Look inside for exclusive research about your evolving business role and what the future holds.

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Your Business Role

The Way Others See You
How you think business leaders perceive IT

- Cost center: 21%
- Service provider: 27%
- IT partner: 15%
- Business peer: 7%
- Business game-changer: 30%

Perception Gap
IT leaders and non-IT execs agree on many business priorities, but not on the importance of the following issues

<table>
<thead>
<tr>
<th>Critical or High-Priority Issues</th>
<th>IT Leaders*</th>
<th>Non-IT Execs**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition against your products or services</td>
<td>47%</td>
<td>78%</td>
</tr>
<tr>
<td>Rising pressure to reduce costs</td>
<td>62%</td>
<td>84%</td>
</tr>
<tr>
<td>Reducing IT operational costs to free up money for new technology development and product or service innovation</td>
<td>60%</td>
<td>44%</td>
</tr>
</tbody>
</table>

* CIO magazine State of the CIO survey, subset of 300 North American IT leaders
** Forrester Research’s Horizon Business Decisions Survey, Q4 2011; base: 377 North American managers outside of IT (a subset of the total respondent base)

Strategic Access
Fewer CIOs report to the CEO. Twenty-three percent of respondents now report to the CFO, up slightly from 20 percent last year and 19 percent in 2010.

How You Built Influence
Communication, competency and a savvy staff helped you improve relationships with business stakeholders

- Met more frequently with influential stakeholders: 59%
- Fixed major problems with systems operations: 46%
- Delegated more IT operations to trusted lieutenants: 44%
- Created quick wins for business partners: 41%
- Trained IT staff to partner better with business stakeholders: 40%
- Initiated new products and services for competitive advantage: 21%

How IT Makes a Difference
Expected accomplishments in the year ahead

- Improve end user workforce productivity: 47%
- Re-engineer core business processes: 39%
- Improve quality of products or processes: 35%
- Lower the company’s overall operating costs: 32%
- Develop innovative new market offerings or business practices: 28%
- Improve security or risk management: 27%
- Multiple responses allowed

Do You Have at Seat at the Table?
CIOs on the business executive management committee

- Yes: 66%
- No: 34%
An Uptick in the Paycheck
Average CIO salaries are higher, but not back to pre-recession levels. IT leaders at large companies earn the most: $312,800, on average.

The Wide-Ranging CIO
Fifty-seven percent of the CIOs we surveyed are responsible for one or more non-IT areas of the business. The most commonly added functions:

- Security
- Strategy
- Risk management
- Administration/operations
- Customer service

20 responding CIOs are in charge of mergers and acquisitions, and 17 are in charge of environmental sustainability.

What's Driving Change
You say these trends will have the most profound effect on the CIO role in the future:

- Technology as a service (cloud): 34%
- Mobility: 25%
- Ubiquitous data (big data): 18%
- Consumerization of desktops and devices: 13%
- Social media and networking: 11%

What You Want to Do
Favorite ways to spend your time in the next 3 to 5 years:

- Driving business innovation
- Identifying opportunities for competitive differentiation
- Developing and refining business strategy

Least favorite ways to spend your time in the next 3 to 5 years:

- Managing IT crises
- Negotiating with IT vendors
- Controlling costs

Your Average Tenure
5 years, 4 months

The Outlook for 2012
Your organization’s business outlook

- Good year: 34%
- Challenging year: 63%
- Not sure: 1%

Your IT team’s ability to hit its goals

- Good year: 34%
- Challenging year: 63%
- Not sure: 1%
Your Spending

**Project Priorities**
You’re most likely to invest in these technology projects this year:

- **Business Intelligence**: 49%
- **Mobility**: 48%
- **Software as a service, or cloud**: 40%

Multiple responses allowed

**IT Spending by Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>IT Budget as % of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-tech/telecom/utilities</td>
<td>7.6%</td>
</tr>
<tr>
<td>Financial services</td>
<td>6.1%</td>
</tr>
<tr>
<td>Average of all industries</td>
<td>4.7%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.6%</td>
</tr>
<tr>
<td>Retail/wholesale/distribution</td>
<td>2%</td>
</tr>
</tbody>
</table>

**IT Spending by Company Size**

- Small companies: 6%
- Midsize companies: 4%
- Large companies: 3.7%

**Your Spending**

- Small companies: 4%
- Midsize companies: 3.7%
- Large companies: 2%

**EXTERNAL SERVICES**
Third parties, including outsourcers and cloud-service providers, provide 23% of your IT services today. CIOs expect that number to rise to 35% in the next three to five years.

**SURVEY METHODOLOGY**
CIO’s 11th annual State of the CIO survey was conducted online between Sept. 12 and Sept. 21, 2011. Members of the CIO Forum on LinkedIn and the CIO customer database were invited to participate in the survey. Results are based on 596 respondents who indicated they are heads of IT at their companies or business units. Sixty-five percent of respondents are from North America. The margin of error on a sample size of 596 is +/- 4%. Percentages on questions where respondents could select more than one answer may not total 100. Percentages in other questions may not total 100 due to rounding. References to company size are based on the following definitions: small: less than $100 million annual revenue; midsize: $100 million to $999.9 million annual revenue; large: $1 billion or more annual revenue.

Not all respondents answered every question.

—Carolyn Johnson, research director

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