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HARVEY NASH
CIO SURVEY
2013

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NASH**
The Power of Talent

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WELCOME

Welcome to the 15th annual CIO Survey from Harvey Nash, supported again this year by our sponsor TeleticityGroup.

In this year's CIO Survey we look more closely at the increasingly multifaceted role of the CIO as they continue to operate in a very exciting, but complex environment.

Across a range of trends this year CIOs are being affected by a number of divergent forces:

- CIOs are being asked to prioritise cost-saving and efficiency programmes, but at the same time are becoming more entrepreneurial and business-facing.
- CIOs are on the lookout for 'hot' new skills such as mobile and social networking, but 'core' technology skills still top the table for what is required to get the job done.

- CIOs rate themselves less happy than they were before the recessions of 2007 and 2010, but their strategic influence has never been stronger.

- CIOs are recognising that their importance is increasingly defined by their influence, rather than what they control. This report highlights how much of the growth in technology lies in digital, mobile and social: areas that the CIO shares with other executives, most notably the CMO. Collaboration is key.

It is then, perhaps, understandable that CIOs are feeling pulled in multiple directions as their role undergoes a paradigm shift, but for the majority of our respondents it appears to be an opportunity they relish.

I hope you get value from our new sections 'Building relationships with the business', and 'The age of disruptive technologies', as well as all our traditional topics around IT talent, outsourcing, budgets and, of course, CIO career development.

Albert Ellis,
Chief Executive,
Harvey Nash plc

ABOUT THE PARTICIPANTS

2,029

NUMBER OF PARTICIPANTS

\$103BN

COMBINED IT SPEND

MAJORITY OF CIOs HAVE 'GLOBAL' RESPONSIBILITY

'CEO' MOST COMMON REPORTING LINE

TALENT MANAGEMENT

71%

MOBILE SKILLS HOTTEST GROWTH (UP 11% THIS YEAR)

Enterprise architecture and business analysis skills in most demand (4 in 10 CIOs will hire these roles in 2013)

90% of CIOs are 'concerned' with retaining best talent

INFLUENCE

70% THINK ROLE OF CIO IS BECOMING MORE STRATEGIC, BUT

ONE IN FIVE CIOs (22%) BELIEVE THEY HAVE 'LOST' CONTROL OVER SOME TECHNOLOGY ASSETS

CIOs RECOGNISE THAT 'INFLUENCE' AND 'CONTROL' ARE QUITE DIFFERENT THINGS (IN THE COLLABORATION AGE)

IT RELATIONSHIPS WITH THE BUSINESS

RELATIONSHIPS BETWEEN IT AND FINANCE / OPERATIONS REMAIN STRONG

THE WEAKEST RELATIONSHIP IT HAS IN THE BUSINESS IS WITH MARKETING

57% OF CIOs BELIEVE THEY LACK SUPPORT FROM THE BOARD TO ACHIEVE IT VISION

HARVEY NASH CIO SURVEY 2013 KEY FINDINGS

INNOVATION INVESTMENT

71% SEE 'GREAT' INNOVATION POTENTIAL BUT ONLY 2% BELIEVE POTENTIAL 'FULLY' REALISED

68% WILL INVEST MORE IN MOBILITY IN 2013

58% WILL INVEST MORE IN CLOUD IN 2013

50% WILL INVEST MORE IN COLLABORATION IN 2013

CIO CAREER

MAJORITY OF CIOs HAVE WORKED FOR CURRENT EMPLOYER 2-5 YEARS

27% OF CIOs ARE PLANNING TO MOVE JOB IN NEXT 12 MONTHS

76% OF CIOs ARE 'FULFILLED' IN THEIR CURRENT ROLE

CIO REMUNERATION

30% OF CIOs RECEIVED A PAY INCREASE IN LAST 12 MONTHS

60% HAVE A PAY FREEZE STILL

21% SAW BONUS INCREASE IN LAST 12 MONTHS, 60% BONUS STATIC

WOMEN IN IT

8% OF CIOs ARE WOMEN

14% OF ORGANISATIONS HAVE NO WOMEN IN IT

84% OF CIOs THINK THERE IS A LACK OF QUALIFIED WOMEN CANDIDATES

WHAT KEEPS YOU AWAKE AT NIGHT?

IT LEADERS ACROSS THE WORLD SHARE THEIR VIEWS



Am I striking the correct balance between innovating and driving the business forward whilst at the same time ensuring that the infrastructure, systems and applications already in place are maintained to the highest standards of performance and reliability? When the balance is right, my customers are transacting, my stakeholders are happy, and (kids permitting) I can sleep soundly!

Chily Fachler, CIO, Encore Tickets Ltd



The biggest challenge we face continues to be the pace of change of technology. It used to be an 'edge' issue; well now it's also a 'core' issue. With big changes in how we must platform core capabilities, being driven primarily by Cloud and packaged Cloud apps, we are faced now with fundamental decisions that feel more like buying services than the traditional orientation of 'building' capabilities. This 'shift' also poses a huge talent and skills challenge – again, away from build and run, towards internal consulting and complex vendor management.

Rob Cain, CIO Enabling Functions, The Coca-Cola Company



People are the difference: our challenge is to involve the whole team in creating a place where great people want to be and can do great work. Core skills are shifting every day; advanced statistics, data visualisation and DevOps are all recent requirements and in short supply. Finding people who are curious, multi-skilled, and can operate effectively in two or three related disciplines is a key part of bringing teams together and bridging silos.

Richard McLaren, MD Data and Sciences, Mig



Now that everyone understands the power of information technology and its potential impact to the business, CIOs have the challenge to fully leverage such power and ensure high positive impact, especially on business growth.

Paolo Cinelli, CIO, IKEA Group



The anticipation of doing something new or different! Technology in general, and at Starbucks, can be a real game changer: giving us the ability to innovate, evolve and transform the business. Knowing our technology can have a fundamental impact on business success makes technology evolution extremely exciting, but also worrying!

Robert Teagle, EMEA IT Director, Starbucks Coffee EMEA BV



Ensuring people embrace the business and technology improvements we need to drive our business forward is critical. Executing a plan and deploying technology are easy; capturing the excitement and commitment of the clients and day-to-day contributors who are impacted by these changes is the hard part.

Yvonne Scott, CIO, Crowe Horwath LLP



Our biggest challenge is the shifting of our services from desktop/internal to mobile/social. We build relationships with our business(es) by treating them like customers. For the CIO to maintain credibility with the board, I think it will be more important to be a customer champion, than a C-level influencer/shaper, although we have to do that as well.

Rod Carr, CIO, Centrica Energy

EXECUTIVE SUMMARY

A 21st century war for talent

Not all technology skills are equal in the current market. CIOs reporting skills shortages in mobile have grown by eleven per cent this year, with a quarter of all CIOs struggling to find the right mobile talent. In addition, 25 per cent of CIOs cite skills shortages in big data, and 19 per cent for social media technology skills, up eight per cent on last year. However, despite the shift towards '21st century' talent, it is the 'classic' technology skills of business analysis (sought by 39 per cent of CIOs), enterprise / technical architecture (39 per cent) and project management (31 per cent) that remain the skills most in demand overall.

Lack of diversity threatens retention

CIOs are increasingly worried about retaining their best talent in 2013. Nine out of ten respondents are 'somewhat' or 'very' concerned with keeping their most valuable technology skills in the organisation. Attempts to offer more flexible employment options to retain talent have resulted in 28 per cent of CIOs now operating with flexible contracts for one in four workers. However, there has been far less progress with workforce diversity programmes; 14 per cent of organisations indicate there are no women in the IT department, and for almost a third of organisations women make up less than one in ten IT employees.

Retention applies to CIOs too

CIOs are more restless than at any time in the past four years. Despite almost a third of respondents (30 per cent) reporting to be 'very fulfilled' in their role, and a further 47 per cent 'fulfilled', more than one in four CIOs (27 per cent) are planning to move into a new role within the next twelve months, up on previous years.

Building relationships with the business

The role the CIO plays in articulating the technology vision cannot be overstated, but 'championing' technology is as much about collaboration and persuasion as it is about setting strategy. Over half of CIOs (57 per cent) believe they lack support from the board, and just under half (49 per cent) are struggling to build support from their C-level peers in achieving their technology vision. As we enter a more collaborative age, the importance placed on the relationship-building and influencing skills of the CIO will only grow, as internal and external partners are required to work together collaboratively to achieve success.

The naked CIO

With CIOs expecting to invest more in Cloud, Bring Your Own Device (BYOD) and outsourcing in the coming year, and the growing trend of shadow IT, it is not surprising that over one-fifth of CIOs feel that they have lost an element of direct control over their IT assets in the last five years. But 'control' does not equate to 'influence' and CIOs are increasingly seeing their role as collaborators rather than controllers (almost four in ten CIOs believe they are using their influencing skills more than ever). With almost two-thirds (62 per cent) of CEOs preferring their CIOs to concentrate on making, rather than saving, money for the company, the most vital area for collaboration is with Sales and Marketing, and yet when comparing the strength of relationships between the IT department and other departments, Sales and Marketing stand out as needing the most work, with almost three-quarters (72 per cent) believing it could be improved.

“ CIOs are increasingly worried about retaining their best talent ”

When disruption can be good for you

CIOs believe that Cloud, collaboration and mobility have big potential for positive advantage for their company. They also believe these disruptors have little 'downside' so it's not surprising that in all three areas, over half of CIOs expect to invest more over the next year. Social media and big data are also viewed positively, but less enthusiastically. BYOD and shadow IT are considered as disruptors that have a net negative impact on the organisation, despite CIOs expecting BYOD investment to grow over the next year.

Growing security concerns

A quarter of CIOs (26 per cent) believe they are very well positioned to deal with a current or near-future security issue, down from 29 per cent in 2012, and 37 per cent in 2011. While a large majority (61 per cent) feel quite well prepared, 13 per cent admit they could be doing more.

Mind the innovation gap

Almost three-quarters of CIOs (71 per cent) see great potential for innovation in their industry, going so far as to say organisations need to embrace new technology or lose market share. However, when asked if their organisation was in a position to achieve its innovation potential, only two per cent of CIOs said they had. There is a realisation among the CIO community that more needs to be done to close the innovation gap. More than two-thirds (69 per cent) have identified that too little time and too few resources are currently being invested in innovation.

IT budgets stabilise

IT budget growth levels are also returning to pre-recession levels: 43 per cent of CIOs are operating with bigger budgets in 2013, reinforcing the return to health that we first tracked in last year's survey. When considered alongside the 44 per cent who saw a budget increase in 2012, it is the first time since 2006-07 (when 42 per cent saw an increase) that more than four in ten CIOs are experiencing budget growth. However, CIOs are right to remain cautious about future IT budget expectations and how much control they will have over IT budget decisions. During the height of the recessionary years, the CEO and CFO played an increasing role in all budget decisions, but in recent years - with the growth of digital, mobile and social media - collaboration between the Marketing department and the IT function is having a greater role in shaping IT budgets.

“ more needs to be done
to close the innovation gap ”

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Key areas covered by this survey

Job roles, reporting lines and board presence, geography and industry, budget responsibility, key issues, skills, innovation and collaboration, disruption, IT budgets, outsourcing and offshoring, career and compensation

The 2013 CIO Survey from Harvey Nash is global in nature and was undertaken across many different countries, languages and currencies. For ease of production the currency used is the US Dollar. At the launch of the survey the conversion rate of US Dollar to GBP 1 = USD 1.60 / Euro 1 = USD 1.31

1. GLOBAL RESULTS

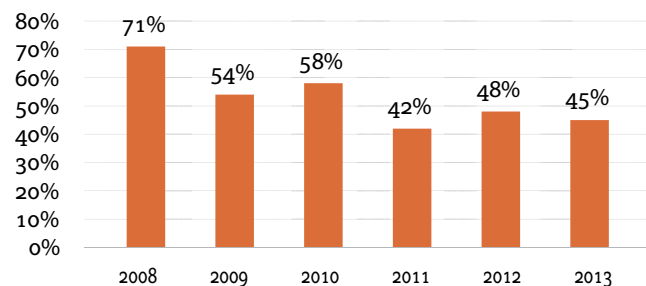


1.1 TALENT MANAGEMENT

Skills shortage

Just under half of CIOs (45 per cent) are affected by a skills shortage: a figure that has remained fairly static for the last three years, but well below a high of 71 per cent in 2008.

Exhibit 1: % CIOs who believe a technology skills shortage prevents their organisation from keeping up with the pace of change



However, not all technology skills are equal in the current market and there are distinct 'hot-spots' of demand for talent. As can be seen from the table below,

one in four CIOs is seeking skills in mobile talent, which represents a double-digit increase in demand (eleven per cent) over the last two years. Similarly, one in four CIOs would like to augment the big data skills in their organisation.

Reflecting the high-profile risk associated with hacking and cyber security, demand for experience of security and resilience has grown by eight per cent over the last 24 months, the same percentage growth as the need for social media skills. Steady demand in the requirement for architecture skills is maintained in 2013, over a third of CIOs are looking for architecture talent.

When looking at absolute demand for skills, rather than growth in demand, the 'classic' technology skills of business analysis, enterprise / technical architecture and project management still remain the most in demand skills, and have done so for the last three years. Despite the huge shifts in technology in recent years, the core skills challenges have remained centrally important.

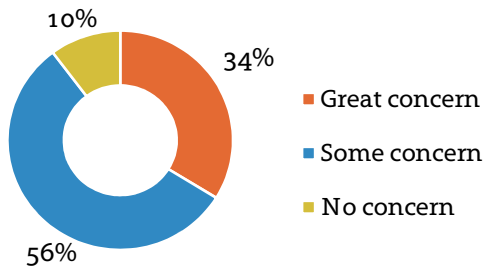
Exhibit 2: % CIOs indicating skills shortages – broken down by technology skills

	2011	2012	2013	% change '11-'13
Big data	N/A	N/A	25%	N/A
Mobile solutions	14%	21%	25%	11%
Security and resilience	13%	17%	21%	8%
Social media	11%	15%	19%	8%
Technical architecture	28%	29%	35%	7%
Enterprise architecture	34%	35%	39%	5%
Business analysis	35%	34%	39%	4%
Service management	12%	12%	16%	4%
Development	19%	20%	22%	3%
Testing	17%	17%	20%	3%
Compliance	7%	8%	9%	2%
Business relationship management	21%	22%	22%	1%
Project management	30%	29%	31%	1%
Outsourcing	8%	8%	9%	1%
IT strategy	19%	20%	20%	1%
Change management	22%	20%	23%	1%
ERP	10%	11%	11%	1%

Retention of talent

While CIOs are increasingly focused on high-value skills, they are also worried about retaining their best talent in 2013. Nine out of ten respondents are 'somewhat' or 'very' concerned with keeping their most valuable technology skills in the organisation.

Exhibit 3: % CIOs who believe retention of talent will be a concern in the coming year

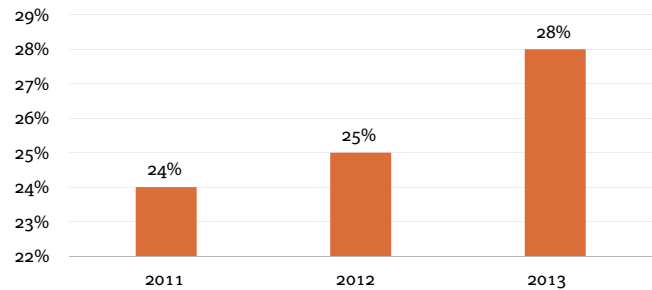


Flexible employment

One of the solutions CIOs are adopting to retain a diverse bench of talent is providing a range of flexible employment options. From contract employment, to part-time working and job sharing, even outsourcing work to partner organisations, the nature of the technology workforce is evolving.

Since tracking this metric in 2011, the proportion of CIOs who are using flexible labour in more than a quarter of their workforce has been growing.

Exhibit 4: % of CIOs that have a flexible workforce greater than 25 per cent of the total workforce



Women in IT

There is only a very marginal change in the percentage of women in IT responding to the Harvey Nash CIO survey in 2013. This year, eight per cent of respondents are female compared with seven per cent in 2012 and 2011.

When looking beyond the IT leadership roles to the proportion of women in IT generally, for 14 per cent of organisations there are no women in the IT department at all, for almost a third of organisations women make up less than one in ten of IT employees, and only four per cent of CIOs indicate their IT teams are made up of a gender balance of 50 per cent or more women employees.

Managing talent

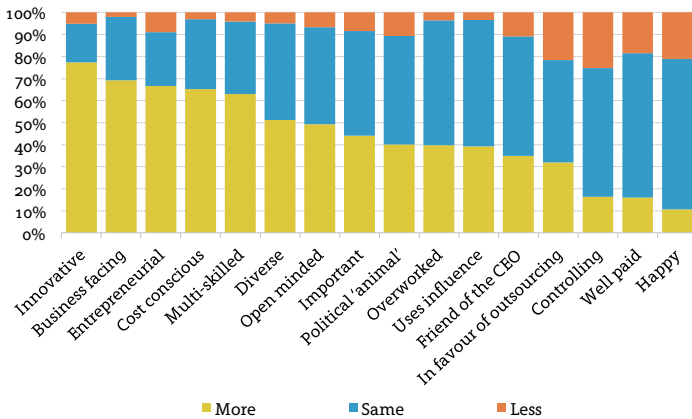
The leadership skills needed to manage the IT team in the current environment remains a complex mix of 'soft' people skills, 'hard' technical and business skills, as well as a surprising amount of 'political' instincts and influence peddling.

“the nature of the technology workforce is evolving”

The ability to engage and influence senior leaders as a member of the operational board / executive management team remains important. This year, 54 per cent of respondents occupy a seat at the top table, a steady increase since 2010 when the figure was 42 per cent; (in 2011 it was 50 per cent, and in 2012 it was 52 per cent).

The mix of hard skills and soft attributes of the CIO in 2013 is effectively represented in the chart below.

Exhibit 5: 2013 CIO characteristics compared to pre-recession era



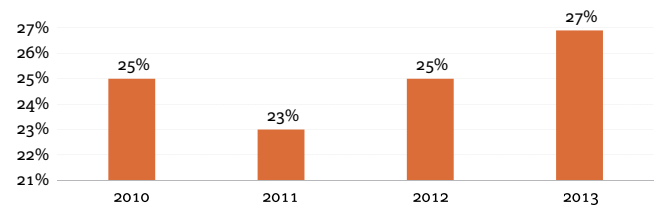
The development of the CIO during the recession has certainly been driven by the role technology has played in delivering efficiencies, hence the high proportion of CIOs believing they are more 'cost-conscious'. However, the need to find growth and maximise profit in a technology-dominated economy is reflected with 'entrepreneurial', 'innovative' and 'business-facing' skills being more highly rated.

Drawing on a wider range of skills is more important in the complex and diverse environment of 2013, with CIOs relying more on coalition-building to achieve results.

CIO development

CIOs are more restless than at any time in the past four years. While almost a third of respondents (30 per cent) reported being 'very fulfilled' in their role, and a further 47 per cent were 'fulfilled', more than one in four CIOs (27 per cent) are planning to move into a new role within the next twelve months, up on previous years.

Exhibit 6: % CIOs planning to move job within 12 months



For those CIOs not looking to move job in the next year, only one in ten would not consider a new role, 41 per cent are prepared to proactively talk with head-hunters about a suitable opportunity, and just under a third (27 per cent) are more reactive and keeping an eye on the market.

The role the CIO plays in articulating the technology vision cannot be overstated. As we will see later in this section, it is the CIO who is best placed to champion the technology vision, but 'championing' is as much about collaboration and persuasion as it is about strategy-setting; the CIO is no longer the only 'technology executive' around the boardroom table.

When asked how IT was seen in their organisation, just under half (43 per cent) of respondents believe the CIO has succeeded in making technology seen as 'fundamental to competitiveness', up from 40 per cent last year. The use of technology innovation and having the IT team known for delivering innovation value is already a reality for 47 per cent of respondents, up from 41 per cent last year.

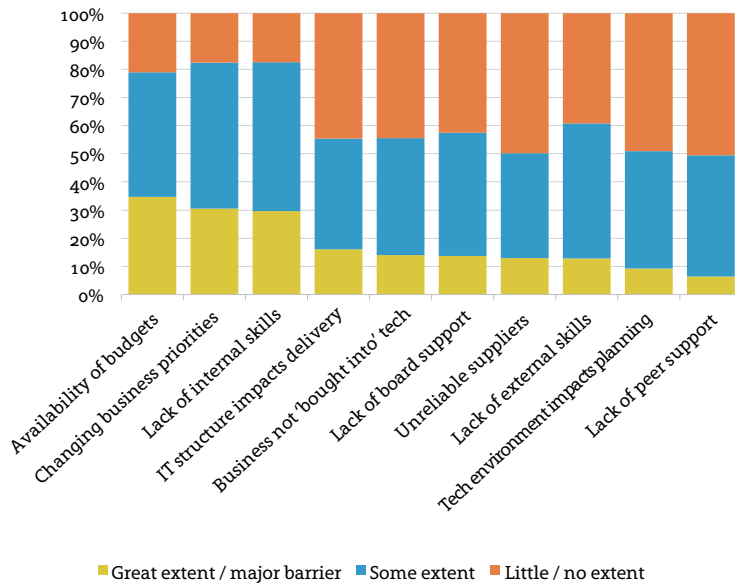
“The role the CIO plays in articulating the technology vision cannot be overstated”

1.2 BUILDING RELATIONSHIPS WITH THE BUSINESS

Barriers to realising the technology vision

There are a range of identified challenges that CIOs have to overcome in order to fulfil their technology vision. Most challenging remains the availability of budgets to deliver on the technology potential for the organisation. Given the complex nature of the macro environment that CIOs are operating in it is perhaps unsurprising that another challenge CIOs are wrestling with is how to plan effectively in an unpredictable and fast-changing world.

Exhibit 7: Extent to which barriers are preventing technology vision from being realised



Another challenge that is vexing CIOs is how to deliver the technology vision in their organisation without sufficient support from peers or superiors. Over half of CIOs (57 per cent) believe they lack support to some extent from the board, and just under half (49 per cent) are struggling to build support from their C-level peers in achieving their technology vision. As we enter a more collaborative age, both for the IT department and other departments, as well as between customers, suppliers and other external and internal stakeholders, the relationship-building and influencing skills placed on the CIO to generate support for the organisation's technology vision is only going to become more important.

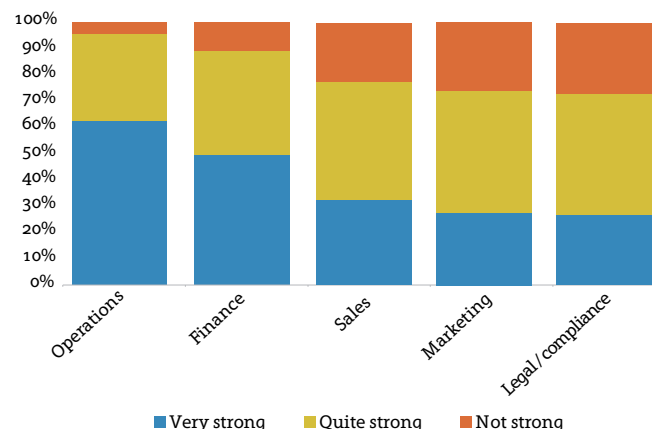
Relationships between IT and the business

With IT solutions playing a central role in business efficiencies during the recession, and technology innovation being relied on to drive sales revenue and lead business growth in the post-recession era, the relationships between IT and the rest of the business have never been more important.

As evidenced in the chart below, respondents believe relationships between IT and the Operations department are the strongest of those measured. Relationships with IT and Finance also remain strong. The close working relationship these functions formed in the fires of the recession to cut costs and improve efficiencies may have created this positive rapport. The weakest relationship IT has in the business is with the Marketing department.

Whilst the poorer state of relations between IT and Marketing may not have mattered so much in the past, the growth areas of mobile, digital, social and big data – all of which require collaboration between the CIO and CMO – are making this collaboration gap increasingly significant.

Exhibit 8: How strong are the relationships between IT and the other business functions



One in five CIOs (22 per cent) believe they have 'lost' control over some technology assets and applications in the last six years. However, fully half (50 per cent) of CIOs believe their influence has increased during the same time, while 28 per cent see the balance of influence roughly equal. The majority of CIOs appear to accept that 'influence' and 'control' over IT are quite different things in the collaboration age.

1.3 DISRUPTIVE TECHNOLOGIES DRIVING INNOVATION

Disruption and value added

In this new area of the Harvey Nash CIO Survey we listed seven disruptors, and for each we asked CIOs whether they presented a high advantage, a high disadvantage, or both, for their business. The resulting exhibit gives a fascinating insight into how CIOs view some of the key trends shaping the IT department today.

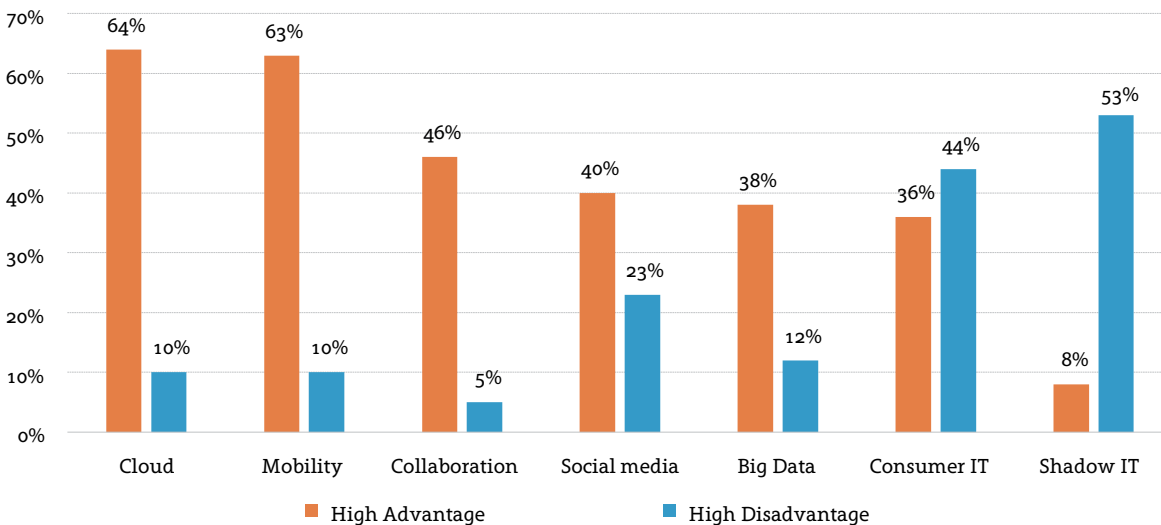
CIOs recognise that Cloud services, collaboration software and mobility are the disruptors with most advantages to their business in their current approach to IT. However, despite this enthusiasm, and as we describe in more detail later on in this section, uptake of all three is far from extensive: only 11 per cent of respondents describe their Cloud services usage as 'great' and 22 per cent make little or no usage of the Cloud. A similar picture emerges for mobility where only eight per cent have significantly structured their IT department for mobile and 20 per cent say they have done little or nothing.

CIOs are critical of shadow IT, and consumer IT / Bring Your Own Device (BYOD) trends, believing that the advantages they bring are outweighed by the disadvantages. BYOD, recognised as a way of life for so many organisations these days, is still not really approved of by the CIO with just 47 per cent of participants encouraging its use.

CIOs also don't buy into social media, seeing it as essentially neutral as a value-adding disruptive technology – less than half (40 per cent) see advantages and almost a quarter (23 per cent) see it as a disadvantage. CIOs are increasingly seeing social media as a non-core area of their responsibilities; in marked contrast to the CMO for whom this is often an area of growth.

For almost two-thirds of CIOs big data is not seen as a major disruptor: only one third – 38 per cent – believe it adds high advantage and one in ten (12 per cent) viewed it as a disadvantage. Despite this, almost half (47 per cent) are encouraging its development and a similar proportion (45 per cent) expect to invest more in big data next year.

Exhibit 9: Advantages/disadvantages of disruptive technologies

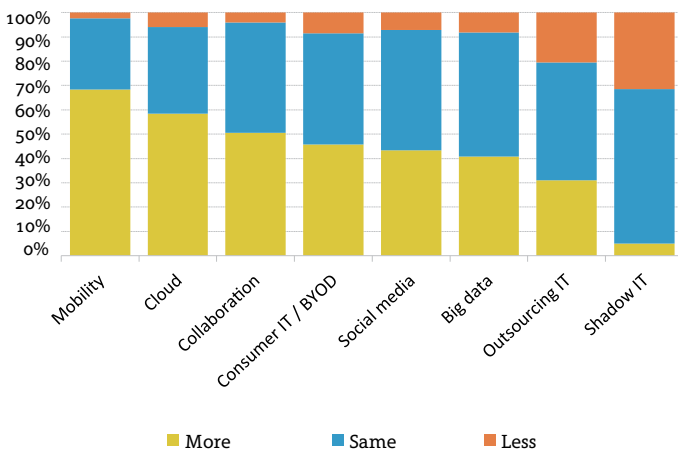


We would like to thank CIO Connect (www.cio-connect.com) for their input to this section

Investment in innovation

Reflecting the importance being placed on disruptive technology to transform organisations and the sectors in which they operate, the planned future investment in mobility, collaboration and Cloud innovation is a highly relevant trend.

Exhibit 10: Proposed technology investment focus over next 12 months

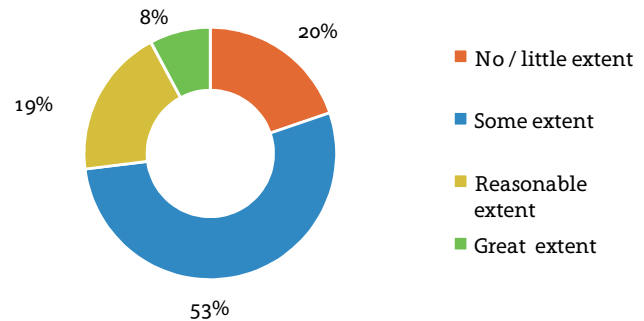


Two-thirds of CIOs (68 per cent) plan to invest more in mobility over the next year while 58 per cent of CIOs will enhance their Cloud-related technology. Collaborative innovation also remains popular in 2013 with 50 per cent of CIOs putting more resources into these projects. Shadow IT (31 per cent) and outsourcing (20 per cent) are disruptive technologies that will receive less investment in 2013.

Mobility innovation

When asked specifically about how much progress their organisation has made in realising the potential of mobility, one in five CIOs (20 per cent) state that little or none of their assets have been mobilised. However, more than half (53 per cent) have mobilised some online assets but only in a basic way, 19 per cent have made 'reasonable' progress and mobilised most of their online assets, while an innovative eight per cent have created new channels and methods of doing business through mobile.

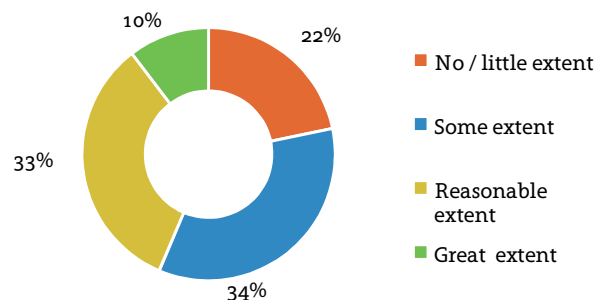
Exhibit 11: Extent of progress made innovating with mobile technology



Cloud technology usage

Approximately one in five respondents are not currently investing in Cloud, while just over one-third of CIOs (34 per cent) are hosting a limited number of non-core systems in the Cloud. Another third (33 per cent) have hosted one or more core systems in the Cloud, while one in ten CIOs (ten per cent) host most or all of their core systems in the Cloud. With over half of respondents expecting to invest more in Cloud over the coming year, we expect to usage to increase.

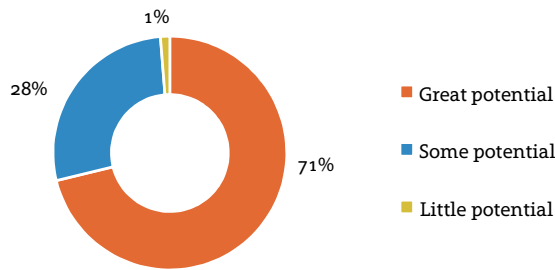
Exhibit 12: Extent of progress made innovating with Cloud technology



The innovation gap

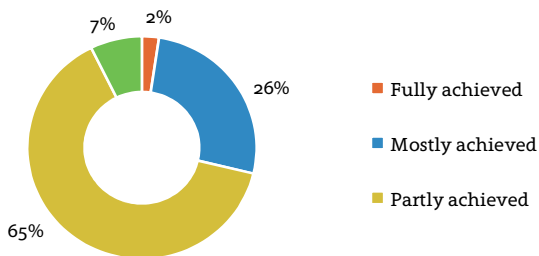
Almost three-quarters of CIOs (71 per cent) see great potential for innovation in their industry, going so far as to say organisations need to embrace new technology or lose market share. A further 28 per cent see innovation as important as a potential differentiator in their industry, while only one per cent do not see technology innovation as important.

Exhibit 13: CIO perception of innovation potential in their industry



However, when asked if their organisation was in a position to achieve its innovation potential, only two per cent of CIOs said their organisation had fully achieved its innovation potential. Just over a quarter of CIOs said their innovation potential was mostly achieved, while the majority (65 per cent) believe their innovation potential is being partly achieved. Worryingly, for seven per cent of organisations no innovation is being delivered.

Exhibit 14: CIO perception of innovation potential that is being achieved in their organisation

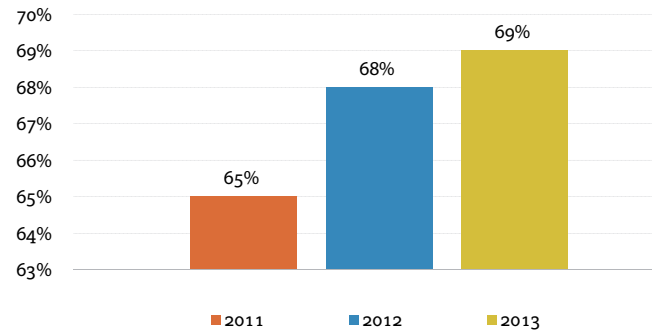


Progress on innovation projects is not assured. While CIOs recognise that significant innovation potential exists – 71 per cent in 2013 (as outlined above) and 71 per cent also in 2012, up from 67 per cent in 2011 – they are becoming frustrated by the continued inability of their organisation to realise that potential. As such, the innovation gap between innovation potential and innovation achievement is widening.

Exhibit 15: Innovation gap analysis, % CIOs who see 'great' innovation potential not being 'fully' achieved

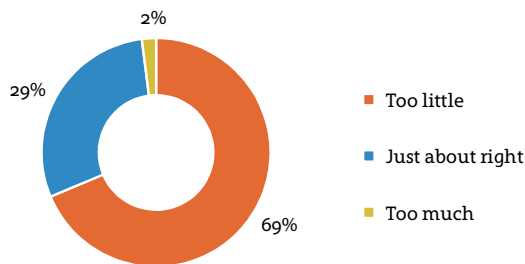
	Great innovation potential	Fully achieved	Innovation gap
2013	71%	2%	69%
2012	71%	3%	68%
2011	67%	2%	65%

Exhibit 16: Innovation gap, % CIOs who see 'great' innovation potential not being 'fully' achieved



There is a realisation amongst the CIO community that more needs to be done to close the innovation gap. More than two-thirds (69 per cent) have identified that too little time and too few resources are currently being invested in innovation, and only two per cent feel they are investing too much in their innovation activity.

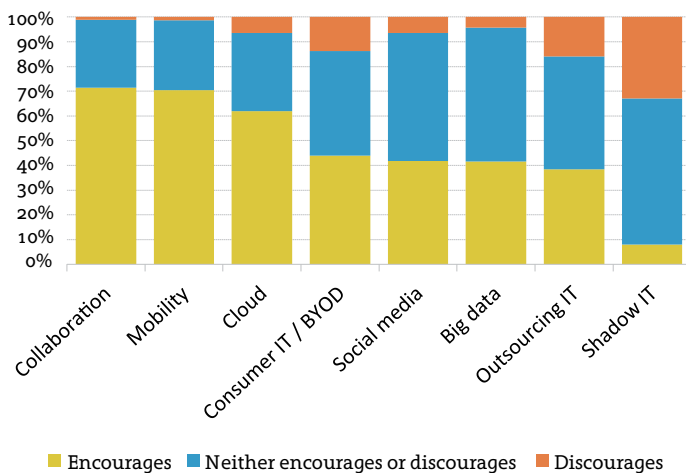
Exhibit 17: CIO assessment of the level of innovation investment in their organisation



Role of CIO in promoting innovation

The CIO has an important role to play in fostering a culture for innovation across all technologies, but it is clear that the time CIOs spend promoting innovation correlates with those technologies assessed to be most effective at driving change and adding value.

Exhibit 18: Role CIO plays in promoting technology innovation

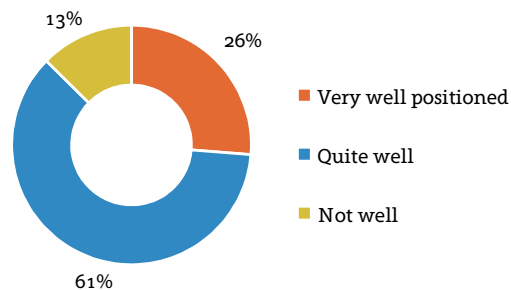


CIOs are most active in promoting collaboration (71 per cent) and mobility (70 per cent), with 62 per cent actively encouraging Cloud technology innovation. CIOs are also actively discouraging some technology innovation, including a third (33 per cent) who depress enthusiasm for shadow IT and 14 per cent of CIOs who are seeking to limit experimentation with BYOD.

Cyber security and disruptive technology

With more innovation occurring in collaborative environments, and with the massive growth of mobile and other disruptive technologies, the risk of hacking and the vital importance of cyber security is becoming increasingly important.

Exhibit 19: % CIOs positioned to deal with current or near-future IT security or cyber attack



A quarter of CIOs (26 per cent) believe they are very well positioned to deal with a current or near-future security attack, down from 29 per cent in 2012 and 37 per cent in 2011. While a large majority (61 per cent) feel quite well prepared, 13 per cent admit to not being well prepared to deal with the threats posed by an increasingly interconnected world, up from eight per cent in 2012 and seven per cent in 2011.

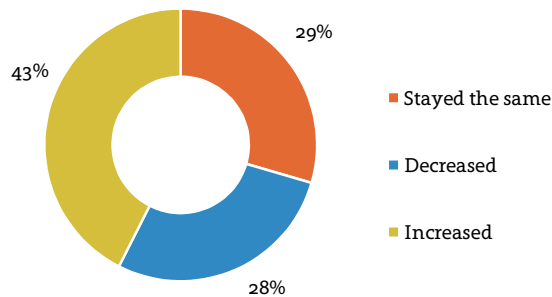
“The CIO has an important role to play in fostering a culture for innovation across all technologies”

1.4 IT BUDGETS

IT budget health check

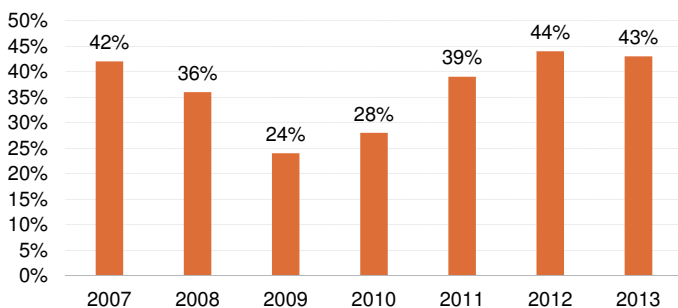
Over the last twelve months approximately three in ten CIOs were operating with frozen IT spend while an additional three in ten CIOs were managing declining IT budgets. The 43 per cent of respondents who benefited from growing budgets in 2013 is the same figure as 2012.

Exhibit 20: % CIOs operating with a budget change during previous 12 months



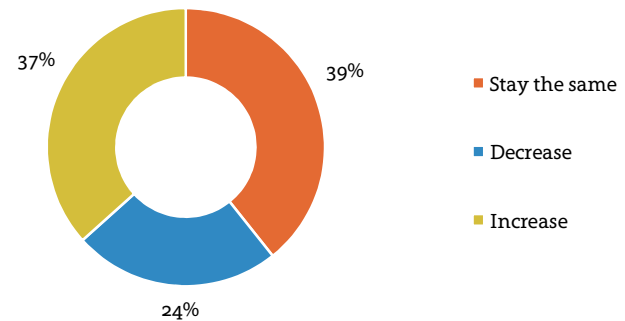
The largest proportion of CIOs (43 per cent) are operating with increasing budgets in 2013, a positive development, but perhaps more importantly budgets are growing faster than CIOs expected them to. When asked in 2012 if they were planning for a budget increase in 2013, only 38 per cent were positive about their future budget health. The overall health of IT budgets in 2013 to 2014 remains modest and CIOs remain cautious with their budget expectations.

Exhibit 21: % CIOs operating with growing budget, comparison 2007-2013



IT budget growth levels are also returning to pre-recession levels: 43 per cent of CIOs are operating with bigger budgets in 2013, comparing closely to 44 per cent in 2012 and 42 per cent in 2007. CIOs are right to remain cautious about IT budget expectations. They became adept during the 2008-2011 period at showing effective return on IT investments; today's budget growth has been hard fought and based on clearly demonstrated value to the organisation.

Exhibit 22: % CIOs expecting IT budget change in next 12 months



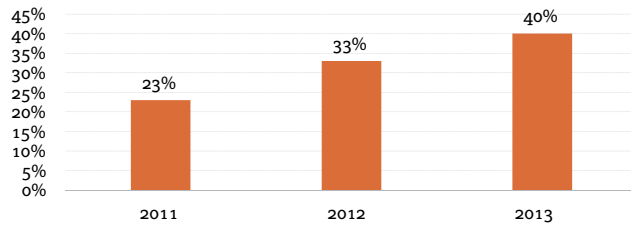
IT budget control

Debate has continued for a number of years about the degree of control over the IT budget that is exercised by decision-makers outside the function. Certainly during the height of the recessionary years, the CEO and CFO played an increasing role in all budget decisions, including IT. In more recent years, with the growth of digital, mobile and social media, collaboration between the Marketing department and the IT function has had a greater role in shaping IT budgets.

Over the past two years we have sought to track what percentage of an organisation's IT spend is controlled or managed by decision-makers outside the IT function.

“The overall health of IT budgets in 2013 to 2014 remains modest”

Exhibit 23: % CIOs with more than ten per cent of IT spend controlled from outside IT function



There is a distinct shift over the last three years for more decisions to be made outside the IT function.

One possible internal pressure that is contributing to where IT spend is being decided may be found in the number of CIOs claiming that 'business is not bought into technology'. In fact respondents listed this challenge second only to a lack of understanding or support from the board in issues that are inhibiting their technology vision being realised.

More than four in ten CIOs (42 per cent) say their business is not 'bought into' technology to some extent and 15 per cent say it is a major issue in their organisation. The almost 60 per cent of CIOs who say they suffer a lack of organisational buy-in to their technology vision may explain some of the reason that IT budget spend decision-making is shifting away from the IT department.

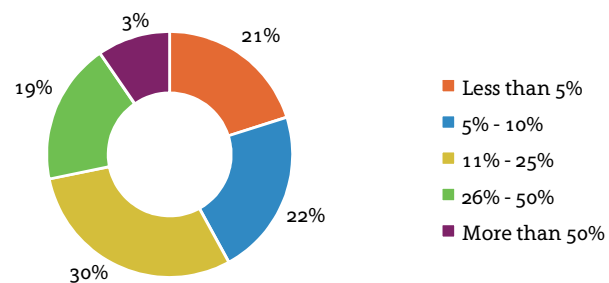
In addition to the CIO's ability to persuade the business to 'buy into' the IT vision, another reason for IT spend decisions being made outside the IT department is the greater need for departmental collaboration in organisations. When projects and budgets are shared, so too are budget decisions.

Developing innovative new products and services, which are a priority for 51 per cent of CIOs, enabling mobile commerce (33 per cent), enabling business change (53 per cent), driving revenue (42 per cent) and innovating with social media (14 per cent) are all priorities that will require collaboration with other departments, often Marketing, which will impact the degree of IT control in decision-making.

IT budgets and outsourcing spend

One in ten CIOs spend more than half of their IT budget on outsourced activity while 19 per cent of CIOs commit between a quarter and a half of their IT spend on outsourcing projects.

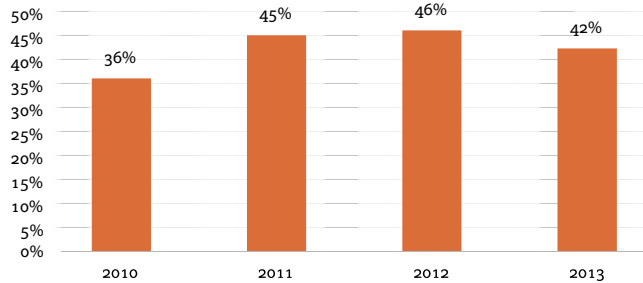
Exhibit 24: Percentage of IT budget spent on outsourcing



Looking forward, only 16 per cent of respondents expect their IT spend on outsourcing to decline next year, while 42 per cent plan to maintain outsourcing investment at current levels, and the same percentage (42 per cent) expect to increase their outsourcing investment. Compared to previous years the proportion of CIOs planning to increase their IT outsourcing is lower, albeit marginally, than in 2012 and 2011 but higher than in 2010.

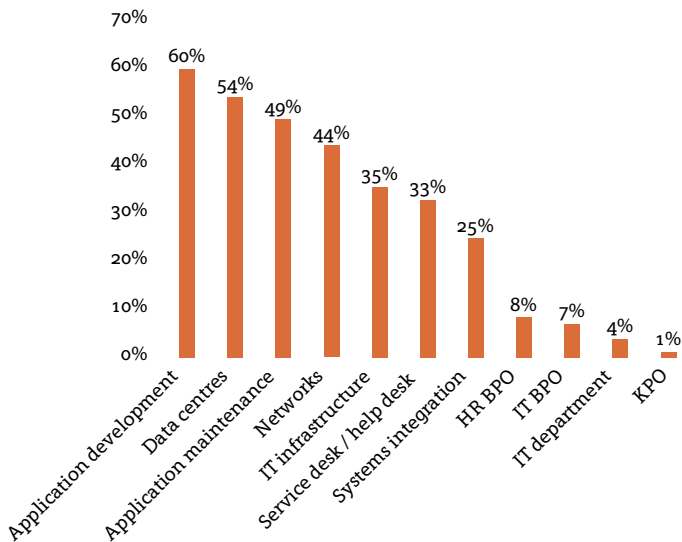
“ One in ten CIOs spend more than half of their IT budget on outsourced activity ”

Exhibit 25: % CIOs planning to increase spend on outsourcing, 2010-2013



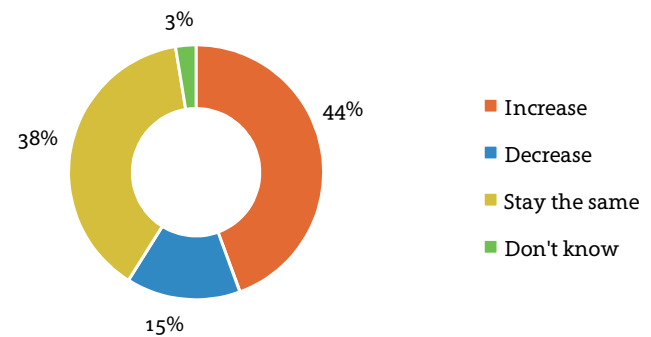
Almost two-thirds of CIOs outsource their software application development, including mobile applications, while over half (54 per cent) outsource their data centres. Just under half of CIOs continue to outsource the maintenance and ongoing support of the applications they develop. A third have handed over the management of their service desk / help desk to outsourced partners, while four per cent of CIOs have outsourced the whole IT department.

Exhibit 26: % CIOs undertaking outsourced IT activity



When it comes to spending IT budget overseas, almost half of CIOs (44 per cent) will increase their investment in offshore outsourced activity in 2013 compared with only 15 per cent who will reduce their offshore spend. This remains broadly in line with previous years.

Exhibit 27: % CIO intent for future IT budget spend on offshore activity



A likely reason for the stability and ongoing dependence of offshore outsourced activity by CIOs is the widespread levels of satisfaction with the reliability of offshore work undertaken. For two-thirds of CIOs (66 per cent) the results of offshore work has met or exceeded expectations; this figure was 65 per cent in 2012, 68 per cent in 2011 and 65 per cent in 2010.

“widespread levels of satisfaction with the reliability of offshore work undertaken”

2. INDUSTRY ANALYSIS



2.1. THE FINANCIAL SERVICES CIO - DATA GRID

Compared to the global average, the Financial Services sector CIO is...

<p>LESS LIKELY TO HIRE FLEXIBLE STAFF</p> <p>36 per cent will engage more flexible staff in the next year, six per cent lower than the global average (42 per cent)</p>	<p>EQUALLY AS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>43 per cent have seen a budget increase in the past year, in line with the global average</p>	<p>MORE CONFIDENT ABOUT THEIR CYBER-SECURITY</p> <p>Five per cent are concerned that they are not well prepared for a cyber-security incident, eight per cent less than the global average (13 per cent)</p>
<p>LESS COLLABORATIVE</p> <p>42 per cent believe collaboration can add value as a disruptive technology, ten per cent lower than the global average (52 per cent)</p>	<p>MORE INNOVATIVE</p> <p>29 per cent say innovation potential is being 'somewhat' achieved, three per cent higher than the global average (26 per cent)</p>	<p>LESS LIKELY TO HAVE HAD A PAY RISE</p> <p>26 per cent received a pay rise in the last 12 months, three per cent lower than the global average (29 per cent)</p>
<p>HAPPIER WITH THEIR SALARY</p> <p>76 per cent are satisfied with their remuneration package, six per cent higher than the global average (70 per cent)</p>	<p>EQUALLY AS (UN) DIVERSE</p> <p>Nine per cent of Financial Services CIOs are female, compared to the global average eight per cent</p>	<p>EQUALLY SEEKING BIG DATA SKILLS</p> <p>One-quarter are looking for candidates with big data experience, the same as the global average (25 per cent)</p>

The profile of a Financial Services sector CIO is more cost-conscious, business-facing and multi-skilled than in previous years, with a strong entrepreneurial and innovative streak that they have become known for.

Exhibit 28: Top five priorities of Financial Services sector CIOs

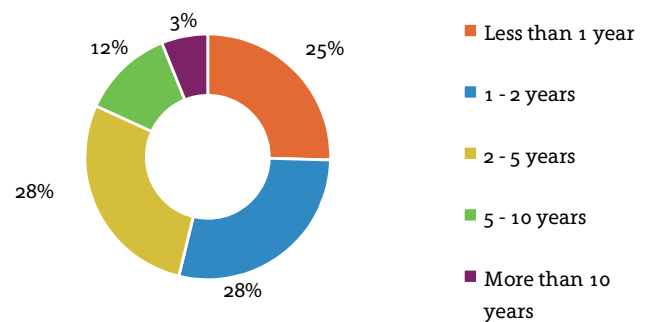
Delivering stable IT performance	76%
Increasing operational efficiencies	72%
Saving costs	71%
Managing risk and compliance	61%
Improving business processes	57%

The top priorities of Financial Services sector CIOs are focused on the secure, stable and efficient operations of the IT function. Compliance remains on the agenda and over half (53 per cent) are driving innovation, 40 per cent are prioritising revenue growth and 32 per cent are enabling mobile commerce.

Almost two-thirds of Financial Services sector CIOs (63 per cent) are being asked by their CEOs to prioritise projects that aim to make money, in line with a global average of 62 per cent for this trend.

Six per cent of CIOs in the Financial Services sector host most or all core systems in the Cloud, but a greater proportion (36 per cent) have adopted a more cautious approach, hosting some non-core systems in the Cloud. A further 33 per cent host no services in the Cloud. Twenty-five per cent have 'mobilised' most of their existing online assets (marginally lower than the global average - 27 per cent), while 29 per cent of Financial Services CIOs have not 'mobilised' any assets.

Exhibit 29: % Financial Services sector CIOs planning to move job



A quarter of Financial Services sector CIOs (25 per cent) are looking to move job within the next twelve months, two per cent lower than the global average. A total of 53 per cent expect to be in a new role in the next two years, in line with global figures (54 per cent).

“ 53 per cent expect to be in a new role in the next two years ”

2.2. TECHNOLOGY SECTOR CIO – DATA GRID

Compared to the global average, the Technology sector CIO is...

<p>MORE LIKELY TO REPORT TO THE CEO</p> <p>38 per cent report to the CEO, six per cent higher than the global average (32 per cent)</p>	<p>LESS LIABLE TO FEEL INFLUENTIAL</p> <p>61 per cent see the role of the CIO becoming more strategic, seven per cent less than the global average (68 per cent)</p>	<p>MORE FOCUSED ON MAKING MONEY</p> <p>70 per cent are asked by their CEO to focus on projects that make money, eight per cent higher than the global average (62 per cent)</p>
<p>MORE INVESTED IN CLOUD TECHNOLOGIES</p> <p>70 per cent see Cloud technologies adding value to their organisation, eleven per cent higher than the global average (59 per cent)</p>	<p>MORE SATISFIED WITH INNOVATION RESULTS</p> <p>Eight per cent think innovation potential has been fully achieved, six per cent higher than the global average (2 per cent)</p>	<p>LESS KEEN ON SOFTWARE DEVELOPMENT</p> <p>28 per cent are looking to recruit software development talent, eleven per cent lower than the global average (39 per cent)</p>
<p>EQUALLY AS (UN) DIVERSE</p> <p>Eight per cent of Technology CIOs are female, the same as the global average</p>	<p>MORE INTERESTED IN NEW ROLES</p> <p>62 per cent would take a call about a new role, 21 per cent more than the global average (41 per cent)</p>	<p>EQUALLY AS SATISFIED WITH THEIR PAY</p> <p>70 per cent are satisfied with their remuneration package, the same as the global average</p>

A CIO in the Technology sector is more cost-conscious than they were before the financial crisis and recession, they are less in favour of outsourcing and are less controlling, possibly as a result of greater collaboration. They are more innovative and entrepreneurial, but less happy and feel less rewarded.

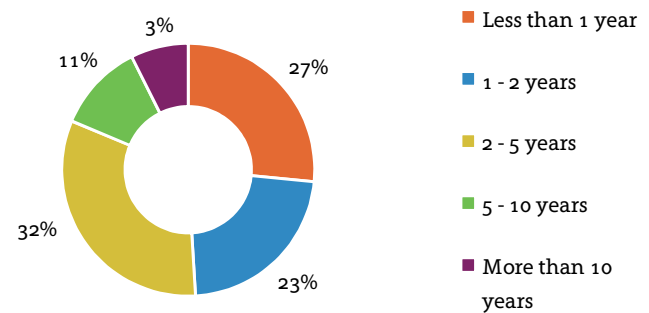
Like their CIO peers, Technology sector CIOs are focused on saving costs and improving operational efficiencies, but over half (53 per cent) are also tasked with developing new products and services, 52 per cent are responsible for driving revenues, and 35 per cent with enabling mobile commerce.

Exhibit 30: Top five priorities of Technology sector CIOs

Saving costs	74%
Increasing operational efficiencies	63%
Delivering stable IT performance	62%
Developing new products and services	53%
Improving business processes	53%

Twenty-four per cent of CIOs in the Technology sector host most or all core systems in the Cloud, significantly higher than the global average (ten per cent). Twenty-two per cent host no services in the Cloud, lower than the 33 per cent of CIO peers in the Financial Services sector who have chosen not to use Cloud technology to date. Forty-one per cent of Technology sector CIOs have 'mobilised' all or most of their existing online assets (significantly higher than the global average - 27 per cent).

Exhibit 31: % Technology sector CIOs planning to move job



Over a quarter of Technology sector CIOs (27 per cent) are looking to move job within the next twelve months, in line with the global average. Exactly half (50 per cent) expect to be in a new role in the next two years, marginally lower than global figures (54 per cent).

“ Forty-one per cent of Technology sector CIOs have ‘mobilised’ all or most of their existing online assets ”

2.3. RETAIL & LEISURE SECTOR CIO – DATA GRID

Compared to the global average, the Retail & Leisure sector CIO is...

<p>MORE LIKELY TO SIT ON THE BOARD</p> <p>59 per cent sit on the operational board of their organisation, five per cent higher than the global average (54 per cent)</p>	<p>LESS LIKELY TO HIRE BUSINESS ANALYSTS</p> <p>34 per cent are looking to hire business analysts, five per cent lower than the global average (39 per cent)</p>	<p>MORE FOCUSED ON MAKING MONEY</p> <p>79 per cent are focused on IT projects that make money, 17 per cent higher than the global average (62 per cent)</p>
<p>LESS DEPENDENT ON FLEXIBLE LABOUR</p> <p>35 per cent are planning to increase their dependency on flexible labour this year, but this is seven per cent lower than the global average (42 per cent)</p>	<p>EQUALLY ENGAGED IN MOBILE SOLUTIONS</p> <p>61 per cent are looking at mobile solutions to add value to their technology proposition, in line with the global average (63 per cent)</p>	<p>LESS SATISFIED WITH INNOVATION RESULTS</p> <p>0.8 per cent believe their organisation's innovation potential has been fully achieved, lower than the two per cent global average</p>
<p>MORE INVESTED IN DATA CENTRES</p> <p>58 per cent will outsource a range of responsibilities to data centres, four per cent higher than the global average (54 per cent)</p>	<p>MORE SATISFIED WITH THEIR PAY</p> <p>78 per cent are satisfied with their remuneration, eight per cent higher than the global average (70 per cent)</p>	<p>LESS DIVERSE</p> <p>Six per cent of CIOs are female, two per cent lower than the global average (eight per cent)</p>

A CIO in the Retail and Leisure sector is more multi-skilled and business-facing than they were six years ago. Like their peers, they feel less controlling, less happy and less well paid than before the financial crisis. Entrepreneurialism and innovation are prominent characteristics.

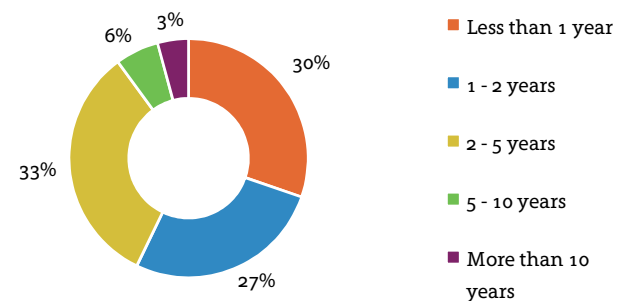
Delivering stable IT, saving costs and increasing operational efficiencies are the top operational priorities for Retail & Leisure sector CIOs, in line with peers in other sectors. The focus on business processes (59 per cent), business change (58 per cent), revenue growth (56 per cent) and mobile commerce (52 per cent) reflects the significant changes the internet has had on the sector.

Exhibit 32: Top five priorities of Retail & Leisure sector CIOs

Delivering stable IT performance	73%
Saving costs	68%
Increasing operational efficiencies	63%
Improving business processes	59%
Enabling business change	58%

Ten per cent of CIOs in the Retail & Leisure sector host most or all core systems in the Cloud, in line with the global average (ten per cent) but significantly lower than CIO peers in the Technology sector (24 per cent). Thirty-one per cent of Retail & Leisure sector CIOs have 'mobilised' all or most of their existing online assets, lower than peers in the Technology sector (41 per cent) but still higher than the global average - 27 per cent.

Exhibit 33: % Retail & Leisure sector CIOs planning to move job



Almost a third of Retail & Leisure sector CIOs (30 per cent) are looking to move job within the next twelve months, slightly higher than the global average (27 per cent). Fifty-seven per cent expect to be in a new role in the next two years, marginally higher than global figures (54 per cent).

“ Ten per cent of CIOs in the Retail & Leisure sector host most or all core systems in the Cloud ”

2.4. BUSINESS SERVICES CIO – DATA GRID

Compared to the global average, the Business Services sector CIO is...

<p>MORE LIKELY TO REPORT TO THE CEO</p> <p>43 per cent report to the CEO, eleven per cent higher than the global average (32 per cent)</p>	<p>LESS LIKELY TO FEEL INFLUENTIAL</p> <p>62 per cent see the role of the CIO becoming more strategic, six per cent less than the global average (68 per cent)</p>	<p>MORE FOCUSED ON MAKING MONEY</p> <p>70 per cent are focused on projects that make money for their organisation, eight per cent higher than the global average (62 per cent)</p>
<p>MORE INVESTED IN COLLABORATION</p> <p>60 per cent see collaboration solutions providing competitive advantage in the coming year, eight per cent higher than the global average (52 per cent)</p>	<p>LESS SATISFIED WITH INNOVATION RESULTS</p> <p>0.9 per cent believe their organisation's innovation potential has been fully achieved, lower than the two per cent global average</p>	<p>EQUALLY RELIANT ON FLEXIBLE LABOUR</p> <p>41 per cent expect to increase their reliance on flexible labour in the coming year, in line with the global average (42 per cent)</p>
<p>MORE LIKELY TO HAVE HAD A PAY INCREASE</p> <p>33 per cent received a salary increase in the last 12 months, four per cent higher than the global average (29 per cent)</p>	<p>EQUALLY SATISFIED WITH THEIR PAY</p> <p>70 per cent are satisfied with their remuneration package, the same as the global average</p>	<p>EQUALLY AS (UN) DIVERSE</p> <p>Nine per cent of CIOs in the Business Services sector are female, compared to an eight per cent global average</p>

A CIO in the Business Services sector is far more business-facing than they were six years ago, in part as the recession has required more innovative and entrepreneurial action to squeeze value from difficult markets. However, they are less happy, less well paid, and less controlling than in previous years.

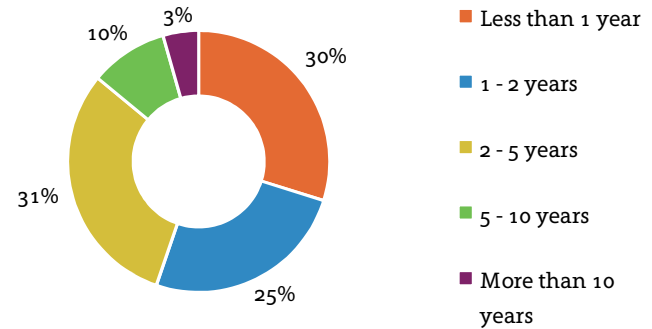
In line with CIOs from other sectors, Business Services sector CIOs are prioritising cost-saving and efficiency projects. However, 63 per cent are also focusing on improving business processes, 54 per cent on developing new products and services, and 45 per cent providing business intelligence. Driving revenue is important for 43 per cent, better engagement with customers 34 per cent, and enabling mobile commerce is a priority for 32 per cent.

Exhibit 34: Top five priorities of Business Services sector CIOs

Saving costs	70%
Delivering stable IT performance	70%
Increasing operational efficiencies	70%
Improving business processes	63%
Developing new products and services	54%

Sixteen per cent of CIOs in the Business Services sector host most or all core systems in the Cloud, higher than the global average (ten per cent), but significantly lower than CIO peers in the Technology sector (24 per cent). Twenty per cent of Business Services sector CIOs have 'mobilised' all or most of their existing online assets, lower than peers in the Technology sector (41 per cent), the Retail & Leisure sector (31 per cent) and the Financial Services sector (25 per cent) – as well as the global average – 27 per cent.

Exhibit 35: % Business Services sector CIOs planning to move job



Almost a third of Business Services sector CIOs (30 per cent) are looking to move job within the next twelve months, slightly higher than the global average (27 per cent). Fifty-five per cent expect to be in a new role in the next two years, essentially in line with global figures (54 per cent).

“ Business Services sector CIOs are prioritising cost-saving and efficiency projects ”

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3. REGIONAL ANALYSIS



3.1 CIO PROFILE: GLOBAL DATA CRUNCH

GLOBAL AVERAGE

vs. last year

CIO Salaries	29 per cent saw salary increase in 2012	-2%
Bonus	78 per cent receive bonus, 21 per cent saw bonus increase in 2012	0% -2%
Satisfaction	76 per cent are fulfilled in their role, 70 are satisfied with their remuneration	-6% -2%
Career Planning	14 per cent moved job last year, 27 per cent plan to move job this year	0% +2%

AUSTRALIA

vs. last year

CIO Salaries	35 per cent saw salary increase in 2012	-2%
Bonus	81 per cent receive bonus, 19 per cent saw bonus increase in 2012	+4% +1%
Satisfaction	68 per cent are fulfilled in their role, 74 are satisfied with their remuneration	+10% +9%
Career Planning	14 per cent moved job last year, 28 per cent plan to move job this year	-9% +1%

FRANCE

vs. last year

CIO Salaries	25 per cent saw salary increase in 2012	n/a
Bonus	86 per cent receive bonus, 18 per cent saw bonus increase in 2012	n/a
Satisfaction	63 per cent are fulfilled in their role, 85 are satisfied with their remuneration	n/a
Career Planning	4 per cent moved job last year, 41 per cent plan to move job this year	n/a

GERMANY

vs. last year

CIO Salaries	28 per cent saw salary increase in 2012	+7%
Bonus	93 per cent receive bonus, 30 per cent saw bonus increase in 2012	+10% +4%
Satisfaction	77 per cent are fulfilled in their role, 73 are satisfied with their remuneration	-13% -7%
Career Planning	6 per cent moved job last year, 21 per cent plan to move job this year	-10% +1%

IRELAND

vs. last year

CIO Salaries	27 per cent saw salary increase in 2012	-9%
Bonus	66 per cent receive bonus, 17 per cent saw bonus increase in 2012	-21% -5%
Satisfaction	76 per cent are fulfilled in their role, 60 are satisfied with their remuneration	+1% -12%
Career Planning	11 per cent moved job last year, 25 per cent plan to move job this year	0% +2%



NETHERLANDS

vs. last year

CIO Salaries	18 per cent saw salary increase in 2012	-10%
Bonus	82 per cent receive bonus, 17 per cent saw bonus increase in 2012	+5% -4%
Satisfaction	81 per cent are fulfilled in their role, 85 are satisfied with their remuneration	-7% +2%
Career Planning	9 per cent moved job last year, 24 per cent plan to move job this year	-2% -3%

SCOTLAND

vs. last year

CIO Salaries	29 per cent saw salary increase in 2012	-10%
Bonus	70 per cent receive bonus, 17 per cent saw bonus increase in 2012	-2% -14%
Satisfaction	86 per cent are fulfilled in their role, 74 are satisfied with their remuneration	-6% +4%
Career Planning	13 per cent moved job last year, 15 per cent plan to move job this year	+1% -8%

SWEDEN

vs. last year

CIO Salaries	39 per cent saw salary increase in 2012	n/a
Bonus	58 per cent receive bonus, 23 per cent saw bonus increase in 2012	n/a
Satisfaction	78 per cent are fulfilled in their role, 67 are satisfied with their remuneration	n/a
Career Planning	18 per cent moved job last year, 30 per cent plan to move job this year	n/a

SWITZERLAND

vs. last year

CIO Salaries	33 per cent saw salary increase in 2012	n/a
Bonus	72 per cent receive bonus, 6 per cent saw bonus increase in 2012	n/a
Satisfaction	80 per cent are fulfilled in their role, 76 are satisfied with their remuneration	n/a
Career Planning	15 per cent moved job last year, 20 per cent plan to move job this year	n/a

UNITED KINGDOM

vs. last year

CIO Salaries	29 per cent saw salary increase in 2012	-3%
Bonus	76 per cent receive bonus, 19 per cent saw bonus increase in 2012	-4% -3%
Satisfaction	75 per cent are fulfilled in their role, 65 are satisfied with their remuneration	-8% -1%
Career Planning	18 per cent moved job last year, 32 per cent plan to move job this year	+1% +1%

UNITED STATES

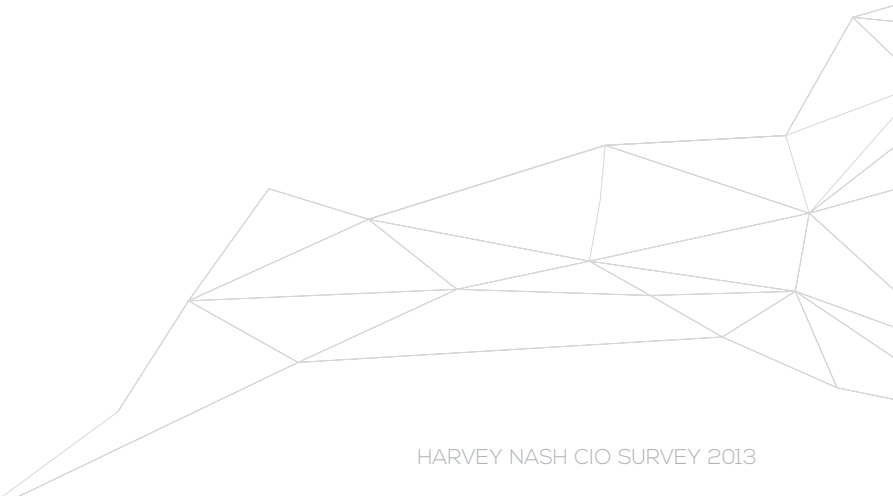
vs. last year

CIO Salaries	29 per cent saw salary increase in 2012	-2%
Bonus	82 per cent receive bonus, 29 per cent saw bonus increase in 2012	+6% +3%
Satisfaction	70 per cent are fulfilled in their role, 69 are satisfied with their remuneration	-7% +1%
Career Planning	12 per cent moved job last year, 20 per cent plan to move job this year	+2% +1%

3.2.1. AUSTRALIA

Compared to the global average, a CIO from Australia is...

<p>MORE LIKELY TO HIRE ARCHITECTURE SKILLS</p> <p>43 per cent are seeking architecture skills, four per cent more than the global average (39 per cent)</p>	<p>LESS LIKELY TO FEEL INFLUENTIAL</p> <p>60 per cent see the role of the CIO becoming more strategic, eight per cent less than the global average (68 per cent)</p>	<p>MORE RELIANT ON FLEXIBLE LABOUR</p> <p>56 per cent will increase their reliance on flexible labour, 14 per cent more than the global average (42 per cent)</p>
<p>LESS WORRIED ABOUT RETAINING TALENT</p> <p>84 per cent have a concern about retaining their best talent, six per cent lower than the global average (90 per cent)</p>	<p>MORE COLLABORATIVE</p> <p>52 per cent collaborate with the Marketing department on digital, ten per cent more than the global average (42 per cent)</p>	<p>MORE INVESTED IN MOBILITY</p> <p>73 per cent see mobility solutions providing competitive advantage in the coming year, ten per cent more than the global average (63 per cent)</p>
<p>MORE LIKELY TO INVEST IN OUTSOURCING</p> <p>51 per cent will increase their outsourcing investment, nine per cent higher than the global average (42 per cent)</p>	<p>MORE LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>35 per cent received a pay rise in the past year, six per cent more than the global average (29 per cent)</p>	<p>MORE DIVERSE</p> <p>Ten per cent are female, two per cent higher than the global average (eight per cent)</p>



Australian CIOs trend towards more entrepreneurial and innovative characteristics, they are more business-facing than they were six years ago, and their skills base and diversity have grown. They are more collaborative and less controlling, but they feel less well paid and are less happy than they were.

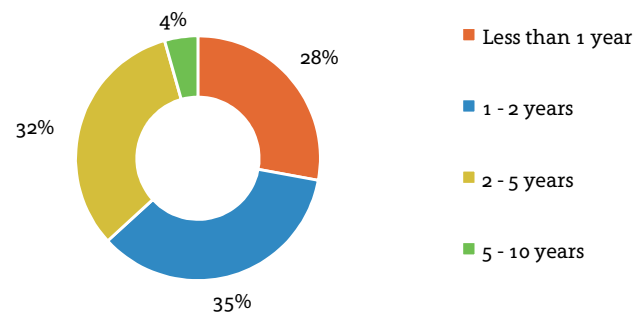
The majority of Australian CIOs are prioritising internally focused projects to improve business processes, save costs and increase operational efficiency. Beyond the top five priorities, 48 per cent of Australian CIOs are developing new products and services while 42 per cent are driving revenue growth. Just under one-third (32 per cent) are enabling mobile commerce and better engaging customers, while 31 per cent are seeking to improve time to market.

Exhibit 36: Top five priorities of Australian CIOs

Improving business processes	70%
Saving costs	65%
Increasing operational efficiencies	65%
Delivering stable IT performance	63%
Enabling business change	54%

Sixteen per cent of Australian CIOs host most or all core systems in the Cloud, significantly higher than the global average (ten per cent). Twenty-one per cent host no services in the Cloud, in line with the global average (22 per cent) who have chosen not to use Cloud technology to date. Thirty-two per cent of Australian CIOs have 'mobilised' all or most of their existing online assets, higher than the global average of 27 per cent.

Exhibit 37: % Australian CIOs planning to move job



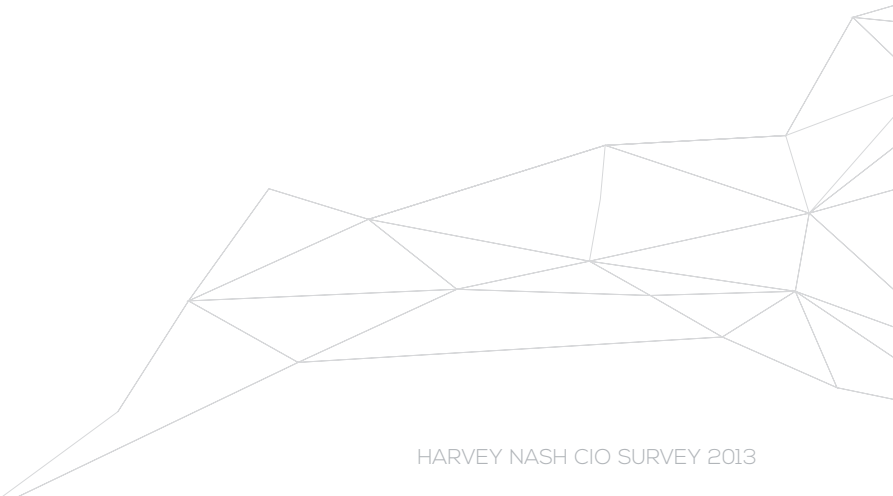
Over a quarter of Australian CIOs (28 per cent) are looking to move job within the next twelve months, in line with the global average (27 per cent). Sixty-three per cent expect to be in a new role in the next two years, significantly higher than global figures (54 per cent).

“Sixty-three per cent expect to be in a new role in the next two years”

3.2.2. FRANCE

Compared to the global average, a CIO from France is...

<p>MORE LIKELY TO SIT ON THE BOARD</p> <p>64 per cent sit on the operational board of their organisation, ten per cent higher than the global average (54 per cent)</p>	<p>LESS LIKELY TO FOCUS ON MAKING MONEY</p> <p>55 per cent are focused on projects that make money for their organisation, seven per cent less than the global average (62 per cent)</p>	<p>MORE CONCERNED ABOUT SKILLS SHORTAGE</p> <p>53 per cent believe a technology skills shortage harms their organisational competitiveness, eight per cent more than the global average (45 per cent)</p>
<p>MORE RELIANT ON FLEXIBLE LABOUR</p> <p>48 per cent will increase their reliance on flexible labour, six per cent more than the global average (42 per cent)</p>	<p>MORE COLLABORATIVE</p> <p>69 per cent will invest in collaboration solutions, 17 per cent more than the global average (52 per cent)</p>	<p>EQUALLY INVESTED IN MOBILITY</p> <p>65 per cent see mobility solutions providing competitive advantage in the coming year, two per cent more than the global average (63 per cent)</p>
<p>LESS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>25 per cent saw a budget increase last year, 18 per cent lower than the global average (43 per cent)</p>	<p>LESS LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>25 per cent received a pay rise in the past year, four per cent lower than the global average (29 per cent)</p>	<p>LESS DIVERSE</p> <p>Four per cent are female, four per cent lower than the global average (eight per cent)</p>



Innovation has driven the evolution of the French CIO during the past six years. They are using this approach to become more entrepreneurial and business-facing. French CIOs are more open-minded and multi-skilled, they are less controlling and also less in favour of outsourcing than they were in 2007. A proportion feel more overworked, less happy and believe they are less well paid than they used to be.

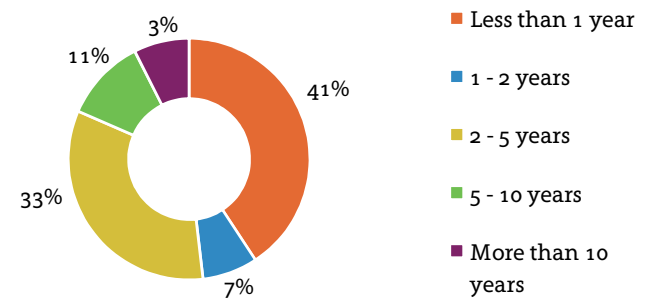
The majority of French CIOs are focused on delivering stable IT performance and reducing costs, and over half (52 per cent) are enabling business change. Outside the top five priorities, 45 per cent are developing new products and services, but only ten per cent are prioritising social media technology.

Exhibit 38: Top five priorities of French CIOs

Delivering stable IT performance	71%
Saving costs	61%
Increasing operational efficiencies	52%
Enabling business change	52%
Improving business processes	48%

Seven per cent of French CIOs host most or all core systems in the Cloud, marginally lower than the global average (ten per cent). Eighteen per cent host no services in the Cloud, also slightly below the global average (22 per cent) who have chosen not to use Cloud technology to date. Twenty-two per cent of French CIOs have 'mobilised' all or most of their existing online assets, five per cent less than the global average of 27 per cent.

Exhibit 39: % French CIOs planning to move job



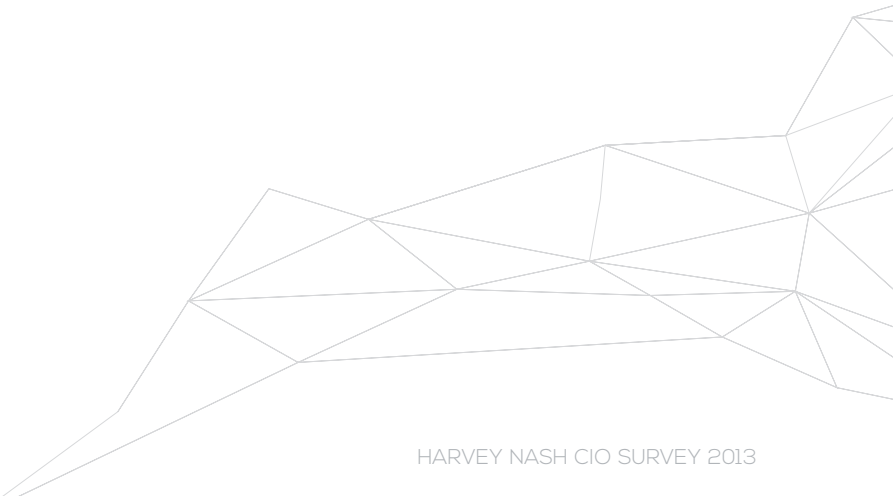
Four in ten French CIOs (41 per cent) are looking to move job within the next twelve months, significantly higher than the global average (27 per cent). However, forty-eight per cent expect to be in a new role in the next two years, lower than global figures (54 per cent).

“French CIOs are more open-minded and multi-skilled”

3.2.3. GERMANY

Compared to the global average, a CIO from Germany is...

<p>LESS LIKELY TO REPORT TO THE CEO</p> <p>28 per cent of German CIOs report to the CEO, four per cent less than the global average (32 per cent)</p>	<p>MORE FOCUSED ON SAVING MONEY</p> <p>58 per cent are focused on projects that make money for their organisation, four per cent less than the global average (62 per cent)</p>	<p>MORE CONCERNED ABOUT SKILLS SHORTAGE</p> <p>60 per cent believe a technology skills shortage exists, 15 per cent more than the global average (45 per cent)</p>
<p>MORE CONCERNED ABOUT RETAINING TALENT</p> <p>95 per cent are concerned about retaining their best talent, five per cent more than the global average (90 per cent)</p>	<p>EQUALLY COLLABORATIVE</p> <p>42 per cent collaborate with the Marketing department on digital, equal with the global average (42 per cent)</p>	<p>EQUALLY INVESTED IN MOBILITY</p> <p>64 per cent see mobility solutions providing competitive advantage in the coming year, one per cent more than the global average (63 per cent)</p>
<p>MORE LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>52 per cent saw a budget increase last year, nine per cent more than the global average (43 per cent)</p>	<p>AS LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>28 per cent received a pay rise in the past year, one per cent lower than the global average (29 per cent)</p>	<p>LESS DIVERSE</p> <p>Four per cent are female, four per cent lower than the global average (eight per cent)</p>



German CIOs are less likely to favour outsourcing compared to their peers, one of the starkest changes in the past six years. There is a more entrepreneurial and innovative streak in German CIOs compared to the pre financial crisis era, and the challenges of the past few years have resulted in a more open-minded and multi-skilled community of IT leaders in Germany.

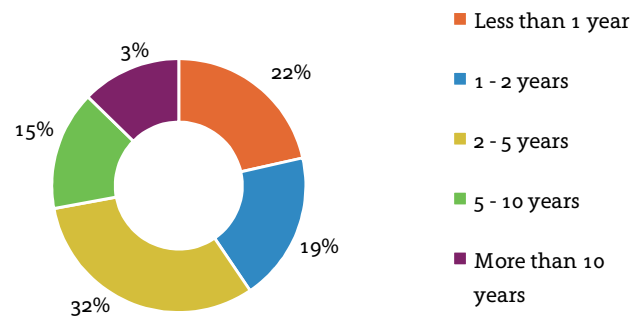
German CIOs are prioritising activity that provides a stable and secure environment for technology to operate in their organisation: 71 per cent are focused on delivering stable IT performance and improving business processes. Less than half are prioritising external projects, and 44 per cent are developing new products and services. Outside the top five priorities, 40 are delivering business intelligence, and 29 per cent are enabling mobility.

Exhibit 40: Top five priorities of German CIOs

Delivering stable IT performance	71%
Improving business processes	71%
Saving costs	69%
Increasing operational efficiencies	62%
Developing new products and services	44%

Six per cent of German CIOs host most or all core systems in the Cloud, lower than the global average (ten per cent), and 34 per cent host no services in the Cloud, higher than the global average (22 per cent) who have chosen not to use Cloud technology to date. However, 36 per cent of German CIOs have 'mobilised' all or most of their existing online assets, nine per cent more than the global average of 27 per cent.

Exhibit 41: % German CIOs planning to move job



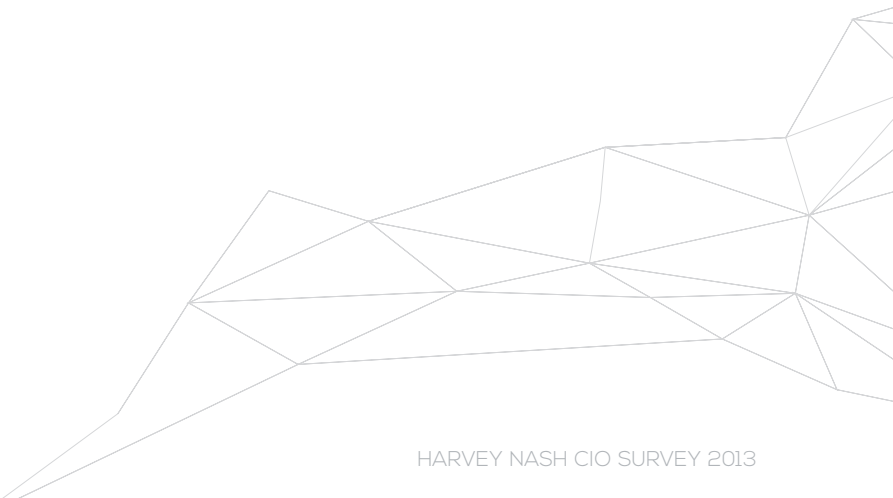
Almost a quarter of German CIOs (22 per cent) are looking to move job within the next twelve months, less than the global average (27 per cent). Forty-one per cent expect to be in a new role in the next two years, also lower than global figures (54 per cent).

“ German CIOs are prioritising activity that provides a stable and secure environment for technology ”

3.2.4. IRELAND

Compared to the global average, a CIO from Ireland is...

<p>LESS LIKELY TO SIT ON THE BOARD</p> <p>49 per cent sit on the operational board of their organisation, five per cent less than the global average (54 per cent)</p>	<p>MORE FOCUSED ON SAVING MONEY</p> <p>59 per cent are focused on projects that make money for their organisation, three per cent less than the global average (62 per cent)</p>	<p>MORE CONCERNED ABOUT SKILLS SHORTAGE</p> <p>51 per cent believe a technology skills shortage exists, six per cent more than the global average (45 per cent)</p>
<p>EQUALLY RELIANT ON FLEXIBLE LABOUR</p> <p>43 per cent will increase their reliance on flexible labour, one per cent more than the global average (42 per cent)</p>	<p>LESS COLLABORATIVE</p> <p>44 per cent will invest in collaboration solutions, eight per cent less than the global average (52 per cent)</p>	<p>MORE INVESTED IN INNOVATION</p> <p>78 per cent believe their organisation has great potential to innovate, seven per cent more than the global average (71 per cent)</p>
<p>AS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>45 per cent saw a budget increase last year, two per cent more than the global average (43 per cent)</p>	<p>AS LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>27 per cent received a pay rise in the past year, two per cent lower than the global average (29 per cent)</p>	<p>EQUALLY (UN) DIVERSE</p> <p>Eight per cent are female, equal to the global average (eight per cent)</p>



Irish CIOs have developed the most innovative tendencies in the past six years compared to peers from other regions; they also believe they are significantly more entrepreneurial while retaining a strong cost-conscious streak. However, they feel they are significantly less happy and believe they are less well paid than before the financial crisis.

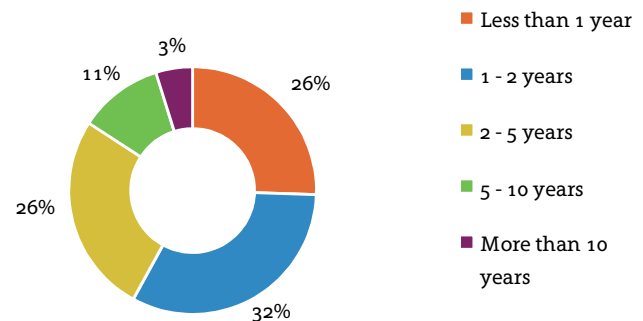
Like their peers in other regions, Ireland's CIO community is focused on operational efficiencies (66 per cent) but has prioritised cost saving above all (69 per cent). More than half (51 per cent) are developing new products and services, while outside the top five priorities 49 per cent are providing business intelligence. Four in ten Irish CIOs (40 per cent) are focused on managing compliance, and 37 per cent are enabling mobile commerce.

Exhibit 42: Top five priorities of Ireland CIOs

Saving costs	69%
Increasing operational efficiencies	66%
Delivering stable IT performance	64%
Improving business processes	57%
Developing new products and services	51%

Fourteen per cent of Ireland CIOs host most or all core systems in the Cloud, higher than the global average (ten per cent). Twenty-two per cent host no services in the Cloud, equal with the global average (22 per cent) who have chosen not to use Cloud technology to date. However, 32 per cent of Ireland CIOs have 'mobilised' all or most of their existing online assets, nine per cent more than the global average of 27 per cent.

Exhibit 43: % Ireland CIOs planning to move job



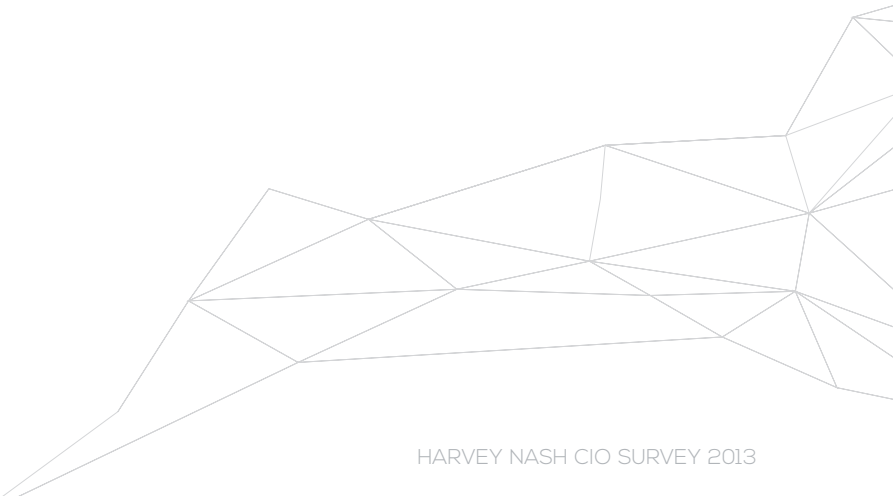
Over a quarter of Ireland CIOs (26 per cent) are looking to move job within the next twelve months, essentially equal to the global average (27 per cent). Fifty-eight per cent expect to be in a new role in the next two years, marginally higher than global figures (54 per cent).

“ Irish CIOs have developed the most innovative tendencies in the past six years ”

3.2.5. THE NETHERLANDS

Compared to the global average, a CIO from The Netherlands is...

<p>MORE LIKELY TO SIT ON THE BOARD</p> <p>57 per cent sit on the operational board of their organisation, three per cent more than the global average (54 per cent)</p>	<p>EQUALLY FOCUSED ON MAKING MONEY</p> <p>62 per cent are focused on projects that make money for their organisation, equal to the global average (62 per cent)</p>	<p>MORE IN DEMAND OF ARCHITECTURE SKILLS</p> <p>51 per cent are seeking architecture skills, twelve per cent more than the global average (39 per cent)</p>
<p>LESS WORRIED ABOUT RETAINING TALENT</p> <p>83 per cent have a concern about retaining their best talent, seven per cent lower than the global average (90 per cent)</p>	<p>EQUALLY COLLABORATIVE</p> <p>42 per cent collaborate with the Marketing department on digital, equal with the global average (42 per cent)</p>	<p>LESS CONFIDENT IN INNOVATION ABILITY</p> <p>60 per cent believe their organisation has great potential to innovate, eleven per cent less than the global average (71 per cent)</p>
<p>LESS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>38 per cent saw a budget increase last year, five per cent less than the global average (43 per cent)</p>	<p>LESS LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>18 per cent received a pay rise in the past year, eleven per cent lower than the global average (29 per cent)</p>	<p>LESS DIVERSE</p> <p>Four per cent are female, four per cent less than the global average (eight per cent)</p>



CIOs from The Netherlands have seen their role become far more business-facing in the past six years; they also feel more innovative, entrepreneurial and multi-skilled. Like their peers, CIOs from The Netherlands are less controlling (and more collaborative), more open-minded and marginally more political. Personally they feel less well paid, and operationally they are less in favour of outsourcing.

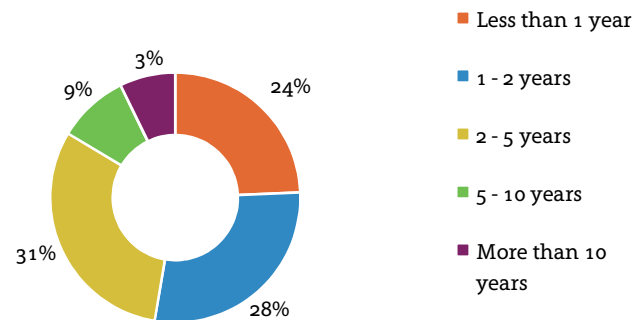
Cost control and delivering stable IT are the top priorities for the majority of CIOs from The Netherlands. More than half of CIOs from the country are focusing resources on increasing operational efficiencies (57 per cent) and improving business processes (56 per cent). Outside the top five, less than half are focusing on external priorities: improving time to market (32 per cent), driving revenue (26 per cent), engaging customers (19 per cent) and enabling mobile commerce (18 per cent).

Exhibit 44: Top five priorities of The Netherlands CIOs

Saving costs	70%
Delivering stable IT performance	67%
Increasing operational efficiencies	57%
Improving business processes	56%
Developing new products and services	48%

Four per cent of CIOs from The Netherlands host most or all core systems in the Cloud, lower than the global average (ten per cent). Twenty-three per cent host no services in the Cloud, in line with the global average (22 per cent) who have chosen not to use Cloud technology to date. Twenty-one per cent of CIOs in The Netherlands have 'mobilised' all or most of their existing online assets, six per cent less than the global average of 27 per cent.

Exhibit 45: % Netherlands CIOs planning to move job



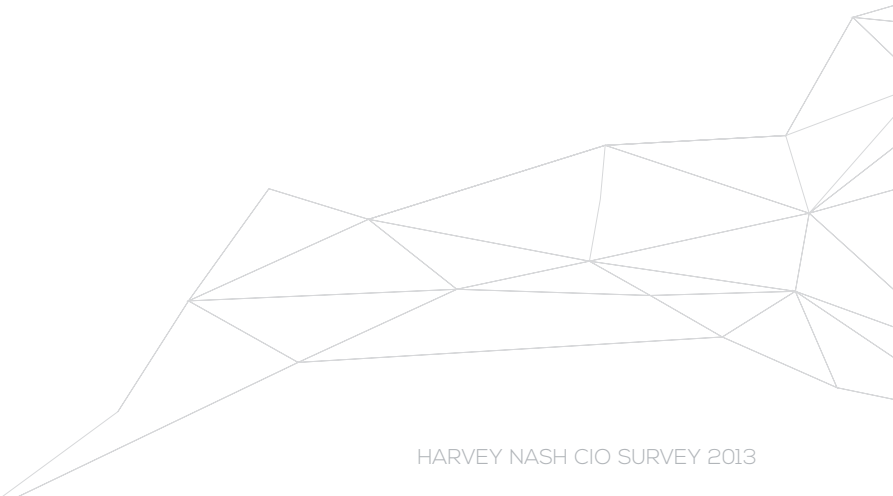
A quarter of CIOs in The Netherlands (24 per cent) are looking to move job within the next twelve months, marginally lower than the global average (27 per cent). Fifty-two per cent expect to be in a new role in the next two years, also marginally lower than global figures (54 per cent).

“ CIOs from The Netherlands are less controlling (and more collaborative), more open-minded and marginally more political ”

3.2.6. SCOTLAND (UK)

Compared to the global average, a CIO from Scotland (UK) is...

<p>LESS LIKELY TO REPORT TO THE CEO</p> <p>28 per cent report to the CEO, four per cent less than the global average (32 per cent)</p>	<p>MORE FOCUSED ON MAKING MONEY</p> <p>72 per cent are focused on projects that make money for their organisation, ten per cent more than the global average (62 per cent)</p>	<p>EQUALLY CONCERNED ABOUT SKILLS SHORTAGE</p> <p>46 per cent believe a technology skills shortage exists, one per cent more than the global average (45 per cent)</p>
<p>EQUALLY RELIANT ON FLEXIBLE LABOUR</p> <p>40 per cent will increase their reliance on flexible labour, two per cent less than the global average (42 per cent)</p>	<p>MORE COLLABORATIVE</p> <p>55 per cent will invest in collaboration solutions, three per cent more than the global average (52 per cent)</p>	<p>MORE CONFIDENT IN INNOVATION ABILITY</p> <p>84 per cent believe their organisation has great potential to innovate, 13 per cent more than the global average (71 per cent)</p>
<p>LESS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>39 per cent saw a budget increase last year, four per cent less than the global average (43 per cent)</p>	<p>EQUALLY LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>29 per cent received a pay rise in the past year, equal to the global average (29 per cent)</p>	<p>MORE DIVERSE</p> <p>Ten per cent are female, two per cent more than the global average (eight per cent)</p>



Scottish CIOs appear more pessimistic than many of their peers. Despite a majority feeling more innovative and entrepreneurial, Scottish CIOs feel their attributes are less valued in every category surveyed. A greater proportion of Scottish CIOs feel less happy, less well paid and more overworked than other CIOs surveyed. They are also less in favour of outsourcing and less controlling. However, there are still sufficient numbers who are more multi-skilled, business-facing and diverse than six years ago.

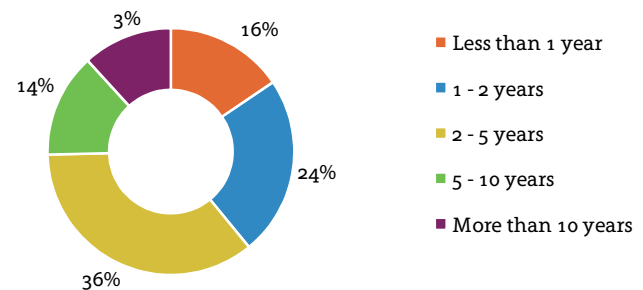
CIOs in Scotland are some of the most focused IT leaders on increasing operational efficiencies (76 per cent) and delivering stable IT performance (74 per cent). Beyond the top five priorities, more than half of Scottish CIOs are focused on customer-related activity with 55 per cent developing new products and services, and 59 per cent enabling business change. A significant proportion (35 per cent) are developing mobile solutions and innovating with social media technology (19 per cent).

Exhibit 46: Top five priorities of Scotland CIOs

Increasing operational efficiencies	76%
Delivering stable IT performance	74%
Saving costs	64%
Improving business processes	63%
Enabling business change	59%

Ten per cent of CIOs from Scotland host most or all core systems in the Cloud, equal to the global average (ten per cent). Twenty-five per cent host no services in the Cloud, marginally higher than the global average (22 per cent) who have chosen not to use Cloud technology to date. Twenty-six per cent of CIOs in Scotland have 'mobilised' all or most of their existing online assets, only one cent less than the global average of 27 per cent.

Exhibit 47: % Scotland CIOs planning to move job



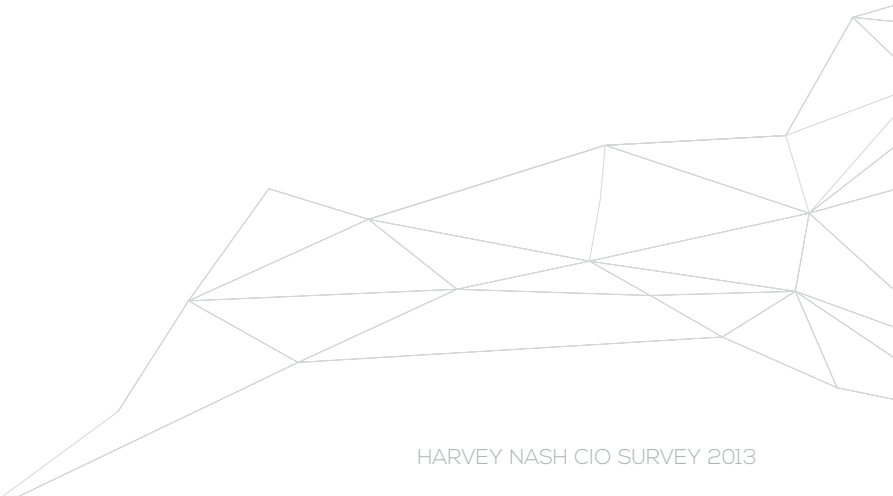
Sixteen per cent of CIOs in Scotland are looking to move job within the next twelve months, eleven per cent lower than the global average (27 per cent). Forty per cent expect to be in a new role in the next two years, also below global figures (54 per cent).

“ CIOs in Scotland are some of the most focused IT leaders on increasing operational efficiencies ”

3.2.7. SWEDEN

Compared to the global average, a CIO from Sweden is...

<p>LESS LIKELY TO REPORT TO THE CEO</p> <p>23 per cent report to the CEO, nine per cent less than the global average (32 per cent)</p>	<p>LESS FOCUSED ON MAKING MONEY</p> <p>43 per cent are focused on projects that make money for their organisation, 19 per cent less than the global average (62 per cent)</p>	<p>EQUALLY CONCERNED ABOUT SKILLS SHORTAGE</p> <p>47 per cent believe a technology skills shortage exists, two per cent more than the global average (45 per cent)</p>
<p>MORE RELIANT ON FLEXIBLE LABOUR</p> <p>55 per cent will increase their reliance on flexible labour, 13 per cent more than the global average (42 per cent)</p>	<p>LESS COLLABORATIVE</p> <p>31 per cent collaborate with the Marketing department on digital, eleven per cent less than the global average (42 per cent)</p>	<p>LESS CONFIDENT IN INNOVATION ABILITY</p> <p>54 per cent believe their organisation has great potential to innovate, 17 per cent less than the global average (71 per cent)</p>
<p>LESS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>33 per cent saw a budget increase last year, ten per cent less than the global average (43 per cent)</p>	<p>MORE LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>39 per cent received a pay rise in the past year, ten per cent more than the global average (29 per cent)</p>	<p>LESS DIVERSE</p> <p>Six per cent are female, two per cent less than the global average (eight per cent)</p>



Sweden's CIOs are more cost-conscious than many of their peers and have also seen a significant growth in their time and attention facing the frontline business over the past six years. A smaller than average proportion feel less well paid but greater numbers feel less happy than previously.

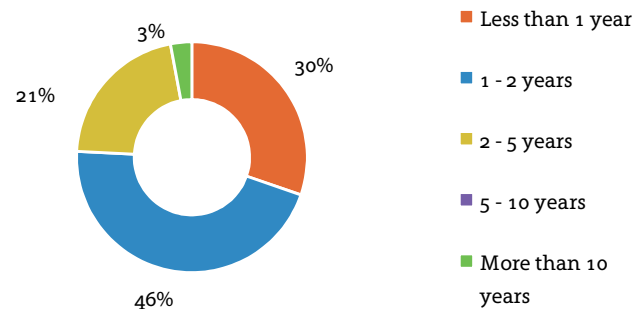
Sweden CIOs share many traits with their Scottish CIO peers when it comes to focusing on delivering stable IT (81 per cent) and saving costs (76 per cent). Delivering on those priorities seems to enable Sweden CIOs to increase operational efficiencies (62 per cent) and improve business processes (60 per cent). A significantly smaller percentage of Swedish CIOs are focusing on external priorities: 35 per cent are driving revenue growth, and beyond the top five priorities, 32 per cent are enabling business change, 19 per cent on mobile solutions and only 5 per cent on social media technology.

Exhibit 48: Top five priorities of Sweden CIOs

Delivering stable IT performance	81%
Saving costs	76%
Increasing operational efficiencies	62%
Improving business processes	60%
Driving revenue growth	35%

Three per cent of CIOs from Sweden host most or all core systems in the Cloud, lower than the global average (ten per cent). Twenty-seven per cent host no services in the Cloud, five per cent higher than the global average (22 per cent) who have chosen not to use Cloud technology to date. Twenty-three per cent of CIOs in Sweden have 'mobilised' all or most of their existing online assets, which is four per cent less than the global average of 27 per cent.

Exhibit 49: % Sweden CIOs planning to move job



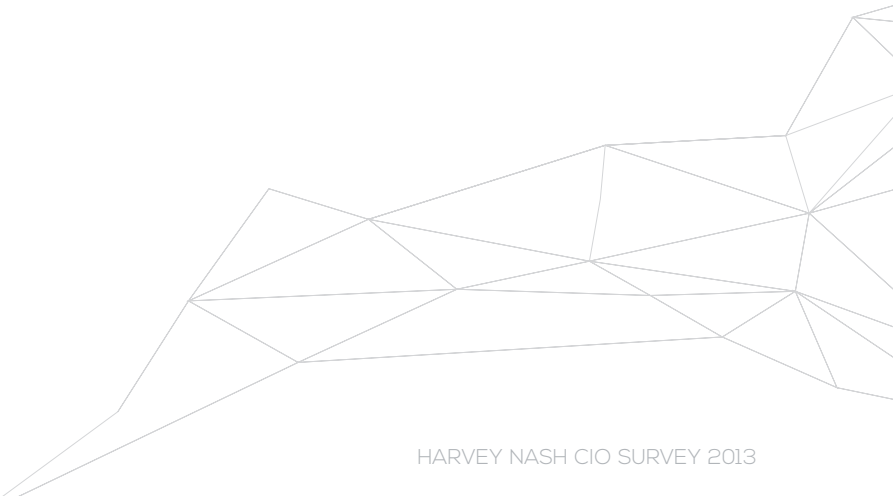
Thirty per cent of CIOs in Sweden are looking to move job within the next twelve months, three per cent higher than the global average (27 per cent). Seventy-six per cent expect to be in a new role in the next two years, far above the global average (54 per cent).

“Seventy-six per cent expect to be in a new role in the next two years”

3.2.8. SWITZERLAND

Compared to the global average, a CIO from Switzerland is...

<p>MORE LIKELY TO REPORT TO THE CEO</p> <p>38 per cent report to the CEO, six per cent more than the global average (32 per cent)</p>	<p>LESS LIKELY TO FEEL INFLUENTIAL</p> <p>45 per cent see the role of the CIO becoming more strategic, 23 per cent less than the global average (68 per cent)</p>	<p>LESS LIKELY FOCUSED ON SAVING MONEY</p> <p>46 per cent are focused on projects that make money for their organisation, 16 per cent less than the global average (62 per cent)</p>
<p>MORE RELIANT ON FLEXIBLE LABOUR</p> <p>46 per cent will increase their reliance on flexible labour, four per cent more than the global average (42 per cent)</p>	<p>MORE COLLABORATIVE</p> <p>59 per cent will invest in collaboration solutions, seven per cent more than the global average (52 per cent)</p>	<p>LESS CONFIDENT IN INNOVATION ABILITY</p> <p>61 per cent believe their organisation has great potential to innovate, ten per cent less than the global average (71 per cent)</p>
<p>LESS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>31 per cent saw a budget increase last year, twelve per cent less than the global average (43 per cent)</p>	<p>MORE LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>33 per cent received a pay rise in the past year, four per cent more than the global average (29 per cent)</p>	<p>LESS DIVERSE</p> <p>Three per cent are female, five per cent less than the global average (eight per cent)</p>



Switzerland CIOs are more cost-conscious and more business-facing than they were before the financial crisis. While they also believe they are more innovative and entrepreneurial, they feel they are less of a friend to the CEO. They are also less in favour of outsourcing, and a proportion feel less important and less politically relevant in their organisation. A larger proportion feel less well-paid, more over-worked and less happy personally.

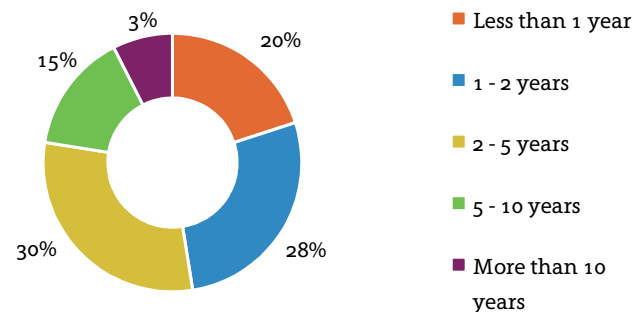
By a significant margin, Switzerland CIOs are prioritising cost saving (74 per cent), consistent IT (67 per cent) and operational efficiencies (64 per cent). This is at the expense of more creative and customer facing priorities outside the top five, such as developing new products and services (41 per cent), driving revenue growth (33 per cent), engaging customers (26 per cent) and innovating with mobile (21 per cent).

Exhibit 50: Top five priorities of Switzerland CIOs

Saving costs	74%
Delivering consistent IT performance	67%
Increasing operational efficiencies	64%
Improving business processes	55%
Managing compliance	48%

Ten per cent of CIOs from Switzerland host most or all core systems in the Cloud, equal to the global average (ten per cent). Thirty-three per cent host no services in the Cloud, eleven per cent higher than the global average (22 per cent) who have chosen not to use Cloud technology to date. Thirty-eight per cent of CIOs in Switzerland have 'mobilised' all or most of their existing online assets, which is eleven per cent more than the global average of 27 per cent.

Exhibit 51: % Switzerland CIOs planning to move job



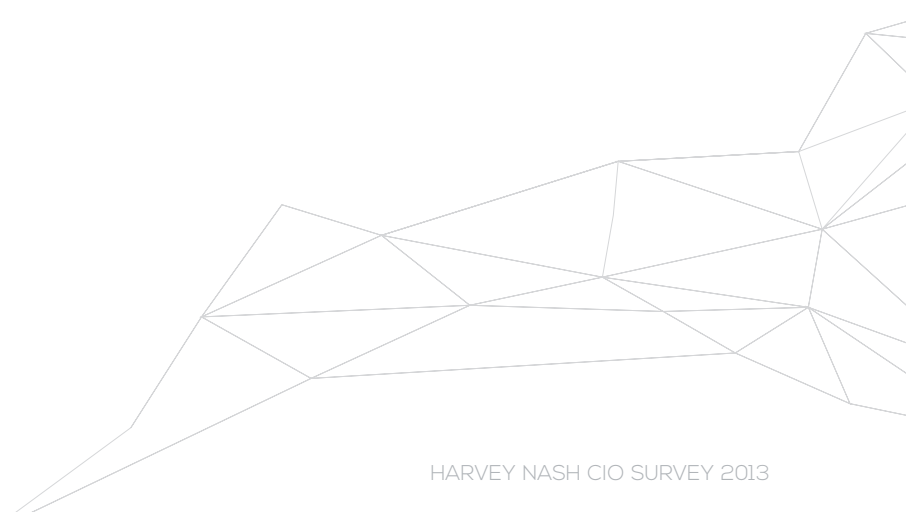
Twenty per cent of CIOs in Switzerland are looking to move job within the next twelve months, seven per cent lower than the global average (27 per cent). Forty-eight per cent expect to be in a new role in the next two years, marginally less than the global average (54 per cent).

“ Ten per cent of CIOs from Switzerland host most or all core systems in the Cloud ”

3.2.9. UNITED KINGDOM

Compared to the global average, a CIO from the U.K. is...

<p>MORE LIKELY TO REPORT TO THE CEO</p> <p>34 per cent report to the CEO, two per cent more than the global average (32 per cent)</p>	<p>EQUALLY FOCUSED ON MAKING MONEY</p> <p>63 per cent are focused on projects that make money for their organisation, one per cent more than the global average (62 per cent)</p>	<p>LESS CONCERNED ABOUT SKILLS SHORTAGE</p> <p>39 per cent believe a technology skills shortage exists, six per cent less than the global average (45 per cent)</p>
<p>LESS RELIANT ON FLEXIBLE LABOUR</p> <p>36 per cent will increase their reliance on flexible labour, six per cent less than the global average (42 per cent)</p>	<p>MORE FOCUSED ON COLLABORATION</p> <p>55 per cent will invest in collaboration solutions, three per cent more than the global average (52 per cent)</p>	<p>MORE CONFIDENT IN INNOVATION ABILITY</p> <p>73 per cent believe their organisation has great potential to innovate, two per cent more than the global average (71 per cent)</p>
<p>AS LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>42 per cent saw a budget increase last year, one per cent less than the global average (43 per cent)</p>	<p>AS LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>29 per cent received a pay rise in the past year, equal to the global average (29 per cent)</p>	<p>MORE DIVERSE</p> <p>Nine per cent are female, one per cent more than the global average (eight per cent)</p>



U.K. CIOs feel more innovative, entrepreneurial and business facing than they did before the financial crisis. The environment in which they now operate requires them to be more cost-conscious, more multi-skilled and more diverse. They are less controlling and less in favour of outsourcing, much like their peers from other regions, and personally they are less happy and less satisfied with their pay.

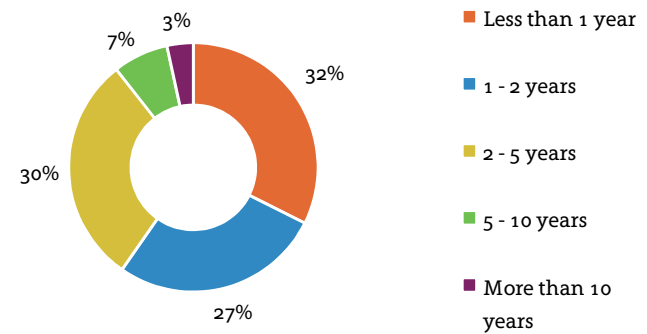
A high proportion of U.K. CIOs are focused on delivering stable IT (73 per cent), increasing operational efficiencies (73 per cent) and saving costs (72 per cent), much like their peers in other regions. Almost two-thirds are enabling business change and improving business processes (61 per cent). Outside the top five priorities, over half are developing new products and services (54 per cent) and providing business intelligence (51 per cent). Over a third (36 per cent) are enabling mobile commerce and 16 per cent are experimenting with social media technology.

Exhibit 52: Top priorities of U.K. CIOs

Delivering stable IT performance	73%
Increasing operational efficiencies	73%
Saving costs	72%
Enabling business change	61%
Improving business processes	61%

Ten per cent of CIOs from the U.K. host most or all core systems in the Cloud, equal to the global average (ten per cent). Twenty-one per cent host no services in the Cloud, in line with the global average (22 per cent) who have chosen not to use Cloud technology to date. Twenty-six per cent of CIOs in the U.K. have 'mobilised' all or most of their existing online assets, which is also in line with the global average of 27 per cent.

Exhibit 53: % U.K. CIOs planning to move job



Thirty-two per cent of CIOs in the U.K. are looking to move job within the next twelve months, five per cent higher than the global average (27 per cent). Fifty-nine per cent expect to be in a new role in the next two years, marginally more than the global average (54 per cent).

“ two-thirds are enabling business change and improving business processes ”

3.2.10. UNITED STATES

Compared to the global average, a CIO from the U.S. is...

<p>MORE LIKELY TO OPERATE STRATEGICALLY</p> <p>71 per cent believe the role of the CIO is becoming more strategic, three per cent more than the global average (68 per cent)</p>	<p>MORE FOCUSED ON MAKING MONEY</p> <p>66 per cent are focused on projects that make money for their organisation, four per cent more than the global average (62 per cent)</p>	<p>MORE CONCERNED ABOUT SKILLS SHORTAGE</p> <p>53 per cent believe a technology skills shortage exists, eight per cent more than the global average (45 per cent)</p>
<p>EQUALLY RELIANT ON FLEXIBLE LABOUR</p> <p>41 per cent will increase their reliance on flexible labour, one per cent less than the global average (42 per cent)</p>	<p>LESS FOCUSED ON COLLABORATION</p> <p>46 per cent will invest in collaboration solutions, six per cent less than the global average (52 per cent)</p>	<p>MORE CONFIDENT IN INNOVATION ABILITY</p> <p>75 per cent believe their organisation has great potential to innovate, four per cent more than the global average (71 per cent)</p>
<p>MORE LIKELY TO HAVE HAD BUDGET INCREASE</p> <p>47 per cent saw a budget increase last year, four per cent more than the global average (43 per cent)</p>	<p>AS LIKELY TO HAVE RECEIVED A PAY RISE</p> <p>29 per cent received a pay rise in the past year, equal to the global average (29 per cent)</p>	<p>MORE DIVERSE</p> <p>Twelve per cent are female, four per cent more than the global average (eight per cent)</p>

CIOs from the U.S. are known for their innovative and entrepreneurial approach and they are two traits that CIOs from the region feel have developed most in the last six years. As collaboration has become more prominent, the CIO role in the U.S. has become less controlling.

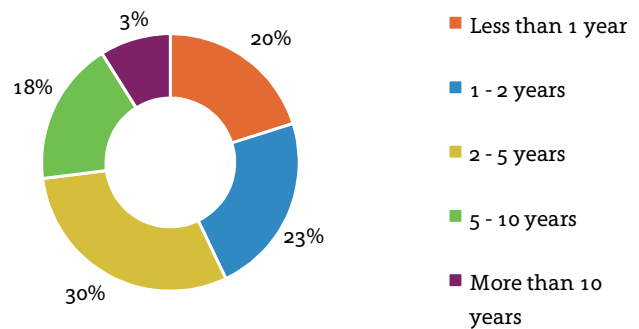
U.S. CIOs are more focused on a wider range of priorities than many of their peers. Within the top five priorities, delivering stable IT performance, saving costs and increasing operational efficiencies are prominent, much like in other regions. However, beyond the top five, a higher proportion of U.S. CIOs are enabling business change (50 per cent), managing compliance priorities (46 per cent), driving revenue (45 per cent) and seeking to better engage customers (36 per cent). Mobile solutions are a priority for more than a third of U.S. CIOs (36 per cent), while 14 per cent are focusing their effort and resources on social media technology.

Exhibit 54: Top five priorities of U.S. CIOs

Delivering stable IT performance	73%
Saving costs	70%
Increasing operational efficiencies	70%
Improving business processes	58%
Delivering business intelligence	55%

Fourteen per cent of CIOs from the U.S. host most or all core systems in the Cloud, four per cent higher than the global average (ten per cent). Fourteen per cent host no services in the Cloud, eight per cent less than the global average (22 per cent) who have chosen not to use Cloud technology to date. Twenty-one per cent of CIOs in the U.S. have 'mobilised' all or most of their existing online assets, which is six per cent below the global average of 27 per cent.

Exhibit 55: % U.S. CIOs planning to move job



Twenty per cent of CIOs in the U.S. are looking to move job within the next twelve months, seven per cent less than the global average (27 per cent). Forty-three per cent expect to be in a new role in the next two years, nine per cent less than the global average (54 per cent).

“As collaboration has become more prominent, the CIO role in the U.S. has become less controlling”



CONCLUSIONS

by TelecityGroup



The phrase coined by Harvey Nash researchers, 'the naked CIO', is very apt given the perception that many CIOs have about the growing importance of collaboration and influencing skills in their role.

For senior technologists who have ruled their IT domain without significant interference in the past, CIOs are now feeling increasingly exposed by the need to build coalitions, persuade peers, and collaborate, particularly with the Chief Marketing Officer, in order to achieve their technology vision.

Relationships across the business at all levels are becoming more important as the lines of operational and strategic responsibility blur. Whilst IT and Marketing may not have collaborated greatly in the early internet years, in the era of mobile commerce, digital, social and big data, far greater integration is essential.

'Innovate or die' is an old mantra with new emphasis this year. As the speed of technology change increases, so do the range of potential innovation investments. With almost three-quarters of CIOs identifying great potential for innovation in their industry, there is no shortage of opportunity. However, problems arise when trying to determine where successful innovation will occur.

How do you improve the chances of innovation success?

With innovation potential being fully achieved by less than three per cent, there is a realisation amongst the CIO community that more needs to be done to close the innovation gap. Defining clear objectives for innovation projects and dispassionately assessing progress using data-led analytics can help to improve the likelihood of success, or at least limit the cost of failure.

For CIOs the importance of fostering an innovation culture cannot be overstated. CIOs are on the right track when they spend time promoting innovation that correlates with wider organisational objectives and with those technologies assessed to be most effective at driving change and adding value.

CIOs are investing in Cloud, collaboration and mobility innovation. Almost two-thirds of CIOs rate innovation in mobility as a highly positive disruptor, while more than half already value and have capitalised on Cloud technology and collaboration as ways to achieve return on investment and competitive advantage in future.

With this explosive growth in technology opportunities has also come an explosive growth in data, and the challenge for CIOs is how best to use, manage and secure that data.

Equally, the demand for innovation can bring challenges. For instance whilst 'Bring Your Own Device' (BYOD) can reduce costs, encourage flexible working and promote collaboration, it also increases data security risks and creates weaknesses in the technology shield that the CIO is responsible for. Which is why almost two thirds of CIOs are not actively encouraging it.

TelecityGroup regularly speak with CIOs who are seeking to balance the need to innovate with collaborative technologies and partners outside the organisation, while maintaining the integrity of internal data and systems. We work hard to help them achieve both strategic objectives.

Yet we note this remains an ongoing challenge for many CIOs, and that the proportion who believe they are 'very well' positioned to deal with a current or near-future security issue is falling. The promotion of innovation cannot come at the expense of secure and reliable IT systems and data.

The return of IT budget growth to pre-recession levels is a positive trend after years of limited or shrinking IT spending. However, CIOs are right to remain cautious about future IT budget expectations and must put their relationship management skills to good use when managing IT budget negotiations.

During the height of the recessionary years the CEO and CFO played a prominent role in all budget decisions. In recent years - with the growth of digital, mobile and social media - collaboration between the Marketing department and the IT function has a greater role in shaping IT budgets.

Whilst this environment of collaboration and shared IT projects is to an extent a threat to the traditional role of the CIO, it is also undoubtedly a unique opportunity to place the technology vision at the heart of wider organisational decision-making. When successful marketing projects are delivered because of technology innovation from the IT function, the reflected glory will shine just as brightly on the CIO as the CMO.

However, CIOs need to understand and address why the 'business is not bought into technology' if they are to share the acclaim for successful technology-backed projects. Four in every ten CIOs are challenged by this issue and it is inhibiting their technology vision from being realised.

Looking forward, CIOs are committed to maintaining their current levels of outsourcing investment. Widespread and strengthening levels of satisfaction with the reliability of offshore partners is an encouraging sign that was also reflected in last year's results, and a likely reason for the ongoing dependence on outsourcing.

We commend the CIOs and their reliable outsourcing partners who, through detailed planning and careful execution, collaboration and trust, have achieved successful outsourced results and can seek to replicate them.

The percentage of CIOs seeking talent with mobile skills has almost doubled this year and its popularity is matched by the demand for big data talent. Yet for all the change it is 'classic' technology skills like business analysis, enterprise / technical architecture and project management that CIOs still rely most heavily on to achieve the technology vision.

CIOs are increasingly worried about retaining their best talent in 2013. Nine out of ten respondents are 'somewhat' or 'very' concerned with keeping their most valuable technology skills in the organisation. Retention applies to CIOs too and they are more restless than at any time in the past four years. Attempts to offer more flexible employment options and diversity programmes have met with mixed results, and women in IT remain woefully under-represented.

When you pull the 2013 Harvey Nash CIO Survey themes together, you are left with a clear impression that technology and the people who develop it have become centrally important to the survival of modern organisations.

Emerging and disruptive technologies can make the difference between success and failure in today's interconnected, 'always-on', global economy. This places significant responsibility on the shoulders of the CIO to define, and then achieve, the technology vision.

While some CIOs may feel this new era of mobility, online social, and technology partnerships strip them of their ability to control their IT empire, success will come more easily to those CIOs best able to hone their collaborative and influencing skills, and achieve shared goals with partners both inside and outside the organisation.

Rob Coupland,
Managing Director UK,
TelecityGroup

“ technology and the people who develop it have become centrally important to the survival of modern organisations ”



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