

Utilities 2024 CIO Agenda Insights and Data

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Utility CIOs' most critical outcome from digital investments in 2024 is to optimize asset utilization. But with rising demands on IT budgets and high expectations for AI, shared IT-business ownership will be important to success. Use this research to inform and communicate your digital strategy.

Dynamics Influencing Priorities, Investments and Performance

Asset Utilization Optimization Tops Critical Outcomes From Digital Technology Investments

The energy transition necessitates a shift in utilities from traditional, ego-centric operations to responsive, circular energy and water models. As regulations and customer expectations rapidly evolve, utilities must adapt their operations. Utility CIOs are acutely aware of the need for digital technology investments to support the energy transition. To succeed, they must work closely with business area leaders to align digital technology investment strategies with overall business objectives.

While the primary mandate of utilities remains to provide reliable, secure, affordable essential services, this critical task is growing increasingly challenging. Escalating global demand for clean energy and water, coupled with tightening profit margins, volatile fossil fuel prices, supply chain complexities, and emerging cyber-physical threats make efficient service delivery more complex. To overcome these challenges, utility CIOs continue to focus on optimizing the use of the physical asset base and improve operational margins, leading to reduced costs, improved efficiency and better customer experiences.

CIOs are leveraging digital technologies and intelligent operations to facilitate this transition, ensuring the resilience of the generating assets (see [Utilities Embrace Intelligent Operations in 2023](#)). Investments in intelligent operations enable utilities to streamline operations, improve asset management, and ensure the efficient production of energy and water, even in the face of supply constraints and fluctuating energy prices. The increased adoption of AI, cloud computing and other digital technologies positions utilities to be more adaptable and capable of responding to changing market dynamics, such as decarbonization, demand volatility and climate changes.

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Top-Priority Initiatives Underperform

CIOs report significant underperformance in utility digital technology investments aligned with strategic business priorities. Performance of digital investments can be measured and tracked (see [Digital Execution Scorecard](#)). However, developing an enterprise vision for digital change presents challenges to even the most experienced and savvy CIOs. Chief among these challenges is integrating the digital vision with existing enterprise-level strategies and ensuring that business leaders understand the possibilities and opportunities of a digital enterprise. CIOs must collaborate with business partners to lead and navigate multifaceted business expectations while replacing legacy assets that are incapable of delivering business objectives and customer experience.

Globally, the Most Effective CIOs Co-Own Digital Delivery With CxOs

The 2024 Gartner CIO and Technology Executive Survey assessed how CIOs can foster and harness the enthusiasm of their CxO peers to overcome technology talent shortages and budget constraints, and ultimately, meet the expected value from their enterprise's technology investments. We found, looking across all industries, that the CIOs most effective at doing so — delivering business outcomes from digital initiatives — co-own this responsibility with their CxO peers by modeling their CxO-CIO partnerships on a franchise model. For digital delivery franchising success, utility CIOs must excel in shared responsibility and cultivate executive leadership skills.

CIO Digital Leadership Profiles — Few Utility Franchisers

The 2024 CIO Survey revealed three distinct CIO digital leadership profiles:

- **Operators** who are committed to retaining digital delivery within their IT function. Not surprisingly, they did not consider themselves competent in sharing digital leadership responsibilities with other CxOs. For utilities, this group made up 56% of the respondents.
- **Explorers** who believe that while IT should do most of the digital delivery, business areas should contribute. They consider themselves competent in sharing digital leadership responsibilities with their CxO peers. They are starting to explore a franchise approach to digital delivery, but are not yet fully committed. For utilities, this group made up 33% of utility respondents.

- Franchisers who think CxOs should be equal partners in the delivery of digital technologies, and consider themselves competent in sharing digital leadership responsibilities. They use a franchise model for designing partnerships with other CxOs. While the smallest of the sample population, with 11% of utility CIOs, this group demonstrated leading practices to drive business outcomes consistently.

Evidence

2024 Gartner CIO and Technology Executive Survey. This survey was conducted online from 2 May through 27 June 2023 to help CIOs determine how to distribute digital leadership across the enterprise and to identify technology adoption and functional performance trends. Ninety-seven percent of respondents led an information technology function. In total, 2,457 CIOs and technology executives participated, with representation from all geographies, revenue bands, and industry sectors (public and private), including 90 from utilities. *Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.*

Document Revision History

[2023 CIO and Technology Executive Agenda: A Utility Industry Perspective - 1 December 2022](#)

[2022 CIO and Technology Executive Agenda: A Global Utility Perspective - 2 November 2021](#)

[2021 CIO Agenda: A Utility Perspective - 19 November 2020](#)

Recommended by the Authors

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[The 2024 CIO and Technology Executive Agenda: Franchise Digital Delivery](#)

[Utilities Embrace Intelligent Operations in 2023](#)

[Infographic: 2024 Top Technology Investments and Objectives for Utilities](#)

[Research Roundup: Top 10 Trends Shaping the Utility Sector in 2023](#)

[Hype Cycle for Utility Industry IT, 2023](#)

[Hype Cycle for Digital Grid Transformation Technologies, 2023](#)

[Vital Digital Technology Investments for Water Utilities](#)

To Enable Intelligent Industrial Assets, Strengthen These Digital Capabilities

Quick Answer: How Electric Utility CIOs Can Respond to Changing Customer Expectations

2022 Sustainability Survey: Energy CIOs Can Help to Retain C&I Enterprises as Customers

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