2023 CTO Survey Insights: The CxO Partnerships That Are the Most Critical to a CTO's Success

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Initiatives: Digital Innovation and Enablement Function

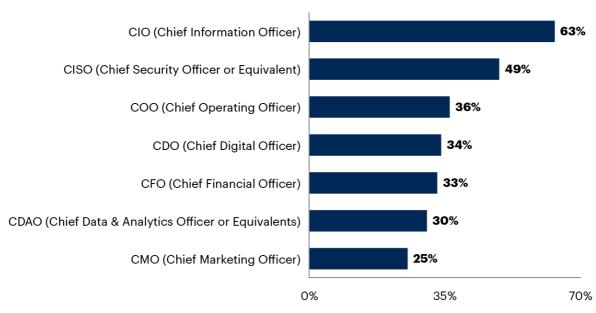
Lack of sufficient authority can prevent CTOs from delivering on the broad set of responsibilities that are required to support digital transformation and innovation. They can overcome this problem by collaborating effectively with other executive stakeholders.

Data Snapshot

Figure 1: Key Stakeholders CTOs Have Worked With

Key Stakeholders CTOs Have Worked With

Multiple responses



n = 404, All Respondents

Q. Which of the following key stakeholders has the CTO at your organization worked with regularly (at least once a month)? Source: 2023 Gartner Changing Role of the CTO Function Survey 795633_C

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Data Insights

CTOs face a diverse set of competing priorities and responsibilities related to digital business transformation and technology innovation. This requires strategic alignment and direction at the executive level. It's a huge challenge for CTOs to deliver on these priorities and to make digital business decisions alone. Hence, CTOs need to actively collaborate with their peers and business stakeholders and to leverage these partnerships to drive transformation and scale decisions. As per the Gartner 2023 Changing Role of the CTO Function survey, most respondents report that CTOs are highly effective in regularly communicating with stakeholders.

Of the CxOs, only one senior leader was identified by a majority of CTOs as a routine partner: the ClO. The majority of CTOs have a direct line of reporting to the ClO or CEO. CTOs reporting to CEOs collaborate more frequently with the COO, CFO and CMO than CTOs that report to ClOs. When survey results show that CTOs consider improving IT security to be a top priority in the coming year, it's striking that only 49% of CTOs report regularly working with a CISO. When CTOs work with CxOs, they usually rate the relationships as effective.

So, why aren't more CTOs pursuing opportunities to collaborate with their CxO peers? This data view will outline some key opportunities for CTOs to improve their ability to deliver business value by leveraging partnerships with CxO peers:

Partnership With the Chief Information Officer (CIO) — Of the 63% of survey respondents who work with CIOs at least once a month, 68% believe that partnering with the CIO is highly effective (see Figure 2). More than 33% of the CTO respondents have a direct line of reporting to the CIO. Because of this direct reporting line, these CTOs have more opportunities to partner with their CIOs to address strategic business objectives. Although they have different roles, they have complementary sets of responsibilities to drive digital optimization, transformation and innovation for business and IT operations execution. CTOs should partner with CIOs for investments in emerging technologies that will help them optimize and transform IT operations.

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Partnership With the Chief Information Security Officer (CISO) — Forty-nine percent of CTOs work with CISOs, making them the second-most-common stakeholders with whom CTOs engage. The survey reveals that 34% of the respondents are focusing on improving IT security for the next year. It also shows that 39% of respondents indicate that the CTO function met expectations with respect to improving IT security, whereas 36% exceeded expectations. CTOs are also accountable for managing advanced threats and risks associated with emerging technologies. CTOs cite mitigating cybersecurity risks as one of their top challenges; as a result, partnership with CISOs is critical for security and business continuity management (BCM).

CTOs responsible for building digital business capabilities and products and adopting emerging technologies can partner with CISOs for the assessment and mitigation of data security and IT security and operational risks, as well as designing more-secure products. CTOs who regularly engage with CISOs believe their partnerships are highly effective in securing digital business (see Figure 2). Both leaders have a vital role to play in driving organizational culture change and encouraging an innovative mindset, while increasing awareness of good security practices.

- Partnership With the Chief Operating Officer (COO) The survey reveals that CTOs consider improving efficiency and productivity as one of the top-three strategic business priorities for their organizations during the next 12 months. In this scenario, CTOs can partner with COOs to focus on day-to-day operations, resource management and strategy execution. Thirty-six percent of CTOs work with COOs, and 66% believe they have effective partnerships (see Figure 2). Both must work together to improve organizational adaptability and operational efficiency by leveraging such technologies as process mining and automation, machine learning (ML), and generative artificial intelligence (GenAl), as well as contributing to better customer and employee experiences.
- Partnership With the Chief Digital Officer (CDO) As organizations prioritize digital business transformation, CTOs will increasingly need to build and leverage relationships with CDOs to deliver value. Thirty-four percent of CTOs work with CDOs, and, of those, 64% believe the relationship is effective. Relationships with CDOs will be even-more important for CTOs with mandates that include activities associated with digital business enablers and IT innovator personas. (See How Chief Technology Officers Can Deliver Value by Using Our Four Personas.) If CTOs are aligned with one of these personas, they can partner with CDO on building digital platforms and accelerating digital business transformation.

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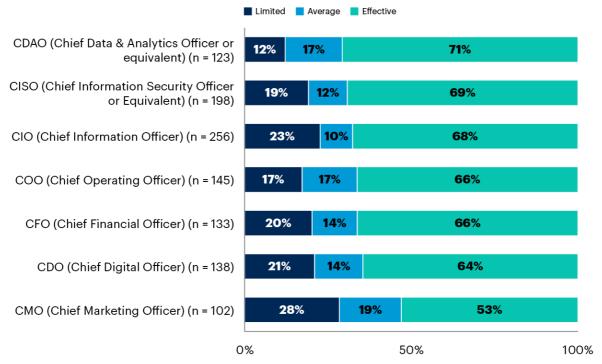
Both have common synergies with respect to implementing digital technologies — e.g., the cloud, artificial intelligence (AI) or automation — to drive business transformation. They need to work together to ensure that the organization has the appropriate digital foundation and maturity to unleash the potential of these technologies. CTOs can also benefit by partnering with CDOs to develop an innovation culture, create awareness about the latest digital developments and build digital business tools/platforms.

- Partnership With the Chief Finance Officer (CFO) CFOs are the key decision makers in business investment and improving returns and value. CTOs should collaborate with CFOs to discuss major technology investment decisions and mitigate financial risks or challenges. One-third of CTOs work with CFOs, and, of those, 66% report that their partnerships are effective (see Figure 2). CTOs often struggle to secure funding for innovation initiatives. They should collaborate with CFOs to communicate the business value of innovation efforts. When planning new technology initiatives, CTOs should consider financial performance, resource requirements and risk appetite.
- Partnership With the Chief Data and Analytics Officer (CDAO) Because data is an important strategic asset, CTOs should build collaborative partnerships with CDAOs to monetize data, manage data ownership and drive business value. Only 30% of CTOs regularly work with CDAOs; however, of those that do, 71% believe that regular communication and partnership is highly effective in data and analytics (D&A) technology strategy (see Figure 2). CTOs are knowledgeable and skilled enough to be one of the top influencers for D&A strategy. Thus, they can effectively partner with CDAOs as technical advisors and/or technology visionaries, especially for Al technologies, advising on the right infrastructure and architecture to support data monetization and make informed business decisions.
- Partnership with the Chief Marketing Officer (CMO) CMOs are the stakeholders that CTOs collaborate with the least. Only 25% of CTOs work with CMOs, of which 53% say their partnerships are effective. With recent advances in marketing and the growing importance of customer experience, CMOs can leverage technologies such as Al and D&A to understand the customer journey across touchpoints and gather relevant insights about customer behavior. For example, they leverage digital humans to revamp the chatbot experience and the way customers interact with enterprise products and services. These insights can, in turn, improve the features of digital products and services and customer targeting. They can help gauge the user experience of customers and employees, as well as internal communications for engaging better with internal and external stakeholders.

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Figure 2: Effectiveness of CTO Relationship With Various Positions

Effectiveness of CTO Relationship With Various Positions



n = varies, Stakeholders that work regularly with CTO (Q03); excluding Not sure

Q. How would you describe the relationship of the CTO at the organization with the following stakeholders? Source: 2023 Gartner Changing Role of the CTO Function

Note: Totals may not equal 100% because of rounding.

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What You Need to Do

CTOs must collaborate with other CxOs to optimize their organizations' chance of achieving the desired outcomes of digital business transformation.

Near-Term Actions

To build successful partnerships with stakeholders to drive business value and scale digital business, CTOs should:

- Identify the key stakeholders and influencers who shape the business and IT strategy, as well as make major digital investment decisions.
- Engage with key stakeholders and influencers to develop an understanding of their business goals, challenges, priorities and motivations. This will help identify key collaboration areas for aligning the strategic approach on digital-scaling initiatives.

Longer-Term Actions

- Create a regular communication plan with a well-planned agenda on:
 - Shared priorities and collaboration activities
 - Common areas of challenges
 - Governance and decision rights
 - Shared outcomes and business metrics
- Document the discussion results to communicate and revise decisions, at least on a quarterly basis (but preferably biweekly), to identify changes in expectations or action plans early.

Evidence

Gartner Changing Role of the CTO Function Survey. This study was conducted to understand the CTO function design, and how CTOs and their organizations are changing their operating models and enabling digital business model innovation and transformation. The research was conducted online from 15 May through 6 July 2023 among 404 participants from North America (n = 204), Europe (n = 147) and the Asia/Pacific (APAC) region (n = 53). Participants were leaders in their organization who were knowledgeable about the roles and responsibilities of the CTO.

Respondents were screened for industry, job title, company size (at least \$500 million in annual revenue), knowledge on organizational structure and their reporting level away from the CTO. Industries surveyed include banking/investment services, manufacturing, healthcare providers, insurance, natural resources, government services, energy, retail, utilities, health payer, communications service provider, transportation, education provider and wholesale

Disclaimer: The results of this survey do not represent global findings or the market as a whole; rather, they reflect the sentiments of the respondents and companies surveyed.

Recommended by the Author

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A CTO's Guide to Build the Right Executive Partnerships

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Tool: A CTO's Guide to CxO Partnerships: How CTOs and CDAOs Can Build Collaborative Relationships

Case Study: Build CTO Trust Through Increased Transparency (United States Trustees Program)

How CTOs Can Create a Winning Digital Innovation and Enablement Function

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