



Gartner®

2019-2020 Annual Edition

Top Insights for the C-Suite

How to Excel at Both Strategy and Execution:
An IT Perspective



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An IT Perspective



A Perspective From Mike Harris

Executive Vice President
Research & Advisory, Gartner

Business leaders today face a very challenging business environment marked by significant change, competition, uncertainty — and opportunity.

Although many organisations find it hard to accelerate through the kinds of disruptions and mixed signals they face, Gartner research shows that there are ways to position your business to drive through disruption and come out ahead, but it takes concerted action and preparation.





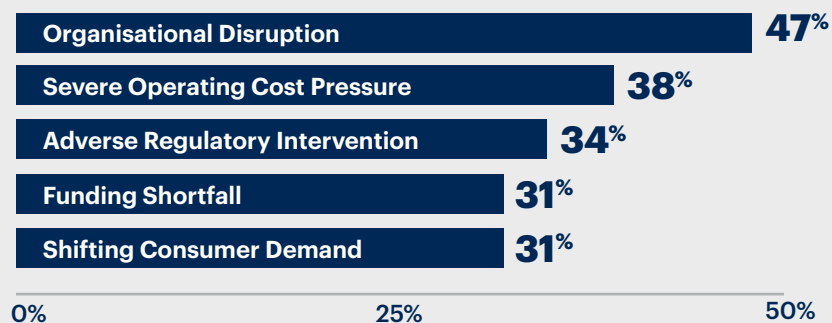
A Perspective From Mike Harris continued

If you are like most business leaders, you would probably prefer not to make big moves until the signals are clearer, or you may look for ways to weather uncertainty — perhaps first leveraging low-hanging tactics like cost-cutting to improve a few performance metrics.

But neither a “wait-and-see” approach nor defensive cost-cutting will power you through adversity — not least because today’s current state of uncertainty won’t magically disappear.

Types of Disruption Over the Past Four Years

Percentage of Respondents, Multiple Responses Allowed



N=1,070

Q: Has your organisation faced any of these situations in the past four years?

Source: 2020 Gartner CIO Survey

There’s little clarity on a range of economic, regulatory, geopolitical and trade issues, and digital disruption has made widespread and multidimensional uncertainty the new normal.

Turns of fortune may be sudden (e.g., enormous security breaches) and can blindside you unexpectedly (e.g., new competition from outside your industry). The g-forces in the turn may be extreme (a non-traditional competitor that does not need to make a profit) and the time to impact short due to digital capabilities (viral anti-brand social media). Turns often coincide, increasing the need to react on different business vectors and requiring a high-performing executive team.

To survive any such turns, organisations must be able to flex as the environment changes. But some progressive business leaders, our research shows, do more than survive; they thrive — by embracing turns as a prime opportunity to seize and sustain a competitive edge.

But resilience during disruption in this way requires you to prepare before the turn — whether you’re on the executive committee crafting enterprise strategy or leading your function to execute it.

A Perspective From Mike Harris continued

The risk of paralysis is very real, especially if your organisation lacks institutional memory of operating outside of a growth cycle. Many of today's leaders have, for example, only led strategy and operations during times of growth. Fewer than half of current CxOs were functional heads during the 2008-09 financial crisis, and less than 10% were heading the same function in their current company.

Lack of preparation creates business risk. In today's business environment, being right is only half the battle. Companies also need to execute at speed — intensely pursuing strategy with confidence and discipline as the environment changes.

This e-book delivers insights from Gartner research in 2019, featuring data and findings from proprietary surveys and engagements. It highlights the actions that progressive functional leaders are taking to improve their execution and drive forward the organisation's objectives, especially through disruptive turns and uncertainty.

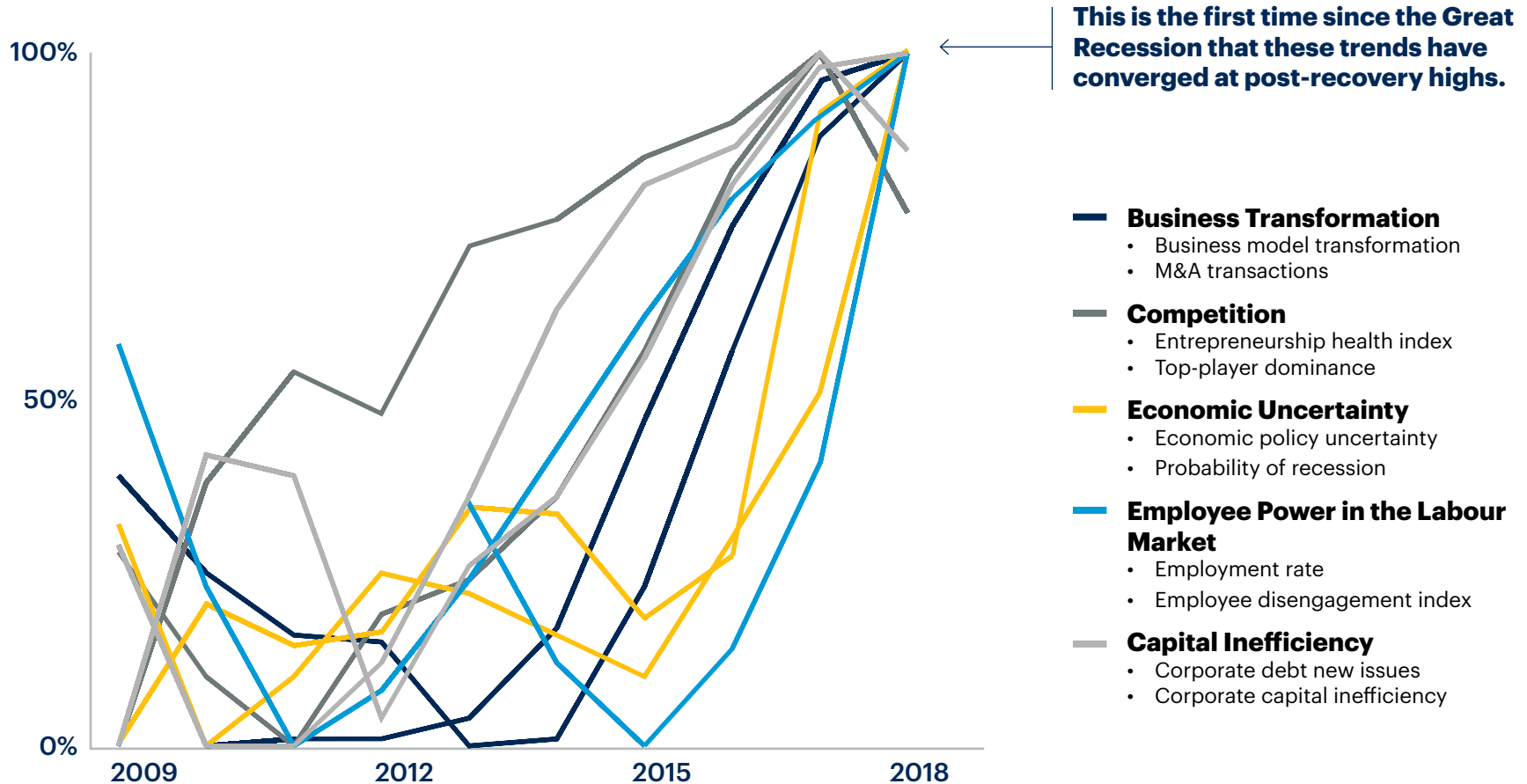
These practice-specific insights tackle the very real changes that functional leaders face in their own areas of the organisation — from the lack of critical skills and capabilities to evaluating risks and speaking data as a second language — as well as their imperative to execute against the enterprise objectives.

Best regards,



Uncertain Business Conditions Seen in Unprecedented Market Trends

Trend lines across major indexes



Scaled from 0% to 100%, and where 0% is the minimum while 100% is the maximum rolling three-year average reached since 2009. Trends are based on well-known indexes and reported benchmarks and both public and proprietary data.
Source: Gartner

What IT leaders should know

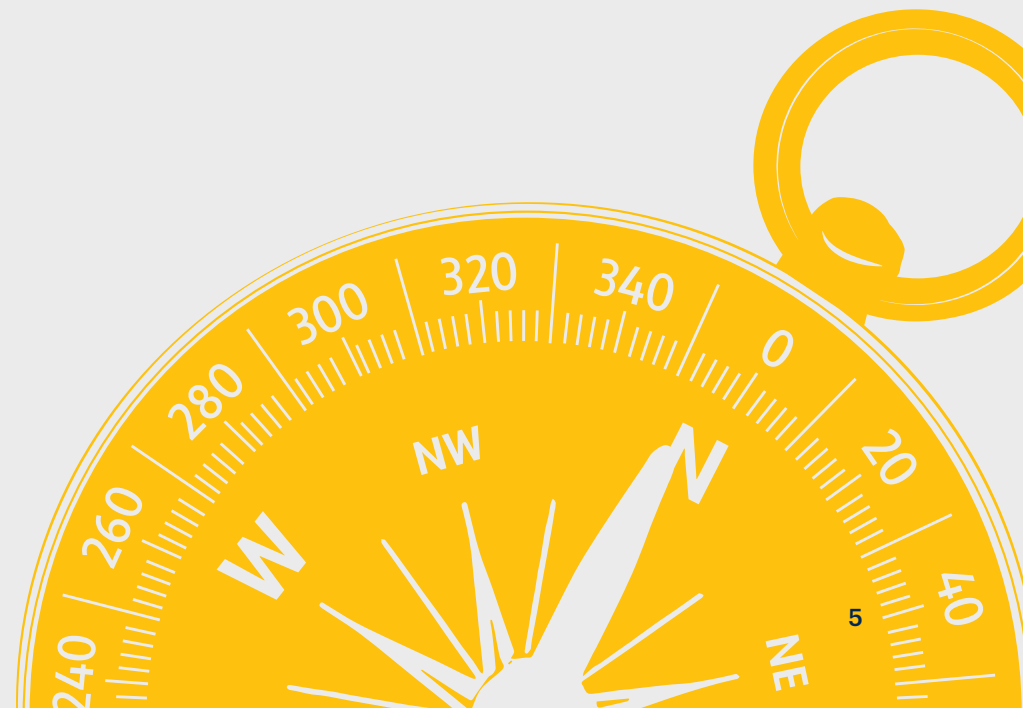
In 2020 and beyond, virtually every enterprise will experience a market transformation or other crisis that requires a fundamental change in how they do business. In the face of such disruptive “turns,” enterprises will win by their ability to handle crisis and disruption, not by optimising for stability. CIOs play a key role in increasing the enterprise’s fitness and ability to emerge from a crisis stronger than before.

CIOs must anticipate opportunities and threats, and make the organisation adaptable to changing conditions. They must be visionaries and pragmatists — clearing a path for innovation to occur across the organisation while making timely data-driven decisions.



Val Sribar

Senior Vice President
Gartner Research & Advisory





Information Technology

Resilience during disruption



Organisations face ongoing uncertainty and business disruption

Business turns can come in many forms, including acquisitions, cost pressures and shifts in consumer demand as well as systemic shifts such as a possible recession, growing trade wars and digital disruption.

It's not hard to imagine sales plummeting, the cost of inputs spiking or digital competitors entering the market. When crises like this hit, many enterprises languish — and some lose their competitiveness.



90%

of enterprises have experienced a turn/disruption.

Source: Gartner CIO Agenda 2020



40%

will be scaling and refining their digital initiatives in 2020, up from 17% in 2018. Others are still in the “initiating” stages.

Source: Gartner CIO Agenda 2020

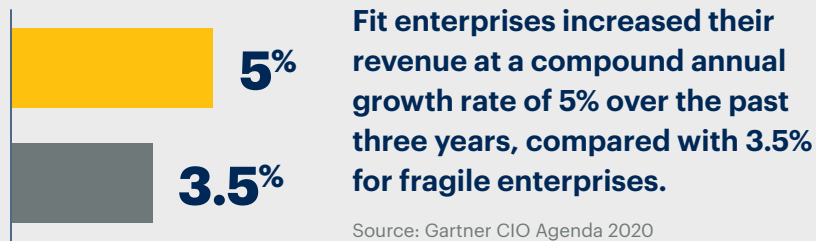
Even digitalised organisations remain vulnerable to change. Digital has become business as usual, with the number of enterprises that have reached the scaling and refining stages of their digital journey continuing to increase.

Digital itself is no longer a differentiator, but the vast majority of enterprises are optimising existing business models, not transforming themselves. As a result, many digitalised enterprises are highly vulnerable to turns in business conditions that require them to undertake fundamental change.

Stumbling in a turn threatens profits and more

Organisations that emerge from a turn behind or far behind where they were previously (a segment we label “fragile”) lose on multiple counts.

Gartner analysed the performance of nearly 1,000 organisations that had experienced a severe crisis and found that those that lost ground during turns take a hit to revenue and profits temporarily, but also find it harder to run and grow the business going forward.

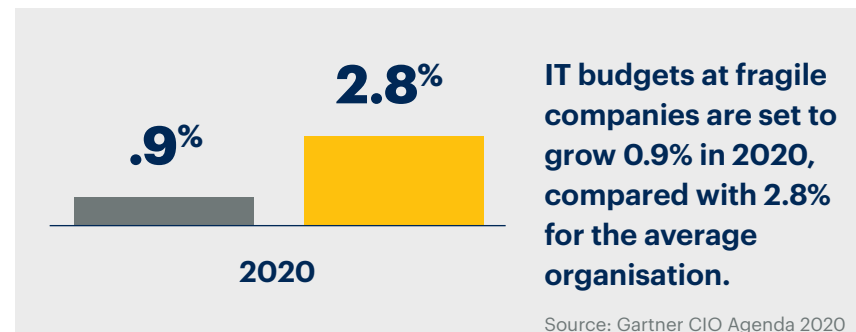


The profit margins of fragile enterprises shrank over the past five years, whereas “fit” enterprises maintained their margins.

Gartner CIO Agenda 2020

These fragile organisations attract less talent, launch initiatives more slowly, have less money to invest in the business, and generally find it harder to plan and execute strategies to drive innovation and growth. They suffer permanent structural damage.

Fragile firms are also far less able than their “fit” peers (those that emerged from turns ahead or far ahead of where they were before the turn) to respond to change.





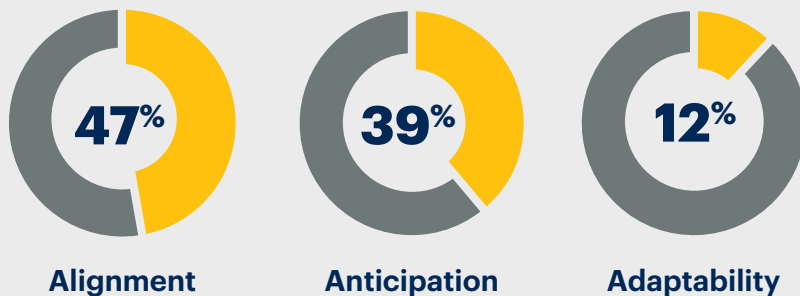
Align, anticipate, adapt

Gartner found that fit organisations exhibit specific capabilities. CIOs should tackle these capabilities in order:

- **Alignment** is the area where fit enterprises most outperform fragile. Drive alignment to ensure that the organisation can stay together while shifting direction. Shifts often mean becoming more deeply, strategically digital, so it's key to have great business leadership that promotes dynamic alignment and reaches into the IT organisation.

- **Anticipation.** Fit enterprises don't wait for circumstances to force a change in direction. Their leaders actively search out and act on emerging opportunities. IT is critical to strategy execution, and must be able to anticipate both opportunities and threats.
- **Adaptability** is the IT organisation's chief responsibility. In fit enterprises, IT executives don't just take orders and keep costs down; they outperform by acting on the business's terms, making the organisation adaptable to change — and turning the IT organisation into an instrument of change.

Impact of each category on fitness



Source: Gartner CIO Agenda 2020

The Gartner Expert View



“Forty percent of organisations are now digitally at scale. It’s time to focus on something new: Disruption — and getting the organisation fit enough to tackle disruptions and come out ahead.”

Andy Rowsell-Jones
Distinguished VP Analyst



“Even digitalised enterprises can be vulnerable to a crisis that demands fundamental change. Organisations that handle these disruptions poorly will suffer permanent structural damage.”

Chris Howard
Distinguished VP Analyst



Information Technology

The future of data and analytics is now



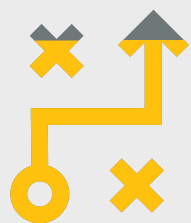
D&A struggles to communicate the value of data

Data and analytics (D&A) is increasingly at the heart of every organisation's digital business strategy, and D&A leaders can play a key role in creating monetisation opportunities, radically improving customer experience and reshaping industries. The time is right for them to exploit data to inform smarter actions that drive better, consistent organisational outcomes.

But although D&A has the potential to embed insight and intelligence into every decision, every opportunity and every outcome, businesses across all industries continue to struggle with the ambiguity of determining the value of D&A — and executing strategies to fulfil its potential.

For organisations to make data integral to how they work, let alone use data insights to fundamentally change their value proposition, D&A leaders must be able to describe the value of D&A upfront and sell it directly to all stakeholders — in particular, articulating the value of data in driving stated business outcomes.

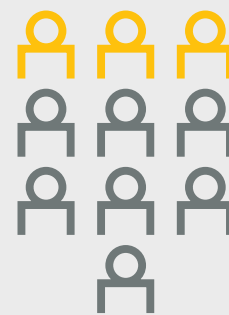
In the future, the value of and urgency around D&A will only increase, especially as organisations increasingly combine human intelligence with machine or artificial intelligence (AI). In our 2019 CIO Survey, CIOs picked AI as the top game-changer technology, and our recent 2020 CIO Survey indicates more than 52% have or will deploy AI in 2020.



90%

By 2022, 90% of corporate strategies will explicitly mention information as a critical enterprise asset and analytics as an essential competency.

Source: Gartner



30%

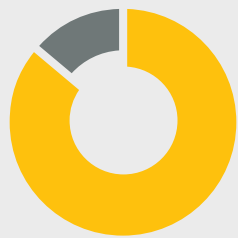
By 2022, 30% of chief data officers will partner with their CFOs to formally value the organisation's information assets for improved information management and benefits.

Source: Gartner

Lack of data literacy hampers business outcomes

In most organisations, business leaders don't really understand exactly how D&A supports their work, and D&A professionals lack sufficient understanding of business context.

D&A leaders need a new and concrete way to articulate the value of data. System architectures have historically been based on localised applications, with the application considered the asset and the data merely an input and byproduct. D&A leaders struggle to shift gears and position data as an asset in and of itself.



86%

of D&A leaders say their top responsibility is defining data and analytics strategy.

Source: Gartner



25%

By 2020, 25% of large organisations will be either sellers or buyers of data via formal online data marketplaces.

Source: Gartner

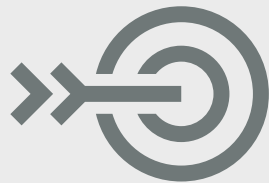
Also missing is sufficient alignment between D&A and business strategy. Today, too few D&A leaders ask key questions like: "With this data, or this type of insight, how can we fundamentally change the value propositions for our customers?" or "How does the business process and response change given this new insight?" Many don't even know to ask the questions at all.



Drive consensus on the business value of data

Delivering better business outcomes requires a data-literate organisational culture that values information as an asset. Gartner research suggests that data literacy will be the single biggest determinant of a successful deployment of data, analytics and AI going forward.

Work with key business partners to build a D&A strategy that is directly linked to the key business outcomes of growth, customer experience, monetisation of D&A, risk mitigation and innovation. Identify and communicate, using tangible examples, the business value of data and analytics. Champion both the tangible and intangible value of information assets. Make sure to provide analytic insight (not just data) to enable better business decision making.



80%

By 2023, 80% of organisations will target data literacy competencies for development.

Source: Gartner

Promote data literacy awareness and lead purposefully on key issues such as skills development, closing talent gaps, building the right teams and formalising the right roles.

Align your AI capabilities to organisational ambitions by annually matching the maturity stages to your own activities for AI-powered applications and projects.



Data literacy is

“the ability to read, write and communicate data in context, including an understanding of data sources and constructs, analytical methods and techniques applied, and the ability to describe the use-case application and resulting value.”

Source: Gartner

The Gartner Expert View



“In this world of ambiguity — characterised by uncertainty, risk and doubt — it’s time to lead with purpose and bring clarity through data and analytics that you can rely on and, most importantly, trust. CEOs in all industries are turning to CDOs and chief analytics officers to build the digital organisation of the future and achieve business objectives. D&A is the linchpin in embedding insight and intelligence into every decision, every opportunity and every outcome.”

Andrew White

Distinguished VP Analyst



“We expect that by 2020, 80% of organisations will initiate deliberate competency development in the field of data literacy, acknowledging the extreme deficiency that exists today.”

Alan D. Duncan

VP Analyst

Moving From Insight to Action

Gartner for IT Leaders

Discover how Gartner supports CIOs and IT decision makers

Gartner for IT Leaders is the definitive research and advisory resource for IT executives. Gartner equips IT leaders and their teams to drive business impact across a range of key areas including driving digital business transformation for industry leadership, digital disruption and innovation, and D&A strategies.

In addition, Gartner's unique blend of insights, advice and tools support the success of IT leaders by:

- Leading successful digital transformations
- Leveraging innovation to drive strategic business changes
- Making smarter digital and technology decisions

Learn more

[Download the key take-aways from the Gartner 2020 CIO Agenda](#)

[Download the Gartner Special Report: The Future of Data and Analytics Is Now](#)

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