

This year's **State of the CIO survey** reveals that, thanks to the economy, the shift to a strategic, business-focused role for IT leaders is gaining momentum. Despite differences across industries and among different types of CIOs, more of you than ever are focused on seizing commercial opportunities and connecting with customers. See how the CIO role is evolving ...

# All That CLO TAA



Open the gatefold for our 2010 Survey results

# The **CIO** Business Leader

## Business Smarts

While strategic thinking, collaboration and change leadership remain the most important leadership skills for CIOs, more of you now put a priority on understanding how to make money.

Most critical leadership competencies	2009	2010
Meeting or beating business goals	18%	<b>30%</b>
Identifying and seizing on commercial opportunities	6%	<b>22%</b>
External customer focus	9%	<b>18%</b>

\*Respondents chose multiple answers

Only  
**30%**

of CIOs say expertise in running the IT function is key to their current role—*fewer than at any time in the past three years.*

## How IT Contributes

Although CIOs are still focused on efficiency, applying IT to **improve products** and **connect with customers** has gained importance.

Expected Accomplishments	2009	2010
Improve end-user workforce productivity	49%	63%
Lower company operating costs	39%	58%
Re-engineer core business processes	41%	53%
<b>Improve quality of products and/or processes</b>	<b>35%</b>	<b>53%</b>
<b>Provide innovative new market offerings or business practices</b>	<b>38%</b>	<b>39%</b>
Improve security and risk management	26%	34%
<b>Manage customer relationships</b>	<b>18%</b>	<b>34%</b>
<b>Acquire and retain customers</b>	<b>18%</b>	<b>25%</b>
Support global expansion	23%	19%
Enable regulatory compliance	12%	18%

\*Respondents chose up to five answers

IT will have more impact on top-line growth this year

Your industry also impacts your non-IT roles. Financial services CIOs are most likely to be in charge of security. Customer service falls more often to retail CIOs.

## A Role Beyond IT

Nearly two-thirds of CIOs have responsibility for a business area outside of technology. Your focus as an IT leader—on the technology function, on transforming the business or on strategy—influences your portfolio.

Area of Responsibility	TYPE OF CIO		
	Functional	Transformational	Business Strategist
Security	27%	32%	23%
Strategy	11%	29%	34%
Corporate operations	14%	18%	27%
Risk management	14%	18%	12%
Customer service	8%	17%	30%

\*Respondents chose all that apply

# How (and What) You're Doing

## Salaries Gone South

IT executive pay peaked right before the economy went bust. Financial services CIOs were among the hardest hit after the crash.

### Average salaries

'06 ... \$185,863  
'07 ... \$185,240  
'08 ... \$237,360  
'09 ... \$247,900  
'10 ... \$219,300

Industry	2008	2009	2010
Financial services	\$292,900	\$335,700	\$269,000
Healthcare	\$260,000	\$243,100	\$228,200
Retail	\$262,300	\$252,300	\$227,600
Manufacturing & transportation	\$264,600	\$264,300	\$220,400
Government, education & nonprofit	\$145,300	\$159,900	\$156,900

## YOUR BOSS, YOUR CLOUT

**43%**  
of CIOs report  
to the CEO

**70%**  
have a seat  
on the business executive  
management committee

## Your Top Priorities

- Aligning IT and business goals
- Controlling IT costs
- IT governance and portfolio management
- Business process redesign
- Leadership development/staff training
- Marketing IT's business contribution
- Rationalizing or centralizing the application portfolio
- Protecting customer data privacy
- Scaling IT globally
- Regulatory compliance

# Your IT Department

**STAFF SHIFTS** Staff cuts in the past two years have hit small and midsize IT departments hardest. Increases at large companies pushed the average size of an IT shop to 216. **But 61% of CIOs have fewer than 50 full-time employees.**

## Stretched Thin?

IT staff at manufacturing companies support more than twice as many end users as at retailers.

Industry	Number of users per IT employee
Manufacturing	47
Healthcare	41
Government/education	39
Financial services	25
Retail	20

**21%**

Average percentage  
of IT labor provided by  
outsourcers or contract  
service providers

## On the Move Again?

The CIO's average tenure is eight months shorter than it was last year, when the recession was in full swing. Your average tenure in your current post: 4 years, 8 months

# Your IT Spending

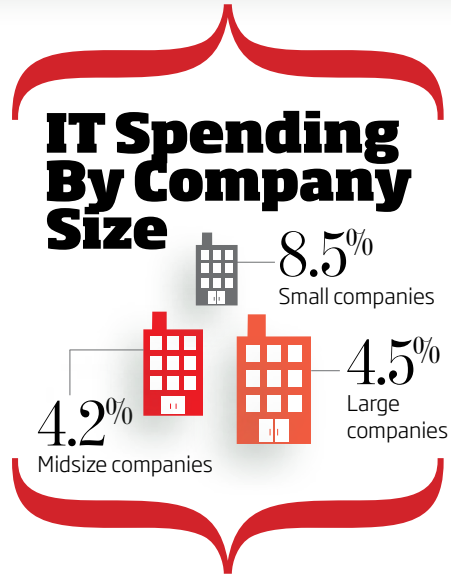
# 5.70%

Average IT spending as a percentage of revenue

## IT Spending By Industry

Financial services companies still spend relatively more on IT than other nontechnology industries.

Industry	IT budget as % of revenue
Financial services	8.6%
Government/education/nonprofit	5.4%
Healthcare	3.9%
Retail	3.4%
Manufacturing	2.6%



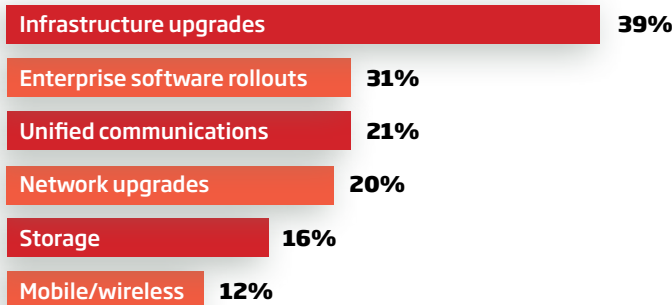
### THE BIGGEST SPENDERS:

## Business Strategists

Their IT budgets average **7.2%** of revenue—more than transformational CIOs (**5.5%**) or functional IT leaders (**5.1%**)

## Projects Delayed

Sixty-two percent of CIOs canceled or put off projects last year because of economic conditions



\*Respondents could choose multiple answers

### SURVEY METHODOLOGY

CIO's ninth annual "State of the CIO" survey was administered online from Sept. 2 through Sept. 14, 2009 to CIO customers in charge of IT at their company or business unit. Findings are based on the responses of 594 heads of IT from a broad range of industries. Twenty-eight percent of respondents were from companies with under \$100 million in annual revenue, 31 percent were from companies with annual revenue of \$100 million-\$999.9 million, and 31 percent were from companies with annual revenue of \$1 billion or more. Sixty-three percent of respondents were from North America.

The margin of error is +/- 4%. Percentages on questions where respondents selected one answer may not sum to 100 due to rounding.