

# The CIO's Role in Sustainable Enterprise Change

**FOUNDATIONAL**

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By developing new skills and widening their responsibilities, CIOs can take a leading role in the pursuit of sustainable enterprise change.



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This research is reviewed periodically for accuracy. Last reviewed on **12 August 2016**.

## Key Findings

- CIOs have an important role to play in shaping a culture for sustainable enterprise change, and they should start by using the capabilities already at their disposal.
- Over time, CIOs will be expected to develop new skills and raise their personal profiles as leaders of change, and this may lead to changes in their role as CIO.
- As their scope of involvement with enterprise change increases, CIOs will find that they need to take on additional responsibilities, such as change program leader or enterprise change portfolio manager, in order to fully support their enterprises in responding to the pressure for change.

## Recommendations

- CIOs must take a proactive role in helping their enterprises address the amount of change they are currently undertaking (the change pipeline), the amount of change they are able to absorb at any point in time (change capacity) and the warning signs of enterprise change saturation.
- CIOs should build a foundation for change leadership based on the capabilities at their disposal, their ability to communicate the change story and their ability to collaborate with senior business leaders concerning the change agenda.
- CIOs should take advantage of the opportunity to support the leadership team by taking a proactive role toward change, which may mean an increase in their scope of enterprisewide responsibility.

## Analysis

### Enterprises Are Facing an Increasing Amount of Complex and Disruptive Change

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Most enterprises today are seeing an increase in the amount of change they are expected to cope with. The frequency of change is increasing due to several factors: Customers are rapidly changing their loyalty, competitors are operating within shorter cycles, technology innovations are offering new opportunities at a faster pace, and enterprises are facing shorter cycle times with partners and suppliers. Additionally, change is becoming more complex and disruptive as enterprises integrate and globalize their business environments.

This new nature of pervasive change is beginning to take its toll on the enterprise. According to a recent study from Prosci, 73% of enterprises report that they have passed, are at or are nearing the change saturation point, and 70% see the amount of change increasing in the next two years.<sup>1, 2</sup> The many parallel requests that come with today's frequent, complex and disruptive change place a significant strain on the process and people in the enterprise. The list below highlights some of the resulting consequences:

- Projects fail.
- Key people become bottlenecks.
- Management is inundated with escalations.
- The culture becomes misaligned as different teams change quicker than others.
- Business results deteriorate.
- Employees ignore, circumvent or sabotage new change requests.
- Employees experience burnout.

Due to the increasing significance of IT at the core of today's enterprises, most fundamental business changes will have a considerable impact on IT. However, in the circumstances described above, CIOs will no longer be able to deliver the expected value from IT services. CIOs must take a proactive role in helping their enterprises address the amount of change they are currently undertaking (the change pipeline), the amount of change they are able to absorb at any point in time (change capacity) and the warning signs of enterprise change saturation.

Fortunately, CIOs are well-positioned to begin supporting their enterprises with tools already at their disposal. However, in some cases, this effort may require an increase in the scope of responsibilities for the CIO.

### CIOs Must Develop or Strengthen Their Enterprise Change Leadership Skills

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By the nature of their role, CIOs are well-positioned to support their enterprises in responding to frequent and disruptive change. In most cases, the CIO is one of only a few senior leaders whose scope of responsibility cuts across the whole enterprise. This provides the CIO with a valuable perspective on the total picture of enterprise change, and hands-on knowledge of the enterprise's

ways of working. Additionally, CIOs have access to key capabilities that provide them with a foundation for supporting their enterprises:

- CIOs live in a world of managing information, providing them with access to experts and tools for analyzing and prioritizing the pipeline of change initiatives and for identifying indicators of change saturation.
- CIOs have a history of portfolio and program management disciplines — valuable for supporting and managing the enterprise change portfolio.
- CIOs have a major role in enterprise process improvement, a practice that is the operational foundation of enterprise change initiatives.
- CIOs have access to people across the enterprise, including key business stakeholders.

With these organizational capabilities, CIOs can begin to address areas with the most critical impact on the enterprise's ability to meet the demand for change. To be effective, however, CIOs must develop personal capabilities beyond the traditional management of IT. In some cases, these new capabilities may not come naturally to CIOs, but play an important role in enabling them to provide the support their enterprises need. CIOs should consider the following 10 personal skills and assess whether there are areas that need to be strengthened (see Table 1).

Table 1. 10 Enterprise Change Leadership Skills for CIOs to Strengthen or Develop

Key Skills	Where to Acquire the Skills
<ul style="list-style-type: none"> <li>■ Deep understanding of the business model, operating model and business strategy</li> <li>■ A broad enterprise leadership reputation and fluency in the language of business</li> </ul>	External or internal business training programs (such as an MBA or internal courses), hands-on experience gained from participation in business-focused projects and experience gained from job rotation in a role outside IT
<ul style="list-style-type: none"> <li>■ The ability to influence people without having direct authority over them</li> <li>■ The ability to listen to, lead and empower collaborative communities inside and outside the IT organization</li> <li>■ The ability to identify and engage change advocates and change champions across the enterprise</li> </ul>	Leadership training programs and experience gained over time from leadership roles
<ul style="list-style-type: none"> <li>■ Strength in successfully navigating organizational politics<sup>3</sup></li> <li>■ The ability to forge a strong alliance with key senior business leaders, such as the head of HR, the COO and the CFO, and ensure that the senior leadership team has a shared view of all enterprise change</li> </ul>	Personal coaching or mentoring from a senior, experienced leader, and experience gained over time from holding positions of responsibility and influence
<ul style="list-style-type: none"> <li>■ Skill in marketing and communicating change to the overall enterprise</li> <li>■ A talent for telling a convincing enterprise change story</li> <li>■ The ability to successfully lead change in their own organizations</li> </ul>	Communication training, change leadership training, and practice, practice, practice

Source: Gartner (June 2012)

It is important to keep in mind that change cannot be forced through an organization, and leadership is by far the most important skill for effectively changing people's behavior. The best way of communicating the expected new behaviors is to show them in action. CIOs should make an effort to personally model new behaviors required by enterprise change and should showcase high performers who are exhibiting these behaviors.

As CIOs develop the necessary skills and capabilities to support their enterprises in responding to the demand for change, they build the foundation for their role as change leaders. As this role develops, it often leads to an increase in the CIO's scope of responsibilities.

### Support for Enterprise Change Impacts the Role of the CIO

In response to the frequency and complexity of change, roles are emerging that have no natural owner on the senior leadership team — for example, the role of change portfolio manager. In

enterprises without a well-developed change function, the CIO has an opportunity to support the leadership team by taking a proactive role toward change. As CIOs' personal change leadership capabilities develop, and alliances with key peers strengthen, a clear path unfolds in taking a more proactive role toward enterprise change. Note, however, the following caveats:

- The path rests firstly on the CIO's reputation for supporting the enterprise with appropriate business solutions, secondly on the CIO's credentials as a leader of change in the IT organization, and finally on the respect of the business (earned from cultivating a knowledge of business operations).
- It may not be right for all CIOs to push for change leadership, especially in enterprises that have a well-developed change function outside IT. In this case, the CIO should focus on the role of business problem solver, while aligning closely with the enterprise change function.
- The frequency and complexity of change, rather than the aggressive or conservative nature of the enterprise, will drive a CIO's progress along the path.
- The path does not imply maturity or success as a CIO, but requires strong leadership skills.
- CIOs should be pragmatic, identifying the best role to play at a particular time in a particular enterprise.

Below is a list of roles for CIOs as their involvement in enterprise change increases, starting with the traditional role of leading the IT organization (see Table 2). Each new role includes the responsibilities of the previous role, along with more proactive involvement in the enterprise change portfolio. Each role also requires the CIO to develop or strengthen key skills in order to be effective.

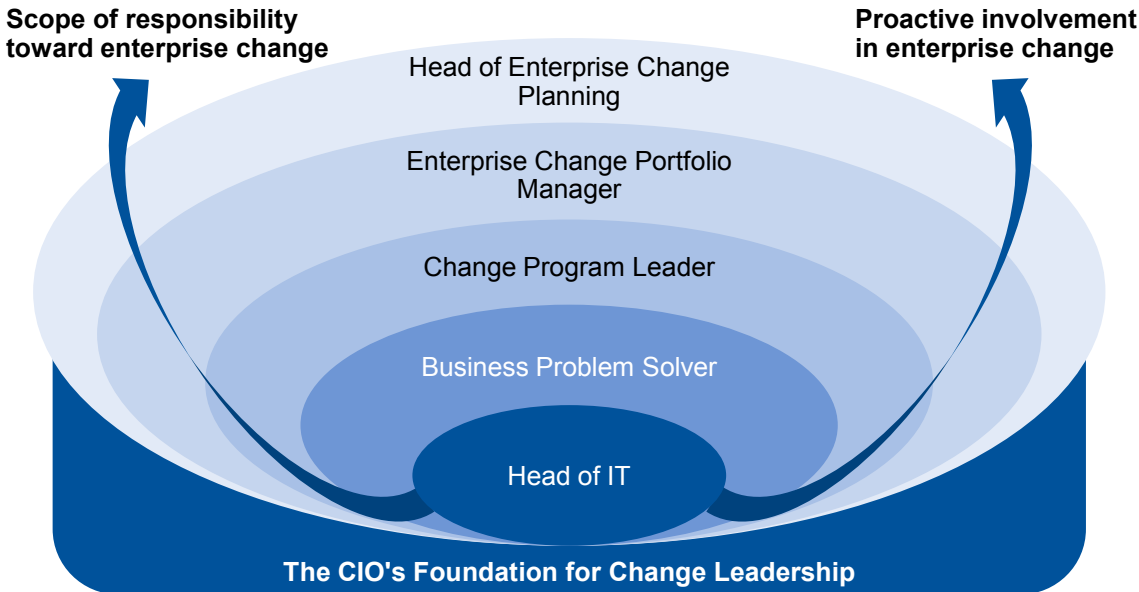
Table 2. CIO Enterprise Change Leadership Roles and Key Skills

CIO Role	Description	Key Skills and Capabilities to Focus On
Business problem solver or head of business process development	This increasingly common role extends the CIO's responsibilities to the development and incremental improvement of business processes.	<ul style="list-style-type: none"> <li>■ Deep understanding of the business and operating model</li> <li>■ Strength in successfully navigating organizational politics</li> </ul>
Change program leader	As CIOs increase their responsibilities in enterprise change, they frequently earn the senior leadership role for an enterprise change program. This can be a showcase for their change leadership capability, leading to even wider responsibilities relating to the enterprise change portfolio.	<ul style="list-style-type: none"> <li>■ The ability to influence people without having direct authority over them</li> <li>■ The ability to listen to, lead and empower collaborative communities inside and outside the IT organization</li> <li>■ The ability to identify and engage change advocates and change champions across the enterprise</li> </ul>
Enterprise change portfolio manager	The enterprise often leaves this important role open, simply because it does not appreciate the need. Responsibilities include providing transparency into the enterprise change portfolio, which involves the development of IT, process, organizational and business capabilities. This role thereby helps senior business leaders see the whole enterprise picture of change activity, ensuring the correct balance and prioritization of the aforementioned capabilities. This manager often oversees an enterprise PMO that has operational responsibility for managing the enterprise change portfolio.	<ul style="list-style-type: none"> <li>■ Skill in marketing and communicating change to the overall enterprise</li> <li>■ A talent for telling a convincing enterprise change story</li> <li>■ The capability to provide transparency to the full enterprise change portfolio and drive meaningful decision making among key decision makers</li> </ul>
Head of enterprise change planning	Another member of the senior leadership team, such as the COO or head of business strategy, often fills this role. However, some CIOs have the right skills and profiles for what constitutes a fully proactive leadership role in the enterprise change portfolio. This means having responsibility for planning the road map of enterprise change, orchestrating many independent initiatives and working with the senior leadership team to identify the initiatives that deliver the strategy successfully.	<ul style="list-style-type: none"> <li>■ Deep understanding of the business strategy</li> <li>■ The ability to forge a strong alliance with key senior business leaders, such as the head of HR, the COO and the CFO, and ensure that the senior leadership team has a shared view of all enterprise change</li> </ul>

Source: Gartner (June 2012)

Figure 1 reflects the evolutionary path for CIOs as they increase their scope of responsibility and level of proactive involvement with enterprise change. As described in the previous section, this path starts with the skills and capabilities that form the CIO's foundation for change leadership.

Figure 1. The CIO's Role in Enterprise Change Often Follows an Evolutionary Path



Source: Gartner (June 2012)

### Next Steps — CIOs Must Find the Best Fit for Supporting Their Enterprises' Responses to the Need for Change

At all levels of their evolutionary path, CIOs must ask the questions that lead to the right actions in leading change. Table 3 summarizes the key questions to ask.

Table 3. CIO Checklist: Developing the Role of the CIO

Questions to Ask	Actions to Take
Are change leadership roles already established in the enterprise?	If yes, are there gaps that need filling? Can IT and process solutions support the work done by these roles? If no, why not? Have there been unsuccessful attempts to establish leadership roles?
What burning issues or priorities concerning enterprise change need to be addressed?	Achieve some quick wins on key issues to build credibility.
Do complex processes and time-consuming ways of working detract from change?	Increase focus on process maturity, and simplify by using practices such as lean.
Do nascent enterprise changes need a senior leadership sponsor?	Volunteer to lead an area of enterprise change to gain exposure.
How good is enterprise visibility into the number of change activities occurring at any point?	Use IT portfolio visibility as a starting point for creating an enterprisewide view of change.
Is change impact considered when creating the strategic plan?	Engage early in the planning process and provide tools to assess change impact.

Source: Gartner (June 2012)

As CIOs assess the situations in their own enterprises, they should identify where the key change leadership gaps are and which roles need filling. When this becomes clear, CIOs should look to strengthen existing skills or develop the required new skills that will enable them to provide the necessary support. Over time, this proactive approach will establish the CIO as an important change leader who can equip his or her enterprise with the capabilities needed to successfully change.

## Recommended Reading

*Some documents may not be available as part of your current Gartner subscription.*

"Sustainable Enterprise Change"

"ICAP positions the CIO as the head of change portfolio management"

"Her Majesty's Revenue & Customs mobilizes a change community to ease change fatigue"

"TUI Travel adds 'transformation program director' to the CIO's duties"

"Managing Change; CIO Desk Reference Chapter 17"

"Harness the EP MO to Fight Organizational Change Fatigue"

"Organizational Liquidity: Change Management for Tumultuous Times"

"CIOs Should Champion the Use of a Business Transformation Office When Faced With Fundamental Business Change"

### Evidence

<sup>1</sup> Change saturation occurs when the amount of change in the enterprise exceeds the capacity for the enterprise to absorb the change.

<sup>2</sup> Source: Prosci (from the 2012 edition of "[Best Practices in Change Management](#)").

<sup>3</sup> A worldwide preconference survey for the 2012 Gartner BPM Summits showed that more than 60% of the respondents identified "organizational politics" as the No. 1 challenge to implementing BPM.

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