cent and 30 per cent of their organisation's annual sales (or public sector total budget) is spent on technology.

IT Outsourcing intent is increasing (three times as many CIOs will increase outsourcing spend in 2015 compared to those cutting back)

CIO CAREERS

Time to move role? (almost half of CIOs - 48% - expect to move role within the next 24 months)

8/10

The CIO is a challenging, but a happy, role (eight out of ten CIOs report that they are either 'fulfilled' or 'very fulfilled', a slight increase of two per cent since 2014.)

CIO salary growth appears to have stalled (three in ten CIOs enjoyed an increase in salary in 2015, but the vast majority of CIOs (62%) did not see their salary rise.)

Benefits are on offer for more CIOs (72% receive benefits - including car, short and long term incentive plans, shares or equity)

EXECUTIVE SUMMARY

This year, the Harvey Nash CIO Survey in association with KPMG, has seen the biggest response from CIO leaders in its 17-year history. Between January and April, nearly 4,000 IT executives from more than 50 countries completed the 69-question poll. Over a quarter of a million data points have been recorded. We believe that this is the largest survey of IT leadership in the world.

As expected, there was a great deal of variety in CIO opinion across such a diverse span of regions. However, one very clear trend emerged: the industry is changing rapidly and CIOs are telling us that speed is a top priority. Digital innovation is actively causing disruption to business models and IT leaders are moving swiftly to deliver new infrastructure, platforms and applications to meet fast-changing customer needs.

In terms of challenges, CIOs are reporting that key skills are now much in demand. In certain hotspots, there are chronic shortages. Many IT leaders tell us that this issue is holding them back and as a result, we note that salaries in key skill areas are rising.

All this contributes to a challenging, complex and constantly shifting landscape for the CIO. And their response? They've never been happier. Job satisfaction is heading towards historic highs. In terms of strategic impact there is also good news. Over the last six years, we have seen the relevance of CIOs in the board room steadily advance. In some corporations, CIOs are leading the post-crash transformation activities on behalf of their enterprise.

The CIO landscape is changing as business priorities shift

For the first time in several years, we have seen a change in relative priorities. Business intelligence and analytics has surged in importance. Growth compared to last year is running at three times any other priority on our list. We believe that as a result of digital disruption, many organisations are changing their investment priorities. Additionally, customer relations and social media technologies are starting to take hold. That said, traditional growth area skills such as project management continue to be in demand.

People, skills and talent are at the forefront of CIO decision making

Technology skills shortages remain a pressing concern. Nearly six out of ten CIOs believe that skills shortages will prevent their organisation from keeping up with the pace of change. This is a trend which started last year and it appears to be accelerating. Skills concerns are running one-third higher than in 2013.

The skills that CIOs feel their teams need in order to keep up with the pace of technology change have also shifted in the past 12 months. There has been massive increase in demand for big data analytic skills – almost six times higher than the rise in the next most in-demand skill, change management. More than four in ten leaders are also looking to stiffen their teams by injecting new blood in the coming months. This reflects an ongoing and consistent trend in positive recruitment intent by CIOs since the end of the recession.

The era of digital disruption is here, but no consistent models are in place to deal with it

Across the three years that we have tracked digital influence, the dynamics have been constantly shifting. An overwhelming two thirds of CIOs believe digital 'disruption' is now a very significant change to business. They tell us that they believe this disruption will create new business models, products and services that are expected to outperform the old ones. Only one in ten CIOs believe their organisation will be unaffected by digital disruption in the coming years. More than a third of CIOs say they are responding to disruption 'now', while three in ten CIOs expect to be managing disruption within 24 months.

Last year, we found that many Chief Marketing Officers (CMOs) were owning and leading the digital agenda. This is changing. Today we are seeing some evidence of a 'boomerang' effect, where IT organisations are either collaborating with the CMOs or taking on the responsibility for themselves. Additionally, there has been a significant increase in the number of Chief Digital Officers appearing in the IT landscape. Almost one in five CIOs now work with a Chief Digital Officer (CDO) – a huge jump up from a mere seven per cent last year. An additional five per

cent of CIOs report that hiring is underway for a CDO in 2015. That said, ownership of digital, even with a CDO in place, appears to remain quite fluid for many. Amongst the wide range of responses, there seems to be no standard operating model or any blueprint emerging to help organisations address their digital challenges.

Cyber security is a real headache, but CIOs are not letting it inhibit innovation

Boards and executive teams are increasingly becoming aware that cyber-attack is not just a technology risk, but a real business risk. Recent high profile media coverage of hackings into major global brands and major government institutions has no doubt helped affirm this. One in four CIOs reported that their organisations have had to deal with a major IT security incident in the past 12 months. However, critically, while security concerns are keeping CIOs awake at night, an overwhelming majority believe that the security measures they put in place do not materially inhibit their ability to innovate.

IT budget growth continues, but Shadow IT is alive and well

CIOs report that anything between one per cent and 30 per cent of their organisation's annual sales (or public sector total budget) is spent on technology. Manufacturing, construction and engineering are the most conservative (spending one - three per cent), while technology, telecoms, media and financial services all invest more than ten per cent of their sales revenue or public sector budget into IT.

Happily, almost half of CIOs have been allocated budget increases in the past 12 months and this is being directed towards projects which deliver benefits and make money for their organisations. However, challenges remain. Shadow IT, where the CIO does not control the budget, is still a significant force. While nearly half of CIOs give up less than five per cent of their IT budgets to their user community, some IT organisations are struggling, with many only able to control 80 per cent or even less of the technology budget.

Outsourcing is increasingly being used to acquire skills rather than to save money

As in previous years, CIOs often prefer to outsource software development and data centre functions. However, the reasons for outsourcing seem to be changing. Over the last five years there has been a steady shift away from using outsourcing as a means to save money. Instead, many IT leaders now see outsourcing as a valuable way of acquiring new skills. Half of CIOs report increasing their dependence on partners to access skills not available in-house, or to free up internal resources.

A happy CIO does not necessarily mean a settled CIO

CIOs remain fulfilled in their role. Eight out of ten report that they are either 'fulfilled' or 'very fulfilled', a slight increase of two per cent since 2014. However, perhaps mindful of the short life expectancy of a CIO, many leaders remain active in the career market. Three in ten moved jobs in the last 24 months, while almost six in ten CIOs have changed roles since 2010. The average life expectancy of a CIO does not seem to be increasing in these fast-paced times.

In terms of remuneration, the pace of CIO salary growth seen in the last few years appears to be slowing. While three in ten CIOs enjoyed an increase in salary in 2015, the vast majority of CIOs did not see any salary rise, with their total benefits package remaining essentially unchanged from 2014. Yet CIOs are positive. Memories from the worst of the recessionary years still linger, with CIOs admitting that even sluggish remuneration inflation is better than the negative salary inflation seen in the trough of the recession.

2015 is going to be a tough but exciting year

Overall, this year's survey responses tell us that CIOs remain optimistic and that most are excited about the challenges ahead. There seems little doubt that the digital revolution is real and that IT leaders across the world are moving rapidly to exploit the new opportunities. Many of the old problems however, remain. Business change projects are often poorly executed and relationships with key stakeholders are challenging, but we sense a pervasive mood of optimism across the industry. For IT staff, new skills are required to deal with change and the smartest CIOs are often looking beyond the obvious, sometimes even beyond the traditional IT department, to secure new talent. The green shoots of positive sentiment we reported last year now seem to be growing and momentum is gathering. 2015 looks to be a tough but nonetheless exciting time to be an IT leader.

Dr Jonathan Mitchell
Non-Executive Chairman of Global CIO Practice, Harvey Nash

THE DNA OF A DISRUPTIVE CIO

We compared organisations that expect to perform 'Much better' than competitors on digital, to ones that expect to perform 'Slightly worse' or 'Much worse'. Organisations with the strongest digital outlook are more likely to have…

AN ENTERPRISE WIDE DIGITAL STRATEGY
(49%, compared to 15% for worse performing organisations)

A CEO FOCUSED ON MAKING RATHER THAN SAVING MONEY
(83%, compared to 50%)

A CIO WITH A 'VERY STRONG' RELATIONSHIP WITH MARKETING
(44%, compared to 21%)

A CDO / OR INTEND TO EMPLOY ONE
(30%, compared to 15%)

A GROWING IT BUDGET
(61%, compared to 29%)

A DIGITAL STRATEGY OWNED JOINTLY BY IT AND MARKETING
(45%, compared to 35%)

> "There is, alas, no instruction manual for creating a market beating digital strategy. However, there are remarkable similarities between organisations that are making a success of it. An impassioned and committed CEO is one element. An innovative and 'failure friendly' culture is another. But in many cases the glue that seems to hold it together is a CIO who has the ambition, relationships and influence to enable it all to happen.
> **Marc Snyder** , *Managing Director, CIO Advisory Global Centre of Excellence, KPMG in the US*"

CFO OR CEO – YOUR BOSS AND YOUR PRIORITIES

We compared CIOs who reported to the CFO with ones that had a CEO for a boss and picked out some differences, and some (perhaps surprising) similarities. CIOs who report to CFOs are:

TASKED BY THE BOARD WITH THE SAME TOP THREE PRIORITIES AS CEO REPORTS
(increase efficiency, improve business processes, deliver stable IT)

EQUALLY AS LIKELY TO HAVE HAD AN IT BUDGET INCREASE IN THE LAST YEAR
(49%, compared to 51% of CEO reports)

EQUALLY AS HAPPY IN THEIR ROLE
(eight in ten CFO and CEO reports were at least 'quite' fulfilled)

MORE LIKELY TO HAVE A CEO THAT FOCUSES ON PROJECTS THAT SAVE RATHER THAN MAKE MONEY
(43%, compared to 26% of CEO reports)

MORE LIKELY TO ENJOY PROJECT SUCCESS WITH INTERNAL BUSINESS SYSTEMS LIKE ERP AND FINANCE
(CEO reports are more likely to have success with external systems like web, mobile and big data)

SLIGHTLY MORE LIKELY TO HAVE MORE THAN 10% OF IT BUDGET OUTSIDE THE IT DEPARTMENT'S CONTROL
(33%, compared to 28% of CEO reports)

> In the past, CIOs who reported to CFOs have often been seen as 'different animals' to their CEO reporting peers. Today, whilst there are still differences, what is striking is just how similar they are becoming. The role of the CIO is becoming more strategic, more networked and more relationship driven than ever before, and this is an evolution that seems to be happening to all CIOs, regardless of reporting line.
> **Jonathan Mitchell,** *Non-Executive Chairman, Harvey Nash CIO Practice*

1. GLOBAL RESULTS

1.1 CIO PRIORITIES

CIO reporting lines

Reporting lines for CIOs remain essentially unchanged in 2015 compared to 2014 and 2013. CIOs are most likely to report to the CEO. Nearly a third do so, more than double the proportion who report to the CFO (15 per cent) and COO (12 per cent). 25 per cent report to a higher level IT executive like Group CIO.

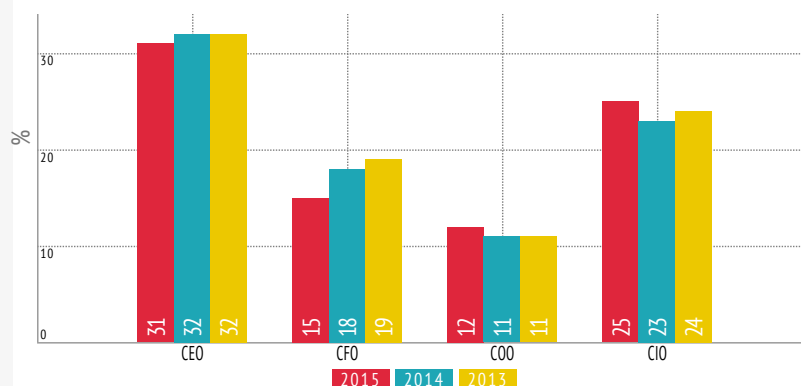### CIOs continue to report to CEO more than any other senior executive

Chart 1: 2013-2015: Percentage of CIOs reporting to CEO, CFO and COO.

	CEO	CFO	COO	CIO
2015	31	15	12	25
2014	32	18	11	23
2013	32	19	11	24

CIO strategic influence

Executive board participation is broadly the same as last year, but when viewed over a ten-year period the sentiment of CIO influence remains positive. The perceived strategic influence of CIOs is up 2 per cent in 2015 (to 68 per cent). Both indicators of CIO strategic influence can be seen to follow broadly similar patterns, particularly during the most recent post-recession years.

CIO influence grows, reversing slight falls in 2013
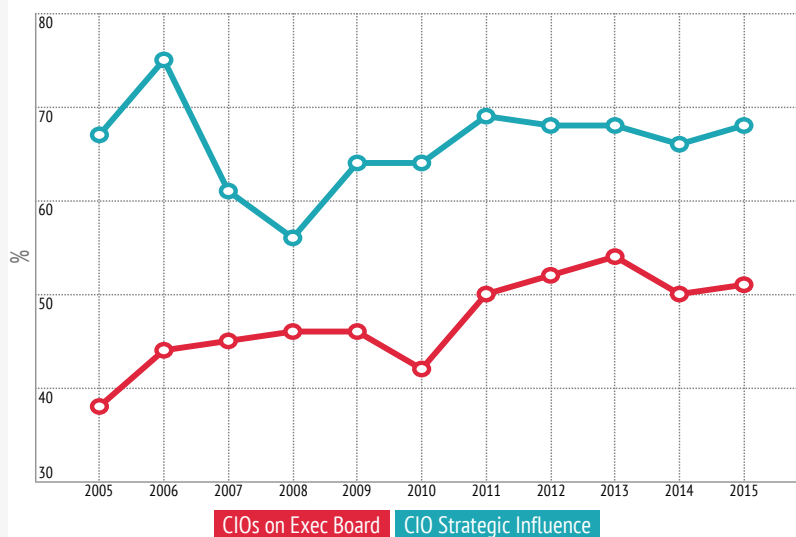
CIOs on Exec Board   CIO Strategic Influence

Chart 2: CIO strategic influence: Are you a member of the operational board/executive management team of your organisation? In your opinion, is the role of CIO/IT director becoming more or less strategic within your organisation?

What is single biggest thing keeping you awake at night?

Making sure we get the newspapers out every day in print, tablet, smartphone and on web. Tech is central to all of those platforms. With over 200 years of heritage on *The Times* plus the best traditions of *The Sunday Times* and *The Sun* to maintain and uphold, the stakes are high!

Chris Taylor
Chief Operating Officer, News UK

Getting the balance right between focus on user needs and driving broader digital innovation opportunities. The University of Cambridge has a track record of research and teaching excellence that spans more than 800 years, and we need to ensure that technology reinforces and never undermines our core strengths.

Martin Bellamy
Director of Information Services, University of Cambridge

The most worrying thing is to continually keep a high engagement with the different business units, so they understand and appreciate the business value as well as the complexities of all the technology projects we do. This is paramount to obtaining their full support and sponsorship and therefore the success of any technology initiative.

Javier Campos
CIO EMEA, GroupM

Unsurprisingly, as the recovery takes hold, two-thirds of CIOs work for organisations where the CEO is most interested in IT projects that make money. The relentless years of cost-cutting we have seen since 2008 at last seem to be coming to an end.

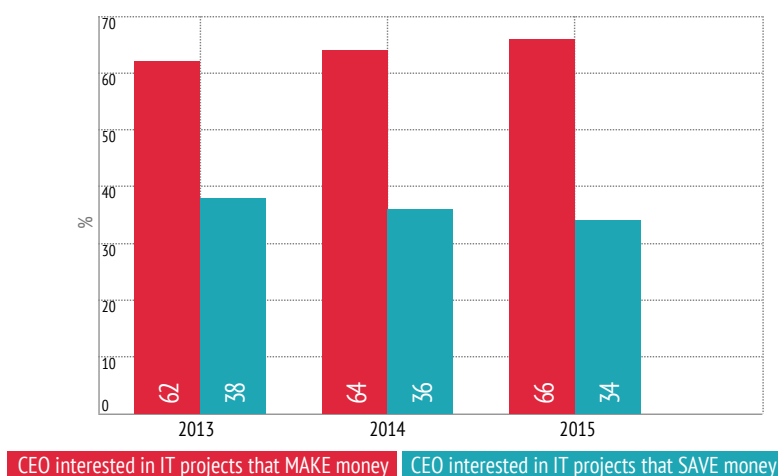**The appeal of money-making IT projects continues to grow for CEOs**

CEO interested in IT projects that MAKE money   CEO interested in IT projects that SAVE money

Chart 3: What type of IT project is most appealing to your CEO?

CIO operational priorities

Regardless of whether viewing the variation over 12 months or two years, CIOs are increasingly looking outward to the customer. Business intelligence has seen the biggest jump in the last year, and customer engagement the biggest rise over the two years.

Operational efficiencies remain the top CIO priority, but other priorities are growing

	2015	2014	2013	Variation last 12 months	Variation last 24 months
Increasing operational efficiencies	61.2%	63.1%	68.3%	-1.9%	-7.1%
Improving business processes	57.6%	60.4%	60.1%	-2.8%	-2.5%
Delivering consistent and stable IT performance to the business	57.4%	59.2%	70.1%	-1.8%	-12.7%
Saving costs	54.3%	56.5%	70.7%	-2.2%	-16.4%
Enabling business change	47.8%	50.5%	53.1%	-2.7%	-5.3%
Delivering business intelligence/analytics	47.1%	41.4%	48.2%	5.7%	-1.1%
Driving revenue growth	42.0%	44.9%	41.9%	-2.9%	-0.1%
Developing innovative new products and services	41.3%	41.3%	50.6%	0.0%	-9.3%
Managing operational risk and compliance	39.1%	40.0%	41.3%	-0.9%	-2.2%
Better engagement with customers/prospects	38.0%	36.2%	33.2%	1.8%	4.8%
Improving time to market	29.9%	29.4%	30.8%	0.5%	-0.9%
Improving the success rate of projects	28.8%	30.2%	36.0%	-1.4%	-7.2%
Outperforming competitors with new business models	24.1%	23.3%	25.6%	0.8%	-1.5%
Enabling mobile commerce	22.3%	24.4%	32.8%	-2.1%	-10.5%
Driving synergies from Mergers & Acquisitions	15.1%	17.3%	17.3%	-2.2%	-2.2%
Reputation management via social media technology	9.0%	7.6%	13.5%	1.4%	-4.5%
Achieving sustainable/green IT	8.2%	8.8%	8.6%	-0.6%	-0.4%

Table 1. What are the key priorities the board is looking for you to address?

CIO operational priorities

Interestingly the majority of board priorities have registered a decline over the last two years. For some, like saving costs, this is easy to explain as organisations look for growth; for others, like developing new products and services or enabling mobile commerce, it's harder to explain.

As organisations look beyond the recession it is possible that some of the urgency of these priorities has receded, and they are not being discussed so much at board level.

However, the story of 2014-15 CIO priorities must be the heightened importance of outward facing initiatives.

Women in IT

Despite receiving significant media and political attention in recent years, the proportion of women in IT leadership roles responding to the CIO Survey remains stubbornly low. Women make up only 8 per cent of the total survey population in 2015, a number which has been broadly static in the last three years.

At the most senior IT leadership positions, female representation is weak. Barely 6 per cent of female survey respondents had a CIO, CTO or SVP job title, unchanged from 2014 and down 2 per cent on the 2013 figure.

Within the wider IT team, 12 per cent of CIOs globally report having no women in their IT team at all, and four in ten CIOs report women make up less than a tenth of their technical staff.

Business analytics experiences biggest growth in priority

Biggest growth in priorities - last 12 months
1. Delivering business intelligence
2. Better engagement with customers / prospects
3. Reputation management via social media

Biggest growth in priorities - last 24 months
1. Better engagement with customers / prospects
2. Driving revenue growth
3. Achieving sustainable / green IT

Chart 4: 2014-2015 Changing CIO priorities

Women in IT stalemate; lack of progress for women in IT senior roles

	Total Female %	Female % (CIO, CTO, VP Tech roles)
2015	8%	6%
2014	7%	6%
2013	9%	8%
2012	7%	7%

Table 2: Proportion of women in IT roles

In smaller businesses, with an IT budget of less than $1M and a proportionally smaller IT headcount, gender diversity seems to be a bigger challenge. In these organisations 44 per cent of CIOs report having no women in their IT function, and only 7 per cent have IT teams where women make up half or more of team members.

In larger organisations (those with an IT budget of $250M or more), the diversity landscape is slightly less skewed. Only two per cent of CIOs lack a single woman in their IT function. Yet here also, 61 per cent of CIOs say that women make up less than one in five of their IT team headcount.

B

Measuring CIO success

Since the birth of the IT industry, successful delivery of projects has been a major headache for CIOs. 2015 is no different. Looking through the project portfolio, infrastructure roll-outs generally go well, while offshoring existing IT functions abroad seems to suffer the lowest rates of success. In the case of all three of the lowest-performing business project areas (big data, ERP and offshoring), CIOs report that a majority are unsuccessful. These types of transformation change projects are often large and complex with many different stakeholders, so it is perhaps not a surprise that they crop up again and again at the bottom of the table.

Infrastructure projects are most successful, offshoring least successful

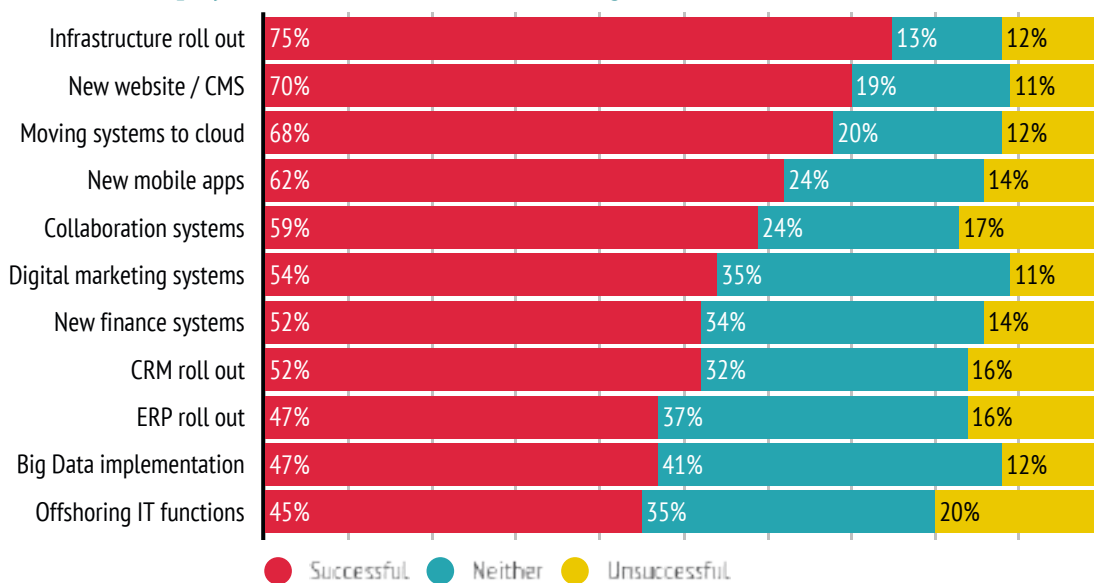| Project	Successful	Neither	Unsuccessful
Infrastructure roll out	75%	13%	12%
New website / CMS	70%	19%	11%
Moving systems to cloud	68%	20%	12%
New mobile apps	62%	24%	14%
Collaboration systems	59%	24%	17%
Digital marketing systems	54%	35%	11%
New finance systems	52%	34%	14%
CRM roll out	52%	32%	16%
ERP roll out	47%	37%	16%
Big Data implementation	47%	41%	12%
Offshoring IT functions	45%	35%	20%

Chart 5: For those projects completed during the last TWO YEARS, indicate how successful you feel the project was.

Compared with 2014, more pessimism seems to be creeping into the CIO outlook for project success. All but one project type (big data implementation) receive a lower rating in 2015 compared to the previous year.

CIOs less confident about project success in 2015; big data implementation bucks the trend

Weighted average

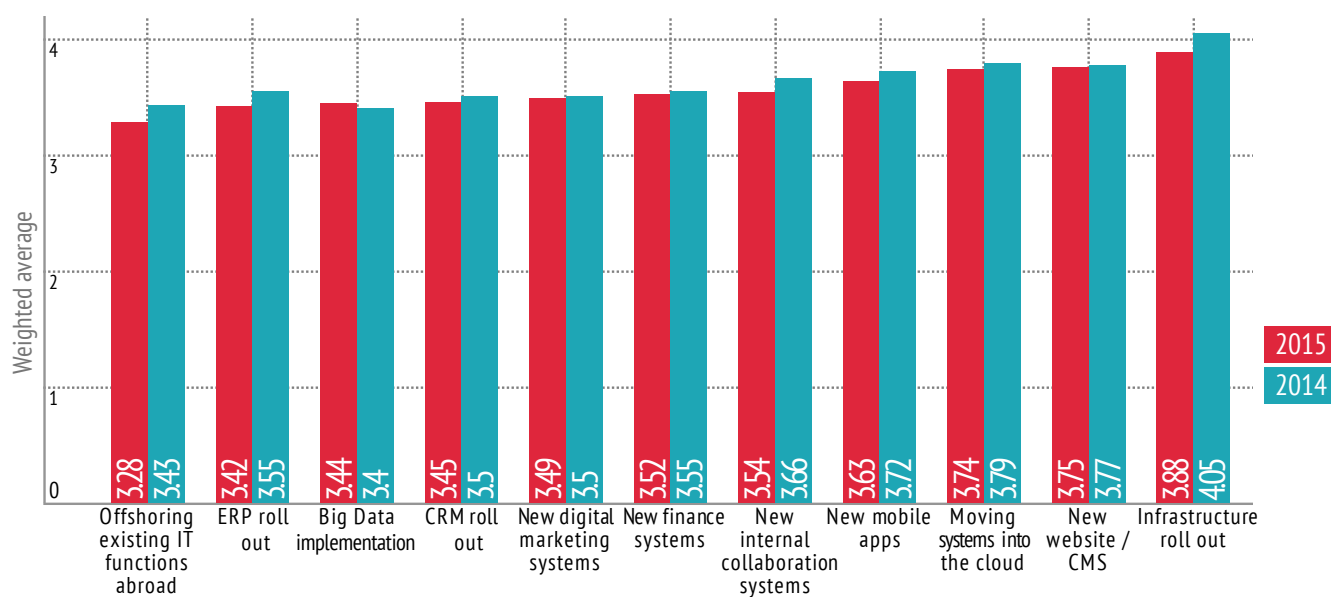| Project	2015	2014
Offshoring existing IT functions abroad	3.28	3.43
ERP roll out	3.42	3.55
Big Data implementation	3.44	3.4
CRM roll out	3.45	3.5
New digital marketing systems	3.49	3.5
New finance systems	3.52	3.55
New internal collaboration systems	3.54	3.66
New mobile apps	3.63	3.72
Moving systems into the cloud	3.74	3.79
New website / CMS	3.75	3.77
Infrastructure roll out	3.88	4.05

Chart 6: 2014 vs. 2015: For those projects completed during the last TWO YEARS, indicate how successful you feel the project was (weighted average).

Relationships

Rating the success of their departmental relationships, CIOs tell us that their functions have the strongest relations with Operations and Finance, although Finance has decreased compared to last year. Relationships seem to be improving with HR departments compared to previous years.

Although CIOs rate the IT/Marketing relationship currently as the poorest among all functions, the results show a slight improvement compared to last year. The proportion of CIOs who rated their relationship with Marketing as 'very strong' rose from 30 per cent to 33 per cent within the last 12 months.

IT has the weakest relationship with marketing compared to other departments
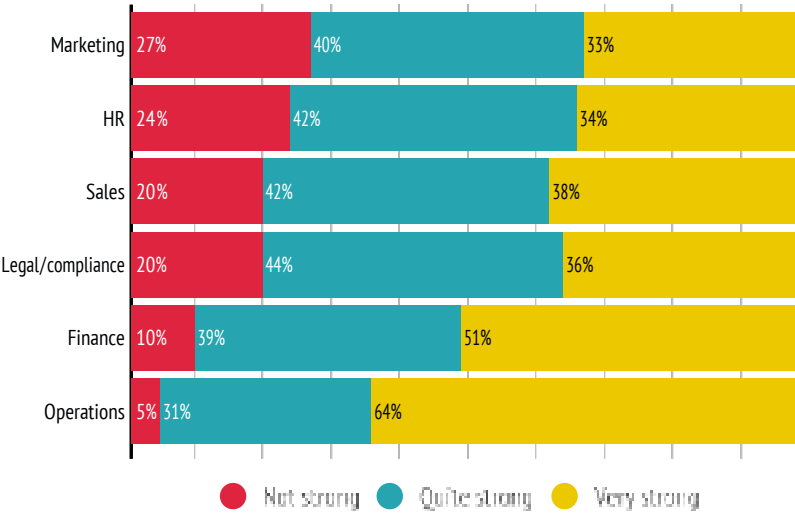

Chart 7: 2015: How strong would you rate your department's relationship with the following business functions?

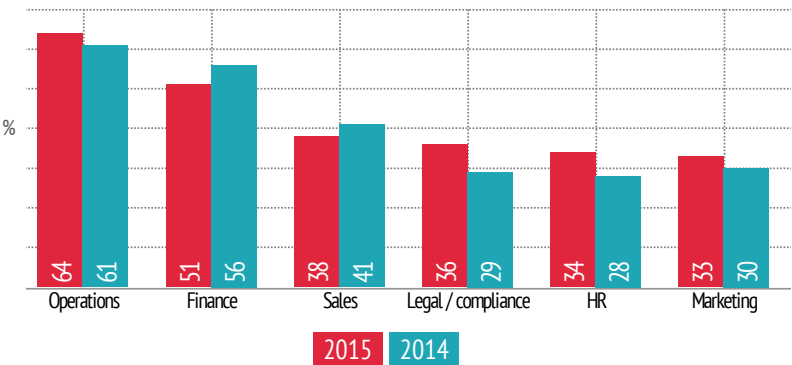### Relationships with Marketing and HR improving (from a low base)

Chart 8: 2014-2015: Departments where CIOs rate their relationship 'strong'

1.2 PEOPLE, SKILLS AND TALENT

Technology skills

The technology skills shortage remains a pressing concern. Six out of ten CIOs believe that it will prevent their organisation from keeping up with the pace of change. This trend started last year, and is significantly higher than the 45 per cent who reported a skills shortage in 2013.

A technology skills shortage continues to prevent a majority of CIOs keeping pace with change
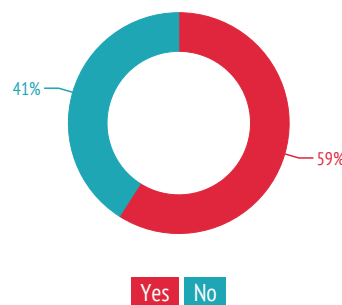

41%

59%

Yes No

Chart 9: Does a skills shortage prevent your organisation from keeping up with the pace of change?

The profile of skills that CIOs feel their teams need in order to keep up with the pace of technology change has shifted dramatically in the past 12 months. There has been a huge increase in skills shortages for big data analytic skills. This is almost six times higher than the next most in-demand skill, change management. Meanwhile, skills shortages for enterprise and technical architecture skills have fallen. Big data is clearly a hot topic, appearing as a major priority both operationally and as an area of skills concern.

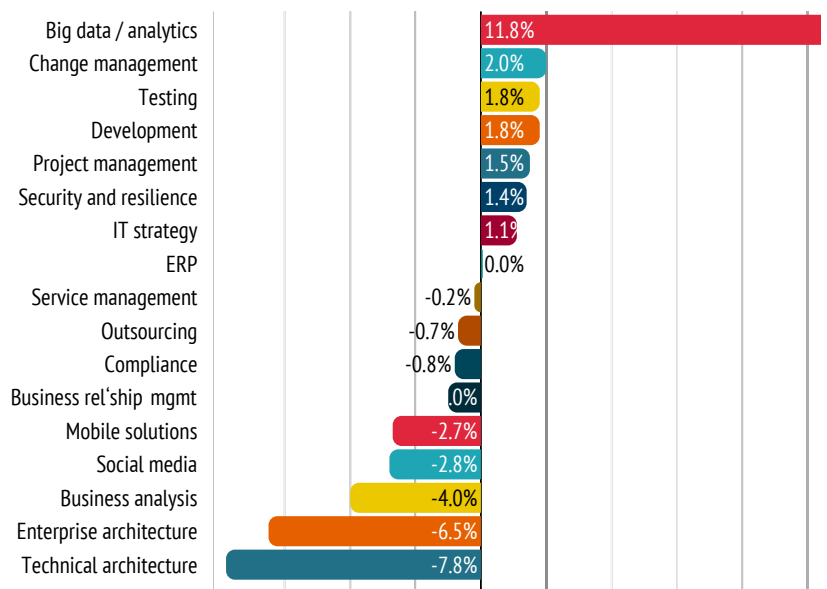### A technology skills shortage continues to prevent a majority of CIOs keeping pace with change

Function	Value
Big data / analytics	11.8%
Change management	2.0%
Testing	1.8%
Development	1.8%
Project management	1.5%
Security and resilience	1.4%
IT strategy	1.1%
ERP	0.0%
Service management	-0.2%
Outsourcing	-0.7%
Compliance	-0.8%
Business rel'ship mgmt	.0%
Mobile solutions	-2.7%
Social media	-2.8%
Business analysis	-4.0%
Enterprise architecture	-6.5%
Technical architecture	-7.8%

Chart 10: 2014-2015: Which functions do you feel suffer from a skills shortage?

How do you make your people love what they do?

In my world it is about accountability, enablement and balance between must and want to do. I constantly paint the picture of where we are going, show my team how success is going to be measured, give them the space to deliver their own way, remove road blocks, and make sure part of their day is about their passions.

Alfonso Perez
Chief Operating Officer, Shopperception

I aim to create an environment for my team where they can do more today than they did yesterday. I focus on appreciation, fairness and opportunities to grow.

Fumbi Chima
VP & CIO, Walmart Asia

Every time we ask technology people the question 'what's important in your career' we get the same answer: culture. Salary, formal career development, training and office environment do matter, but first and foremost the CIO needs to create the vision and culture that values and empowers its people. If 'culture' doesn't work, nothing else will either.

Jonathan Mitchell
Non-Executive Chairman, Harvey Nash CIO Practice

Technology skills

Big data analytic skills have bounded to the top of the 2015 skills shortage table, leapfrogging project management, business analysis and development compared to last year. The continued demand for project management, change management, security and development is perhaps not surprising. However, the fall in demand in technical architecture, mobile solutions and business relationship management is harder to explain.

Big data jumps to the top of the skills shortage list

	2015	2014	2013
Big data/analytics	36.2%	24.4%	24.8%
Project management	34.3%	32.8%	31.1%
Business analysis	29.4%	33.4%	39.2%
Development	27.4%	25.6%	21.9%
Enterprise architecture	27.2%	33.7%	39.0%
Change management	26.7%	24.7%	22.6%
Mobile solutions	23.9%	26.6%	25.4%
Technical architecture	23.8%	31.6%	34.6%
Security and resilience	23.4%	22.0%	21.0%
IT strategy	22.4%	21.3%	19.6%
Testing	21.3%	19.5%	19.6%
Business relationship management	19.7%	20.7%	22.3%
Digital	19.2%	N/A	N/A
Service management	16.9%	17.1%	15.5%
Infrastructure/operations	16.7%	N/A	N/A
Social media	12.8%	15.6%	18.6%
ERP	12.2%	12.2%	10.6%
Compliance	9.7%	10.5%	8.8%
Outsourcing	8.5%	9.2%	9.0%

Table 3: Which functions do you feel suffer from a skills shortage?

Digital was defined as a separate skill set for the first time in 2015 and immediately registered with almost one in five CIOs identifying that the skill is in short supply. Mobile solutions have remained steadily in demand for approximately a quarter of all CIOs during the past three years, while IT leaders' demand for social media skills has been steadily declining, possibly as social becomes more the responsibility of marketing.

Technology team

The proportion of CIOs who plan to increase their technology headcount is at a five-year high in 2015. More than four in ten now look to hire new talent in the coming months. This reflects an ongoing and consistent trend in positive recruitment intent by CIOs since the end of the recession. The optimism we first saw last year continues apace.

CIOs continue positive trend in technology recruitment intent

	2011	2012	2013	2014	2015
Increase	41%	40%	41%	43%	44%
Decrease	16%	19%	19%	20%	17%
Stay the same	43%	41%	39%	37%	38%

Table 4: 2011-2015: Over the next year how do you expect your IT/technology headcount to change?

Retention of talent remains a concern for CIOs. Nearly 90 per cent have 'some' or 'great' concern about holding onto their best staff. This is down 4 per cent compared to 2014 and 2013 but maintaining departmental capability is at the forefront of most leaders' concerns.

CIOs feel slightly more confident they can retain their best staff
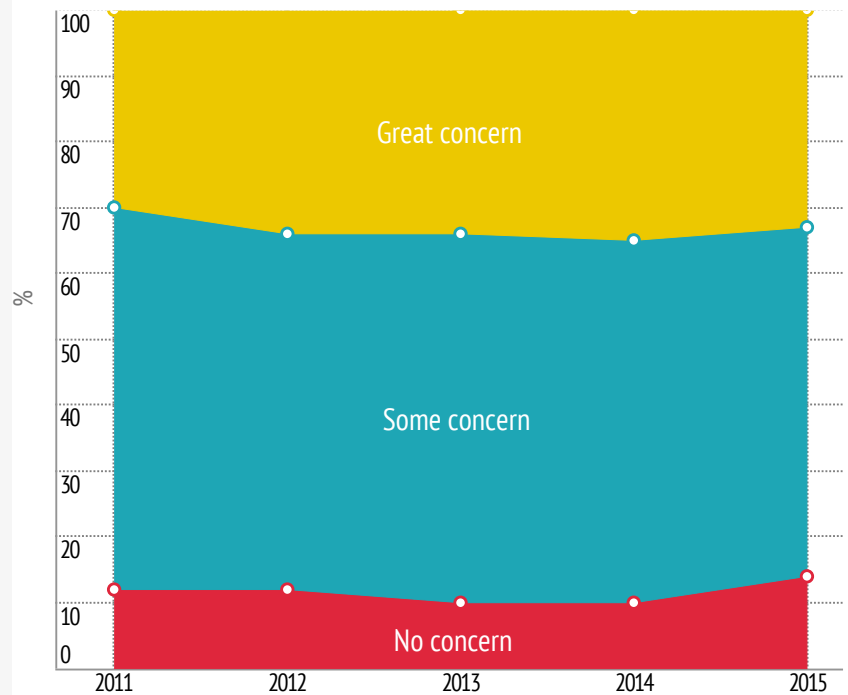

Chart 11: 2011-2015: To what extent will retention of talent be a concern for you in the coming year?

During the past year CIOs at mid-sized organisations have remained consistently concerned with talent retention, while the proportion of CIOs at larger organisations who have 'great concern' about retaining the best talent has dropped from four in ten to three in ten. However, it is CIOs at smaller organisations (with IT budgets of $1M or less) who are least concerned, today, with retaining their top IT talent.

CIOs at mid-sized organisations continue to be greatly concerned about retaining their best staff
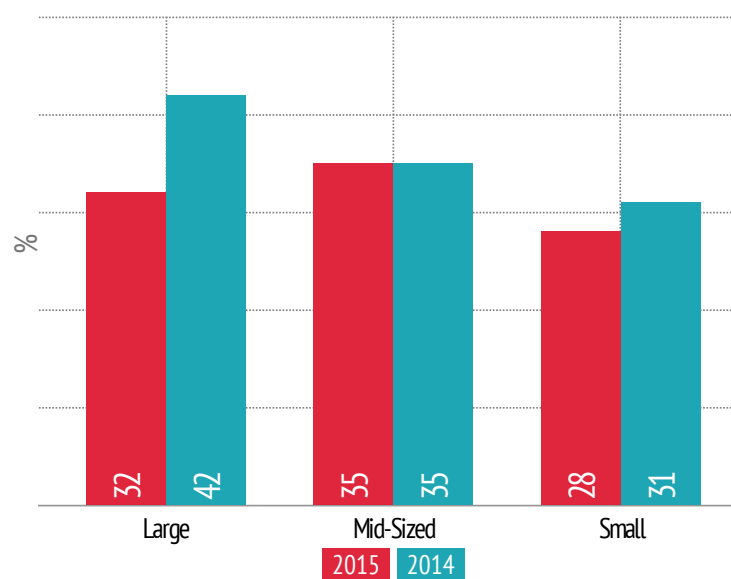

Chart 12: 2015 vs. 2014: CIOs who indicate 'great concern' about retaining technology talent. By organization size.

Concerns for talent retention vary with industry; charity/non-profit organisations experienced the biggest growth in retention worries, followed closely by broadcast/media. Advertising and utilities experienced the biggest drop in concern. Retaining staff depends on a number of elements, the most important of which are 'soft' factors like culture, vision and leadership. These are then followed by 'harder' factors like pay, career development, office environment etc. As the organisations change as they plot a course beyond the recession, their ability to set a vision, create a positive work environment and reward their staff also changes. It appears the winners last year, for instance advertising, were able to vary these retention factors much better than other sectors, like charity/non-profit.

CIOs 'greatly concerned' about IT talent retention varies widely by industry

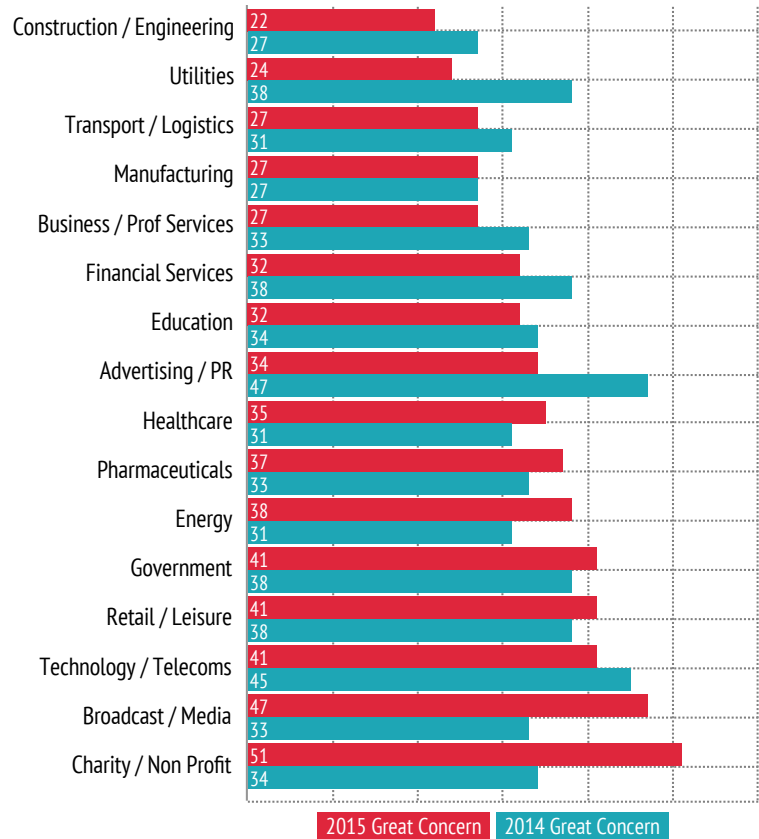| Industry	2015 Great Concern	2014 Great Concern
Construction / Engineering	22	27
Utilities	24	38
Transport / Logistics	27	31
Manufacturing	27	27
Business / Prof Services	27	33
Financial Services	32	38
Education	32	34
Advertising / PR	34	47
Healthcare	35	31
Pharmaceuticals	37	33
Energy	38	31
Government	41	38
Retail / Leisure	41	38
Technology / Telecoms	41	45
Broadcast / Media	47	33
Charity / Non Profit	51	34

Chart 13: 2015 vs. 2014: CIOs who indicate 'great concern' about retaining technology talent. By industry (percentage).

Composition of the IT team

Seven in ten leaders run their organisations with at least three-quarters of the team employed on permanent contracts. Only one in five CIOs source half or more of their staff on flexible/contingent contracts. The large-scale outsourcing mega-contracts, popular in the 90s, seem to be a thing of the past.

A large majority of CIOs prefer full-time teams on permanent contracts

8%   3%
19%
42%
28%

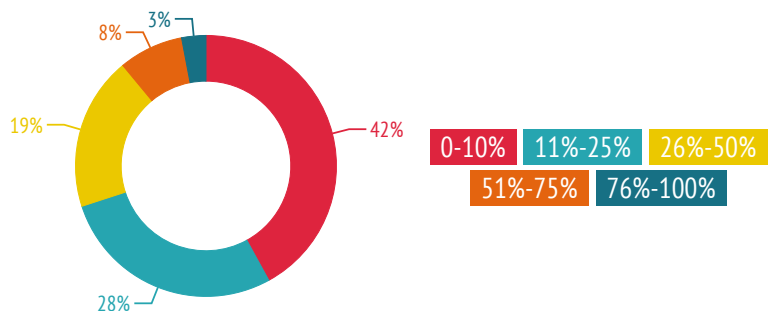| 0-10% | 11%-25% | 26%-50% |
| 51%-75% | 76%-100% | |

Chart 14: What proportion of your IT department is flexible/contingent labour?

However, there does appear to be a small rise in the number of CIOs who use flexible contingent labour for more than half of their technology team. 2015 saw the largest proportion (11 per cent) since 2011.

Growing proportion of CIOs dependent on flexible contingent labour
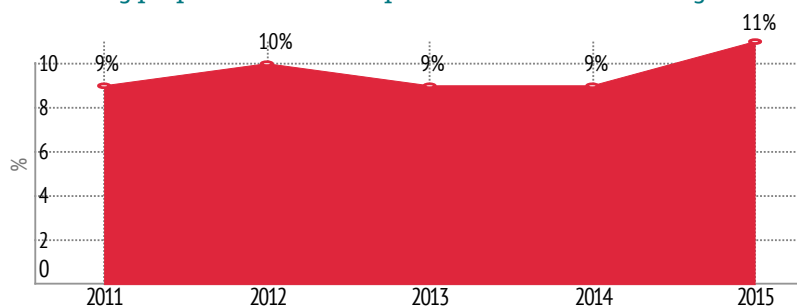

Chart 15: 2011-2015: Proportions of CIOs where more than 50% of IT department is flexible/contingent labour.

Composition of the IT team

Although the growth percentages are relatively small, there is a mounting dependence on flexible contingent labour. More CIOs have more than 25 per cent of their workforce on flexible contracts, while the proportion of CIOs who have less than a quarter of their staff on flexible contracts is falling.

CIOs in each category above 25% are growing, indicating more reliance on flexible staff
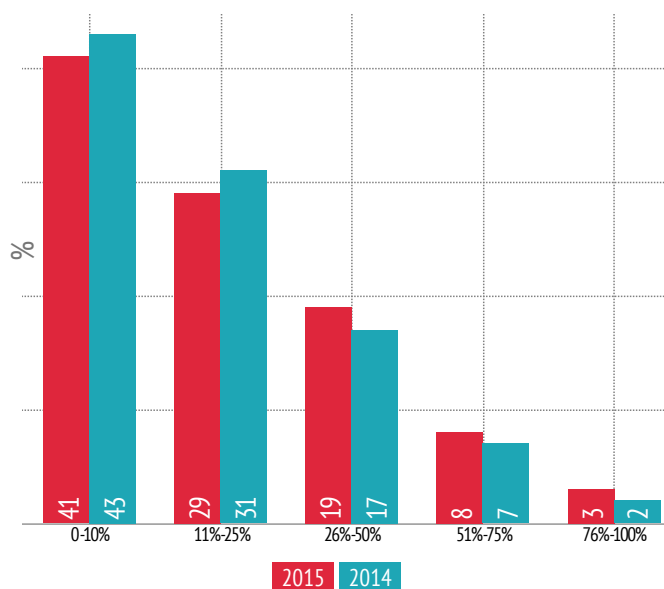

Chart 16: 2014-2015: What proportion of your IT department is flexible/contingent labour?

1.3 DIGITAL DISRUPTION

An overwhelming two-thirds of CIOs (66 per cent) view digital disruption as a very significant change to business, creating new business models, products and services that will outperform the old ones.

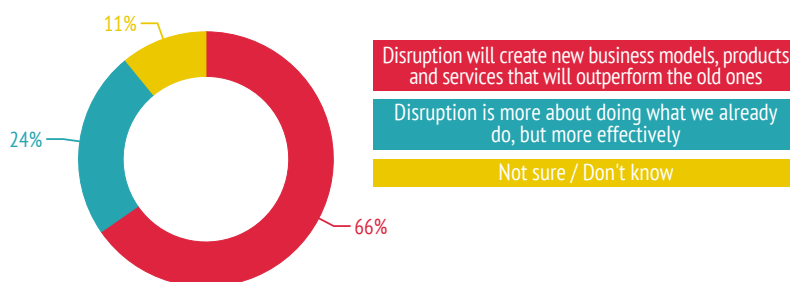### Two-thirds of CIOs see digital as genuinely disruptive

Disruption will create new business models, products and services that will outperform the old ones

Disruption is more about doing what we already do, but more effectively

Not sure / Don't know

Chart 17: Which of the following statements most closely reflects how you feel 'technology-led disruption' will impact your industry over the next five years?

We then asked to what extent their own businesses will be affected by disruption. Only one in ten CIOs (11 per cent) believe their organisation will be unaffected by digital disruption or will lose little/no market share if they do not embrace digital technologies. A larger proportion of CIOs (47 per cent) believe the impact of not embracing digital disruption will be 'great' and their organisation will lose significant market share if it falls behind competitors in using digital technologies.

Nine in ten CIOs believe digital disruption will impact their organisation in the next decade

Great extent (lose significant market share)

Some extent (lose some market share)

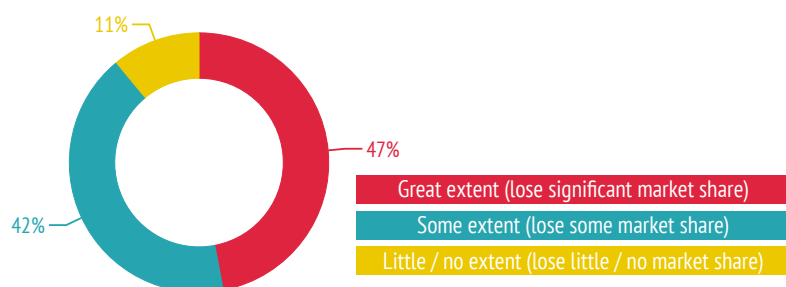Little / no extent (lose little / no market share)

Chart 18: To what extent do you believe your organisation will be impacted by digital disruption (i.e. threats from technology-enabled competitors) in the next ten years?

How are you using digital technologies to leapfrog competitors?

We are about creating digital technologies to provide competitive advantages through enabling the understanding of how shoppers behave at the shelf. In order to leapfrog competition, our technologies venture where most wouldn't, and our cost structure ensures transparency in the competitive process.

Alfonso Perez
Chief Operating Officer, Shopperception

Whilst organisations are actively embarking on developing a digital strategy, our experience shows this is frequently focused only on customer facing channels. It needs to go much wider than this. For the strategy to be sustainable and enable data driven decision making, it must define an operating model for the future with a technology stack to enable it. Crucially, it must also consider the skills and culture change needed to enable persistent and rapid change at a lower cost than today.

Lisa Heneghan
Head of EMA CIO Advisory, KPMG in the UK

We are constantly piloting new digital technologies to improve our customers' experience.

Teun van der Vorm
CIO, ANWB

Looking across industries it is clear that CIOs in the service industries expect to be disrupted to a greater extent than the manufacturing, energy and construction sectors. Less than half of CIOs in the non-profit, government and education sectors believe their organisation will be disrupted to a 'great extent'.

Majority of CIOs in for-profit service industries expect disruption to a 'great extent'

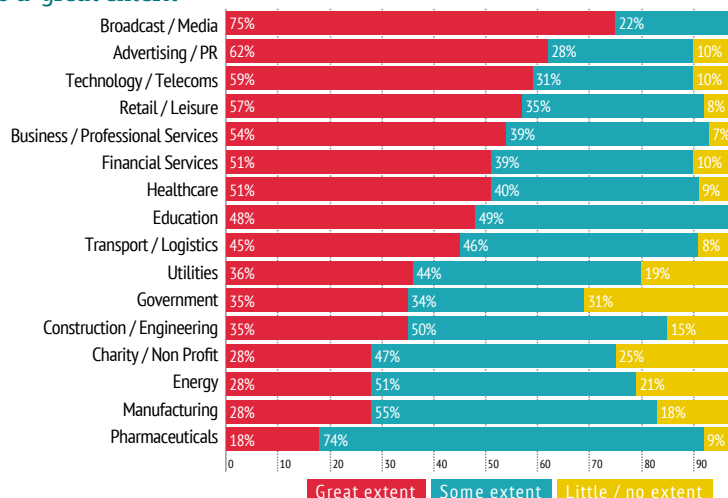| Industry	Great extent	Some extent	Little / no extent
Broadcast / Media	75%	22%	
Advertising / PR	62%	28%	10%
Technology / Telecoms	59%	31%	10%
Retail / Leisure	57%	35%	8%
Business / Professional Services	54%	39%	7%
Financial Services	51%	39%	10%
Healthcare	51%	40%	9%
Education	48%	49%	
Transport / Logistics	45%	46%	8%
Utilities	36%	44%	19%
Government	35%	34%	31%
Construction / Engineering	35%	50%	15%
Charity / Non Profit	28%	47%	25%
Energy	28%	51%	21%
Manufacturing	28%	55%	18%
Pharmaceuticals	18%	74%	9%

Chart 19: To what extent do you believe your organisation will be impacted by digital disruption (i.e. threats from technology-enabled competitors) in the next ten years? By industry.

There appears to be a high level of confidence among CIOs that they will be able to manage the effects of digital disruption; almost two-thirds believe they are well equipped to gain advantage over competitors.

CIOs are confident that digital disruption will work in their favour

Much better 22% | Slightly better 39% | Same 27% | Slightly worse 11% | Much worse 1%

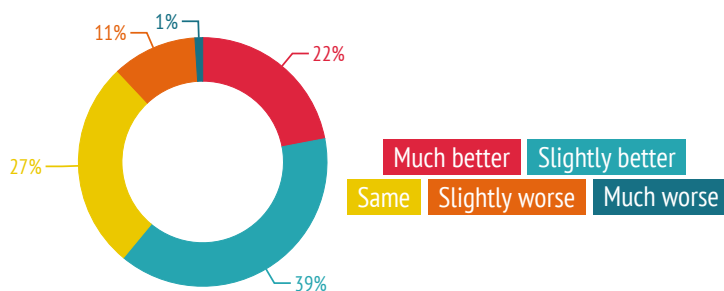Chart 20: How do you think your business compares to current/future competitors in how it will capitalise on digital disruption?

CIOs at smaller organisations believe they are better positioned to capitalise on digital disruption compared to CIO peers at larger organisations.

More CIOs at smaller organisations expect 'much better' response to digital disruption

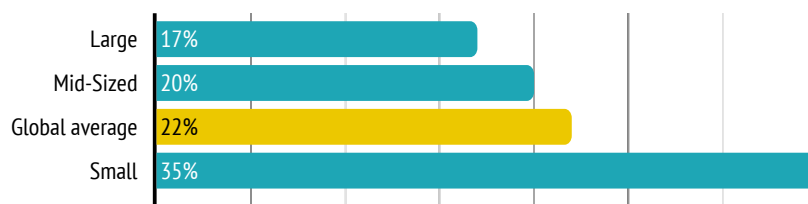|	
Large	17%
Mid-Sized	20%
Global average	22%
Small	35%

Chart 21: CIOs believing they will perform much better than competitors in response to digital disruption. By organisation size (small: IT budget less than $1M; mid-sized: $1M-$250M; large: $250M+).

More than a third of CIOs say they are being impacted by disruption 'now', while three in ten CIOs expect to be managing disruption within 24 months. Only 4 per cent of CIOs 'never' expect to be disrupted.

Majority of companies will experience disruption within two years

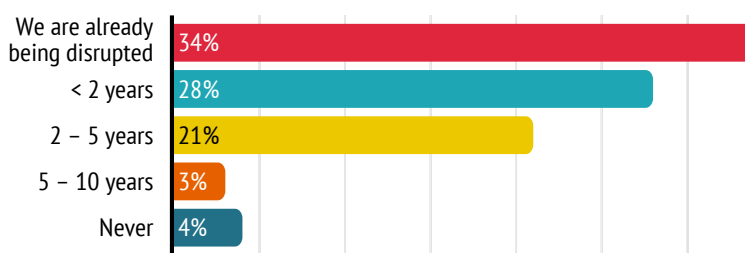|	
We are already being disrupted	34%
< 2 years	28%
2 – 5 years	21%
5 – 10 years	3%
Never	4%

Chart 22: When do you think your business will feel properly impacted by digital disruption?

Pace of digital disruption
The pace of disruption varies considerably across sectors

Unsurprisingly, industries most affected already by digital include broadcast media (71 per cent) and advertising (60 per cent). These types of organisations are probably first-movers because of their consumer-facing nature and the relative ease by which technology can shift the consumption of media.

CIOs in the education (43 per cent) and charity/non-profit sectors (43 per cent) are also more likely to be currently working with digital disruption compared to CIOs in the healthcare sector (35 per cent) and government (32 per cent).

In what has traditionally been a sector that embraces the disruptive nature of technology, it is interesting to note that only 30 per cent of CIOs in the financial services sector currently operate with disruptive digital technologies. Another 30 per cent expect digital disruption to occur only in the next 2-5 years.

CIOs employed in the heavier industries, such as energy (30 per cent), construction and engineering (30 per cent), manufacturing (26 per cent) and utilities (20 per cent) are seeing digital disruption changes, but to a much lesser extent. Yet here also, a large majority of CIOs expect digital to impact their sector within the next 2-5 years.

Digital influence
Last year, we found that many CMOs were owning and leading the digital agenda. This year, there is some evidence of a 'boomerang' effect, whereby IT organisations gradually become more involved over time. The proportion of CIOs claiming exclusive ownership of digital is up 8 per cent from last year, while CIOs who 'share' the digital function is up 7 per cent. Conversely, ownership of digital by Marketing is down from 40 per cent last year to 24 per cent today – a major drop of 16 per cent.

Manufacturing & utilities three times less likely to be disrupted by digital technology than broadcast / media
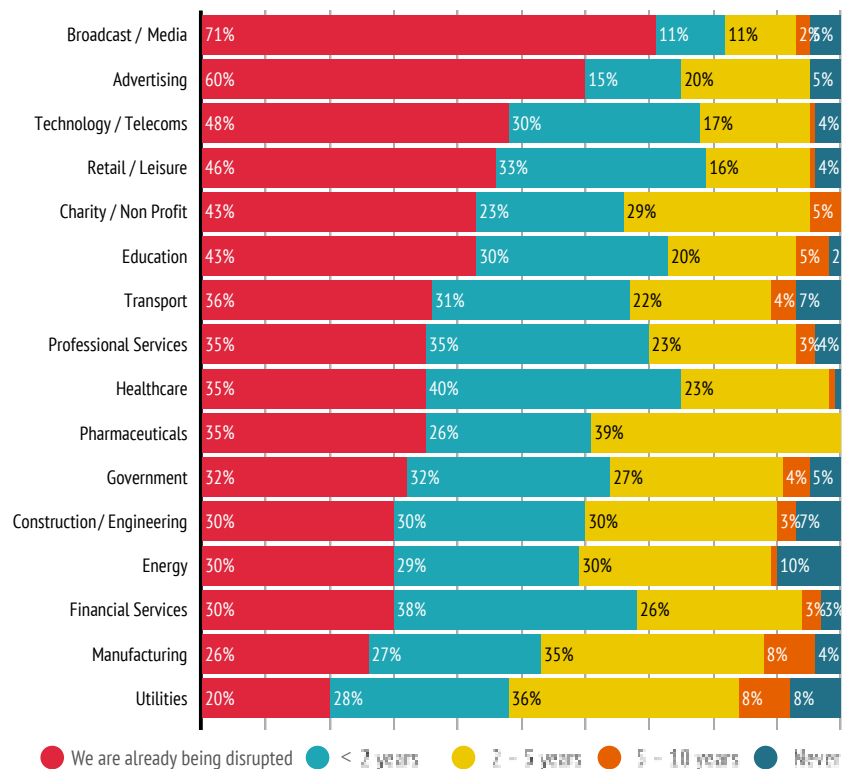

Chart 23: When do you feel your business will be properly impacted by digital disruption. By sector.

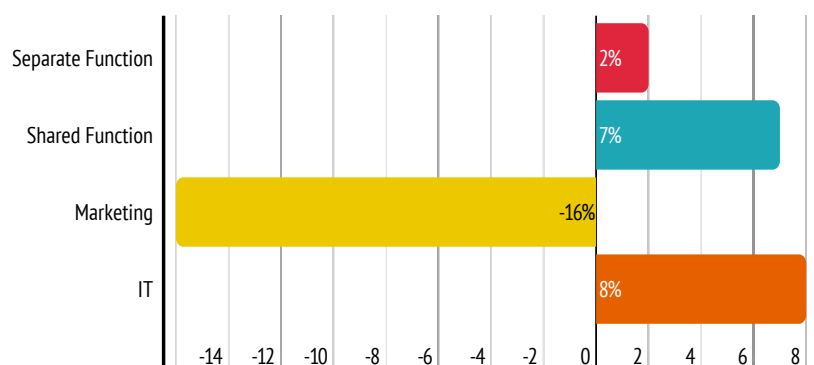### CIOs report significant shift in digital control away from Marketing

Chart 24: 2014-2015: Which function 'owns' the digital/ecommerce strategy in your company?

c

Across the three years that we have tracked digital influence, the dynamics have been shifting. This year, shared ownership between IT and marketing seems to be the most favoured approach, suggesting increasing levels of collaboration are developing.

Shared ownership of digital becoming more prevalent

	2015	2014	2013	Variation last 12 months
IT	18%	10%	12%	8%
Marketing	24%	40%	33%	-16%
Shared Function	47%	40%	44%	7%
Separate Function	12%	10%	9%	2%

Table 6: 2013-2015: Which function 'owns' the digital/ecommerce strategy in your company?

Digital strategy

Only one in four (27 per cent) organisations have a digital strategy that extends enterprise wide, and a further quarter (26 per cent) do have a strategy, but only in parts of their organisation. Given that 62 per cent of CIOs expect disruption in the next two years, the data suggests not all organisations are prepared for digital disruption.

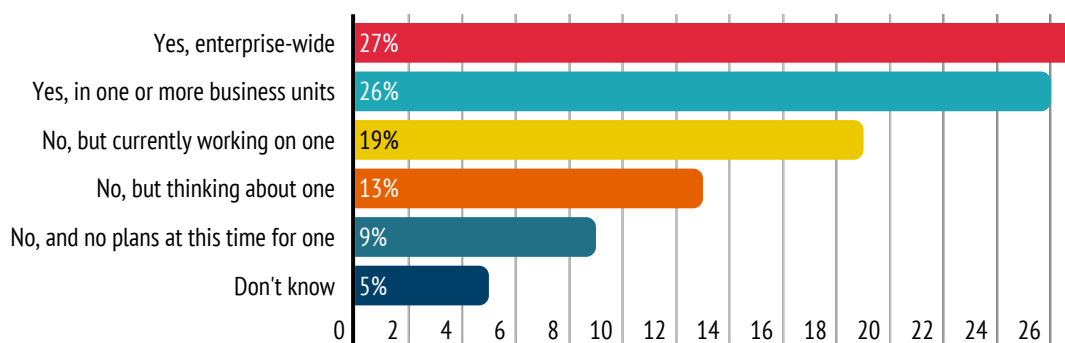**Only one quarter of companies with enterprise wide digital strategy**

Chart 25: Do you have a formalised digital business strategy which is actively being pursued?

Digital leadership

This year, there has been a BIG increase in the number of organisations reporting a Chief Digital Officer (CDO). Almost one in five CIOs now work with a CDO, up from 7 per cent last year, and an additional 5 per cent of CIOs report hiring is underway for a CDO in 2015.
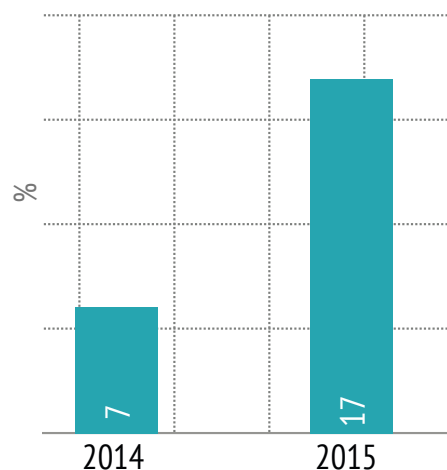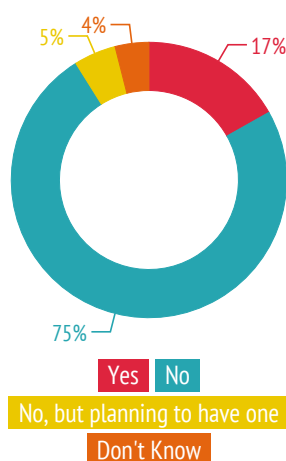

Chart 26: Does your organisation have a Chief Digital Officer or someone serving in that capacity?

Digital leadership

In organisations where there is no CDO it is the CMO who is most likely to lead the shaping and executing of the digital business strategy (34 per cent), followed by the COO (26 per cent) and then the CIO (14 per cent). It appears that in the collaborative approach we are seeing, the CMO shapes the goals of the strategy with the CIO and the IT team building the infrastructure and tools to support it.

Surprisingly, when a CDO is in place, the top digital officer is not involved in shaping the digital strategy in 14 per cent of organisations, and they are involved only 'a little' in 8 per cent of cases. CDOs contribute 'a lot' – but are not in the lead – in developing digital strategy 31 per cent of the time, and they lead the shaping/executing in less than half (47 per cent) of organisations where they are present. These mixed messages suggest that the CDO role, still in its infancy, is evolving in its positioning in organisations – possibly much like the CIO role did two decades ago.

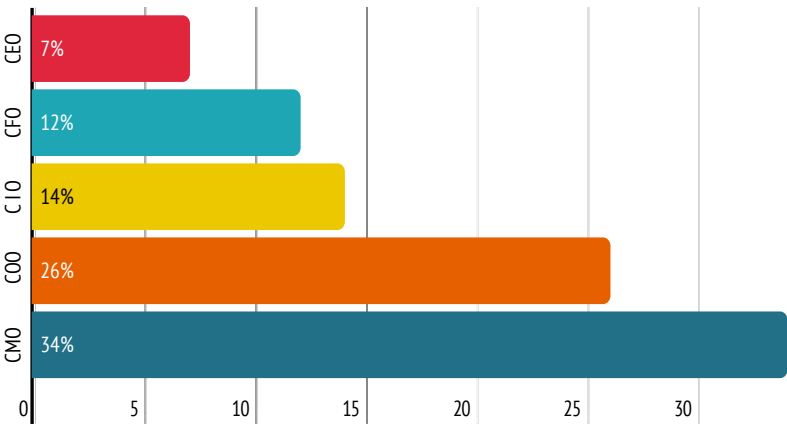### No CDO in place; it is the CMO who is most often relied upon to lead digital business strategy

Chart 27: Who leads the shaping and / or executing of the digital strategy?

When in place, the CDO leads digital strategy ahead of other C-level roles, but not always

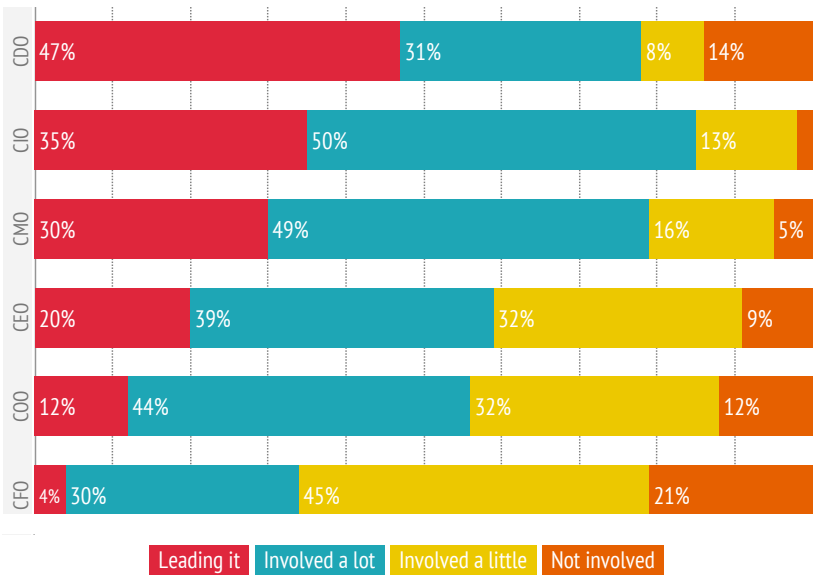Leading it   Involved a lot   Involved a little   Not involved

Chart 28: How involved were the following executives (if you have them) in shaping and / or executing the digital business strategy?

Digital success and challenges

Over half (56 per cent) of CIOs believe the most important component of successful digital activity is having an IT infrastructure that allows greater innovation/agility, alongside using digital to create new revenue streams (56 per cent), and using mobile platforms to engage with customers (54 per cent). While many organisations are keen to implement exciting new digital solutions, CIOs know that they need to have a solid foundation that is robust and secure.

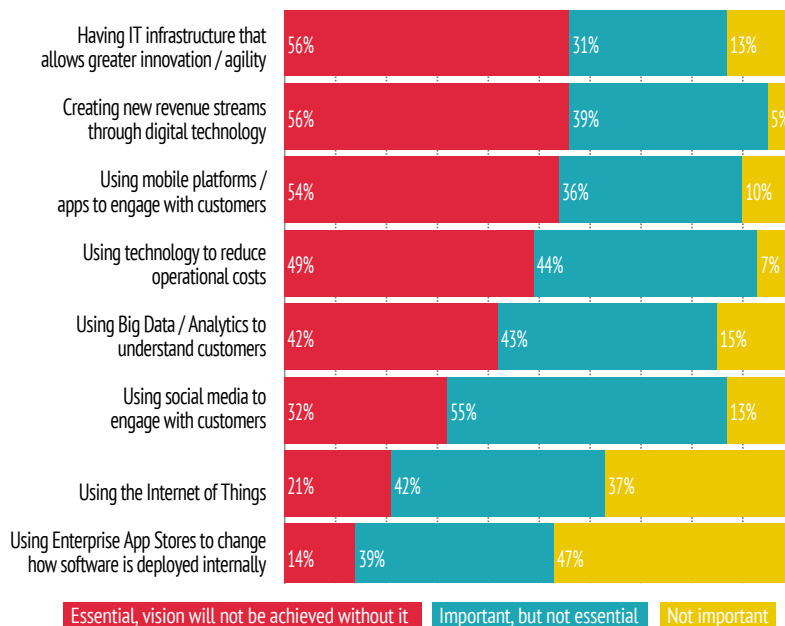## Digital components that provide agility and new customer engagement rated highest

Chart 29: 2015: How important are the following in achieving your digital business strategy?

For a third of CIOs (34 per cent) a lack of vision is the biggest challenge they face when responding to digital disruption, followed by a lack of funding (30 per cent) and a lack of critical skills / poor understanding of digital impact (29 per cent). These figures are probably not surprising as the landscape in this area is changing very rapidly.

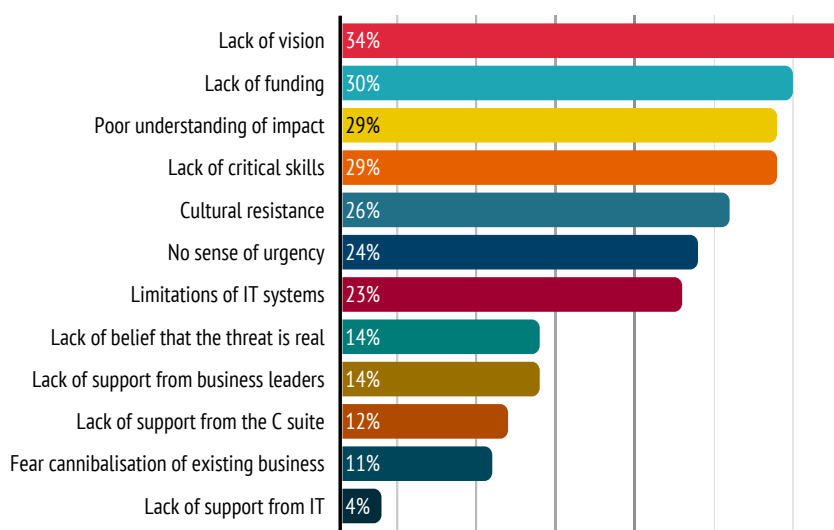## Challenges to successful digital strategy more weighted to culture than IT capability

Chart 30: What are the biggest challenges you face in responding to digital disruption? Pick three.

Digital research & development

Almost half of CIOs report having a dedicated R&D function for exploring emerging technologies, and prototyping and piloting potential digital solutions. About a fifth of IT departments lead this work, while another fifth collaborate with their business partners.

CIOs rate their department's innovation capability highest around solutions development and delivery and cloud technologies, and worst around social media and big data analytics, possibly as a result of a lack of appropriate technology skills, as seen previously in this report.

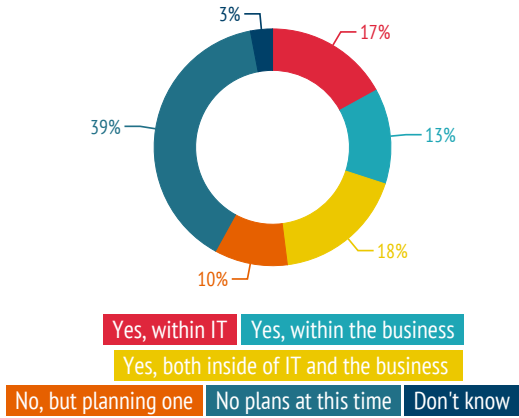### Majority of companies have some kind of digital R&D function

Yes, within IT | Yes, within the business
Yes, both inside of IT and the business
No, but planning one | No plans at this time | Don't know

Chart 31: Do you have a dedicated R&D function for exploring emerging technologies, and prototyping and piloting potential solutions?

CIOs rate their team's digital capability highest when aligned with traditional IT components

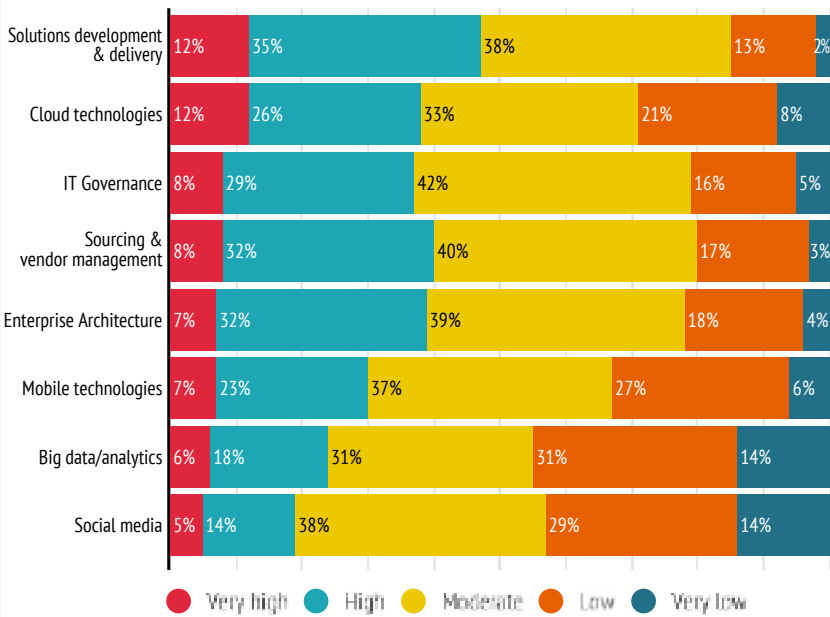|	Very high	High	Moderate	Low	Very low
Solutions development & delivery	12%	35%	38%	13%	2%
Cloud technologies	12%	26%	33%	21%	8%
IT Governance	8%	29%	42%	16%	5%
Sourcing & vendor management	8%	32%	40%	17%	3%
Enterprise Architecture	7%	32%	39%	18%	4%
Mobile technologies	7%	23%	37%	27%	6%
Big data/analytics	6%	18%	31%	31%	14%
Social media	5%	14%	38%	29%	14%

Chart 32: In the context of digital initiatives, how would you rate the IT organisation's capabilities in the following areas?

1.4 MANAGING THE TECHNOLOGY FUNCTION

Cyber security

Almost two-thirds of CIOs believe their board fully recognises the risks posed by cyber-attack. Boards and executive teams are increasingly becoming aware that cyber-attack is not just a technology risk but a real business risk. Recent high-profile media coverage of hackings into major global brands and major government institutions has no doubt helped affirm this.

Nine in ten CIOs report that a malicious and serious cyber-attack could damage the operations and positive brand image of the company. Four in ten CIOs worry that 'great' damage would be inflicted and profit would be noticeably affected, while nearly half believe their organisation would be affected to 'some extent', but not so badly that profit would suffer.

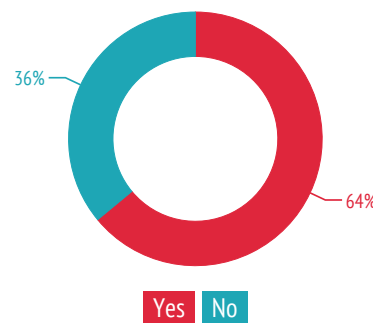### Two-thirds of CIOs have faith that their board recognises the risk of cyber-attack

36%

64%

Yes No

Chart 33: Do you believe your board recognises the risks posed by cyber-attack, and is it doing enough about it?

Majority of CIOs are concerned about profit and brand damage from a cyber-attack

11%

42%

47%

Great extent   Some extent
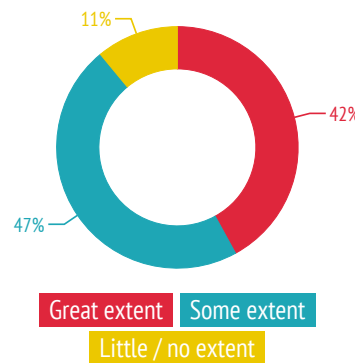Little / no extent

Chart 34: If hackers successfully struck your organisation with a malicious and serious cyber-attack, to what extent do you believe this could damage the operations and positive brand image of the company?

How is the shape of your department changing?

There is more emphasis on user engagement, on ensuring core needs are met using commoditised services, and on accelerating the pace of innovation. The era of big data has arrived and in the last five years research computing has seen a ten fold increase in processing power and 100 fold increase in data.

Martin Bellamy
Director of Information Services, University of Cambridge

Changing from a traditional supply-demand department to an agile and business value generating department.

Teun van der Vorm
CIO, ANWB

We have brought technology and traditional operations together to create a pan business technology and operations group.

Chris Taylor
Chief Operating Officer, News UK

Only 23 per cent of CIOs believe they are 'very well' prepared against cyber attack, down 6 per cent from last year. Given that one quarter (25 per cent) reported their organisation had to deal with a major security incident in the last 12 months (up from 22 per cent last year), concern for IT security remains high.

Fast-changing security threat results in more difficult challenge for CIOs to prepare

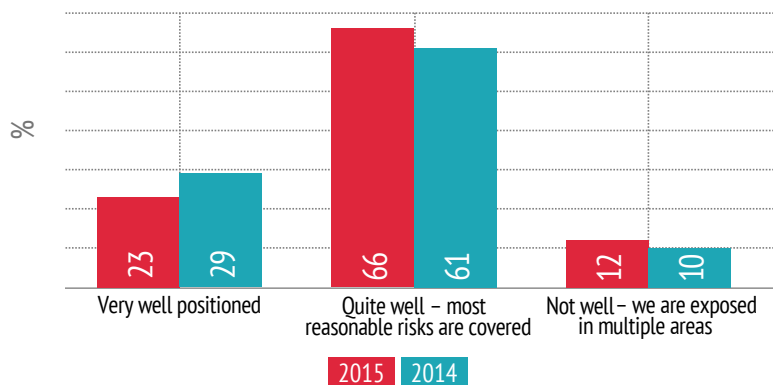
Chart 35: To what extent do you feel your organisation is positioned to identify and deal with current and near future IT security/cyber-attacks?

While CIOs are concerned about security, they do not in general feel that this materially inhibits their ability to innovate. For example, 64 per cent of CIOs believe the risk of possible exposure to IT security threats from 'open' technologies including public cloud, mobile and Bring Your Own Device are worth the risk due to the potential competitive advantage these technologies can bring – largely unchanged from last year.

A consistent two-third majority of CIOs embrace 'open' technology despite security risk
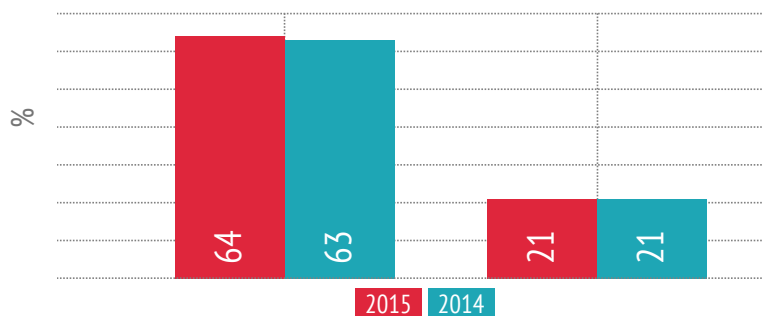

Chart 36: Do you think the risk of possible exposure to IT security threats from 'open' technologies including public cloud, mobile and BYOD are worth the potential competitive advantage they can bring? (% indicating 'Yes')

IT budget

Almost half of CIOs enjoyed budget increases in the past 12 months, unchanged from 2014 and up from 42 per cent in 2013. The outlook remains very positive. Nearly half of the CIOs who responded expect further increases in the 12 months ahead, up from 44 per cent who were optimistic last year and 37 per cent who held a similar sentiment in 2013.

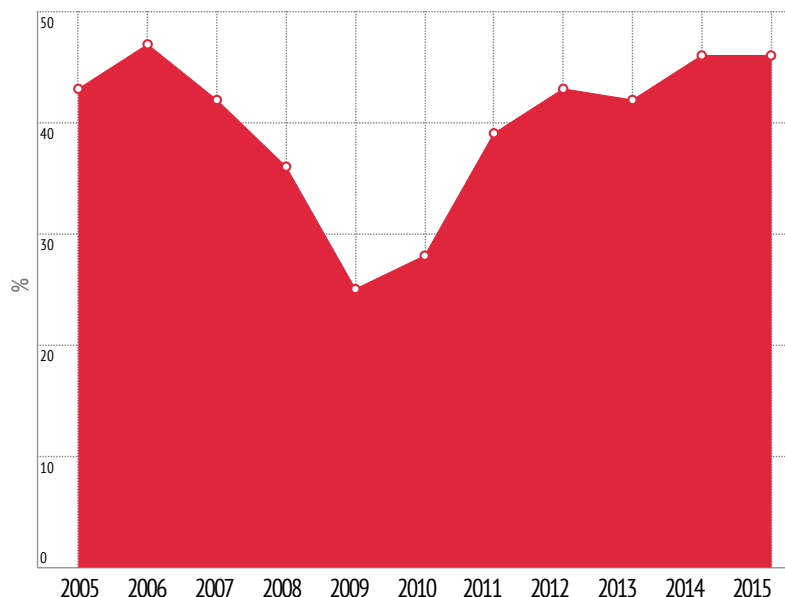### IT budget growth reflects wider economic sentiment and has returned to pre-recession levels

Chart 37: 2005-2015: CIOs indicating budget increase in the last year

We asked CIOs what proportion of their organisation's annual sales is spent on IT.

As a non-mandatory question, not all respondents supplied this information, however from the 1600 or so CIOs that did, we believe we have a unique, and comprehensive statement of global IT budgeting trends.

The data presented here is exactly as provided by the participants; we have not tried to filter it or classify IT spend in any way. Some CIOs might consider spend on websites or technology based products as IT spend, others might not. What is very clear is just how much variance there is across sectors. At the top sit technology/telecoms, broadcast/media and financial services. The first two of these can also be found very high up on our table of most disrupted sectors (see section 1.3 of this report) so their relatively high IT spend may reflect how technology is increasingly key to the actual delivery of services and products to customers. At the other end of the scale, manufacturing, construction and engineering proportionally spend considerably less on their IT.

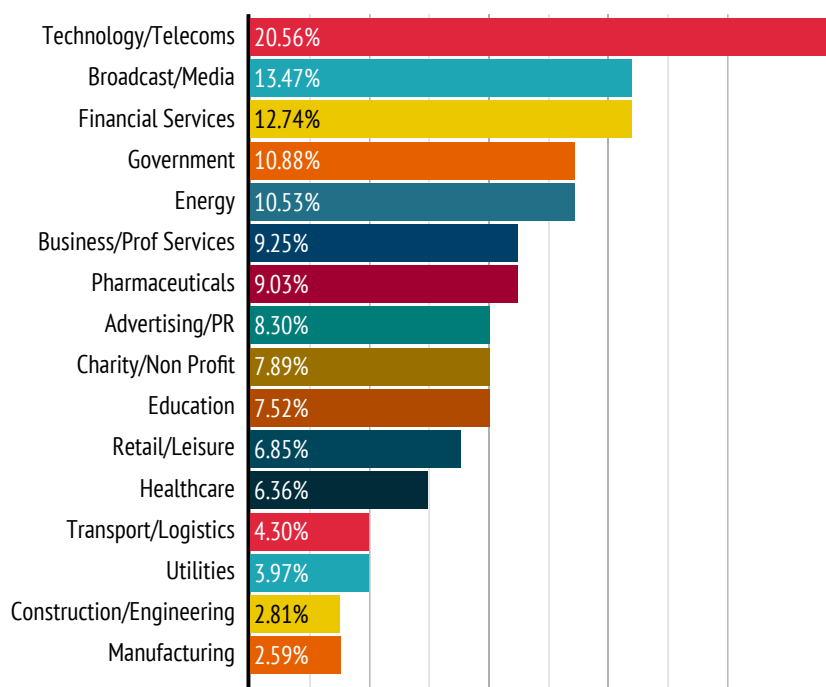**Tech sector, broadcast media and financial services firms all spend 12%+ of annual sales on IT**

Chart 38: What percentage of the company's annual sales (or public sector total budget) is spent on technology / IT in your organisation? (Average)

Industry spend on IT as percentage of sales (or total budget for public sector organisations)

Sector	Number of Respondents*	Average %	1st Quartile %	Median %	3rd Quartile %
Technology/Telecoms	239	20.56	5	10	30
Broadcast/Media	67	13.47	4	8	15
Financial Services	277	12.74	5	10	15
Government	75	10.88	2	5	14
Energy	39	10.53	1	3	10
Business/Professional Services	142	9.25	3	5	10
Pharmaceuticals	26	9.03	2	3	10
Advertising/PR	22	8.30	5	7	10
Charity/Non Profit	37	7.89	2	3	14
Education	73	7.52	4	5	9
Retail/Leisure	144	6.85	1	3	6
Healthcare	72	6.36	2	4	6
Transport/Logistics	71	4.30	1	3	5
Utilities	39	3.97	1	3	5
Construction/Engineering	49	2.81	1	2	5
Manufacturing	194	2.59	1	2	2

Not all respondents answered this question / Quartiles were calculated using the (N-1) method

Table 7: What percentage of the company's annual sales (or public sector total budget) is spent on technology / IT in your organisation?

IT budget

Although the largest proportion of CIOs (46 per cent) give up less than 5 per cent of their IT budget to be controlled/managed outside the IT organisation, up to one in five CIOs (19 per cent) do not have control over a quarter or more of their IT budget. Shadow IT, it seems, is alive and well.

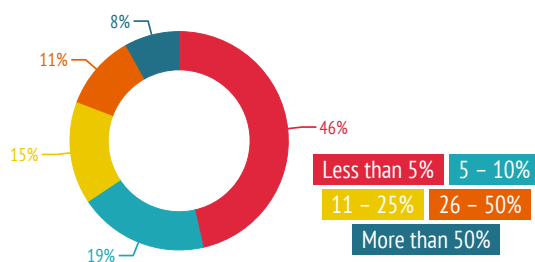**One in five CIOs (19 per cent) do not control a quarter or more of their IT spend**

Chart 39: What proportion of the overall spend on IT is controlled by/managed outside the IT organisation?

As an ongoing trend, CIOs are also seeing their grip on organisational technology spend continue to weaken. For almost one in ten CIOs (8 per cent) over half of the IT spend in their organisation is beyond their control; this is up from 6 per cent last year. A further 11 per cent are unable to control between a quarter and a half of the IT spend in their organisation, up from 9 per cent in 2014.

IT budget control becoming fractured and more difficult for the CIO to influence

	2015	2014	2013	Variation last 12 months
Less than 5%	46.4%	45.8%	37.8%	0.6%
5 – 10%	19.4%	22.8%	22.4%	-3.4%
11 – 25%	15.2%	16.9%	21.0%	-1.7%
26 – 50%	10.8%	8.7%	11.5%	2.1%
More than 50%	8.1%	5.8%	7.3%	2.3%

Table 8: 2013-2015: What proportion of the overall spend on IT is controlled by/managed outside the IT organisation?

Outsourcing

As in previous years, software development and data centres remain the most favoured outsourcing candidates by CIOs. However, demand for software application development does seem to be falling over time, from 60 per cent of CIOs in 2010 to 53 per cent today, while data centre demand is growing, from 50 per cent of CIOs in 2011 to 53 per cent today. Networks and software maintenance outsourcing seems to be going out of fashion. Both have seen steady declines over the last six years.

Networks, infrastructure and development demand drops, while data centres grow

	2010	2011	2012	2013	2014	2015	Variation last 12 months
Software Application Development	60%	64%	64%	58%	54%	53%	-1%
Data Centres	N/A	50%	50%	55%	51%	53%	2%
Software Application Maintenance	51%	52%	53%	47%	45%	45%	0%
Networks	N/A	53%	50%	47%	45%	40%	-5%
IT Infrastructure	53%	38%	38%	37%	46%	42%	-4%
Service Desk/Help Desk	N/A	42%	38%	31%	38%	42%	4%
Systems Integration	24%	25%	23%	24%	22%	20%	-2%
HR BPO	10%	9%	10%	8%	8%	14%	6%
IT Department	6%	5%	6%	4%	8%	7%	-2%
IT BPO	10%	9%	8%	7%	6%	7%	1%
KPO	1%	2%	1%	1%	2%	2%	0%

Table 9: 2010-2015: What functions do you outsource?

Outsourcing

In addition to what CIOs outsource, we also looked at whether the reasons for outsourcing are changing.
Over the last five years the biggest growth in what drives the need to outsource has been around skills, with half of CIOs saying they increasingly use outsourcing partners to access skills not in-house and/or to free up internal resources. Saving money – a traditional reason for outsourcing – has seen little change during this period.

Access to skills and aiding focus on core business are biggest growth areas for outsourcing

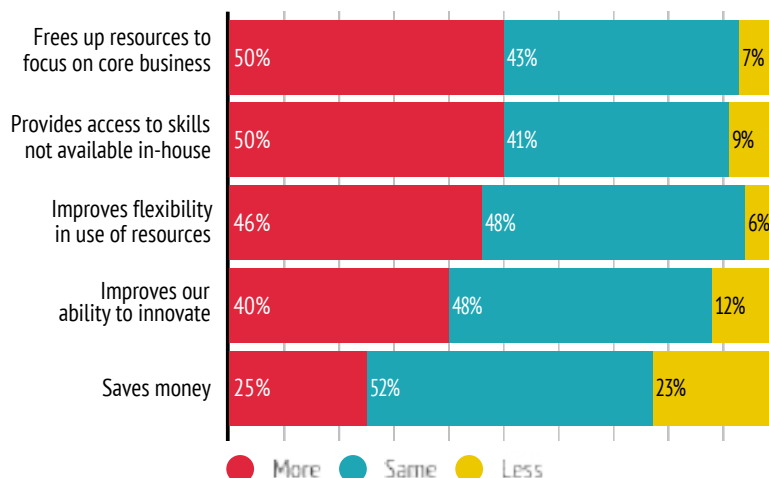|	More	Same	Less
Frees up resources to focus on core business	50%	43%	7%
Provides access to skills not available in-house	50%	41%	9%
Improves flexibility in use of resources	46%	48%	6%
Improves our ability to innovate	40%	48%	12%
Saves money	25%	52%	23%

Chart 40: Compared to five years ago, have the following reasons to outsource become more or less important to you?

Over the past five years, CIOs at large organisations have prioritised the need to free up resources as the primary reason to increase their outsourcing spend, and CIOs from smaller organisations follow a similar decision-making pattern. However, CIOs at mid-sized organizations report that providing access to skills not available in-house has been the main driver behind outsourcing plans. Across all size categories the least pressing reason for CIOs to outsource in the past five years has been to save money.

Differences behind outsourcing decision-making over past five years based on organisation size

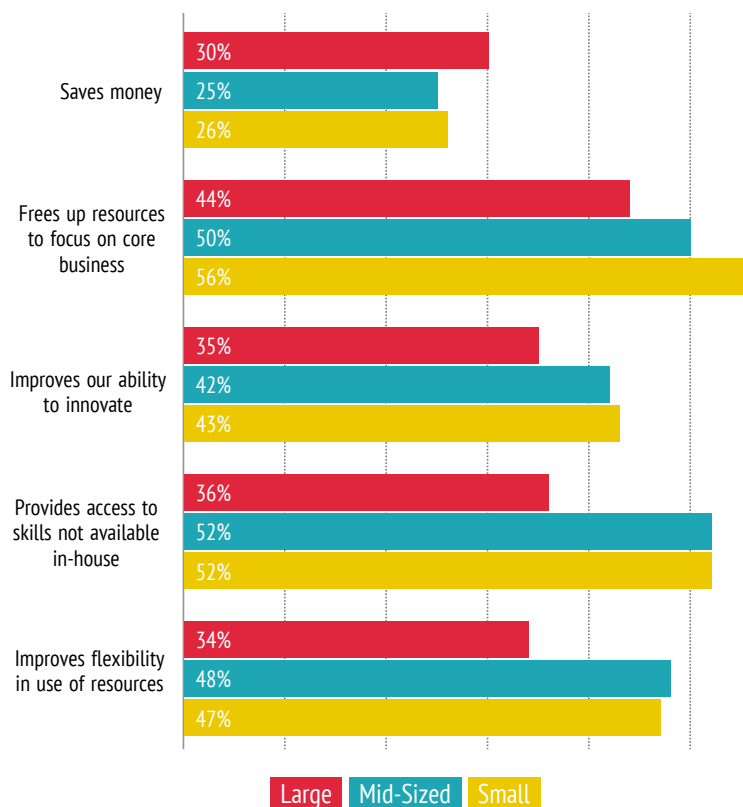|	Large	Mid-Sized	Small
Saves money	30%	25%	26%
Frees up resources to focus on core business	44%	50%	56%
Improves our ability to innovate	35%	42%	43%
Provides access to skills not available in-house	36%	52%	52%
Improves flexibility in use of resources	34%	48%	47%

Chart 41: Compared to five years ago, have the following reasons to outsource become more or less important to you? By organisation size (small: IT budget less than $1M; mid-sized: $1M-$250M; large: $250M+).

This year, a majority of CIOs will choose to maintain or grow outsourcing spend, with only one in seven CIOs looking to reduce their investment.

However, the 46 per cent of CIOs who plan to increase outsourcing spend in 2015 is a slight decline from the 49 per cent in 2014, and outsourcing intent has yet to climb back to pre-recession levels seen in 2007/08. More CIOs plan to offshore work in 2015 compared to last year: 41 per cent will invest more IT budget offshore in 2015 compared to 34 per cent in 2014. The fall in offshoring we saw in 2014 seems to have been a blip. Looking over the last ten years, sentiment towards outsourcing and offshoring has been very consistent.

Three times as many CIOs will increase outsourcing spend in 2015 compared to cutting back

- 4%
- 36%
- 46%
- 15%

Increase | Decrease
Stay the same | Don't know
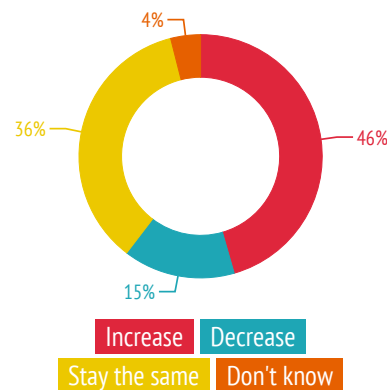
Chart 42: How do you expect your spend on outsourcing to change over the next 12 months?

Intent to offshore sees significant growth, narrowing gap with general outsourcing intent

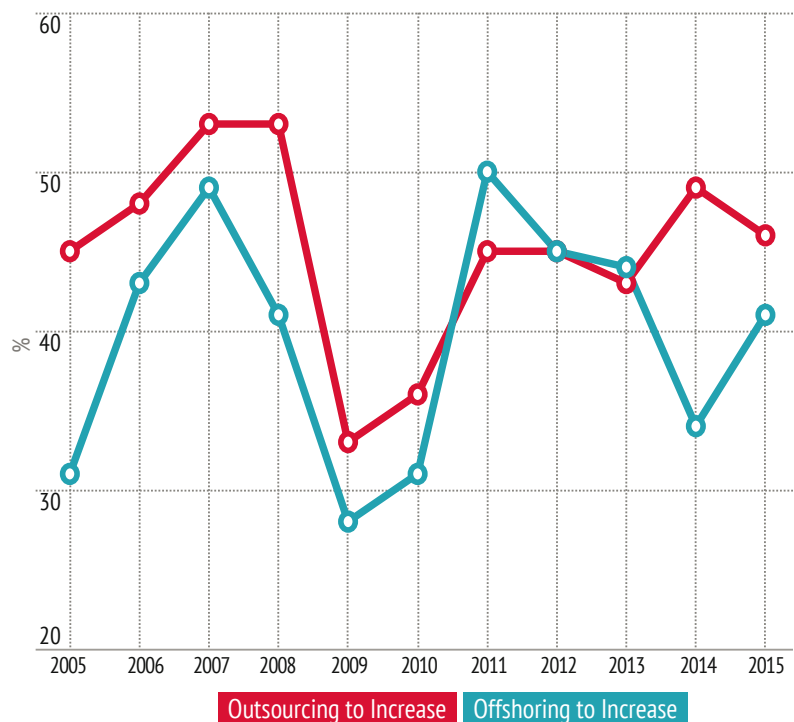Outsourcing to Increase | Offshoring to Increase

Chart 43: 2005-2015: How do you expect your spend on outsourcing and offshoring to change over the next 12 months?

1.5 CIO CAREERS

CIOs remain as active in their career advancement as they were last year; almost one-third (29 per cent) moved job in the last 24 months, and almost six in ten CIOs (58 per cent) have changed roles since 2010. The average life expectancy of a CIO does not seem to be increasing.

Majority of CIOs expect to change roles within five years; only one in five expect to stay for a decade or more
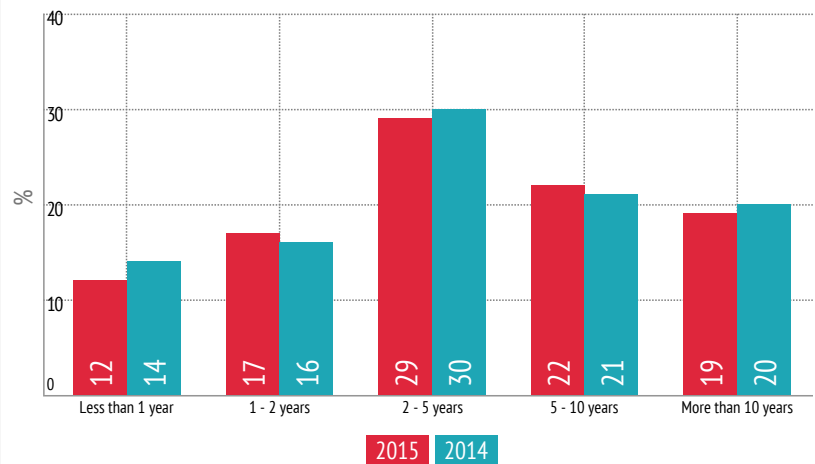

Chart 44: 2014-2015: How long have you worked for your current employer?

More CIOs plan to move role in the near future. A quarter (24 per cent) expect to be in their current role for less than a year, and a similar proportion plan to leave within two years. A small group of hardy CIOs (9 per cent) plan to stay in their current role for the next decade, up from 6 per cent last year.

CIO career plans for 2015 look remarkably similar to 2014, except for long-term planners
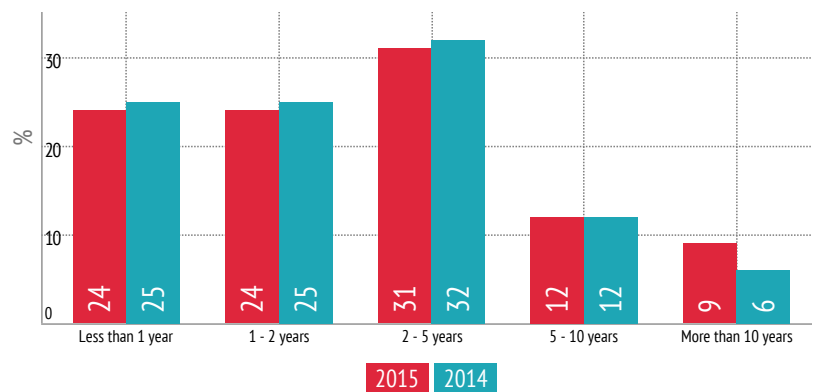

Chart 45: 2014-2015: How long, from this point onwards, do you expect to stay with your current employer?

Chief Information Officer - what's the best and worst thing about being one?

Best: you are in the heart of the digital revolution that is taking place now. Worst: the future of your organisation is pressing on your shoulders. A successful CIO makes the future, a failing CIO breaks the future!

Teun van der Vorm
CIO, ANWB

The best part of being a CIO is having the opportunity to be at the forefront of technology advancements and influencing how a business adopts technology. In this role you also have the opportunity to work with great people who are passionate about their jobs. The worst part is convincing business of the value and importance of new technologies when they may be unproven, and the constant change of the industry means you cannot afford to miss a thing!

Fumbi Chima
VP & CIO, Walmart Asia

The best thing about the CIO role is to shape the company strategy by translating the ever-changing technology landscape into pragmatic business outcomes. The worst is the challenge to balance all the legacy platforms with the new requirements and not being able to do all the things you want to do simultaneously.

Javier Campos
CIO EMEA, GroupM

CIO careers

As in previous years, CIOs remain fulfilled in their role; eight out of ten report that they are either 'fulfilled' or 'very fulfilled', a slight increase of 2 per cent since 2014.

CIOs remain content and report being fulfilled in their role
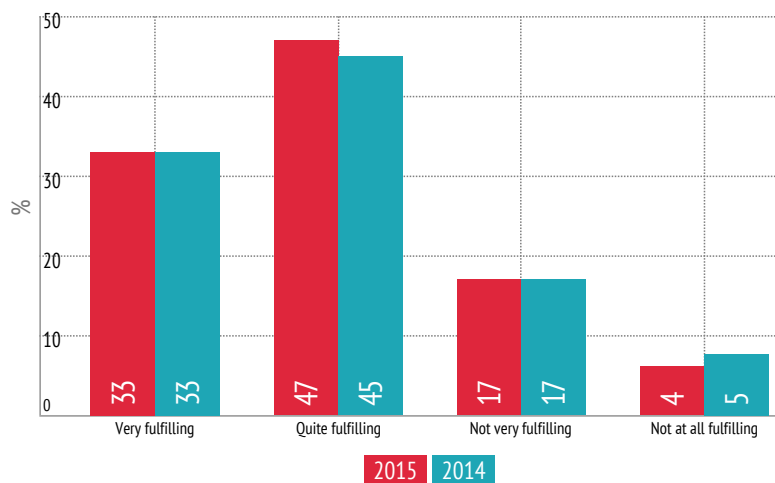

Chart 46: 2014-2015: How fulfilling do you find your current role?

Despite high levels of CIO job fulfilment generally, CIOs who sit on the executive management team in their organisation appear to be most content, CIOs who report to the CEO are marginally happier than those who report to the CFO, and the smaller the organisation at which you are a CIO, the happier you should be.

Job fulfilment rises based on size of organisation, reporting line and senior management inclusion

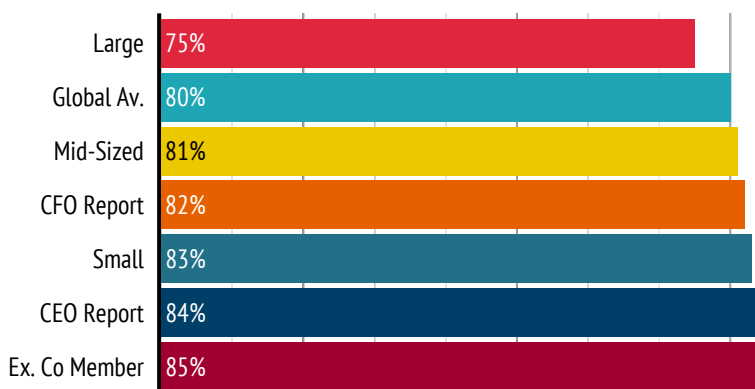| Large | 75% |
Global Av.	80%
Mid-Sized	81%
CFO Report	82%
Small	83%
CEO Report	84%
Ex. Co Member	85%

Chart 47: 2015: How fulfilling do you find your current role? By organisation size, reporting line and executive team seat.

Although CIOs are, on the whole, happy with their role, only one in ten wouldn't consider a new position if it were offered to them. Three in ten (30 per cent) keep an eye on the market, broadly the same last year, with one in five actively considering new roles.

CIOs still look for new roles despite being fulfilled in their current ones
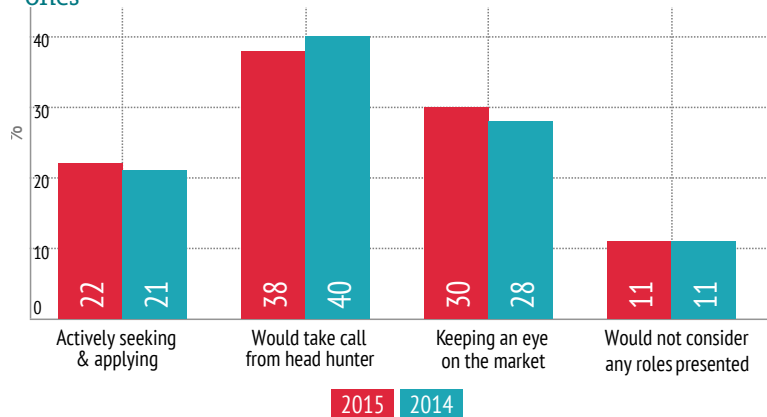

Chart 48: How active are you in looking for a new role at present?

Is there life after the CIO?

When asked, more than half of CIOs (52 per cent) say they want to stay in IT for their next role. Given the recent vogue of digital it may come as little surprise to see that 13 per cent of CIOs would consider moving into a Chief Digital Officer role to enhance their career.

One in five CIOs want to move out of technology for their next role, however, most will stay

- Staying in IT
- Chief Digital Officer role
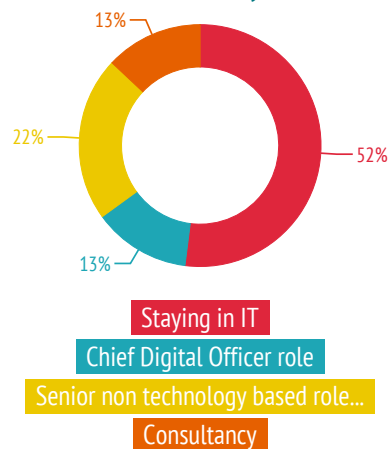- Senior non technology based role...
- Consultancy

Chart 49: Where do you see your career heading in the next five years?

Remuneration

In terms of remuneration, the pace of CIO salary growth appears to have stalled. While three in ten CIOs (33 per cent) enjoyed an increase in salary in 2015, the vast majority of CIOs (64 per cent) did not see their salary rise. This is essentially unchanged from the 60 per cent who did not receive a salary increase in 2014. However, compared to the worst of the recessionary years, things seem to have improved.

CIO pay increases enjoyed by only three in ten

- Decreased
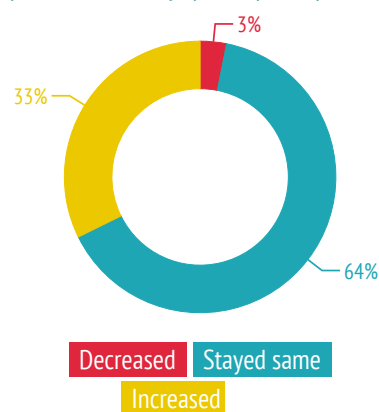- Stayed same
- Increased

Chart 50: How has your base salary changed compared to last year?

CIOs in the technology and telecoms industry are more likely to have experienced a salary rise than their CIO peers generally, and twice as likely to have received a pay rise than peers in the government sector.

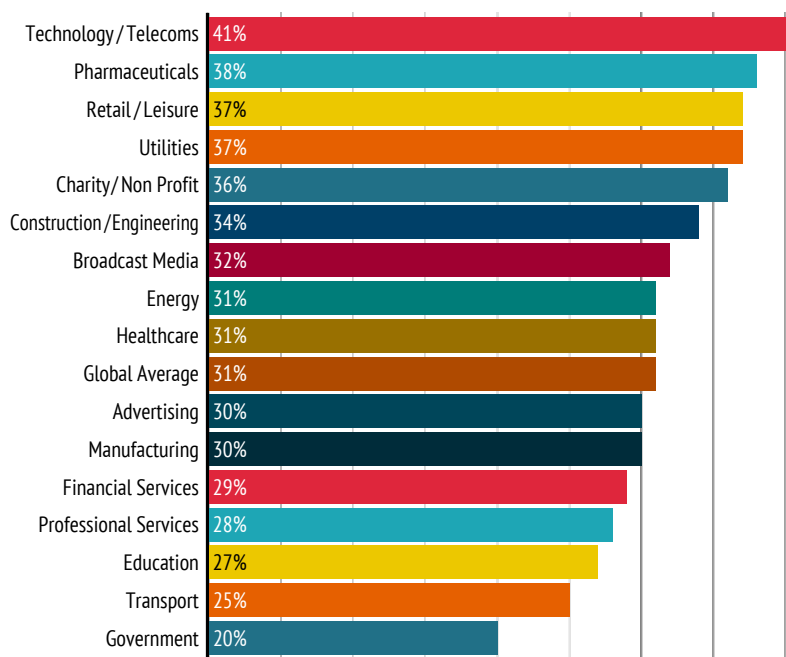## More CIOs see pay rise in tech sector than in other industries

Industry	%
Technology/Telecoms	41%
Pharmaceuticals	38%
Retail/Leisure	37%
Utilities	37%
Charity/Non Profit	36%
Construction/Engineering	34%
Broadcast Media	32%
Energy	31%
Healthcare	31%
Global Average	31%
Advertising	30%
Manufacturing	30%
Financial Services	29%
Professional Services	28%
Education	27%
Transport	25%
Government	20%

Chart 51: How has your base salary changed compared to last year? By industry.

CIO careers

The value of benefits including car, short- and long-term incentive plans, shares or equity, can add significant value to CIO remuneration. For 2 per cent of CIOs the value of this wider benefits package is worth more than 200 per cent of their annual salary, while for 5 per cent it is worth the equivalent of their annual salary.

Yet for a majority of CIOs their benefits are more modest; 28 per cent do not receive any additional benefits package, while for 57 per cent the value of their benefits package is more reserved, accounting for between 10 per cent and 30 per cent of their annual salary.

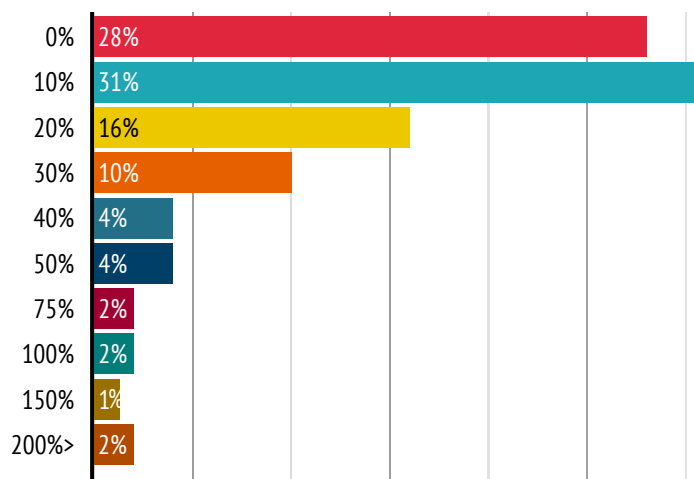## Value of benefits package worth more than annual salary for small group of CIOs

Value	%
0%	28%
10%	31%
20%	16%
30%	10%
40%	4%
50%	4%
75%	2%
100%	2%
150%	1%
200%>	2%

Chart 52: What is the value of the benefits you receive, including car, LTIPs/shares/equity (expressed as a % of your base salary)?

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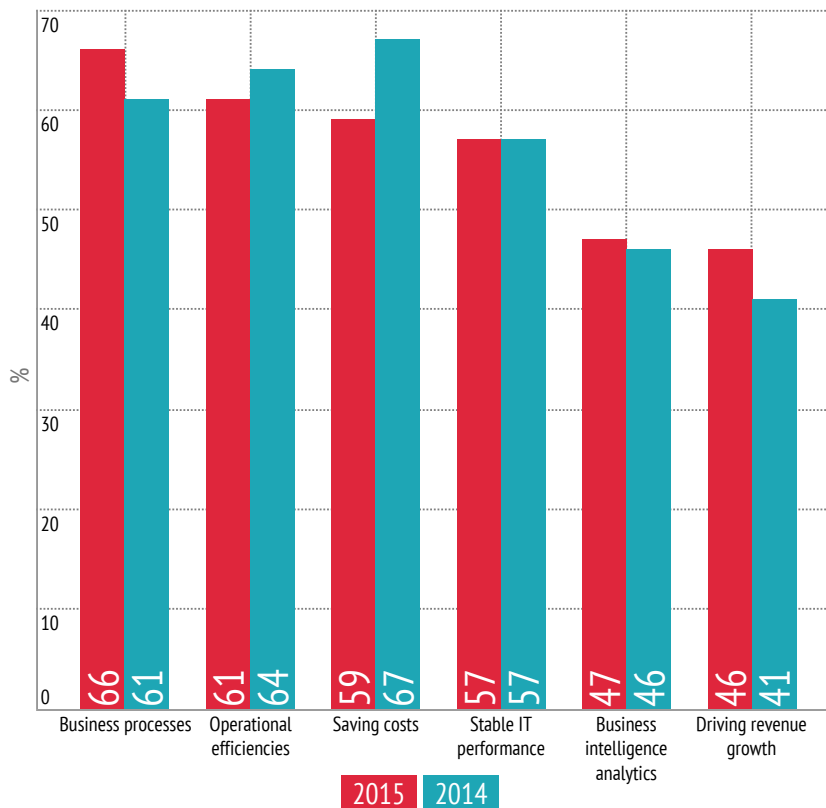
WWW.HARVEYNASH.COM/CIOSURVEY

ASIA–PACIFIC (APAC) REGION

Compared to the global average, a CIO from APAC is…

More likely to have received a pay rise

58 per cent received a pay rise in the past year, 27 per cent more than the global average (31 per cent)

Equally strategic in outlook

69 per cent see the role of the CIO becoming more strategic, the same percentage as the global average (69 per cent)

Less able to secure the right skills

71 per cent believe a skills shortage will have an impact, 12 per cent higher than the global average (59 per cent)

Equally likely to increase headcount

46 per cent plan to increase IT headcount, similar to the global average (45 per cent)

Less affected by digital disruption

29 per cent believe they are already being disrupted by digital, 6 per cent less than the global average (35 per cent)

Equally likely to have a Chief Digital Officer

18 per cent currently have a Chief Digital Officer, similar to the global average (17 per cent)

Less safe from IT security attack

35 per cent have faced a major IT security attack in the last year, 10 per cent higher than the global average (25 per cent)

Equally likely to outsource

45 per cent expect to increase outsourcing, similar to the global average (46 per cent)

Less diverse IT leadership

7 per cent of respondents are female IT leaders, 2 per cent lower than the global average (9 per cent)

NOTE: The APAC region for the 2015 Harvey Nash CIO Survey includes insight from CIOs in China, Hong Kong, India, Japan, Singapore, Thailand and Vietnam.
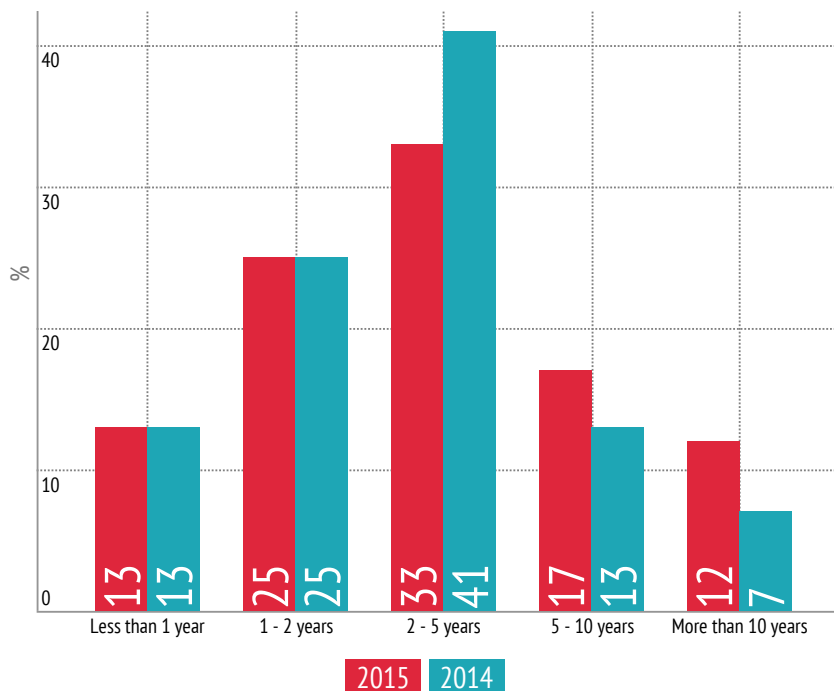
Top priorities of CIOs in APAC 2015 vs. 2014

	2015	2014
Business processes	66	61
Operational efficiencies	61	64
Saving costs	59	67
Stable IT performance	57	57
Business intelligence analytics	47	46
Driving revenue growth	46	41

What are the key business issues that your management board looks to IT to address?

CIOs from APAC remain focused on improving the organisation operationally. However, the focus has shifted between 2014 and 2015. Last year cost saving was the top priority (67 per cent), this year it drops to the #3 priority (for 59 per cent of APAC CIOs). This year, improving business processes becomes the top priority (increasing from 61 per cent to 66 per cent). A growing number of APAC CIOs are prioritising revenue growth (up 5 per cent since 2014), but it remains a focus for less than half of CIOs.

CIOs in APAC planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	13	13
1 - 2 years	25	25
2 - 5 years	33	41
5 - 10 years	17	13
More than 10 years	12	7

How long, from this point onwards, do you expect to stay with your current employer?

More than one in ten CIOs from APAC (13 per cent) plan to leave their job within the next 12 months, the same percentage as last year. Another 25 per cent of APAC CIOs would like to move job in the next two years, also in line with 2014. However, there is a shift towards a longer-term career path for three in ten APAC CIOs (29 per cent) who now plan to stay with their current employer for five years or more, up from 20 per cent last year.
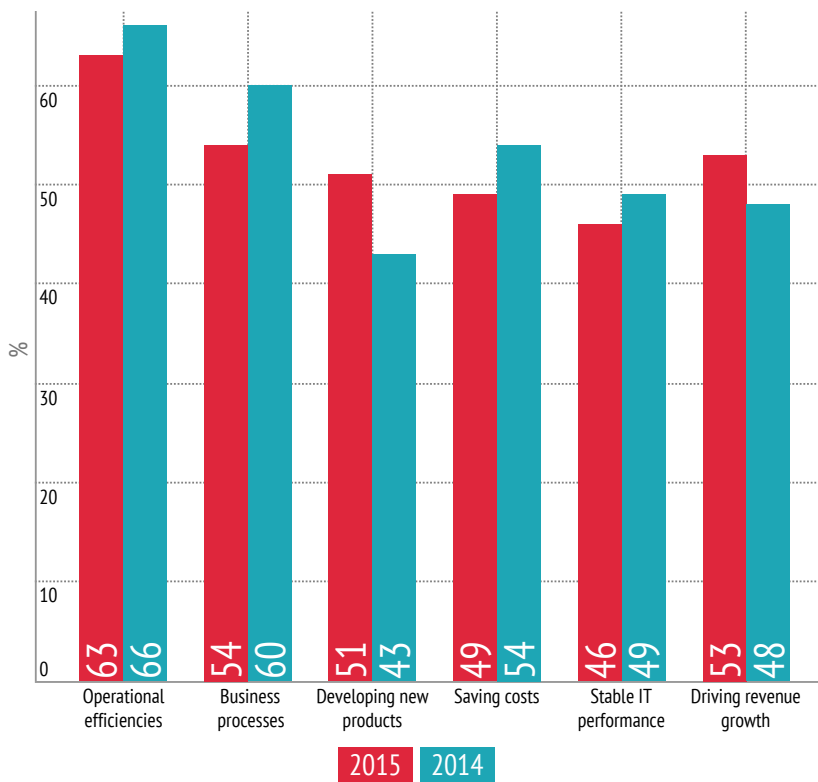
AUSTRALIA

Compared to the global average, a CIO from Australia is…

Equally likely to have received a pay rise

33 per cent received a pay rise in the past year, similar to the global average (31 per cent)

More strategic in outlook

74 per cent see the role of the CIO becoming more strategic, 4 per cent higher than the global average (69 per cent)

More able to secure the right skills

54 per cent believe a skills shortage will have an impact, 5 per cent lower than the global average (59 per cent)

More likely to increase headcount

52 per cent plan to increase IT headcount, 7 per cent higher than the global average (45 per cent)

More affected by digital disruption

56 per cent believe they are already being disrupted by digital, 21 per cent more than the global average (35 per cent)

More likely to have a Chief Digital Officer

33 per cent currently have a Chief Digital Officer, 16 per cent more than the global average (17 per cent)

Equally safe from IT security attacks

27 per cent have faced a major IT security attack in the last year, similar to the global average (25 per cent)

More likely to outsource

59 per cent expect to increase outsourcing, 13 per cent more than the global average (46 per cent)

More diverse IT leadership

11 per cent of respondents are female IT leaders, 2 per cent higher than the global average (9 per cent)
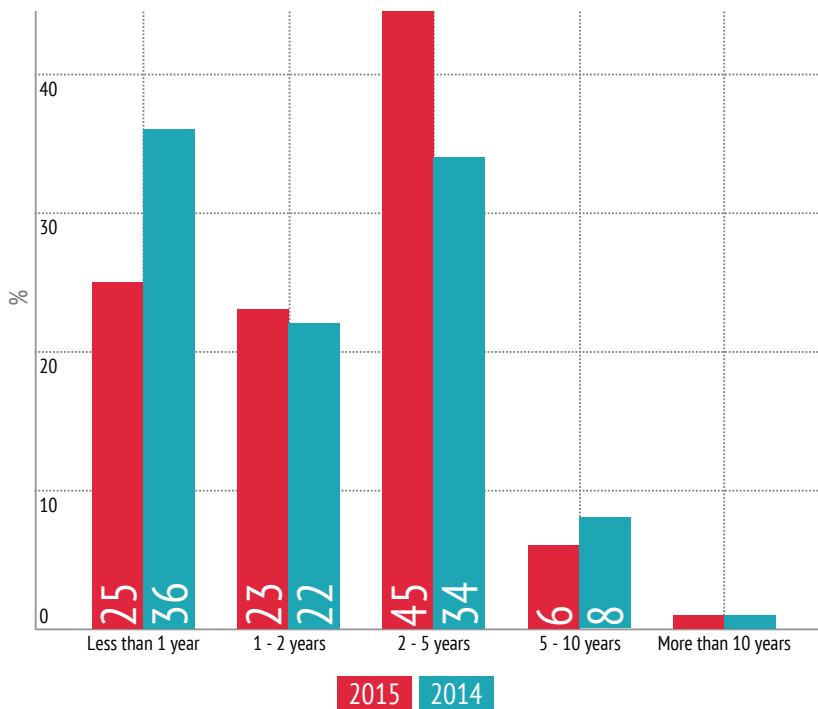
Top priorities of CIOs in Australia 2015 vs. 2014

	Operational efficiencies	Business processes	Developing new products	Saving costs	Stable IT performance	Driving revenue growth
2015	63	54	51	49	46	53
2014	66	60	43	54	49	48

2015 2014

What are the key business issues that your management board looks to IT to address?

The shift in operational priorities of Australian CIOs continues. Driving operational efficiencies remains the top focus of Australian CIOs, but it drops from 66 per cent to 63 per cent, and improving business processes has dropped from 60 per cent to 54 per cent in 12 months. Cost saving is also falling in importance as a CIO priority in Australia, down to 49 per cent from 54 per cent last year. The priorities that are growing in influence are external in nature: 8 per cent more CIOs in Australia are developing innovative new products and services for the business in 2015, and driving revenue growth is up 5 per cent.

CIOs in Australia planning to move job 2015 vs. 2014

	Less than 1 year	1 - 2 years	2 - 5 years	5 - 10 years	More than 10 years
2015	25	23	45	6	
2014	36	22	34	8	

2015 2014

How long, from this point onwards, do you expect to stay with your current employer?

A quarter of Australian CIOs plan to move job this year. This is down from over a third (36 per cent) who planned to move role in 2014. Another quarter (23 per cent) can foresee themselves in a new role within the next 24 months, up slightly on 2014 figures. Almost half of Australian CIOs (45 per cent) expect to stay in their current role for up to five years, while a minority (7 per cent) expect to stay for longer.
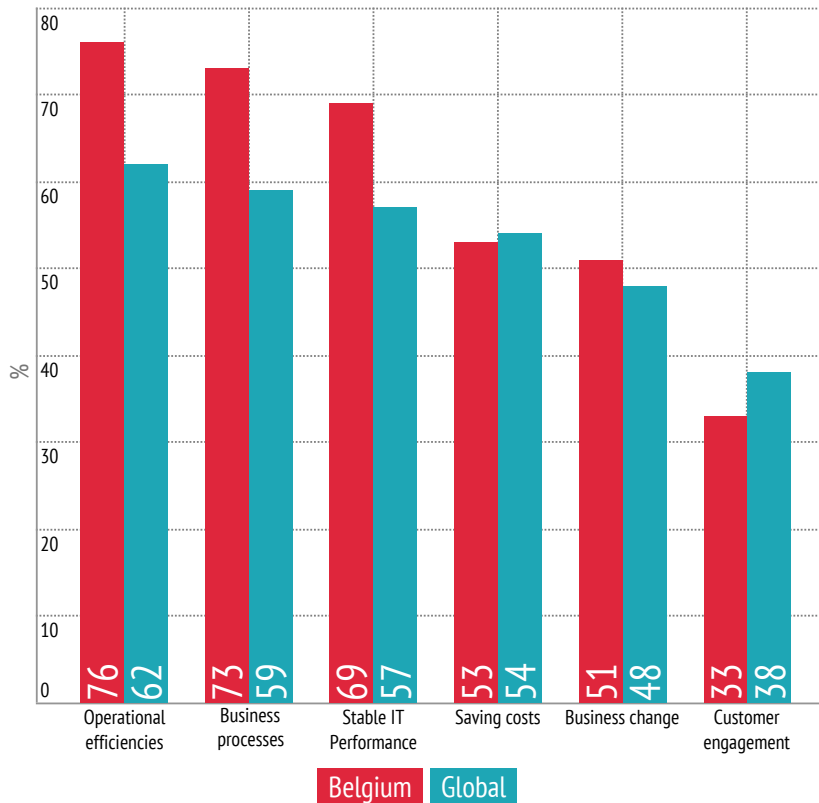
BELGIUM

Compared to the global average, a CIO from Belgium is…

Less likely to have received a pay rise

21 per cent received a pay rise in the past year, 10 per cent less than the global average (31 per cent)

Equally strategic in outlook

71 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

Equally able to secure the right skills

62 per cent believe a skills shortage will have an impact, similar to the global average (59 per cent)

Less likely to increase headcount

31 per cent plan to increase IT headcount, 14 per cent lower than the global average (45 per cent)

Less affected by digital disruption

13 per cent believe they are already being disrupted by digital, 22 per cent less than the global average (35 per cent)

Less likely to have a Chief Digital Officer

13 per cent currently have a Chief Digital Officer, 4 per cent less than the global average (17 per cent)

More safe from IT security attacks

11 per cent have faced a major IT security attack in the last year, 14 per cent lower than the global average (25 per cent)

More likely to outsource

51 per cent expect to increase outsourcing, 5 per cent more than the global average (46 per cent)

Less diverse IT leadership

4 per cent of respondents are female IT leaders, 5 per cent lower than the global average (9 per cent)
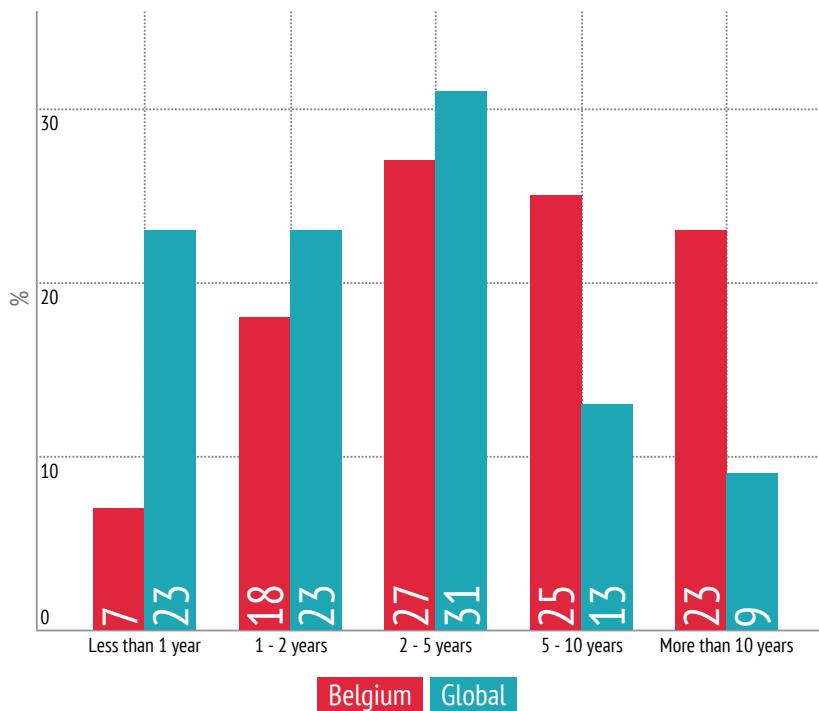
Top priorities of CIOs in Belgium vs. global

	Belgium	Global
Operational efficiencies	76	62
Business processes	73	59
Stable IT Performance	69	57
Saving costs	53	54
Business change	51	48
Customer engagement	33	38

Belgium **Global**

What are the key business issues that your management board looks to IT to address?

More CIOs in Belgium will focus on internal priorities in 2015 compared to their global CIO peers. Three-quarters (76 per cent) of Belgian CIOs will prioritise operational efficiencies in 2015, compared to only 62 per cent of global CIOs. Stable IT performance (69 per cent) and improving internal business processes (73 per cent) are also higher priorities in Belgium compared to the global average. Enabling business change is a priority for half of Belgian CIOs (51 per cent), and driving customer engagement for a third (33 per cent), both closely in line with global averages.

CIOs in Belgium planning to move job vs. global CIOs

	Belgium	Global
Less than 1 year	7	23
1 - 2 years	18	23
2 - 5 years	27	31
5 - 10 years	25	13
More than 10 years	23	9

Belgium **Global**

How long, from this point onwards, do you expect to stay with your current employer?

CIOs in Belgium are less likely to move job this year compared to their global peers. Only 7 per cent of local CIOs expect to be in a new role by 2016 compared to 23 per cent of global CIOs. A quarter of CIOs in Belgium do intend to change job within 24 months, however, 48 per cent plan to remain with their current employer for five years or longer.
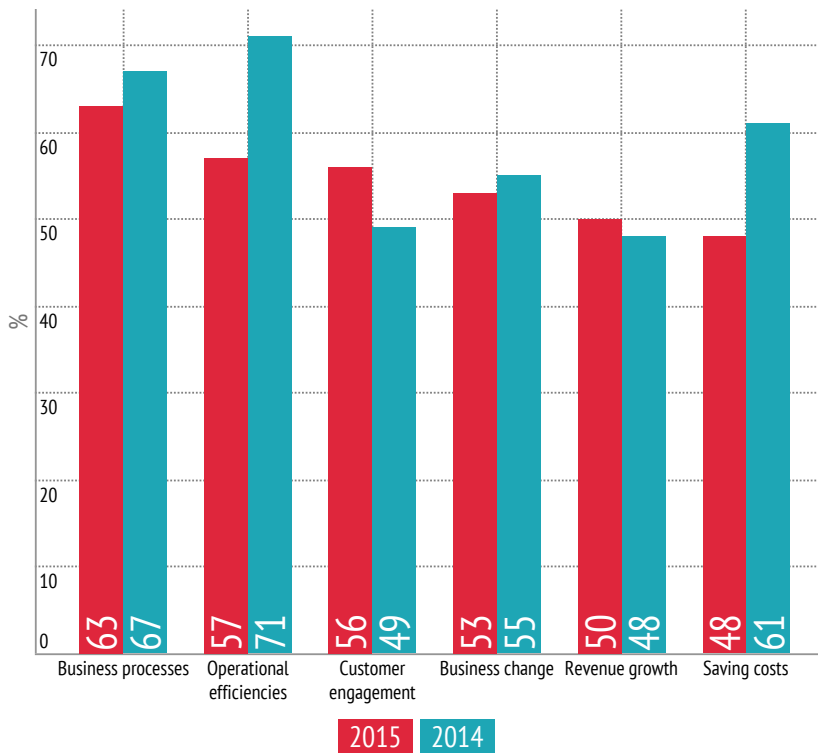
CHINA/HONG KONG

Compared to the global average, a CIO from China/Hong Kong is…

More likely to have received a pay rise

47 per cent received a pay rise in the past year, 16 per cent more than the global average (31 per cent)

More strategic in outlook

73 per cent see the role of the CIO becoming more strategic, 4 per cent higher than the global average (69 per cent)

Less able to secure the right skills

72 per cent believe a skills shortage will have an impact, 13 per cent higher than the global average (59 per cent)

Equally likely to increase headcount

47 per cent plan to increase IT headcount, similar to the global average (45 per cent)

More affected by digital disruption

42 per cent believe they are already being disrupted by digital, 7 per cent more than the global average (35 per cent)

More likely to have a Chief Digital Officer

19 per cent currently have a Chief Digital Officer, 2 per cent more than the global average (17 per cent)

Less safe from IT security attacks

38 per cent have faced a major IT security attack in the last year, 13 per cent higher than the global average (25 per cent)

More likely to outsource

67 per cent expect to increase outsourcing, 21 per cent more than the global average (46 per cent)

Less diverse IT leadership

5 per cent of respondents are female IT leaders, 4 per cent lower than the global average (9 per cent)
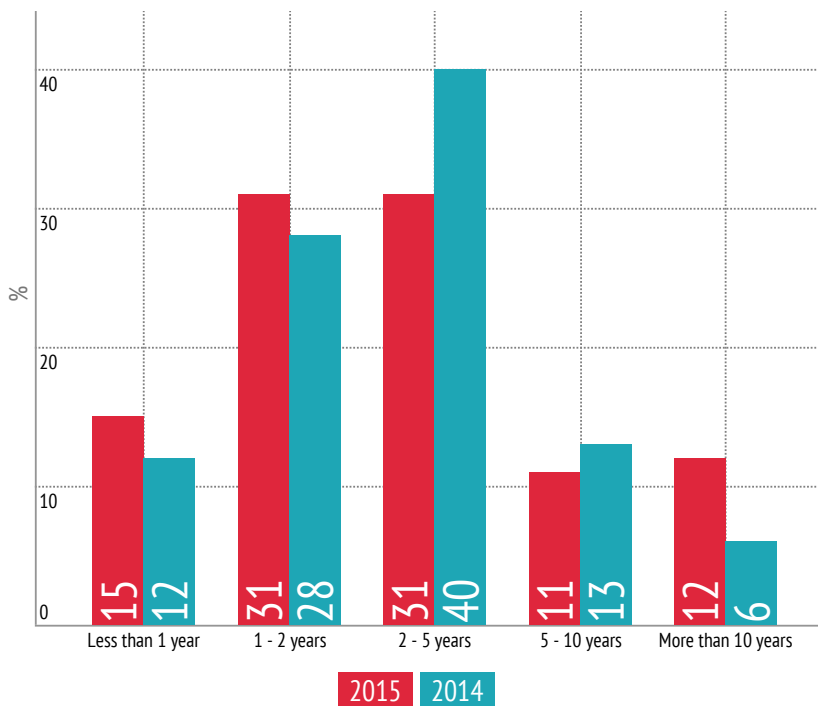
Top priorities of CIOs in China/Hong Kong 2015 vs. 2014

	2015	2014
Business processes	63	67
Operational efficiencies	57	71
Customer engagement	56	49
Business change	53	55
Revenue growth	50	48
Saving costs	48	61

What are the key business issues that your management board looks to IT to address?

CIOs in China/Hong Kong are focused most on internal business processes (63 per cent). However, the internal focus is dropping and being replaced by external priorities such as customer engagement (up 7 per cent between 2014 and 2015) and revenue growth (up 2 per cent). Cost saving has dropped markedly as a priority this year, down to less than half (48 per cent) of local CIOs making it their focus. Similarly, 14 per cent fewer CIOs in China/ Hong Kong will make operational efficiencies a priority in the year ahead.

CIOs in China/Hong Kong planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	15	12
1 - 2 years	31	28
2 - 5 years	31	40
5 - 10 years	11	13
More than 10 years	12	6

How long, from this point onwards, do you expect to stay with your current employer?

More CIOs from China/Hong Kong plan to move job this year (15 per cent) compared to last year (12 per cent). An additional three in ten local CIOs (31 per cent) want to be in a new role within the next 24 months, up from 28 per cent in 2014. However, more China/Hong Kong CIOs want to stay in their role for more than a decade (12 per cent), double the rate from last year (6 per cent).
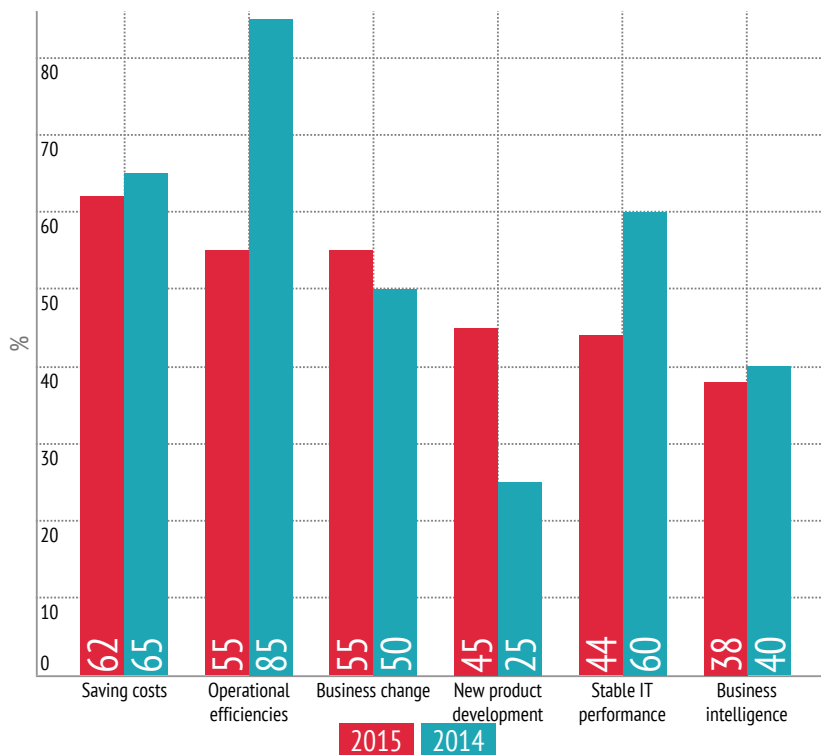
FINLAND

Compared to the global average, a CIO from Finland is…

Less likely to have received a pay rise

16 per cent received a pay rise in the past year, 15 per cent lower than the global average (31 per cent)

Less strategic in outlook

52 per cent see the role of the CIO becoming more strategic, 17 per cent lower than the global average (69 per cent)

More able secure the right skills

57 per cent believe a skills shortage will have an impact, 2 per cent lower than the global average (59 per cent)

Less likely to increase headcount

21 per cent plan to increase IT headcount, 24 per cent lower than the global average (45 per cent)

Equally affected by digital disruption

32 per cent believe they are already being disrupted by digital, similar to the global average (35 per cent)

Less likely to have a Chief Digital Officer

4 per cent currently have a Chief Digital Officer, 13 per cent less than the global average (17 per cent)

More safe from IT security attack

21 per cent have faced a major IT security attack in the last year, 4 per cent lower than the global average (25 per cent)

Less likely to outsource

37 per cent expect to increase outsourcing, 9 per cent less than the global average (46 per cent)

Less diverse IT leadership

6 per cent of respondents are female IT leaders, 3 per cent lower than the global average (9 per cent)
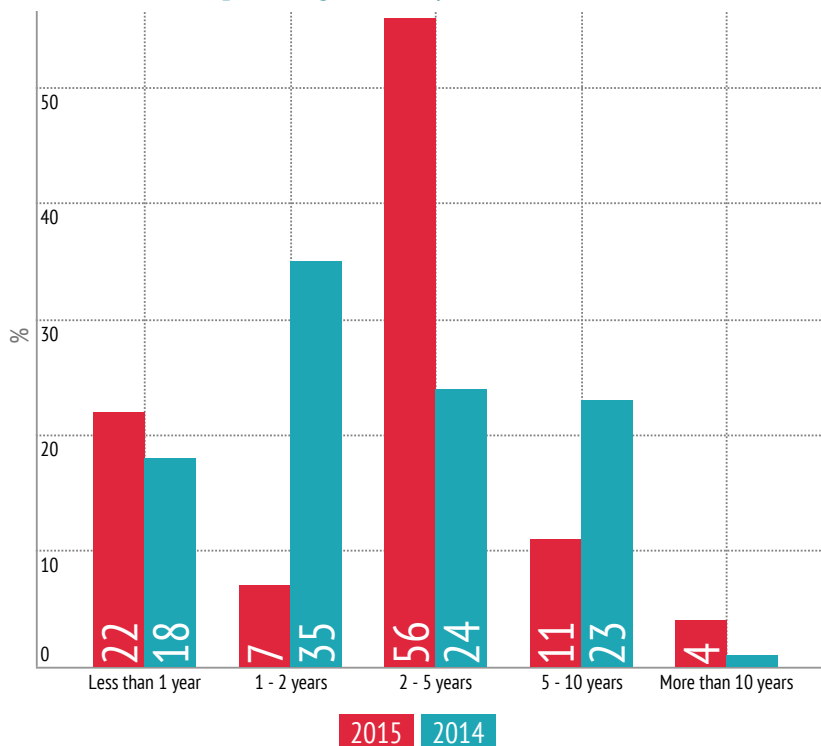
Top priorities of CIOs in Finland 2015 vs. 2014

%

	2015	2014
Saving costs	62	65
Operational efficiencies	55	85
Business change	55	50
New product development	45	25
Stable IT performance	44	60
Business intelligence	38	40

2015 **2014**

What are the key business issues that your management board looks to IT to address?

A majority of CIOs in Finland (62 per cent) remain focused on saving costs in 2015, although this is marginally lower than in 2014, and significantly fewer CIOs in Finland are focused on operational efficiencies (55 per cent this year compared to 85 per cent last year). External priorities such as managing business change (55 per cent) and new product development (45 per cent) have become greater priorities for CIOs in Finland compared to last year. Business intelligence and data analytics remain priorities for four in ten CIOs in Finland (38 per cent), down slightly on 2014.

CIOs in Finland planning to move job 2015 vs. 2014

%

	2015	2014
Less than 1 year	22	18
1 - 2 years	7	35
2 - 5 years	56	24
5 - 10 years	11	23
More than 10 years	4	

2015 **2014**

How long, from this point onwards, do you expect to stay with your current employer?

CIOs in Finland are more likely to move role within the next 12 months (22 per cent) compared to last year (18 per cent). However, significantly fewer CIOs in Finland expect to change job in the next 24 months (only 7 per cent, compared to 35 per cent in 2014). This has led to a shift of CIOs in Finland planning to stay with their current employer for longer. Over half (56 per cent) plan to stay for 2-5 years, while 15 per cent will stay for more than five years.
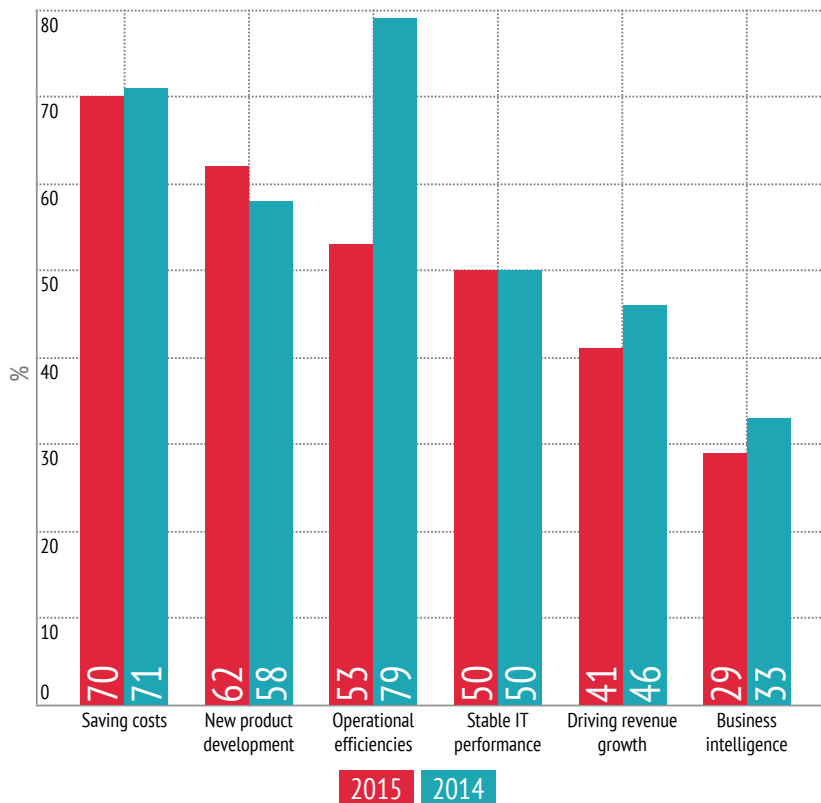
FRANCE

Compared to the global average, a CIO from France is…

Less likely to have received a pay rise

14 per cent received a pay rise in the past year, 17 per cent less than the global average (31 per cent)

Less strategic in outlook

50 per cent see the role of the CIO becoming more strategic, 19 per cent lower than the global average (69 per cent)

Less able to secure the right skills

67 per cent believe a skills shortage will have an impact, 8 per cent higher than the global average (59 per cent)

Equally likely to increase headcount

44 per cent plan to increase IT headcount, similar to the global average (45 per cent)

More affected by digital disruption

50 per cent believe they are already being disrupted by digital, 15 per cent more than the global average (35 per cent)

More likely to have a Chief Digital Officer

25 per cent currently have a Chief Digital Officer, 8 per cent more than the global average (17 per cent)

Less safe from IT security attacks

37 per cent have faced a major IT security attack in the last year, 12 per cent higher than the global average (25 per cent)

More likely to outsource

50 per cent expect to increase outsourcing, 4 per cent more than the global average (46 per cent)

Equally diverse IT leadership

9 per cent of respondents are female IT leaders, the same percentage as the global average (9 per cent)
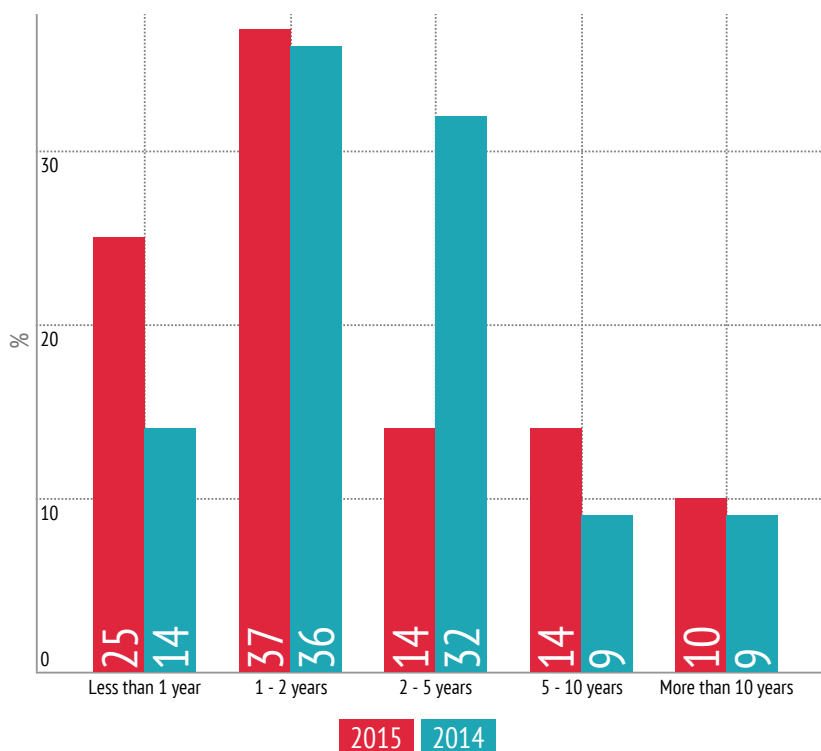
Top priorities of CIOs in France 2015 vs. 2014

	Saving costs	New product development	Operational efficiencies	Stable IT performance	Driving revenue growth	Business intelligence
2015	70	62	53	50	41	29
2014	71	58	79	50	46	33

What are the key business issues that your management board looks to IT to address?

Saving costs remains the top priority of CIOs in France. Seven in ten local CIOs (70 per cent) make this a top priority compared to 71 per cent last year. The biggest change between 2014 and 2015 is the focus of French CIOs on operational efficiencies (down to 53 per cent compared to 79 per cent last year). Focus appears to be shifting towards playing a greater role in new product development (up to 62 per cent from 58 per cent in 2014).

CIOs in France planning to move job 2015 vs. 2014

	Less than 1 year	1 - 2 years	2 - 5 years	5 - 10 years	More than 10 years
2015	25	37	14	14	10
2014	14	36	32	9	9

How long, from this point onwards, do you expect to stay with your current employer?

More CIOs in France plan to move job in 2015 compared to 2014. A quarter (25 per cent) expect to be in a new role within 12 months compared to only 14 per cent who planned a similar move last year. This shift in CIO career planning is as a result of the significantly fewer French CIOs who plan to stay with their current employer for 2-5 years. Many of these CIOs now plan to move job sooner, although 24 per cent do still plan to stay in their current role for five years or more.
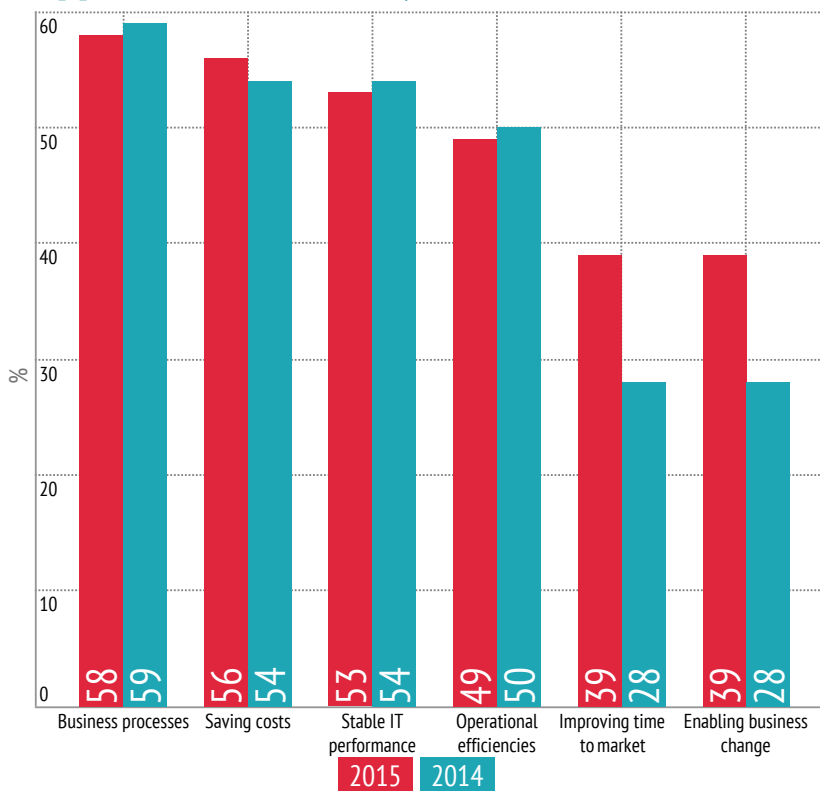
GERMANY

Compared to the global average, a CIO from Germany is…

Equally likely to have received a pay rise

33 per cent received a pay rise in the past year, similar to the global average (31 per cent)

Equally strategic in outlook

70 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

Less able to secure the right skills

67 per cent believe a skills shortage will have an impact, 8 per cent higher than the global average (59 per cent)

Less likely to increase headcount

38 per cent plan to increase IT headcount, 7 per cent lower than the global average (45 per cent)

Less affected by digital disruption

20 per cent believe they are already being disrupted by digital, 15 per cent less than the global average (35 per cent)

Less likely to have a Chief Digital Officer

13 per cent currently have a Chief Digital Officer, 4 per cent less than the global average (17 per cent)

Equally as safe from IT security attacks

26 per cent have faced a major IT security attack in the last year, similar to the global average (25 per cent)

More likely to outsource

53 per cent expect to increase outsourcing, 7 per cent more than the global average (46 per cent)

Less diverse IT leadership

3 per cent of respondents are female IT leaders, 6 per cent lower than the global average (9 per cent)
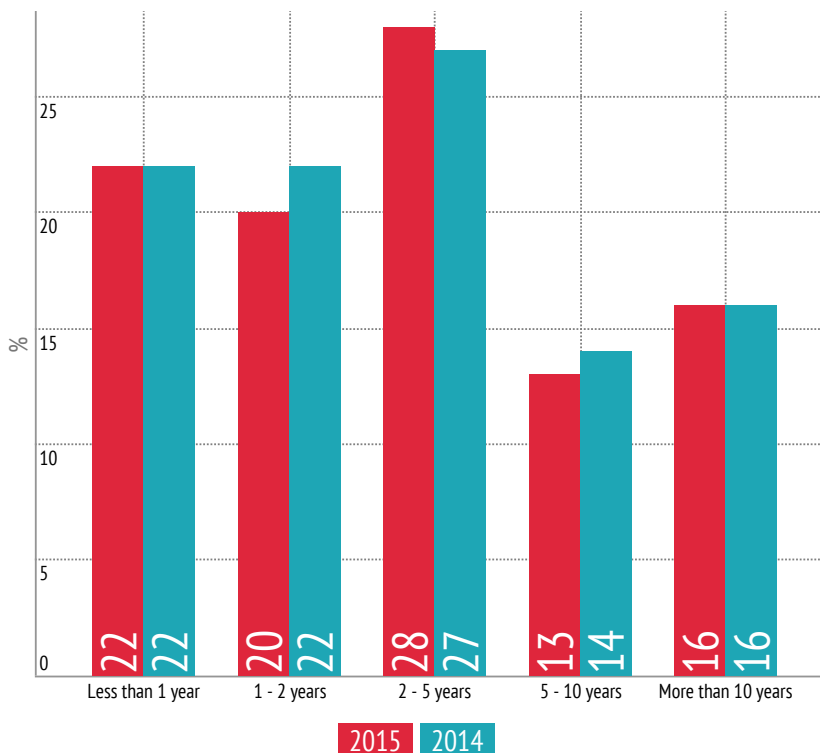
Top priorities of CIOs in Germany 2015 vs. 2014

	Business processes	Saving costs	Stable IT performance	Operational efficiencies	Improving time to market	Enabling business change
2015	58	56	53	49	39	39
2014	59	54	54	50	28	28

2015 **2014**

What are the key business issues that your management board looks to IT to address?

CIOs in Germany remain intently focused on the operational priorities that were dominating their attention in 2014 and 2013. Enhancing business processes remains the #1 priority for 58 per cent of German CIOs (compared to 59 per cent last year). Similarly, saving costs (56 per cent), delivering stable IT performance (53 per cent) and driving operational efficiencies (49 per cent) are all broadly in line with 2014. The priorities growing most rapidly, however, are more external. Improving time to market for new products/services and enabling business change are both up 11 per cent in the last 12 months.

CIOs in Germany planning to move job 2015 vs. 2014

	Less than 1 year	1 - 2 years	2 - 5 years	5 - 10 years	More than 10 years
2015	22	20	28	13	16
2014	22	22	27	14	16

2015 **2014**

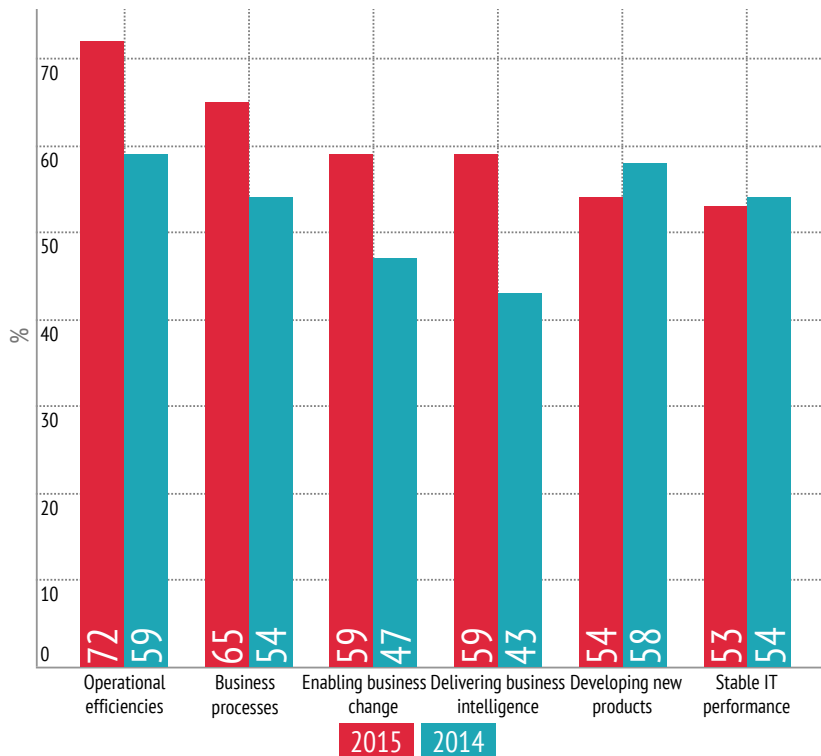How long, from this point onwards, do you expect to stay with your current employer?

The proportion of German CIOs planning to move role within the next 12 months (22 per cent) is unchanged from 2014. Another one in five German CIOs (20 per cent) expect to be in a new job within 24 months, marginally lower than in 2014, while a bigger proportion (28 per cent) do not plan to leave for another 2-5 years. German CIOs planning for a longer-term stay with their current employer are almost unchanged from 2014; 29 per cent intend to stay until 2020 or beyond, compared to 30 per cent who had similar ambitions last year.

IRELAND

Compared to the global average, a CIO from Ireland is…

Equally likely to have received a pay rise

29 per cent received a pay rise in the past year, similar to the global average (31 per cent)

Equally strategic in outlook

68 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

Equally able to secure the right skills

58 per cent believe a skills shortage will have an impact, similar to the global average (59 per cent)

More likely to increase headcount

64 per cent plan to increase IT headcount, 19 per cent higher than the global average (45 per cent)

More affected by digital disruption

45 per cent believe they are already being disrupted by digital, 10 per cent more than the global average (35 per cent)

More likely to have a Chief Digital Officer

20 per cent currently have a Chief Digital Officer, 3 per cent more than the global average (17 per cent)

More safe from IT security attack

17 per cent have faced a major IT security attack in the last year, 8 per cent lower than the global average (25 per cent)

Equally likely to outsource

46 per cent expect to increase outsourcing, the same percentage as the global average (46 per cent)

More diverse IT leadership

11 per cent of respondents are female IT leaders, 2 per cent higher than the global average (9 per cent)
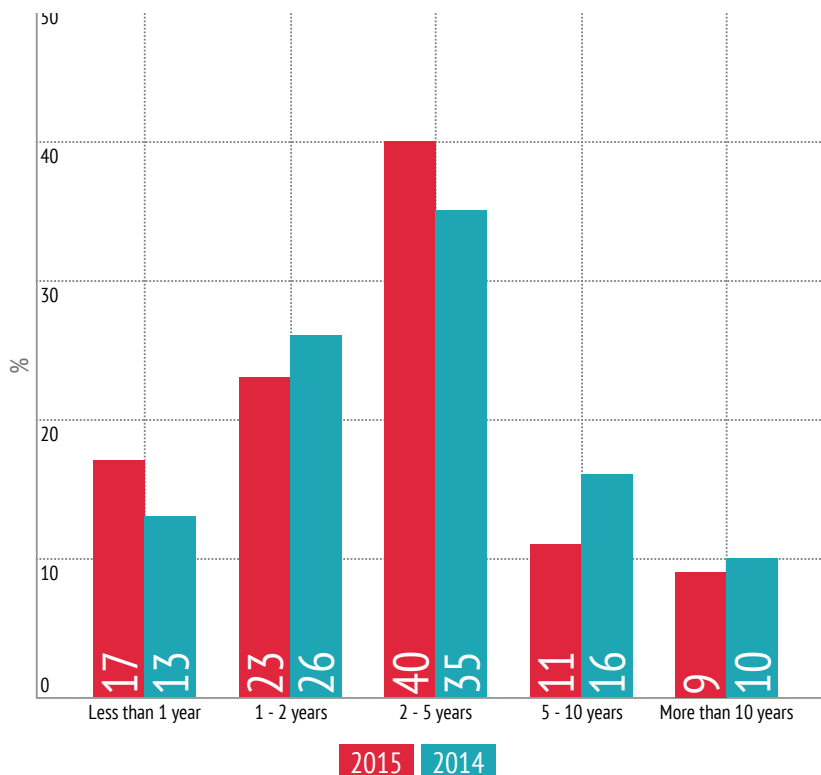
Top priorities of CIOs in Ireland 2015 vs. 2014

	2015	2014
Operational efficiencies	72	59
Business processes	65	54
Enabling business change	59	47
Delivering business intelligence	59	43
Developing new products	54	58
Stable IT performance	53	54

What are the key business issues that your management board looks to IT to address?

Delivering operational efficiencies has become more important to CIOs in Ireland during the last 12 months. Almost three-quarters (72 per cent) will make this a priority in 2015 compared to 59 per cent last year. Improving business processes is a priority for 65 per cent of Irish CIOs, up from 54 per cent in 2014. Enabling business change (up 12 per cent) and providing business intelligence and data analytics (up 16 per cent) have also become higher priorities in a short 12 months.

CIOs in Ireland planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	17	13
1 - 2 years	23	26
2 - 5 years	40	35
5 - 10 years	11	16
More than 10 years	9	10

How long, from this point onwards, do you expect to stay with your current employer?

The proportion of Irish CIOs planning to move role within the next 12 months (17 per cent) has increased from the 13 per cent who planned to move in 2014. Three in ten (30 per cent) Irish CIOs expect to be in a new job by the end of 2016. The number of CIOs in Ireland planning to stay with their current employer for longer than five years (20 per cent) has fallen compared to 26 per cent in 2014.
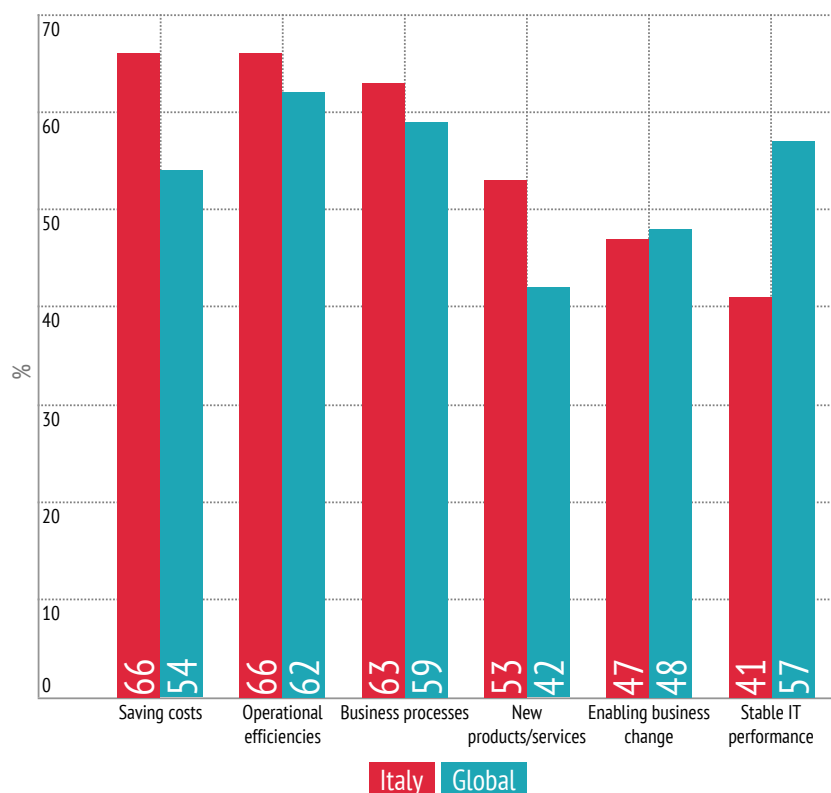
ITALY

Compared to the global average, a CIO from Italy is…

Less likely to have received a pay rise

21 per cent received a pay rise in the past year, ten per cent less than the global average (31 per cent)

More strategic in outlook

78 per cent see the role of the CIO becoming more strategic, nine per cent higher than the global average (69 per cent)

Less able to secure the right skills

72 per cent believe skills shortage will have impact, 13 per cent higher than the global average (59 per cent)

Equally likely to increase headcount

45 per cent plan to increase IT headcount, the same percentage as the global average (45 per cent)

Less affected by digital disruption

Ten per cent believe they are already being disrupted by digital, 25 per cent less than the global average (35 per cent)

Less likely to have a Chief Digital Officer

13 per cent currently have a Chief Digital Officer, four per cent less than the global average (17 per cent)

More safe from IT security attack

21 per cent have faced a major IT security attack in the last year, four per cent lower than the global average (25 per cent)

Equally likely to outsource

45 per cent expect to increase outsourcing, in line with the global average (46 per cent)

Less diverse IT leadership

Three per cent of respondents are female IT leaders, six per cent lower than the global average (nine per cent)
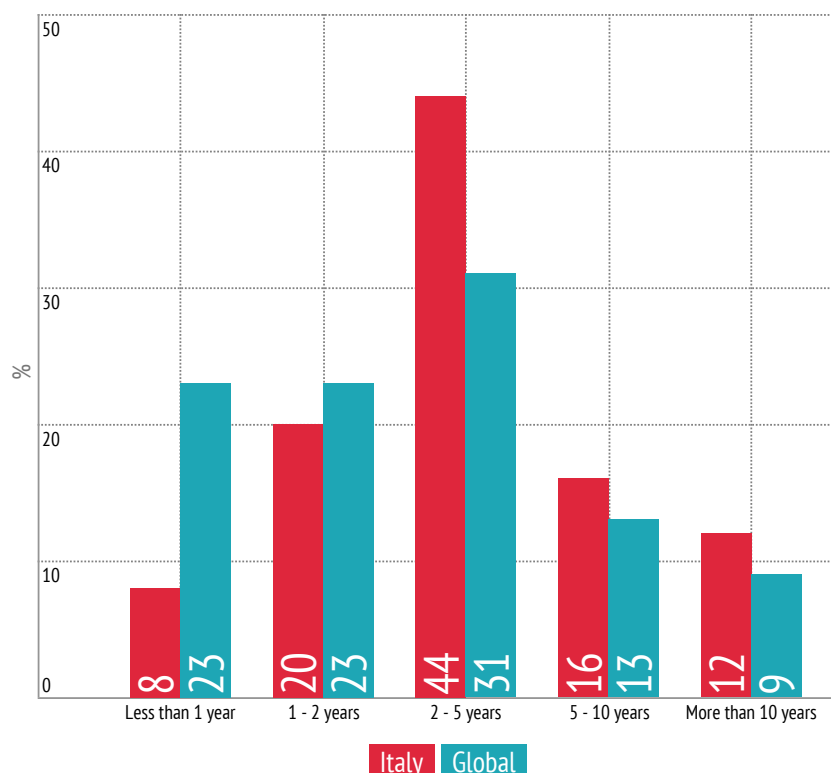
Top priorities of CIOs in Italy vs. global

Italy   Global

Saving costs	Operational efficiencies	Business processes	New products/services	Enabling business change	Stable IT performance
66 / 54	66 / 62	63 / 59	53 / 42	47 / 48	41 / 57

What are the key business issues that your management Board are looking for IT to address?

More CIOs in Italy are focused on saving costs in 2015 compared to their global CIO peers. Two-thirds (66 per cent) of CIOs in Italy will prioritise operational efficiencies in 2015, compared to only 62 per cent of global CIOs. However, ensuring stable IT performance is a priority for only four in ten CIOs in Italy (41 per cent) compared to 57 per cent of global CIOs. CIOs in Italy are also more focused on developing new products and services (53 per cent) compared to only 42 per cent of global CIOs.

CIOs in Italy planning to move job vs. global CIOs

Italy   Global

Less than 1 year	1 - 2 years	2 - 5 years	5 - 10 years	More than 10 years
8 / 23	20 / 23	44 / 31	16 / 13	12 / 9

How long, from this point onwards, do you expect to stay with your current employer?

CIOs in Italy are less likely to move job this year compared to their global peers. Only eight per cent of local CIOs expect to be in a new role by 2016 compared to 23 per cent of global CIOs. One in five (20 per cent) of CIOs in Italy do intend to change job within 24 months, however, 28 per cent plan to remain with their current employer for five years or longer.
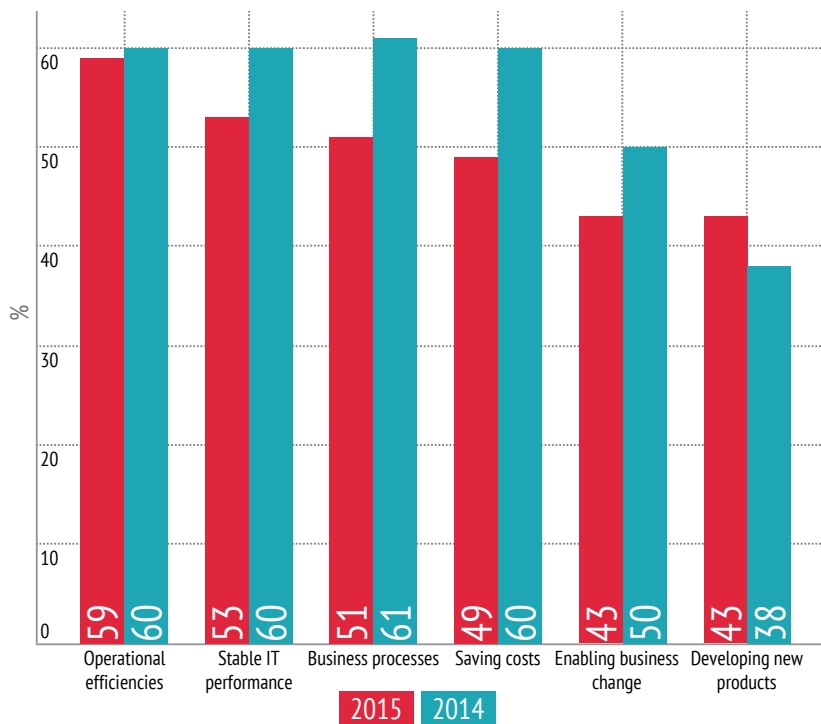
THE NETHERLANDS

Compared to the global average, a CIO from the Netherlands is…

Less likely to have received a pay rise

24 per cent received a pay rise in the past year, 7 per cent less than the global average (31 per cent)

More strategic in outlook

77 per cent see the role of the CIO becoming more strategic, 8 per cent higher than the global average (69 per cent)

Equally able to secure the right skills

60 per cent believe a skills shortage will have an impact, similar to the global average (59 per cent)

Less likely to increase headcount

36 per cent plan to increase IT headcount, 9 per cent lower than the global average (45 per cent)

Less affected by digital disruption

24 per cent believe they are already being disrupted by digital, 11 per cent less than the global average (35 per cent)

More likely to have a Chief Digital Officer

19 per cent currently have a Chief Digital Officer, 2 per cent more than the global average (17 per cent)

Equally safe from IT security attack

24 per cent have faced a major IT security attack in the last year, similar to the global average (25 per cent)

More likely to outsource

51 per cent expect to increase outsourcing, 5 per cent more than the global average (46 per cent)

Less diverse IT leadership

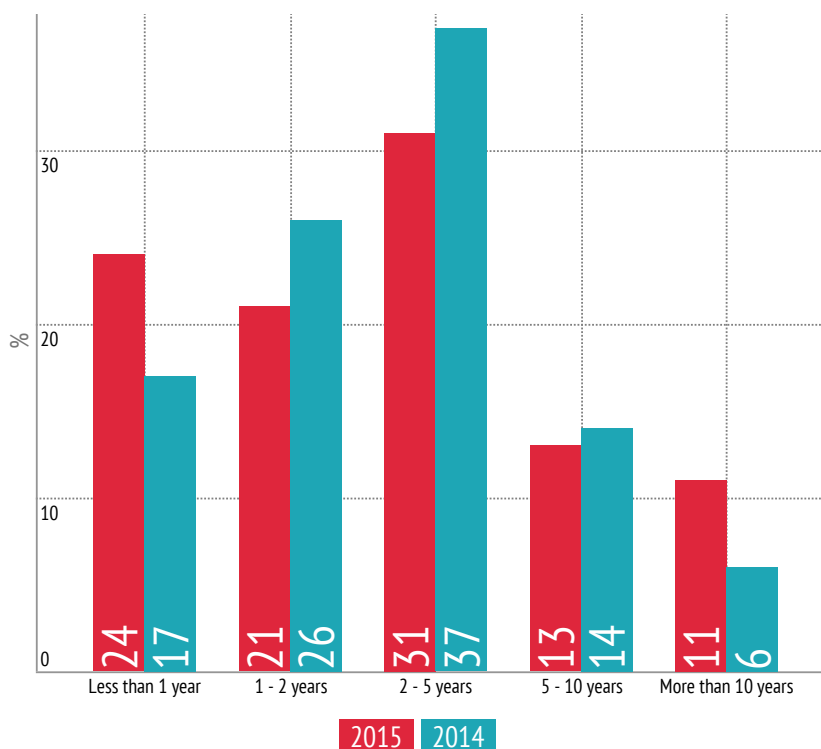7 per cent of respondents are female IT leaders, 2 per cent lower than the global average (9 per cent)

Top priorities of CIOs in the Netherlands 2015 vs. 2014

What are the key business issues that your management board looks to IT to address?

The top business priorities for CIOs in the Netherlands remain largely internal, although the proportion of CIOs focusing on each item is generally falling. Operational efficiencies remain consistent: 59 per cent of CIOs will make them a priority in 2015 compared to 60 per cent last year. However, delivering stable IT performance falls by 7 per cent, improving business processes falls by 10 per cent, and saving costs falls by 11 per cent of CIOs making them a priority. More CIOs in the Netherlands are focused on developing innovative new products in 2015 compared to 2014, up 5 per cent (to 43 per cent).

CIOs in the Netherlands planning to move job 2015 vs. 2014

How long, from this point onwards, do you expect to stay with your current employer?

A quarter (24 per cent) of CIOs from the Netherlands plan to move role within the next 12 months, compared to 17 per cent in 2014. A further one in five (21 per cent) of CIOs in the Netherlands want to be in a new job in 24 months, down from 26 per cent in 2014. There are also more CIOs from the Netherlands who plan to stay in their current role for the long term. Eleven per cent intend to be with their employer for more than a decade, compared to 6 per cent of CIOs who said similar last year.
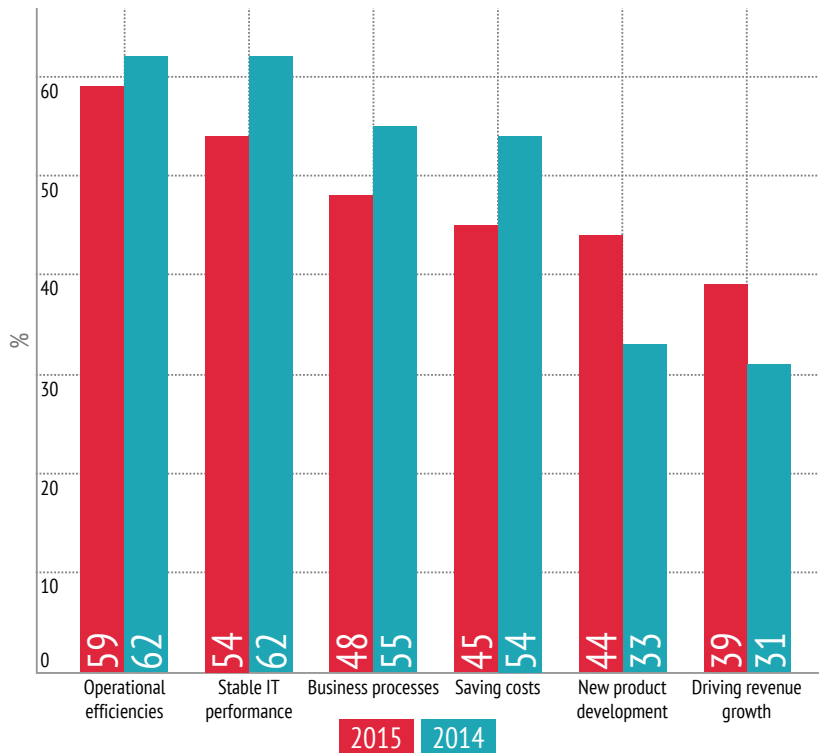
NORDICS

Compared to the global average, a CIO from the Nordics is…

Less likely to have received a pay rise

20 per cent received a pay rise in the past year, 11 per cent less than the global average (31 per cent)

Less strategic in outlook

63 per cent see the role of the CIO becoming more strategic, 6 per cent lower than the global average (69 per cent)

More able to secure the right skills

56 per cent believe a skills shortage will have an impact, 3 per cent lower than the global average (59 per cent)

Less likely to increase headcount

32 per cent plan to increase IT headcount, 13 per cent lower than the global average (45 per cent)

Less affected by digital disruption

29 per cent believe they are already being disrupted by digital, 6 per cent less than the global average (35 per cent)

Less likely to have a Chief Digital Officer

12 per cent currently have a Chief Digital Officer, 5 per cent less than the global average (17 per cent)

More safe from IT security attacks

20 per cent have faced a major IT security attack in the last year, 5 per cent lower than the global average (25 per cent)

More likely to outsource

50 per cent expect to increase outsourcing, 4 per cent more than the global average (46 per cent)

Less diverse IT leadership

7 per cent of respondents are female IT leaders, 2 per cent lower than the global average (9 per cent)

NOTE: The Nordics region for the 2015 Harvey Nash CIO Survey includes insight from CIOs in Denmark, Finland, Norway and Sweden.
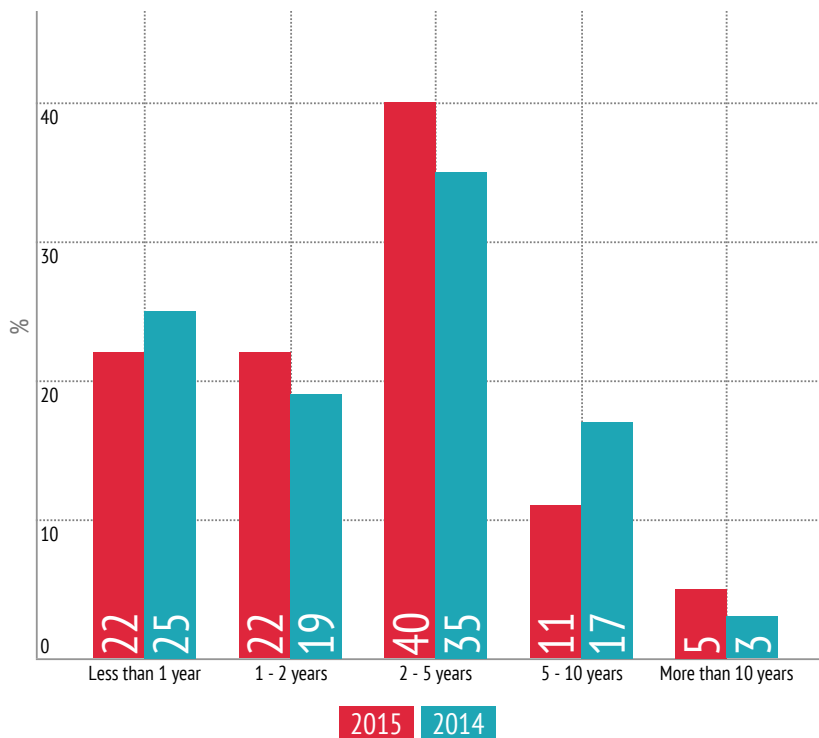
Top priorities of CIOs in the Nordics 2015 vs. 2014

Bar chart data:

	2015	2014
Operational efficiencies	59	62
Stable IT performance	54	62
Business processes	48	55
Saving costs	45	54
New product development	44	33
Driving revenue growth	39	31

2015   2014

What are the key business issues that your management board looks to IT to address?

CIOs in the Nordics remain focused on operational efficiencies (59 per cent), however, this is down from 62 per cent in 2014. Similarly, while CIOs continue to prioritise stable IT performance (54 per cent), improving business processes (48 per cent) and saving costs (45 per cent), fewer CIOs focus on them in 2015. One of the growing priorities for CIOs in the Nordics is new product development (44 per cent), which is up 11 per cent since 2014. Driving revenue growth is also now a priority for one in four CIOs in the Nordics (39 per cent), compared to 31 per cent last year.

CIOs in the Nordics planning to move job 2015 vs. 2014

Bar chart data:

	2015	2014
Less than 1 year	22	25
1 - 2 years	22	19
2 - 5 years	40	35
5 - 10 years	11	17
More than 10 years	5	3

2015   2014

How long, from this point onwards, do you expect to stay with your current employer?

A fifth of CIOs in the Nordics (22 per cent) plan to move job in the next 12 months, down slightly from 25 per cent who planned a similar move last year. A further 22 per cent expect to be in a new role in the next 24 months, up from 19 per cent in 2014. The proportion of CIOs in the Nordics planning to stay in their current role for more than five years has fallen from 20 per cent in 2014 to 16 per cent today.
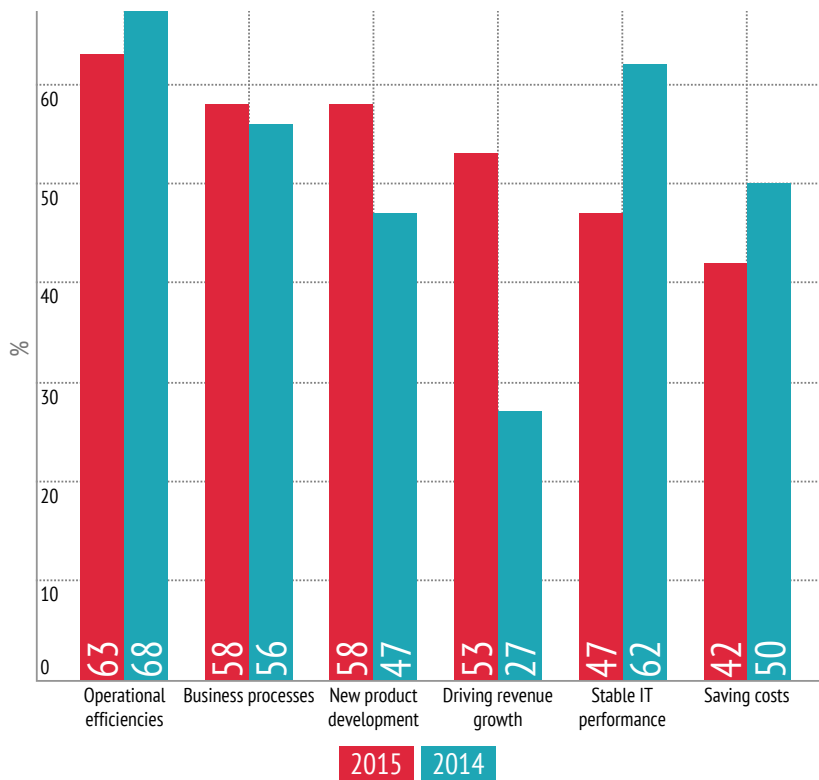
NORWAY

Compared to the global average, a CIO from Norway is…

Less likely to have received a pay rise

25 per cent received a pay rise in the past year, 6 per cent less than the global average (31 per cent)

More strategic in outlook

74 per cent see the role of the CIO becoming more strategic, 5 per cent higher than the global average (69 per cent)

Less able to secure the right skills

63 per cent believe a skills shortage will have an impact, 4 per cent higher than the global average (59 per cent)

More likely to increase headcount

53 per cent plan to increase IT headcount, 8 per cent higher than the global average (45 per cent)

Equally affected by digital disruption

37 per cent believe they are already being disrupted by digital, similar to the global average (35 per cent)

More likely to have a Chief Digital Officer

26 per cent currently have a Chief Digital Officer, 9 per cent more than the global average (17 per cent)

More safe from IT security attack

21 per cent have faced a major IT security attack in the last year, 4 per cent lower than the global average (25 per cent)

More likely to outsource

65 per cent expect to increase outsourcing, 19 per cent more than the global average (46 per cent)

Less diverse IT leadership

No respondents are female IT leaders, 9 per cent lower than the global average (9 per cent)
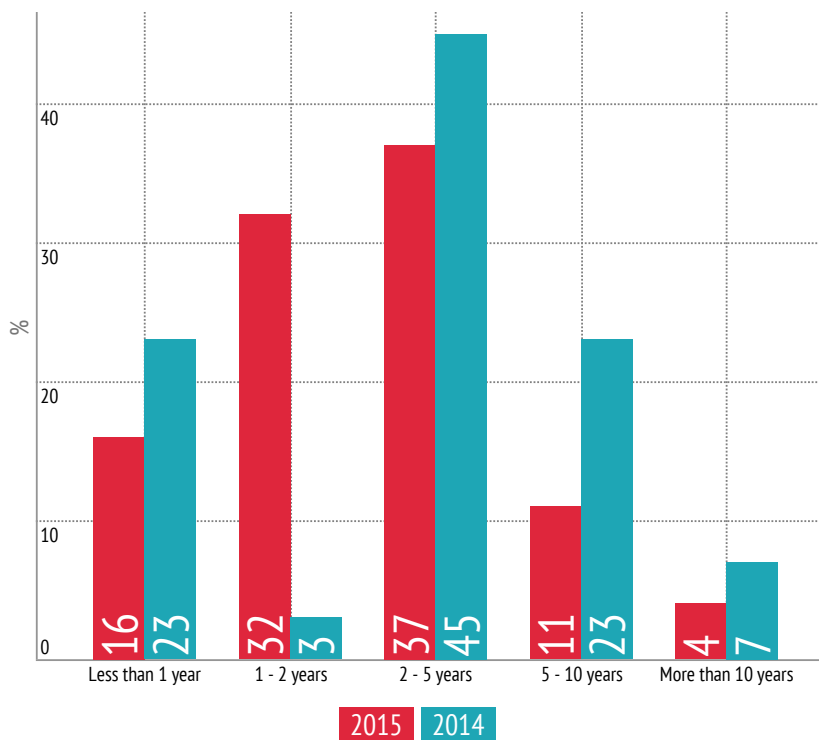
Top priorities of CIOs in Norway 2015 vs. 2014

	2015	2014
Operational efficiencies	63	68
Business processes	58	56
New product development	58	47
Driving revenue growth	53	27
Stable IT performance	47	62
Saving costs	42	50

What are the key business issues that your management board looks to IT to address?

There are a number of significant changes to the operational priorities of CIOs in Norway in 2015. Although driving efficiency remains the #1 priority in Norway, it has dropped 5 per cent since 2014. Improving business processes is up 2 per cent this year, and driving revenue growth has doubled in 12 months, with 53 per cent of CIOs focused on the issue compared to 27 per cent last year. Dropping in priority for local CIOs is the need to deliver stable IT performance (down 15 per cent) and saving costs (down 8 per cent).

CIOs in Norway planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	16	23
1 - 2 years	32	3
2 - 5 years	37	45
5 - 10 years	11	23
More than 10 years	4	7

How long, from this point onwards, do you expect to stay with your current employer?

Fewer CIOs from Norway plan to move role within the next 12 months. Sixteen per cent want to move job within 2015 compared to 23 per cent last year. A larger proportion (32 per cent) plan to change job in the next two years, and a further 37 per cent expect to move by 2020. Fewer CIOs from Norway plan to stay with their employer long term; only 15 per cent expect to be in the same role for more than five years, down from 30 per cent who felt similar in 2014.

POLAND

Compared to the global average, a CIO from Poland is…

More likely to have received a pay rise

54 per cent received a pay rise in the past year, 23 per cent more than the global average (31 per cent)

Equally strategic in outlook

65 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

More able to secure the right skills

42 per cent believe a skills shortage will have an impact, 17 per cent lower than the global average (59 per cent)

Less likely to increase headcount

36 per cent plan to increase IT headcount, 9 per cent lower than the global average (45 per cent)

Less affected by digital disruption

18 per cent believe they are already being disrupted by digital, 17 per cent less than the global average (35 per cent)

Less likely to have a Chief Digital Officer

6 per cent currently have a Chief Digital Officer, 11 per cent less than the global average (17 per cent)

More safe from IT security attack

16 per cent have faced a major IT security attack in the last year, 9 per cent lower than the global average (25 per cent)

Less likely to outsource

36 per cent expect to increase outsourcing, 10 per cent less than the global average (46 per cent)

Less diverse IT leadership

3 per cent of respondents are female IT leaders, 6 per cent lower than the global average (9 per cent)
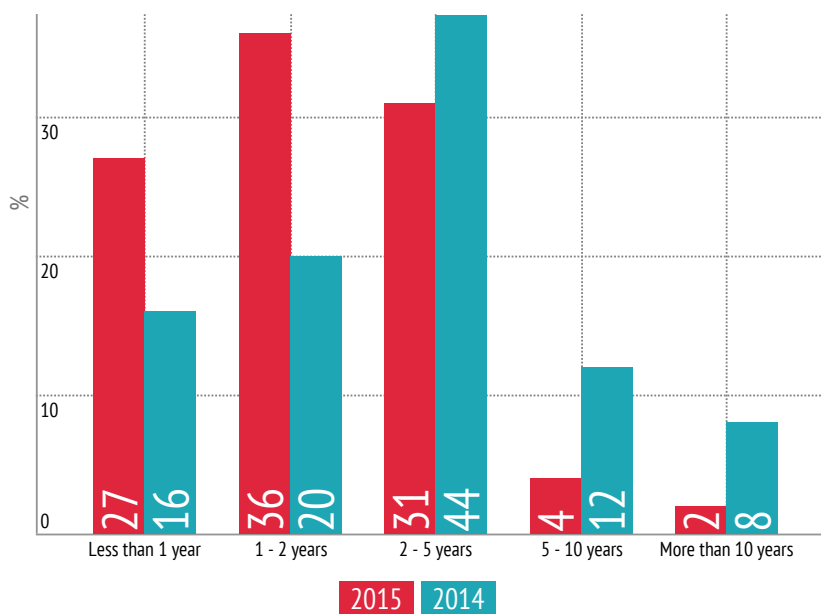
Top priorities of CIOs in Poland 2015 vs. 2014

What are the key business issues that your management board looks to IT to address?
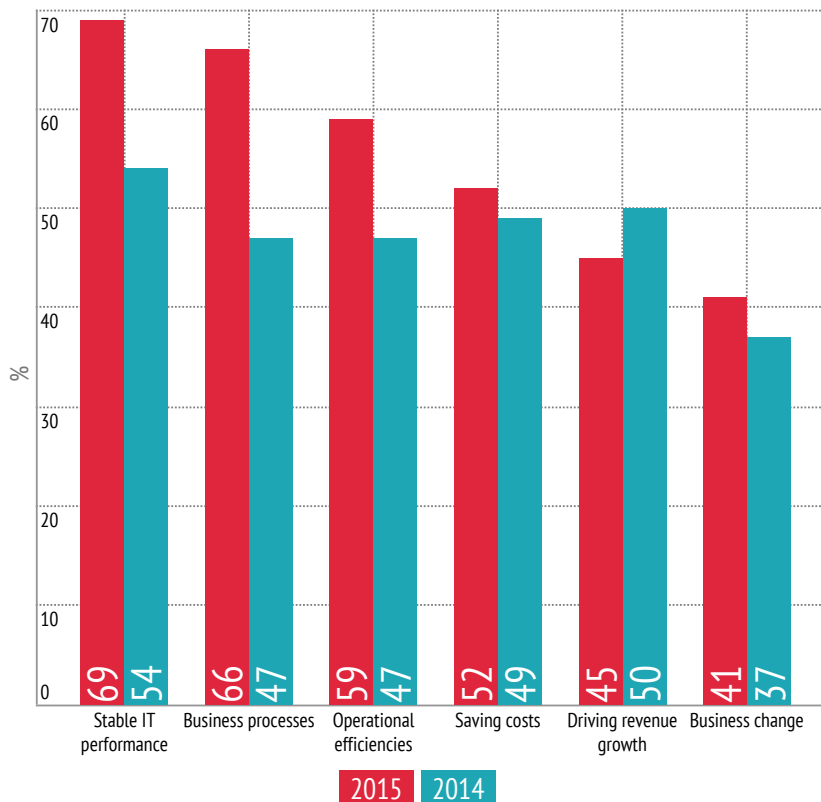
The focus given to internal priorities by CIOs in Poland has increased in 2015. Delivering stable IT performance is now a priority for 69 per cent of CIOs in Poland, up from 54 per cent last year. Similarly, improving business processes is up by 19 per cent in the last 12 months, and increasing operational efficiencies is up by 12 per cent. When looking externally, the only CIO task to make it into the top list of priorities is driving revenue growth, which has dropped by 5 per cent in the last year; only 45 per cent of Polish CIOs will make it a priority in 2015 compared to 50 per cent of CIOs in 2014.

CIOs in Poland planning to move job 2015 vs. 2014

How long, from this point onwards, do you expect to stay with your current employer?

CIOs in Poland are more restless for a new job in 2015. Almost three in ten (27 per cent) plan to move into a new role in the next 12 months, compared to 16 per cent who planned to move last year. A further 36 per cent expect to be in a new role within two years, compared to only 20 per cent in 2014. This shift means that fewer CIOs plan to stay longer term with current employers. Three in ten CIOs in Poland (31 per cent) will stay in their current role for up to five years, compared to 44 per cent who planned to in 2014. Only 6 per cent of CIOs in Poland will stay for more than five years, compared to 20 per cent who had long-term plans last year.
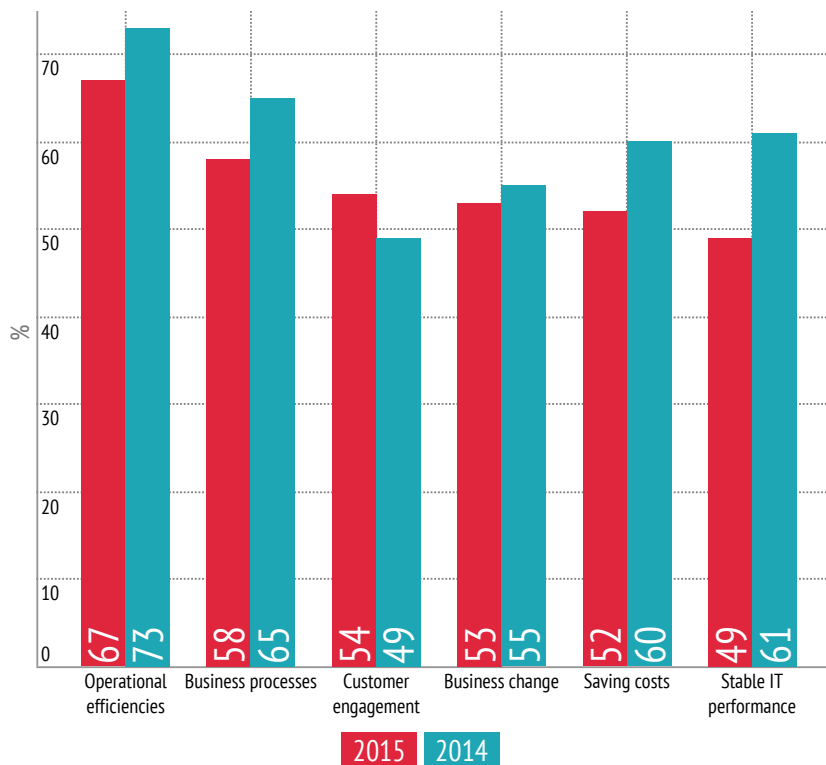
SCOTLAND (UK)

Compared to the global average, a CIO from Scotland is…

More likely to have received a pay rise

41 per cent received a pay rise in the past year, 10 per cent more than the global average (31 per cent)

Equally strategic in outlook

69 per cent see the role of the CIO becoming more strategic, the same percentage as the global average (69 per cent)

Less able to secure the right skills

68 per cent believe a skills shortage will have an impact, 9 per cent higher than the global average (59 per cent)

More likely to increase headcount

53 per cent plan to increase IT headcount, 8 per cent higher than the global average (45 per cent)

More affected by digital disruption

45 per cent believe they are already being disrupted by digital, 10 per cent more than the global average (35 per cent)

Less likely to have a Chief Digital Officer

14 per cent currently have a Chief Digital Officer, 3 per cent less than the global average (17 per cent)

Less safe from IT security attack

29 per cent have faced a major IT security attack in the last year, 4 per cent higher than the global average (25 per cent)

Equally likely to outsource

44 per cent expect to increase outsourcing, similar to the global average (46 per cent)

More diverse IT leadership

14 per cent of respondents are female IT leaders, 5 per cent higher than the global average (9 per cent)
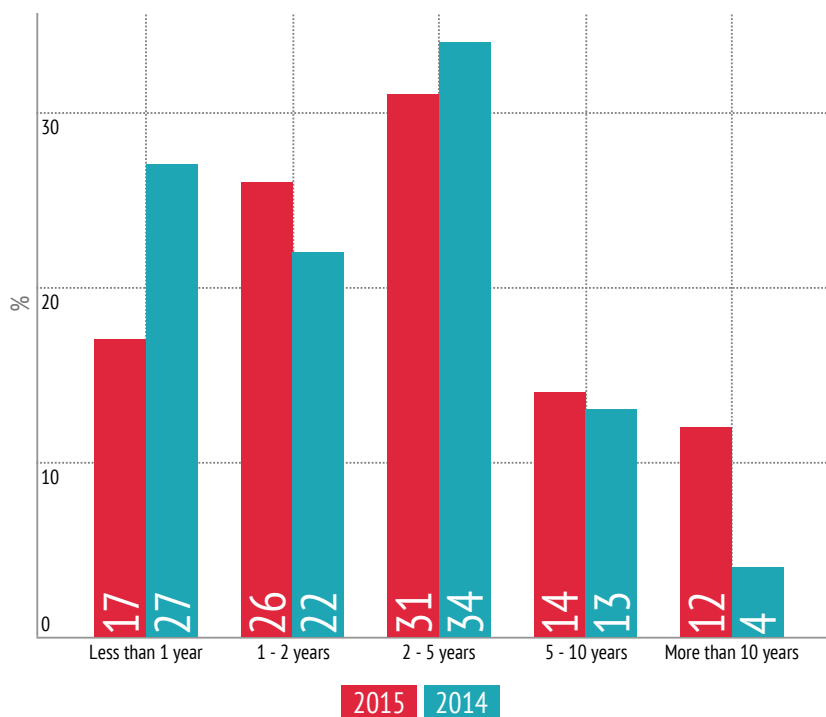
Top priorities of CIOs in Scotland 2015 vs. 2014

	2015	2014
Operational efficiencies	67	73
Business processes	58	65
Customer engagement	54	49
Business change	53	55
Saving costs	52	60
Stable IT performance	49	61

2015 **2014**

What are the key business issues that your management board looks to IT to address?

Operational efficiencies continue to be the top priority for Scottish CIOs, however, the proportion of CIOs who focus on it continues to drop, from 76 per cent in 2013 and 73 per cent in 2014, to 67 per cent today. The proportion of Scottish CIOs focusing on improving business processes has also fallen, by 7 per cent in the last 12 months. However, more local CIOs are becoming involved in external tasks; prioritising customer engagement is up 5 per cent since 2014.

CIOs in Scotland planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	17	27
1 - 2 years	26	22
2 - 5 years	31	34
5 - 10 years	14	13
More than 10 years	12	4

2015 **2014**

How long, from this point onwards, do you expect to stay with your current employer?

Almost one in five CIOs from Scotland (17 per cent) plan to leave their job in the next 12 months, however, this compares to 27 per cent last year. Another quarter (26 per cent) would like to be in a new role within two years, up from 22 per cent in 2014. There are three times more CIOs from Scotland who now plan to stay in their current role for the next decade (12 per cent) compared to 2014 (4 per cent).
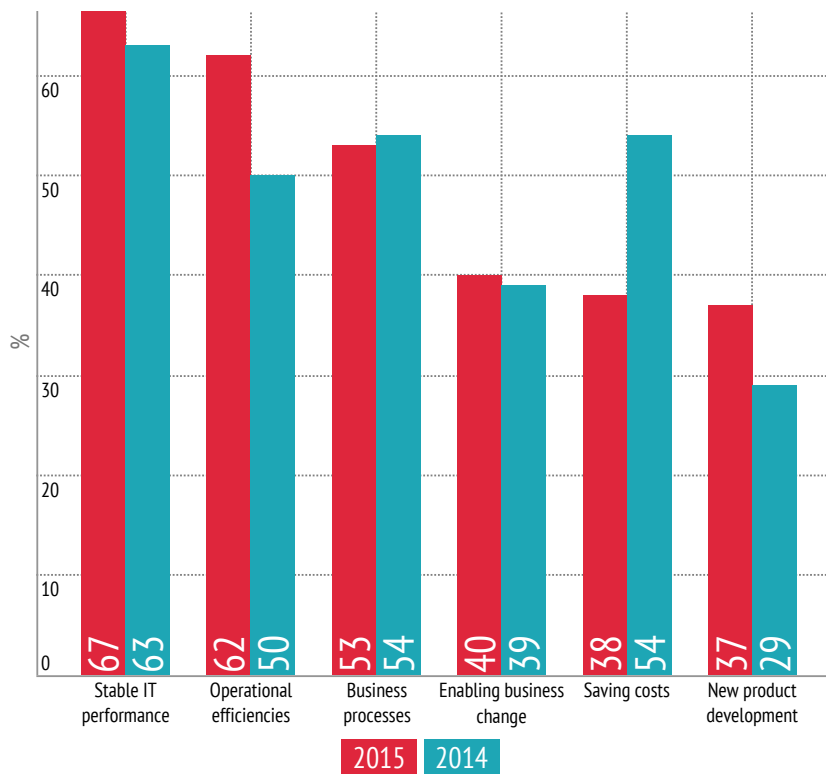
SWEDEN

Compared to the global average, a CIO from Sweden is…

Less likely to have received a pay rise

26 per cent received a pay rise in the past year, 5 per cent less than the global average (31 per cent)

Equally strategic in outlook

67 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

More able to secure the right skills

51 per cent believe a skills shortage will have an impact, 8 per cent lower than the global average (59 per cent)

Less likely to increase headcount

29 per cent plan to increase IT headcount, 16 per cent lower than the global average (45 per cent)

Less affected by digital disruption

26 per cent believe they are already being disrupted by digital, 9 per cent less than the global average (35 per cent)

Less likely to have a Chief Digital Officer

13 per cent currently have a Chief Digital Officer, 4 per cent less than the global average (17 per cent)

More safe from IT security attacks

20 per cent have faced a major IT security attack in the last year, 5 per cent lower than the global average (25 per cent)

More likely to outsource

50 per cent expect to increase outsourcing, 4 per cent more than the global average (46 per cent)

Less diverse IT leadership

6 per cent of respondents are female IT leaders, 3 per cent lower than the global average (9 per cent)
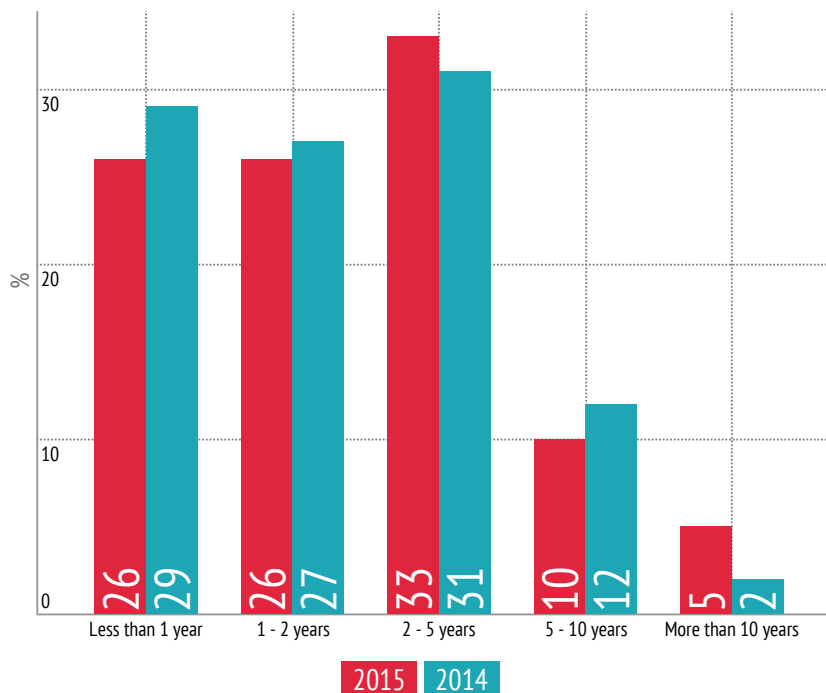
Top priorities of CIO in Sweden 2015 vs. 2014

	2015	2014
Stable IT performance	67	63
Operational efficiencies	62	50
Business processes	53	54
Enabling business change	40	39
Saving costs	38	54
New product development	37	29

2015 **2014**

What are the key business issues that your management board looks to IT to address?

Delivering stable IT performance remains the top priority for more than two-thirds (67 per cent) of Swedish CIOs, up from 63 per cent who were focused on this issue in 2014. Also growing in focus is the need to increase operational efficiencies, up 12 per cent in the past 12 months, and new product development which is up 8 per cent. However, the need to save costs is falling; only 38 per cent of CIOs in Sweden will make it a priority in 2015, compared to 54 per cent who did so in 2014.

CIOs in Sweden planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	26	29
1 - 2 years	26	27
2 - 5 years	33	31
5 - 10 years	10	12
More than 10 years	5	2

2015 **2014**

How long, from this point onwards, do you expect to stay with your current employer?

A quarter of CIOs in Sweden (26 per cent) plan to be in a new role within 12 months, down from 29 per cent in 2014. However, another quarter (26 per cent) will move job in 2016. The proportion of CIOs in Sweden who plan to stay in the job for more than a decade has risen, from only 2 per cent in 2014 to 5 per cent today.

SWITZERLAND

Compared to the global average, a CIO from Switzerland is...

Less likely to have received a pay rise

28 per cent received a pay rise in the past year, 3 per cent less than the global average (31 per cent)

Less strategic in outlook

58 per cent see the role of the CIO becoming more strategic, 11 per cent lower than the global average (69 per cent)

Equally able to secure the right skills

59 per cent believe a skills shortage will have an impact, the same percentage as the global average (59 per cent)

Less likely to increase headcount

27 per cent plan to increase IT headcount, 18 per cent lower than the global average (45 per cent)

Less affected by digital disruption

17 per cent believe they are already being disrupted by digital, 18 per cent less than the global average (35 per cent)

Equally likely to have a Chief Digital Officer

18 per cent currently have a Chief Digital Officer, similar to the global average (17 per cent)

Less safe from IT security attacks

32 per cent have faced a major IT security attack in the last year, 7 per cent higher than the global average (25 per cent)
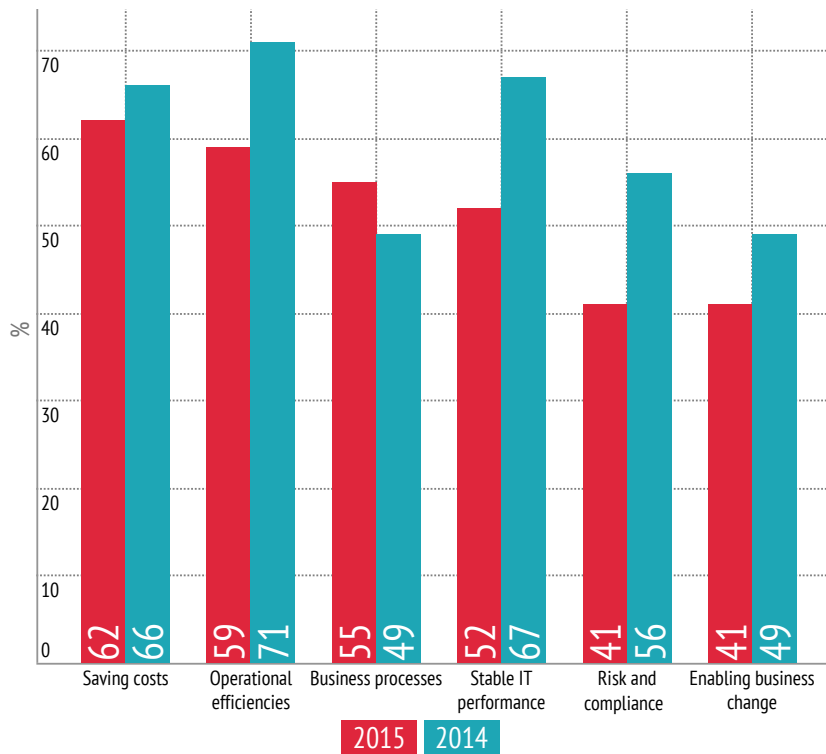
Less likely to outsource

34 per cent expect to increase outsourcing, 12 per cent less than the global average (46 per cent)

Less diverse IT leadership

2 per cent of respondents are female IT leaders, 7 per cent lower than the global average (9 per cent)
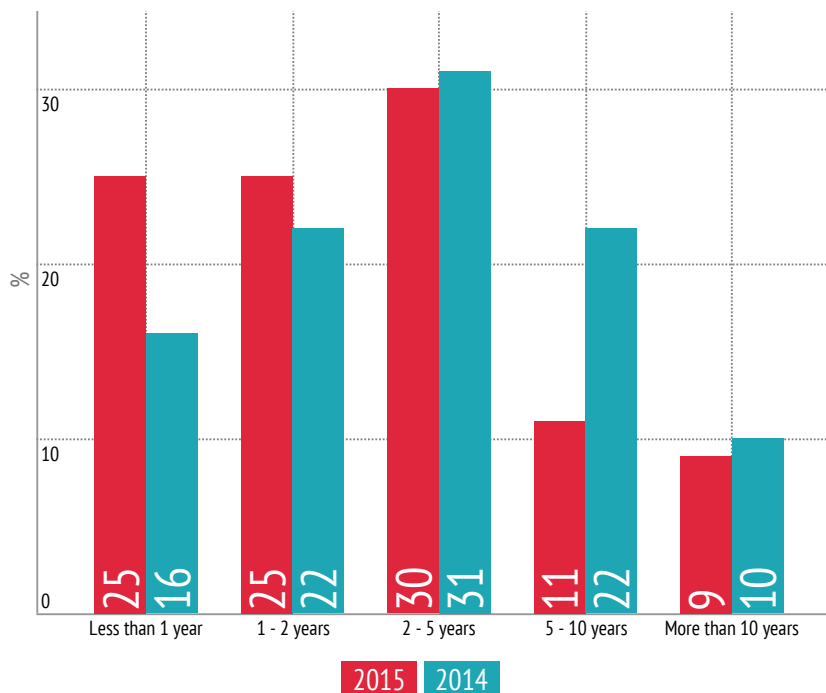
Top priorities of CIOs in Switzerland 2015 vs. 2014

	2015	2014
Saving costs	62	66
Operational efficiencies	59	71
Business processes	55	49
Stable IT performance	52	67
Risk and compliance	41	56
Enabling business change	41	49

What are the key business issues that your management board looks to IT to address?

Six in ten CIOs in Switzerland (62 per cent) will make cost saving a priority in 2015; this is down from 66 per cent who did so in 2014. Similarly, 59 per cent of CIOs in Switzerland will prioritise operational efficiencies in 2015, compared to 71 per cent in 2014. However, 6 per cent more CIOs in Switzerland will focus on improving business processes this year compared to last year. A number of other internal operational priorities – such as delivering stable IT performance, risk and compliance, and enabling business change – receive less attention from local CIOs as a wider range of challenges compete for their time.

CIOs in Switzerland planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	25	16
1 - 2 years	25	22
2 - 5 years	30	31
5 - 10 years	11	22
More than 10 years	9	10

How long, from this point onwards, do you expect to stay with your current employer?

A quarter of CIOs in Switzerland (25 per cent) want to be in a new role within the next 12 months, up significantly from 16 per cent in 2014. Another quarter (25 per cent) would like to move job within 24 months, up slightly on 22 per cent who said similar last year. Three in ten CIOs in Switzerland (30 per cent) expect to stay in their current role until 2020, and 20 per cent have longer-term career objectives and would like to remain with their employer for more than five years. This is down from 32 per cent in 2014.
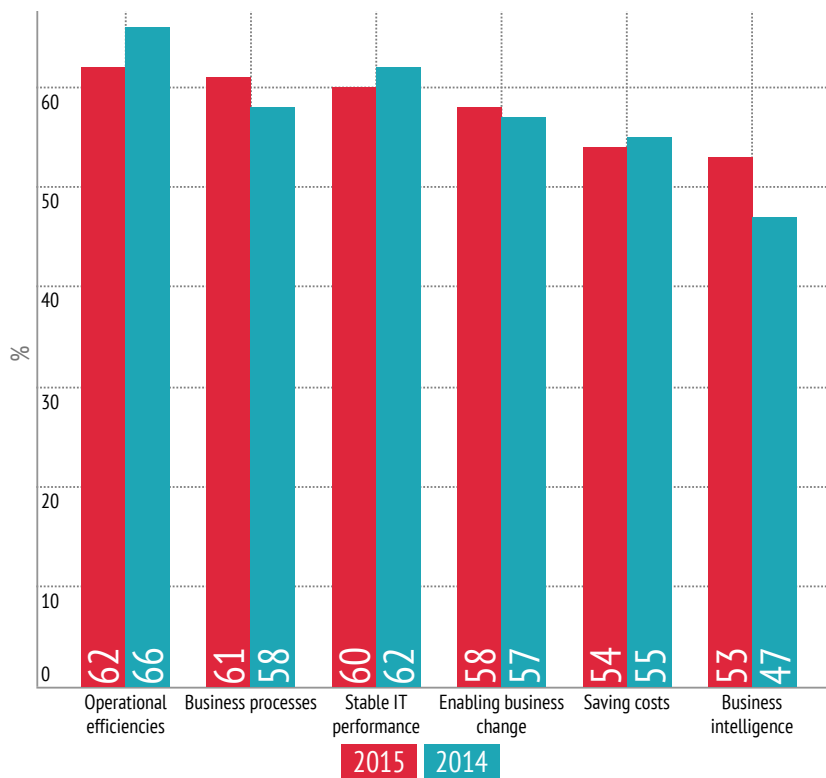
UNITED KINGDOM

Compared to the global average, a CIO from the United Kingdom is…

More likely to have received a pay rise

34 per cent received a pay rise in the past year, 3 per cent more than the global average (31 per cent)

Equally strategic in outlook

69 per cent see the role of the CIO becoming more strategic, the same percentage as the global average (69 per cent)

Equally able to secure the right skills

57 per cent believe a skills shortage will have an impact, similar to the global average (59 per cent)

More likely to increase headcount

50 per cent plan to increase IT headcount, 5 per cent higher than the global average (45 per cent)

More affected by digital disruption

43 per cent believe they are already being disrupted by digital, 8 per cent more than the global average (35 per cent)

Equally likely to have a Chief Digital Officer

18 per cent currently have a Chief Digital Officer, similar to the global average (17 per cent)

More safe from IT security attack

19 per cent have faced a major IT security attack in the last year, 6 per cent lower than the global average (25 per cent)

Equally likely to outsource

43 per cent expect to increase outsourcing, similar to the global average (46 per cent)

Less diverse IT leadership

8 per cent of respondents are female IT leaders, 1 per cent lower than the global average (9 per cent)

NOTE: The United Kingdom region for the 2015 Harvey Nash CIO Survey includes insight from CIOs in England, Scotland, Wales and Northern Ireland.
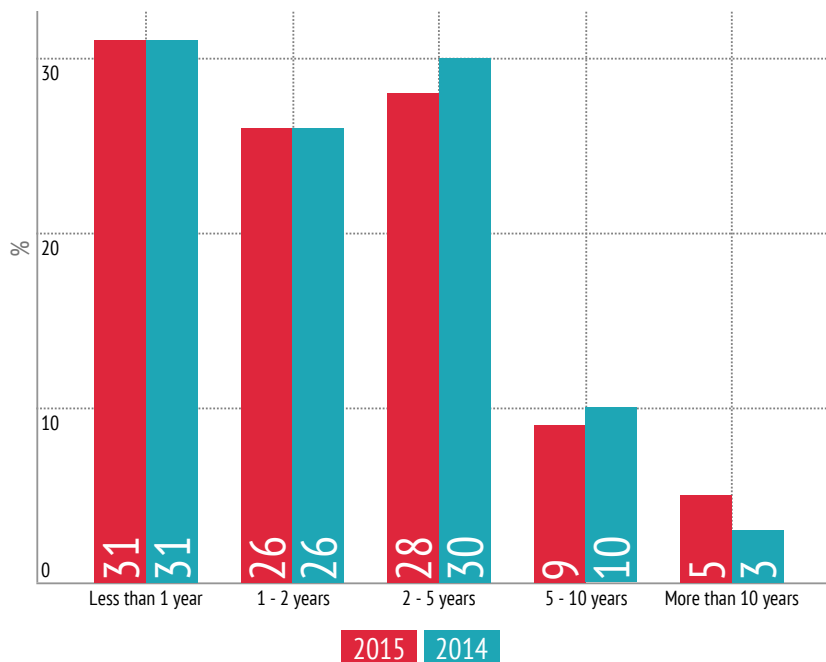
Top priorities of CIOs in the UK 2015 vs. 2014

	2015	2014
Operational efficiencies	62	66
Business processes	61	58
Stable IT performance	60	62
Enabling business change	58	57
Saving costs	54	55
Business intelligence	53	47

What are the key business issues that your management board looks to IT to address?

The top priority for UK CIOs in 2013/14 remains the top priority this year. Increasing operational efficiencies will continue to be the main focus for 62 per cent of UK CIOs, although this is down from 66 per cent last year. Improving business processes moves from being the #3 priority to the #2 priority for CIOs in the UK, up 3 per cent in 2015. The fastest-growing CIO priority is delivering business intelligence analytics, up 6 per cent in the last 12 months, with more than half (53 per cent) of CIOs in the UK making it a 2015 priority.

CIOs in the UK planning to move job 2015 vs. 2014

	2015	2014
Less than 1 year	31	31
1 - 2 years	26	26
2 - 5 years	28	30
5 - 10 years	9	10
More than 10 years	5	3

How long, from this point onwards, do you expect to stay with your current employer?

Three in ten UK CIOs (31 per cent) plan to move job this year – unchanged from 2014 and reflecting a very active CIO job market. With another 26 per cent planning to change role next year, more than half of all UK CIOs (57 per cent) expect to be in a new job by the end of 2016. Fourteen per cent of CIOs plan to stay longer than five years with their current employer, a slight increase (up 1 per cent) on the long-term CIO career planners in 2014.
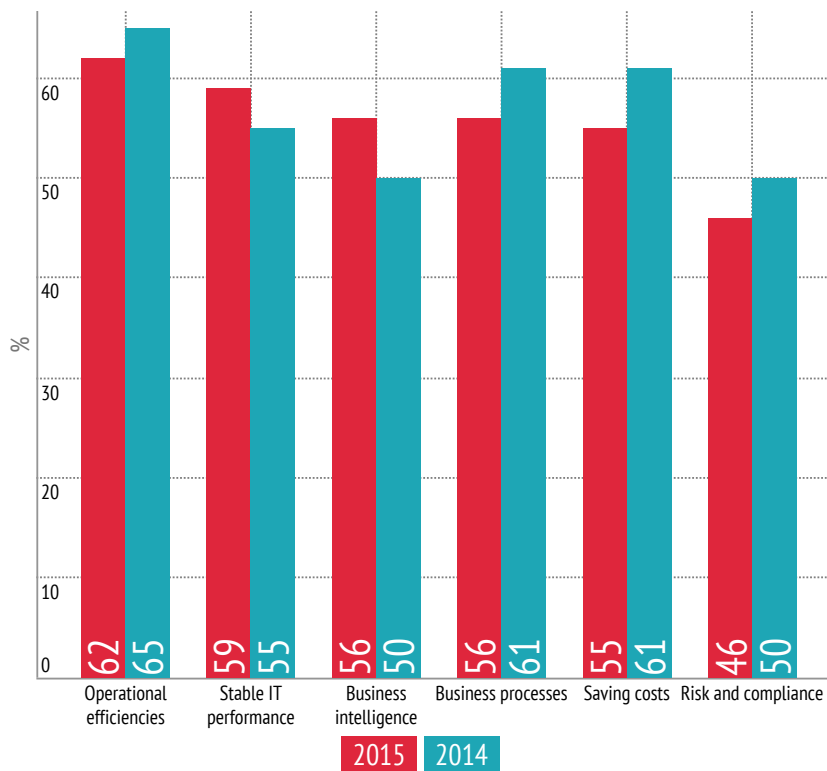
UNITED STATES

Compared to the global average, a CIO from the United States is…

Less likely to have received a pay rise

28 per cent received a pay rise in the past year, 3 per cent less than the global average (31 per cent)

Equally strategic in outlook

68 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

Equally able to secure the right skills

57 per cent believe a skills shortage will have an impact, similar to the global average (59 per cent)

More likely to increase headcount

50 per cent plan to increase IT headcount, 5 per cent higher than the global average (45 per cent)

Equally affected by digital disruption

37 per cent believe they are already being disrupted by digital, similar to the global average (35 per cent)

Equally likely to have a Chief Digital Officer

15 per cent currently have a Chief Digital Officer, similar to the global average (17 per cent)

More safe from IT security attack

19 per cent have faced a major IT security attack in the last year, 6 per cent lower than the global average (25 per cent)

Less likely to outsource

40 per cent expect to increase outsourcing, 6 per cent less than the global average (46 per cent)

More diverse IT leadership

17 per cent of respondents are female IT leaders, 8 per cent higher than the global average (9 per cent)
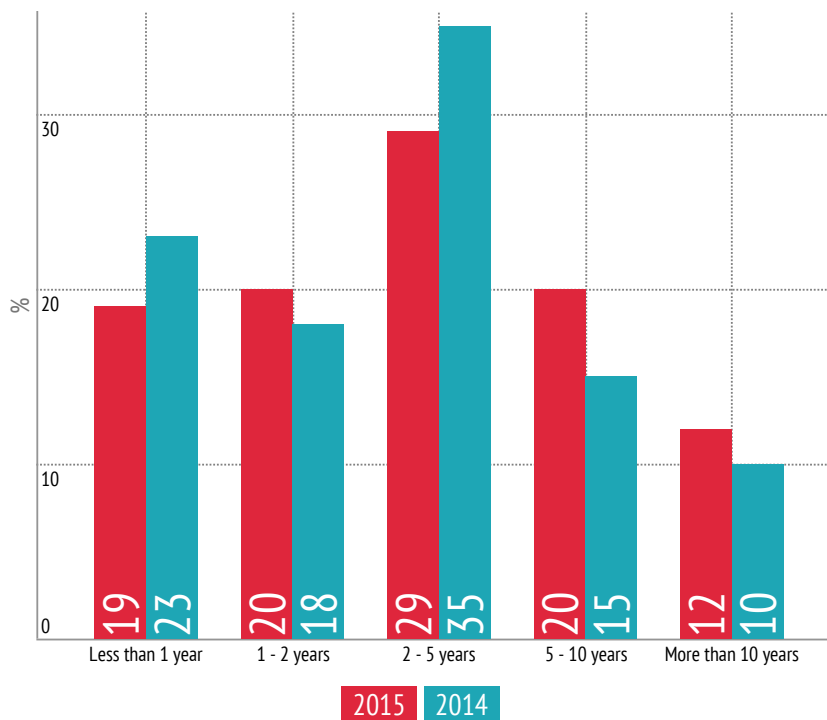
Top priorities of CIOs in the US 2015 vs. 2014

	Operational efficiencies	Stable IT performance	Business intelligence	Business processes	Saving costs	Risk and compliance
2015	62	59	56	56	55	46
2014	65	55	50	61	61	50

2015   2014

What are the key business issues that your management board looks to IT to address?

Operational efficiencies remain the top priority for CIOs in the US; 62 per cent will make this a focus in 2015, although this is down slightly compared to 65 per cent in 2014. Delivering stable IT performance is a growing priority for US CIOs, up 4 per cent. Providing business intelligence via analytics is also becoming more important, up 6 per cent since 2014. Focusing on these priorities comes at the expense of cost saving, which has dropped 6 per cent, and improving business processes which has dropped 5 per cent. Risk and compliance continues to be a priority, but now for less than half (46 per cent) of US CIOs.

US CIOs planning to move job 2015 vs. 2014

	Less than 1 year	1 - 2 years	2 - 5 years	5 - 10 years	More than 10 years
2015	19	20	29	20	12
2014	23	18	35	15	10

2015   2014

How long, from this point onwards, do you expect to stay with your current employer?

The proportion of US CIOs who plan to move job in the next 12 months is 19 per cent, down from 23 per cent in 2014. However, almost one in four US CIOs (39 per cent) expect to be in a new role by the end of 2016. More US CIOs are looking at a longer-term commitment to their current employers, with 32 per cent planning to stay in their role for more than five years, up from 25 per cent last year.
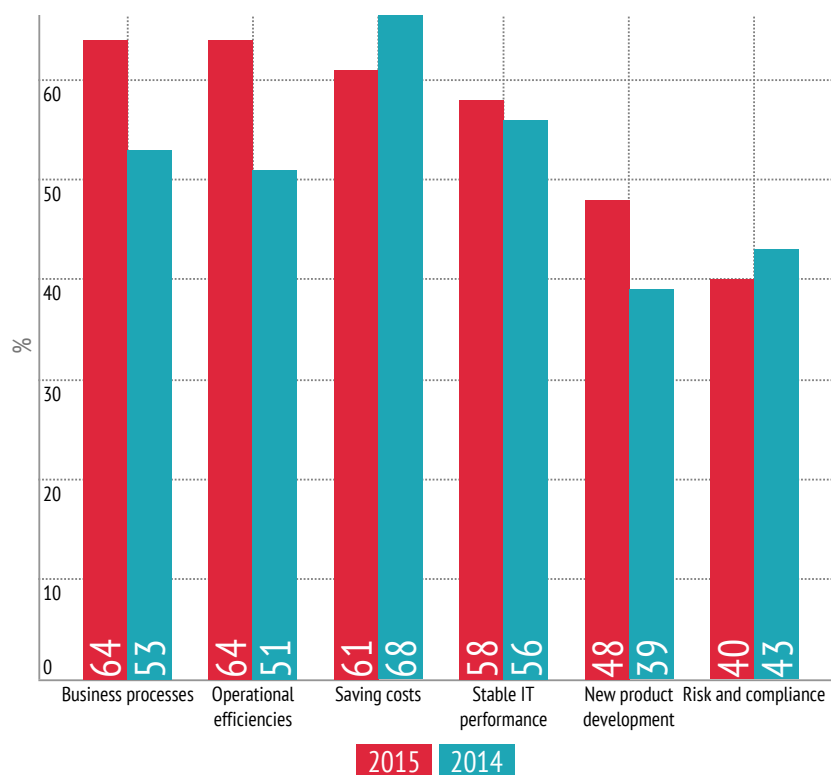
VIETNAM

Compared to the global average, a CIO from Vietnam is…

More likely to have received a pay rise

70 per cent received a pay rise in the past year, 39 per cent more than the global average (31 per cent)

Equally strategic in outlook

70 per cent see the role of the CIO becoming more strategic, similar to the global average (69 per cent)

Less able to secure the right skills

73 per cent believe a skills shortage will have an impact, 14 per cent higher than the global average (59 per cent)

More likely to increase headcount

59 per cent plan to increase IT headcount, 14 per cent higher than the global average (45 per cent)

Less affected by digital disruption

19 per cent believe they are already being disrupted by digital, 16 per cent lower than the global average (35 per cent)

Equally likely to have a Chief Digital Officer

16 per cent currently have a Chief Digital Officer, similar to the global average (17 per cent)

Less safe from IT security attack

40 per cent have faced a major IT security attack in the last year, 15 per cent higher than the global average (25 per cent)

Equally likely to outsource

44 per cent expect to increase outsourcing, similar to the global average (46 per cent)

Less diverse IT leadership

6 per cent of respondents are female IT leaders, 3 per cent lower than the global average (9 per cent)

Top priorities of CIOs in Vietnam 2015 vs. 2014

What are the key business issues that your management board looks to IT to address?

CIOs in Vietnam are more focused on improving business processes (up 11 per cent) and driving operational efficiencies (up 13 per cent) in 2015 compared to 2014. However, CIOs in Vietnam are less focused on saving costs (61 per cent) compared to last year (68 per cent). Helping the business to develop innovative new products is a growing priority for 48 per cent of CIOs in Vietnam, up from 39 per cent in 2014. At the same time, 3 per cent fewer CIOs in Vietnam will prioritise risk and compliance tasks.

CIOs in Vietnam planning to move job 2015 vs. 2014

How long, from this point onwards, do you expect to stay with your current employer?
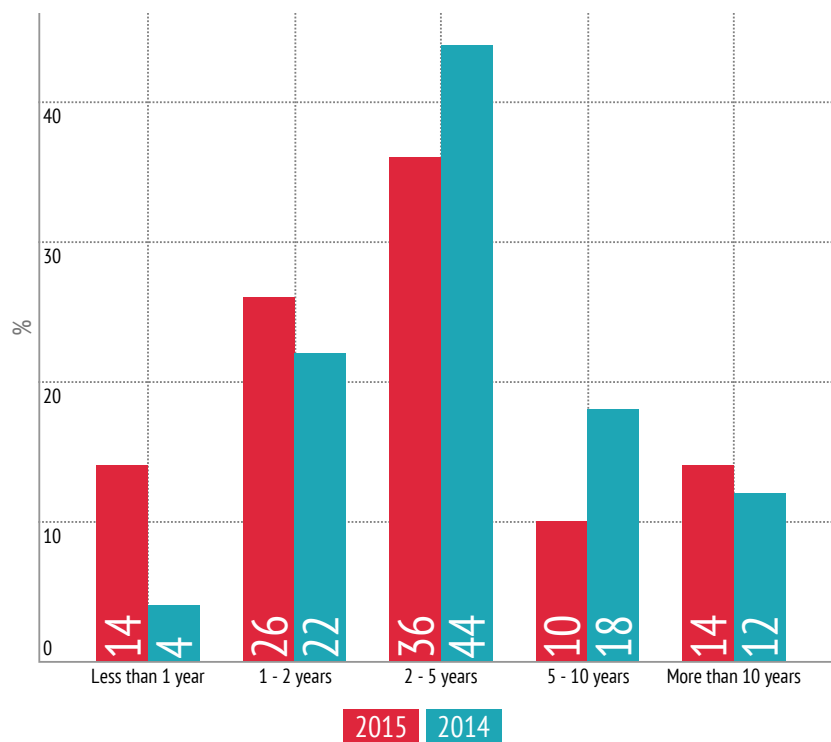
Three times as many CIOs in Vietnam (14 per cent) plan to move job in the next 12 months compared to last year (4 per cent), and a further 26 per cent expect to be in a new role in the next 24 months, up from 22 per cent who had the same ambition in 2014. The proportion of CIOs in Vietnam planning to stay in their current role for the next five years has fallen 8 per cent in the last year, and those planning to stay for up to ten years has fallen another 8 per cent. However, there is a group of CIOs in Vietnam who plan to stay with their current employer for more than ten years; this group grew 2 per cent in the last 12 months.

CONCLUSION BY KPMG

Lisa Heneghan,
*Head of EMA CIO
Advisory, KPMG in
the UK*

The digital CIO

There is no instruction book on how to deliver a successful digital strategy.

It's not surprising then that the CIO Survey shows a wide range of approaches taken by organisations. Some have Chief Digital Officers, others don't; some have enterprise-wide digital strategies, others local strategies, and others no formal strategy at all. It is perhaps indicative of just how unique the nature of digital is, that over one third of organisations that don't have a company-wide approach still expect to outperform competitors in digital. It all further affirms how different digital really is, and how many organisations are still coming to terms with how to capitalise on it.

Despite this vast array of responses to digital, one thing is clear: digital matters. Two-thirds of CIOs say it is something that will fundamentally change their business, and one third are feeling that impact right now.

Not tomorrow, not in a few years' time, but right now.

CIOs have a well-earned reputation for objectivity in the board room (too many have lived through the dot com bubble in 2000 to be blinded by gimmicks or fads), so to have so many saying that digital is impacting them is something to listen to.

Delivering digital

But how do you respond? Well, whilst there is no instruction manual for digital strategies, it is remarkable just how similar organisations are that make a success of it. KPMG member firms have helped many organisations realise the opportunities for digital and a number of factors seem to unite those that are really successful:

1. **A clear digital strategy.** The digital strategy needs to articulate how to truly support the business and enable it to achieve its strategic goals. Three quarters of businesses in the survey have or are working on a formalised digital strategy but the biggest challenge faced in response to digital disruption is a lack of vision.
2. **An impassioned and committed CEO.** Central to the success of digital is ensuring that ownership of the strategy is both understood and championed at the highest level. Too often ownership is split between multiple parties with fragmented relationships which can hinder the embedding of digital change within the organisation
3. **An innovative and flexible culture.** Change is now a constant: old fixed mind-sets won't do. Adopting an agile approach and putting innovation front and centre is critical. Governance and operating models need to evolve to embrace other functions, specifically marketing, enabling CIOs to effectively manage new areas of digital demand.
4. **A digitally proficient workforce.** Digital is a separate skill set from old IT; savvy CIOs will be bringing in the right talent as quickly as they can. A combination of up-skilling existing teams and bringing in talent from new areas that are not traditionally IT will be required to ensure success.

The CIO

So, what of the role of the CIO? Some commentators talk about CIOs risking being side-lined in the 'battle for digital'. But that's not the whole truth – the fact is that everyone risks being side lined. Whether you are a CFO, CEO, CMO or CIO, digital is capable of disrupting all job roles just as much as it disrupts the businesses those jobs are part of.

But the CIO does have a unique perspective on all this. It is only the CIO who touches every part of the business. It is only the CIO who really understands the implications of system integration. And it is often only the CIO who truly has the relationships within the business, understanding of the external supplier market and depth of technological expertise required to cajole, persuade, organise and influence the disparate set of stakeholders needed to achieve the digital goal.

CIOs are key to making digital happen.

HARVEY NASH

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