

Gartner®

Top Priorities for IT: Leadership Vision for 2021

Application Leaders

Introduction

2020 has been a year full of terms like “unprecedented” and “unanticipated.” Every industry has been affected in some way by the COVID-19 pandemic, economic fallout and social unrest around the globe. Strategic and business model change has translated, and continues to translate, into new challenges and priorities for function leaders. For the CIO and the whole IT organization, 2021 brings with it the imperative to generate more business value using innovative technologies and approaches to information.

Each IT role faces specific challenges — from planning and supporting digital acceleration to integrating more strategically with the rest of the business. As business partners grow more comfortable with identifying and using technologies, IT leaders will need to become more sophisticated in their partnership and collaboration.

And, despite the challenges, a significant great opportunity exists to transform business operations and models from the ground up, enabling the organization to respond to future disruption quickly and strategically.

This e-book highlights the trends and challenges application leaders will have to reconcile in the coming year and provides specific actions that they can take in response — and to better align their piece of the organization with the business.

IT leaders have learned many valuable lessons in the past year, from how to quickly move entire organizations to remote workforces, how to create a secure work environment and how to prioritize digital initiatives like never before.

But there is more work to be done.

Leading in 2021 will look different from leadership in 2020, but understanding and planning for unknowns and continued disruption across the IT organization is critical to moving forward.



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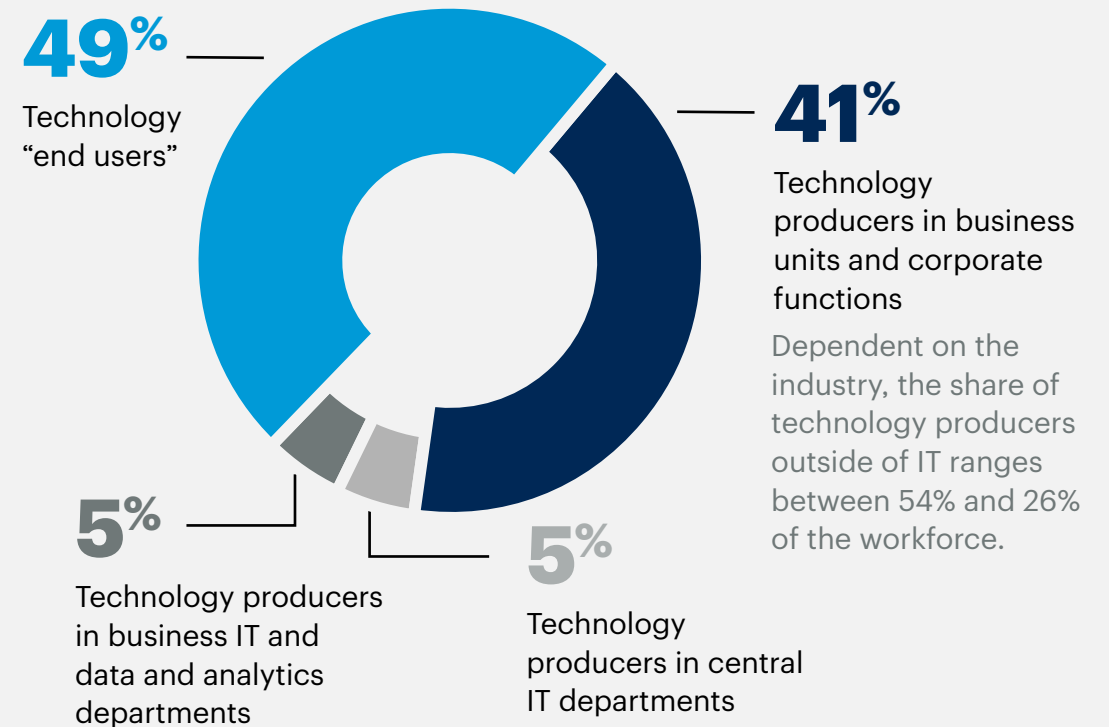
In the past, application leaders faced the challenge of getting their organization’s buy-in for new applications or for making changes to existing applications. However, this is no longer the case. The market is transforming increasingly quickly. Organizations are faced with more and more changes at an accelerating pace.

This environment has exposed organizational difficulties with making rapid changes to their applications or the application portfolio, to the point where adapting applications can take longer than getting the business to buy in to the change. Here we see data that shows that IT leaders are facing a responsiveness challenge and not a shortage of business buy-in. Over the next 12 to 18 months, application leaders will need to make changes to support a much more dynamic application environment

By 2022, organizations with diverse IT-business collaborations will deliver business outcomes 25% faster than their competitors.

Source: Gartner

Breakdown of analytics and technology-driven work across the organization



n = 4,977 employees across the entire workforce
 Source: 2020 Gartner Digital Friction Survey

3 trends that will impact application leaders in 2021

Democratization increases

Democratization is when end users become technology producers. Depending on the industry, the share of technology producers outside of IT ranges between 54% and 26% of the workforce. These technology producers can reduce the pressure and ask the IT team to enable employees to have better knowledge of technology.

Apps drives business outcomes

Application leaders must be like doctors who translate complicated medical terms and procedures into a language that the patient understands. To work better with someone, you need to improve your communication with that person, and to do that, you need to use a common language. Application leaders need to speak the language of the business — communicating how applications can help the business achieve the business outcomes it seeks.

New frameworks, methods, tools and technologies emerge

IT organizations have supported the integration of applications for several years. However, many are now working with a hybrid portfolio, where some of their applications are in the cloud and some are on-premises. At the same time, the demand for business change continues to accelerate. The combination of these two things has organizations seeking ways to simplify application integration and reduce the time and effort required to integrate applications.

2 challenges facing application leaders in 2021

Although application leaders will face many challenges in 2021, here are two to begin strategizing for:



Hitting the cloud inflection point

The shift to the cloud finally reaching its decisive inflection point is a notable challenge for many organizations. However, it is also important to understand how your organization plans to change IT to be better prepared for future disruptions on the scale of the COVID-19 pandemic. This might include: How prepared or not the organization is for a work-at-home world; or how to be more agile as an organization.



Enabling new and flexible ways to work

In the midst of a profound desire to drive digital business and change the employee culture, the tools that employees use every day — for working together, creating content, analyzing data and consuming information — are undergoing a significant transformation. This dramatic change in tooling provides organizations with a unique opportunity to substantially improve business outcomes by making the workforce more digitally dexterous. Digital dexterity is the ambition and ability to use technology for better business outcomes. Organizations that fail to exploit the new work nucleus and foster workforce digital dexterity are at a substantial risk of falling behind.

2 actions for application leaders to take in 2021

Given the challenges that application leaders will encounter, consider these two actions to help move the organization in the right direction:



Change the operating model with product delivery

Organizations need to align talent more closely with business value streams to succeed in a digital world. Project management offices (PMOs) are facing significant pressure to transform. The project, program and portfolio management processes they create and oversee have been designed for predictability and consistency, not the speed and flexibility required to meet digital demand.

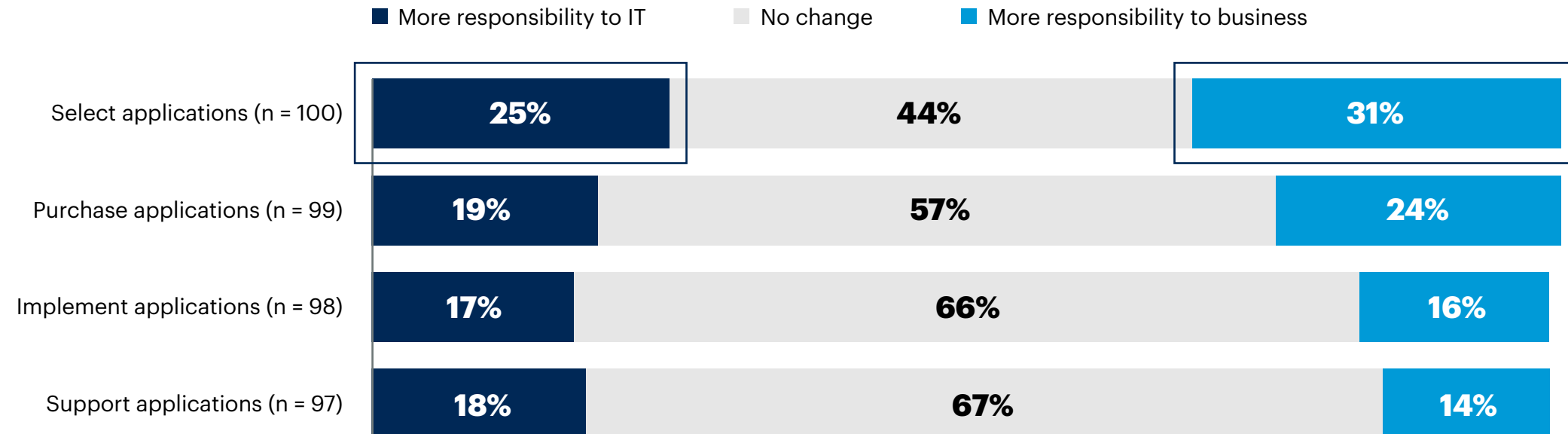


Prioritize customer experience

COVID-19 caused a shift in technology priorities with more investment plans mentioning artificial intelligence, the Internet of Things, digital commerce, and data and analytics (D&A), among others. Customer analytics is the biggest area of likely future investment. Application leaders should adjust technology investment plans by matching them to the new customer experience (CX) priorities caused by COVID-19. As CX project priorities have shifted, so have the required supporting technologies.

Drive business outcomes: Most expect application responsibility to stay static, but half anticipate select applications to shift

Application responsibility shift



n = Base varies; excluding "not sure"

Q. Within the next 12 months, will the responsibility shift more toward the business or toward IT?

Source: Gartner 2020 Future of Applications

Gartner Research Circle members (One Circle)

Note: Due to rounding, percentages may not total 100%.

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