

Special Report

The State of the CIO 2011

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Your **evolving** role.
IT's **strategic** impact.
Trends **shaping** your future.



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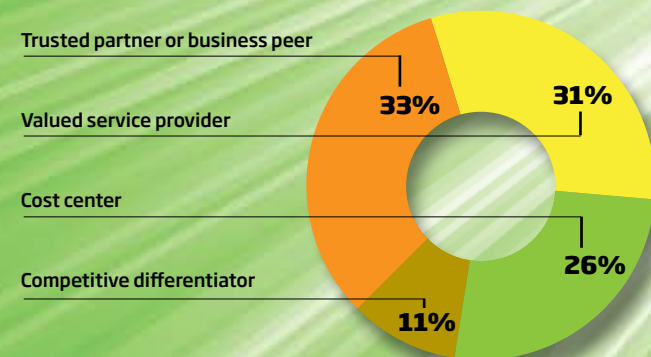


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YOUR BUSINESS **ROLE**

The Way Others See You

How you think business leaders perceive IT



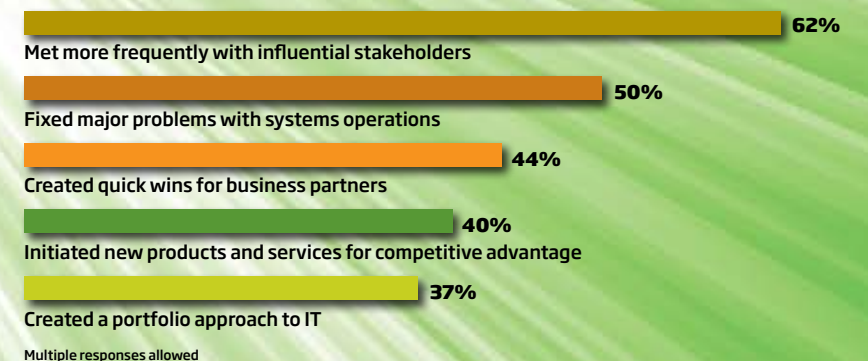
Your Top Priority

Accelerating
business
goals

Ways to Build Influence

Improving relationships with business stakeholders requires spending time with them

MOST IMPORTANT ACTIONS YOU TOOK:



Planning for Change

In the coming year, you'll draw most heavily on your expertise in strategy and change leadership

Critical leadership skills in 2011

1. Long-term strategic thinking and planning
2. Change leadership
3. Expertise running IT
4. Collaboration and influence
5. Team leadership

Strategic Access

Business-focused CIOs are more likely to have the CEO's ear

Type of CIO	Is a Member of Executive Committee	Reports to the CEO
Business strategist	79%	55%
Transformational CIO	72%	49%
Functional IT leader	60%	36%

How IT Makes a Difference

As the recession abates, fewer of you are actively involved in acquiring and retaining customers or controlling costs. Instead, you're investing more to improve productivity, shore up security and expand globally.

Expected Accomplishments	2010	2011
Improve end-user workforce productivity	63%	67%
Improve quality of products and processes	53%	52%
Lower company operating costs	58%	51%
Re-engineer core business processes	53%	50%
Improve security and risk management	34%	40%
Provide innovative new market offerings or business practices	39%	37%
Manage customer relationships	34%	34%
Support global expansion	19%	22%
Enable regulatory compliance	18%	21%
Acquire and retain customers	25%	19%

Five responses allowed

Investments to enable strategic goals



WHERE YOU STAND

Your Average Tenure
5 years, 2 months

If you're focused on transforming your company, or on strategy, you'll stay slightly longer than if you concentrate on operations

Salaries Keep Sliding

The recovery hasn't lifted your pay. Financial services CIOs are losing the most ground.



Industry	2008	2009	2010	2011
Financial Services	\$292,900	\$335,700	\$269,000	\$235,300
Healthcare	\$260,000	\$243,100	\$228,200	\$212,300
Retail	\$262,600	\$252,300	\$227,600	\$228,800
Manufacturing and Transportation	\$264,600	\$264,300	\$220,400	\$221,700
Government, Education and Nonprofit	\$145,300	\$159,900	\$156,900	\$151,800

WHAT THE FUTURE HOLDS



Beyond Technology

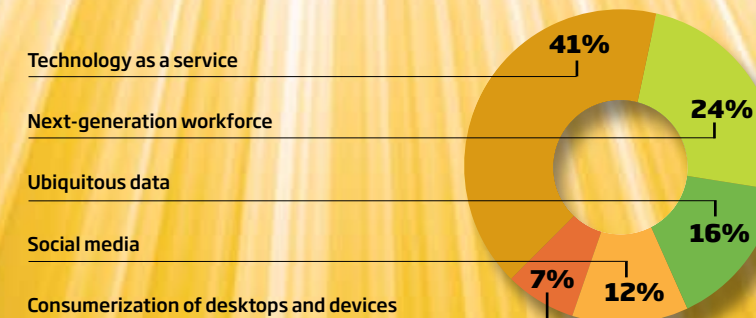
You anticipate increasing responsibility for business areas outside IT, especially in security, strategy and risk management

Area of Responsibility	2011	2015
Security	26%	55%
Strategy	26%	49%
Administration and Operations	19%	36%
Risk Management	16%	41%
Customer Service	13%	25%

Multiple responses allowed

What's Driving Change

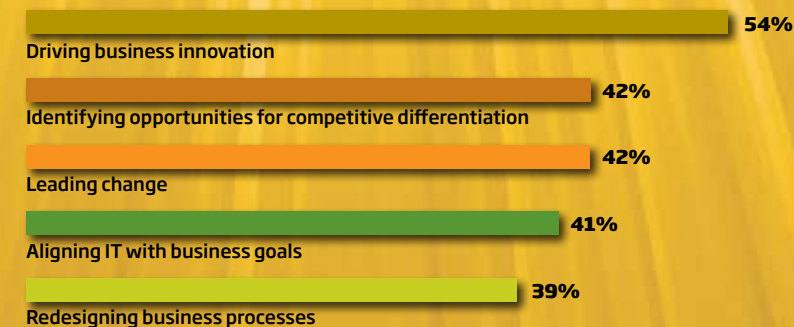
Cloud computing will profoundly influence your role



Ambitious Innovators

You want to spend time on business pursuits

WHAT YOU'D LIKE TO BE DOING IN 2015:



Multiple responses allowed

YOUR **SPENDING**

5.20%

Average IT spending as a percentage of revenue

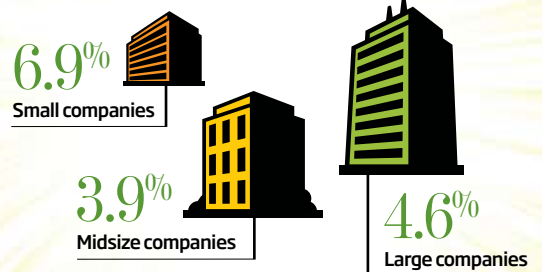
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IT Spending by Industry

Industry	IT Budget as % of Revenue
Financial Services	8.6%
Government, Education and Nonprofit	5.5%
Healthcare	4.4%
Manufacturing and Transportation	2.6%
Retail	1.7%

IT Spending by Company Size

Percentage of revenue



Who's Spending More?

As a share of revenue, **healthcare budgets rose 13%** this year.

Retailers slashed the portion of revenue allocated to IT by 45%.

Outsourcing on the Rise Third parties, including cloud vendors, provide **22%** of IT services today. That number is expected to rise to **34%** by **2015**.

SURVEY METHODOLOGY

CIO's 10th annual State of the CIO survey was conducted online between Sept. 1 and Sept. 7, 2010. Members of the CIO Forum on LinkedIn and the CIO customer database were invited to participate in the survey. Results are based on 729 respondents who indicated they are the heads of IT at their companies or business units. The margin of error on a sample size of 729 is +/- 3.6%. Percentages on questions where respondents selected one answer may not add to 100 due to rounding. References to company size are based on the following definitions: small—\$100 million annual revenue; midsize—\$100 million to \$999 million annual revenue; large—\$1 billion or more annual revenue.

—Carolyn Johnson, research director