

Gartner®

1H26

The CIO Report

Gartner answers top
CIO questions.

About this report

CIOs face a massive convergence of pressures, from scaling enterprise AI and controlling dynamic cloud consumption to protecting the organization from increasingly sophisticated cyberthreats.

This report highlights the top questions CIOs are currently asking Gartner and provides actionable insights to help you navigate the year ahead.

Top 3 questions we're hearing from CIOs right now:



How can we responsibly scale GenAI and automation across the enterprise?



How do we optimize our AI cloud investments and manage costs effectively?



How do we protect our organization from increasingly sophisticated cyberthreats, including AI-driven attacks?

 CIO Question

How can we responsibly scale GenAI and automation across the enterprise?


72%

of CEOs identify AI as their primary driver of growth, placing new pressure on CIOs to accelerate enterprisewide AI value realization.


71%

of CIOs struggle to prioritize the AI use cases that will deliver measurable business outcomes.


83%

of CEOs are increasing investment in AI, but progress is stalling as enterprises fail to convert experimentation into production-scale value.


59%

of AI initiatives fail to make it into production, leaving substantial value unrealized across the enterprise.

Related questions we're answering from your CIO peers:

1. What strategies can ensure data privacy and security when scaling GenAI solutions?
2. How do we align GenAI initiatives with our organization's overall digital transformation strategy?
3. How can we monitor and evaluate the long-term impact of GenAI on business outcomes and organizational culture?

“My interactions with Gartner analysts stand out [as] some of the most valuable experiences. Their expertise and insights have helped us shape our digital initiatives and achieve a highly optimized GenAI deployment.”

**Süleyman Tosun, IT Strategy & Governance Director
Aydem Holding A.S.**

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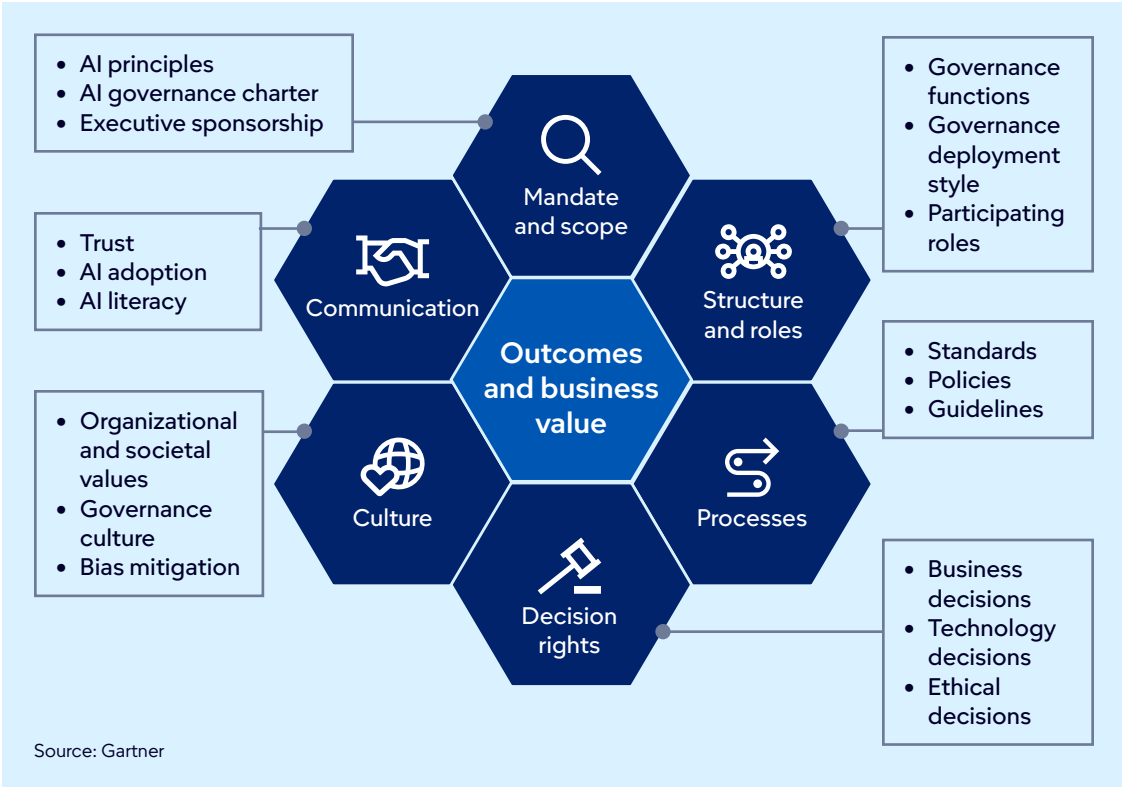
Scale GenAI responsibly by unifying platforms, prioritizing value and embedding governance.

Most organizations still struggle to prioritize impactful use cases. CIOs must urgently shift from fragmented AI pilots to a unified enterprise platform that eliminates bottlenecks and enables scalable value delivery.

AI investment is accelerating, but **59% of initiatives fail to reach production**. CIOs cannot afford slow or unfocused execution. Scaling responsibly now requires adaptive governance that keeps pace with rising risks, costs and regulatory expectations. AI must be treated as a living product – continuously monitored, refined and improved – to avoid value erosion over time.

CIOs must also measure outcomes, not activities, and tie AI directly to cost, revenue and productivity. Those who act decisively will convert AI ambition into enterprise-level returns, while others risk falling further behind as the AI value gap widens.

Extend a common governance framework to AI: Where to focus



 Sample Action Plan

How Gartner works with CIOs to optimize AI cloud investments and manage costs effectively

Steps	Expected outcome	Gartner-supported actions
1. Align leadership and stakeholders.	Unified AI vision, reducing fragmentation	<ul style="list-style-type: none"> • Executive Partner facilitates alignment workshops . • Use Gartner Executive Presentations to brief C-suite. • Leverage Gartner Peer Community™ for peer comparisons.
2. Prioritize high-value use cases.	Evidence-based, ROI-aligned AI portfolio	<ul style="list-style-type: none"> • Use AI Use Case Insights to discover, evaluate and prioritize. • Launch AskGartner to examine implications quickly. • Apply AI Maturity Assessment to check readiness.
3. Build governance and risk controls.	Responsible, compliant AI adoption	<ul style="list-style-type: none"> • Deploy AI Governance Accelerators. • Request one-on-one analyst inquiry on TRISM. • Use Gartner templates and toolkits to codify governance.
4. Plot and scale via enterprise AI platforms.	Faster time-to-value with less risk	<ul style="list-style-type: none"> • Apply Gartner roadmap templates. • Utilize an Executive Partner to structure pilot criteria and risk thresholds. • Compare approaches with Gartner Peer Insights™ case examples.
5. Measure outcomes and refine.	Demonstrated AI value and continuous improvement	<ul style="list-style-type: none"> • Implement AI Maturity Assessment to track progress. • Use AskGartner for on-demand KPIs and next steps. • Work with an Executive Partner to articulate value story to board.

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 Essential Leadership Roles

Below is the full ecosystem of leaders and required actions for successfully and responsibly scaling GenAI across the enterprise.

Leadership group	Who	Required actions
Enterprise AI strategy	CIO	Own AI vision, governance, platform decisions and value metrics.
Data, architecture and platforms	CDAO, EA, I&O	Ensure data readiness, integration patterns, infrastructure capacity and alignment to future-state architecture.
Governance, risk and security	CISO, legal/compliance	Implement TRiSM, model security, transparency and regulatory/ethical alignment.
AI delivery and scaling	SWE and apps leaders, PPM	Build AI-enabled applications, operationalize pilots, track adoption and outcomes.
Business process and outcomes	COO, BU leaders	Redesign workflows, drive adoption and co-own business impact of scaled AI.
Funding and investment	CFO, procurement	Govern AI financials, ROI frameworks and technology/vendor ecosystem decisions.
Workforce and change	CHRO, CIO	Lead AI literacy, reskilling, workforce readiness and change management.
Enterprise alignment	CEO	Maintain cross-leadership AI alignment and ensure AI supports enterprise strategy.

 CIO Question

How do we optimize our AI cloud investments and manage costs effectively?


81%

of enterprises plan to increase AI funding in 2026, but spending is outpacing traditional budgeting.


14%

of traditional IT spend occurs outside the CIO budget, creating blind spots in AI and cloud consumption.


25%

of business unit employees now perform tech-related work, which decentralizes and obscures AI cloud costs.


63%

of CIOs expect the bar for financial accountability to rise by 2027, making uncontrolled AI cloud consumption a strategic risk.

Related questions we're answering from your CIO peers:

1. How can we identify and eliminate inefficiencies in our AI cloud spending?
2. What tools and metrics should we use to monitor and control AI cloud costs?
3. What are best practices for forecasting and budgeting AI cloud expenses?

“We had a large contract we sent out and we used [Gartner] cost optimization team to help us save a million dollars on that contract.”

**Dalen Copeland, Vice President,
Digital Technology, EDF Renewables**

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Optimize AI cloud investments by treating cost as a strategic, always-on discipline.

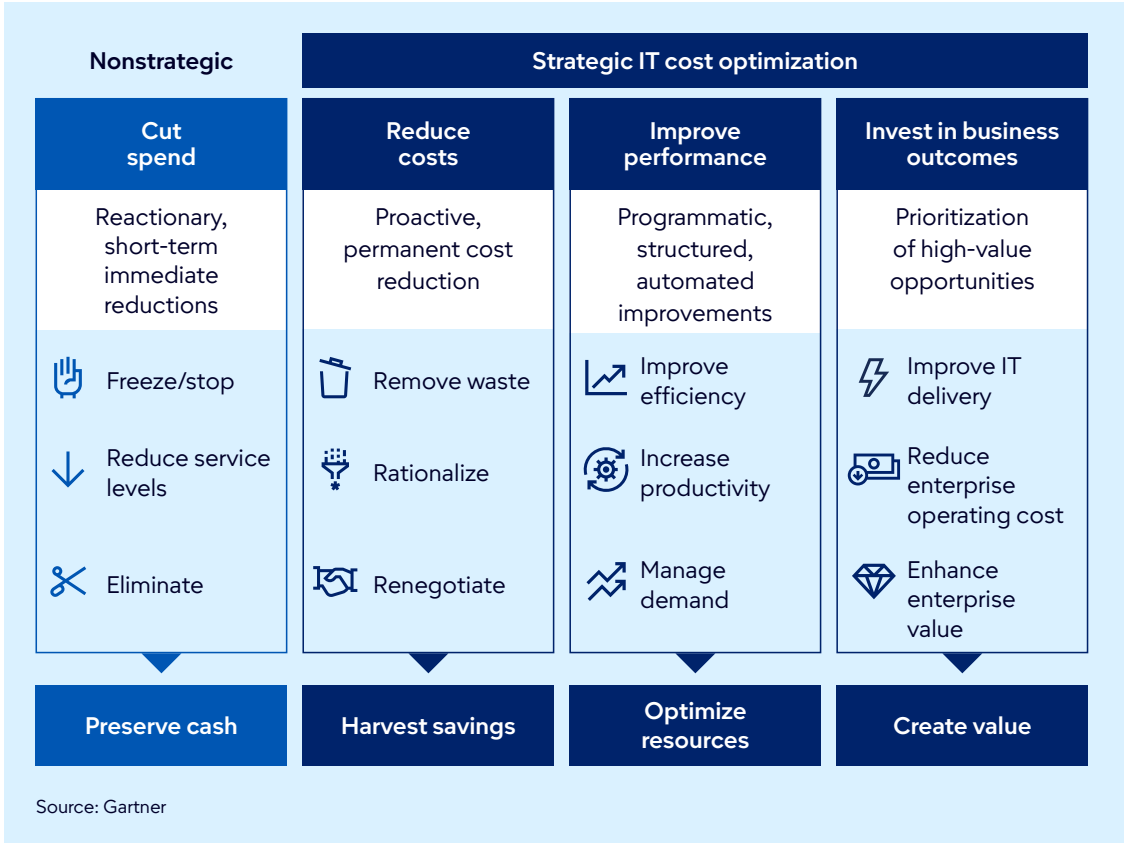
CIOs must shift from episodic cloud cost control to a strategic, always-on discipline as AI consumption accelerates and decentralized spending creates blind spots across the enterprise.

Eighty-one percent of enterprises plan to increase AI funding, yet dynamic, unpredictable cloud usage threatens budgets and obscures ROI. To respond, CIOs must gain complete visibility into all AI and cloud spend, unify FinOps and governance, and enforce real-time accountability across IT and business units.

CIOs must also optimize engineering choices — right-sizing models, reducing overconsumption and consolidating platforms — to improve cost-to-value ratios.

Finally, every dollar saved must be strategically redirected into high-value digital and AI investments to strengthen enterprise competitiveness. Those who master cost as a growth lever will scale faster. Those who rely on reactive cuts will fall behind.

The Gartner Strategic Cost Optimization Framework



 Sample Action Plan

How Gartner works with CIOs to optimize AI cloud investments and manage costs effectively

Steps	Expected outcome	Gartner-supported actions
1. Establish full visibility of AI and cloud spend.	Unified view of enterprise cloud and AI consumption across IT, business units and shadow spend	<ul style="list-style-type: none"> • Use the Budget & Efficiency Benchmark to surface blind spots and cost drivers. • Leverage AskGartner for rapid insights into cost levers and prioritization. • Use Gartner Executive Presentations to align leadership on transparency needs.
2. Implement an always-on FinOps and governance model.	Real-time cost control and reduced value leakage	<ul style="list-style-type: none"> • Deploy Gartner FinOps and Cloud Governance Accelerators. • Run analyst inquiries to define consumption policies and tagging standards. • Apply Gartner toolkits to integrate FinOps into cloud and AI workflows.
3. Optimize architecture, engineering and unit economics.	Lower cloud/AI costs through smarter engineering choices	<ul style="list-style-type: none"> • Use Gartner best practices to right-size models, storage and GPU/CPU configuration. • Leverage Peer Insights to compare cloud provider pricing and architecture. • Use AI Use Case Insights to avoid overengineering low-value use cases.
4. Reinforce demand discipline across IT and the business.	Reduced overconsumption and more efficient resource usage	<ul style="list-style-type: none"> • Executive Partner facilitates cross-functional cost-ownership workshops. • Apply Gartner scenario planning templates to set thresholds and triggers. • Use Gartner benchmarks to guide utilization and efficiency targets.
5. Reinvest captured savings into high-value digital and AI bets.	Sustainable, strategic funding for enterprise AI and transformation initiatives	<ul style="list-style-type: none"> • Use Gartner ROI/value frameworks to identify reinvestment candidates. • Work with an Executive Partner to build board-ready value stories. • Leverage Gartner roadmaps to accelerate funded initiatives.

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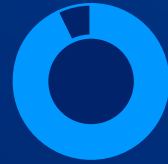
 Essential Leadership Roles

Below is the full ecosystem of leaders and required actions for optimizing AI cloud investments and managing costs.

Leadership group	Who	Required actions
Cost strategy and governance	CIO	Lead always-on cost management discipline, align spend to strategy and enforce transparency and accountability across IT and business units.
Financial oversight and value realization	CFO	Co-own ROI frameworks, validate funding models and ensure enterprisewide economic discipline for cloud and AI investments.
Cloud architecture and SWE and apps leaders	I&O, EA, SWE and apps leaders	Optimize architecture, right-size resources, eliminate waste and ensure infrastructure readiness for AI workloads.
Cloud consumption governance	FinOps, procurement, vendor management	Track and govern cloud and AI usage, negotiate contracts and reduce overconsumption, enforce tagging, policies and controls.
Operational adoption and efficiency	COO, business unit leaders	Manage decentralized tech spend, adopt disciplined usage practices and partner with CIO to prevent shadow consumption.
Data, visibility and reporting	CDAO, finance analytics	Provide unified spend visibility, cost drivers, benchmarks and insights for decision making.
Workforce and change management	CHRO, CIO	Develop FinOps and cloud-cost literacy and embed new behaviors, and drive adoption of consumption discipline.
Enterprise alignment and accountability	CEO	Maintain leadership alignment on cost as a growth lever and reinforce businesswide responsibility for value-aligned spending.

 CIO Question

How do we protect our organization from increasingly sophisticated cyberthreats, including AI-driven attacks?



93%

of nonexecutive board members view cybersecurity as a threat to shareholder value, making defensibility a top priority.



77%

of CIOs cite security and risk as the biggest barriers to scaling autonomous technologies.



80%

of network detection and response solutions will integrate unified telemetry and automated response by 2028, raising expectations for proactive defense.



\$2.4B → \$3.4B

Projected cybersecurity market growth from 2026 to 2029, underscoring rapid threat evolution and investment pressure.

Related questions we're answering from your CIO peers:

1. How can we proactively detect and respond to emerging AI-powered cyber threats?
2. What security frameworks and best practices should we adopt to defend against advanced cyberattacks?
3. How can we leverage AI and automation to strengthen our organization's cyber defenses?

“Gartner support in developing our strategy in the security segment, including the establishment of our cyber defense center, has been instrumental in our success.”

Jochen Borenich
Member of the Executive Board, Cancom

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Protect the enterprise by shifting from reactive defense to proactive, business-aligned cyber resilience.

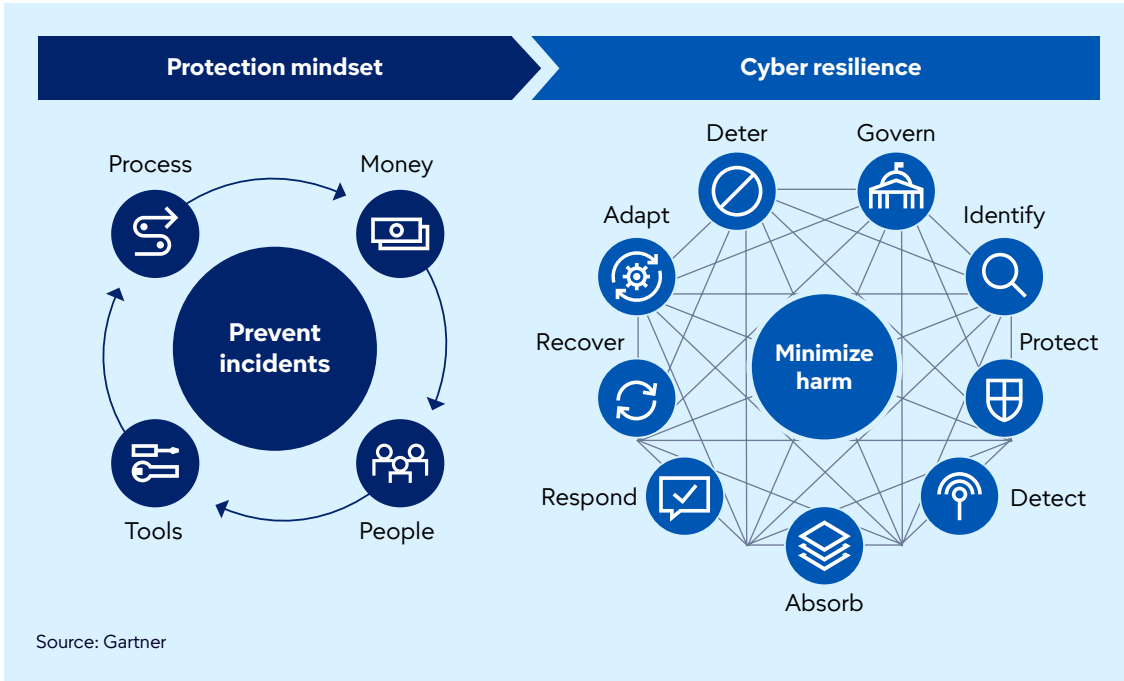
As AI-enabled threats accelerate and attack surfaces expand, CIOs must pivot from reactive security to proactive, intelligence-driven cyber resilience.

Ninety-three percent of boards see cybersecurity as a threat to shareholder value, forcing CIOs to treat protection as a strategic business outcome, rather than a technical function.

To keep pace with autonomous attacks, CIOs must modernize security foundations, unify telemetry, automate response and embed AI-specific risks into enterprise governance. With deepfakes, embedded AI and shadow AI proliferating, continuous monitoring and adaptive controls are mandatory.

CIOs must also clarify protection-level expectations and align leaders on risk appetite, investment levels and response responsibilities. Those who take a proactive, business-aligned approach will preserve trust, protect revenue and enable AI-driven growth, while others face rising systemic risk.

The Gartner Cyber Resilience Framework



 Sample Action Plan

How Gartner works with CIOs to strengthen cybersecurity and defend against AI-driven threats

Steps	Expected outcome	Gartner-supported actions
1. Assess security posture and AI threat landscape.	Clear understanding of vulnerabilities, shadow AI and systemic exposure	<ul style="list-style-type: none"> Use Cybersecurity Business Value Benchmark to baseline protection levels. Leverage AskGartner for rapid threat insights. Conduct analyst inquiry on AI risk scenarios.
2. Build a modern, AI-ready cybersecurity foundation.	Updated architecture and controls that support autonomous workflows	<ul style="list-style-type: none"> Deploy mesh-based architecture frameworks. Apply Security Accelerators for identity-first and zero-trust design. Use Gartner templates to document protection-level agreements (PLAs).
3. Implement advanced detection and autonomous response.	Faster detection, reduced dwell time and automated containment	<ul style="list-style-type: none"> Use analyst inquiries for NDR/EDR solution guidance. Apply Gartner roadmaps for telemetry unification. Benchmark response performance vs. peers.
4. Establish shared governance and security accountability.	Enterprise alignment on risk appetite, reporting and escalation	<ul style="list-style-type: none"> Executive Partner facilitates cross-functional cybersecurity council. Use Gartner Executive Presentations for board alignment. Apply outcome-driven metrics (ODMs) to communicate value.
5. Continuously test, learn and adapt defenses.	Resilient, evolving defense posture against emerging attacks	<ul style="list-style-type: none"> Leverage adversarial AI testing methods. Use threat intelligence feeds and Gartner insights for pattern tracking. Refresh ODMs and PLAs on a regular cadence.

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 Essential Leadership Roles

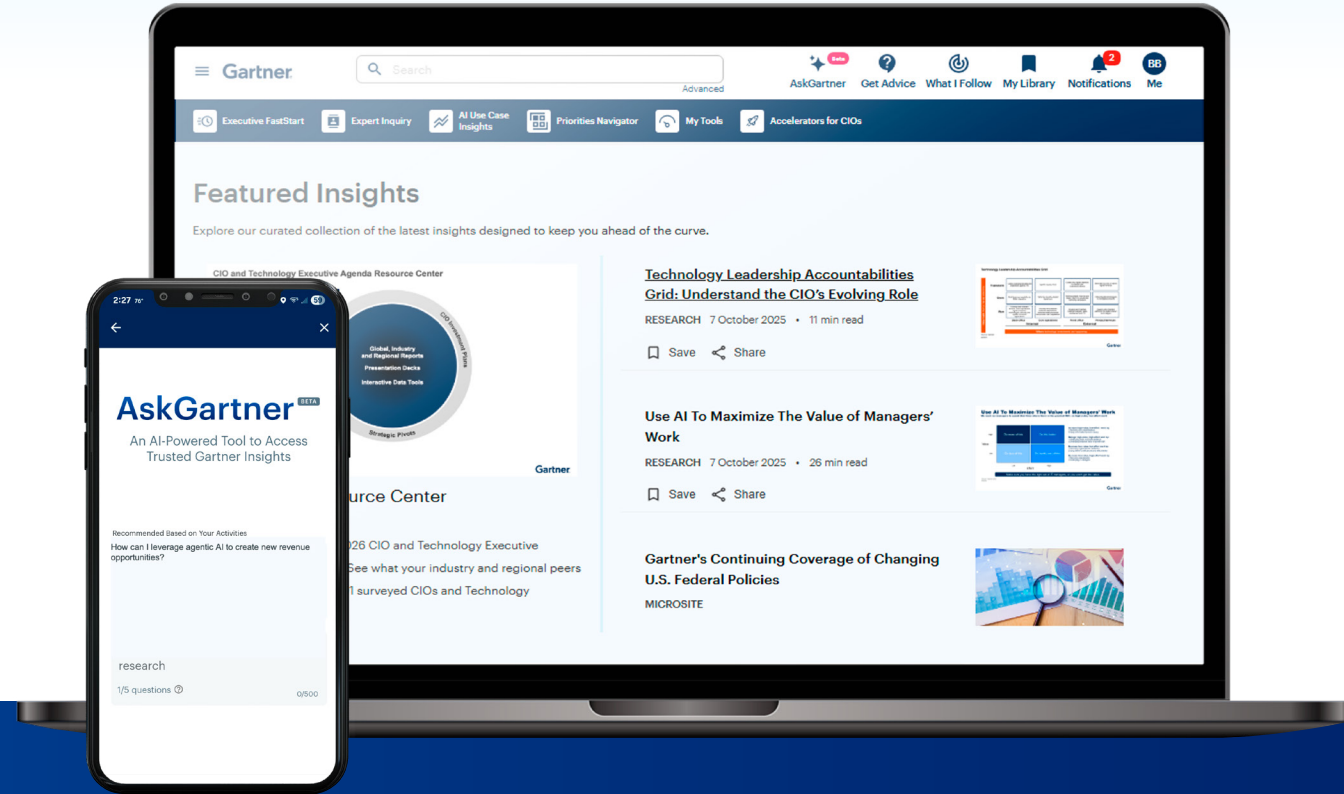
Below is the full ecosystem of leaders and required actions for strengthening cybersecurity and defending against AI-driven threats.

Leadership group	Who	Required actions
Cybersecurity strategy and alignment	CIO, CISO	Define cybersecurity strategy, align protection levels to business outcomes and unify messaging to board.
Threat detection and response	Security ops, I&O	Deploy telemetry, automate detection, manage response operations and harden infrastructure.
AI risk and governance	CDAO, legal/compliance	Identify AI-specific risks, govern embedded/shadow AI and ensure regulatory adherence.
Architecture and platform resilience	EA, SWE and apps leaders	Modernize architecture, implement zero-trust and mesh framework, and reduce technical debt.
Business continuity and process integrity	COO, BU leaders	Drive operational readiness, embed secure workflows and manage cross-functional risk exposure.
Investment and value oversight	CFO	Govern cybersecurity investment, evaluate ROI and ODMs, and secure funding for proactive controls.
Workforce readiness and culture	CHRO	Lead security awareness, training and behavioral adoption across the enterprise.
Enterprise alignment and governance	CEO	Reinforce cybersecurity as a business imperative, and sustain cross-leadership commitment.

Trusted insights for CIOs and their teams

Artificial intelligence is reshaping how CIOs deliver value, cybersecurity threats continue to grow, and cost optimization pressures challenge future investments. Every decision matters more than ever, making trusted insights essential.

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Gartner empowers CIOs to make faster decisions that:



Drive growth

Make technology investments that position IT as a strategic growth driver for the organization.



Mitigate risks

Anticipate market shifts, stay ahead of threats, avoid strategic pitfalls and challenge their thinking.



Reduce costs

Implement new efficiencies, better evaluate technology purchases and negotiate more successful deals.

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