

The Essential CIO

Insights from the Global Chief Information Officer Study

“There is a strong emphasis on internal customers: Are we driving measurable value for the organization?”

Pablo Vegas, Vice President and CIO, American Electric Power

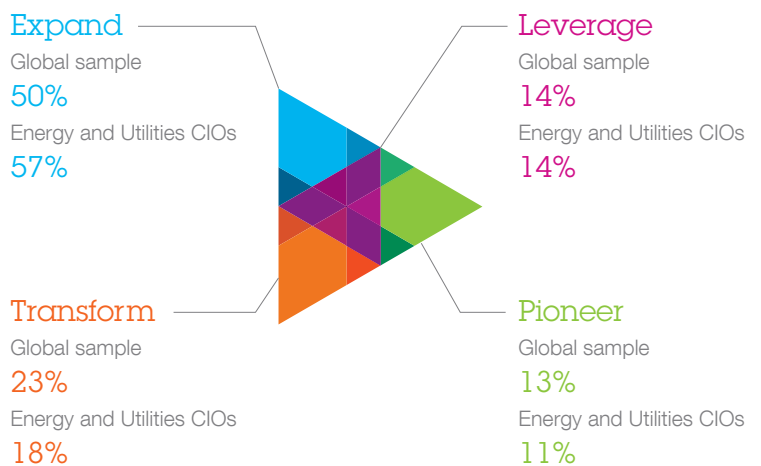
Eighty-two percent of Energy and Utilities CIOs are prioritizing mobility solutions as a visionary plan in the next three to five years, compared to just 74 percent of the global sample. And as they seek to reduce legacy costs, this industry’s CIOs named application portfolio rationalization as most important, compared to 23 percent of the global sample, for whom it was also the most frequent response.

How are technology leaders helping their organizations adapt to the accelerating change and complexity that mark today’s competitive and economic landscape? To find out, we spoke in person with 3,018 CIOs in 71 countries, with 138 of those CIOs representing the Energy and Utilities industry.

CIOs everywhere spend at least part of their time on IT fundamentals. Our research identified four distinct “CIO Mandates,” based on how each organization views the role of IT. For the Energy and Utilities industry, the predominant mandate was the Expand mandate.

Figure 1

The CIO Mandate Effective CIOs know and deliver on a mandate that is defined by the predominant goals of the enterprise.





Energy and Utilities insights

- ▶ **Lean strongly toward the Expand mandate.** Expand mandate CIOs are focused on cross-enterprise growth and continuously tune business processes and internal collaboration to gain tighter integration. Energy and Utilities CIOs will need to help re-engineer their organizations, making them fast, more flexible and better equipped to turn data into insights.
- ▶ **How will they benefit from global integration?** Energy and Utilities CIOs with an Expand mandate report that they are especially focused on partnering extensively (74 percent versus 10 percent). Seventy percent of this group plans to leverage global integration by deeply changing the mix of capabilities, knowledge and assets within the organization.
- ▶ **What are their top visionary plans?** Energy and Utilities CIOs as a whole have a greater focus than the global sample on three types of visionary plans in the next three to five years: mobility solutions (82 percent versus 74 percent), virtualization (74 percent versus 68 percent) and self-service portals (69 percent versus 57 percent).
- ▶ **Where are IT efforts focused?** To support their organizational strategies over the next five years, Energy and Utilities CIOs agreed with the global sample, citing insight and intelligence, client intimacy and people skills as three of their top focus areas. This industry's CIOs are also prioritizing risk management slightly more than the global sample (54 percent versus 50 percent).
- ▶ **How will they manage data?** This group agrees with the global sample on the top three ways to turn data into intelligence over the next five years: master data management, data warehousing and visual dashboards.
- ▶ **What will reduce legacy costs?** Energy and Utilities CIOs agree with the global sample's top three answers, with 28 percent of this industry's CIOs naming application portfolio rationalization as the most important way to cut legacy costs, compared to 23 percent of the global sample.

Whether an organization requires an emphasis on delivery of essential IT services or challenges the CIO to pioneer new opportunities, CIOs need to innovate. With ongoing technological shifts, the seemingly endless onslaught of data and the increasingly frenetic pace of change, making incremental improvements to operations may no longer be sufficient.

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Note: Due to rounding, the percentage breakdown of CIOs by CIO Mandate may not equal 100 percent.
