

Digital Business Transformation Leadership

- Critical Success Factors for the CIO -

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Vice President

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THE CIO

Gartner®



Martin Hölscher

„Continuous change is the only stable thing in business today - We enable you to transform successfully!“

CONTACT INFORMATION



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MAJOR ACHIEVEMENTS

- Transformational Sourcing across the entire Global IT Organization
- Adaptive Governance Model Implementation
- Operational IT cost reduction by 25 % within 2 years
- Implementation of Process Driven IT Organizations highly integrated across the entire business
- **Coke One®** Leadership Team - Global Standardization of Business Processes, Data and Applications, Global Deployment
- Successfully Build, Transformed and Operated sizable Organizations and Teams
- Transformation and Change Leadership
- Cultural Change Implementation

KEY AREAS OF COMPETENCY

- (IT) Strategy Development
- Business Transformation & Change Management
- (IT) Governance & Organizational Development
- Strategic Sourcing & Partner Management
- Business Process Management
- Finance, Controlling & HR Processes, Systems & Sourcing
- Business Value of IT and Business Enablement
- Holistic Perspectives & Systemic Coaching

RELEVANT EXPERIENCE

- 6+ years Commercial Management (Finance, Controlling, HR), SAP Project Management for Finance & Controlling, Mannesmann Anlagenbau AG, South Africa & Germany
- 3 years Business Unit CIO, Mannesmann Demag AG, Germany
- 2 years VP Information Management & CIO Americas, Bosch Rexroth Corp., U.S.A.
- 6 years CIO, Coca-Cola Erfrischungsgetränke AG, Germany
- 4 years Global Program Director, The Coca-Cola Company, U.S.A.
- 4+ years Group CIO, Triumph International, Switzerland
- 8+ years Member of the Supervisory Board, Eckert & Ziegler Bebig S.A., Belgium
- 5+ years VP MEP, Gartner Deutschland GmbH, Munich/Berlin

*“Digital” Transformation
could be a dangerous
experiment . . . !*

*. . . unfortunately,
continuous change is the
only stable thing in
business today!“*



A dramatic photograph of a volcano in eruption. A massive, turbulent column of bright orange lava and dark smoke rises from the crater, casting a fiery glow over the surrounding dark terrain. The scene conveys a sense of raw power and transformation.

**Transformation
Is Messy**

Pandemic Industry impact - The need and urgency for rapid transformation can come unexpected . . .

Degree of impact in terms of duration

-40%



Oil & Gas



Aerospace & Defense



Air & Travel

-30%



Financial Services



Insurance



Automotive



Chemicals & Agriculture

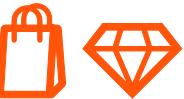


Real Estate



Business Services

-20%



Apparel, Fashion & Luxury



Transport & infrastructure



Healthcare facilities & services



Basic Materials



Electric Power & Natural Gas



Medical Tech



Advanced Electronics



Consumer Durables



Food & Beverages



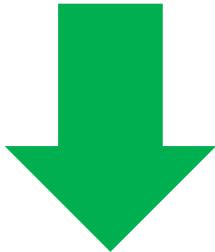
Logistics & Trading

Source: Corporate Performance Analytics, S&CF Insights, S&P Global

Note: Global 3000, YTD Shareholders returns by industry 25 March 2020

Critical Success Factors for the CIO in the Digital Age of continuous Business Transformation

Listen,
Understand
& Communicate . . .



. . . to make a
Difference and be
Relevant



ENSURE BUSINESS ACUMEN

The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

<p>Key Partners</p> <ul style="list-style-type: none"> ▪ Who can we partner with to succeed? ▪ How can we use the assets and resources of other firms to get to market faster? Be lighter weight and more agile? ▪ What key resources will our partners expect from us? ▪ What capabilities do our partners satisfy? ▪ How will we work with our partners to identify and share value? 	<p>Key Activities</p> <ul style="list-style-type: none"> ▪ What key capabilities do our value propositions require to succeed? ▪ Same for our channels to market, customer relationships and so forth? ▪ What technologies can we employ to change the playing field? 	<p>Value Propositions</p> <ul style="list-style-type: none"> ▪ What value do we deliver to the customer? ▪ Which one of our customer's pains/problems are we helping to solve? ▪ What bundles of products and services are we offering to each customer segment? ▪ Which customers are we trying to satisfy? 	<p>Customer Relationships</p> <ul style="list-style-type: none"> ▪ What type of relationship does each of the customer segments expect us to establish and maintain? ▪ Which ones do we need to focus on? How will our model impact the relationships? ▪ How will we leverage our relationships to support the rest of the business model? Our customer relationships are a tool that needs to support the model. ▪ How costly are they? Can we change the playing field with technology? How? 	<p>Customer Segments</p> <ul style="list-style-type: none"> ▪ Who is the customer? Be specific, if we don't know the customer we can't understand the jobs, pains and gains. ▪ Who are our most important customers? Not every possible customer is the one you want to help. Be focused.
<p>Cost Structure</p> <ul style="list-style-type: none"> ▪ What are the most important costs in our business model? Where will we need investment? What form of investment will we need? ▪ What is the 80/20 rule — what 20% of our resources and activities will require 80% of our money? 	<p>Revenue Streams</p> <ul style="list-style-type: none"> ▪ What form of value are we generating and what value will our customers be willing to pay for? How will they expect to pay for it? At the POS? Or in other forms? ▪ What are they currently paying and how? ▪ How would they prefer to pay? ▪ What do they expect in return and in what form? ▪ How will we monetize our business? 			



Assuming Clarity around the Business Model - What are the CIO's Five Domains of Influence and Responsibility ?

Head Office

Back Office

Front Office

Transformation Office

Infrastructure and Operations

All Constituents Have Different Expectations around IT Value Contribution

Head Office

Expectation: Enterprise Performance Reporting and Asset Optimization, Compliance (Regulatory & Internal)

Constituents: CFO, COO, CEO

Back Office

Expectation: Business Process Excellence

Constituents: Process Owners

Front Office

Expectation: Knowledge Worker Productivity, Workforce Optimization, Growth

Constituents: P&L Owners

Transformation Office

Expectation:

Business Innovation

Constituents: EPMO, CEO, Board

Infrastructure and Operations

Expectations: Technical (IT/OT) Services, Cost per Unit

Constituents: Operational managers and task workers

The Business Strategy Sets Constituent Expectations for the CIO's Role

Efficiency

Growth

Transformation

Expectation: Enterprise Performance Reporting and Asset Optimization, Compliance (Regulatory & Internal)
Constituents: CFO, COO, CEO

Back Office

Expectation: Business Process Excellence
Constituents: Process Owners

Front Office

Expectation: Knowledge Worker Productivity, Workforce Optimization, Growth
Constituents: P&L Owners

Transformation Office

Expectation: Business Innovation
Constituents: EPMO, CEO, Board

Infrastructure and Operations

Expectations: Technical (IT/OT) Services, Cost per Unit
Constituents: Operational managers and task workers

Understanding the relevant Digital Landscape is a Prerequisite for Success



1. Demand Grows More Personal

- Customers seek services that align with their preferences and values as individuals (not segments).
- Customers demand lower-effort, non-intrusive service.



3. Data Reliance Deepens

- Customers rely on data, especially from peers, for purchase decisions.
- Managers and employees use data for virtually every business decision.
- Overabundance and uncertain veracity of data make it harder to reach decisions quickly.



5. Internal and External Boundaries Blur

- Companies collaborate through open models.
- Functional boundaries and hierarchies give way to fast-changing matrices.
- Employees pursue flexible roles, employment models and career paths.



2. Products Become Information-Rich Services

- Value creation shifts toward information-rich services.
- Companies facilitate or broker services through an interface.



4. Work Adapts to Broader Role for Machines

- Automation and machine learning move into more complex, less structured activities.
- Employees must demonstrate greater judgment creativity, flexibility and collaboration.



6. Everything Accelerates (Except Large Companies)

- New capital-light competitors scale rapidly.
- Demand changes at a faster rate.
- Size, complexity, and regulation slow incumbent responses.

Source: CEB analysis.

BUILD SUPERIOR CUSTOMER EXPERIENCE

Technology Isn't Driving Digital Business ...

Customer Engagement Is.

Customers Complain More, Are Less Loyal, Tell More, Use More Channels, and Want Both Privacy and Personalization

Consumers who are satisfied with how their complaint is handled are **6x** less likely to switch, **5x** more likely to recommend and **3x** more likely to repurchase

— Financial Services Complaints Handling Survey, PwC's r2i, 2016

97% of customers are multichannel users, customers use 5.6 channels on average

— Nice and BCG, 2016

Consumer products companies took seven of the top ten spots in this year's reputation survey, with Rolex, Lego Group and The Walt Disney Company at the top

— Reputation Institute, Global RepTrak 100, 2017

81% of consumers are willing to pay for a better experience

— Capgemini, The Disconnected Customer, 2017

52% of consumers have switched provider in the past year due to poor customer service, with banks, retailers, and cable and satellite television providers being the worst offenders

— Digital Disconnect in Customer Engagement, Accenture Strategy, 2016

84% of retail brands did not offer any in-store mobile services, and 79% did not give associates the ability to access customer account information via a mobile device

— The 2017 Customer Experience Index Study, IBM

Customer Experience - Some Definitions

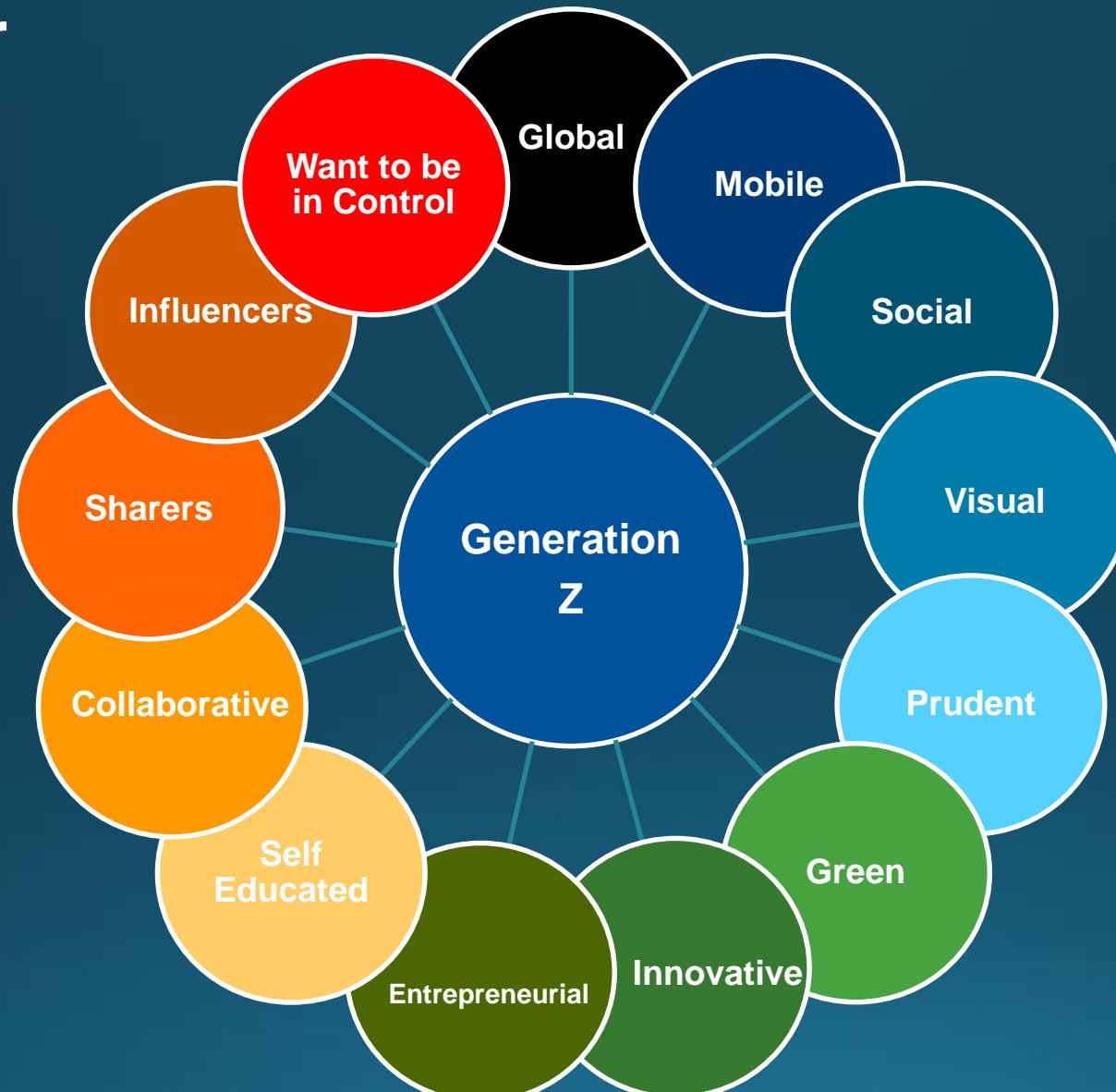
The dictionary defines **experience** as:

"The sum total of conscious events."

Gartner defines **customer experience** as: "The customer's perceptions and related **feelings** caused by the one-off and cumulative effect of **interactions** with a supplier's employees, channels, systems or products."

Gartner defines **customer experience management** as: "The practice of designing and reacting to customer interactions in order to meet or exceed customer expectations and so **increase** customer **satisfaction, loyalty** and **advocacy.**"

Who are your Customers?



Attributes of Generation Z ?

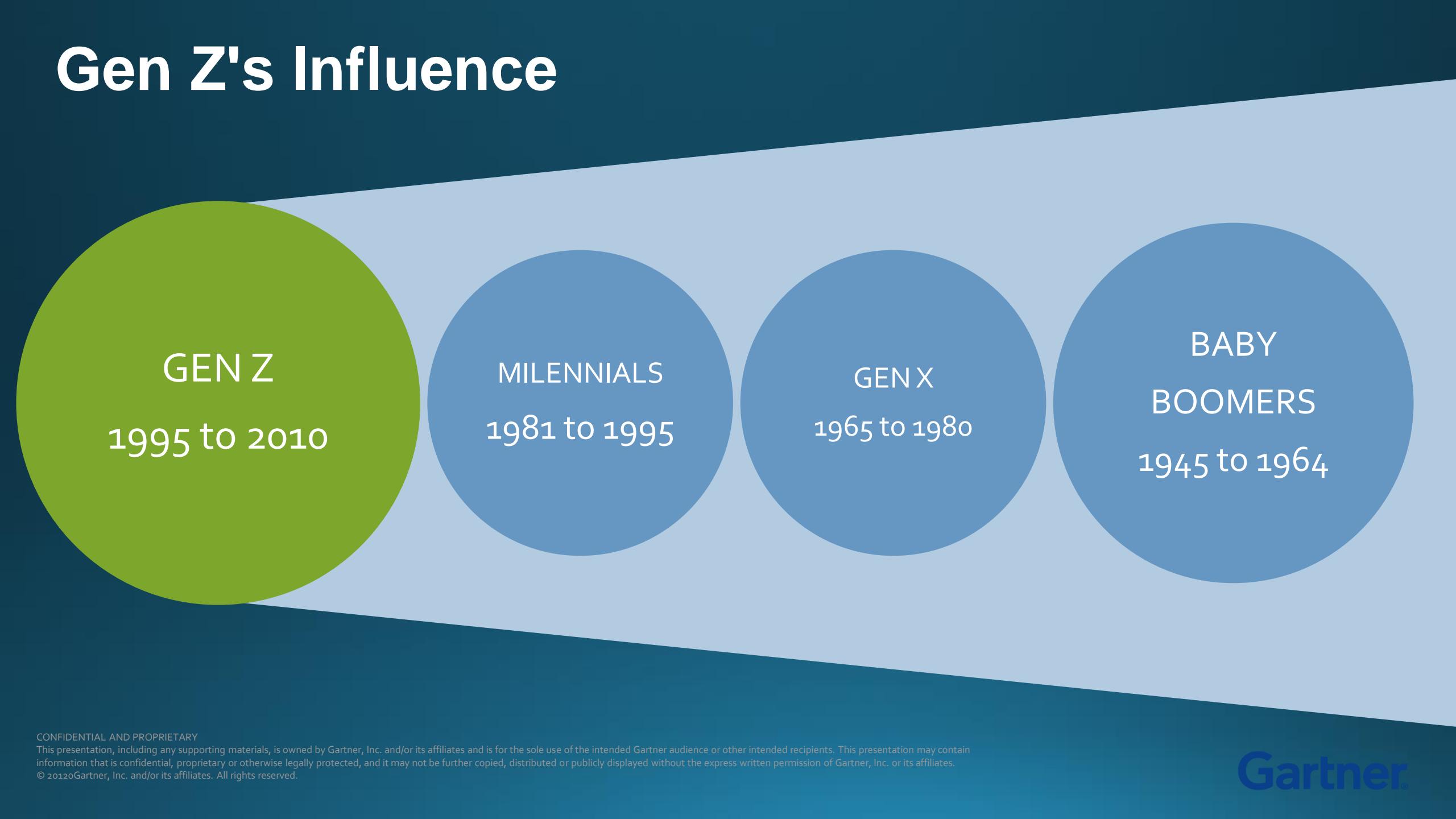
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Gen Z's Influence



GEN Z
1995 to 2010

MILLENNIALS
1981 to 1995

GEN X
1965 to 1980

BABY
BOOMERS
1945 to 1964

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Gen Z inspired Customer Experience Expectations



Connected

Convenient

Continuous

Curated

Community

Credible

Controllable

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Connected Cars & IoT

Connected Home, Auto, and Health

- VPAs – Amazon Echo & Dot, Google Home, Siri, Cortana
- Ford added Amazon Alexa to cars in 2017, BMW in 2018
- Smart appliances are readily available, priced and becoming common
- 1 in 3 consumers own a wearable connected device



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Mobility First

80%

of shoppers used a mobile phone inside of a physical store for product reviews, to compare prices or to find alternative store locations.

62%

of smartphone users have made a purchase online using their mobile device in the last 6 months.

53%

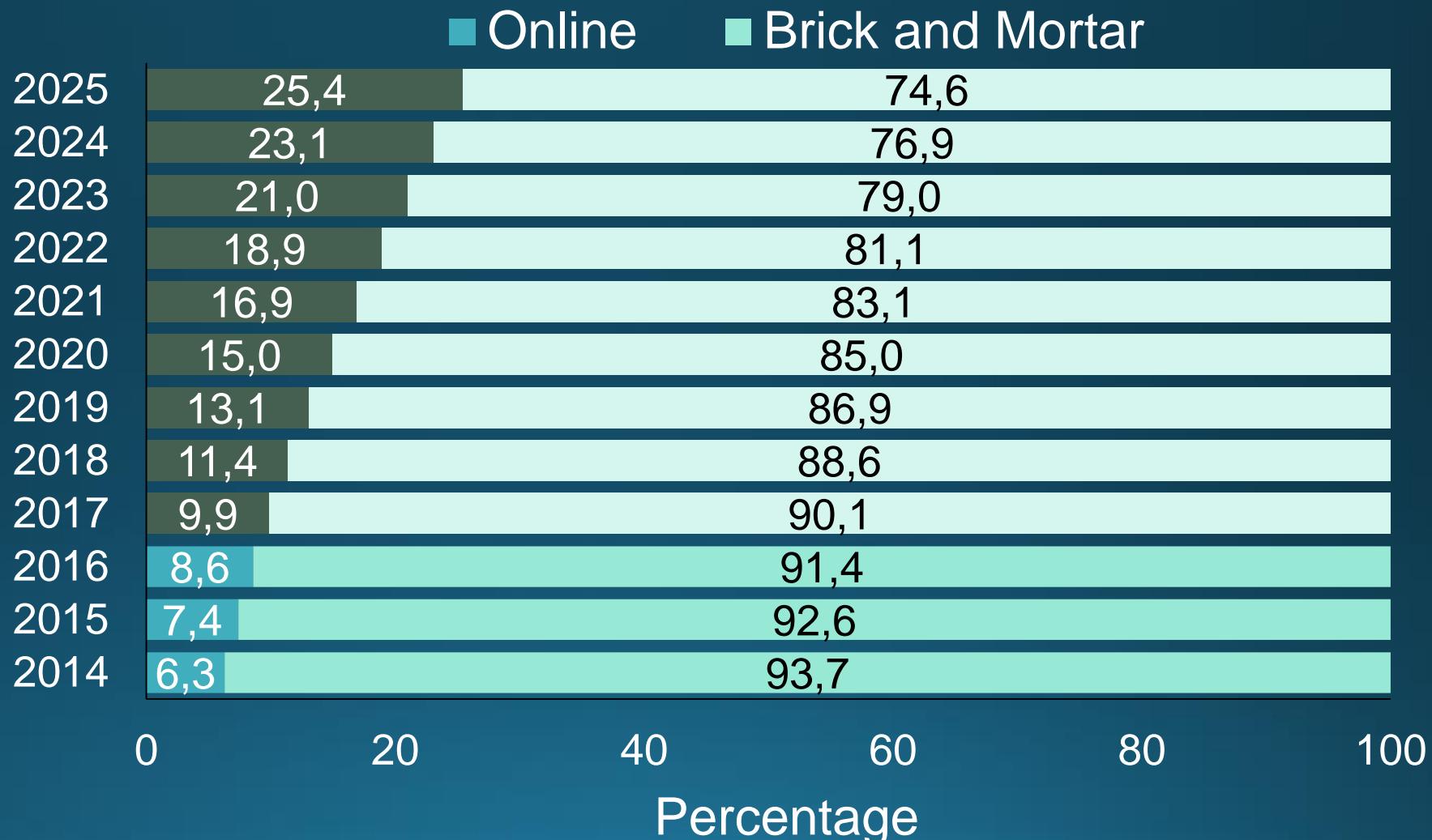
of mobile users abandon sites that take over 3 seconds to load.

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Online Will Continue to Grow Its Share of Sales



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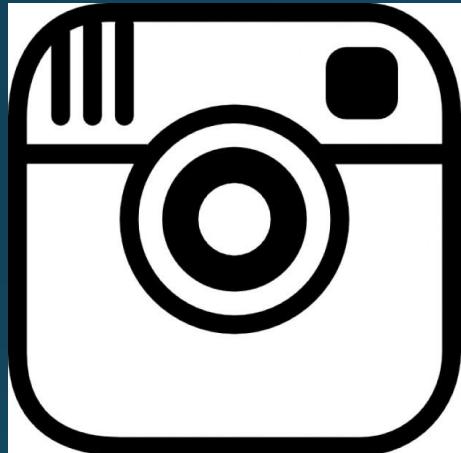
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Social Influence

80%

of Gen
Zers are
influenced
by social
sites when
shopping



44%



32%



21%

VISUAL

Increase in influence of Gen Z over other generations

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Flexible Fulfillment



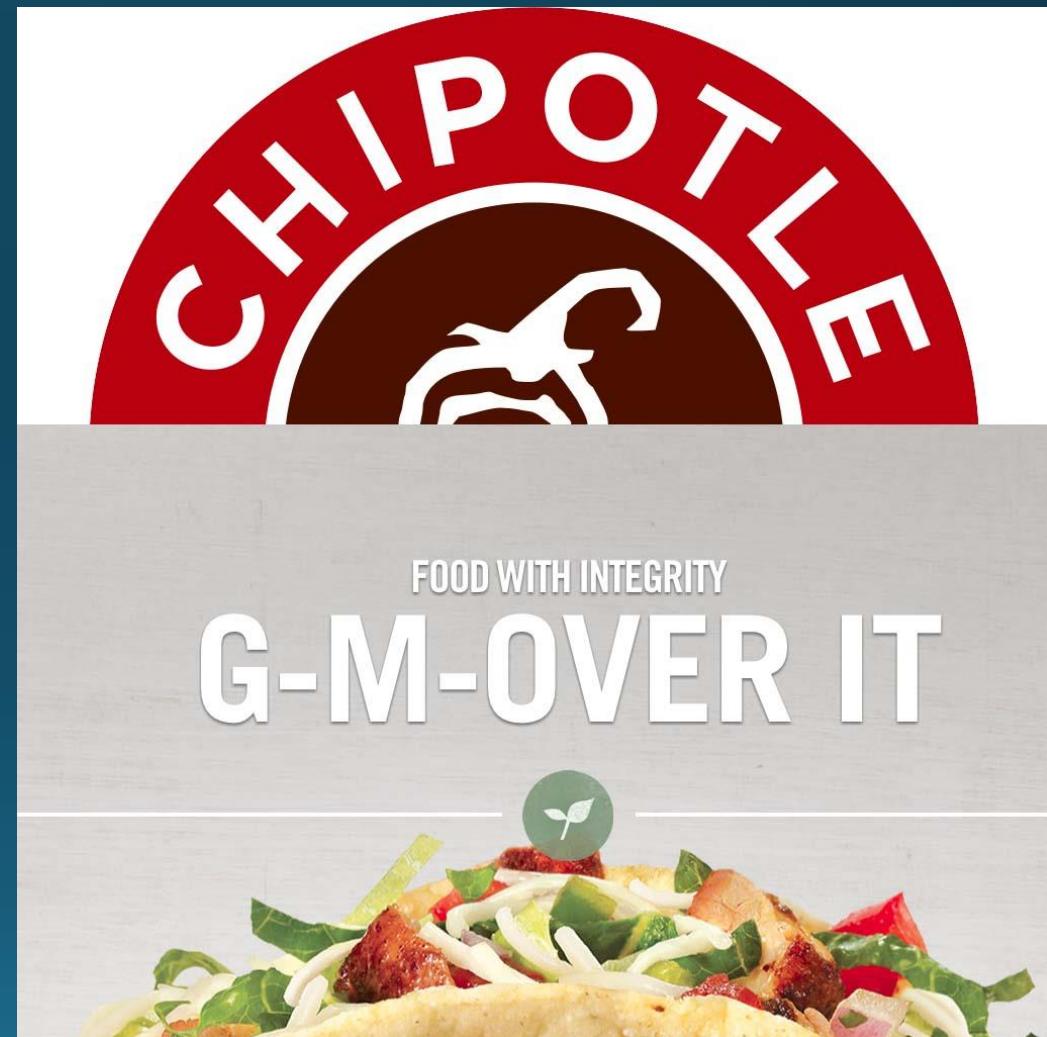
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Credibility Through Quality & Transparency



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Lifestyle over Brand Loyalty



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Payment & Security

46%

of consumers say they rarely or never use cash for making purchases and 20% of consumers say they currently are not carrying any cash in their wallet.

70%

online shoppers say they have used digital-payment services, including mobile wallets, one-click checkout buttons and P2P payment apps.

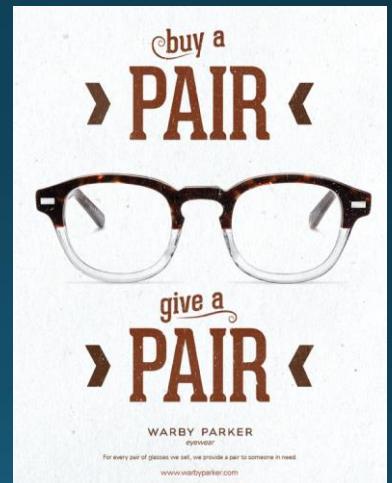
37%

Of customers say they have abandoned an online purchase because they did not feel their payment would be secure.

Green Initiatives

55%

of Gen Z choose brands that are eco-friendly and socially responsible.



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Customer Experience is major driver of growth, improving customer acquisition, customer retention and increasing customer value

Growth strategies

Question for CIO/CDO:
What is your contribution
to revenue growth?

Company value

SAMPLE
GROWTH TREE

Acquiring new customers

Retaining existing customers

Extracting more value from customers

Growth drivers

1

Optimizing pricing

2

Enhancing sales force

3

Improving customer experience (CX)

4

Developing new products and enhancing existing ones

5

Creating blue oceans

MCPs

#1 Net new customer growth

#2 ?

#3 ?

Innovating with new products

Multichannel consistency

Competitive pricing

Digitizing channels

Discovering new segments

Enhancing sales skills

Streamlining customer processes

Outsourcing key functions

Simplifying IS

Experientializing products/packages

Compliance is an **inhibitor** of growth strategy

Complying with regulations

Unleashing the power of analytics

Analytics is a major **enabler** of growth strategy

Gartner's seven types of Customer Experience Projects

Listen, Think, Do	From Out to In	Act as One	Open Up	Get Personal	Alter Attitudes	Design Better
Collect Feedback <ul style="list-style-type: none">▪ Multichannel collection▪ Real-time alerts and actions	Find Moments of Truth <ul style="list-style-type: none">▪ Process modeling▪ Identify the weakest link▪ Automate and escalate	Achieve Consistent Experiences <ul style="list-style-type: none">▪ Single view of customer▪ Recognition	More Accessible <ul style="list-style-type: none">▪ Self-service▪ Track for customer▪ Add channels	Personalize Products <ul style="list-style-type: none">▪ Configure to order▪ Mass customization▪ New product development	Empower Employees <ul style="list-style-type: none">▪ Education and training▪ Cultural values▪ Ownership of the experience	Have a Strategy <ul style="list-style-type: none">▪ Executive enlightening▪ Ideal and real experiences▪ Program and project plans
Analyze Opinion <ul style="list-style-type: none">▪ Value analysis▪ Market research▪ Segmentation▪ Propensity modeling	Redesign Processes <ul style="list-style-type: none">▪ Quality controls▪ Trading efficiency and experience	Share Answers <ul style="list-style-type: none">▪ Knowledge management▪ Skills inventory▪ Better search	Demonstrate Trust <ul style="list-style-type: none">▪ Honor privacy▪ Share data▪ Use only what you need	Customize Offers <ul style="list-style-type: none">▪ Bundling product/service▪ Personal pricing	Recruit Differently <ul style="list-style-type: none">▪ Profiling the personalities▪ Balance teams▪ Recruit to brand	Brand Execution <ul style="list-style-type: none">▪ Values and promise▪ Reputation▪ Communication
Start a Conversation <ul style="list-style-type: none">▪ Expectations setting▪ Capturing intent▪ Manage dialogue	Adapt in Real-Time <ul style="list-style-type: none">▪ Real-time rerouting▪ Analytical-driven process decisions	Multichannel Availability <ul style="list-style-type: none">▪ Multichannel integration▪ Device-independent interaction	Encourage Participation <ul style="list-style-type: none">▪ Review and comparison▪ Communities▪ Social networks	Stripped-Down Simplification <ul style="list-style-type: none">▪ One size fits all▪ Standardization and scale	Make Clear the Responsibility <ul style="list-style-type: none">▪ Governance and policing▪ Responsibility▪ Compensation and contracts	Design the Experience <ul style="list-style-type: none">▪ Benchmark usability and empathy▪ Digital design cool

The Customer Experience Projects that are examples of the seven types which had the most positive impact

Q. Rank your customer experience improvement projects conducted in terms of positively impacting customer experience.



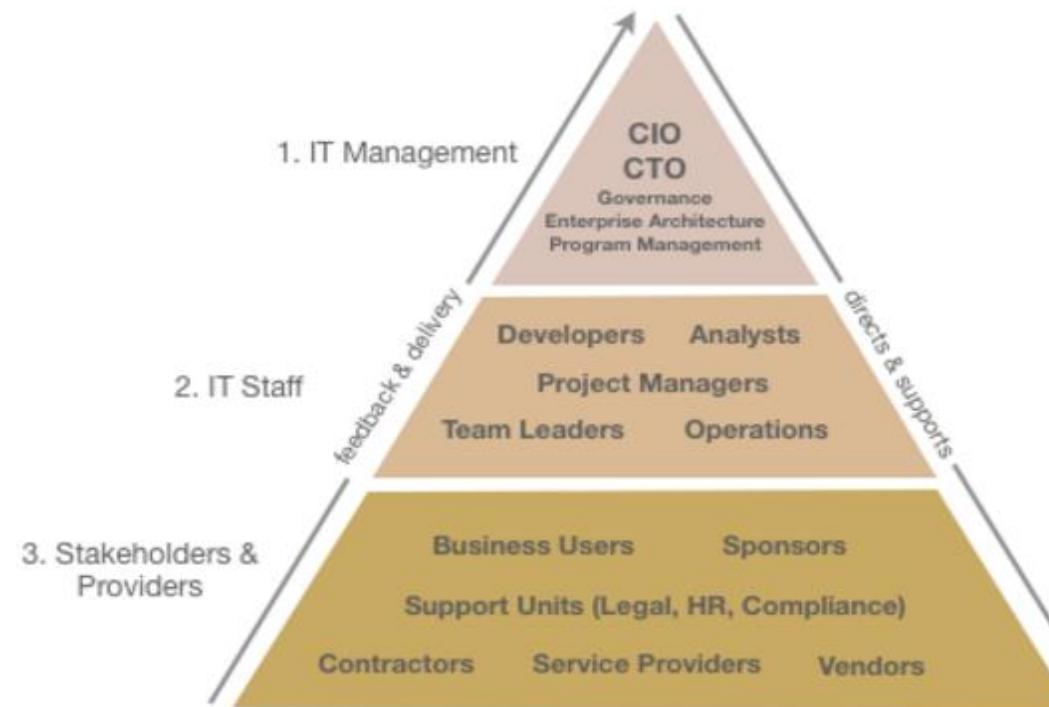
Base: n = 155 Gartner Research Circle Members, Worldwide
Excludes Those Replying "Unsure"

BUILD ADAPTIVE ORGANIZATION

New Types of Organizations are Required

Old Model of IT

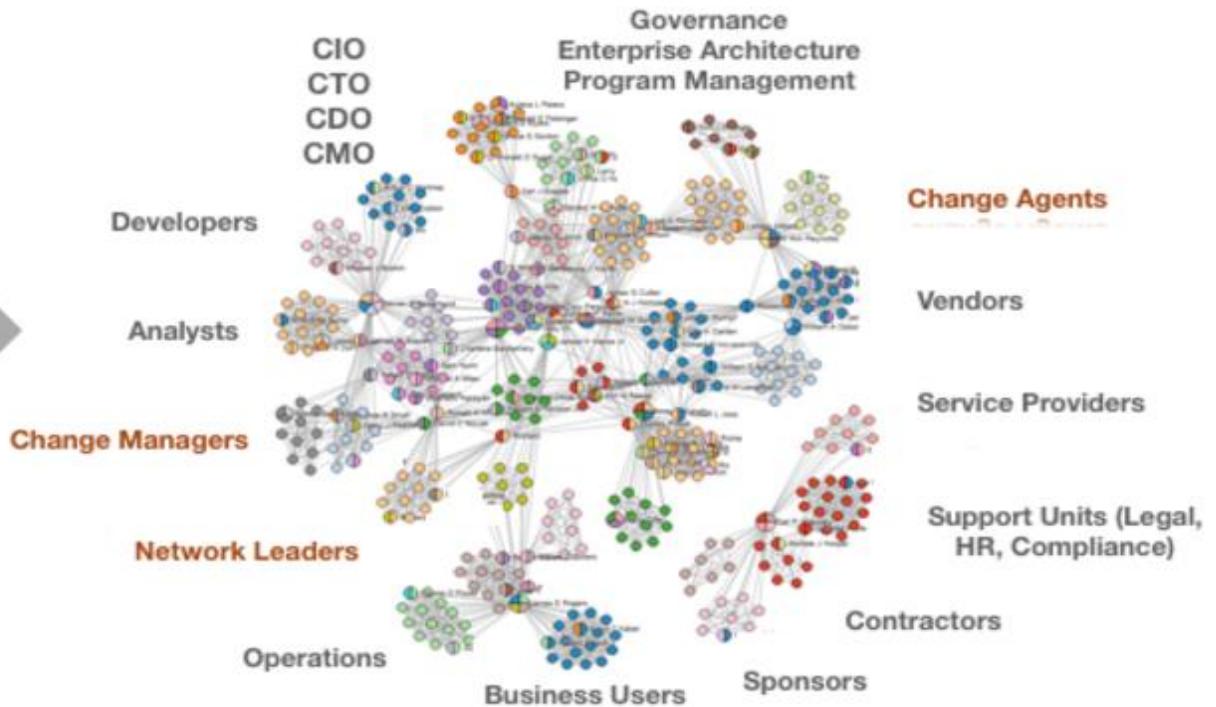
centralized hierarchical
automation of business



- Applies technology to what the business does today
- Good at maintaining status quo
- Focus on efficiency, economy of scale, continuity
- Well-defined processes designed for monolithic IT

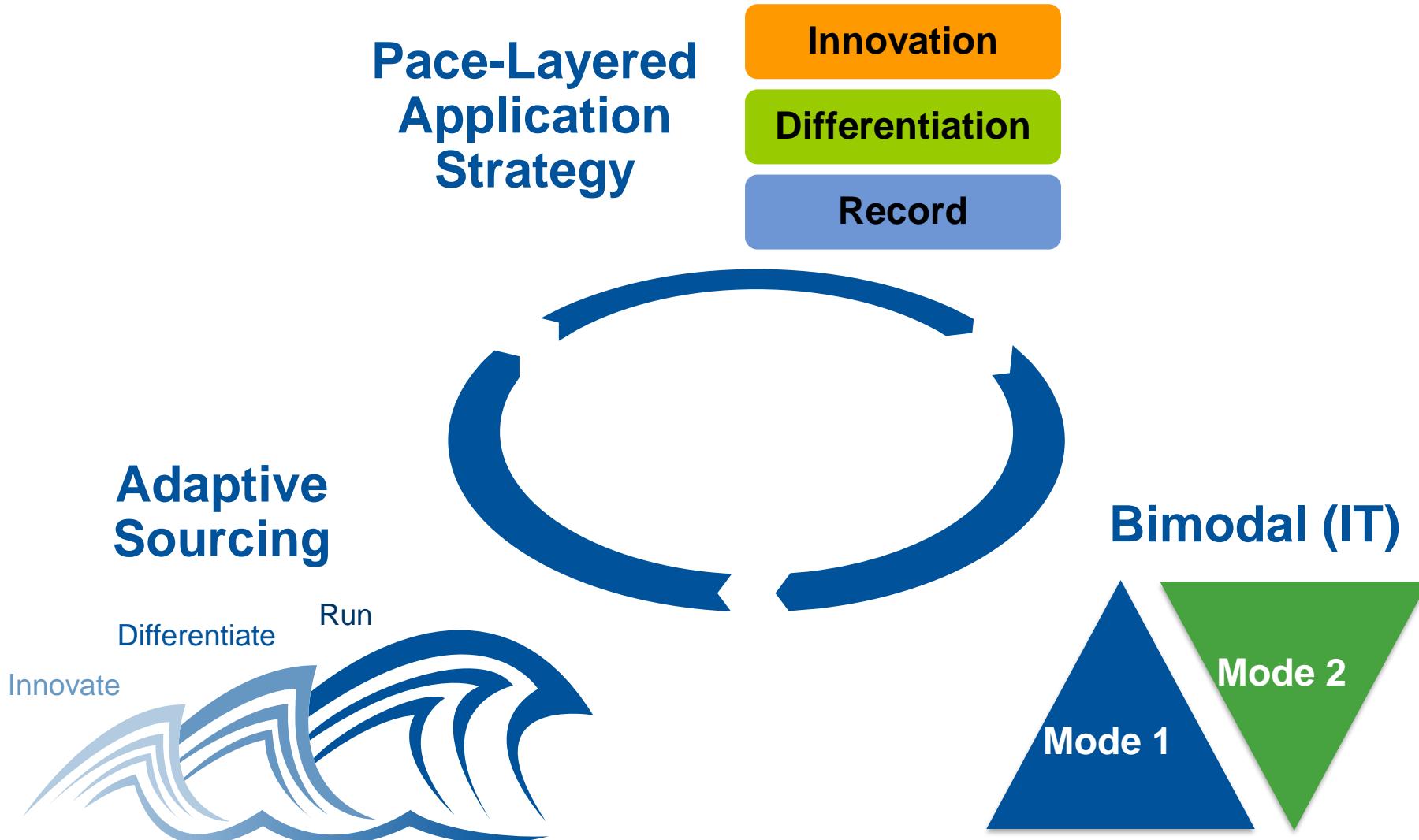
New Model of IT

decentralized network enablement
of digital transformation

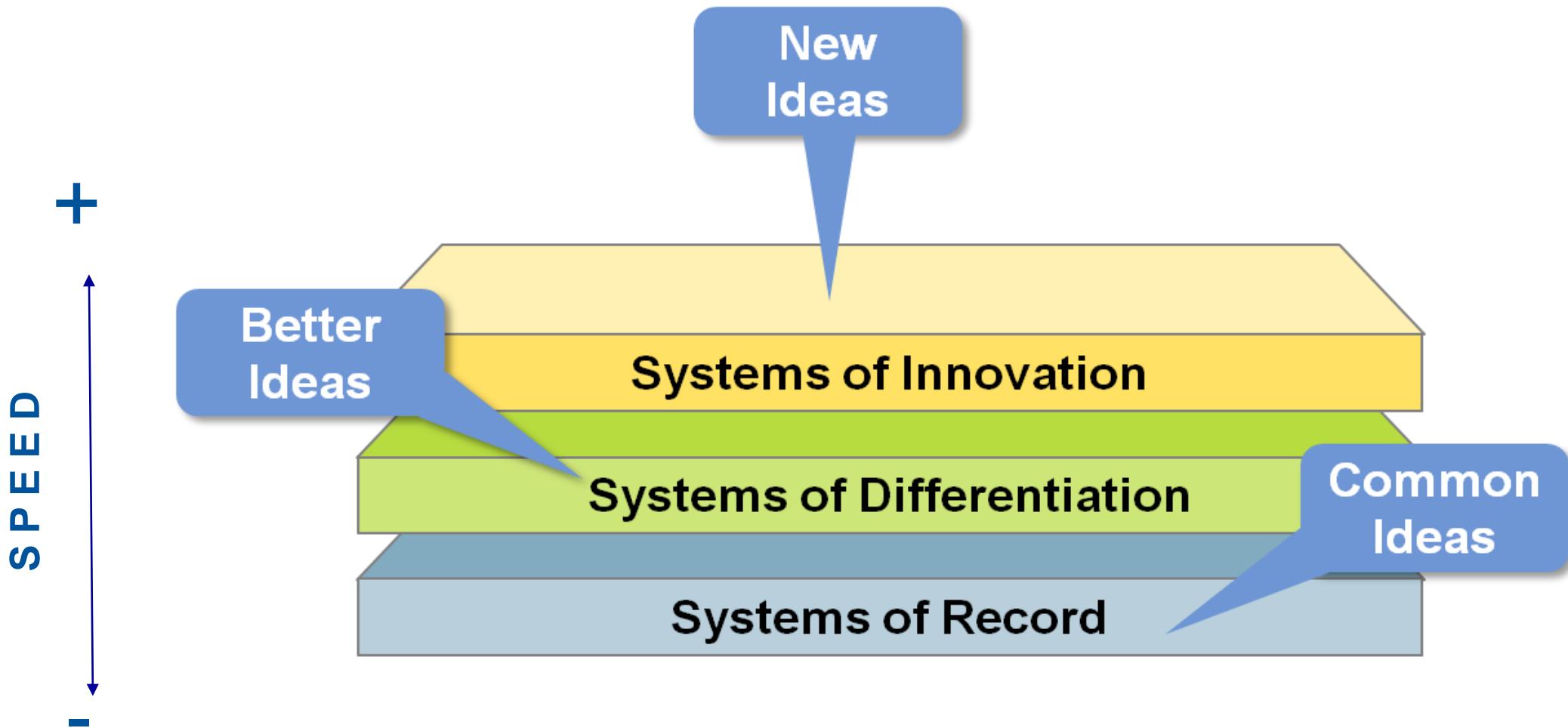


- Explores how technology re-imagines the business
- Good at managing constant technology change
- Focus on responding to opportunities at scale
- Dynamic self-organizing processes for small IT in volume

Implement Execution Flexibility in the Entire Organization



A new Mind-Set and Framework are needed to Master the Architectural Dimension of Time



Two Approaches are required to respond to the Pace of Business Change

Bimodal is the practice of managing two separate, but integrated crossfunctional ways of working, one focused on stability and the other on agility.

Mode 1 is traditional and sequential, emphasizing safety, accuracy.

Mode 2 is exploratory and nonlinear, emphasizing agility and speed.

Bimodal = Marathon Runners + Sprinters

Deeply Different, Both Essential

Think
Marathon
Runner



Mode 1

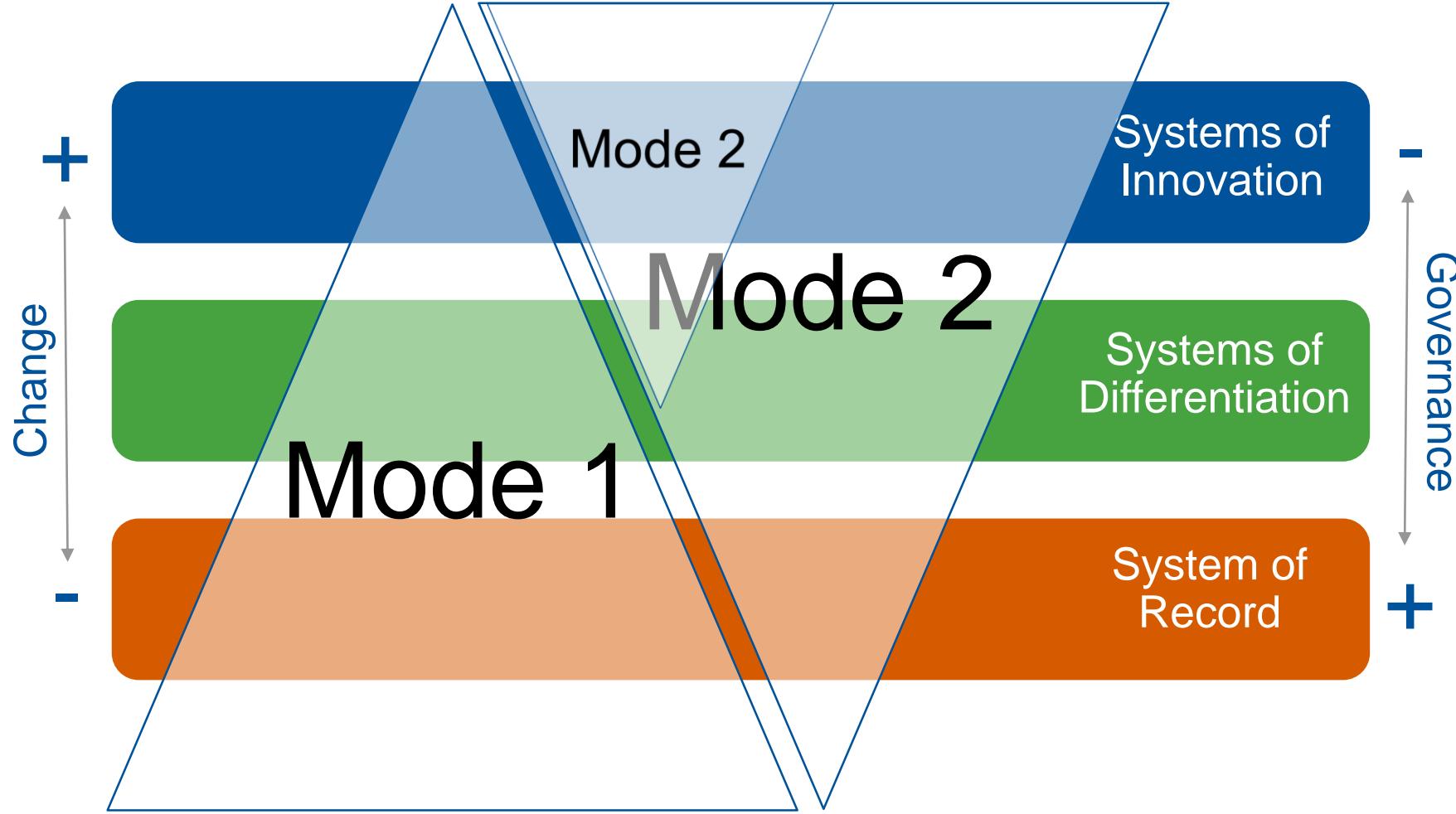
Reliability	Goal	Agility
Price for performance	Value	Revenue, brand, customer experience
Waterfall, V-Model, high-ceremony IID	Approach	Agile, Kanban, low-ceremony IID
Plan-driven, approval-based	Governance	Empirical, continuous, process-based
Enterprise suppliers, long-term deals	Sourcing	Small, new vendors, short-term deals
Good at conventional process, projects	Talent	Good at new and uncertain projects
IT-centric, removed from customer	Culture	Business-centric, close to customer
Long (months)	Cycle times	Short (days, weeks)

Think
Sprinter



Having **two separate but aligned** modes of operation, each designed to develop and deliver business capabilities in **different, but important ways**.

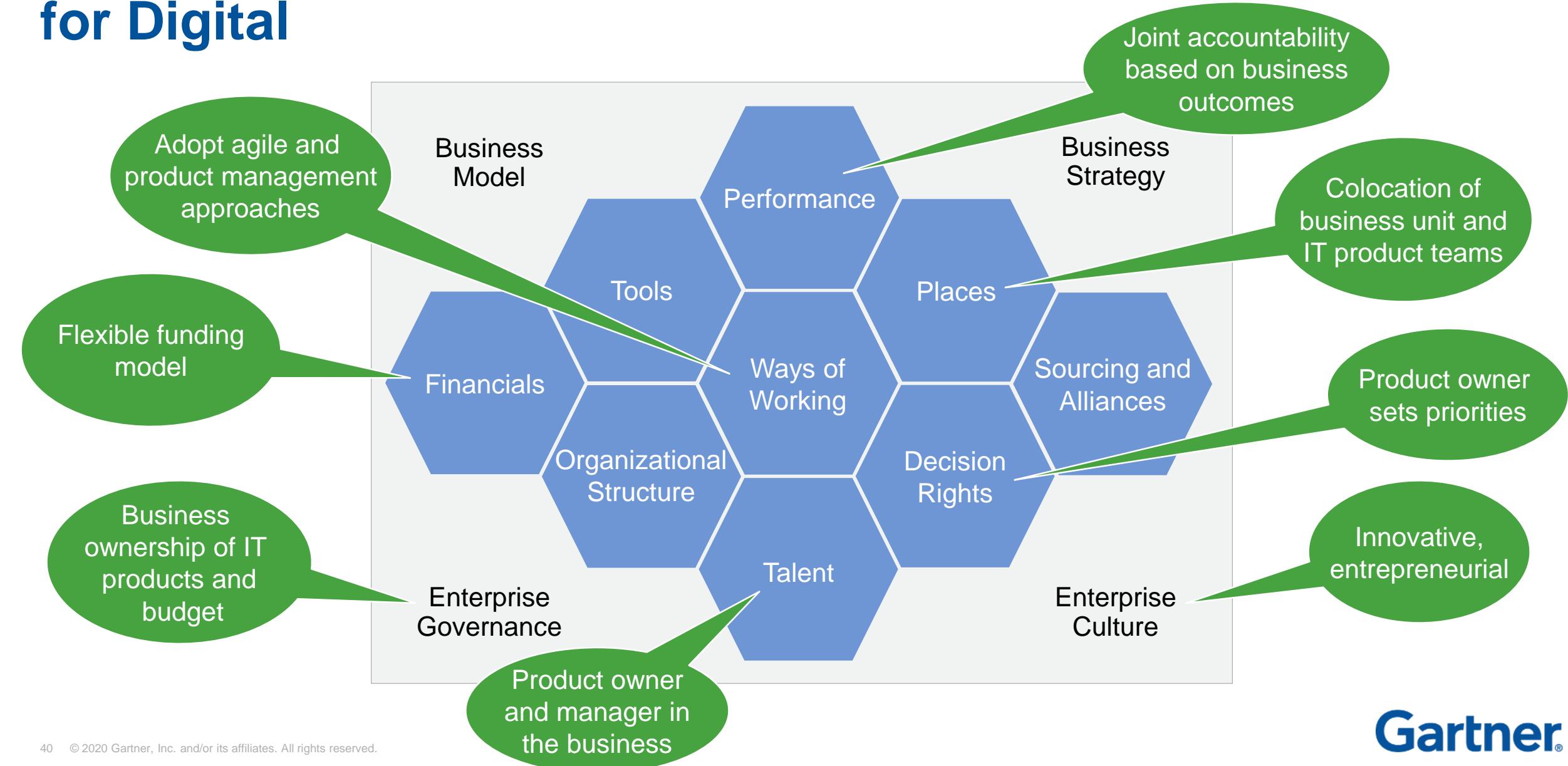
Pace Layering and Bimodal Are Complementary



Adaptive Sourcing Strategy



Assess Whether the Enterprise Operating Model Is Ready for Digital

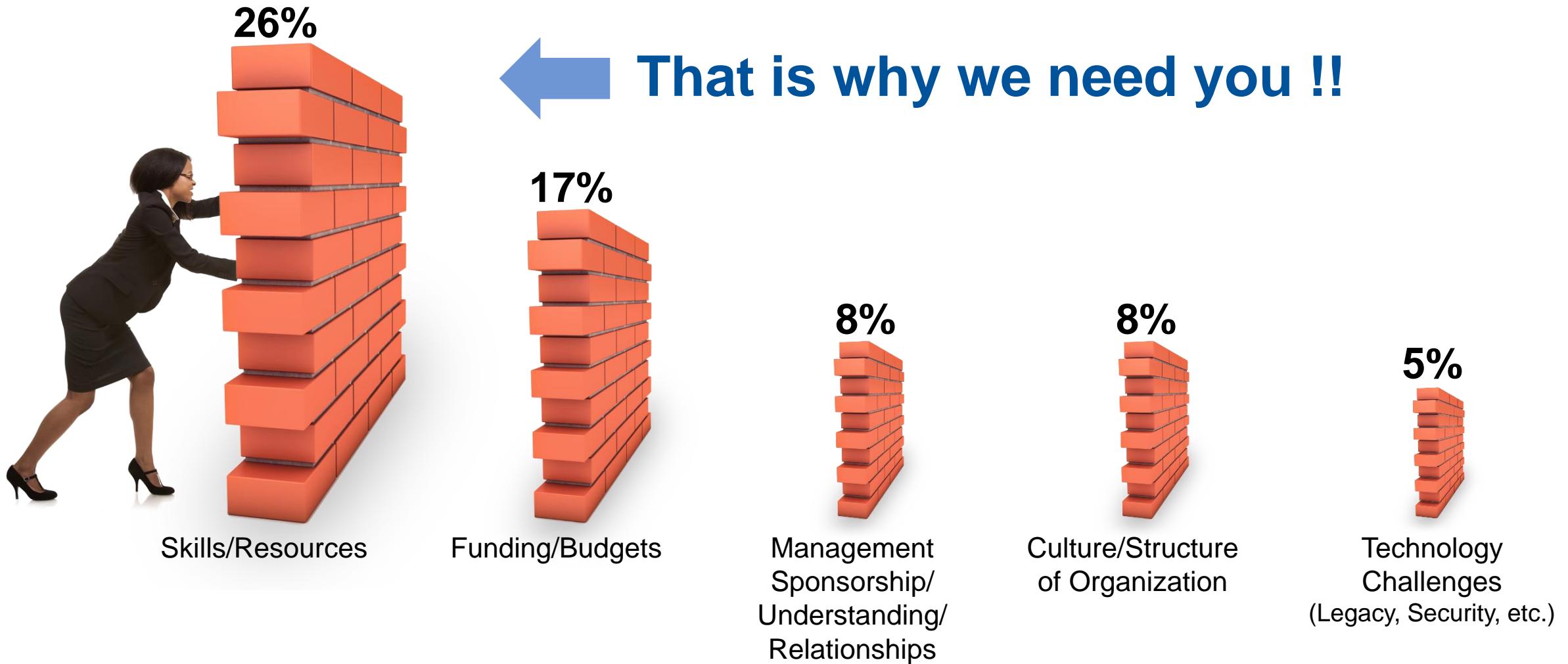


Is Your Current Operating Model Ready for Digital?

Ways of Working	Projects, not products — mostly waterfall, with manual handoffs; efficiency and predictability are the priorities	1 2 3 4 5	Products, not projects — mostly agile, DevOps and continuous delivery; speed and innovation are the priorities
Performance	Business and IT roles are measured differently (in terms of traditional IT metrics such as on time, on budget and 24/7 availability)	1 2 3 4 5	Business and IT are measured in terms of shared business outcomes and metrics
Places	Business unit and IT teams work in separate offices/locations	1 2 3 4 5	Cross-functional business and IT teams are colocated
Decision Rights	Unclear or not applied consistently	1 2 3 4 5	Clearly defined and applied; product decisions are likely to be owned by business units, platform decisions by IT; high levels of collaboration
Talent	Specialists lacking business skills focus on technical disciplines; they are permanent employees and are augmented with temporary contract staff	1 2 3 4 5	Versatilists have broader skills covering tech, business, etc.; flexible talent acquisition allows for permanent or contract employees, partners, freelancers, crowdsourcing.
Organizational Structure	A hierarchical organization is built around traditional IT functions and roles	1 2 3 4 5	Fewer layers comprise multidisciplinary, self-managed teams drawing on business and IT resources
Tools	Primary tools cover service management, time recording, infrastructure management and monitoring	1 2 3 4 5	Toolset expanded to cover activities such as automated testing and release, continuous delivery/integration
Sourcing and Alliances	Supplier ecosystem management and outsourcing engagements focus on continuous improvement and TCO reduction	1 2 3 4 5	Bimodal sourcing capability reflects the different goals of run, differentiate and innovate; an alliance strategy supports exploitation of I&T
Financials	IT budgets are held and controlled centrally; funding is allocated to projects based on a business case; funding and allocations are determined annually	1 2 3 4 5	Business units hold budget for products; IT owns platform budget; funding is allocated dynamically (i.e., with regular reviews) to create business capabilities

The biggest Barrier to Success is Skills

Q: What is your biggest barrier to achieving your objectives in your role?



Percentage of total responses. Top five responses, n = 2,299

CHANGE YOUR MEASURES

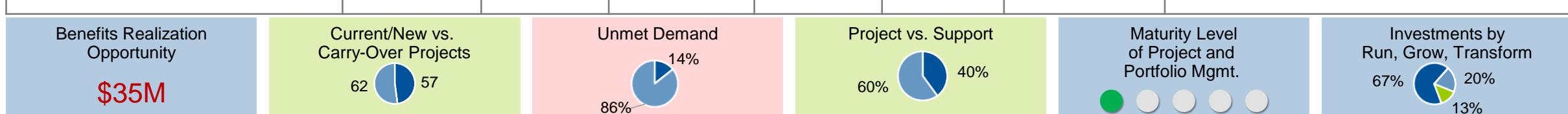
Not so much of this: IT Fact Sheet Example

Number or Issue	Area and Description	Comments, Decisions or Actions
650	Number of Applications — Licenses and Maintenance Contracts	Application Consolidation Completed FY 2014
7,200	Number of Desktops and Devices	
3,100	Number of Users of the Enterprise Network	
120	Number of Available Hosting Capacity (Potential New Applications)	
12	Number of Data Centers Worldwide	Consolidation on Agenda for FY 2017
230,000	Number of Attempted and Unauthorized Network Intrusions	
250	Number of FTE IT Staff	
75	Number of Contract Labor in IT	Reductions Expected FY 2016
250	Number of Vendors and Service Providers	
\$35M	Size of the Service Provider X Outsourcing Contract	
750,000	Number of Calls to the IT Help Desk (annually)	Self-Help Initiative Set for FY 2016
15	Number of Staff in the Office of the CIO	
250	Number of Enterprise Staff That Actively Support the Innovation Community	
50%	Percentage of IT Staff That Will Reach Retirement Age in the Next 10 Years	
\$250M	Size of Costs Avoided via the Business Case Process	Based on Business Value Campaign

Note: CIOs might limit the number of IT facts and demographics to suit the needs of the target stakeholders.

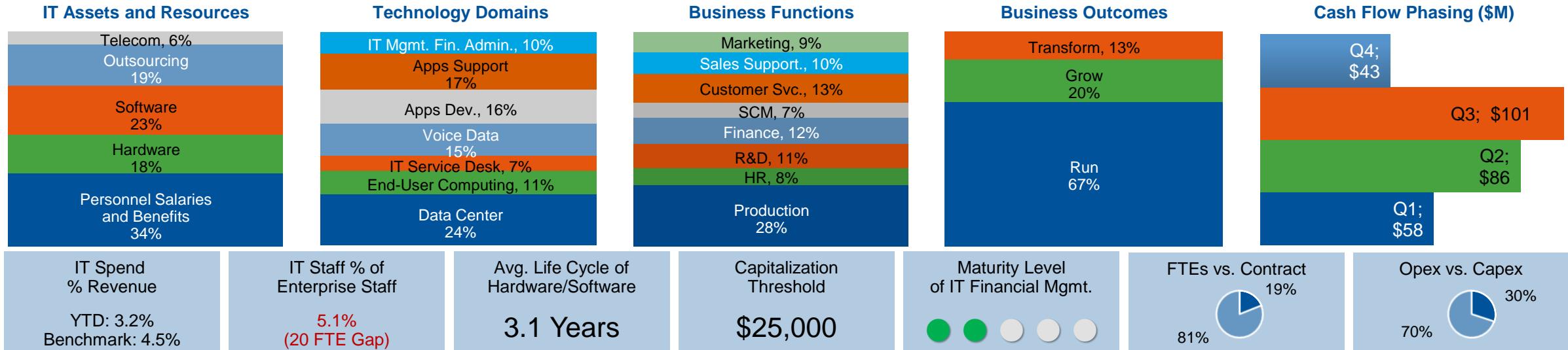
But this: Project Portfolio Example

Project or Program		Run, Grow or Transform	Resource Days	Estimated Finish Date	Percent Complete	Actual to Budget	Expected ROI & Status	Comments, Decisions or Actions
1 Social Computing Sales Channel		Transform	350	June 2015	85%	\$2.0M \$2.3M	10%	Ahead of schedule
2 Sales Force Mobility		Grow	325	October 2015	40%	\$10M \$9M	9%	First two regions successful
3 Digital Business Platform		Transform	300	January 2016	10%	\$25M \$25M	25%	Scope change means better success probability
4 Supply Chain Optimization		Run	200	July 2015	65%	\$7M \$2M	NA	Regulatory issues; expect delays
5 ERP Upgrade		Run	200	December 2017	5%	\$15M \$15M	NA	Created center of excellence
6 ERP Consolidation		Grow	150	December 2016	25%	\$15M \$20M	13%	Licensing constraints
7 Acquisition Integration		Grow	100	July 2016	5%	\$35M \$35M	12%	BU goals conflict with project goals
8 One Face of the Client		Grow	75	2016	10%	\$10M N/A	15%	Need external guidance; scope too ambitious
9 Digital Pricing Capability		Transform	75	2015	75%	\$3M \$2M	14%	Not related to DB platform
10 Future Workplace		Run	75	2016	10%	\$10M \$10M	NA	Evaluating outsourcing of day-to-day maintenance



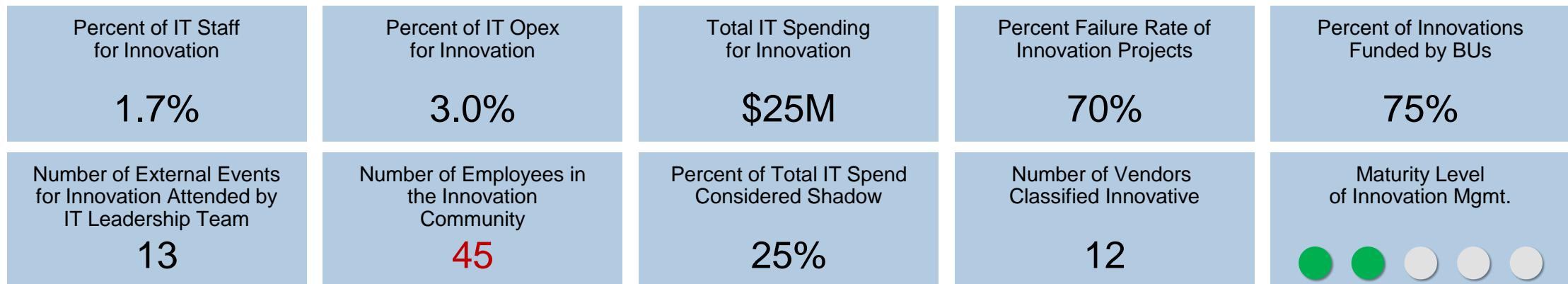
Or this: IT Finance Plan Example

Metric	Status	Target	Quarter, Month or YTD Result	External Benchmark	Trend	Comments, Decisions or Actions
Budget Variance - IT Opex	● ● ●	10%	15%	5%	▲	Major project cancellation quickened gap closure
Budget Variance - IT Capex	● ● ●	10%	20%	16%	▲	High variances due to higher than normal transformational projects
Run vs. Grow/Transform	● ● ●	67%/33%	55%/45%	66%/34%	▲	Analysis commissioned to estimate future maintenance impact of digital business program
Consolidation Benefits Realization	● ● ●	\$20M	\$15M	None	▼	Services consolidated are treated as run; all remaining IT spend in BUs are considered grow
IT Service Capacity	● ● ●	\$15M	\$5M	None	▲	Based on unused capacity in virtual environment and offshore labor



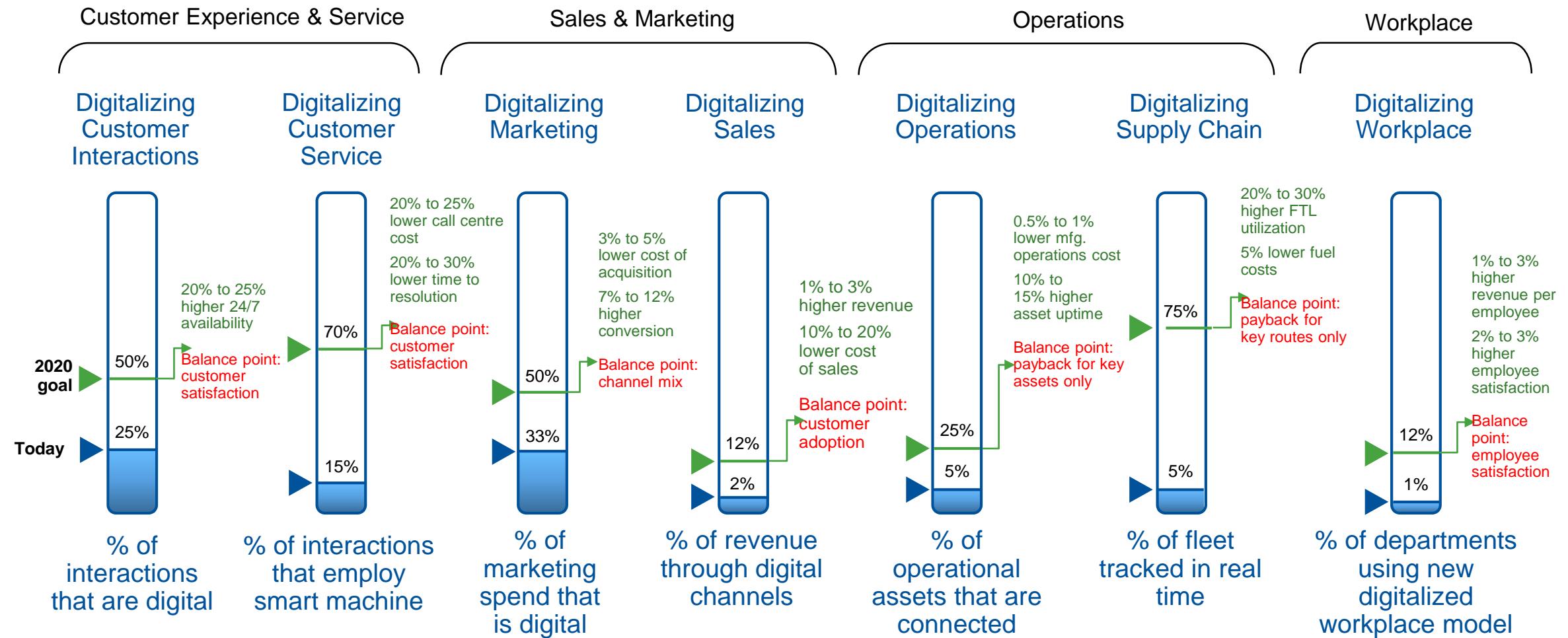
And this: Innovations Example

Capability Name	Innovation Name	Source of Innovation	Status	Owner	Comments, Decisions or Actions
Big Data	Prescriptive Analytics	Gartner Research	Idea	ATG	Good Fit With Architecture
Operational Technology	Smart Advisors	CEO Contact	Proof of Concept	R&D	Strategic Plan Target
Dynamic Provisioning	Digital Pricing	Cloud Computing — Unknown	Joint Venture With Vendor	Business Unit	Requires a Data Scientist
Manufacturing	3D Printing	Vendor X	Resurrected "Before Its Time"	CIO	Parallel Effort in Operations
Digital Marketing	Consortia Data Marts	Best Practices — Unknown	Pilot	CMO	Security and Vendors Unknown



Note: CIOs might include a brief and accepted enterprise definition for what is classified as innovation.

Or even this: Digital Business KPIs for Optimizing Current Business



BUILD STRONG
PARTNERSHIPS

A photograph of a large, modern conference room. The room features a long, dark wood conference table surrounded by numerous black leather office chairs. The walls are a mix of light-colored panels and dark wood paneling. In the background, there's a glass partition, a small painting on the wall, a tall decorative plant, and a television screen mounted on the wall. A red carpet covers the floor.

Some CIO's are paranoid about this ... only
25% of CIOs have a seat at this table ...

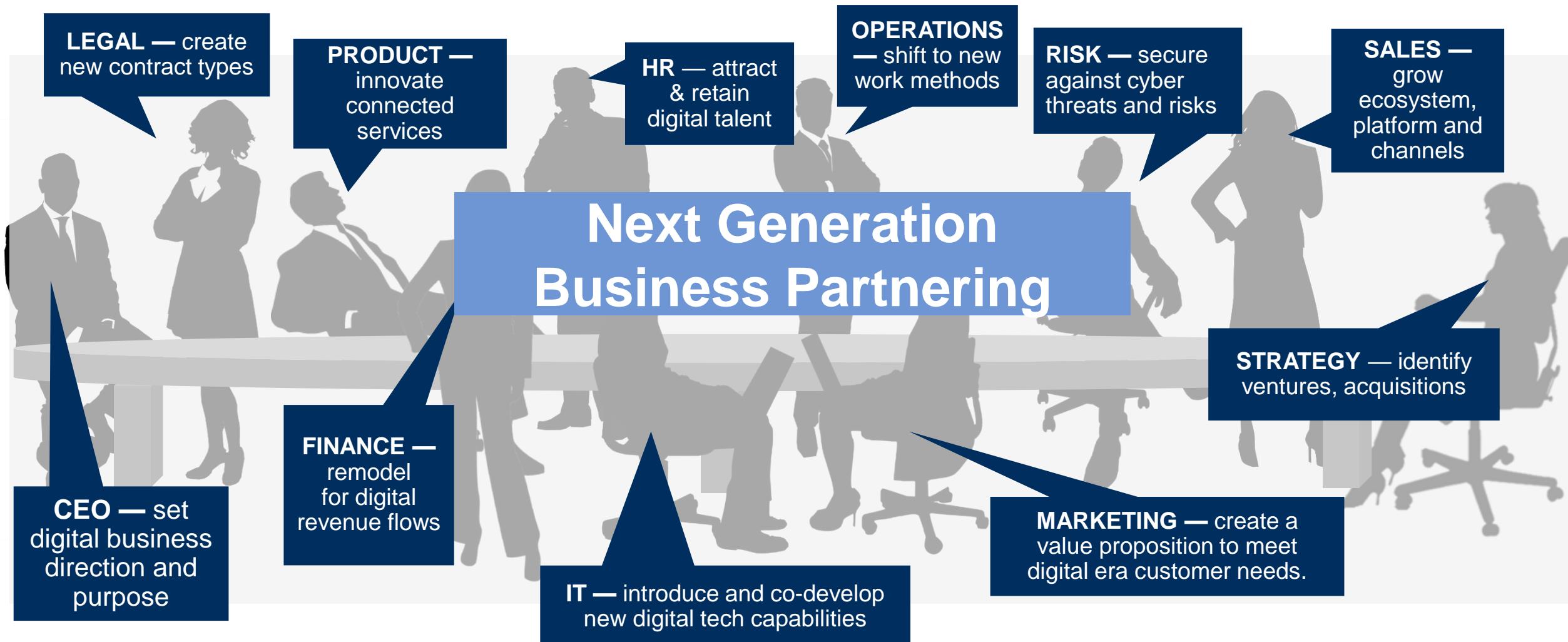
**A seat at the table does
not ensure success . . .**

**. . . CxO challenges are
similar to CIO challenges**

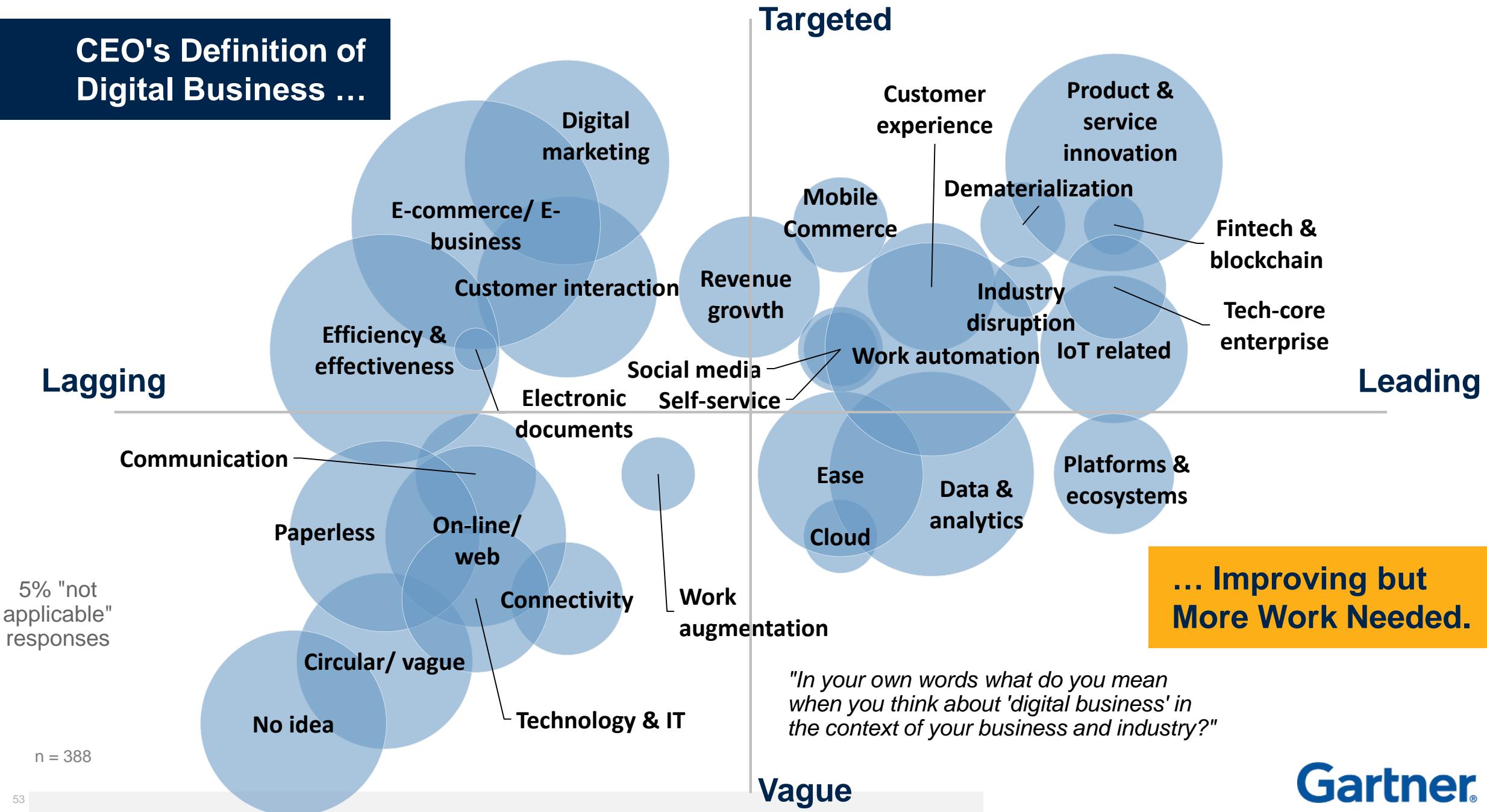


Source: Ernst & Young "DNA of the C-suite" Reports, 2014

Help ALL Your Executive Colleagues. Ensure Everyone Knows Their Digital Business Role and Has the Desire, Ability and Tools to Execute.



CEO's Definition of Digital Business ...



5 Questions a CEO should ask his CIO

- **Q1: What is your and your teams ambition to contribute to the companies success and what are the top 3 things that keep you and your team from achieving it?**
- + ... and what is the one thing that I should be aware of when it comes to your organization?
- **Q2: If you would be CEO tomorrow – which are the three things you would change within the first six months of your new assignment and why?**
- + ... and what is the one thing in IT that I should allocate more attention to?
- **Q3: How do you keep your technology-know-how current and which tools do you have in place to keep your team up-to-date?**
- + ... and do you think we have the right up-skilling offerings and tools in place for our overall workforce?
- **Q4: What are key threats and opportunities for our business model(s) that you see and what are your ideas on how to act on them?**
- **Q5: How do you see the collaboration with the Executive Board and your peers and what would you recommend to change to increase both efficiency and effectiveness of our IT investments?**

Quoting Tom Linckens (former CIO of Bertelsmann)

Business Relationships Matter



Business
Partnership
is
Essential

Gartner®

Trusted Ally CIOs Represent the Highest Level of CIO Influence in the Enterprise - What is the Perception in your Organization?



Transactional CIO

- Perceived as an **internal supplier**
- Reputation built on effective IT service delivery
- Communicates to C-suite via proxy



Partner CIO

- Perceived as a business enabler and credible **technology leader**
- Reputation built on effective response to business requirements
- Able to regularly discuss business issues with CxOs



Trusted Ally CIO

- Perceived as the **business leader and CxO peer** who is in charge of IT
- Reputation built on business impact & outcomes
- One of the key CxOs involved in shaping business strategy

Foundational Prerequisite: Ensure that your house is in order.



Credibility as a leader is an essential attribute !

The World Leader in Research & Advisory

About Gartner

- Founded in 1979
- 16.000+ associates in 120+ offices around the world
- 40+ consecutive quarters of double-digit contract value growth
- \$4.2B revenue in 2019
- Member of the S&P 500
- Deep global insight into every major business function

							
Customer Svc. & Support	Finance	Human Resources	Information Technology	Legal	Marketing & Communications	Sales & Service	Supply Chain

Clients we serve

- 400.000 client interactions each year
- 14.000+ distinct organizations in more than 100 countries
- C-suite members from small companies to global, multinational enterprises
- 77% of the Global 500 rely on Gartner for insight and advice
- 7,300+ are Members of Gartner's Executive Programs

Why do C-Level Executives hire us/work with us?

“Jobs to be Done”
(Inspired by Clayton Christensen
„Competing against Luck”)

„Equip me with information I need (on what is important at the moment), keep me abreast of the latest technology and organizational trends - quickly and in an easy-to-consume way – so that I am always prepared.“



„Partner with me to ensure I successfully deliver in a major project – make the right decisions, avoid mistakes, minimize time – so I can deliver the most value and achieve outstanding business results.“



„Coach me/guide me to succeed as a CIO – especially when I am new to the organization or role or face a new challenge and need to get up to speed quickly.“



„Challenge me – I am an experienced CIO but want to advance my leadership, collaboration and organizational skills – to become an even better CIO and increase the value of IT in my organization.“



What is the Value of Gartner Executive Program Services?

<p>Decision Confidence</p> <p>Use</p> <p>trusted information for all due diligence</p>	 <p>EXECUTIVE PROGRAMS</p>	<p>Benchmarking/ IT Key Metrics</p> <p>Save</p> <p>with use of best in class metrics</p>	<p>Contract Negotiation</p> <p>Know</p> <p>best in class prices, T's & C's, service levels, etc.</p>		
<p>Cost Avoidance</p> <p>10%+</p> <p>saving on total IT spend</p>	<p>Project Delivery</p> <p>Improve</p> <p>on time, on budget and in quality delivery</p>	<p>Contract Savings</p> <p>10-25%</p> <p>in Telco and Soft- & Hardware</p>	<p>Budget / Staff justification</p> <p>Know</p> <p>what comparable organizations are spending</p>	<p>Time is Money</p> <p>30-60%</p> <p>reduction in decision time</p>	<p>Maturity Assessments</p> <p>Directly</p> <p>detect improvement potential</p>

It's all about Speed !

ACCELERATE TRANSFORMATION

BUILD THE FOUNDATION WITH A NEW DIGITAL PLATFORM



BUILD THE FOUNDATION WITH A NEW DIGITAL PLATFORM

ENGAGE

SENSE

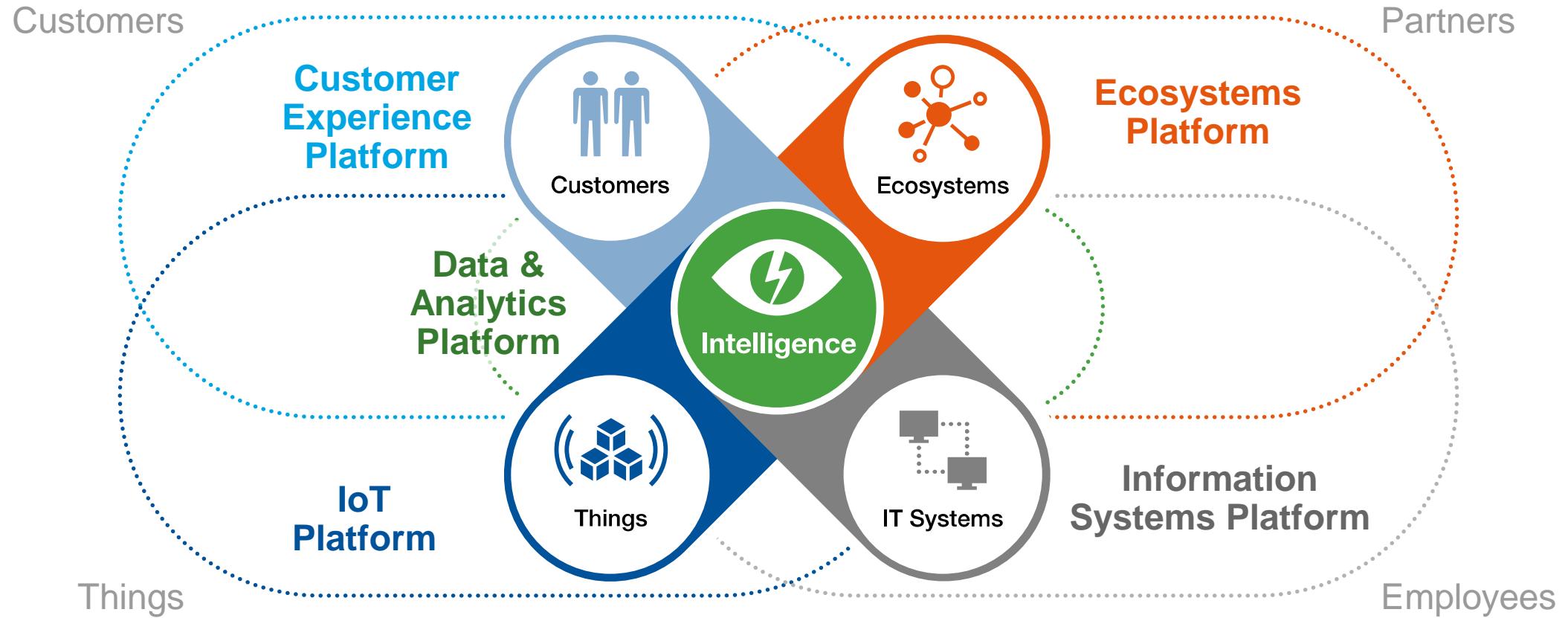
INTERACT

DECIDE

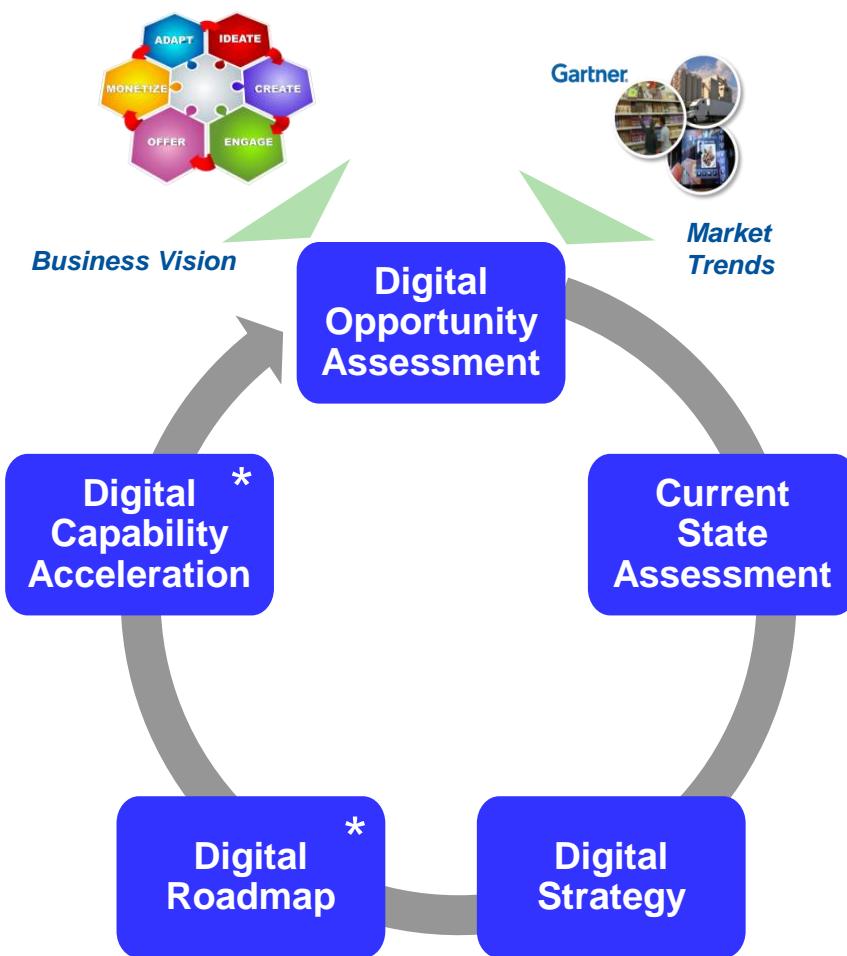
RUN



Components of the Digital Business Technology Platform



An Approach to develop a Digital Strategy in 5 Steps



1 Digital Opportunity Assessment

Assess the key objectives for digital enterprise. Identify business capabilities that can be enabled by disruptive digital technologies and priorities based on analysis of business value, impact and benefits.

2 Current State Assessment

Assess current capabilities, governance structure and skills and identify imminent gaps and estimated cost/value analysis for transformation.

3 Digital Strategy

Develop a strategic journey with time-phase and sequence activities into project-level efforts and estimated costs.

4 Digital Road Map

Develop a target state vision, cost model and road map across customer experience, people, process, organization and technology.

5 Digital Capability Accelerator Program

Based on the business benefits, and objectives assist in the selection of potential partners and technology to accelerate the realization of the digital enterprise strategy and competency center.

What's Missing in This Transformation Plan?

Stage-by-Stage Transformation Plan for Infrastructure and Operations

1. Adopt Public Cloud Services



Design Cloud Strategy



Establish Adoption Framework

2. Modernize Infrastructure



Enable Programmatic Control



Optimize Platform Delivery



Assess Infrastructure Placement

3. Optimize Workloads



Assess Application Placement



Architect and Implement Workloads

4. Enable Hybrid Integration



Select and Establish Connectivity



Federate Identity and Security

5. Automate and Govern



Define Policies



Evaluate DevOps



Broker Services



Design for Continuity



Evolve Operations Tools



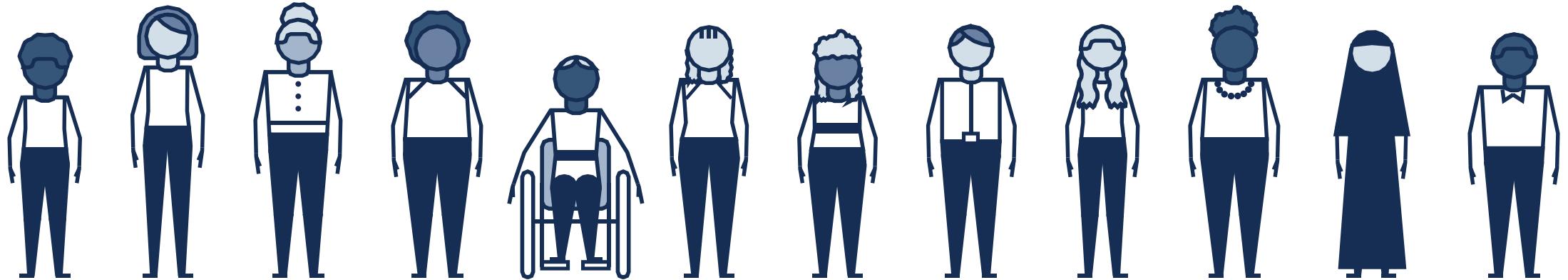
Monitor and Analyze Applications

ID:713744

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The Humans Are Missing!



Companies who are planning
to become a "digital business"
see "business" strategy and
"digital business" strategy
as **different** ...



Companies who are doing
"digital business" see
"digital business" strategy and
"business" strategy" as **the same** ...

CONCLUSION

What does this mean for the CIO?

➤ LEADERSHIP:

- Establish a cross-functional leadership team to drive digital transformation
- Make sure the CIO is positioned as the co-pilot and orchestrator
- Launch a digital team to define and implement the global digital strategy



➤ TALENT MANAGEMENT – It's all about people!!:

- Assess, find, develop or acquire the necessary digital skills (> IT HR)
- Establish center of competencies for new digital capabilities (e.g. data analytics)



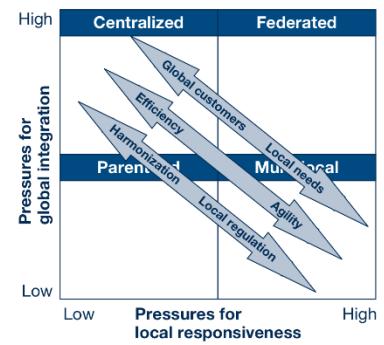
➤ DELIVERY:

- Implement different speeds (bimodal) e.g. Speedboats, Innovation Labs
- Establish agile development methods & interdisciplinary teams
- Find the right balance between global & local



➤ OPERATIONS:

- Assess the current readiness of your IT core
- Plan and implement stepwise the future digital technology platform



Key Success Factors for Continuous Digital Evolution Excellence



ENSURE BUSINESS ACUMEN

- Know your Business and its Value Proposition (Business Model Canvas)
- Understand Disruptive Forces through Market & Technology
- Understand and listen to your respective Stakeholders and their Expectations
- Engage and Lead



CHANGE YOUR SUCCESS MEASURES

- Understand what your Stakeholders are measured against
- Implement 3-4 Key Scorecards
 - Cost Management
 - Business Value
 - Customer Experience
- Report on Digitalization Progress
- Flexible Measures for People & Teams



SUPERIOR CUSTOMER EXPERIENCE

- Understand your Audience and Value Perception (“Jobs to be done”)
- Initiate and drive the right Customer Experience Projects
- **Experientialize** your Products and Services
- Focus and leverage Data Intelligence & Analytics



BUILD STRONG PARTNERSHIPS

- Build Powerful Partnerships across the entire organization
- Build external Partnerships
 - Gartner for Expertise, Neutrality and Trust
 - Consulting wherever you need temporary brains and hands
- Leverage Peers across and in your Industry



BUILD ADAPTIVE ORGANIZATION

- Implement adaptive & adequate Governance
- Build and implement Enterprise BI-Modal Structures, Pace Layer your Application Landscape
- Source Adaptive and increase Flexibility
- Ensure Multi-Functional Product and Process focused Collaboration



CONTINUOUS TRANSFORMATION

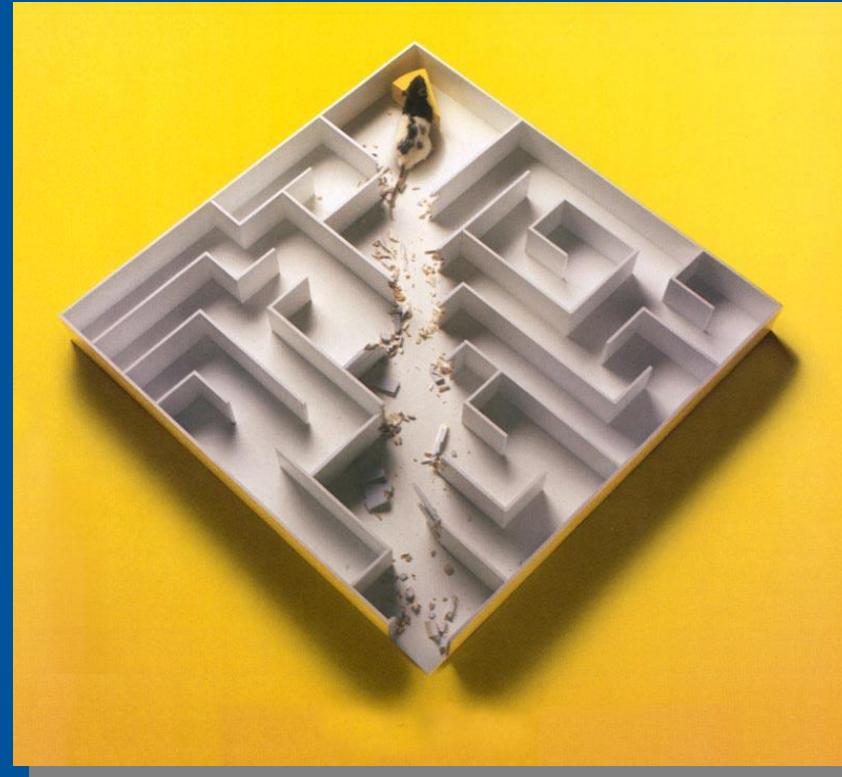
- Assess Digital Readiness & Opportunities
- Build your Digital Roadmap
- Attract and retain the right Talent - It's all about people and capabilities
- Build Digital Innovation Capabilities (Centers of Excellence)
- Digitalize the Core

A few Personal Guiding Principles . . .

- Go and see the world, other cultures and other ways of doing things. It will broaden your mind.
- Always look at things from multiple perspectives, you never own the one and only ultimate reality. (Paul Watzlawick)
- Be ready to take risks and be prepared to fail, but learn from it.
- Don't try to be perfect. Nobody is.
- Surround yourself with people who can complement your weaknesses and benefit from your strength.
- Communicate, Collaborate, Communicate.
- Be yourself and not what others want you to be, because . . .

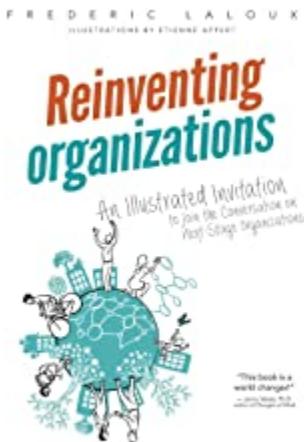
Gartner®

Life is what happens to you
while you make other plans.



May the Force be with You !

Recommended Readings



Reinventing Organizations: An Illustrated Invitation to Join the Conversation on Next-Stage Organizations
von Frederic Laloux | 30. Juni 2016

★★★★★ ~ 207

Taschenbuch

24,52€

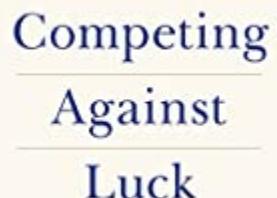
✓prime GRATIS 1-Tages-Lieferung.

Lieferung bis Dienstag, 8. Dezember

Kindle

9,49€

Sofort lieferbar



Competing Against Luck: The Story of Innovation and Customer Choice

von Clayton M Christensen, Taddy Hall, et al. | 4. Oktober 2016

★★★★★ ~ 361

Taschenbuch

15,09€

Sparen Sie 2,57 € mit Rabattgutschein

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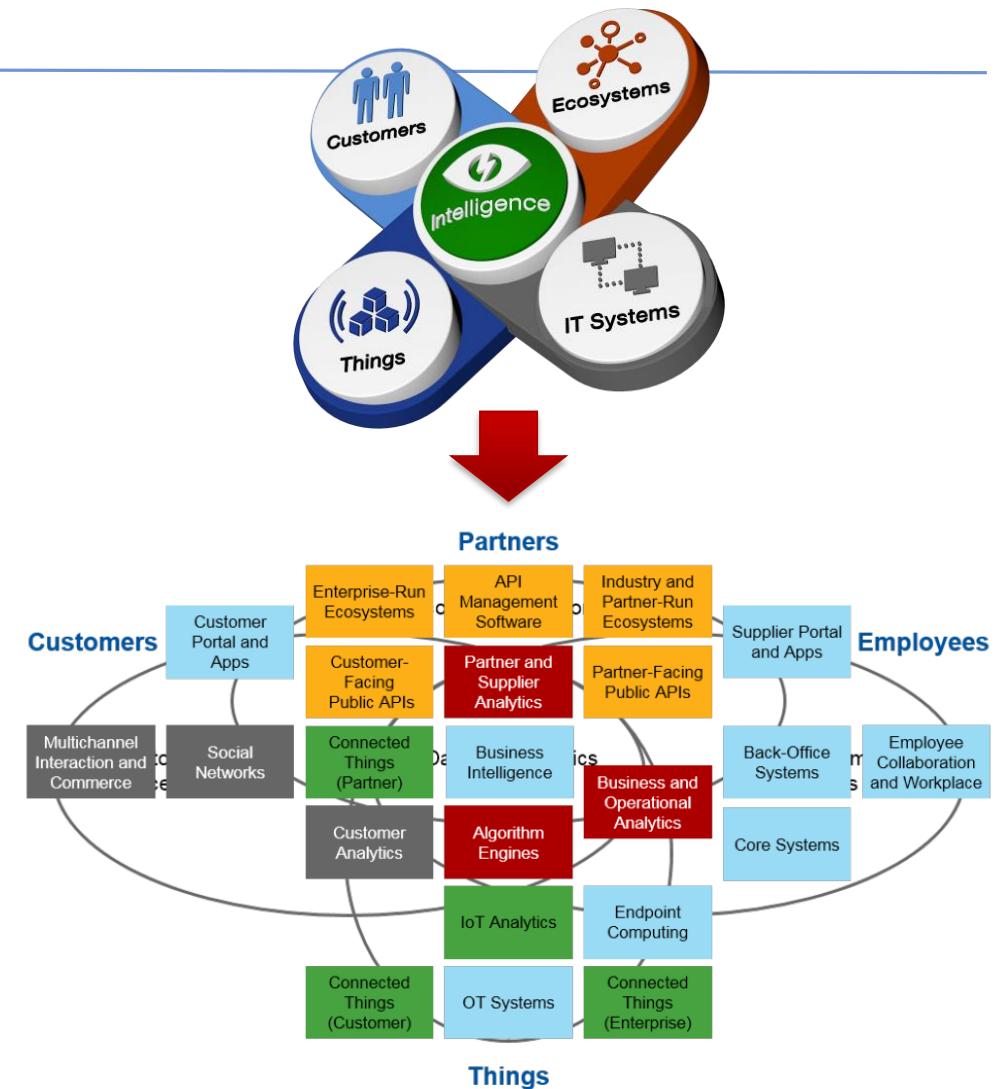
Kindle

11,99€

Sofort lieferbar

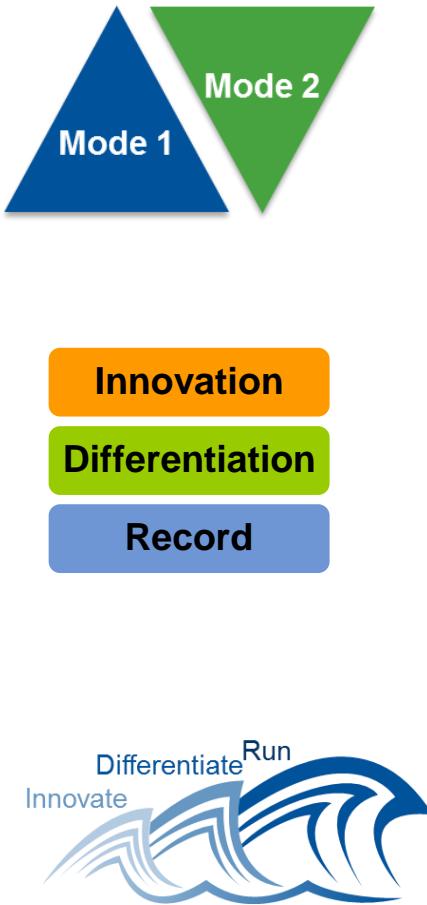
Major Components of Each Digital Platform

- **Customer Experience Platform** - Contains the main customer-facing elements, such as customer portals, multichannel commerce and customer apps.
- **Ecosystems Platform** - Supports the creation of, and connection to, external ecosystems, marketplaces and communities. API Management, control and security are its main elements.
- **Information Systems Platform** - Supports the back office and operations, such as ERP and core systems.
- **IoT Platform** - Connects physical assets for monitoring, optimization, control and monetization. Capabilities include connectivity, analytics and integration to core and OT systems
- **Data and Analytics Platform** - Contains information management and analytical capabilities. Data management programs and analytical applications fuel data-driven decision making, and algorithms automate discovery and action.



Source: Gartner (June 2016)

Definitions



- **Bimodal** is an operating and delivery model that can be used to deliver the differentiated governance necessary to deliver multiple rates of change
- **Pace Layered Application strategy** is an approach to divide enterprise applications into 3 groups depending on different business requirements and with impact on the governance, sourcing, funding, data/process integrity, software development and deployment models
- **Adaptive Sourcing** is an approach to selecting providers that is driven by matching provider capabilities to the pace of change needs of the organization