CIO

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Many C-suite execs have lost confidence in IT, including CIOs

Feature

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Digital Transformation   IT Strategy   Innovation

Enterprise leaders see IT teams as less capable of delivering basic functions than they did a decade ago. A business-centric approach could help turn the tide.

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Some bad news for CIOs: Many C-suite leaders, including IT leaders themselves, have less confidence in your department's ability to get the job done than they did a decade

ago.

Less than half of C-level executives believe their IT organizations are effectively delivering basic services, compared to about two-thirds with confidence in 2013, according to a **survey recently released** [https://www.ibm.com/downloads/cas/7O5E73GP] by the IBM Institute for Business Value.

The drop was the largest among the CEOs surveyed. In 2013, 64% had confidence in their organizations' IT departments to deliver basic services, but the percentage fell to 36% this year.
Among the IT leaders surveyed, 69% had confidence in their departments a decade ago; now just 47% do. Confidence also fell among CFOs.

So what's the deal? An IBM report based on the survey, "6 blind spots tech leaders must reveal," describes the huge expectations that modern IT leaders face:

"For technology to deliver enterprise-wide business outcomes, tech leaders must be part mastermind, part maestro," the report says. "They must architect technology strategy across data, security, operations, and infrastructure, teaming with business leaders — speaking their language, not tech jargon — to understand needs, imagine possibilities, identify risks, and coordinate investments."
The report adds: "They must build multidisciplinary teams to bring the strategy to life, encouraging the experimentation and fresh ideas that inspire employees and delight customers."

The job is rapidly changing

Some IT leaders see the problem as **rising expectations** [https://www.cio.com/article/251660 5/cios-are-stretched-more-than-ever-before-and-thats-a-good-thing.html] combined with the rapid technological advancements in the past decade. Many veteran members of IT teams started as systems administrators or similar roles and are now being asked to set up complex cloud environments or figure out how to deploy AI, says Ashwin Rajeeva, co-founder and CTO at Acceldata, an enterprise data observability provider.

Many C-suite executives want the IT team to both keep the systems running and **drive strategic innovation** [https://www.cio.com/article/1313089/how-cios-reinterpret-their-role-through-ai.html], he says, a **challenging balance act** [https://www.cio.com/article/654904/cios-set-their-a gendas-to-achieve-its-ultimate-balancing-act.html].
"Organizations perceive IT as struggling to meet these demands, particularly in deploying new technologies like AI, which have raised expectations among business leaders," he says. "Challenges in managing legacy systems and ongoing talent shortages further exacerbate this issue."

In many cases, the traditional IT team has been separated from the R&D team, with the IT teams tasked with keeping the lights on, some tech leaders say. With IT and business strategies getting more intertwined, and **the hard truths involved in that** [https://www.cio.com/article/410673/7-hard-truths-of-business-it-alignment.html], the value traditionally driven by IT has shifted to product engineering and business units, says Martin Mao, CEO and co-founder of Chronosphere, a cloud observability platform.

"The value is not seen in keeping the wheels on the bus," he says. "IT is stuck in a negative spiral of cost cutting and defense mode versus innovation. There is a huge talent drain occurring from IT to the product engineering side of the house."

IT teams are often burdened with **maintaining legacy systems** [https://www.cio.com/article/190989/10-tips-for-modernizing-legacy-it-systems.html] while simultaneously asked to support new technologies such as AI, infrastructure as code, containerization, and cloud services, adds Kenny Van Alstyne, CTO at cloud vendor SoftIron.

In addition, the rise of shadow IT, with some departments with the organization going rogue, creates the perception that **IT teams aren't agile or innovative enough** [https://www.cio.com/article/481453/ending-the-forever-war-against-shadow-it.html], he adds.

"This balancing act can create a perception that IT is slow or unresponsive to business needs," he says. "Confidence in IT teams is falling largely due to a gap between the pace of technology change and IT's ability to adapt quickly enough."

Left on the sideline

The danger in this loss of confidence is that the IT department and CIO get left out of critical projects, says Acceldata's Rajeeva.

"This disconnect may diminish investment in IT initiatives, as stakeholders question the effectiveness of technology spending," he says. "Moreover, failing to leverage new technologies can stifle innovation and limit competitiveness. Ultimately, this lack of trust can create a culture resistant to change, slowing growth and impairing responsiveness to market demands."

Without re-establishing their niche, IT teams at many organizations may slowly dwindle, adds Mao. Many organizations appear to already be shifting IT budgets to R&D, he says, even though he believes organizations still need healthy IT teams.

"If confidence in IT further declines, so does IT relevance and related investments," he says. "It becomes a self-fulfilling prophecy as IT is entrenched in cost efficiency and back-office tasks. If people don't see you and your work as valuable, they won't fund you."

The good news is that there's time to fix the problem. IT leaders have an opportunity to earn back relevance and trust, with interest in generative AI off the charts, Mao says, although many IT departments seem to be slow to take advantage.

Gen AI has huge potential for **internal use cases** [https://www.cio.com/article/3478721/ge nerative-ai-use-cases-for-business.html], including help desk functions, HR processes, and information retrieval, with IT departments driving those projects, he says.

Internal AI projects also enable employees to test the technology and become comfortable with it before adding AI to products, Mao says. But, in many cases, this isn't happening.

"IT is playing the traditional role of putting up guardrails around the use of AI, when instead, IT leaders could be at the forefront of using AI to drive internal innovation and greater credibility for IT," he adds.

IT departments may not be able to reclaim territory lost to R&D and engineering teams, Mao adds, but they can find new areas, like AI, to add value.
CIOs can also focus on improving communication with business stakeholders, and **other business-centric IT strategies** [https://www.cio.com/article/3498544/how-leading-cios-cultivate-b usiness-centric-it.html], to ensure their teams are aligned with business goals, Rajeeva says.

Investing in talent and skills is also critical, he adds. "IT teams must not only upskill but also strategically recruit to stay ahead of emerging technologies," he says. "By fostering closer collaboration with R&D and technology organizations, they can drive increased speed and quality, moving beyond outdated practices that no longer meet current demands."

Van Alstyne agrees that CIOs and IT teams must show the ability to be agile and align with business needs. Like Rajeeva, he believes investments in talent and skills are important.
"IT must evolve from being a service provider to a true strategic partner," he says. "IT leaders should get ahead of emerging technology trends, particularly in AI, cloud, and automation, and guide the business on how to use them responsibly."

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CIO

by **Mary K. Pratt**
Contributing writer

5 questions defining the CIO agenda today

Feature

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Budgeting   Business IT Alignment   IT Skills

AI, cybersecurity, IT modernization, skills gaps, and budget concerns remain top of mind for IT leaders, but how they're thinking about each is changing as the IT landscape shifts in the AI era.

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Perennial issues dominate today's CIO agenda: how to drive innovation while ensuring secure and modern IT operations, a workforce tuned for the future, and a balance sheet prepared to contain costs as they fluctuate.

But while **CIO.com's latest State of the CIO survey** [https://www.cio.com/article/3976500] identifies AI initiatives, security work, modernization efforts, and talent needs as top drivers for IT leaders' agendas again this year, subtle shifts in how best to tackle that work can be teased out by the key questions IT leaders face in each of these areas right now.

Here, IT leaders and advisors weigh in on what CIOs need to ask and answer about their IT strategies and execution involving today's most critical IT matters.

1. How can I ensure AI implementations deliver high value, securely?

The days of focusing primarily on AI experimentation and proofs of concepts **are in the past** [https://www.cio.com/article/3629824/gen-ai-in-2025-playtime-is-over-time-to-get-practical.html]. Now, **chief executives want their CIOs** [https://www.cio.com/article/3982258/ceos-top-priorities-for-it-leaders-today.html] to identify how AI can deliver measurable value to the organization, says **Mark Taylor** [https://www.linkedin.com/in/mark-a-taylor/], CEO of the Society for Information Management (SIM), a nonprofit professional association.

That, he says, is forcing CIOs to ask, "Where are the high-value AI implementations?"

For **Saby Waraich** [https://www.linkedin.com/in/waraich/], CIO of Clackamas Community College, this breaks down into defining what makes a great use case for AI and determining how best to achieve the most business value from those implementations. Waraich, who is also president of the SIM Portland, Ore., chapter, says that lens helps him and his team prioritize AI projects based on anticipated ROIs, instead of enthusiasm and excitement.

For example, Waraich recently integrated generative AI tools into the college's cybersecurity processes. The AI analyzes whether emails reported as suspicious are phishing attempts, alerts security staff to the results, and drafts responses back to the users who reported the suspect messages. It may not be a flashy project, but it has delivered big returns. The AI tools can complete in about 10 minutes the work that typically took staffers a few hours to tackle — a significant productivity gain.

CIOs must find big wins like that, according to **Tejas Patel** [https://www.linkedin.com/in/tejas-r-patel-783842/], leader of tech strategy and advisory for APAC at professional services firm Accenture. And CIOs they must consider how they can build on those wins as well, he says.

As such, Patel advises CIOs to ask, "How do I scale gen AI safety and with speed without taking on a lot of technologic debt?"

CIOs, he explains, need to quickly scale AI deployments to ensure their organizations stay competitive because the technology is evolving so fast that they risk rapidly falling behind if they don't. They also need to be careful about the AI tools they adopt to ensure the ones they pick will keep pace with that evolution. And they must be constantly diligent about security less they introduce unacceptable levels of risk around exposing data — whether that's to cyberattacks or in ways that violate regulations or the trust of customers or employees.

Patel acknowledges the challenge CIOs face in balancing all those elements. "With pressures and costs that are ongoing, CIOs know they have to be smart and more deliberate in their AI strategy," he adds.

2. Are our security operations tuned for resiliency and our organization's risk appetite?

CIOs along with their executive colleagues and board members "realize that hacks and disruptions by bad actors are an inevitability," SIM's Taylor says. That realization has shifted security programs from being mostly defensive measures to ones that continuously evolve the organization's ability to identify breaches quickly, respond rapidly, and return to operations as fast as possible, Taylor says.

The goal today is **ensuring resiliency** [https://www.csoonline.com/article/2111061/cyber-resilience -a-business-imperative-cisos-must-get-right.html] — even as the bad actors and their attack strategies evolve. And that requires security operations that are agile enough to both adapt to an ever-evolving threat landscape and align with the **organization's potentially altering risk tolerance** [https://www.csoonline.com/article/3839272/what-is-risk-management-quan tifying-and-mitigating-uncertainty.html].

"We're asking, 'How do we continually mature? How do we get better? How do we become a more mature organization?'" says **Joshua Bellendir** [https://www.linkedin.com/in/jo shuabellendir/], senior vice president of IT and CIO of retailer WHSmith North America.

3. What infrastructure changes will ensure IT delivers at the speed of business?

Thomas Phelps IV [https://www.linkedin.com/in/thomas-phelps/], CIO of Laserfiche and an advisory board member for the SIM Research Institute, says ensuring IT operations can respond to a rapidly changing business climate is the key factor he uses to determine what technologies to replace and what new investments to make.

Building a tech stack that can grow and retract with business needs, and that can evolve quickly to capitalize on an ever-shifting technology landscape, is no easy feat, Phelps and other IT leaders readily admit.

"In modernizing, it's such a moving target, because once you got it modernized, something new can come out that's better and more automated. The entire infrastructure is evolving so quickly," says **Diane Gutiw** [https://www.cgi.com/canada/en-ca/experts/diane-guti w], vice president and global AI research lead at CGI, an IT and business consulting services firm.

There are strategies to help cope with that challenge, says SIM's Taylor, who advises CIOs to focus on data access when tuning their IT stacks, as success in this era of AI and automation heavily depends on data getting to where it's needed.

Brian Jackson [https://www.infotech.com/profiles/brian-jackson], principal research director at Info-Tech Research Group, agrees: "It's about finding solutions that can bring data out of old systems and onto a new plane where [organizations] can assess it and use it with modern AI systems."

Accenture's Patel stresses that doing so will better equip CIOs to "leverage automation, AI, and agents, with the ambition of being zero touch [for IT operations]." The key to a responsive infrastructure, Patel explains, is to eliminate as much manual effort as possible.
"Zero touch" operations, he argues, increases speed and reduces costs, enabling CIOs to **divert money from operations expenses to innovation** [https://www.cio.com/article/3957762/c ios-recalibrate-it-agendas-to-make-room-for-rising-ai-spend.html] — making their IT departments (in addition to the tech stack) a fully modern entity.

"The goal is to make more of my operations lean and mean to redirect resources to developing new capabilities," Patel says.

4. How do I futureproof my workforce?

For Info-Tech's Jackson, CIOs' long-term success depends on continually identifying the skills needed to pull ahead of the competition and devising talent strategies that ensure they hire and train for those skills with an eye toward the future.
Phelps agrees that a strong upskilling and reskilling strategy is essential to developing the right capabilities to grow the business, while CGI's Gutiw gets a bit more specific, saying it's all about ensuring they have talent that knows how to use AI to get their jobs done better and faster.

As Gutiw points out, research shows that workers who don't know how to use AI will be displaced not so much by the technology itself but by other workers who know how to work with and alongside AI.

Consequently, she says CIOs should ask whether they and their managers are ready for a hybrid workforce, one where human workers and AI workers are integrated.

"CIOs should be asking, 'How do I change or adapt what I do now to be able to manage a hybrid workforce? What does the future of work look like? How do I manage that in a secure, responsible way and still take advantage of the efficiencies? And how do I let my staff be innovative without violating regulation?'" Gutiw says, noting that today's managers "are the last generation of people who will only manage people."

Accenture's Patel agrees that CIOs should be looking to create "the right operating model in the organization so humans and machines can collaborate and drive exponential value."

He adds, "CIOs need to be making sure people see this as an opportunity, that there is career progression and growth with AI coming in."

5. How do I control costs so I can spend more on innovation?

Many organizations continue to invest in IT, with 65% of respondents to the 2025 State of the CIO survey saying they expect IT funding increases — with an average increase of 6.9%.

However, CIOs say the price tag on managing and maintaining their current tech stack has increased at a higher clip, as have new implementations and innovation.

Info-Tech's Jackson attributes much of that sticker shock to **spikes in the cost of cloud services** [https://www.cio.com/article/3496509/rising-cloud-costs-leave-cios-seeking-ways-to-cope.html]. "CIOs are seeing higher than expected bills, and they're even talking about repatriating some workloads," he notes.
Jackson says an increasing percentage of CIOs are adopting **FinOps** [https://www.cio.com/article/416337/what-is-finops-your-guide-to-cloud-cost-management.html] to control those run costs. CIOs also are **reevaluating what should run in the cloud** [https://www.cio.com/article/1309572/cios-rethink-all-in-cloud-strategies.html] and what could run elsewhere, finding that a more attention to cloud operations can help minimize expenses.

Additionally, IT leaders are **rationalizing and renegotiating vendor contracts and services** [https://www.cio.com/article/657832/cios-sharpen-cloud-cost-strategies-just-as-gen-ai-spikes-loom.html] to keep costs in check.

It's important to note, however, that such work isn't merely about lowering IT spend — as it may have been in past years, Jackson says. Rather, that work helps CIOs cut costs on low-value tasks, such as maintenance, so they can redeploy money to fund work on high-value growth and innovation initiatives.
Patel agrees, saying that when it comes to the IT budget, CIOs must determine the optimal balance among OpEx, CapEx, **tech debt** [https://www.cio.com/article/3958666/what-is-technical-debt-a-business-risk-it-must-manage.html], and innovation spending.

"The question is, 'What's the right balance, what's the right distribution?' That's what CIOs should be looking to address," he says.

Phelps is focused on such dynamics, saying he's examining his vendor contracts and services to ensure "that they really help enable business growth and do so in a way that helps manage costs and ensure user adoption of their innovative tools."

More importantly, perhaps, he's attentive to the allocation of money to run/maintain, day-to-day projects, and innovation and making sure "we're allocating that spend properly."

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