

A close-up of an astronaut's helmet. The helmet's visor is highly reflective, showing a colorful digital visualization of data points in red, green, and blue, arranged in a pattern that resembles a stylized 'A' or a similar character. The astronaut's hands are visible inside the helmet, interacting with the data. The background is dark, and the astronaut's white suit is visible at the bottom. A white line graphic with several circular nodes is overlaid on the helmet, suggesting a network or data flow.

Gartner®

# Top Priorities for IT: Leadership Vision for 2021

CIOs and Heads of IT

## 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 CIOs and heads of IT 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.



**Chris Howard**  
Chief of Research, Gartner

Nothing has changed for the CIO, and everything has changed. The biggest accomplishment for many CIOs in 2020 was a classic IT responsibility — provisioning laptops and VPN connections for remote workers. The list of technologies that interest CIOs looks roughly the same as in recent years. Digital business remains a top priority as it has been for a while. And yet ...

The support for remote work? That might have been the biggest win for CIOs since Y2K. CIOs helped save many enterprises during the COVID-19 lockdown. They now have the attention of the CEO in a way that they haven't before. Digital business? CIOs have been trying for years to convince senior business leaders to modernize and take full advantage of technology. Now, many prior roadblocks have been removed. Boards of directors have launched a large majority of enterprises on digital business acceleration. CIOs must seize this moment because they may never get another opportunity like it.

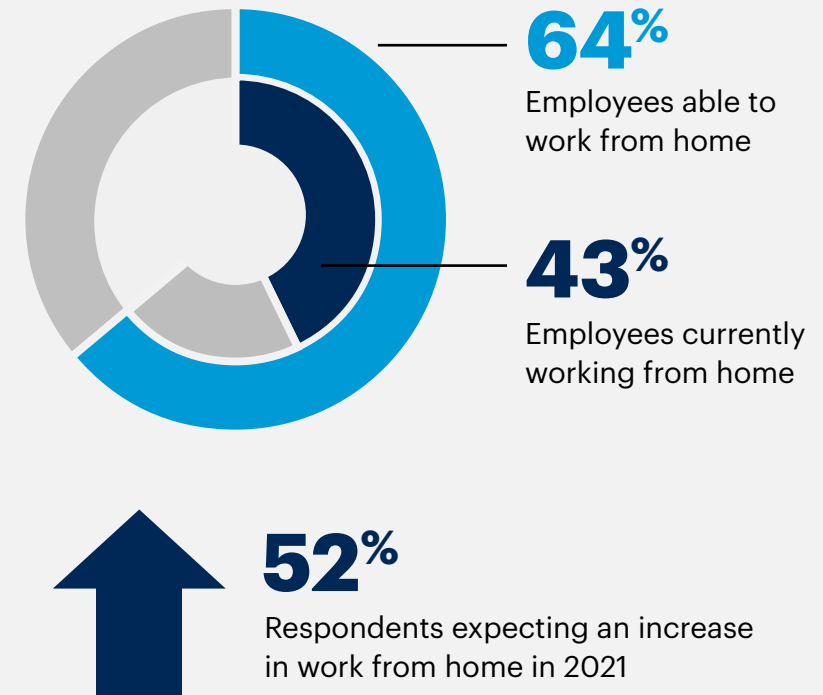
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**By 2024, 25% of traditional large enterprise CIOs will be held accountable for digital business operational results, effectively becoming “COO by proxy.”**

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Source: Gartner

## Work from home in 2020 and 2021



n = 1,848

Source: 2021 Gartner CIO Survey

Q. Approximately what percentage for your enterprise's total workforce is able to work from home?

Q. What percentage of those able to work from home are currently working from home for a majority (more than 50%) of the time?

# 3 trends that will impact CIOs and heads of IT in 2021

## **CIOs win differently**

Many changes accelerated by COVID-19 will continue to accelerate because they make business sense. For example, customers and citizens shifted their activity online during the lockdown, but that shift will increase, not reverse, in 2021. Seventy-six percent of survey respondents to the 2021 Gartner CIO Survey say that demand for new digital products and services increased in 2020 and 83% say that it will increase in 2021.

## **Remodeling core technologies**

Boards of directors have given CIOs a clear mandate: Use technology to speed the enterprise faster to its business goals. When asked to rank technologies they're using or plan to use in the next year: Digital workplace technologies to support work from home come out on top. Following behind are artificial intelligence/machine learning (AI/ML), robotic process automation (RPA), distributed cloud and multiexperience platforms. These emerging technologies automate processes and decisions, enabling a faster pace and scalable digital.

## **Building supply chain resilience**

COVID-19 demonstrated the fragility of supply chains. Many enterprises suffered severe disruptions during the initial lockdown, which are still slowly being resolved. Top performers are more committed to spending the money and effort needed to make the supply chain more resilient, with 40% saying they are duplicating key suppliers to create redundancy, one-third are bringing more business processes in-house, and a quarter are bringing more sales and delivery in-house.

## 2 challenges facing CIOs and heads of IT in 2021

Although CIOs and heads of IT will face many challenges in 2021, here are two to begin strategizing for:



### Rightsizing support for remote and hybrid work

CIOs already proved they can get thousands — if not tens of thousands — of workers set up remotely in just weeks. But the shift to remote work is expected to persist even after the pandemic. Fifty-two percent of CIOs expect work from home to increase in 2021. The challenge going forward will be funding and rightsizing the appropriate assets to support remote and hybrid workforce models — from individual technologies to real estate.



### Digital business acceleration

Sixty-nine percent of boards have responded to COVID-19 with digital business acceleration, while 60% have chosen improving operational excellence through digital business — the board's top two priorities, according to the Gartner Board of Directors Survey. Steady progress isn't enough anymore, though. Boards have CIOs focused on acceleration.

## 2 actions for CIOs and heads of IT to take in 2021

Given the challenges that CIOs and heads of IT will encounter, consider these two actions to help move the organization in the right direction:



### Hurdle, don't sprint

Top performers know that they're running a hurdles race. Disruptions occur frequently. The 2020 Gartner CIO Survey found that half of enterprises experienced a major disruption within the past four years. CIOs might be misled by focusing on the specific circumstances of COVID-19 in their postpandemic strategy. They can best help by doing the small things necessary to enable the enterprise to shift modes when it encounters any kind of disruption in the future.

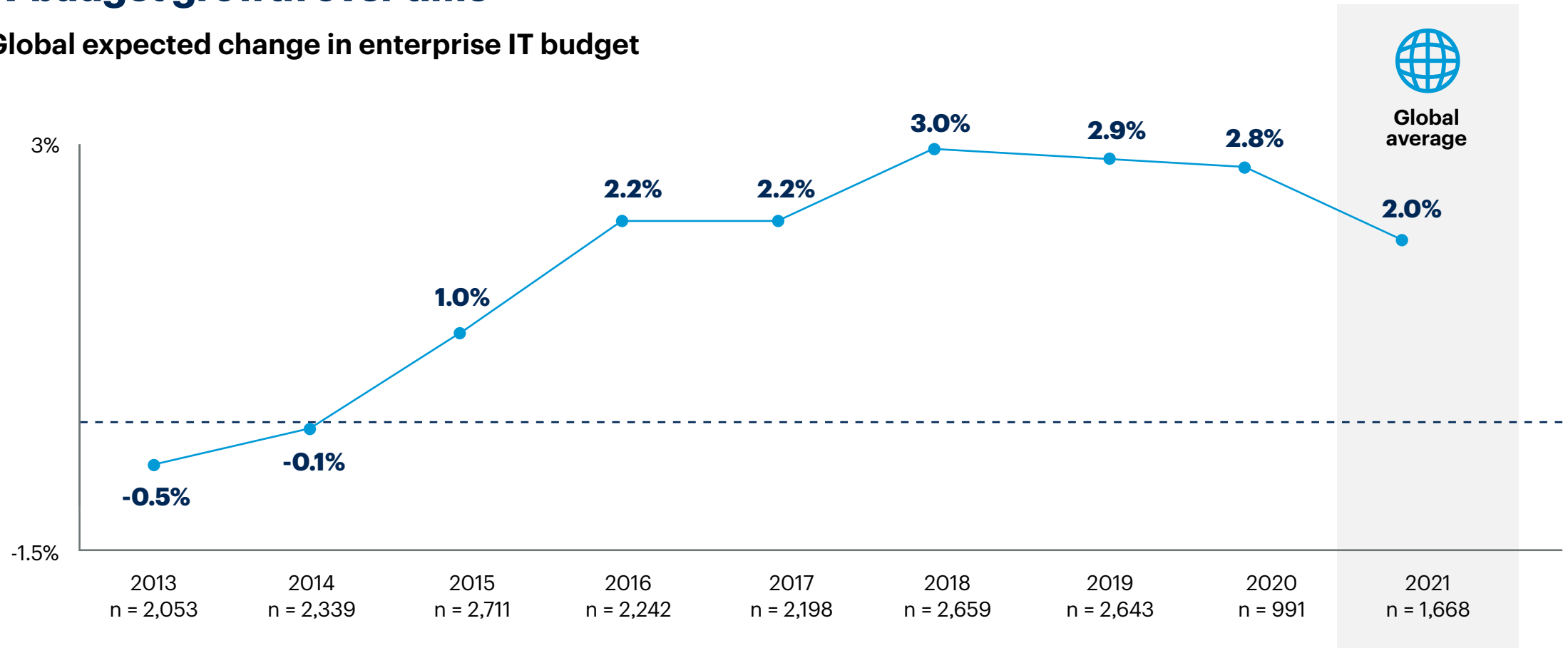


### Fund digital acceleration

On average, CIOs expect their budgets to grow an average of just 2% in 2021 — but that's not the flattening or cuts seen during the global financial crisis. Boards and CEOs have signaled they will put real resources behind digital acceleration — and the enterprise's path to the future runs through IT. The need for action is urgent. Organizations that have increased their funding of digital innovation are 2.7x more likely to be a top performer than a trailing performer.

# IT budget growth over time

## Global expected change in enterprise IT budget



Base: Excludes don't know/no answer

Source: 2021 Gartner CIO Survey

Q. By what percentage do you expect your organization's IT budget to increase or decrease from <current year> to <next year>?

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