

# 2022 CIO Agenda: Create an Action Plan to Master Business Composability

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# It is time to master business composability

Business composability is not a new concept. In fact, most businesses already follow some of its principles in some way.

However, where your organisation falls on the scale of low, moderate, or high composability will determine how effective your operating model is.

It is not enough to simply add new technology in an attempt to create modular business pieces. The changes must be strategic and they must be scaled across the organisation.

Outdated operating models focus on efficiency and assume an orderly, slow-changing, and relatively predictable business environment. Even before the COVID-19 pandemic, the business world was rife with disruptions ranging from trade wars to Brexit.

The “new normal” is disruption. Organisations that lean into this reality, leverage their innovation capacity and technology, and reach to deliver the scale and pace needed to achieve enterprise goals will out-deliver their peers. They will not only survive, but also grow as a result and stay ahead of the pack.

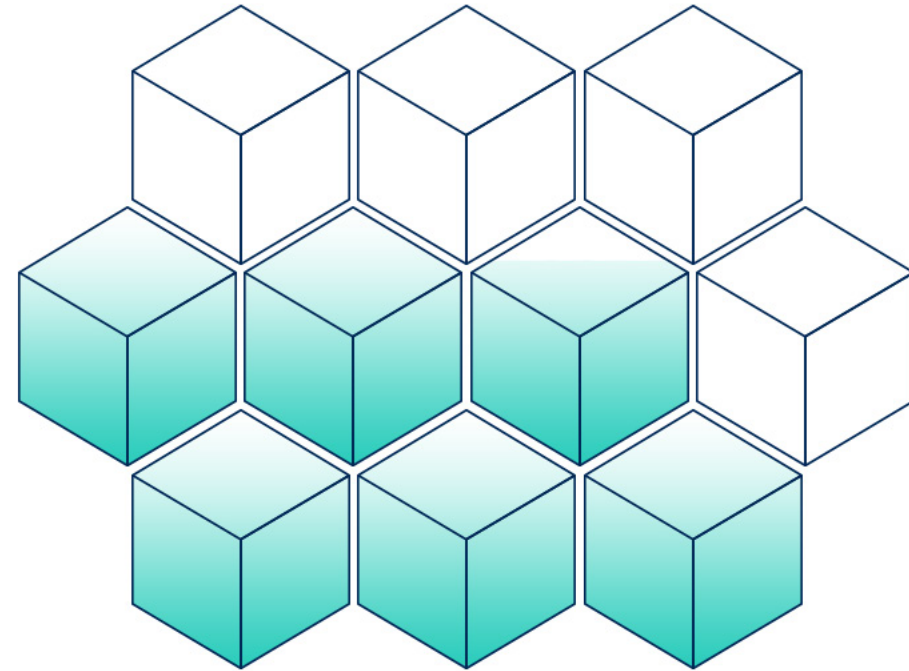


**Monika Sinha**  
VP Analyst

# An antidote to risk

As boards of directors have increased risk appetite (or plan to), an economically and politically polarised society is the biggest risk.

Organisations with high composability came out of the pandemic ahead of their moderate and low composability peers. They are faster and more effective at developing new partnerships, pursuing new opportunities, offering innovative products, and being more responsive to customers, clients, and citizens.



**57%** of boards of directors believe an economically and politically polarised society is the biggest source of risk.

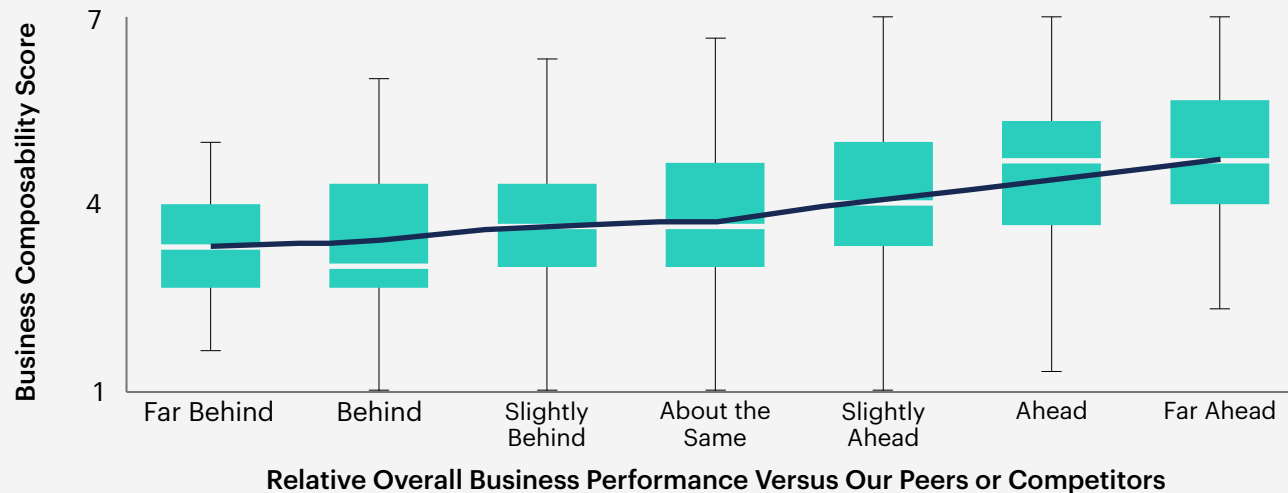
# Business composability drives business performance

## What is business composability?

Business composability applies modularity to any business asset—people, processes, technologies, and even physical assets—so that leaders can quickly, easily, and safely recompose them and create new value in response to disruption.

Mastery of business composability stretches across a spectrum, from those just starting out, to those that have made business composability the default way of thinking and executing what they want to do. The benefits flow accordingly. The greater the level of mastery of business composability, the higher the relative performance.

## Comparison of Business Performance Against Average Business Composability Scores



n = 2,304 CIOs and technology executives  
Source: 2022 Gartner CIO and Technology Executive Survey

# What is the difference between traditional and composable thinking?

	Traditional Orientation	Composable Orientation
<b>Goal</b>	Efficiency	Flexibility/agility
<b>Value</b>	Cost leadership at scale	Highly attuned to business environment
<b>Approach</b>	Technology automation drives efficiency and scale	Composable technologies enable multiple outcomes simultaneously
<b>Governance</b>	Plan-driven, approval-based, safe	Distributed, emergent, empirical, continuous, calculated risk
<b>Sourcing</b>	Conventional enterprise services	Composable (low-code, no-code services)
<b>Talent</b>	Generalists and specialists	Flexible “versatilists”
<b>Culture</b>	Values low-risk, predictable execution	Values rapid responsiveness to environmental change
<b>Cycle Times</b>	Long (months)	Hybrid long and short*

Source: Gartner

\*Modular components initially take longer to create but less time to redeploy.

# Three action areas of business composability

Organisations that want to excel in business composability must develop skill sets in all three domains that extend throughout the enterprise.

**1 Composable thinking:**  
a mindset to guide the business through uncertainty and opportunity

“Leaders at my organisation encourage the creation and reuse of modular business capabilities and technologies.”

**2 Composable business architecture:**  
a blueprint to manage the pace of business change

“We combine business elements (e.g, capabilities, products, and services) in multiple ways to create new value.”

**3 Composable technologies:**  
systems and data that integrate quickly and easily

“The work of producing technology capabilities is modularised and automated using APIs, microservices, and other modular components.”



Take action

# Assess your business composability

## Q. To what extent does your enterprise follow these principles?

		Not at all	Rarely	Somewhat	Limited (e.g. in specific business units)	Common in several (but not most) business units	Widely	Extensively throughout the enterprise
<b>Thinking</b>	Our culture encourages the continuous exploration and creation of game-changing business capabilities.	1	2	3	4	5	6	7
<b>Business Architecture</b>	Our culture encourages the continuous exploration and creation of game-changing business capabilities.	1	2	3	4	5	6	7
<b>Technologies</b>	Our culture encourages the continuous exploration and creation of game-changing business capabilities.	1	2	3	4	5	6	7

Interpreting your score:

You enjoy **High Business Composability** if you scored 6 or 7 on Thinking, Business Architecture, AND Technologies

You enjoy **Moderate Business Composability** if you scored 4 or 5 on Thinking, Business Architecture, OR Technologies

You enjoy **Low Business Composability** if you scored 1, 2, or 3 on Thinking, Business Architecture, AND Technologies



Take action

# Identify next steps

It is likely that assessing your current business composability level helped identify key areas to work on. Every organisation has areas in which it is less mature. In fact, none of the organisations surveyed were proficient in all the key actions.

On page 9, we provide an example of actionable steps for the business architecture domain. Each of these actions made a significant contribution to high composability organisations.

### Where to start

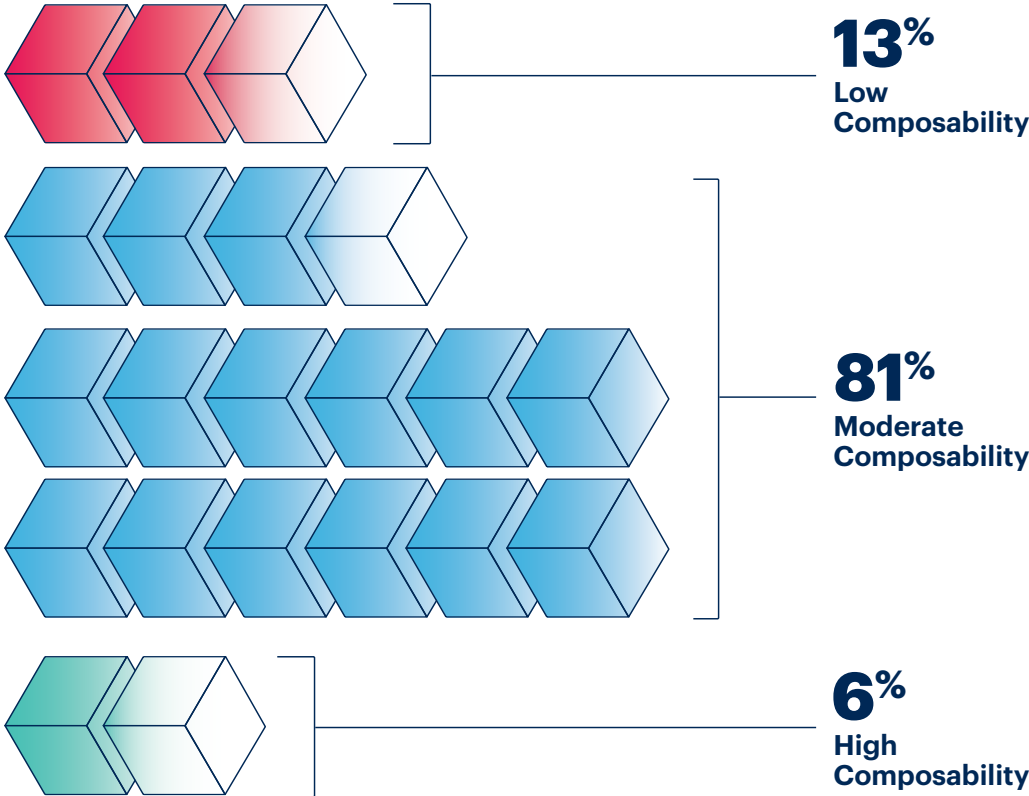
**Low composability** organisations should begin with Step 1.

**Moderate composability** organisations should begin with Step 2.

**High composability** organisations should begin with Step 3.

Use the planner on page 10 to track your progress.

### Only a Few Enterprises Are Really Good at Business Composability







Take action

# Example: How to apply composability to your business architecture

	<b>Shape multidisciplinary teams to align on value</b>	<b>Embrace distributed accountability for digital outcomes</b>	<b>Design business processes and technology together</b>
<b>Step 1</b>	Shift from uncoordinated siloes to teams working around customer journeys	Establish “fusion” teams with joint accountability for digital outcomes	Use priority business capabilities to define and develop the technology and business transformation efforts
<b>Step 2</b>	Establish “fusion” teams to accelerate technology-enabled business transformation	Adjust governance practices to balance autonomy and control with distributed accountability	Create dedicated roles to coach fusion teams and stakeholders in Agile, lean products, etc.
<b>Step 3</b>	Have “fusion” teams leverage cross-enterprise communities for insight into the business environment	Redistribute responsibilities for the enterprise’s technology portfolio among IT and business technologists	Apply Agile development methods to complete business activities, not just technology efforts



Take action

# Create a business composability action planner

**Not sure where to start?** Contact a Gartner expert who can walk you through this template. [↗](#)

	Will Do More Of	Will Do Less Of/Stop Doing	How We Will Measure Progress
Composable Thinking			
Composable Business Architecture			
Composable Technologies			



# Organisations need to develop business composability now

These actions will help your organisation obtain the biggest ROI from business composability. All enterprises, CIOs, and technology executives can benefit from these actions and might already be carrying them out at some siloed level.

Business composability is just as much a mindset shift as a strategy shift. CIOs will be responsible for encouraging a new culture alongside a new approach to flexible operational models.

At successful organisations, the CIO will act as an evangelist, engineer and orchestrator, as he or she views change as a tool, provides guidance on modular designs that enable change, then helps to execute it.

## Three action areas of business composability

- 1 Composable thinking:** a mindset to guide the business through uncertainty and opportunity
- 2 Composable business architecture:** a blueprint to manage the pace of business change
- 3 Composable technologies:** systems and data that integrate quickly and easily

# The Gartner CIO Agenda

The Gartner CIO Agenda is based on the 2022 Gartner CIO and Technology Executive Survey. Qualified respondents are the most senior IT executives for the overall organisation or their part of the organisation.

## Respondents:

**2,387**

CIOs/technology executives

**85**

countries



All major industries





Representing

**\$185** billion

in IT spending

# Actionable, objective insight

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