Digital Innovation and Enablement Function Primer for 2023

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By Analyst(s): Samantha Searle

Initiatives: Digital Innovation and Enablement Function

> This initiative addresses how to lead and operationalize digital innovation and enablement. It covers how to build or reinvent the function, create a high-performing team, engage business and IT stakeholders, and articulate the value delivered by this function.

Scope

This initiative advises how to generate business value from the digital innovation and enablement function, build effective teams, and design the composable business to achieve resilient growth.

Topics in this initiative include:

- **Articulate the Value of the Digital Innovation and Enablement Function:** Provide clear and regular reporting to key stakeholders on digital innovation and enablement.

- **Build a High-Performing Team:** Recruit, develop and guide staff to deliver stakeholder priorities.

- **Build or Reinvent the Digital Innovation and Enablement Function:** Establish governance and a reporting structure, and execute on stakeholder priorities.

- **Engage Business and IT Stakeholders:** Understand and influence stakeholder priorities through effective communication.

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Analysis

Digital Innovation and Enablement Function

Figure 1. Digital Innovation and Enablement Function Overview

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Today's CTOs, as leaders of the digital innovation and enablement function, face unprecedented challenges. A triple squeeze of rising inflation, scarce and expensive talent, and global supply constraints is putting pressure on technology budgets. CTOs must choose their investments in technology wisely, while accelerating digital initiatives to combat supply constraints. They must also secure and retain the critical digital talent to deliver these initiatives.

In Gartner's 2022 CEO and Senior Business Executive Survey, 34% of respondents cited technology-related issues as one of their top three strategic business priorities, ranking second, after growth. [1]

The 2023 Gartner Board of Directors Survey on Business Strategy in an Uncertain World also revealed a strong focus on technology. Digital initiatives emerged as a top-five strategic business priority for 60% of respondents over the next two years. [2] In the survey, 71% of boards were altering, or planned to alter, their enterprise's economic structure to a digital economic architecture. (These are the structures and processes that organizations put in place to maximize, allocate and account for the economic capital extracted from the new digital business environment.) Furthermore, 20% of respondents in end-user organizations indicated that the CTO was their primary digital business leader.

The CTO role is critical to identifying, strategizing and maximizing the value of technology. This drives business innovation and transformation, while ensuring resilient and adaptable business and IT operations. Such resilience and adaptability require a strong digital foundation to support the creation of digital platforms and digital products that enable rapid solution development.

To deliver such a broad mandate, CTOs must build an effective digital innovation and enablement function that incorporates the facilitation of a digital future (see Digital Future Primer for 2023).

The digital innovation and enablement function is operating against increasing digitalization, democratization of technology, involvement of external partners in business optimization and innovation, and changing relationships between business and IT:

- The increasing adoption of digital product management

- The growing prevalence of business technologists and fusion teams

- The need to anticipate disruption and develop a proactive response using technology

- The requirement for CTOs to work with external business and technology ecosystems

Those CTOs who can clearly articulate and demonstrate the value that the digital innovation and enablement function delivers will gain strong credibility and give their organization a competitive edge and ability to navigate the ongoing disruption and uncertainty they will face in 2023.

Topics

Both new and long-standing CTOs are feeling the pressure to overhaul the digital innovation and enablement function's operating model to support the democratization of technology and the shift to distributed product development and innovation management. CTOs must proactively seek new digital talent to support new digital initiatives and adapt to disruption.

Our research in this area addresses the following topics:

Articulate the Value of the Digital Innovation and Enablement Function

CTOs must measure the value generated by technology investments and the services that the digital innovation and enablement function provides. They should use information gathered from conversations with stakeholders to define the goals of the digital innovation and enablement function's activities. They can then define metrics that track execution against these goals, inform the decisions required to meet them and measure the value generated. They should share this information with key stakeholders in a digital innovation and enablement function scorecard.

Questions Your Peers Are Asking

- How do I deliver value as CTO?

- What goals and outcomes should I focus on to deliver early wins?

- What metrics should I use to measure the value of the digital innovation and enablement function?

- How can I articulate and market the value of the digital innovation and enablement function for my business and IT stakeholders?

Recommended Content

⚷ Some recommended content may not be available as part of your current Gartner subscription.

- [The Gartner Enterprise Value Equation: It's Time to Rethink Outdated Enterprise Value Formulas](#)

- Infographic: 10 Digital KPIs Top Performers Excel At

- Use Value-Investing Principles to Prioritize Technology Innovation Investments

- Lie, Cheat and Steal Your Way to Innovation Funding Success

- How CTOs Can Enable Business Teams To Make Informed Technology Decisions

Planned Research

- Key goals that every digital innovation and enablement function should focus on to drive value

- How to measure/monetize the business value that the digital innovation and enablement function delivers

- How CTOs can be more effective in leading digital innovation and enablement functions to deliver value

Build a High-Performing Team

The digital innovation and enablement function may not possess all the skills required to fully exploit emerging technologies. A competitive job market compounds this. Organizations must develop a technology talent strategy that supports their enterprise technology strategy, anticipating the niche skills they will require. They must decide whether to obtain those skills by upskilling, hiring or participating in ecosystems to find skills through other partners, such as technology providers, startups, universities and R&D firms.

Questions Your Peers Are Asking

- How can I use best practices to realize and deliver a technology talent strategy?

- How do I attract, allocate and retain scarce digital talent across the enterprise?

- How can I build a high-performing team with the right mix of skills, competencies, roles and responsibilities?

- How do I handle succession planning?

Recommended Content

⚷ Some recommended content may not be available as part of your current Gartner subscription.

- Building a Skills-Balanced IT Team: An Interview With the CTO at Synovus Financial Corp.

- Case Study: Align CTO Teams to Business Outcomes (The University of Utah)

- The New Art of Building High-Performing Teams

- Infographic: 4 Strategies to Amplify Your IT Skills

- Video: Hiring a Cloud Architect? How to Navigate the Landscape

Planned Research

- Foundational digital innovation and enablement function roles and responsibilities

- How CTOs can build a technology talent acquisition strategy

- CTO's guide to building the right teams for digital innovation and enablement functions

- Top five emerging technology skills for digital innovation

- An explanation of the role of the artificial intelligence (AI) architect

- How to become a CTO

Build or Reinvent the Digital Innovation and Enablement Function

Every disruption and major shift in strategy is an opportunity to review the effectiveness of the operating model. CTOs must decide how their operating model should adapt to digital product development and enable a more distributed workforce. The democratization of technology and innovation has resulted in the increased presence of business technologists and fusion teams who develop technology solutions themselves. This change requires organizations to decide how the digital innovation and enablement function will work with these teams.

Questions Your Peers Are Asking

- How do I set up an effective digital innovation and enablement function and office of the CTO?

- How should I define (or redefine) the vision and value proposition of the office of the CTO and digital innovation and enablement function?

- How should I establish or evolve the operating model of the digital innovation and enablement function?

- What is the impact of AI on evolving the digital innovation and enablement function?

Recommended Content

⚷ Some recommended content may not be available as part of your current Gartner subscription.

- Quick Answer: What Are the Components of a CTO Operating Model?

- How CTOs Can Create a Winning Digital Innovation and Enablement Function

- Quick Answer: Why Do Sandbox Innovation Labs Fail?

- Infographic: Benchmark Data From the IT Score for CTO

Planned Research

- AI use case prism for digital innovation and enablement

- Data analysis of the impact of AI on the activities of the digital innovation and enablement function

- How to set up a business operations center of excellence to achieve resilient growth

- Analysis of the kinds of organization that have an office of the CTO (OCTO)

- How democratization of technology impacts the digital innovation and enablement function

Engage Business and IT Stakeholders

CTOs must understand the needs of business and IT stakeholders to develop formal and informal relationships with them. Stakeholders include other CxOs, heads of business functions, product teams, business technologists and fusion teams. The digital innovation and enablement function needs to communicate the opportunities that emerging technologies offer to accelerate digital business. It is important to encourage stakeholders and their teams to become involved in technology innovation and the identification of problems or opportunities that new technologies can address.

Questions Your Peers Are Asking

- How do I succeed as a CTO in managing business and IT stakeholder expectations?

- How do I establish credibility, influence and authority in my relationships with other CxOs?

- How do I develop my leadership style to better engage with business and IT stakeholders?

Recommended Content

⚷ Some recommended content may not be available as part of your current Gartner subscription.

- Quick Answer: What Interpersonal Skills Do I Need to Become a Successful CTO?

- Building CTO Credibility: An Interview With the CTO for the Hospital for Special Surgery

- How CTOs Can Ensure Technology Acceptance Among Business Stakeholders

Planned Research

- The CTO's Guide to Build the Right Executive Partnerships

- The CTO's Guide to CxO Partnerships: How CTOs and CDAOs can build collaborative relationships

- The CTO's Guide to CxO Partnerships:How CTOs and CISOs can enable a secure digital future

- Data analysis of the frequency and effectiveness of CTO-CxO partnerships

- Case Study: Build Trust of the CTO through Increased Transparency (United States Trustees Program)

- Technology Acceptance Through Business Enablement: An Interview with the CTO at Trinity Logistics

Suggested First Steps

- The Chief Technology Officer's First 100 Days

- How Chief Technology Officers Can Deliver Value by Using Our Four Personas

- Understanding the CTO's Role in Technology Strategy

- How CTOs Can Create Effective Technology Roadmaps

Essential Reading

- IT Score for CTO

- Quick Answer: What Does Gartner's IT Score for CTOs Deliver?

- Top Strategic Technology Trends for 2023

- Complexity, Chaos and Confidence: A Tapestry of Trends Across Brave New Worlds

- The Gartner Trendspotting Framework: Driving Operations, Innovation and Strategy

- A CTO's Guide to Achieving Sustainability Leadership

- A CTO's Guide to Open-Source Software: Answering the Top 10 FAQs

- A CTO's Guide to Serverless Computing

- CTOs' Guide to Containers and Kubernetes — Answering the Top 10 FAQs

- A CTO's Guide to Top Artificial Intelligence Engineering Practices

- A CTO's Guide to Cloud-Native: Answering the Top 10 FAQs

- A CTOs Guide to 5G and 5G Edge Computing

Tools and Toolkits

- Tool: How to Establish a Charter for the Office of the CTO

- Tool: Chief Technology Officer Sample Job Description

- Tool: Template for Developing Impactful Trend Cards

- Tool: Templates for CTOs to Create Effective Technology Roadmaps

Evidence

[1] **2022 Gartner CEO and Senior Business Executive Survey:** This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs, and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253); CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by size was $50 million to less than $250 million (n = 58), $250 million to less than $1 billion (n = 81), $1 billion to less than $10 billion (n = 212) and $10 billion or more (n = 59). Disclaimer: 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.

[2] **2023 Gartner Board Of Directors Survey on Business Strategy in an Uncertain World:** This survey was conducted to understand the new approaches adopted by nonexecutive boards of directors (BoDs) to drive growth in a rapidly changing business environment. The survey also sought to understand the BoDs' focus on investments in digital acceleration; sustainability; and diversity, equity and inclusion. The survey was conducted online from June through July 2022 among 281 respondents from North America, Latin America, Europe and Asia/Pacific. Respondents came from all industries, except governments, nonprofits, charities and NGOs, and from organizations with $50 million or more in annual revenue. Respondents were required to be a board director or a member of a corporate board of directors. If respondents served on multiple boards, they answered for the largest company, defined by its annual revenue, for which they are a board member. 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.

Related Priorities

Initiative Name	Description
Digital Future	This initiative guides the continuous monitoring of emerging technologies and other trends to discover, assess and prioritize opportunities and define the roadmap to achieve resilient growth.
Digital Products and Services	This initiative helps advance the technology vision to deploy the digital products and services defined by the business model and the enabling platforms and architectures.