Gartner®

CIO Agenda 2024

Adopt Franchise Best Practices to Improve Digital Delivery
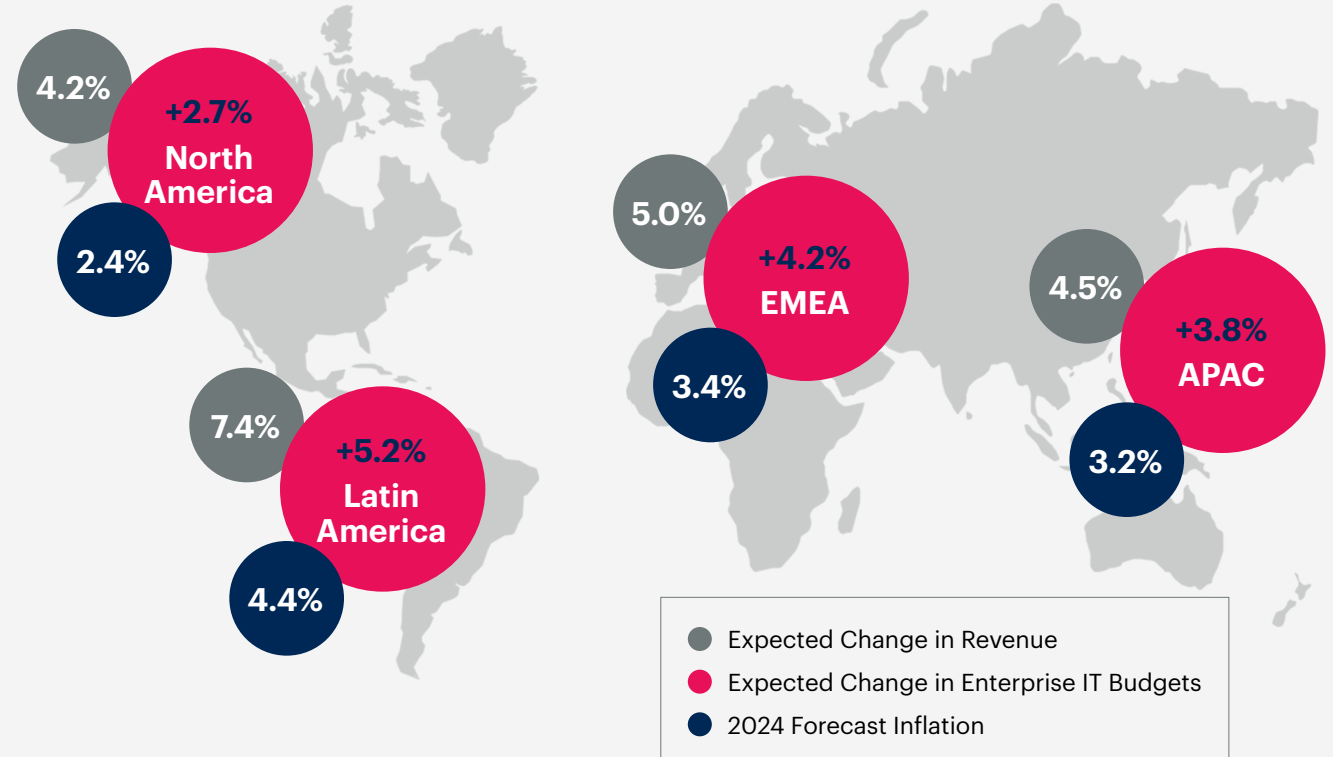
Introduction

The 2024 Gartner CIO and Technology Executive Survey found that CIOs in all regions of the world are faced with expected budget increases that are only marginally above projected inflation, and well below expected increases in revenue.

In other words, in addition to the increased demand, there will be an ongoing need for greater efficiency.

Based on data from that survey, this year's CIO Agenda details how to adopt a franchise model as a design template for CIO-CxO partnerships, building on three pillars: co-leadership, co-delivery and co-governance.
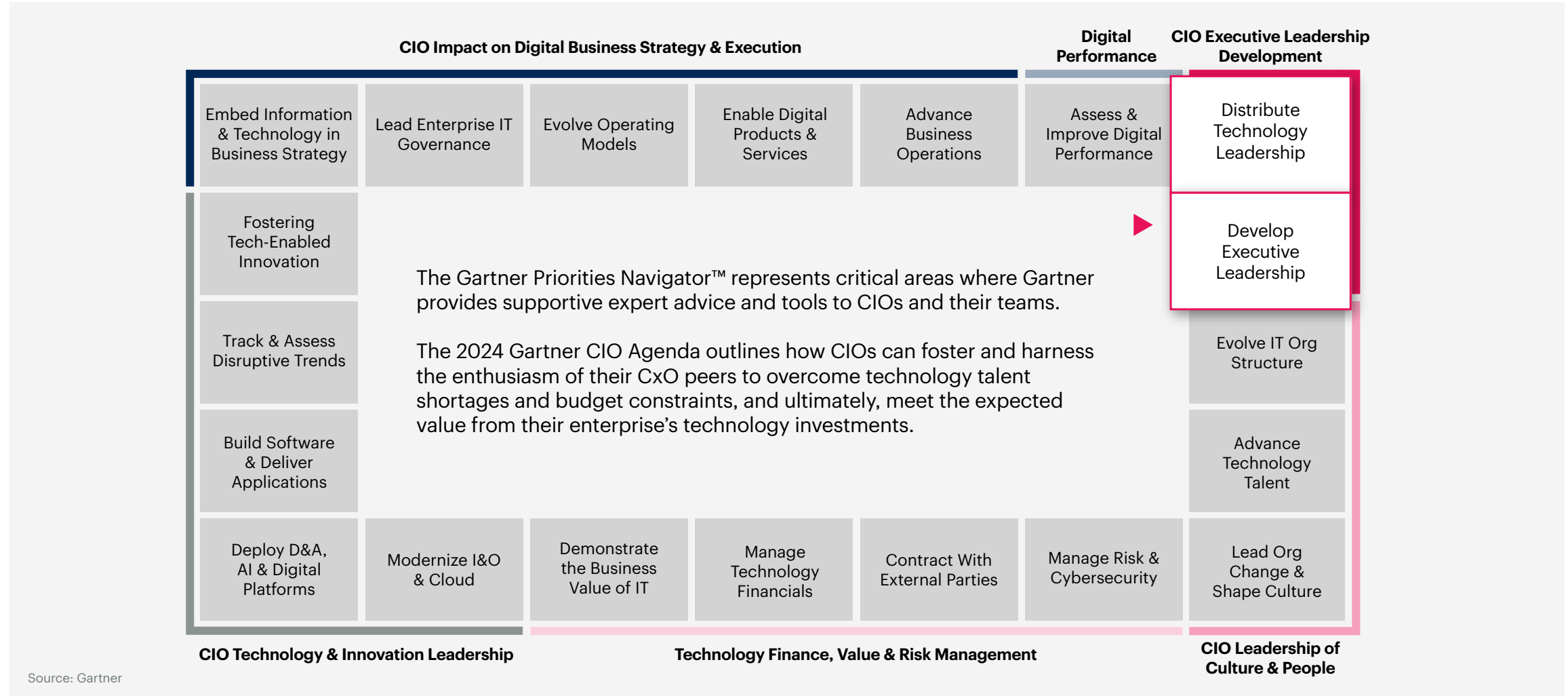

IT Budget Change, Revenue Change Expectations and Inflation
Average Change

- 4.2%
- +2.7% North America
- 2.4%
- 5.0%
- +4.2% EMEA
- 3.4%
- 4.5%
- +3.8% APAC
- 3.2%
- 7.4%
- +5.2% Latin America
- 4.4%

Legend:
- Expected Change in Revenue
- Expected Change in Enterprise IT Budgets
- 2024 Forecast Inflation

n varies by Region: North America (n = 683); Latin America (n = 259); EMEA (n = 797); APAC (n = 412) CIOs and Technology Executives Answering
Q. By what percentage do you expect your enterprise's IT budget to increase or decrease from 2023 to 2024?
Q. By what percentage do you expect your enterprise's revenue to increase or decrease from 2023 to 2024?
Source: 2024 Gartner CIO and Technology Executive Survey
Inflation (CPI) Total Annual Growth Rate (%), August 2023 or Latest Available Organization for Economic Co-operation and Development (OECD)

The Gartner Priorities Navigator™ for CIOs

	CIO Impact on Digital Business Strategy & Execution					Digital Performance	CIO Executive Leadership Development
	Embed Information & Technology in Business Strategy	Lead Enterprise IT Governance	Evolve Operating Models	Enable Digital Products & Services	Advance Business Operations	Assess & Improve Digital Performance	Distribute Technology Leadership
	Fostering Tech-Enabled Innovation						Develop Executive Leadership
	Track & Assess Disruptive Trends		The Gartner Priorities Navigator™ represents critical areas where Gartner provides supportive expert advice and tools to CIOs and their teams.				Evolve IT Org Structure
	Build Software & Deliver Applications		The 2024 Gartner CIO Agenda outlines how CIOs can foster and harness the enthusiasm of their CxO peers to overcome technology talent shortages and budget constraints, and ultimately, meet the expected value from their enterprise's technology investments.				Advance Technology Talent
	Deploy D&A, AI & Digital Platforms	Modernize I&O & Cloud	Demonstrate the Business Value of IT	Manage Technology Financials	Contract With External Parties	Manage Risk & Cybersecurity	Lead Org Change & Shape Culture
	CIO Technology & Innovation Leadership		**Technology Finance, Value & Risk Management**				**CIO Leadership of Culture & People**

Redesign CIO-CxO partnerships

CIOs who co-lead and resource digital delivery teams end-to-end with their CxOs are more than twice as likely to meet or exceed the outcomes from their digital technology investments compared to CIOs who leave the delivery of digital capabilities to their IT departments.

To capitalize and foster CxOs' commitment to digital leadership, CIOs must identify digital leadership profiles in the executive leadership team and tailor their engagement to help these partners become more proficient.

CIO Profiles for Digital Delivery

Percentage of digital initiatives that meet or exceed outcome targets

Operator

CIOs who remain committed to retain digital delivery within their IT function. Not surprisingly, they did not consider themselves competent in sharing digital leadership responsibilities.

55% of CIOs retain digital delivery in IT

43%

Explorer

These CIOs believe that while IT should do most of the digital delivery, business areas should contribute. They consider themselves competent in sharing digital leadership responsibilities with their CxO peers. They are starting to explore a franchise approach to digital delivery, but are not yet fully committed.

33% of CIOs begin to involve CxOs

53%

Franchiser

These CIOs believe CxOs should be equal partners in the delivery of digital technologies, and consider themselves competent in sharing digital leadership responsibilities. They use a franchise model for designing partnerships with other CxOs.

12% of CIOs Co-lead digital delivery with CxOs

63%

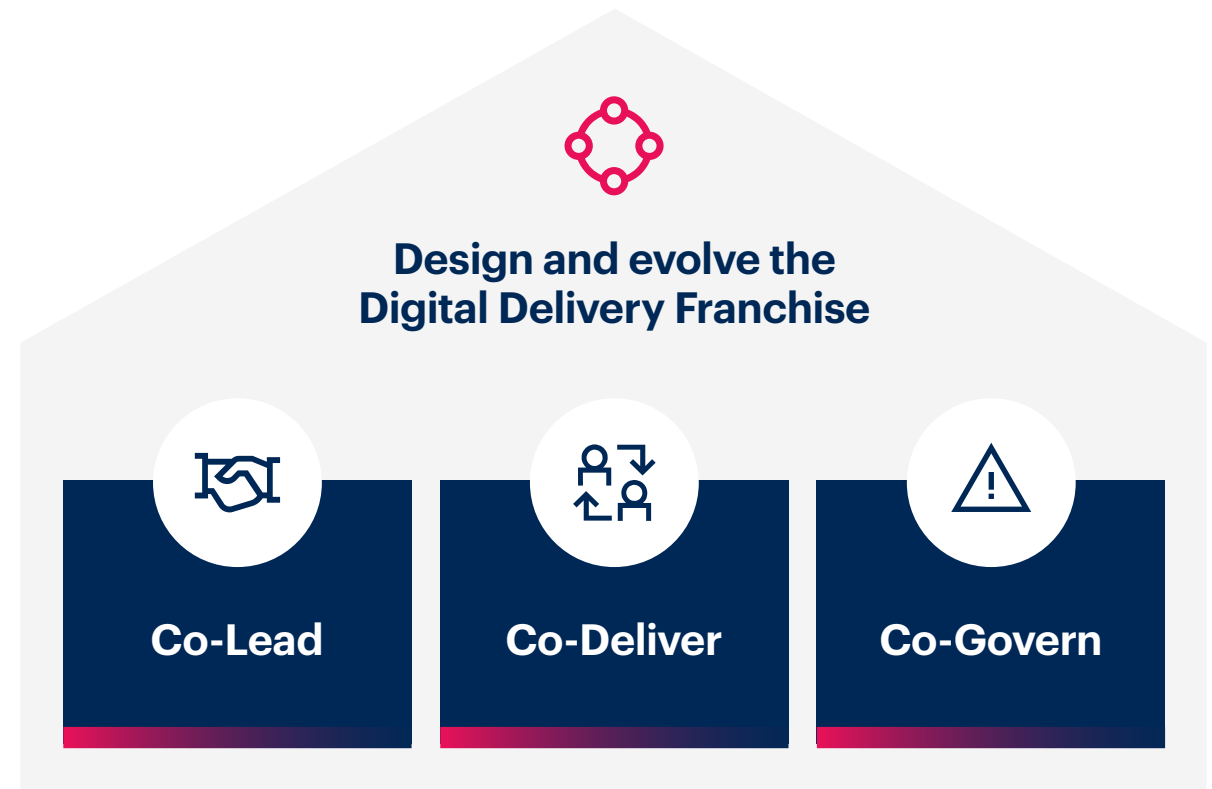# Franchised digital delivery: 3 pillars to success

Gartner research found that CIOs who are most effective at delivering business outcomes from digital initiatives co-own the responsibility with their CxO peers by adopting a franchise approach to digital delivery.

But how does a franchise model for digital delivery work?

Much like in a franchise business model, CIOs harness ecosystems and work with CxOs to:

- Overcome budget and talent constraints
- Manage compliance and reduce risk
- Empower and equip business teams to deliver secure and sound digital capabilities

The 2024 Gartner CIO Agenda identifies three core behaviors, which we will refer to as the "pillars of the franchised digital delivery model": co-lead, co-deliver and co-govern.

Design and evolve the Digital Delivery Franchise

Co-Lead

Co-Deliver

Co-Govern

⬭ Commit to co-lead

A distinguishing feature of franchiser CIOs is that they encourage their CxO peers to co-lead digital delivery. Those CIOs have elevated their roles and that of their IT departments, not by focusing on the proverbial "seat at the table" or by "shaping demand," but by encouraging, educating and equipping business leaders and their teams to co-lead their business areas' digital initiatives along with them.

For business leaders to commit their own time, their teams' time and their resources to digital delivery, they first need to view it as a shared responsibility. Herein lies the initial challenge to overcome. Not all CxOs are equally prepared to lead a digital delivery team, so you must be creative in how you prepare your CxO peers to take on this digital leadership role.

Take these actions

Surface pain points that require more business ownership

Identify franchise-minded CxOs

Intentionally engage CxOs in new, agile ways of working

Co-deliver with fusion teams

To cultivate shared accountability, franchisers should build trust and transparency with their CxOs and business teams. Trust is earned through purposeful and authentic engagement.

Creating fusion teams of IT and business team members creates that engagement and simplifies the process of gaining access to the tooling and technology platforms required to be effective.

One of the most impactful ways you can approach this opportunity is by engineering shared, composable technology platforms that provide technologists within and beyond IT with everything they need to build digital capabilities.

Take these actions

Prepare IT and business teams for co-delivery

Jointly commit resources and funding

Modernize foundational digital platforms

⚠ Co-govern to minimize risk

To be effective at managing compliance and risk in a franchise model, you need to find ways to scale governance. Work with your CxOs peers to shift to an orchestration approach that mitigates the risks of franchising digital delivery while also retaining its benefits.

Communities of practice (CoPs) are one of the most impactful ways you can overcome the risk of a franchised model leading to the creation of "islands" without coordination or standardization. CoPs also serve as valuable feedback mechanisms that allow you and your peers to collect feedback, and then revisit and update governance policies and standards.

To successfully launch CoPs that combine IT and business technologists, we recommend that you work with business area leaders to identify and enlist active technologists who have the knowledge, motivation and domain expertise. You must ensure the CoP objectives and scope are defined by community members. It's also important to adapt the IT engagement approach to advise on and guide safe and secure development practices. You need to enlist a community leader from within each CoP to act as a liaison with other CoPs, and help set up training, guidance and support. Work with your CxO peers to co-create common metrics across communities to measure engagement, not just outcomes.

Take these actions

- Scale governance and best practices with CoPs
- Manage risk at the edges — embed risk experts
- Automate controls in digital platforms

Design and evolve your franchise model

Franchises take many forms

Just as business franchises can take many different shapes or forms depending on the context, there is not one way to design the digital delivery franchise. Building on the foundational pillars (co-lead, co-deliver and co-govern), you should take a deliberate approach to engaging CxOs as digital delivery franchisees, rather than keeping digital delivery within your IT department.

The division of labor between IT and different business units depends on but is not limited to:

- Technology proficiency of the business area

- The number of business area resources dedicated to technology work

- Enterprise culture

- Regulations

- CEO sponsorship

Gartner CIO Agenda

Gartner CIO Agenda is based on the 2024 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:

2,457
CIOs/technology executives

84
countries

All major industries

Representing:

$12.5
trillion in revenue/ public sector budgets

$163
billion in IT spending

Executive Programs V2

Drive value across the business with expert guidance, tools, peer networking and targeted events.

Expert Guidance

On-going Leadership Development

CIO leadership insight key areas:

- Develop Technical and Executive skills, create peer relationships, nurture talent and culture
- Access insights into cross-industry content
- Role-exclusive content sharing between CIO and seat holder (CISO, CDAO, etc.)

Be a better business partner

Cross-functional insights including:

- Business value and strategy
- Future of Work, Risk Response Strategies, Change management

Thrive with Tech Insights

- Stay on top of the latest emerging tech trends
- Pragmatic advice and decision-making tools

Peer Experiences

Connect one-on-one with other industry leaders through our exclusive CIO network, participate in peer-led discussions, polls, and access to technology ratings and reviews

Engaging Events

Exclusive access to Gartner IT Symposium and CIO Leadership Forum with educational breakouts and more opportunities to connect with peers and Gartner experts.

Daily Security Briefing

Stay on top of the most pressing news with a digest of articles from reputable news sources, including a cross-industry, global summary of the most recent threats, and security news of the day.

Decisioning Tools

Tools to turn strategy into execution by helping accelerate key initiatives and drive better business outcomes

- Digital Execution Scorecard
- Rapid Digital Execution Scorecard
- Initiative Accelerators
- Interactive Priorities Navigator
- IT Score for CIOs
- IT Budget Benchmark

Featured Tools:

### Digital Execution Scorecard

Digital Execution Scorecard delivers a framework customizable to your industry that evaluates digital execution and measures company-wide progress continually.

Initiative Accelerators

Deliver on mission-critical priorities and achieve strategic and innovation goals faster using an easy-to-follow step-by-step guided experience including best practices and case studies.

Gartner CIO Initiative Accelerators

These thoughtfully curated, self-service tools provide step-by-step guidance on execution, complete with downloadable templates, case studies and quick lessons — all within one unified experience.
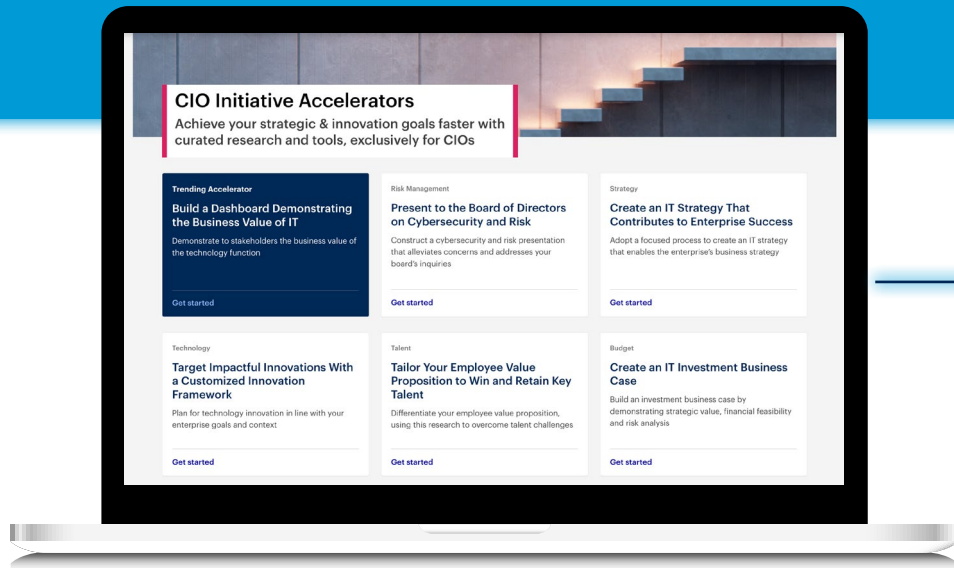
Each Initiative Accelerator offers ...

- ✓ Clear step-by-step guidance
- ✓ Comprehensive assets to guide your actions
- ✓ Downloadable execution tools
- ✓ A thoughtfully curated, self-service experience

CIO Initiative Accelerators
Achieve your strategic & innovation goals faster with curated research and tools, exclusively for CIOs

Trending Accelerator
Build a Dashboard Demonstrating the Business Value of IT
Demonstrate to stakeholders the business value of the technology function
Get started

Risk Management
Present to the Board of Directors on Cybersecurity and Risk
Construct a cybersecurity and risk presentation that alleviates concerns and addresses your board's inquiries
Get started

Strategy
Create an IT Strategy That Contributes to Enterprise Success
Adopt a focused process to create an IT strategy that enables the enterprise's business strategy
Get started

Technology
Target Impactful Innovations With a Customized Innovation Framework
Plan for technology innovation in line with your enterprise goals and context
Get started

Talent
Tailor Your Employee Value Proposition to Win and Retain Key Talent
Differentiate your employee value proposition, using this research to overcome talent challenges
Get started

Budget
Create an IT Investment Business Case
Build an investment business case by demonstrating strategic value, financial feasibility and risk analysis
Get started

Tailor Your Employee Value Proposition to Win and Retain Key Talent

Purpose
Differentiate your employee value proposition, using this research to overcome talent challenges

Outcome
Over 50% of prospects would choose a job with the right EVP attributes (work-life balance, career path, skills, flexibility) over one paying 10% more

Resources
Case Study
Downloadable Templates
Keys to Success
Pitfalls to Avoid
Recommended Reading

Suggested Partners: CIO, CHRO and their direct reports

⬇ Best Practice EVPs

1 — Step 1 Identify What Needs to Change About Your Current EVP

2 — Step 2 Update Your Technology Talent EVP

3 — Step 3 Deliver on and Communicate the New EVP to Existing and Potential Employees

Employee value proposition (EVP): The set of attributes that the labor market and cu... as the value they gain through employment with the organization

Step 1
Identify What Needs to Change About Your Current EVP

Examine your EVP, and ensure it delivers a compelling message for current and prospective employees that differentiates it from that of your competitors.

2 — Comprehensive Assets to Lead Your Actions

1 — Clear Step-by-Step Guidance

Interview Technology Employees About What They Care About Most in the Current Climate

⬇ EVP Employee Survey (.pptx)

Collaborate with HR to survey and interview technology talent regarding a variety of issues that includes:

- Opportunities
- People
- Rewards
- Organization
- Work environment

3 — Downloadable Execution Tools

→ Learn More

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Advance your IT strategy by attending a Gartner conference!

In an era of continual disruption, the role of CIO is evolving rapidly. CIOs must amplify their impact to lead IT beyond the function, partnering with C-suite peers to accelerate digital business models, enable the future of work and drive business growth.

Join us at our CIO conferences to discover world-class insights to help you drive your mission-critical priorities.

Don't miss out.
View the Conference Calendar today and find the conference that's right for you.

→ **Explore the Calendar**

Gartner conferences by the numbers

460,000+
curated agendas informed by more than 460,000 client interactions per year

2,500+
Research & Advisory experts offering exclusive research and individual consultations on-site

60,000+
business and technology professionals in attendance globally each year

1,000+
solution providers at the forefront of technology

Actionable, objective insight

Explore these additional complimentary resources and tools
for IT Executives:

Tool
CIO Initiative Accelerators

Step-by-step execution guidance, downloadable
templates, case studies and more.

Learn More

Tool
IT Score for CIOs

A maturity assessment tool for measuring the
effectiveness of your IT function.

Learn More

Tool
Digital Execution Scorecard

Digital strategy benchmarks to accelerate decision-
making and execution.

Learn More

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