

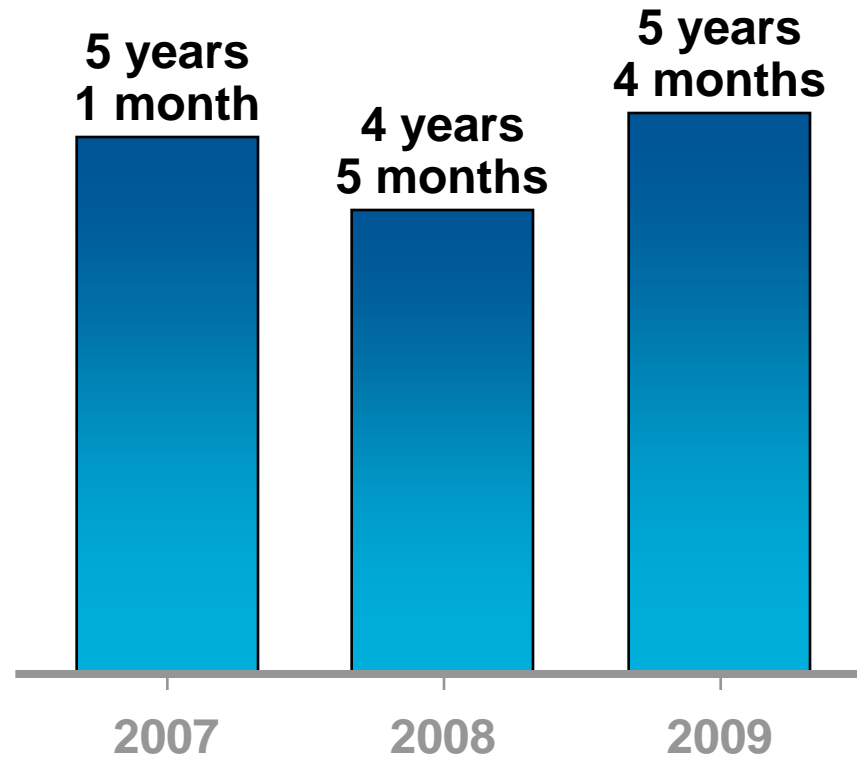


The State of the CIO
March 2009

Tenure of CIOs is Rising



The CIO's **Average Tenure** is eleven month longer than it was last year



Source: *CIO Magazine*, [The State of the CIO](#), 2009

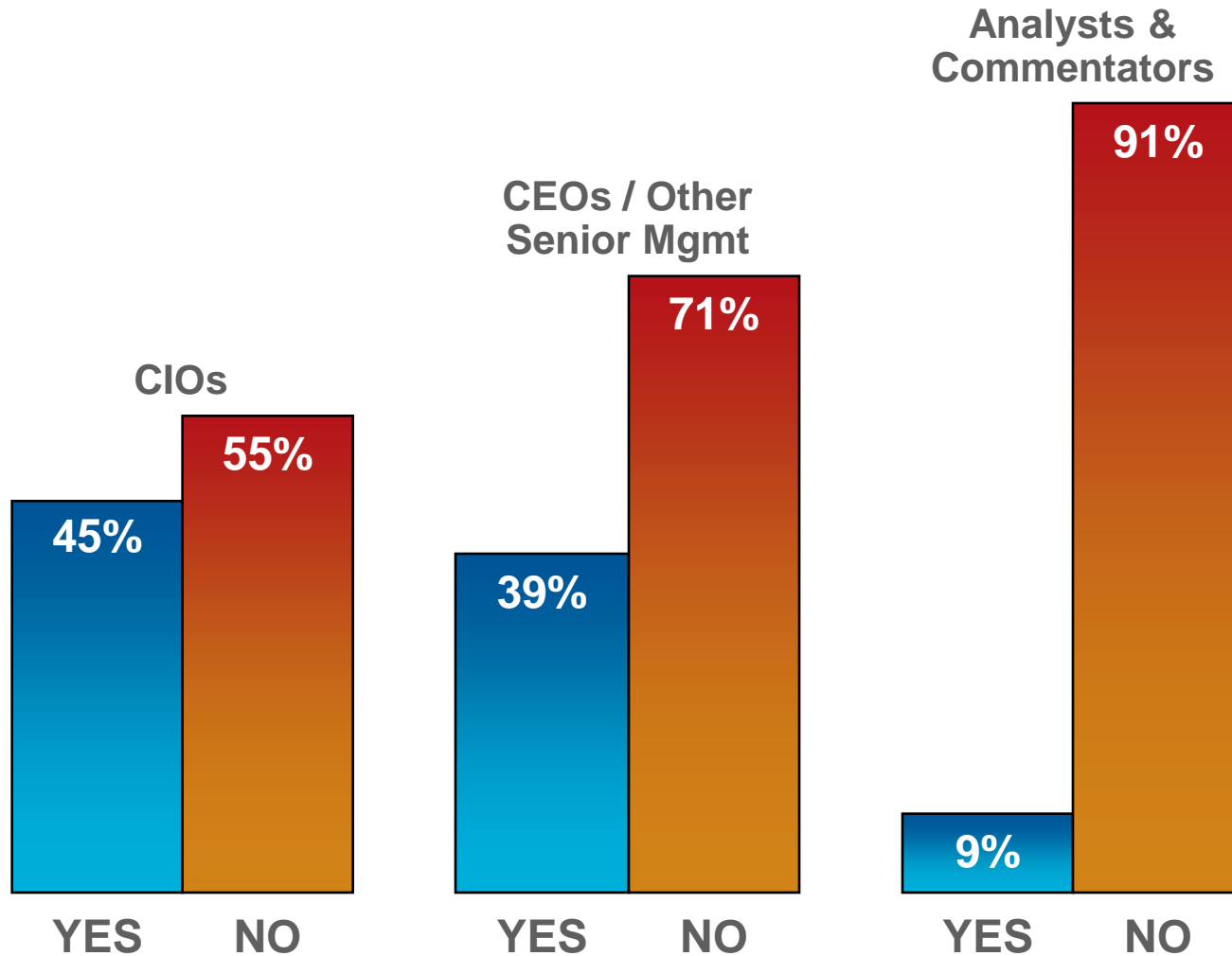
More Heads of IT Report to CEO than in Past Five Years



Source: *CIO Magazine*, [The State of the CIO](#), 2009

Is There Clarity Regarding the Definition of the Role of the CIO?

Percentage of respondents



Source: "[Realising value from a CIO](#)," Deloitte and Cranfield School of Management, November 2008

SLIGHTLY LESS THAN HALF OF CIOs

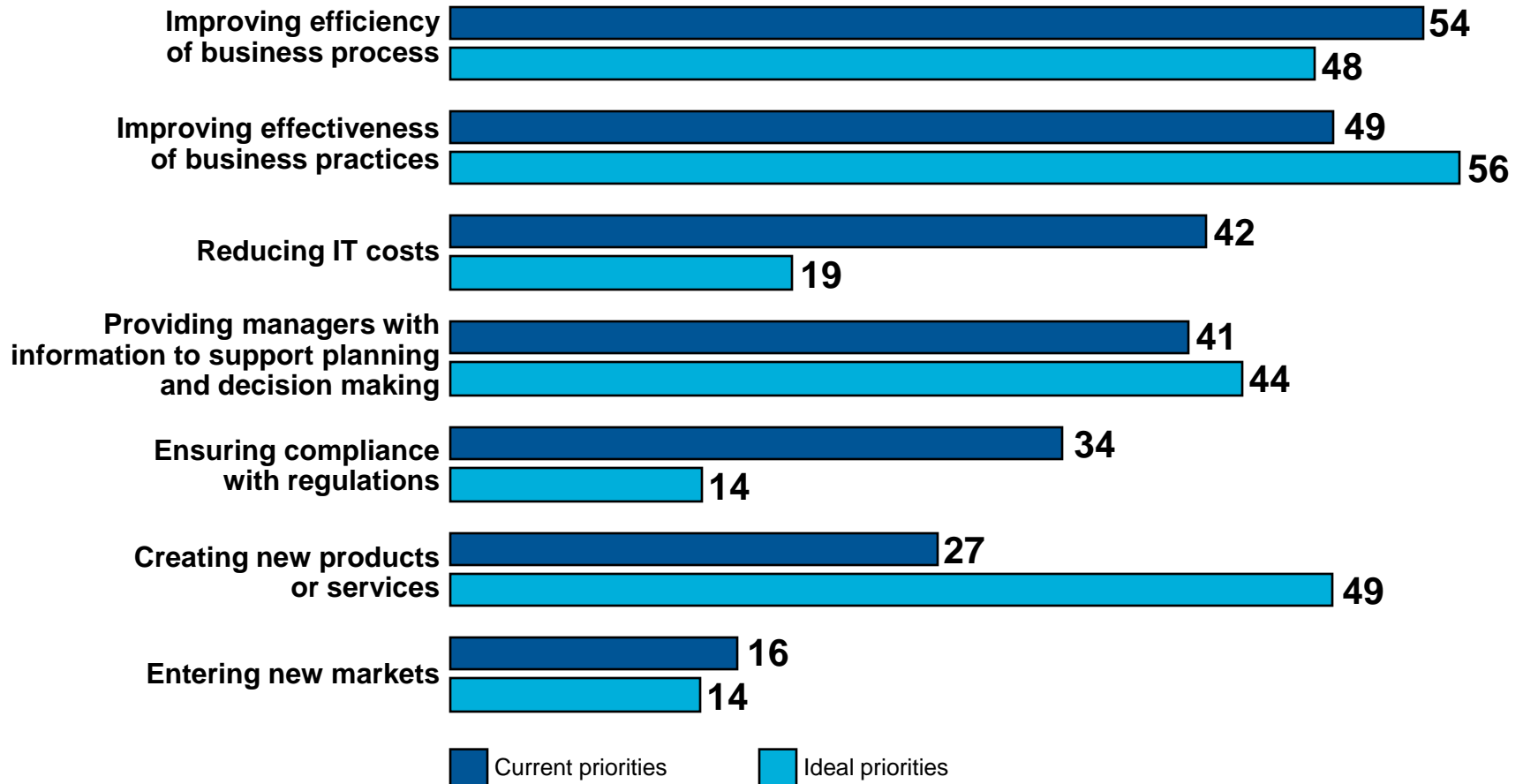
(46%)

say that **IT** **is still considered**
a cost center

IT Priorities



Percentage of respondents



*Respondents could elect multiple answers; those answered "other" or "don't know" are not shown.

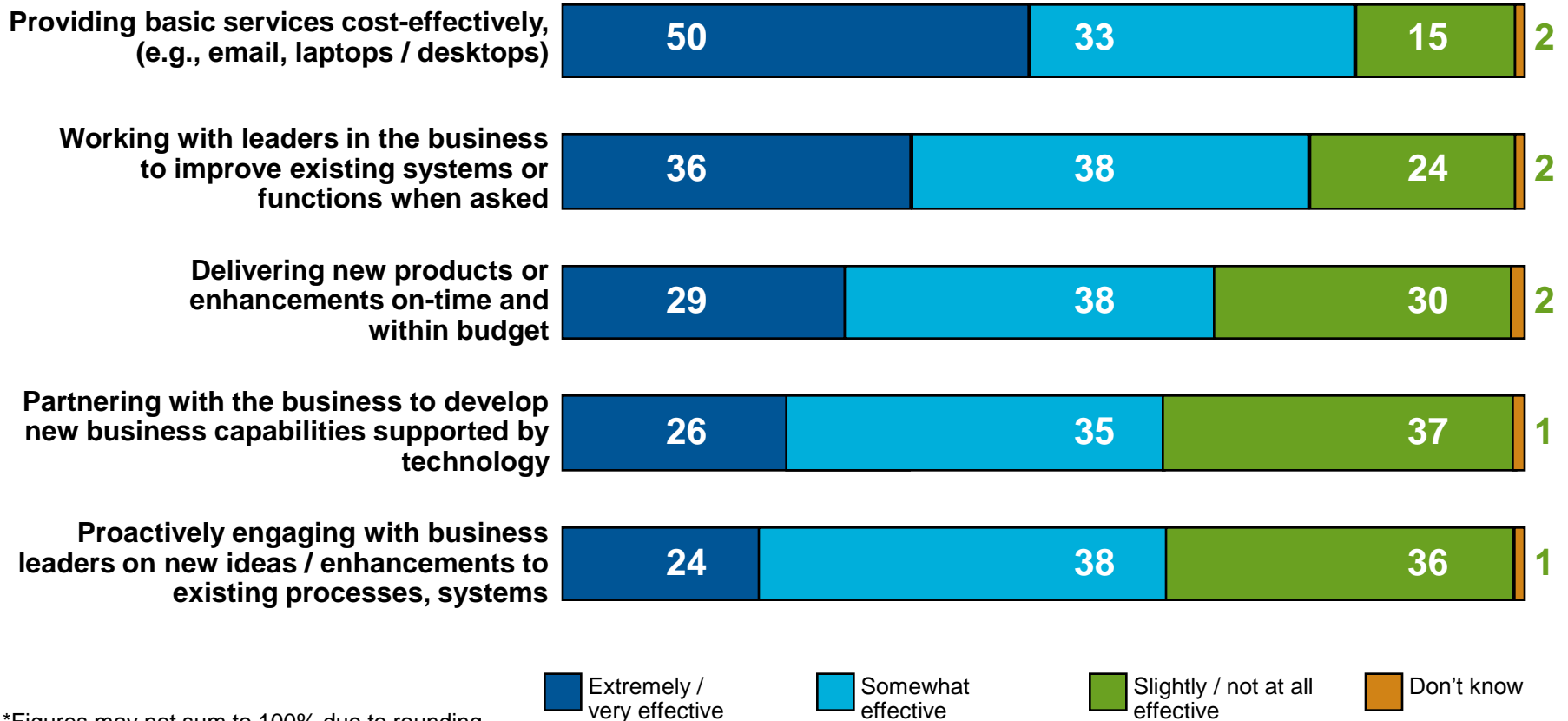
Source: [*The McKinsey Quarterly*, December 2008](#)

IT Effectiveness



Currently, how effective is your IT organization in each of the following areas?

Percentage of respondents



*Figures may not sum to 100% due to rounding.

Source: *The McKinsey Quarterly*, December 2008

Types of CIOs

30%

52%

18%

Function Head	Transformational Leader	Business Strategist
Improving IT operations / systems performance	Aligning IT initiatives with business goals	Driving business innovation
Cost control / expense mgmt	Cultivating the IT / business partnership	Developing and refining business strategy
Managing IT crises	Leading change efforts	Identifying opportunities for competitive differentiation
Security management	Implementing new systems and architectures	Developing new go-to-market strategies and technologies
Negotiating with vendors	Redesigning business processes	Studying market trends / customer needs to identify commercial opportunities

Source: *CIO Magazine*, [The State of the CIO](#), 2009

Expected Impact of IT in 2009



	Total	Function Head	Transformational Leader	Business Strategist
<i>Improve end user workforce productivity</i>	49%	50%	53%	36%
<i>Reengineer core business processes</i>	41%	32%	44%	45%
<i>Lower company's overall operating costs</i>	39%	47%	38%	27%
<i>Drive innovative new market offerings or business practices</i>	38%	23%	39%	58%
<i>Improve quality of products and/or processes</i>	35%	36%	33%	35%
<i>Improve security / risk management</i>	26%	35%	27%	11%
<i>Support global expansion</i>	23%	20%	21%	33%
<i>Acquire and retain customers</i>	18%	18%	15%	29%
<i>Manage customer relationships</i>	18%	19%	17%	19%
<i>Enable regulatory compliance</i>	12%	18%	11%	4%

Source: *CIO Magazine*, [The State of the CIO](#), 2009

How CIOs Spend Their Time



	Total	Function Head	Transformational Leader	Business Strategist
<i>Aligning IT initiatives with business goals</i>	71%	73%	74%	56%
<i>Cultivating the IT / business partnership</i>	58%	57%	63%	45%
<i>Improving IT ops / systems performance</i>	53%	82%	52%	3%
<i>Leading change efforts</i>	47%	33%	54%	51%
<i>Implementing new systems and architecture</i>	43%	48%	49%	20%
<i>Driving business innovation</i>	36%	2%	41%	81%
<i>Redesigning business processes</i>	34%	27%	36%	40%
<i>Cost control / expense management</i>	31%	56%	25%	5%
<i>Developing and refining business strategy</i>	28%	3%	32%	59%
<i>ID'ing opportunities for competitive differentiation</i>	20%	1%	16%	63%
<i>Managing IT crises</i>	18%	41%	10%	3%
<i>Security management</i>	18%	34%	15%	---
<i>Negotiating with IT vendors</i>	16%	29%	13%	1%
<i>Developing new GTM strategies & technologies</i>	11%	2%	8%	36%
<i>Studying market trends / customer needs to ID commercial opportunities</i>	8%	---	7%	22%

Choose five activities that best characterize your focus and how you spend your time in your current role

Source: CIO Magazine, [The State of the CIO](#), 2009

CIOs Responsible for Non-IT Areas of Business



Nearly two-thirds of all CIOs have leadership responsibility for a non-IT area of the business; Business strategists are more likely than other types of CIOs to have additional roles

Area of Responsibility	All CIOs	Business Strategists
Security	32%	33%
Strategy	25%	38%
Admin / Operations	20%	31%
Risk Management	14%	13%
Customer Service	14%	23%
Procurement	9%	12%

Note: Respondents could choose more than one answer.

Source: *CIO Magazine*, [The State of the CIO](#), 2009

Technology is Critical, but IT Performance Lags Expectations



Technology is . . .

	CIOs	Business Executives
<i>A core component of company products and services</i>	77%	81%
<i>Central to how you differentiate from competitors</i>	65%	72%
<i>Primarily used to reduce business costs</i>	46%	66%
<i>Essential for your distribution and sales model</i>	75%	77%

IT Team is effective at . . .

	CIOs	Business Executives
<i>Delivering core components of products and services</i>	85%	70%
<i>Differentiating from competitors</i>	69%	61%
<i>Reducing business costs</i>	75%	64%
<i>Meeting distribution and sales expectations</i>	72%	67%

Note: Results reflect companies with more than \$1 billion in revenue. Business executives were surveyed separately by Forrester Research.

Source: *CIO Magazine*, [The State of the CIO](#), 2009

CIOs and Business Executives Have Conflicting Agendas



CIOs say that IT will have the most impact in 2009 on workforce productivity. But when it comes to making new investments, business leaders are focused on acquiring and retaining customers

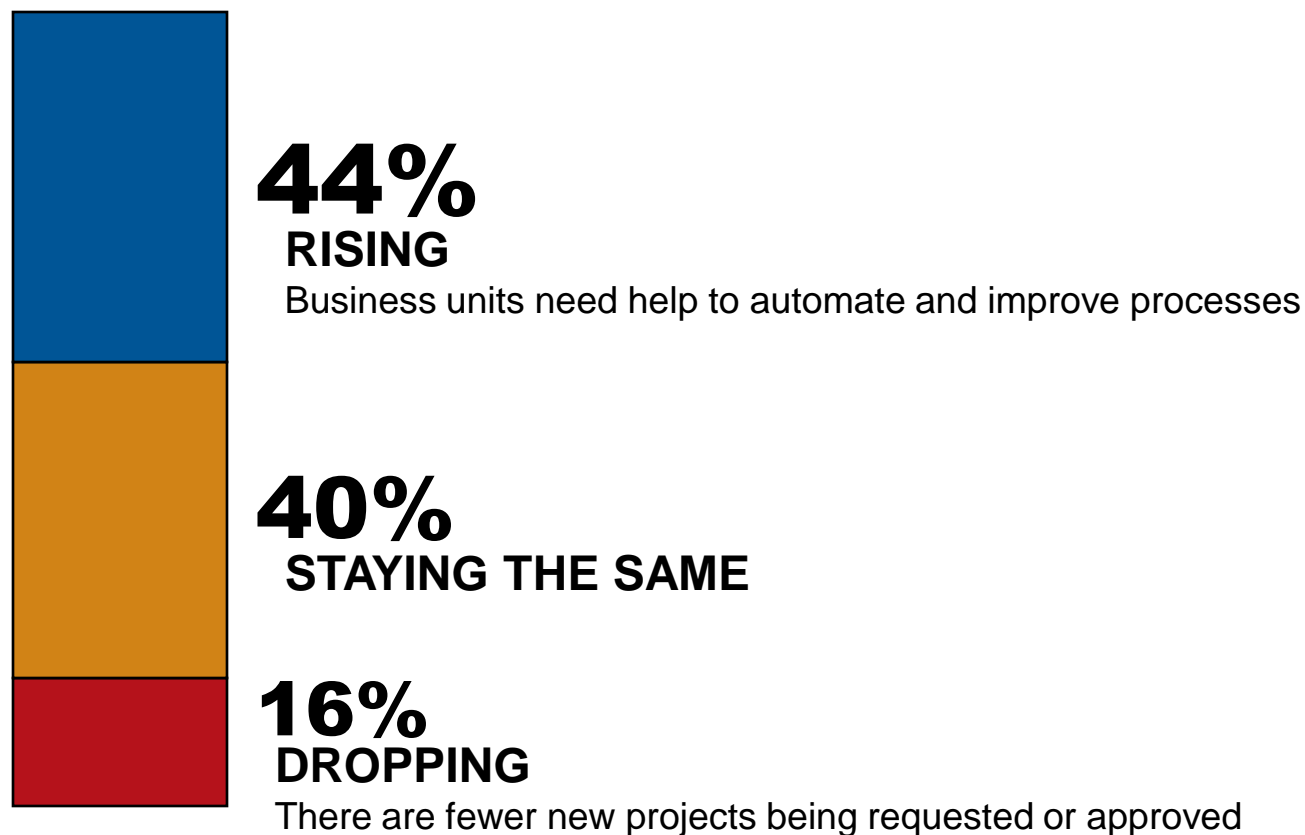
CIOs (ranked IT's impact)	Objective	Bus. Execs (ranked drivers for IT decisions)
1	Improve end user workforce productivity	4
2	Drive innovative new market offerings or business practices	3 (tie)
3	Reengineer core business processes	6
4	Lower company's overall operating costs	2 (tie)
5	Improve quality of products and/or processes	3 (tie)
6	Support global expansion	5
7	Improve security / risk management	Not asked
8	Manage customer relationships	2 (tie)
(tie)	Acquire and retain customers	1
9	Enable regulatory compliance	Not asked

Note: Results reflect companies with more than \$1 billion in revenue. Business executives were surveyed separately by Forrester Research.

Source: *CIO Magazine*, [The State of the CIO](#), 2009

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Demand for IT to Improve Processes Increases in Downturn

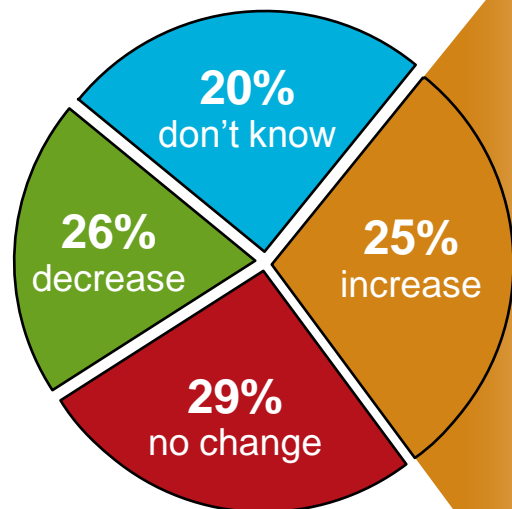


Source: [InformationWeek Analytics, Outlook 2009](#)

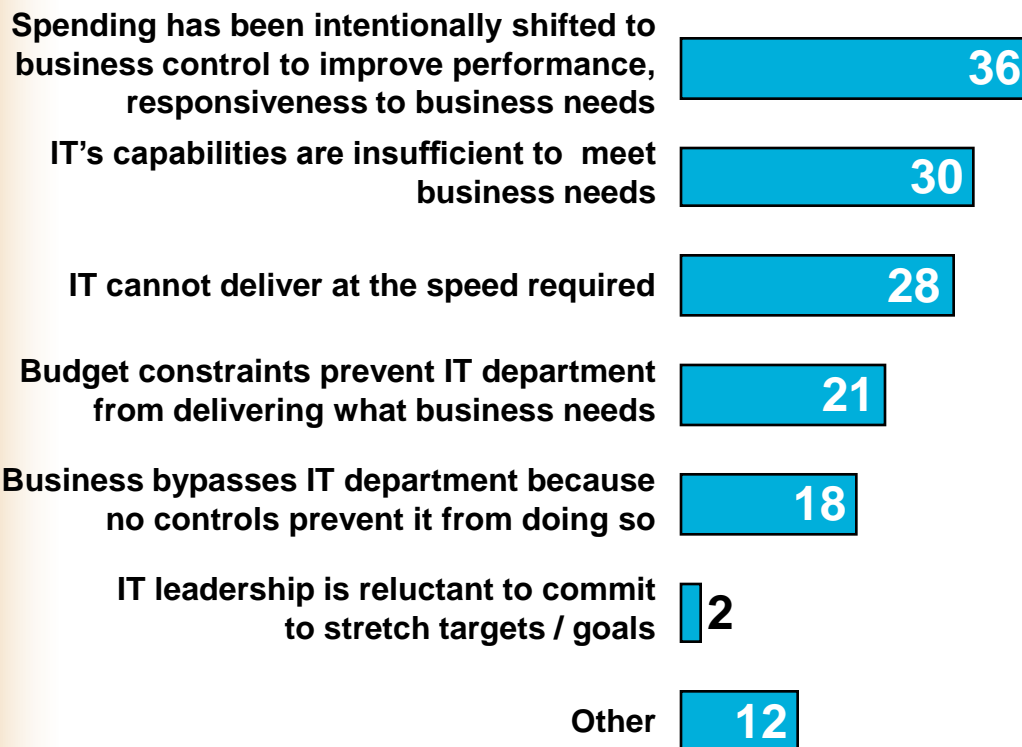
Spending Outside the IT Function

How, if at all, do you expect technology-related spending outside the IT function will change in 2009?

Percentage of Respondents

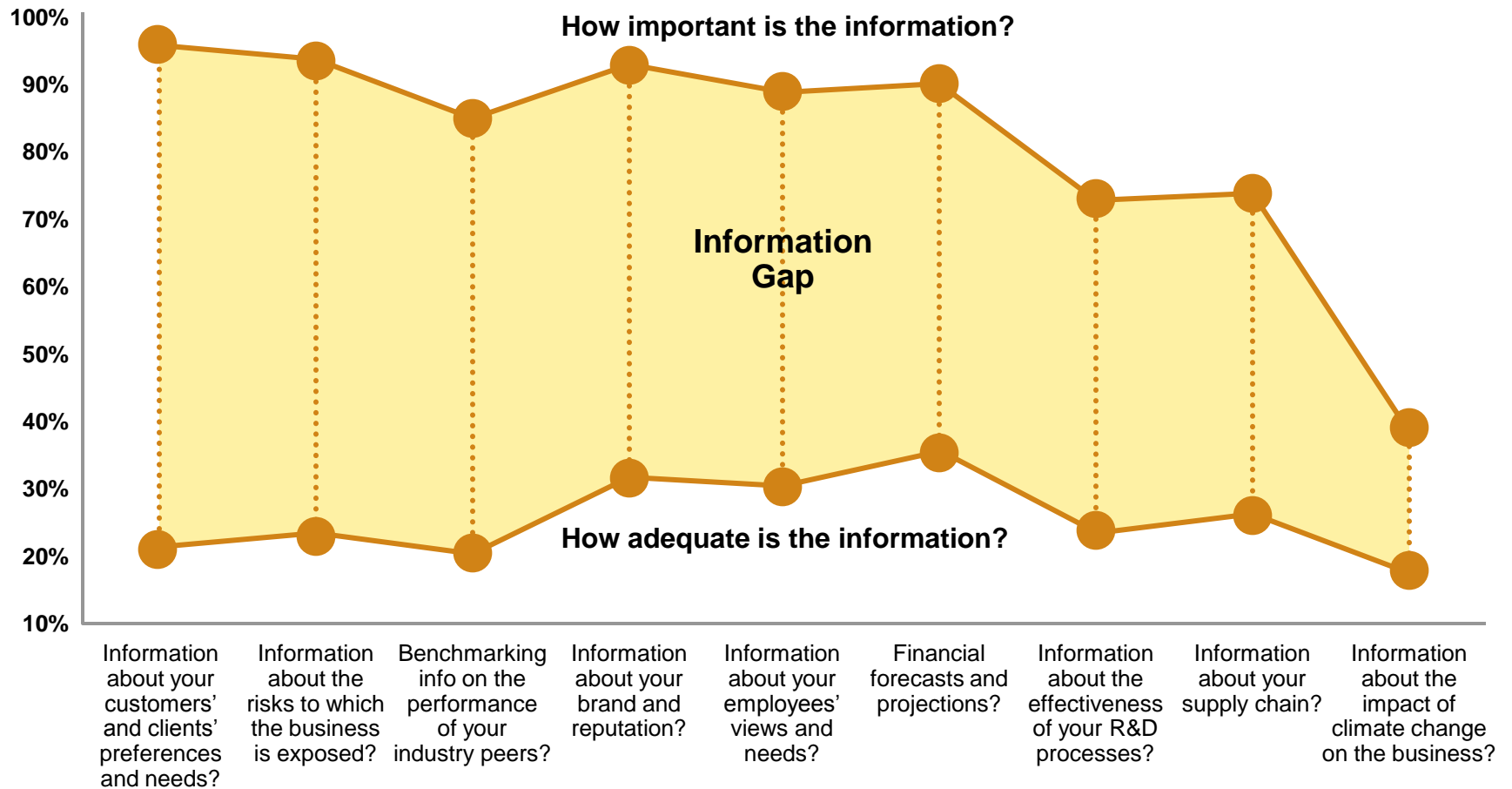


How Will This Spending Increase?



Source: *The McKinsey Quarterly*, December 2008

A Huge Information Gap About All the Critical Drivers of the Business



Q: How important are the following in terms of the information that you personally use to make decisions about the long-term success and durability of your business?

Q: How adequate is the information that you currently receive?

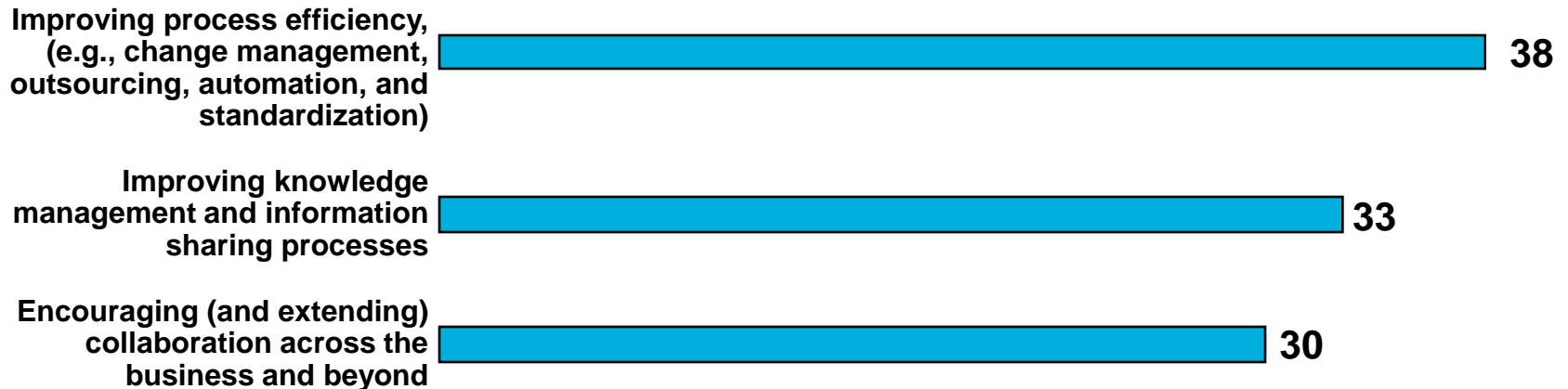
Source: [PriceWaterhouseCoopers 12th Annual Global CEO Survey, 2009.](#)

Current Priorities



In light of the economic downturn, what do you believe are your organisation's priorities in terms of improving agility?

(Percentage respondents; top three responses)



Source: "[Organisational Agility](#)," a report from the Economist Intelligence Unit, sponsored by EMC, March 2009

The Role of IT



In your view, how can corporate IT best support efforts to improve productivity, performance and responsiveness?

(Percentage respondents; top 5 responses)



Source: "[Organisational Agility](#)," a report from the Economist Intelligence Unit, sponsored by EMC, March 2009