The Retail CIO of 2025:
Leading Technology-Driven Growth

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To learn more about the tech executive's evolving role, we surveyed more than 600 CIOs, including 100 retail CIOs across EMEA, APAC and North America, about their plans to innovate and modernize. This report focuses specifically on the responses from those retail CIOs. We asked about where they currently stand within their organizations; their concerns moving forward; and how they intend to position IT in the coming years, particularly when it comes to moving toward multi-cloud environments.

" Those CIOs of the future are here. They're doing that transformation today."

Sumit Dhawan, President of VMware

Technology has been just one department among many: The cart, not the horse.

That's no longer the case. With technology rapidly reshaping how we work, communicate and behave as consumers, more is riding on the CIO's expertise than ever before. The world's top IT execs welcome the chance to help drive conversations around line of business, customer engagement and other strategic decisions. There's no time to waste. "The CIOs of today are the ones who are painting the business picture of the future," says Sumit Dhawan, president of VMware. "That's how powerful the technologies have become. And that's today, not just in the future. They're actually shaping the future today."

Read on to learn more about:

1. How today's retail CIOs are gaining visibility and importance in the executive suite

2. What opportunities are available to those who embrace multi-cloud

3. Why modernizing the app pipeline is critical to creating rich and consistent customer experiences

4. How CIOs must architect new workflows and environments to exceed expectations around secure hybrid work

Section 1: Modernizing the app pipeline

In today's competitive market, retailers must be empowered to create breakthrough omnichannel customer experiences.

To prepare their organizations for accelerated change in the coming years, nearly all CIOs agree that modernizing their app pipeline must be a top priority. After all, an organization's ability to respond to customer needs and get new ideas into the world quickly dictates how it will perform in the market. **Having a robust, well-managed multi-cloud infrastructure will play a critical role in this process.**

Key retail findings

Modernization is on everyone's mind: **91%** of CIOs say modernizing apps is their top priority.

69% of respondents also believe "CIOs should take a bold leap forward in developing their applications strategy."

71% agree that modern applications "are seen to accelerate innovation and adoption of other technologies."

Already, **more than half** of CIOs (58%) are managing up to 10 modern applications. More than one in four (28%) are managing between 11 and 25; by 2025, 58% expect to be managing 26 or more modern applications.

There's a lot at stake. If their organizations were to cease all digital business modernization efforts right now, most CIOs (53%) believe they "would not remain price competitive"; "competitors would beat [them] to the market" (49%); or their "customers would leave them for a better digital experience" (49%).

Such an infrastructure can provide developers the autonomy to build modern customer-facing and internal retail apps on the right cloud while giving IT Ops the ability to control and manage policies and security of apps and infrastructure across all clouds and development environments. Here, we explain the importance of modernization; present the most common challenges encountered by CIOs; and explore potential solutions and related outcomes.

Multi-cloud is on most modernization roadmaps. But most CIOs share concerns that introducing multiple platforms may increase complexity and reduce dev-ops efficiencies:

- **64%** believe that "the growing complexity of heterogeneous systems makes it difficult to navigate and manage them efficiently."

- **57%** cite "lack of sufficient control and oversight over all platforms used by your company" as a "serious problem."

- **69%** believe "current management of platforms and systems used by different teams needs to be optimized significantly."

To solve for these issues, most CIOs (70%) agree their company would "benefit from tools that can provide simplicity over the many unique platforms used by different teams."

The upside is clear to most CIOs (75%), who agree that "a more seamless developer experience would dramatically improve efforts to modernize applications."

But there are challenges to modernization. They have specifically to do with: maintaining cyber-security standards (58%) and overstretching IT staff (50%).

By using a cross-cloud app platform, CIOs can build, run and manage cloud-native apps at scale. This increases reliability and efficiency, while reducing costs and time-to-market.

Section 2: Building a hybrid workplace

Currently, retailers are increasing their investments in hybrid workspace solutions throughout the entire supply chain.

From raw ingredient, product development, category management, HACCP practices, in- store associates call center representatives to corporate executives, retailers support a vast workforce, all there to serve the consumer. And in each scenario, a retail employee can benefit from a digital workspace. The past two years have seen more organizations get on board, and our survey reveals that more hybrid support is underway. For most, multi-cloud will play a central role in this evolution.

Key retail findings
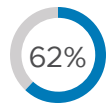
62% of CIOs believe "the demands of a hybrid or distributed workforce" is a top factor that will impact their company between now and 2025.
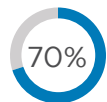
70% also believe that "integrated workforce solutions enabling employees to work from anywhere with secure, frictionless experiences" can help accelerate innovation and the adoption of other technologies within their organizations.

60% understand that, with the current shortage of highly skilled technical talent, "enabling greater flexibility and autonomy is one of the best ways to attract and retain employees." 62% are aware that they will "lose a significant number of valuable employees if [they] did not allow hybrid or work-from-home practices."
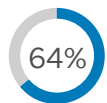
64% of CIOs believe that modernized multi-cloud applications are critical.
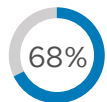
68% of CIOs believe hybrid work has also expanded attack surfaces and entry points, thereby increasing their responsibilities.

What's keeping CIOs from delivering high-quality work-from-anywhere capabilities?

64%
cite insufficient multi-cloud resources and capabilities

58%
cite applications that have not been modernized

Most CIOs are up to the challenges that may come with hybrid work environments built on multi-cloud infrastructures. Looking beyond their traditional IT remits:

61%
believe the CIO can help foster diversity and inclusion in the workplace

60%
believe the CIO can help ease the digital divide

53%
believe the CIO can ensure greater privacy for individuals

To offer the best hybrid work environment, one must first create a consistent and seamless employee experience.

With a multi-cloud platform, workforces can access the same applications they've always used—no matter the device or location. What's more, multi-cloud platforms help to ensure that network data and assets are protected from many of the threats that can come with remote environments.

Section 3: Moving to multi-cloud

Facing increasingly unpredictable supply chains and shifting customer preferences, retailers are in a high-stakes challenge for survival and growth.

They simply can't afford to choose between maximizing the business today and building for the future; they need to do both. Fortunately, most CIOs are turning to multi-cloud control solutions to solve top challenges, such as interoperability and cost concerns.

Applications and more simultaneous deployments of a single app workload to multiple clouds can improve store operations, creating frictionless buying experiences. Multi-cloud enables retail operations to meet the needs of today's dynamic marketplace, while ensuring the organization can scale in a seamless and secure manner.

Key retail findings

68% of CIOs agreed that a **multi-cloud infrastructure** can accelerate innovation and the adoption of other technologies.

Already, more than half (54%) of companies **use more than one cloud provider**; this number is expected to jump to 87% in five years.

Most intend to keep their cloud engagement about the same (38%) or add cloud engagements "as the business requires it" (48%), and just a tiny minority of CIOs (4%) report having no multi-cloud strategy at all.

Of **multi-cloud's many applications**, our CIOs see its capabilities as important for business continuity and avoiding outages (67%), enabling fast scalability (67%), and enabling workers to be more innovative and productive.

Our **CIOs' top challenges** include lack of interoperability (46%) and increased costs (48%).

Which may explain why nearly every respondent (**95%**) currently uses, plans to use or will consider the use of third-party applications that support the monitoring, management and financial control of multi-cloud environments (i.e., multi-cloud control solutions).

A cross-cloud infrastructure platform makes it possible to run apps with enterprise-grade resiliency and security wherever CIOs may need them—private, public or edge.

Cross-cloud infrastructures offer seamless portability between environments, and existing IT skills can be leveraged to modernize apps with built-in Kubernetes.

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Section 4: The CIO's evolving role

Following the impact of recent global events, retailers and brands must continue to focus on the customer while strategizing and executing to grow their businesses.

Therefore, 2022 will be a year of investments and new partnerships, as retailers position their business model, strategy, marketing, stores and operations to flourish in a post-pandemic world.

Perhaps because of these challenges, CIOs in retail—more than any other surveyed industry—see their roles as providing critical leadership, innovation and change. CIOs and their teams are creating IT with the goal of exceeding customer expectations.

Key retail findings

82%
believe that CIOs are the leaders most responsible for accelerating change in the enterprise – more than any other surveyed industry (next was healthcare at 74%).

67%
report an increase in the importance of technology-related matters during board and/or executive staff meetings and 66% have seen an increase in their shares of revenue-generating responsibilities.

77%
agree that CIOs and their teams are creating IT with the goal of exceeding customer expectations – second only to healthcare at 79%.

67%
report that technology-related matters are of increasing importance in board and/or executive staff meetings.

Most CIOs believe that in the next few years they will prioritize:

67%
creating systems that support increasing revenues.

73%
reducing cyber risk.

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As our survey makes clear, retail CIOs are taking a seat alongside their organizations' most important executives.

Tasked with more than just IT, they will find that their decisions and initiatives will impact growth trajectories for years, even decades to come. Even the most forward-thinking tech executives can be forgiven for feeling overloaded by the myriad complexities facing them. To achieve success in this climate, tech leaders need to make bold moves, and fast.

But every transformation journey begins with the first step. For most CIOs, this means accelerating their organization's digital transformation by moving to secure, seamless multi-cloud architectures. This, in turn, will make it possible to modernize application pipelines to keep pace with everchanging consumer demands.

Finally, when considering the so-called "New Normal" of remote and hybrid workplaces, CIOs have a unique opportunity to build experiences that do more than just meet employee needs; they can surpass all expectations and as a result improve both employee recruitment and retention.

Indeed, the CIO's role certainly has changed in just a few short years. Dhawan doesn't see these new responsibilities as theoretical possibilities. To him, this is the reality for today's top performing tech executives who are overcoming complexity to build bridges on the road to 2025.

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Survey methodology

Forbes Insights surveyed 603 CIOs from North and South America (33%), Europe (33%) and APAC (33%) in December 2021 - January 2022. This included 100 retail CIOs, 29% from North and South America, 38% from EMEA and 33% from APAC.

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