

## Global CIO: The Top 10 CIO Issues For 2010

**For CIOs, 2010 will require new emphases on customers, revenue, external information, and a passion for rapid change.**

By [Bob Evans](#)  
[InformationWeek](#)

December 21, 2009

While the business-technology world of 2010 will present a dramatically different outlook to CIOs versus the perspective they had 12 months earlier, we at InformationWeek's *Global CIO* think many of the core challenges and priorities will be similar. The glaring change, of course, is the absence this year of the all-consuming day-to-day struggle for mere survival that so many companies experienced in early 2009, and all the extraordinary cost-cutting that struggle demanded.

But the leaned-down, cranked-up expectations for CIOs that congealed so rapidly in last year's fight for survival remains, and that heightened sense of what CIOs must achieve—in spite of being in command of fewer resources—is the overwhelming differentiator in the CIO 2010 agenda. To lean on a dominant cliché from this past year, "the new normal" for CIOs in 2010 will be to accomplish a whole lot more with a whole lot less. From our conversations throughout the year with hundreds of IT vendors, hundreds of CIOs, dozens of academics and analysts, and our own gleaned from covering this field since Abraham Lincoln's time, here's *Global CIO's* list of the Top 10 CIO Issues For 2010:

**1) The Cloud Imperative.** Cloud computing takes the top spot for focus and achievement in 2010 because in spite of all the questions and concerns still floating around it, the cloud offers CIOs huge potential for attacking priority #2 (flipping the 80/20 ratio on maintenance/innovation spending) and exploiting priority #3 (driving revenue growth). In the fourth quarter of this year, I've seen a dramatic surge in not only CIO interest in the cloud's capabilities and potential deployments, but also in IT-vendor emphasis on providing cloud-based solutions that are real, tangible, practical, and trustworthy. This is the big leap that successful CIOs must make in the coming year because no other architectural or platform approach will yield as much gain in lowering the cost of internal IT operations and liberating precious IT budget dollars to be deployed toward customer-centric growth opportunities. If by mid-year you have not developed and begun to execute upon an ambitious and enterprise-wide cloud strategy, then by year-end the odds are good you'll no longer be a CIO.

**2) The 80/20 Spending Trap.** This intractable mindset has been something that we've bitched, kvetched, whined, and vehemed about throughout the year and I certainly wouldn't blame you for being tired of hearing about it. Yet in our recent webcast called "Welcome To The CIO Revolution: The Global CIO 2010 Agenda," an interactive polling question revealed that almost two-thirds of the audience said that here in December of 2009, they are spending at least 70% and in some cases 80% of their IT budgets on internal operations. No one's questioning the importance of internal operations and the need to run a tight ship, but the bigger question is this: if the vast majority of your IT dollars are keeping the lights on, how in the world are you going to fund transformative and customer-centric projects? How are you going to make the CIO position and the IT organization part of the growth engine of the company instead of being a tactical cost center? When the economy improves, and when your CEO demands that you begin to launch some of those great ideas that have been collecting dust on the shelf for the past 15-18 months, do you really want your answer to be, "Hey, look, I agree with you philosophically, but the problem is I

don't have any money left to help us grow because it's all being used exactly the way it was 10 or even 15 years ago, which is to fund old, stuffy, inflexible, and expensive systems and applications and people to manage all that." My guess is CEOs will be brandishing a zero-tolerance policy for such thinking in 2010—and that's why cloud computing and its promise of offering more capability in less time and at lower cost deserves massive scrutiny from CIOs in 2010.

**3) CIO-Led Revenue Growth And Customer Engagement.** Let's look at the alternative: in 2010, you choose *not* to become part of the company's revenue engine, and you choose to continue to keep yourself and your IT team isolated from customers. Forgive my French, but then how in the heck can you expect to be taken seriously, particularly in today's challenging economy? How can you expect not to be regarded as a lumpy and obstructionist cost-center that needs to get the treatment that all cost centers get: relentlessly ground down until nothing remains? Where is/was it written that IT organizations—in spite of all their brains and all their capabilities and all their opportunities—get a free pass when it comes to supplying the lifeblood of any business: revenue? CIOs who refuse to move in this direction will be ex-CIOs by June.

**4) Mastering End-to-End Business Processes.** File this one along with #3 above in the "Big Opportunities" folder. CIOs are one of the few types of executives who have the chance to see, analyze, and understand all of their companies' end-to-end business processes: that's a tremendous privilege, and a remarkable opportunity! Where's the waste? Where's the latency? How is the revenue mix changing? Where's a new-product opportunity? Where can we enhance our line of products and services with high-value new *information* about those products and services and the aggregate usage of them by customers? Which suppliers/partners are pulling their weight and which are not? How well or how poorly are we anticipating and reacting to shifting customer behavior? Think about your value to the company if you actively use your knowledge of and involvement in all those process-driven questions—and then think of your value to the company if you choose to shrug your shoulders and say it's just not part of your job? Such indifference might have been okay in 2008 or 2009; it will not be acceptable in 2010. Plus, you'll need to see around the corners:

**5) Business Analytics and Predictive Analytics.** Money is tighter, customers are more fickle, cycles are shorter, opportunities come and go more quickly—in 2010 and beyond, "speed kills" will be more accurate than ever. Your organization is probably awash in data—mountains of it, probably—but is there a corresponding volume of insightful information? And out of all that insight, are you able to gain advantage through *foresight*? Can you see around the corners and over the horizon? Or do you just arrive there and hope that what you've got matches what's needed in those unseen precincts? Business analytics and in particular predictive analytics will become enormously important in 2010, and CIOs who seize the initiative in turning insights into actionable foresights will have a huge advantage.

**6) External Information vs. Internal Information.** This one complements #5 and Predictive Analytics and also links in with all of the above issues because the basic premise is that what is going on in the world *outside* your four walls is a lot more important than what's going on on the inside. What are customers saying about you? Do they feel they have an ongoing engagement with you or do you only get their business occasionally out of some quirky coincidence? You know customers are talking about you: do you encourage that? Do you talk back? Do you listen? And if you don't, how can you expect that your company will be able to meet the expectations of those customers with the new products and services that need to carry your company into the future? Social media is the core idea here but customer engagement on all levels is paramount for the Global CIO 2010 Agenda. In the past, we could probably get away with thinking, "Eh, that's someone else's job, and I'm busy enough as is." But that thinking will be deadly in 2010, because that type of thinking will result in your job becoming "someone else's job."

**7) CIO Priorities, CIO Compensation, CIO Evaluation.** As I wrote a few months ago in Global CIO: Welcome To The CIO Revolution: A New IT Manifesto: "How are you paid? Not how well, but how? Does your comp package map to your old job that you're at least tired of and perhaps sick of, or does it reflect the new firebrand-type CIO role you want to have with growth and customers and market-centric innovation as the key driver? If your pay is based on counting PCs and functioning in essence as the

CFO's assistant, then how will you be able to focus on emerging market opportunities? How does your boss measure your performance? Are you being judged by plumbing-style metrics such as uptime, line-item budget compliance, SLAs, and headcount, or is your performance calibrated on new capabilities you've given to key sales teams, process breakthroughs you've made with key customers, tech innovations you've identified by finding great but little-known and hungry IT vendors, and business-driven reports you've created to show ROI on IT investments? If you're paid to monitor servers and steer clear of customers, how are you going to ever be regarded as anything other than a tactical cost center?

**8) Vendor Consolidation, With Radical Exceptions** For the past couple of years, every CIO's been whittling down the number of vendors he or she works with. But while the whittling might have helped with efficiency, has it helped with innovation? Have you stayed connected with some mildly on-the-fringe tech vendors whose solutions are out of the mainstream but just might, accordingly, be exactly what you need to make a breakthrough? As with cloud computing a year or two ago, what's your policy on tests and evaluations—are you keeping enough of an open mind so that you're ready to pounce on if the tests run well? Or are you going to be happy with waiting until your industry reaches some manner of informal consensus and then hope you can be a fast follower? I don't mean to keep sounding like the head sales guy for an undertaker, but that type of fast following could well mean you'll be asked to do a fast exit from your position sometime mid-year.

**9) The Mobile Enterprise and The Mobile Mindset.** Quick--name one business or industry that's not heavily dependent on ubiquitous access to information: can you name any? I don't think so. But let's look at it another way: if a team of your peers and your customers and your competitors' were to do a day-long review of your company's mobile capabilities, would you be eager to share the results with your boss? Or would you, well, have to resort to blaming your tight budget, or try to shift the subject to the latest developments with CDMA technology, or would you perhaps try to persuade your CEO that, after all, mobile information and mobile engagement just really isn't all it's cracked up to be? Heck, The Who nailed it almost 40 years ago in Goin' Mobile: *"Out in the woods/Or in the city/It's all the same to me/When I'm drivin' free/The world's my home/When I'm mobile."*

**10) The Transformation Quotient.** When the economy turns, CIOs need to be out in front with ideas and leadership on how their companies can aggressively and successfully tap into the new opportunities that await. Lots of companies are looking at this as transformative efforts that allow them to become what they need to be instead of merely perpetuating what they have been: new products and new partnerships, new sales channels and new levels of co-creation with customers, not ways of finding and analyzing data and new ways of using information for true competitive advantage. In many cases, old-school CIOs have been impediments and have been removed because they sought to cling to the past instead of embracing whatever the future would bring: certainly a lot of uncertainty but also new responsibilities, new outlooks, new ways of thinking, and a complete shedding of old conventions and old restrictions about what a CIO's responsibilities are and what they are not. In 2010, we won't determine those internally any more—rather, they'll be shaped in large part by the forces of the market and the forces of competition, and also, we hope, by the forces of brilliantly conceived and sharply executed business-technology innovation predicated not on the past but rather on what, today and tomorrow, will excite and delight customers.