

# Top 5 Obstacles for CIOs Transforming Business

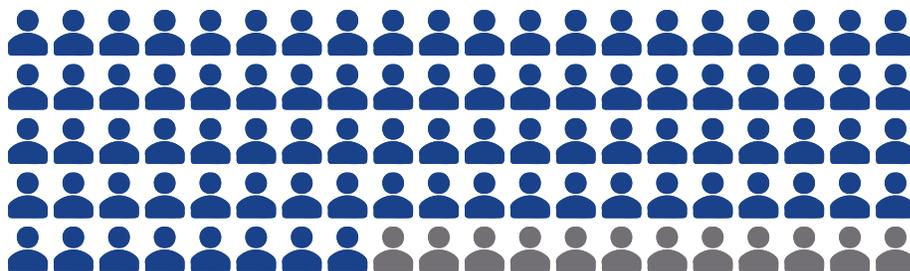
## How to Foster a More Agile, Innovative Culture

### The Evolving Role of Today's CIO

Digital transformation has driven massive change across industries, and in its wake, a new crop of CIOs is poised to transform the business. Amid shifting market conditions, CIOs are working to align technology with business goals and make their organizations responsive. Whether it's quickly bringing modern applications and products to market, improving employee experiences, or transitioning from physical resources to virtual tools, today's CIOs must not only meet current needs, but also cast a big vision for the future.

At a time when digital disruptors are battling established enterprises for market share and competitive advantage, it's clear that the old ways of doing business simply don't work anymore. The ability to harness the power of people, technology, and strategy is not simply a nice-to-have; it's essential. Every CIO wants to connect their legacy infrastructure with modern technologies, maximize their investments, create new market opportunities, and grow revenues.

How these goals take shape will look different based on the industry, the maturity of the business, and its goals. But for CIOs at any stage of the transformation journey, it's not easy to make choices that fit within current constraints, while also providing a solid foundation for future innovation.



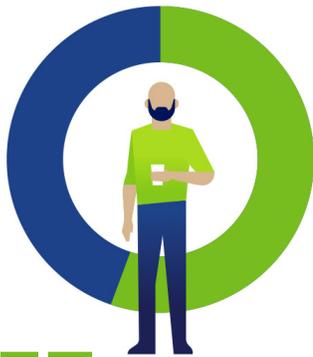
**88%** OF CIOs expect to be responsible for revenue generation within the next year.<sup>1</sup>

1. IDC Report, sponsored by VMware, "Building a Successful Digital Strategy Report", 2019

## What does the modern CIO need to know?

Several common obstacles on the path to business transformation can cause delays, frustration, and a diminished capacity to compete.

1. The fast pace of technical advances across disciplines
2. A lack of visibility and buy-in across leadership
3. Inadequate focus on customer experience
4. A growing IT talent gap
5. The complexity of integrating newer systems with legacy infrastructure



**57%** OF CIOs reported that their top drivers for automation were to remove defects, reduce time, and improve the quality of services for internal processes.<sup>2</sup>

## CIOs Transforming IT and the Business Face 5 Major Challenges

Even as CIOs strive to drive transformation efforts, similar roadblocks consistently get in the way. Understanding what they are and how to get around them can make all the difference between moving forward or failing to gain momentum.

### 1. The fast pace of technical advances across disciplines

As the pace of change and innovation continues to increase, CIOs must adapt quickly and confidently. It can feel like an abrupt transition from the slower, more predictable cycles of traditional business, but it's necessary. The key? Balancing the need for speed with the risk of rushing too fast and making poor investments or betting on the wrong opportunity. Here are a few ways to tackle this challenge—without compromising anywhere else:

- **Build internal teams and structures to enable speed.** It's no secret that silos cause delays and resource-intensive coordination. CIOs must oversee the effort to build trusted multidisciplinary teams, and task them with moving quickly and keeping the whole picture in mind. Investing in automation is another way to gain speed, as it eliminates repetitive manual tasks that gobble up valuable time. Freeing employees from these tasks encourages innovation, cross-departmental collaboration, and new skill development.
- **Adopt a leaner, more agile approach.** CIOs can learn from established agile approaches to incorporate faster action across IT teams. A few principles: Start small, prototype and test concepts quickly, and capture key learnings along the way. Smaller, rapid-fire projects can help you identify promising ideas faster, without spending months of time and budget on things that may ultimately not work out.
- **Use software-defined infrastructure to scale faster.** On its own, legacy infrastructure is slow, inefficient, and expensive. CIOs can accelerate innovation and maximize their existing investments by integrating software-defined infrastructure that streamlines management, improves application performance, and keeps data, users, and devices more secure.

2. Grant Thornton, CIOs as Trusted Business Partners, 2019 CIO Survey



Today's CIOs need to be focused on what end users want and need.

## 2. A lack of visibility and buy-in across leadership

When business leaders aren't closely aligned, it hampers the pace of digital transformation. But when the C-suite and company leadership share common goals and expectations, it has an exponential effect. Not only does cohesive communication among leaders set a great example for employees, but it also keeps the entire business moving as a unified whole. To overcome this challenge, strive to:

- **Build trust with executives and business leaders.** Transformation doesn't happen without transparency—and it's crucial for CIOs to develop a deep level of trust within their organization by being open and candid. Setting the right expectations at the start, demonstrating the value of IT, and following through on promises are all critical to trust-building.
- **Make transformation a shared objective.** Effecting change is not a one-person or single department task. CIOs should push to keep it top of mind for all leaders. Everyone needs to be on board and ready to take on both the challenges and opportunities that lie ahead.
- **Set expectations for what business transformation means.** Things change drastically as the business becomes more digitized, and not everyone knows what that will look like. It's important for CIOs to address what these initiatives mean from organizational, budgetary, and workflow perspectives. Keeping everyone informed will help ease the transition and avoid communication breakdowns.

## 3. Inadequate focus on customer experience

Many IT organizations take a technology-first perspective; but today, that can be a liability. Today's CIOs need to be obsessed first and foremost with what end users want and need. Without that focus, it's easy to waste significant amounts of time and money on products or services that don't get adoption or engagement. This can greatly hamper digital transformation efforts, putting you months or years behind. Here's how to avoid that:

- **Cultivate an internal customer-first culture.** Changing the focus from technology deliverables to end-user success won't happen on its own. Modern CIOs must make customer-focused outcomes a common goal across teams, aligning people around a shared purpose.
- **Build in feedback loops.** Digital transformation has given organizations the ability to see exactly what their end users are saying in real time—yet in a recent Forrester survey, only 21% of developers reported that their teams employ automated measurement to find out how customers use features and how frequently they use them.<sup>3</sup> CIOs must prioritize this feedback cycle, creating an organizational habit of using data to make more informed decisions.
- **Prototype, test, and prototype again.** By introducing prototypes and testing reactions and engagement, IT organizations can more quickly determine if their ideas are valid. Virtualization and automation work in harmony to allow developers to test, create, and deliver products that are ultimately what the market wants.

3. Forrester, Digital Transformation Requires Development Transformation, 2019

“Getting to that place of empowerment for many, many teams was scary. Because they were used to being told what to do and how to do it. Now we’re stepping back and saying look, the what is just what we want to achieve. You’ve got to figure out the how.”

VIPUL NAGRATH  
CIO, ADP

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#### 4. A growing IT talent gap

IT leaders are well aware of the growing talent shortage, which has been magnified by a range of new skills needed to keep pace with emerging technologies such as cloud, IoT, and AI. When making new hires is not a dependable strategy, what can CIOs do? Look inside:

- **Encourage new ways of working.** Collaboration across departments might not come naturally to traditional teams—but it’s critical to staying ahead. The more information teams have about how the organization works as whole, the better they can reach common goals.
- **Work on increasing retention.** Between the talent shortage and the expense of getting new workers up to speed, it only makes sense to invest in people who are already there. Invest in their professional development—and create a harmonious working culture. Studies have shown that people don’t leave companies—they leave bosses. Making people feel valued, appreciated, and heard can create almost immediate change.
- **Outsource when needed.** Your team knows your business best, but when they need support, outside help can be a lifesaver. For instance, automating or outsourcing the tasks associated with deploying, maintaining, and updating IT products can allow internal IT personnel to focus on more strategic tasks, such as service creation and data management. In addition, qualified professionals can offer much-needed perspective on how your business is doing—and what you could do differently to make it even better.

#### 5. The complexity of integrating newer systems with legacy infrastructure

Business transformation isn’t possible without big changes in the technical infrastructure—but you don’t need to rip out all legacy systems and leave them behind. A smarter approach is to figure out how to maximize existing investments while integrating newer solutions and making transition plans. Today’s CIOs should:

- **Plan for ongoing modernization.** It’s clear that digital transformation will continue to play a key role in how businesses serve their customers. A savvy approach will allow you to evolve at your own pace—and get the most value out of what you spend, in both dollars and results.
- **Combine long-term vision with short-term plans and successes.** Long-term plans and roadmaps can backfire in an era of rapid technical transformation. CIOs should know where they want to go, while avoiding the trap of looking too far ahead. Software-defined solutions allow organizations to maintain the flexibility required to make quick changes without sacrificing the bigger picture.
- **Incorporate both legacy and modern software in your plans.** Many organizations have made a significant investment in legacy software—and there’s no reason to waste it. Physical infrastructure is a valuable resource for software-based solutions—and using them together can result in a powerful foundation for delivering great results.

### It's Not Easy, But It's Worth It

Transforming IT and the business is a daunting challenge, but today's CIOs are primed to make it happen. They also know that pushing for internal change, adopting new technologies, and developing innovative strategies isn't enough. Ultimately, success is rooted in people and their ability to embrace new ways of thinking. When everyone is aligned around the same goals, they can overcome obstacles, and realize the vision on the other side.