

The changing role of the CIO:

How technology and
a pandemic shifted
C-suite responsibility for
organisational change

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Foreword

The COVID-19 pandemic has changed the world in dramatic ways in 2020. Businesses large and small have been thrown into turmoil, counting the cost of severely reduced footfall or lack of a digital safety net.

After years of hearing arguments for digital transformation, in a matter of weeks we all became use cases for it. This period has not only accelerated the pace and importance of digital transformation, it has fundamentally redefined what it looks like.

As a result, Chief Information Officers (CIOs) – many of whom have been advocating and instigating digital transformation for years – have seized the opportunity, rising to the occasion during these most testing of times. And leading from the front has brought CIOs a new set of responsibilities.

With businesses across western Europe urgently adapting their workforces and integrating the technologies needed to keep critical operations running, we wanted to better understand the journey each organisation is currently taking. We gathered the thoughts and feelings of the regions' CIOs, comparing them to the views of their peers in the C-Suite.

Do CIOs also feel like this period has signified a real turnaround when it comes to the attitudes of their C-level colleagues towards digital transformation? Where do they feel they are on their transformational journey? And how does this compare to their C-Suite colleagues? Has the sudden transformation energised their organisations or unleashed a flurry of new concerns and fears?

We surveyed 750 respondents – a mix of CIOs (35%) and wider C-level executives (65%) – from France, Spain, Portugal, the Netherlands and Belgium. We questioned them on how they think their organisations have performed during this crisis, what progress they think they've made in digitally transforming their organisations, and if they felt company-wide attitudes have also changed.

In this report, we compare and contrast responses of CIOs and C-levels to see if they really are on the same page about what needs to be done, and explore how they can start to align their objectives for the benefit of their organisations and society as a whole.



Joao Domingos

**Vice President,
Head of Western Europe, Fujitsu**

Chapter 1:

A Continent in Flux – Digital transformation across western Europe

Digital transformation has been part of most company strategies for at least the last few years – though often with a range of different aims and working to varying timelines.

However, the COVID-19 pandemic – and subsequent lockdown – has brought home its importance in the most practical ways possible. Businesses across western Europe had to radically change the way they operated or be forced to close. Digital transformation became integral to this change, with three-quarters (75%) saying it was essential to the survival of their business.

Digital transformation was once again catapulted up the boardroom agenda as organisations scrambled to survive. Not only do 69% of leaders in the region believe COVID-19 has accelerated their digital transformation roadmap but the same number feel the virus had caused a fundamental change in their approach.

Crucially, our research found that CIOs and the wider C-Suite are united in their beliefs about the importance of digital transformation.

One of the most significant findings debunks the view that digital transformation is a purely technological issue – 63% of the C-Suite now see digital transformation as modern change management.

This is an area where CIOs and their C-Suite colleagues are firmly aligned, with 79% of all respondents agreeing that 'digital transformation means organisational change is now continuous'.

But this alignment soon diverges: over a third (34%) of the wider C-suite think that their business had completed its digital transformation. For CIOs, this is less than a quarter (24%).

The findings also reveal that while 63% of CIOs believe their transformation will be complete by 2030, only 50% of the wider C-Suite agree. And nearly a quarter of organisations (23%) worry that it won't be finished within the next decade.

Clearly the question of whether digital transformation is an ongoing process or a definable and concludable move toward agile, digital-first infrastructure is still unanswered. And even in the present crisis, businesses have been unable to resolve this dilemma.

69% said COVID-19 had fundamentally changed their approach to digital transformation

75% said COVID-19 had shown that digital transformation is essential to the survival of their business

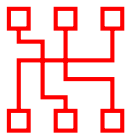
How has the crisis impacted cloud?

One technology that has been viewed as game-changing by many businesses from various industries has been cloud. How has this crisis affected cloud adoption across the region?



76%

see the cloud as a critical ingredient in digital transformation



53%

worry that lack of cloud skills is holding back their digital transformation



82%

believe cloud is a significant catalyst for digital transformation



78%

felt C-19 had made cloud an essential investment



51%

thought slow cloud adoption was holding back digital transformation

Chapter 2:

Take the Lead – Is the CIO now running the show?

Just as the COVID-19 pandemic shifted the meaning of digital transformation for many businesses, the role of CIOs has faced similar transformations.

More than any other business leader, the CIO is inextricably linked to digital transformation. And the C-Suite agree: our research found that 82% believe CIOs are responsible for making digital transformation happen, closely followed by the head of boardroom, the CEO, at 80%.

However, with so many employees turning to remote working, often for the first time, digital transformation has become a much bigger force in workers' lives.

Agility is, in fact, one of the big success factors for digital transformation. Business leaders from organisations that delivered extremely satisfactory results in their digital transformation have a significantly stronger culture of agility than others who are less satisfied with the digital change – which, in a Covid-19-transformed world – is vital for employees to feel valued and comfortable when they work.

As such, even though responsibility for employee wellbeing has historically sat with HR or the CHRO's (Chief Human Resource Officer), the technological aspect of this culture shock means employees and C-Suites are also looking to CIOs for greater guidance.

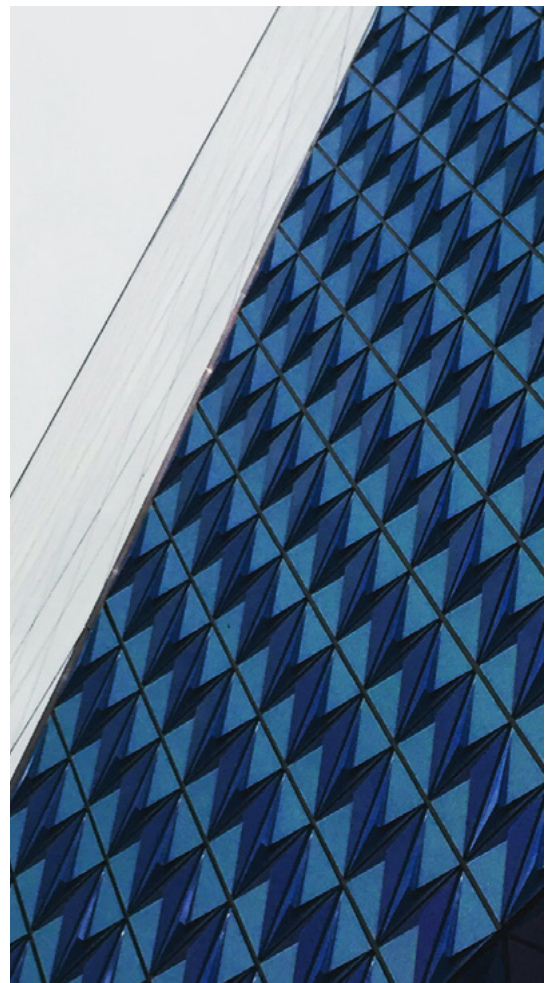
In fact, we found that 74% feel culture change is as much a part of the CIO's role as it is the CHRO's. As more C-Suite executives start to embrace change culture, most (76%) feel CIOs and CHROs need to work more effectively together to achieve it.

Our study echoed this: 62% think digital transformation is about technology centred on people, not processes. Similarly, 68% believe digital transformation is much more focused on implementing internal tools to improve employee experience rather than on external tools to improve customer experience.

However, once again the research found gaps in the thinking between CIOs and the wider C-Suite. When it came to driving organisation change, 78% of CIOs felt it was up to them while only 61% of the wider C-Suite agreed.

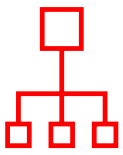
Despite this, everyone agrees that without the CIO's leadership, organisational change would be destined to fail (68% of CIOs and 63% of the wider C-Suite).

All this indicates that we are in a truly transitional time and C-level executives and employees are finding their roles shifting and widening. The most effective way, then, to finding a solution will be through collaboration between the CIO, CEO and HR.



The differing views of C-Suite

There may be increased C-Suite collaboration, but there are still differences of opinion:



81%

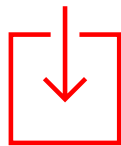
feel collaboration across the C-Suite is essential to effective digital transformation



34%

of C-Level feel they have already completed their digital transformation vs 24% of CIOs

CIOs are more encouraging of 'outside-in thinking' compared to the wider C-Suite



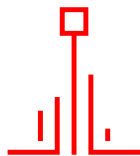
83%

CIOs

53%

C-Suite

CIOs feel they need help to define their transformation priorities, whereas the C-Suite were more likely to go it alone



80%

CIOs

73%

C-Suite

Chapter 3:

Transformation challenges – The barriers to change

For CIOs, the drive to digital transformation by now feels like a long fight – yet even with rest of the C-Suite onboard many of the traditional hindrances are still present.

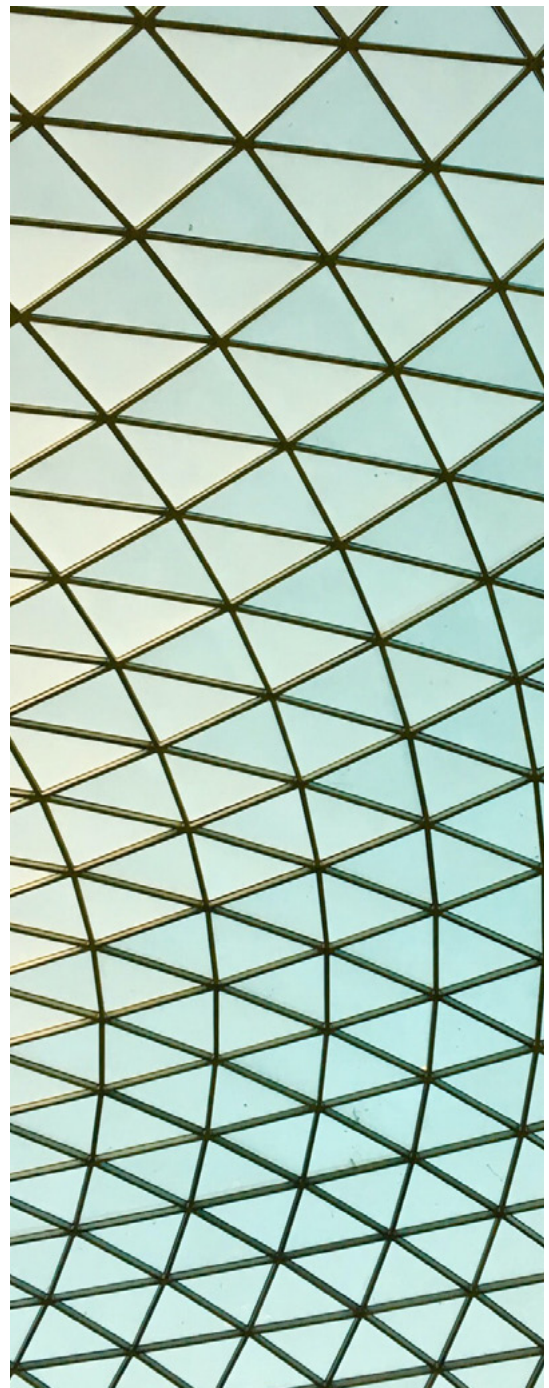
The survey showed that CIOs are a lot more pessimistic about their organisation's ability to change effectively. Many CIOs (41%) are concerned that their organisation does not understand the benefits of digital transformation – a sentiment echoed by only 33% of their C-Suite colleagues.

And it's understandable: while roughly a third (34%) of the C-suite feel their business has completed its digital transformation, less than a quarter (24%) of CIOs feel the same way.

When asked what the main obstacles to digital transformation are in their organisation, 41% of CIOs agree employees are a barrier and 40% point specifically to their CEO, CFO and stakeholders as further hindrances.

However, there is cause for optimism: four in five CIOs (81%) feel collaboration across the C-Suite is essential to effective digital transformation. The will to work together is very much present and if organisations can build on this positivity, then the journey to digital transformation will run all the smoother.

But there is work to be done: just as impactful to the success of digital transformation is how technology is currently used and seen in an organisation and some 33% of CIOs admit to feeling shackled by legacy technology while another 34% feel there is poor alignment between the business and technology. With 35% also viewing their organisation's business models as too complex, it's not hard to understand why digital transformation is seen as such a challenge by CIOs.



The barriers to cloud adoption

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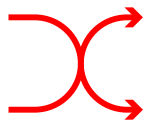
35%

Complex business models



34%

Resource availability
(such as cashflow)



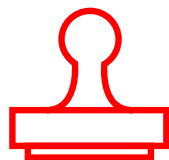
34%

Poor alignment between
technology and business



31%

Lack of expertise in
the wider market



33%

Technology legacy

Chapter 4:

Looking for Support – bringing 'outside-in thinking' to transformation

Clearly, the importance of digital transformation isn't lost on either the CIO or the rest of the C-Suite. However, what has become clear is how the unique perspective CIOs have of the business influences their opinion on the digital transformation challenge.

CIOs may seem to be taking a pessimistic or cynical view, but is it one of realism? They have a true appreciation of the full scope of the challenge their organisation is facing; its complexity and its frustrations. CIOs are blunt in their honesty: three-quarters are adamant that they need help defining their digital transformation priorities.

Perhaps lacking such in-depth experience in this area, the wider C-Suite is far more optimistic. The research suggests they are guilty of underestimating the intricacy of transforming their organisation's infrastructure while continuing to maintain business-as-usual functions – the C-Suite must work to appreciate the size, complexity, and pressures of the task.

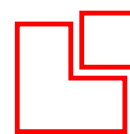
Western Europe's CIOs are more realistic. Having spent time at the sharp end of the challenge, they are under no illusions of how demanding the task is, especially in the face of so many unknown and emerging factors. As such, more than half (56%) of CIOs say they struggle to find solutions for digital transformation challenges alone. After all, this is complex territory, with digital transformation meaning many different things to different stakeholders. CIOs can face an overwhelming choice when it comes to investment in technologies and services – it quickly becomes a struggle to identify what is truly fit for purpose in driving the right business outcomes.

That's why most CIOs (79%) agree that outside-in thinking is critical to the success of their digital transformation project and why most (72%) go as far as to say that a partner gives them confidence and reduces their concerns about failing at this issue.

The rest of the C-suite may think their organisation doesn't need help because their CIO is perceived to have done such a good job so far, but it's the CIOs that are sounding the alarm that they cannot do this by themselves. For example, 58% of CIOs think they will increasingly rely on start-ups to supplement their internal thinking.

In truth, there is no short-cut to digital transformation success. The critical factor is collaboration – and whether that is internal or external, organisations must ensure open channels of communication to create an environment that drives innovation, diverse thinking and, eventually, business growth.

A crucial part of digital transformation is measurement and ROI:



91%

of businesses are currently measuring some aspect of their digital transformation journey – typically on a quarterly basis



72%

measure customer experience monthly or quarterly, making it the most measured result

Final Thoughts: CIO success will rest on collaboration with the wider C-Suite

The COVID-19 crisis has been an eye-opening experience. For organisations, operationally, it has crystallised the importance of digital transformation with the topic once again being launched to the forefront of C-Suite conversations in the race to adapt the 'new normal' imposed during life under the pandemic. In doing this, the true scope of the digital challenge for CIOs has also become clear.

A key learning from all of this is that digital transformation is not a task for one person to own, but a collaborative project that will involve all your organisation's stakeholders and customers, and will recognise the value brought by external partners.

While CIOs may be leading the charge and overseeing digital transformation strategy, it's vital they aren't simply be seen as the 'doers', only there for the heavy lifting. They are the experts closest to the challenge, they have the most salient opinions and observations.

Perhaps the first step is in recognising the tremendous job many CIOs have done so far, standing up to the challenges presented by the COVID-19 pandemic and delivering in the most trying and unprecedented era of modern business. CIOs have put in place a foundation from which they can continue to build a digital-first infrastructure that is future-proof, resilient, and, ultimately, ideally equipped to drive their business forward.

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The Fujitsu Technology and Service Vision sets out our future vision for society and our approach for making it a reality. Find out how our vision and expertise can help you harness technology for business and social innovation.

Work with Fujitsu to reimagine the future of your organisation.



The research surveyed a total of 750 respondents – consisting of 35% CIOs and 65% wider C-Suite – split evenly across Spain, France, Portugal, the Netherlands and Belgium. The study took place in June and July 2020 and was conducted by Vitreous World.

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