

2022 CIO Agenda: Create an Action Plan to Master Business Composability

Gartner®



It's time to master business composability

Business composability is not a new concept. In fact, most businesses already follow some of its principles in some way.

However, where your organization falls on the scale of low, moderate or high composability will determine how effective your operating model is.

It's not enough to simply add new technology in an attempt to create modular business pieces. The changes must be strategic, and they must be scaled across the organization.

Outdated operating models focus on efficiency and assume an orderly, slow-changing and relatively predictable business environment. Even before the COVID-19 pandemic, the business world was rife with disruptions ranging from trade wars to Brexit.

The "new normal" is disruption. Organizations that lean into this reality and leverage their innovation capacity, technology and reach to deliver the scale and pace needed to achieve enterprise goals, will out-deliver their peers. They will not only survive, but grow as a result and stay ahead of the pack.

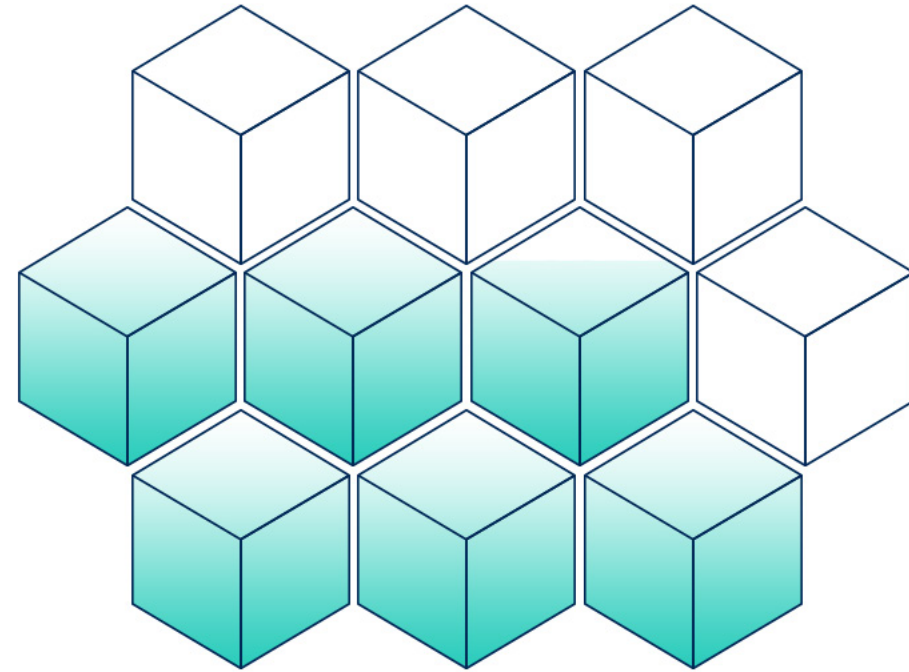


Monika Sinha
VP Analyst

An antidote to risk

As boards of directors have increased risk appetite (or plan to), an economically and politically polarized society is the biggest risk.

Organizations with high composability came out of the pandemic ahead of their moderate and low-composability peers. They are faster and more effective at developing new partnerships, pursuing new opportunities, offering innovative products and being more responsive to customers, clients and citizens.



57% of boards of directors believe an economically and politically polarized society is the biggest source of risk.

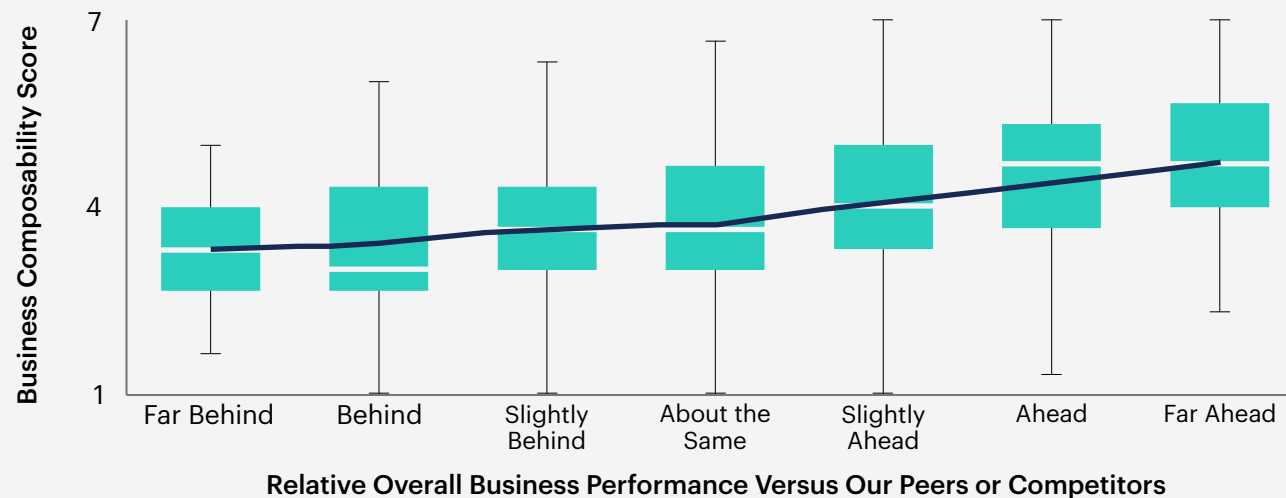
Business composability drives business performance

What is business composability?

Business composability applies modularity to any business asset — people, processes, technologies and even physical assets — so that leaders can quickly, easily and safely recompose them and create new value in response to disruption.

Mastery of business composability stretches across a spectrum, from those just starting out, to those that have made business composability the default way of thinking and executing. The benefits flow accordingly. The greater the level of mastery of business composability, the higher the relative performance.

Comparison of Business Performance Against Average Business Composability Scores



n = 2,304 CIOs and technology executives
Source: 2022 Gartner CIO and Technology Executive Survey

What's the difference between traditional and composable thinking?

	Traditional Orientation	Composable Orientation
Goal	Efficiency	Flexibility/agility
Value	Cost leadership at scale	Highly attuned to business environment
Approach	Technology automation drives efficiency and scale	Composable technologies enable multiple outcomes simultaneously
Governance	Plan-driven, approval-based, safe	Distributed, emergent, empirical, continuous, calculated risk
Sourcing	Conventional enterprise services	Composable (low-code, no-code services)
Talent	Generalists and specialists	Flexible “versatilists”
Culture	Values low-risk, predictable execution	Values rapid responsiveness to environmental change
Cycle Times	Long (months)	Hybrid long and short*

Source: Gartner

* Modular components initially take longer to create but less time to redeploy.

Three action areas of business composability

Organizations that want to excel in business composability must develop skill sets in all three domains that extend throughout the enterprise.

1 Composable thinking:
a mindset to guide the business through uncertainty and opportunity

“Leaders at my organization encourage the creation and reuse of modular business capabilities and technologies.”

2 Composable business architecture:
a blueprint to manage the pace of business change

“We combine business elements (e.g., capabilities, products and services) in multiple ways to create new value.”

3 Composable technologies:
systems and data that integrate quickly and easily

“The work of producing technology capabilities is modularized and automated using APIs, microservices and other modular components.”



Assess your business composability

Q. To what extent does your enterprise utilize these principles?

		Not at all	Rarely	Somewhat	Limited (e.g., in specific business units)	Common in several (but not most) business units	Widely	Extensively throughout the enterprise
Thinking	Our culture encourages the continuous exploration and creation of game-changing business capabilities.	1	2	3	4	5	6	7
Business Architecture	Our culture encourages the continuous exploration and creation of game-changing business capabilities.	1	2	3	4	5	6	7
Technologies	Our culture encourages the continuous exploration and creation of game-changing business capabilities.	1	2	3	4	5	6	7

Interpreting your score:

You enjoy **High Business Composability** if you scored 6 or 7 on Thinking, Business Architecture AND Technologies

You enjoy **Moderate Business Composability** if you scored 4 or 5 on Thinking, Business Architecture OR Technologies

You enjoy **Low Business Composability** if you scored 1,2 or 3 on Thinking, Business Architecture AND Technologies



Identify next steps

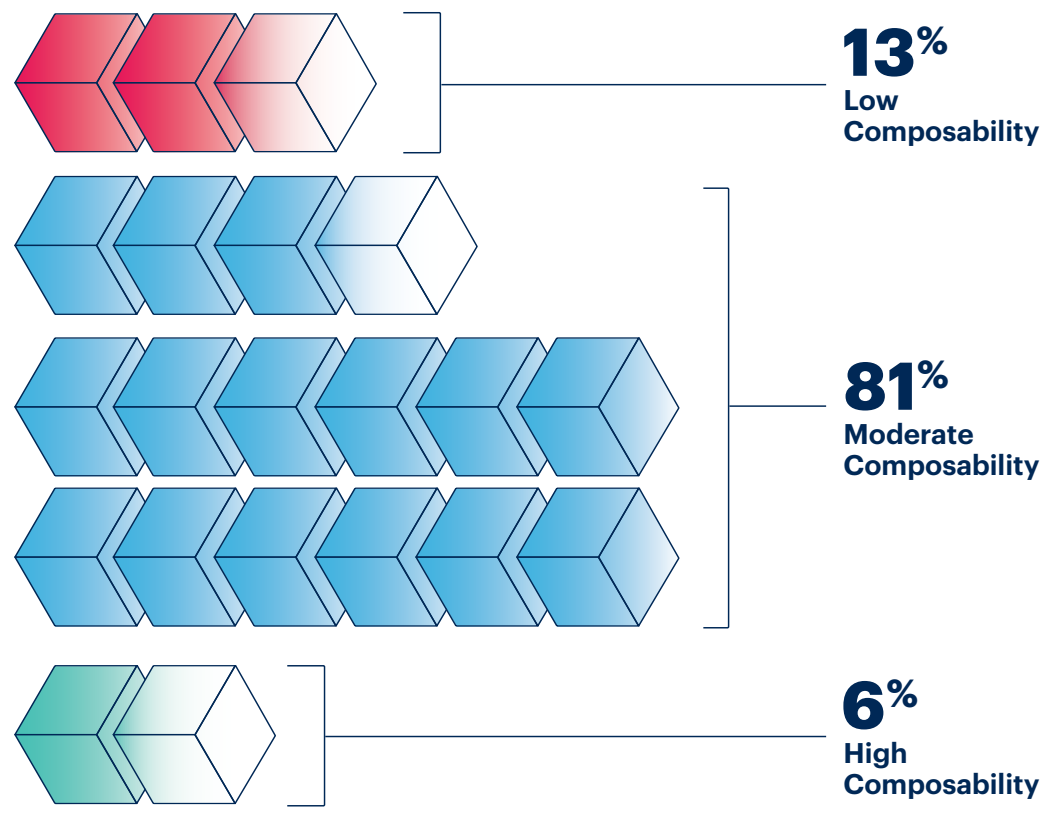
It's likely that assessing your current business composability level helped identify key areas to work on. Every organization has areas in which it is less mature. In fact, none of the organizations surveyed were proficient in all the key actions.

On page 9, we provide an example of actionable steps for the business architecture domain. Each of these actions made a significant contribution for high-composability organizations.

Where to start

- Low-composability** organizations should begin on Step 1.
 - Moderate-composability** organizations should begin on Step 2.
 - High-composability** organizations should begin on Step 3.
- Use the planner on page 10 to track your progress.

Only a Few Enterprises Are Really Good at Business Composability





Example: How to apply composability to your business architecture

	Shape multidisciplinary teams to align on value	Embrace distributed accountability for digital outcomes	Design business processes and technology together
Step 1	Shift from uncoordinated siloes to teams working around customer journeys	Establish “fusion” teams with joint accountability for digital outcomes	Use priority business capabilities to define and develop the technology and business transformation efforts
Step 2	Establish “fusion” teams to accelerate technology-enabled business transformation	Adjust governance practices to balance autonomy and control with distributed accountability	Create dedicated roles to coach fusion teams and stakeholders in Agile, lean products, etc.
Step 3	Have “fusion” teams leverage cross-enterprise communities for insight into the business environment	Redistribute responsibilities for the enterprise’s technology portfolio among IT and business technologists	Apply agile development methods to complete business activities, not just technology efforts



Create a business composability action planner

Not sure where to start? Contact a Gartner expert who can walk you through this template. [↗](#)

	Will Do More Of	Will Do Less Of/Stop Doing	How We Will Measure Progress
Composable Thinking			
Composable Business Architecture			
Composable Technologies			



Organizations need to develop business composability now

These actions will help your organization get the biggest ROI from business composability. All enterprises, CIOs and technology executives can benefit from these actions and might already be doing them at some siloed level.

Business composability is just as much a mindset shift as a strategy shift. CIOs will be responsible for encouraging a new culture alongside a new approach to flexible operational models.

At successful organizations, the CIO will act as evangelist, engineer and orchestrator, as he or she views change as a tool, provides guidance on modular designs that enable change, then helps to execute it.

Three action areas of business composability

- 1 Composable thinking:** a mindset to guide the business through uncertainty and opportunity
- 2 Composable business architecture:** a blueprint to manage the pace of business change
- 3 Composable technologies:** systems and data that integrate quickly and easily

The Gartner CIO Agenda

The Gartner CIO Agenda is based on the 2022 Gartner CIO and Technology Executive Survey. Qualified respondents are the most senior IT executives for the overall organization or their part of the organization.

Respondents:

2,387
CIOs/technology
executives

85
countries


All major
industries

Representing
\$185 billion
in IT spending

Actionable, objective insight

Explore these additional complimentary resources and tools for CIOs and other senior technology executives:



eBook

Top Strategic Technology Trends for 2022

12 Trends Shaping the Future of Digital Business

[Download Now](#)



Roadmap

2021-2023 Emerging Technology Roadmap

Benchmark your plans and make investment decisions with confidence

[Download Now](#)



Webinar

The Gartner 2022 CIO Agenda: Make Composability Your Superpower

Use composable business efforts to architect for resilience

[Watch Now](#)



Resource Hub

CIO Insights & Tools

Drive stronger performance on your most critical priorities

[Learn More](#)

Already a client?

Get access to even more resources in your client portal. [Log In](#)

Get More.

Get actionable, objective insight to deliver on your most critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

U.S.: 1 844 421 3068

International: +44 (0) 3301 629 533

[Become a Client](#)

Learn more about Gartner for IT Executives

gartner.com/en/information-technology

Stay connected to the latest insights



© 2021 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by [Gartner's Usage Policy](#). Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "Guiding Principles on Independence and Objectivity." CM_GTS_1482363

Gartner®