

This year's "State of the CIO" survey reveals that now is no time to get comfortable. Despite differences across industries and among different types of CIOs, the CIO role is more important than ever. But with acceptance (finally) at the executive table come new, business-focused responsibilities and shifting expectations. See how you—and the CIO role—are evolving...



All About You

Tenure Rises

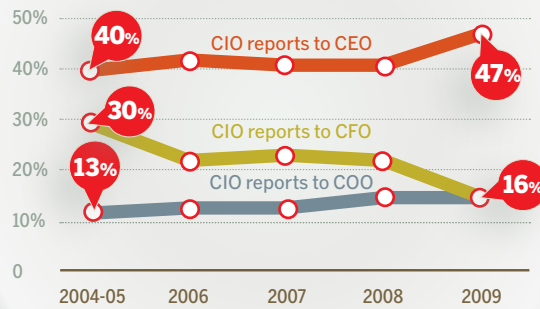
The CIO's **average tenure** is 11 months longer than it was last year, and three months longer than in 2007. Small-company CIOs stay in their jobs the longest: six years, one month.

YOUR AVERAGE TENURE IN YOUR CURRENT POST

5 yrs., 4 mos.

Your Boss

More IT heads are reporting to the CEO now than any time in the past five years.



Note: The remaining 21% of CIOs report to a corporate CIO and to other functional and operational leaders.

Time and Money

You can't trade a higher salary for job security these days. On average, lower-paid government CIOs stay on the job only three months longer than their highly compensated financial services peers.

Industry	Average Salary	Average Tenure
Finance/banking/insurance	\$335,700	5 yrs., 8 mos.
Manufacturing (noncomputer)	\$273,800	6 yrs., 3 mos.
Wholesale/retail	\$252,300	4 yrs., 3 mos.
Health care	\$243,100	4 yrs., 10 mos.
Education	\$162,300	5 yrs., 2 mos.
Government	\$157,400	5 yrs., 11 mos.

More Clout
The percentage of midsize-company CIOs reporting to CEOs jumped to **47%** from **38%** in 2008. At large firms, **44%** of CIOs report to the top boss, up from **35%** last year.

CIO++

Nearly two-thirds of all CIOs have leadership responsibility for a non-IT area of the business. Business Strategists are more likely than other types of CIOs to have additional roles.

Area of Responsibility	All CIOs	Business Strategists
Security	32%	33%
Strategy	25%	38%
Administration/operations	20%	31%
Risk management	14%	13%
Customer service	14%	23%
Procurement	9%	12%

Note: Respondents could choose more than one answer.

What You Do

1. Aligning IT and business goals
2. Cultivating the IT/business partnership
3. Improving IT operations/systems performance
4. Leading change efforts
5. Implementing new systems and architecture
6. Driving business innovation
7. Redesigning business processes
8. Controlling IT costs
9. Developing business strategy
10. Looking for competitive differentiation
11. Managing IT crises
12. Managing security
13. Negotiating with vendors
14. Developing go-to-market strategies and technologies
15. Studying market trends and customer needs

Respondents were asked to select five activities that best characterize their focus and how they spend their time.

The Real Key to Success
70% of you say long-term strategic thinking and planning is the leadership competency most critical to your role, up from **56%** last year.

Who Gets Your Time

Based on our survey respondents' choices of which activities capture their time and energy, we classified them according to the three types of CIOs in the CIO Executive Council's "Future State CIO" model: Function Heads (30%), Transformational Leaders (52%) and Business Strategists (18%). Business Strategists spend the least time with their IT staff.

	Function Head	Transformational Leader	Business Strategist
Your company's executives	19%	22%	26%
IT staff or team	42%	39%	32%
Non-IT employees	21%	19%	19%
IT vendors/service providers	11%	10%	9%
External partners/customers	8%	11%	14%

Note: Respondents were asked to estimate the amount of time spent with each group.

Who You Are

More heads of IT claim the **CIO title** than ever before.

	2004	2008	2009
CIO	49%	60%	66%
CTO	3%	4%	4%
VP/IT	13%	11%	8%
Director	29%	18%	11%
Other	6%	6%	10%

Slightly less than half of CIOs
(46%)
 say that IT
 is still considered
 a cost center.

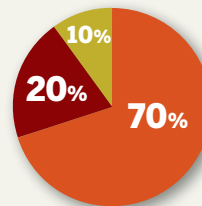
The New Alignment Challenge

CIOs and business leaders finally agree: IT plays a critical role in a company's success. But that doesn't mean you and your colleagues always see eye to eye. We found disconnects when we compared the answers of CIOs at large companies with those of business leaders surveyed by Forrester Research.

64%
of CIOs say senior management has clearly communicated what it wants from IT.

Full Business Partners?

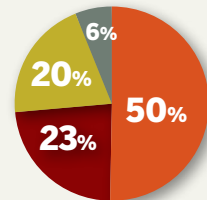
CIOs say IT is a key player...



The IT organization is considered an integral business partner by the rest of the business.

...but not when it comes to every decision.

IT leadership is involved appropriately early on in mergers and acquisitions.



Legend: Agree (Orange), Neutral (Red), Disagree (Green), Don't Know (Grey)

Technology Is Critical, but IT Performance Lags Expectations

Of course you think IT is important. Business execs believe it even more.

Technology is...	CIOs	Business Executives
A core component of company products and services	77%	81%
Central to how you differentiate from competitors	65%	72%
Primarily used to reduce business costs	46%	66%
Essential for your distribution and sales model	75%	77%

IT is effective at...	CIOs	Business Executives
Delivering core components of products and services	85%	70%
Differentiating from competitors	69%	61%
Reducing business costs	75%	64%
Meeting distribution and sales expectations	72%	67%

Note: Results reflect companies with more than \$1 billion in revenue. Business executives were surveyed separately by Forrester Research.

Struggle for Control

CIOs say the IT organization is responsible for major technology decisions. Business leaders think otherwise.

The IT organization is responsible for...	CIOs	Business Execs
Negotiating with and managing vendors	89%	44%
Configuring systems	87%	60%
Managing systems in production	88%	55%
Managing IT projects	76%	51%
Deciding on acceptable security/privacy risks	75%	50%
Selecting vendor-offered solutions	61%	41%
Setting technology investment priorities	54%	30%

Note: Results reflect companies with more than \$1 billion in revenue. Business executives were surveyed separately by Forrester Research.

Innovation from technology is a **C-level** and **board-of-directors** priority at **58%** of companies—but significantly less so at firms with **Function Head CIOs**.

Conflicting Agendas

CIOs say that IT will have the most impact next year on workforce productivity. But when it comes to making new investments, business leaders are focused on acquiring and retaining customers.

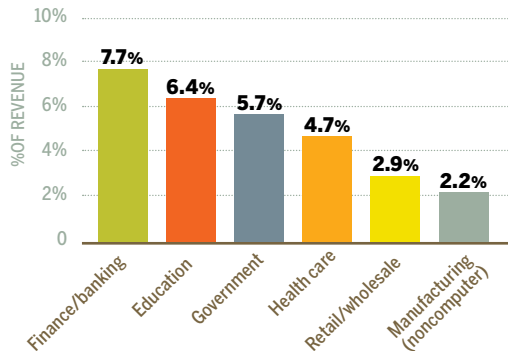
CIOs (Ranked IT's impact)	Objective	Business Execs (Ranked drivers for IT decisions)
1	Improve end-user workforce productivity	4
2	Drive innovative new-market offering or business practices	3-tie
3	Reengineer core business processes	6
4	Lower company operating costs	2-tie
5	Improve quality of products and services	3-tie
6	Support globalization	5
7	Improve security/risk management	*
8-tie	Manage customer relationships	2-tie
8-tie	Acquire and retain customers	1
9	Enable regulatory compliance	*

*Not asked. Note: Results reflect companies with more than \$1 billion in revenue. Business executives were surveyed separately by Forrester Research.

Your IT Spending

I.T. SPENDING BY INDUSTRY

Manufacturing companies spend relatively less on IT than other industries. Also, manufacturing CIOs are less likely to report that their IT organizations are considered integral business partners.



CIO RESEARCH

SURVEY METHODOLOGY

CIO's eighth-annual "State of the CIO" survey was administered online from Sept. 2 through Sept. 17, 2008. Senior-level IT executives were selected from the CIO audience database and invited to take the survey. Findings are based on responses of 506 heads of IT. Twenty-two percent of respondents were from companies with annual revenues of less than \$100 million, 36% had revenues between \$101 million and \$999 million, 37% had revenues of \$1 billion or more (5% declined to answer). The margin of error is +/- 4.4%. Percentages may not add to 100 due to rounding.

The "Tech Priorities" survey was conducted online from Nov. 19 through Nov. 28, 2008. Results are based on 438 respondents, 34 percent of whom are heads of IT. Data from Forrester Research is based on a July 2008 survey of 600 North American business executives at companies with \$1 billion or more in revenue.
 -Carolyn Johnson, Research Manager

Research Report

Access the full **RESEARCH RESULTS** at www.cio.com/documents/pdfs/2009_state_of_the_cio_highlights.pdf.

CIO.COM

Efficiency Is the Name of the Game

Due to the economic outlook, cutting IT costs through infrastructure investment and improving end-user productivity dominate your technology priorities now and for the foreseeable future.

WHAT YOU'RE CURRENTLY IMPLEMENTING

Virtual servers	1
Virtual storage	2-tie
Business process management	2-tie
Voice over IP	3
Mobile/wireless	4
Content/document management	5-tie
Customer relationship management	5-tie

WHAT YOU'RE ACTIVELY RESEARCHING

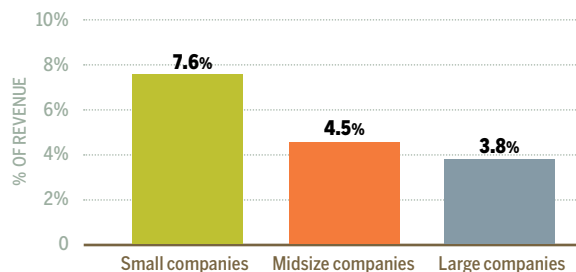
Content/document management	1
Collaboration/knowledge management	2
Business process management	3
Enterprise architecture/service-oriented architecture	4-tie
Data loss prevention	4-tie
Green IT	4-tie
Unified communications	4-tie
Identity management	5-tie
Mobile/wireless	5-tie

Source: CIO Tech Priorities Survey, November 2008

AVERAGE I.T. SPENDING AS A PERCENTAGE OF REVENUE

5%

I.T. SPENDING BY COMPANY SIZE



Note: Small=\$100 million or less; Midsize=\$101 million-\$999 million; Large=\$1 billion or more