

# **The CIO's Role in Preparing for Digital Business Acceleration**

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Initiatives: [CIO Role Evolution](#)

The pandemic has motivated enterprise leaders to accelerate digital business initiatives. Yet, many organizations are not well-prepared. CIOs can play a critical role by executing five initiatives to prepare enterprise leaders and teams to pursue digital business acceleration successfully.

## Overview

Over 70% of senior leaders recognize digital technology as integral to revenue achievement, product development, customer engagement and advancing strategic operational processes (see ["4 Scenarios for How Technology Leadership Will Be Distributed in 2025"](#)). Achieving digital maturity has proven challenging for the majority of organizations. In the ["2020 CIO Agenda: Winning in the Turns,"](#) 60% of respondents indicated their enterprises had not yet reached digital maturity. Meanwhile, seven in 10 boards of directors indicate they will act to accelerate their digital initiatives (see ["Survey Analysis: Board Directors Say Pandemic Drives Increased Investments in IT"](#)). How will those enterprises still working to achieve maturity be able to meet the direction of their boards?

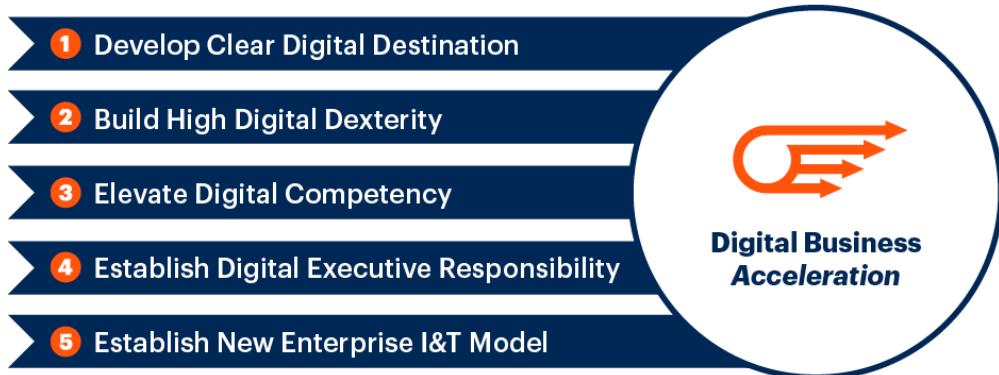
Gartner defines digital business acceleration as “execution at speed” which requires delivering digital initiatives faster which in turn requires changing many aspects of the current digitalization approach. To be able to step on the digital gas pedal, senior executives must ensure they and their organizations are ready. To contribute to the needed preparation, CIOs can assume new roles and responsibilities. They can partner with the C-suite to elevate leadership abilities and enterprise competencies and begin serious work to develop and deliver a new enterprise information and technology (I&T) delivery model. Gartner research has identified five key initiatives CIOs can lead to prepare leaders and teams for digital business acceleration (see Figure 1):

- **Develop a Clear Digital Destination** – Develop, refine or expand digital ambitions and develop digital narratives to focus the enterprise.
- **Build High Digital Dexterity** – Make C-suite a priority and collaborate to advance.
- **Elevate Enterprise Digital Competency** – Assess and develop actions to achieve needed competencies.

- **Establish and Distribute Executive Responsibility and Accountability** – Define and distribute executive responsibilities to build and manage the digitized enterprise.
- **Establish a New Enterprise I&T Model** – Implement cross-cutting technology, integration platforms and security capabilities and services, provided by IT organizations, to support the digitized enterprise.

**Figure 1. CIO Contributions to Accelerate Digital Business**

### **Five Initiatives to Prepare the Enterprise for Digital Business Acceleration**



Source: Gartner  
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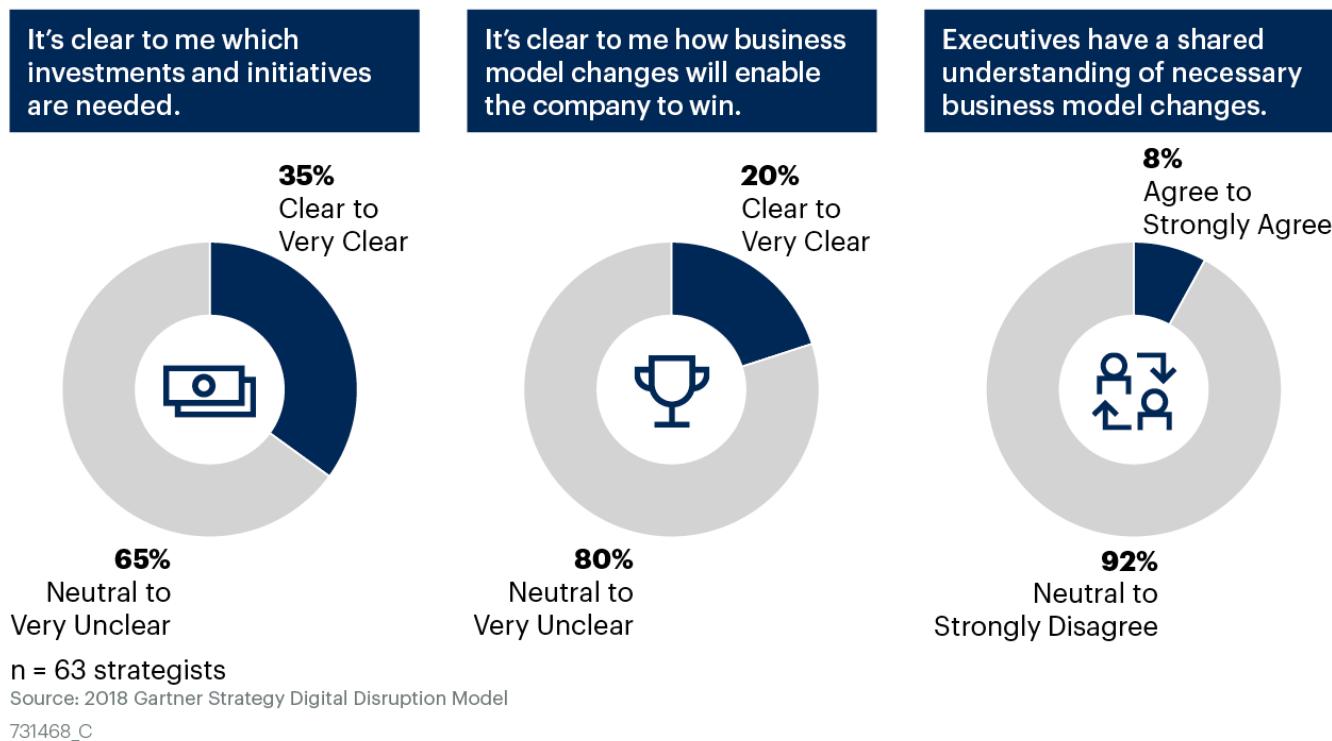
This is a major opportunity for all CIOs. CIOs seizing the opportunity to enable accelerators, will elevate their value as a C-suite member, expand their executive responsibilities and position themselves for greater opportunity when the enterprise reaches its digital destination.

#### **Develop a Clear Digital Destination**

Acceleration is possible only if you know your destination. If you don't know where you want to go it is hard to plan the fastest route. A Gartner survey of business strategists indicates a significant lack of clarity is holding back digital acceleration (see Figure 2 and "[Using Digital Business Narratives to Speed Digital Business Transformation](#)").

Figure 2. Organizations Are Missing Digital Clarity

## Organizations Are Missing Digital Clarity



To provide clear digital direction, executive leaders should:

- Define the scope of future business model changes.
- Clarify intended pacing, sequencing and phasing of change based on anticipated cadence of industry disruption, maturation and ability to develop enterprise strengths for success.
- Identify and address constraints in digital business model maturity analysis and digital dexterity assessments.
- Establish what digitalization means for executive and employee responsibilities and skills profiles.
- Craft and communicate the digital acceleration story enterprisewide and for the board of directors and investors.

CIOs can achieve destination clarity with three key actions:

1. Develop positions, options and useful information to support collaboration.
2. Initiate a series of strategic conversations with key CxO leaders to develop individual understanding and ambition.

3. Lead the C-suite and other leaders to construct digital narratives to make decisions, convey a consistent view of the digital destination and highlight what changes leaders and teams must execute to accelerate digital.

The objective of interaction is to engage, educate and explore proven digital options relevant to each stakeholder and together develop clear narratives on how to use digital to:

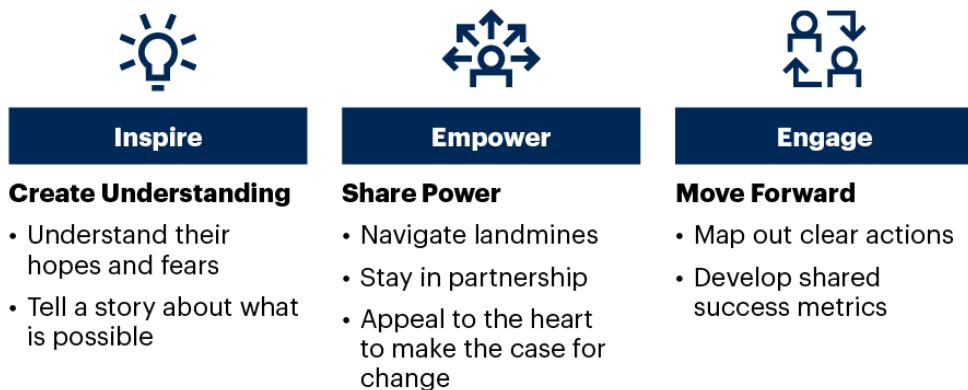
- Increase revenue and value
- Exploit ecosystem opportunities
- Optimize current business models
- Develop new platform-based business models

As a first step, CIOs can prepare themselves to lead by leveraging “[6 Methods to Earn New Digital Revenue](#)” and “[Eight Ways Ecosystems Supercharge Business Models](#)” to develop core topics and establish ideas and proposals to generate effective conversations and develop digital recommendations. When well-prepared, CIOs can take the second step and collaborate with key CxOs (ideally CxOs who have higher digital dexterity and recognize the opportunities of expanded digitalization) with three goals in mind.

First, seek to **create understanding** of their concerns and ambitions. Second, determine how to **share power** by establishing a solid partnership agreement on how IT and their leadership team will work together. Third, **move forward** by defining actions for the CxO and the CIO to accelerate the process (see Figure 3 and “[The 5 Conversations CIOs Must Have to Support Digital Business Acceleration](#)” for additional recommendations and guidance.)

**Figure 3. Three Goals of a Digital Conversation**

### **Three Goals of a Digital Conversation**



Source: Gartner  
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After laying this important groundwork with individual CxO stakeholders, CIOs are ready to work with the entire senior team to construct complete digital narratives that provide clarity of ambition, identify future direction, and define the digital destination.

CIOs should use digital narrative development workshops for this effort and work to promote alignment of responsibilities to deliver the digital ambitions and support communications to external customers and internal clients across the enterprise. They must educate everyone in support of driving culture changes.

CIOs can develop a digital narrative to contribute to digital acceleration:

- Establish a cross-functional group of leaders to help outline the organization's transformation potential
- Gather input from a broad range of employees to ensure the narrative is relevant and captures implications for employees' workflows
- Provide communication resources, tools and guidance to ensure the narrative is broadly used

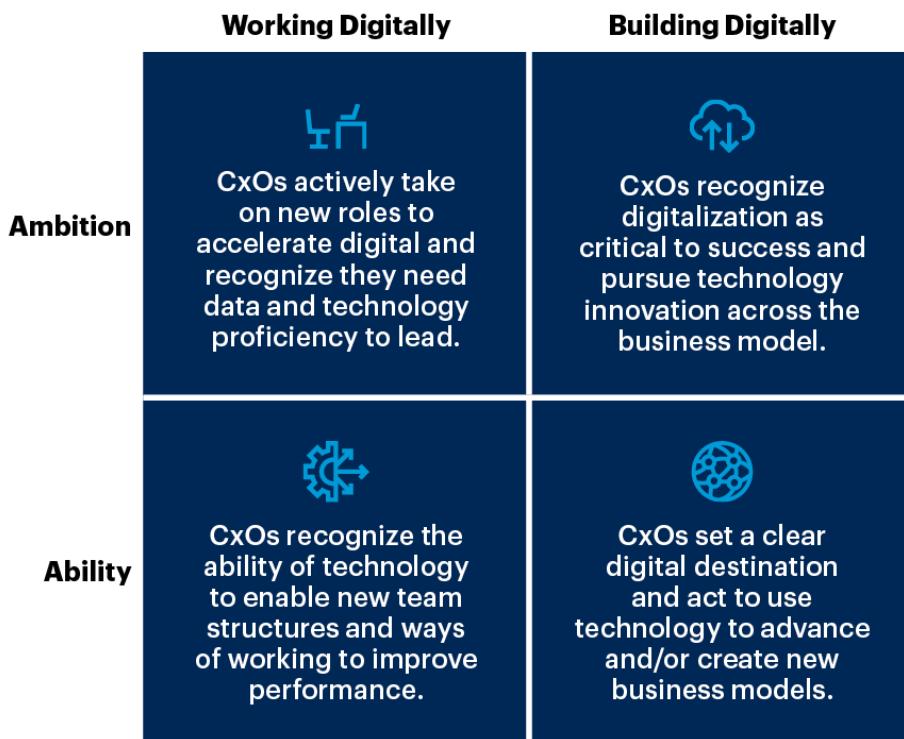
See "[Using Digital Business Narratives to Speed Digital Business Transformation](#)" for full guidance and tools to lead this effort.

## Build High Digital Dexterity

To accelerate digital business, the senior team must have high levels of digital dexterity — a measure of ambition and ability to build digitized enterprise and work effectively in the digitized enterprise (see Figure 4 and "[Building Employees' Digital Dexterity: A Key Capability for Future Business Success](#)" for a complete listing of digital dexterity elements).

Figure 4. Four Elements of Digital Dexterity

## Four Elements of Digital Dexterity



Source: 2018 Gartner Digital Dexterity Survey

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When executives have high digital dexterity, digital success is 3.3 times more likely (see “[Making Digital Dexterity a Leadership Priority: 3 Ways for Leaders to Build a Digitally Dexterous Workforce](#)”). Unfortunately, when Gartner measured digital dexterity in nearly 3,500 employees and leaders in 2018, we found just 16% of leaders and 9% of all employees have high digital dexterity. This is insufficient to support digital acceleration.

CIOs in organizations with low executive digital dexterity can act to elevate CxO digital dexterity in the following ways:

- **Add digital dexterity to the leadership repertoire and actively work to model digitally dexterous behaviors.** Demonstrate expected behaviors, including openness toward innovation and risk taking to:
  - Pursue digital business opportunities
  - Drive a mindset of continuous improvement
  - Adopt more inclusive, collaborative and cross-functional ways of working
- **Flex operations such as workflows, incentives and budgets to foster, not hamper, digital dexterity.** Partner with other IT and business leaders to ensure that workflows, incentives, budget

and policies support and promote digital dexterity.

- **Leverage digital narrative development.** Lead the development process with CxOs to educate and exercise digital understanding and decision making.

See “[Making Digital Dexterity a Leadership Priority: 3 Ways for Leaders to Build a Digitally Dexterous Workforce](#)” for detailed recommendations and guidance on techniques to build executive digital dexterity.

## Elevate Enterprise Digital Competency

Clearly if you step on the accelerator pedal but don't have the right engine, you don't get acceleration. To accelerate digital business, the enterprise must have the right capabilities in place or in development. Gartner research has identified a set of nine digital business competencies required to achieve digital business success (see Figure 5).

**Figure 5. Nine Digital Business Competencies**

### **Nine Digital Business Competencies**



Source: Gartner  
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Unfortunately, many Gartner clients who have taken Gartner's digital business maturity model analysis place themselves at an "intermediate level" of maturity; which is typically insufficient to achieve digital acceleration. CIOs can lead the effort to identify which competencies are accelerators and develop plans to improve competencies:

- Organize workshops with senior leaders, key managers and teams to:
  - Explore the stated digital narratives and identified ambitions and compare each of the nine digital business competency areas to determine which competencies are critical to achieving digital success and which are needed to accelerate digital efforts.
  - Take the assessment with key focus on competencies identified as critical.
- Synthesize and socialize the assessment findings to establish areas of strength and weakness.
- Explore actions identified in the Gartner framework needed to advance required capabilities.
- Develop improvement roadmaps and investments to advance identified capabilities.

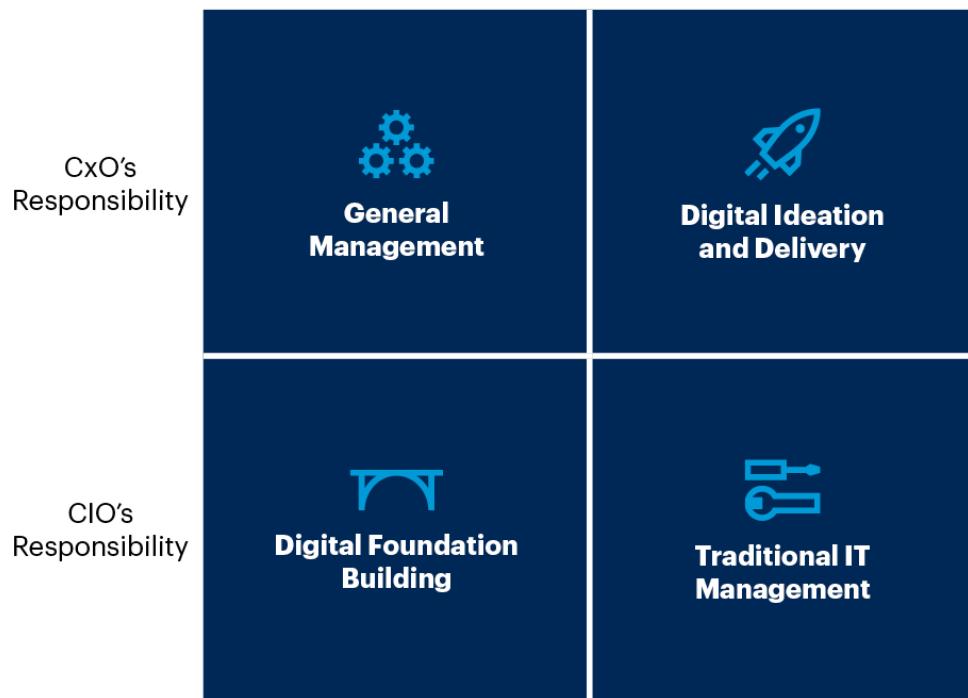
See "[The Current State of Digital Business Maturity](#)" for additional recommendations and guidance on elevating digital business competencies.

### **Establish and Distribute Executive Responsibility and Accountability**

Running a digitized enterprise changes the job descriptions of every C-suite member, including the CIO. Gartner has identified four key areas of executive responsibility necessary to running a digitized enterprise (see Figure 6).

Figure 6. Executive Responsibilities Required for a Digitized Enterprise

## Executive Responsibilities Required for a Digitized Enterprise



Source: Gartner  
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To promote digital business acceleration, CIOs must help all CxOs become digital leaders. The start to this process is to define the needed executive responsibilities and distribute them across the C-suite intelligently. Digital business has to be seen as a team sport and the C-suite has to work to determine how to manage the critical decisions and technology processes as a team and within all domains.

CIOs can lead this effort leveraging their higher level of digital dexterity to partner with the C-suite to deliver “general management” responsibilities and strive to:

- Integrate digital efforts and thinking as part of core strategy development — establish digital business as “the way we do business.”
- Generate clear digital narratives and capability strategies focused on identified digital opportunities.
- Determine support development and management of digital products and services targeted at external customers/citizens.
- Develop and support technology to enhance and/or establish new channels to market that elevate the customer/citizen experience.
- Manage technology investments and prioritize and allocate all digital spending.

Likewise, CIOs should provide active leadership to establish and execute the “digital ideation and delivery” responsibilities:

- Identify and test new ideas for using information and technology to optimize the business model and provide for new models.
- Advance those high-potential innovations from pilots into production environments.
- Identify and establish relationships with ecosystem partners and technology providers.
- Establish data and analytics to identify and exploit data to monetize opportunities and/or reduce cost to serve. The CIO is still responsible for digital foundation building and traditional IT management. Digital foundation building is an accelerant and is covered later in this research.

See [“Future Paths for Technology Leadership in the C-Suite: How CIOs Are Redefining Their Role for Digital Business”](#) for details on all digital business executive responsibilities and for key roles CIOs can take in establishing and delivering these responsibilities during digital acceleration.

In this effort, CIOs should promote themselves as capable of taking responsibilities in both of these categories if other CxOs are not ready to do so. In many cases leading CIOs have leveraged this opportunity to make many of these CxO level responsibilities a permanent part of their roles.

In addition to taking on certain CxO level responsibilities, CIOs must take direct responsibility for establishing a new model for enterprise I&T – the “digital foundation building” responsibilities as they continue to lead traditional IT management efforts. This becomes the fifth initiative CIOs can lead in preparing for digital business acceleration.

## Establish a New Enterprise I&T Model

In a highly digital enterprise, the IT organization can no longer be the sole provider of information and technology delivery. CIOs must shift IT from ownership to orchestration. All C-suite leaders must be digital leaders and depending on the form and degree of digitization, many CxOs will have their own technology delivery sources/resources integrated with their existing capability teams. Gartner research shows 84% of companies and 59% of government entities have set up “fusion teams” – multidisciplinary teams that blend technology and other types of domain expertise. At least 43% of fusion teams report to team leaders outside corporate IT to be closer to the point of value delivery (see [“Fusion Teams: A New Model for Digital Delivery”](#)).

To enable digital business acceleration, CIOs must embrace the benefits of distributing technology responsibilities and establish a new technology model for the enterprise, not just for the IT organization. To accelerate digital, CIOs should focus on delivering these key elements of the new digital foundation:

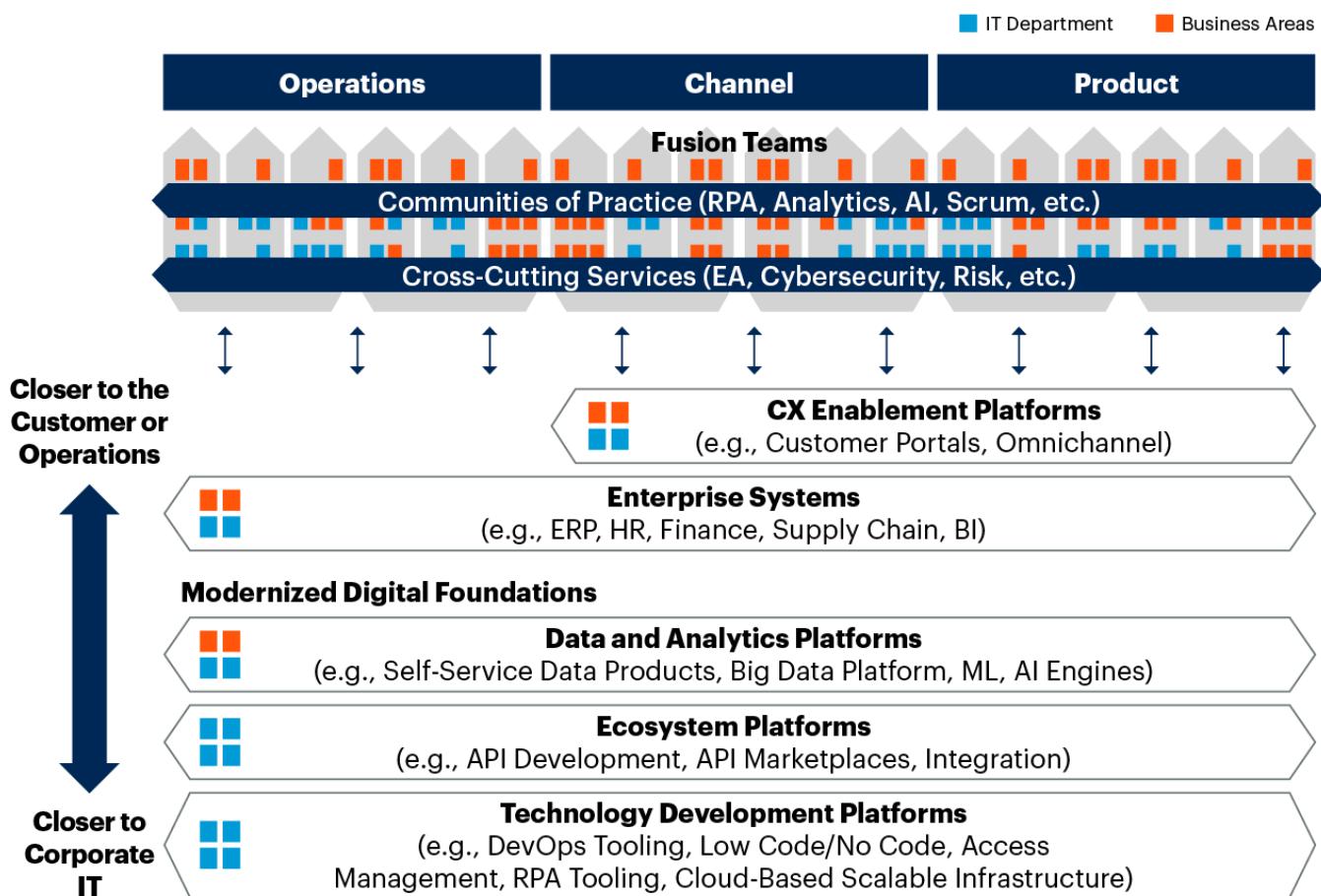
- Technology platforms enabling digital business designs (see [“A Digital Business Technology Platform Is Fundamental to Scaling Digital Business”](#))

- Integration platforms enabling distributed capabilities across all capability teams (see “[Integration Strategies for the Digital Era Require New Delivery Models](#)”)
- Distributed I&T delivery structures to integrate IT teams with business capability teams (fusion teams/multidisciplinary teams) (see “[Fusion Teams: A New Model for Digital Delivery](#)”)
- New ways of working from enterprise agile to product management (see “[Digital Business Requires an I&T Operating Model That Unlocks Value and Drives Revenue Growth](#)”)

As digitalization progresses, the CIO and IT organization shifts from working primarily as a system operator to an orchestrator, providing resources, expertise and managing key technology platforms that cross-cut digitized business capabilities (see Figure 7).

**Figure 7. New Model for Enterprise I&T Including the Digital Foundation**

### New Model for Enterprise I&T Including the Digital Foundation



Source: Gartner

Note: AI = artificial intelligence; BI = business intelligence; CX = customer experience; EA = enterprise architecture; ML = machine learning; RPA = robotic process automation

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This model cannot be organized or accomplished overnight. CIOs should work with C-suite partners to determine which capability organizations will become digital first. Then they must work

with those teams.

CIOs should embrace the opportunity to develop and deliver the new enterprise I&T model and determine the division of responsibilities between the IT organization and business leaders and teams. The recommended actions in this process are:

- Foster architecturally sound, secure and consistent ways of working in interdisciplinary teams managing the centralized activities (e.g., purchasing, audit, methodologies, architectures, IT finance, strategic planning, PMO).
- Manage tools and development platforms to enable capability teams to develop and test technology enhanced capabilities.
- Enable capability teams to integrate solutions across the value chain and value-supporting capabilities.
- Manage data foundations to store and integrate data sources and ensure capability teams have effective access to data.

Fully establishing the new enterprise I&T model will take many years. CIOs must also manage traditional IT responsibilities to:

- Sustain and support systems of record to modernize legacy systems and inspire ownership and management of functions.
- Manage foundational infrastructure to determine if shifting to cloud services is optimal.
- Steward information security practices to establish and ensure proper standards and best practices for all I&T efforts.
- Govern and manage data to ensure privacy, accessibility, relevancy and ease of use.

## Conclusion

Preparing for and ultimately contributing to digital business acceleration is the greatest challenge and opportunity CIOs now face. Digital business acceleration requires digitally able leadership to effect change at the highest level of the enterprise and cascade digital direction throughout the enterprise. This involves changing executive responsibilities and elevating digital dexterity of the C-suite, plus leading improvement in competencies and capabilities across the business and within the IT organization.

To contribute to digital business acceleration, CIOs must successfully help all CxOs elevate their game and become capable of building and running digitized capabilities. In the period of acceleration, CIOs must also support competency advancement beyond IT and simultaneously work to shift the I&T contributions of the IT organization from system operator to digital

foundation orchestrator. Pursuing these actions provides CIOs with increased responsibilities and new opportunities to provide value as business executives. The job of the CIO is ever changing, and CIOs can establish their own career path by leaning into the challenges to help their leaders and teams be capable to step on the gas.

## Further Reading

### Related Content

Relevant Gartner research on this topic, which may include tools, case studies and presentations, can be found here:

["The CIO's Role in Preparing for Digital Business Acceleration"](#) Report, Related Research and Tools

### Gartner Executive Programs Reports

["The 2019 CIO Agenda: Securing a New Foundation for Digital Business"](#)

Digital business is maturing, from tentative experiment to application at massive scale. As CIOs, you must respond. Insights drawn from the 2019 Gartner CIO Survey, the world's largest survey of CIOs and IT leaders, will help define your leadership agenda for 2019 and beyond.

["Redesign the IT Operating Model to Accelerate Digital Business"](#)

Digital business is challenging the existing IT operating model, which has been optimized for efficiency and internal service levels. This model now needs to be redesigned as the "I&T" operating model, which will support digital business with agility, speed and innovation.

["Step Into the Leadership Gaps in the C-Suite: Behave for the Role You Want"](#)

Digital transformation is creating leadership gaps in the C-suite. Leading CIOs are stepping up to business leadership beyond I&T and moving beyond the functional CIO role by cultivating their entrepreneurial bent, acting as business leaders first and technologists second, and building credibility.

### Core Research

["Future Paths for Technology Leadership in the C-Suite: How CIOs are Redefining Their Role for Digital Business"](#)

Pressure to accelerate digital business transformation has caused senior leaders outside of IT to take more ownership for testing and scaling digital business ideas. This research outlines three technology leadership models and expectations for CIOs and C-suite leaders in the digital business leaders.

["What's Trending With CIOs: Digital Dexterity"](#)

What's trending with CIOs? Read more to find out what every CIO needs to know about digital dexterity.

## ["Building Employees' Digital Dexterity: A Key Capability for Future Business Success"](#)

Business models increasingly depend on the ability and ambition of the workforce to digitally drive better business outcomes. To ensure competitive advantage, executive leaders must build the next-generation workforce by boosting employee digital dexterity.

## ["Measure Workforce Digital Dexterity to Optimize Digital Workplace Outcomes"](#)

Digital dexterity is critical to the long-term success of organizations, but it is rarely measured. Application leaders instrumenting digital workplaces can employ the methods defined in this research to quantify workforce digital dexterity.

## ["Digital Leadership Requires Seeding Digital Dexterity Throughout the Workforce"](#)

Digital decision making and delivery are now part and parcel of every executive role. Functional leaders must flex their own digital muscles and show employees how to do the same. Among our suggestions: "silicon safaris," digital business workshops and clear messaging.

## ["Understanding the People Side of Digital Business: An Empirical Analysis of Digital Dexterity"](#)

Digital business transformation requires a change in the beliefs, mindsets and behaviors of leaders and employees firmwide, not just in IT. Progressive CIOs work with their C-suite peers to equip all employees and leaders with the ambition and ability to build and work in the digital business.

## ["Techquilibrium: Traversing the Balance Between Traditional and Digital Business"](#)

Becoming a technology company should not be the end goal of a traditional company seeking to lead in a digital world. Instead, executive leaders and CEOs must find and maintain the right mix of traditional and digital capabilities and assets to compete most effectively.

## ["Four Questions CIOs Need to Ask About the CIO Role"](#)

Organizations' digital business opportunities will bolster the digital dexterity of senior leaders outside IT, thereby impacting the CIO role. CIOs need to consider four key questions that will help them identify the future path for their role.

## ["Building the Digitally Dexterous Enterprise \(HEINEKEN\)"](#)

This best practice case study for CIOs outlines the steps Heineken's CIO and the head of enterprise architecture took to foster digital dexterity in all parts of the enterprise and help employees build a better understanding of digital business.

## ["Co-creating Digital Transformation \(Adobe\)"](#)

Adobe's CIO moves decision making and planning deeper into the organization to tap into the collective wisdom of employees and accelerate digital transformation. The CIO uses design events to co-create change decisions and implementation planning at scale.

## **Recommended For You**

[Future Paths for Technology Leadership in the C-Suite: How CIOs Are Redefining Their Role for Digital Business](#)

[The 5 Conversations CIOs Must Have to Support Digital Business Acceleration](#)

[Master Saying 'No' at Scale for CIOs](#)

[Solve Your Chronic Problems Before They Kill the Business](#)

[CIO Role Evolution Primer for 2020](#)

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