CIOs Must Turn to Business Challenges to Sustain Their Crisis Momentum

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Initiatives:CIO Role Evolution **and 1 more**

Gartner's Research Circle Survey reveals CIOs' responses to COVID-19 have increased their organizational credibility. The survey also points to more-complex challenges that CIOs must tackle during the recovery to sustain their momentum.

Overview

Impacts

- CIOs' COVID-19 performance gives them an opportunity to contribute to the business strategy.

- CIOs must tackle the next set of business challenges to sustain the momentum.

- COVID-19 response shortcomings point to the next steps for CIOs.

Recommendations

CIOs who are intent on role evolution and are striving to build more effective relationships with other executives in their organizations:

- Contribute to ongoing strategy adjustments by further engaging the CEO in your regular check-ins on the business strategy, especially how the business strategy has changed or may change as a result of COVID-19.

- Identify what went well and where the IT organization could have done a better job of responding to the crisis. Lead a review of the IT organization's performance during COVID-19 with your direct reports and key business stakeholders.

- Identify new ways to actively participate in advancing enterprise priorities by reviewing the responsibilities of the modern CIO role.

Analysis

CIOs, in many organizations, were instrumental in dealing with the initial impact of COVID-19. The enterprises continue to operate, because the IT organization made heroic efforts, especially in enabling a newly dispersed workforce to work from home. If they didn't have it before, CIOs now

have the attention of the CEO and other business leaders. Consequently, many CIOs have a new opportunity to take a seat at the table when senior leaders decide enterprise strategy and which lines of business to ramp up and which ones to reduce (see "Identifying Digital Opportunities During and After the Pandemic").

However, operationally focused CIOs will not keep that seat for long if they continue to do the same things that got them into this position. The fact is, the COVID-19 crisis played to the strength of traditional IT, because its response primarily involved implementing technology (such as new laptops and VPNs), negotiating deals, integrating new applications, transitioning devices, tweaking security and so on. During the recovery, the enterprise will face different challenges, which will require different kinds of responses.

We surveyed our CIO Research Circle members to understand how COVID-19 is affecting the CIO role (see the Evidence section for survey demographics and methodology). Planning for the recovery is already underway in many enterprises — 43% of CIOs say their enterprise is planning their post-COVID-19 strategy, and 38% are still dealing with the effects of the crisis but will turn to recovery soon. The survey further revealed three impacts that will determine how CIOs should proceed from here (see Figure 1).

Figure 1. Impacts and Top Recommendations for CIOs Responding to COVID-19

Impact Appraisal for CIOs Responding to COVID-19

Impacts	Top Recommendations
CIOs' COVID-19 performance gives them an opportunity to contribute to the business strategy.	• Engage the CEO in regular check-ins on the business strategy. • Propose ways to use technology to support the business strategy.
CIOs must tackle the next set of business challenges to sustain the momentum.	• Realign with the digital agenda of your enterprise, which has likely progressed during the postpandemic reset. • Lead a review of the IT organization's performance during COVID-19.
COVID-19 response shortcomings point to the next steps for CIOs.	• Devote more attention to anticipating future developments. • Review the responsibilities of the modern CIO role to see if any need more attention.

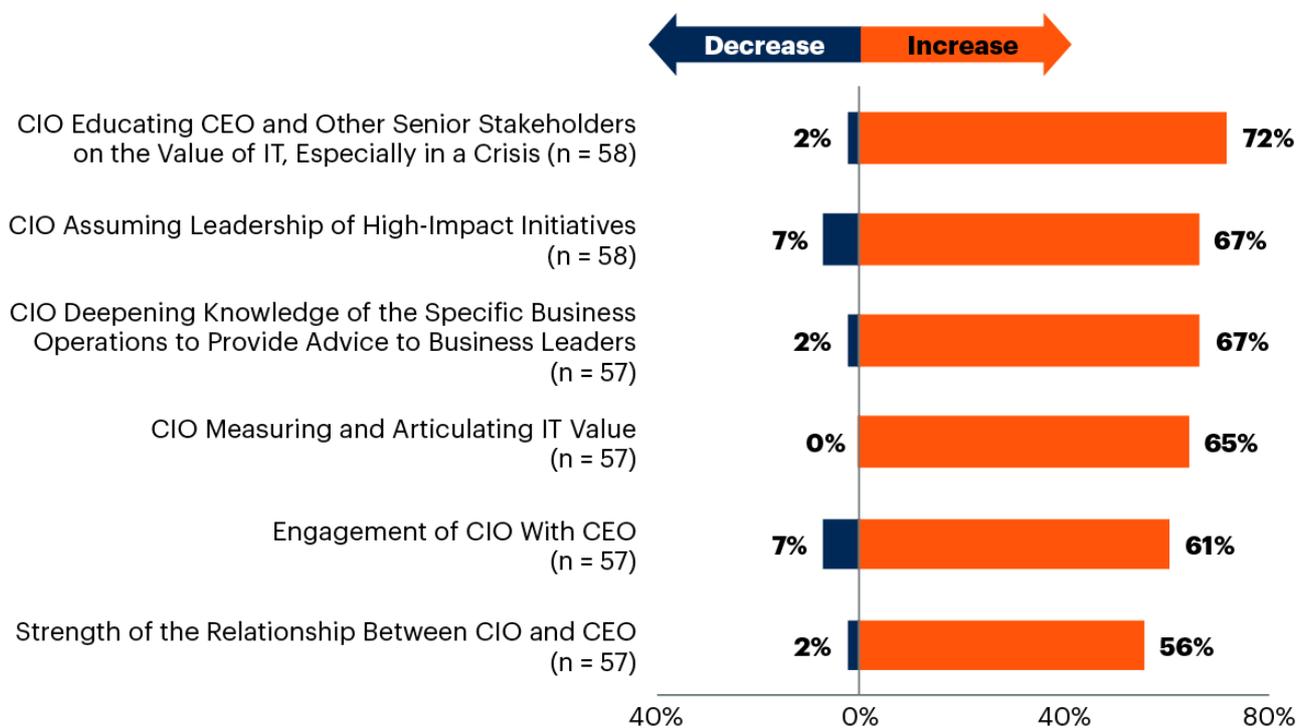Source: Gartner
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Impacts and Recommendations

CIOs' COVID-19 Performance Gives Them an Opportunity to Contribute to the Business Strategy

Overwhelmingly, CIOs say the COVID-19 crisis has improved their relationships with business leaders (see Figure 2). This is the most striking, unambiguous finding of the survey. The benefits flowed both ways. For example, almost three-quarters of respondents said they educated CEOs and other senior leaders during the crisis, while two-thirds of CIOs said they gained knowledge of business operations. Consequently, the crisis has given CIOs greater visibility and credibility among CEOs and business executives.

These results show that, by performing well under pressure during the hour of need, CIOs increased their political capital with the CEO and other business leaders. This political capital will allow CIOs who spend it wisely to further increase their influence.

Figure 2. COVID-19 Improved the CIO's Relationship With Business Leaders

COVID-19 Improved the CIO's Relationship With Business Leaders

n = 58, All respondents, excluding "not sure," "not applicable" or "no change"

Q: How would you characterize the following changes related to your enterprise's CIO-business relations as a result of the COVID-19 pandemic?
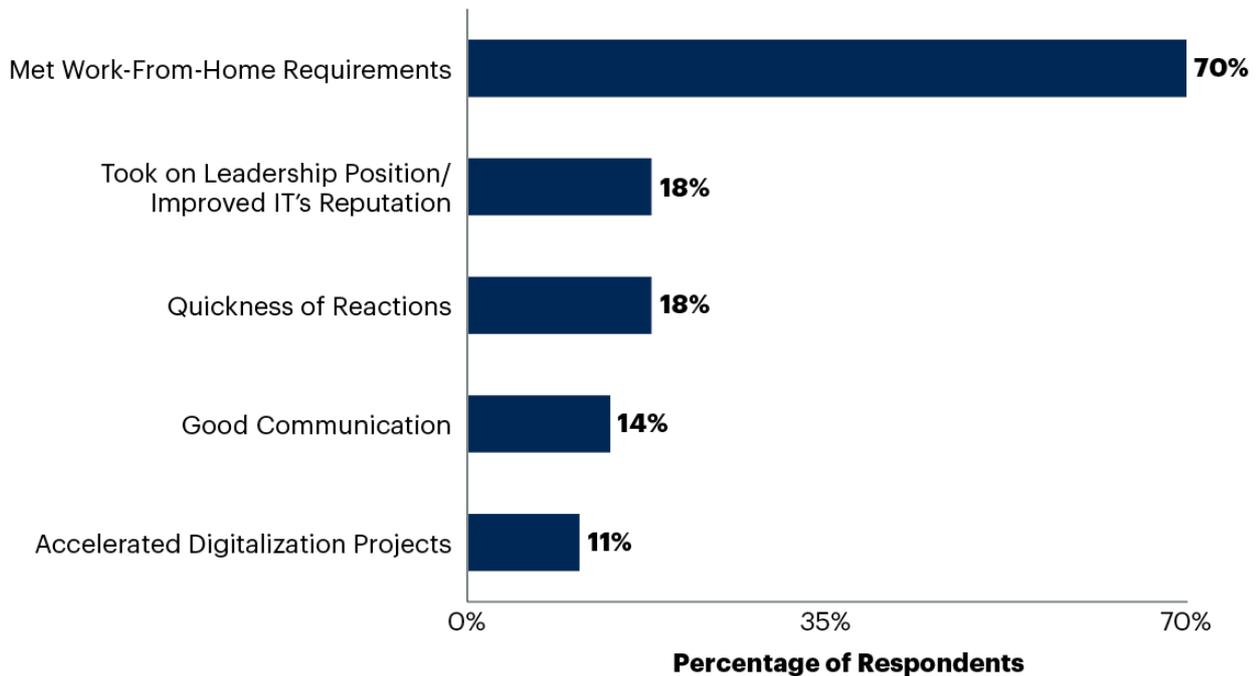Source: 2020 Gartner CIO Response to COVID-19
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But this credibility represents a fleeting opportunity, especially for operationally focused CIOs. The improved engagement with the CEO stems from business capabilities delivered by IT during the initial COVID-19 crisis. For instance, "assuming leadership of high-impact initiatives" (indicated by 67% of respondents) probably refers to supporting working from home for employees. About 70% of CIOs listed support for working from home as their proudest accomplishment — almost four times more than any other achievement (see Figure 3). This goodwill will fade quickly unless CIOs can extend it by helping the business deliver on other high-impact initiatives required during the recovery.

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Figure 3. What CIOs Are Most Proud of in Their Pandemic Response

What CIOs Are Most Proud of in Their Pandemic Response
Coded Verbatim Responses

n = 44, All respondents

Q: What did you, as CIO, do in response to the COVID-19 pandemic that makes you most proud?
Coded open-text responses, excluding "not sure"
Source: 2020 Gartner CIO Response to COVID-19

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Recommendations:

- Contribute to ongoing strategy adjustments by further engaging the CEO in regular check-ins on the business strategy, especially how it has changed or may change as a result of COVID-19. Make these reviews monthly, if possible, for the rest of the year, because strategy will likely change direction fast in the wake of the crisis. Use these insights to reshape your IT strategy.

- Exploit newly enlivened relationships with the CEO and other senior leaders by proposing ways to use technology to support the business strategy (see "A CIO's Guide to Strategy Development"). Shape these proposals for the post-COVID-19 business environment (see "The Postpandemic Planning Framework").

CIOs Must Tackle the Next Set of Business Challenges to Sustain the Momentum

The COVID-19 pandemic did not trigger a major IT reorganization, and may have delayed one that was already underway. Many IT organizations were in the process of refining their IT operating models, commonly moving to a more product-centric delivery model, when the pandemic struck. In many cases, the initial pandemic-inspired fire drill derailed these long-term organizational plans, replacing them with something much more immediate.

For IT organizations, responding to the crisis was strenuous. Nevertheless, the survey findings show that most CIOs knew what their new priorities had become:

- Deploy the equipment and access that employees needed to work from home.

- Train the employees on the equipment and access.

- Build out the infrastructure to support the equipment and access (see Figure 4).

In some cases, IT organizations had to transition tens of thousands of people to work from home in a short period of time. So, the work was exhausting, but IT already had the know-how and ability to accomplish it. It did not trigger a major reorganization, such as where IT reports or its mix of skills.

Figure 4. Opportunities Seized by CIOs During COVID-19

Opportunities Seized by CIOs During COVID-19
Multiple Responses
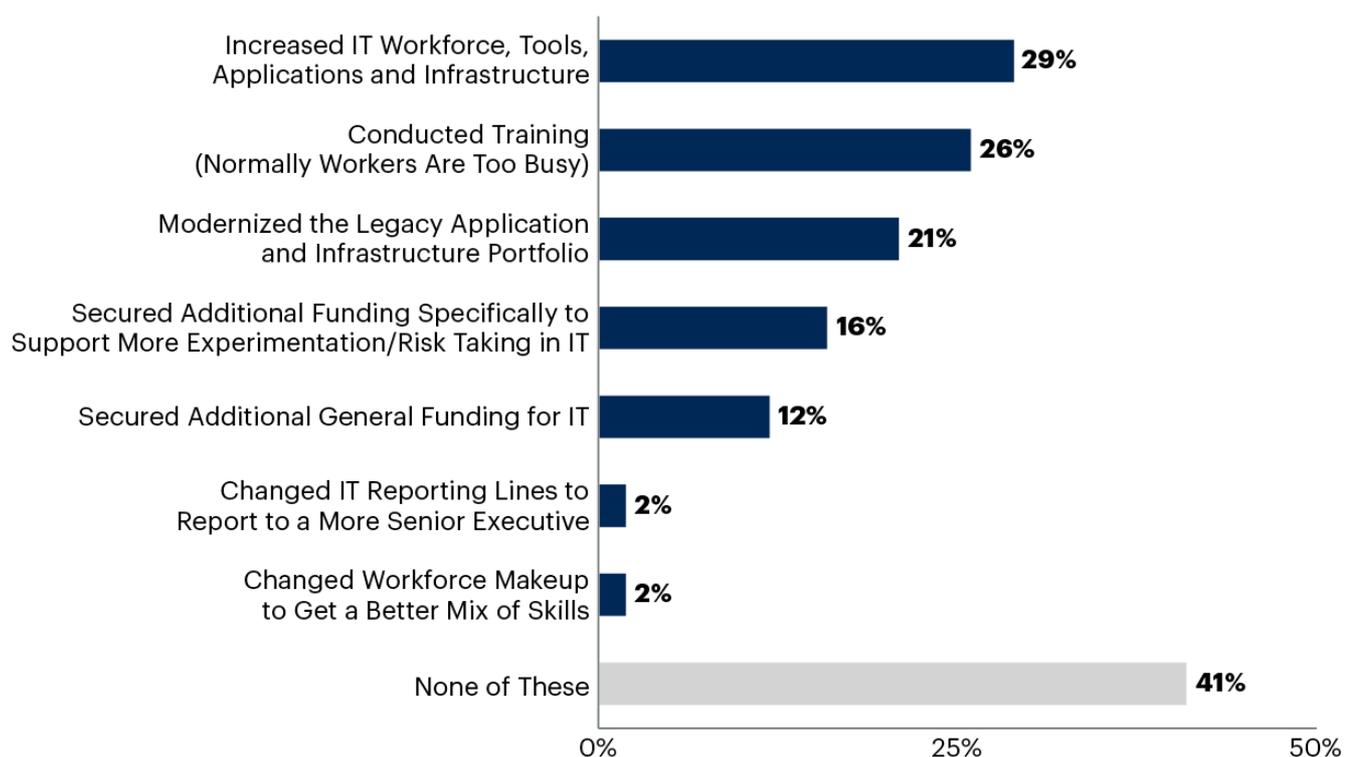
n = 58, All respondents; multiple responses

Q: Have you as CIO used the COVID-19 crisis as an opportunity to do any of the following things that are normally difficult?
Source: 2020 Gartner CIO Response to COVID-19

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Figure 5 shows the percentage of respondents who listed some degree of change in various areas. Everyone changed something. However, less than a third noted change in any particular area. Even the areas where the most change occurred reflect a traditional IT focus:

- The IT organization needed to acquire more tools and assets to support working from home and other crisis responses. Many enterprises used cloud services to scale the response quickly.

- IT needed to add more people with the necessary skills for these solutions, but it did not have to change its mix of skills (see Figure 4).

- IT had to adjust its "strategy" to execute its responses in such a short time — for example, moving from in-office to at-home work. But the IT organization scarcely had time to make changes that were truly strategic to the business.

- IT had to increase communication and training amid the fast-moving crisis response.

But only 11% of respondents report any degree of change to working methods. Few changed suppliers. Few changed decision making. Less than a quarter of respondents changed IT performance measurement, reporting lines and organizational structure. All of these require more time and thought than the immediate crisis allowed.

However, what worked well during the initial response to the crisis will not carry the enterprise to success during the Reset that is happening now (see "The Postpandemic Planning Framework").
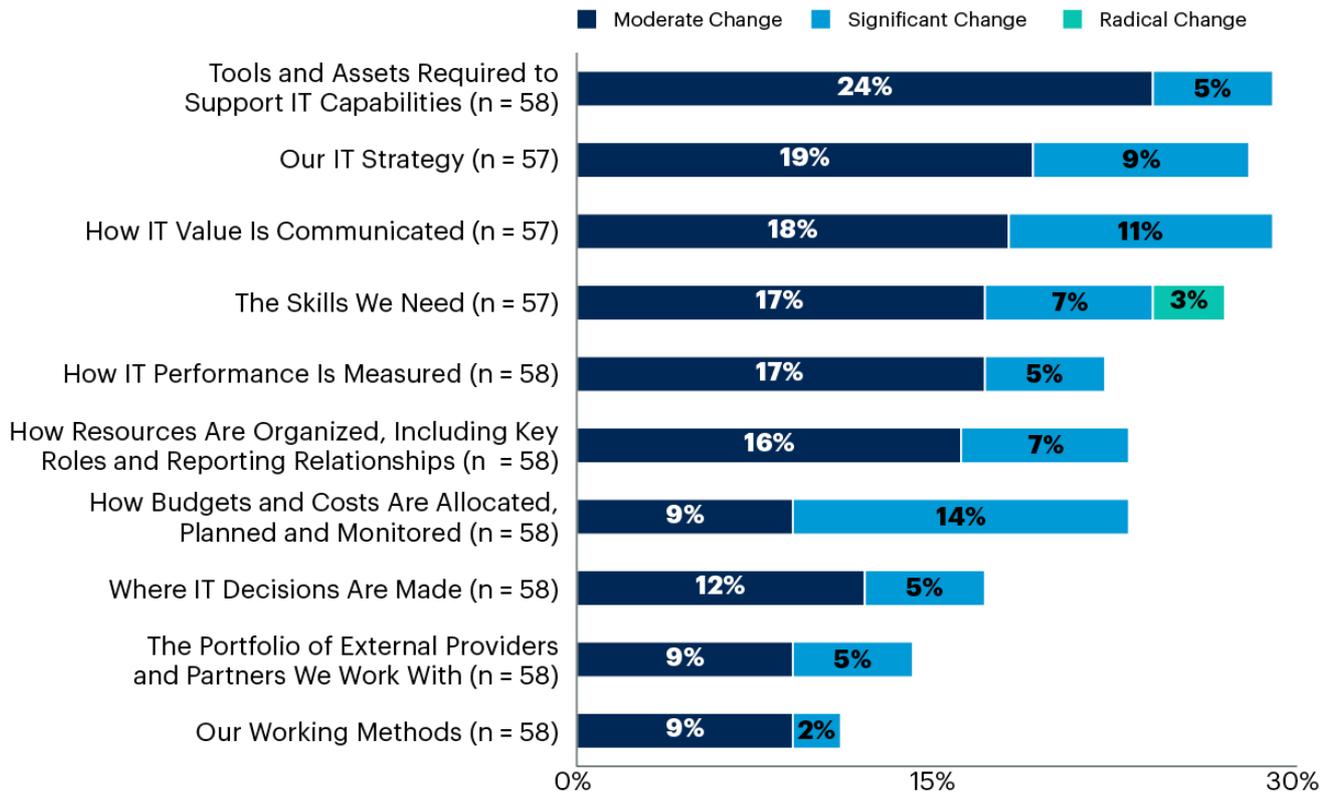
CIOs will have to make substantial changes to help their enterprises achieve their top business objectives during the recovery (see "React to the Coronavirus (COVID-19) Outbreak via Raising Business Model Resilience"). For example, the changes should include these areas:

- Build the platforms and digital foundations that enable technology producers outside of IT to build architecturally sound solutions.

- Build a culture and technical environment that support non-IT staff to take on digital transformation.

- Embed IT staff in distributed fusion teams.

Figure 5. IT Organization Changes in Response to COVID-19

IT Organization Changes in COVID-19 Response
Showing Percentage of Respondents Reporting Moderate to Radical Changes

Legend: ■ Moderate Change ■ Significant Change ■ Radical Change

Category	Moderate Change	Significant Change	Radical Change
Tools and Assets Required to Support IT Capabilities (n = 58)	24%	5%	
Our IT Strategy (n = 57)	19%	9%	
How IT Value Is Communicated (n = 57)	18%	11%	
The Skills We Need (n = 57)	17%	7%	3%
How IT Performance Is Measured (n = 58)	17%	5%	
How Resources Are Organized, Including Key Roles and Reporting Relationships (n = 58)	16%	7%	
How Budgets and Costs Are Allocated, Planned and Monitored (n = 58)	9%	14%	
Where IT Decisions Are Made (n = 58)	12%	5%	
The Portfolio of External Providers and Partners We Work With (n = 58)	9%	5%	
Our Working Methods (n = 58)	9%	2%	

(Axis: 0%, 15%, 30%)

n = 58, All respondents, excluding "not sure" or "not applicable"

Q: How would you characterize the changes that have occurred in your IT organization as a result of the COVID-19 pandemic in each of these areas?
Source: 2020 Gartner CIO Response to COVID-19

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Recommendations:

- Realign with the digital agenda of your enterprise, which is highly likely to have progressed during the postpandemic reset:

  - If your role has a strategic perspective, lead a complete review of the IT strategy in light of any new postpandemic business strategy under discussion.

  - If your role has a more operational focus, seek opportunities to harness new digital capabilities and seek new ways to contribute to business performance.

- Lead a review of the IT organization's performance during COVID-19 with your direct reports and key business stakeholders:

  - Consider what went well and where IT could have done a better job of responding to the crisis.

- Develop a plan for providing the means to better respond in a crisis or to changing business conditions in the future, such as updating the business continuity plan, obtaining the right skills, reallocating the budget and improving data analysis.

- Identify and support employees who adapted their skills profiles and responsibilities to digital business — these may be the core of further digital business initiatives (see "Presentation: Force Multipliers Beyond IT: Harnessing Business Technologists for Efficiency and Resilience in Times of Volatility").

- Determine what changes due to COVID-19 will remain permanent, and prepare for them. For example, will a large portion of employees continue to work from home? Will the enterprise press forward with a digital transformation of its operations, channels, markets or products?

- Focus the IT organization on turning the quick solutions designed, funded, acquired and implemented for dealing early on with the crisis into optimized, long-term environments of lasting benefit to the enterprise (see "Workforce Resilience in the Eye of the Pandemic: Overcoming the Current Remote Work Situation While Planning for the Future").

COVID-19 Response Shortcomings Point to the Next Steps for CIOs

The survey asked CIOs what they wish they could have done better in responding to COVID-19 (see Figure 6). The responses make perfect sense:
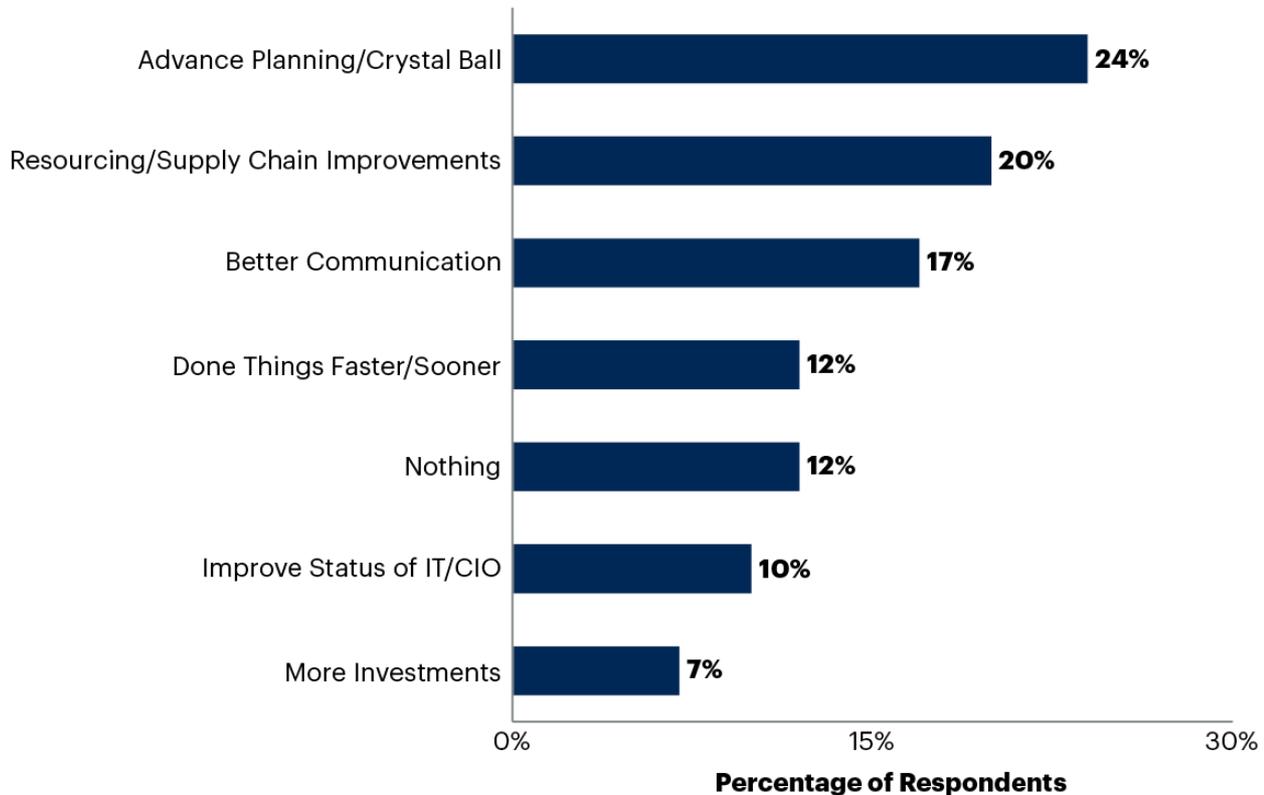
- Many CIOs wanted advance warning of the crisis.

- Many needed better sourcing to deliver new assets quicker.

- Many could have improved communications.

- Some wished the IT organization could have reacted faster.

These responses point to capabilities that the IT organization needs for any crisis, digital business transformation or other significant change, not just for COVID-19. Accordingly, the shortcomings that CIOs identified in their reviews of their organizations' responses to the crisis point the way toward preparing the IT organization for a future where business conditions and business strategy will change rapidly.

Figure 6. What CIOs Wish They Could Have Done Better

What CIOs Wish They Could Have Done Better
Coded Verbatim Responses

Category	Percentage
Advance Planning/Crystal Ball	24%
Resourcing/Supply Chain Improvements	20%
Better Communication	17%
Done Things Faster/Sooner	12%
Nothing	12%
Improve Status of IT/CIO	10%
More Investments	7%

Percentage of Respondents

n = 41, All respondents

Q: And, what would you have done differently? Coded open-text responses, excluding "not sure"
Note: Percentages may not add up to 100% because of rounding.
Source: 2020 Gartner CIO Response to COVID-19

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CIOs already recognize some of the changes they need to make to the IT organization, but may not realize how far they need to take the changes. We asked respondents about changes in priority they made in response to COVID-19 (see Figure 7). A large percentage of CIOs did make some things a higher priority as we would expect — for example, changing the organizational culture and aligning to business priorities. However, the vast majority of CIOs who changed priorities did so only to a small degree, just enough to deal with the immediate crisis.

For the IT organization to play a larger role in developing and executing the business strategy, CIOs will have to make a much larger degree of change in the areas shown in Figure 7. For example, using cloud services to deploy applications faster to remote workers may represent a significant change in platform for some enterprises, but it remains within the realm of operations. A business-oriented IT strategy would likely involve the construction of a digital business technology platform — a long, complex undertaking.

Figure 7. IT Priority Changes Caused by COVID-19

IT Priority Changes Caused by COVID-19
Showing Percentage of Respondents Increasing Activity
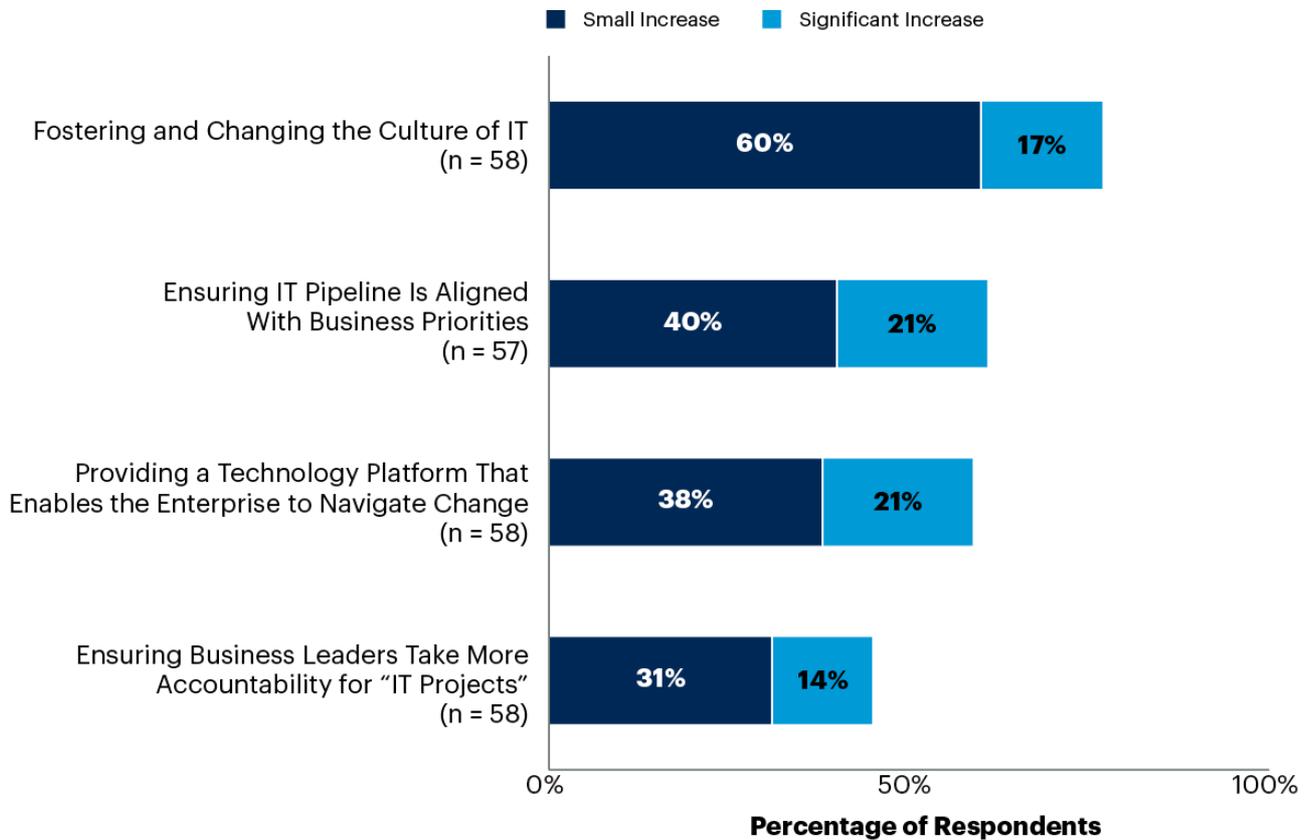
■ Small Increase   ■ Significant Increase

Fostering and Changing the Culture of IT
(n = 58)
60% **17%**

Ensuring IT Pipeline Is Aligned
With Business Priorities
(n = 57)
40% **21%**

Providing a Technology Platform That
Enables the Enterprise to Navigate Change
(n = 58)
38% **21%**

Ensuring Business Leaders Take More
Accountability for "IT Projects"
(n = 58)
31% **14%**

0%   50%   100%

Percentage of Respondents

n = 58, All respondents, excluding "not sure" or "not applicable"

Q: How would you characterize the following changes related to your enterprise's IT prioritization as a result of the COVID-19 pandemic?
Source: 2020 Gartner CIO Response to COVID-19

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Recommendations:

■ Devote more attention to anticipating future developments by:

   ■ Turning data and analytics into a strategic business capability (see "How to Craft a Modern, Actionable Data and Analytics Strategy That Delivers Business Outcomes").

   ■ Engaging in scenario planning to identify critical uncertainties and triggers that indicate whether a particular scenario will materialize (see "The CIO's Guide to Strategic Planning During the COVID-19 Pandemic").

   ■ Practicing futurism to overcome the tendency to view the future as just a continuation of the present (see "Unleash Your Inner Futurist to Survive Digital Transformation").

■ Review the responsibilities of the modern CIO role to see if any need more attention, particularly those around advancing enterprise priorities (see "Gartner Essential Frameworks").

Evidence

This document is based on the Gartner CIO Response to COVID-19 Survey that was conducted online from 21 through 28 May 2020 with 58 members of Gartner CIO Research Circle — a Gartner-managed panel (see Figure 8 through Figure 11 for survey demographics). The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Figure 8. Geographic Distribution of Survey Respondents

Respondent Profile: Company Region

5%
Latin America

7%
APAC

45%
EMEA

43%
North America
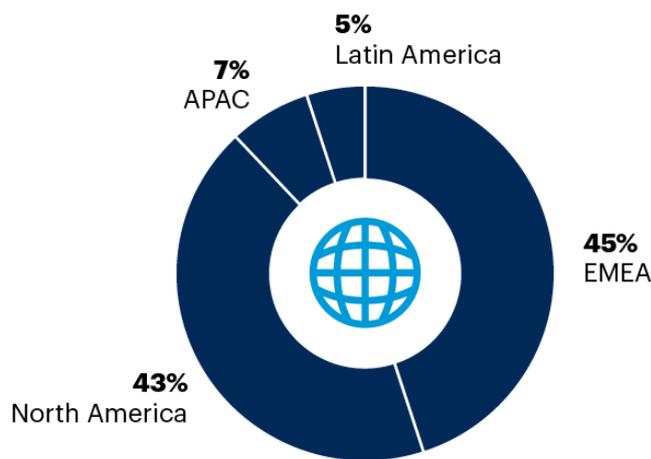
n = 58, All respondents

Q: In which global region is your primary workplace located?
Source: 2020 Gartner CIO Response to COVID-19

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Figure 9. Survey Respondents by Industry

Respondent Profile: Industry
Primary Industry

Industry	Percentage
Manufacturing	19%
Government	16%
Education Provider	10%
Services	9%
Financial Services	7%
IT/Telecommunications	7%
Other	7%
Healthcare	5%
Insurance	5%
Transportation	5%
Energy	3%
Wholesale	3%
Media	2%
Retail	2%
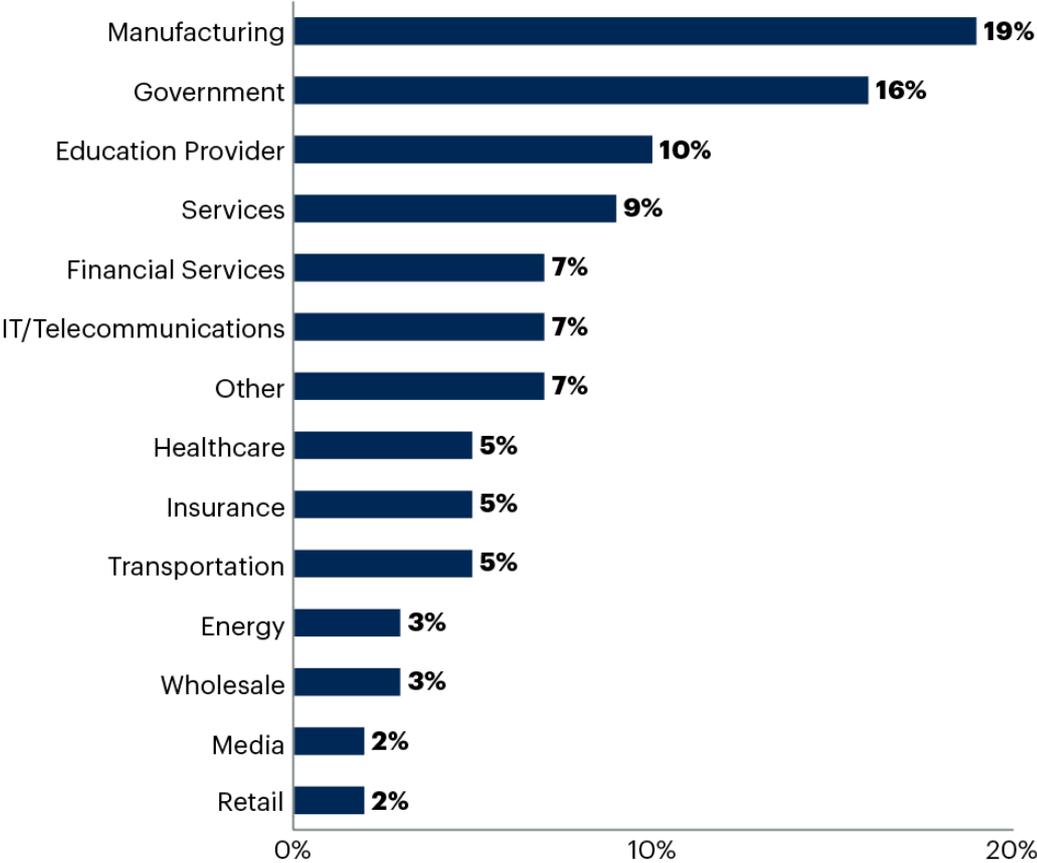
n = 58, All respondents

Q: Your organization's primary industry classification
Source: 2020 Gartner CIO Response to COVID-19

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Figure 10. Survey Respondents by Company Size

Respondent Profile: Company Size
FTE Employees Worldwide
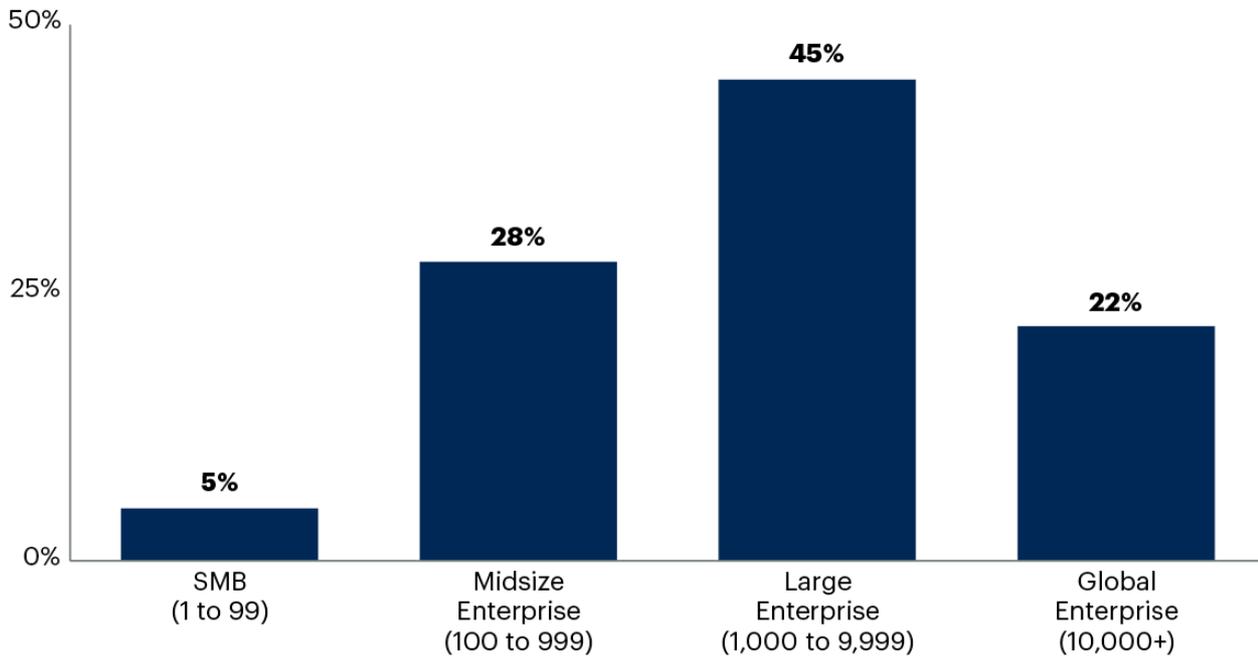
n = 58, All respondents, excluding "don't know"

Q: Number of full-time equivalent (FTE) employees who work in your entire organization worldwide
Source: 2020 Gartner CIO Response to COVID-19

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Figure 11. Survey Respondents by Company Size

Respondent Profile: Company Size
Annual Revenue
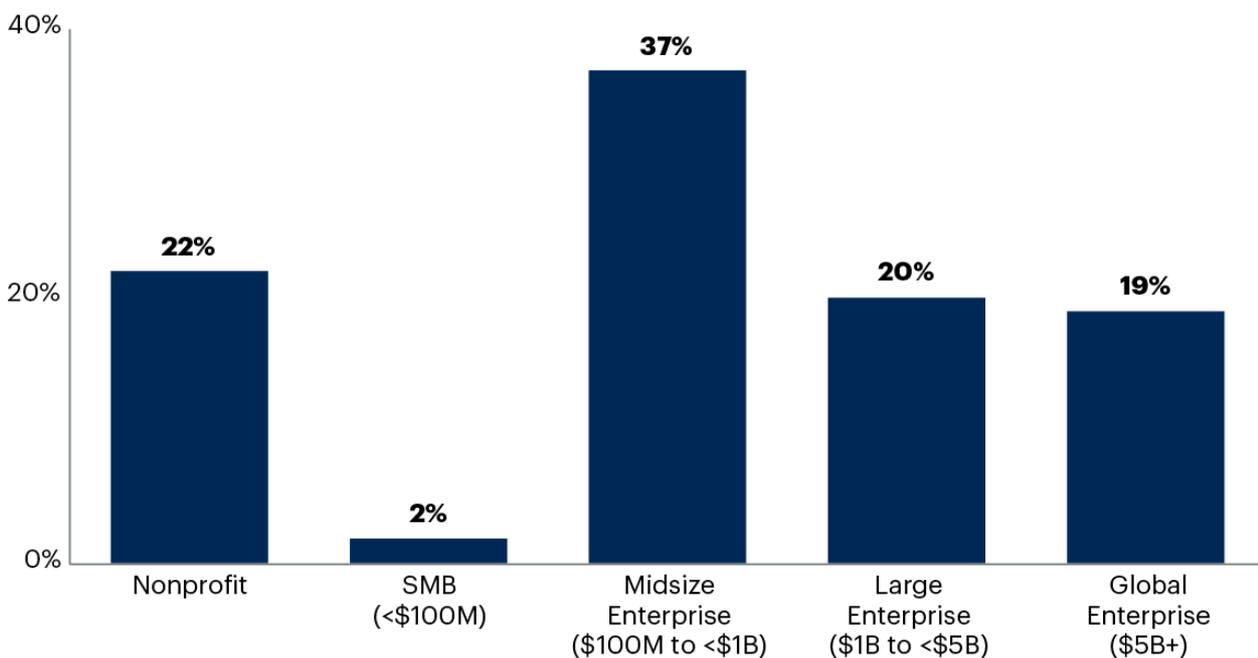
n = 54, All respondents, excluding "don't know"

Q: Your organization's enterprisewide annual revenue in USD for the most recently completed fiscal year?
Source: 2020 Gartner CIO Response to COVID-19

Recommended by the Authors

Identifying Digital Opportunities During and After the Pandemic

The CIO's Guide to Strategic Planning During the COVID-19 Pandemic

Gartner Essential Frameworks

In Focus Video: ConocoPhillips' CIO Explains How to Confront a Crisis and Come Out Stronger

In Focus Video: Tower Insurance's CIO Explains How to Confront a Crisis and Come Out Stronger

In Focus Video: İşbank's CIO Explains How to Confront a Crisis and Come Out Stronger

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