

Forbes
INSIGHTS

The CIO Of 2025:

Leading Technology-Driven Growth
Across The Entire Organization

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Introduction

Today, executives are standing at a crossroads. Emerging from a period of dramatic change, they must make ambitious plans for an uncertain future.

They must adapt their business models to shifting economic realities. They must meet new and unforeseen expectations from both consumers and employees.

In many organizations, executives have traditionally made the decisions they are now called to make without IT's input. Technology has been just one department among many: The cart, not the horse.

That's no longer the case. With technology rapidly reshaping how we work, communicate and behave as consumers, more is riding on the CIO's expertise than ever before. The world's top IT execs welcome the chance to help drive conversations around line of business, customer engagement and other strategic decisions.

There's no time to waste. "The CIOs of today are the ones who are painting the business picture of the future," says Sumit Dhawan, president of VMware. "That's how powerful the technologies have become. And that's today, not just in the future. They're actually shaping the future today."

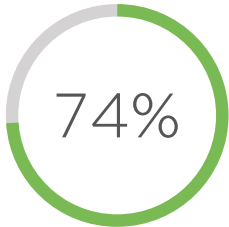
To learn more about the tech executive's evolving role, we surveyed more than 600 CIOs about their plans to innovate and modernize. We asked about where they currently stand within their organizations; their concerns moving forward; and how they intend to position IT in the coming years, particularly when it comes to moving toward multicloud environments.

Read on to learn more about:

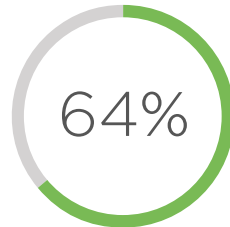
- How today's CIOs are gaining visibility and importance in the executive suite
- What opportunities are available to those who embrace multicloud
- Why modernizing the app pipeline is critical to creating rich and consistent customer experiences
- How CIOs must architect new workflows and environments to exceed expectations around secure hybrid work



Key Findings



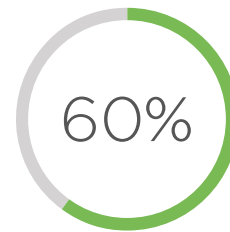
74% of CIOs believe they're the ones most responsible for accelerating change in their enterprises.



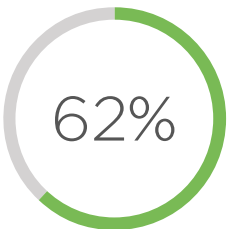
64% report an increase in the importance of technology-related matters during board and executive staff meetings.



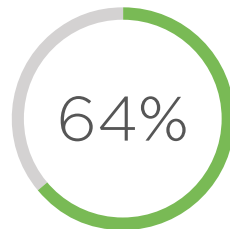
59% of CIOs have seen increases in their share of revenue-generating responsibilities.



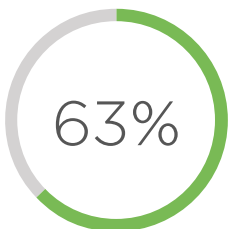
60% agree that CIOs are now more relevant to corporate strategy and development.



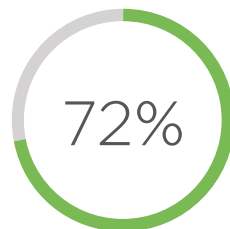
62% plan to prioritize systems that support increasing revenues over the next two to three years.



64% of CIOs believe that multicloud infrastructure can accelerate innovation in their companies.



63% will focus on reducing costs and increasing efficiencies over the next two to three years.



72% of CIOs believe they "should take a bold leap forward in developing their application strategy."

The CIO's Exciting, Evolving Executive Role

Once responsible for building and maintaining the infrastructure needed to support existing operations, today's CIOs increasingly contribute to forward-facing strategic decisions.

And they know it: 74% of CIOs believe they're the ones most responsible for accelerating change in their enterprises.

Already, 59% of CIOs have seen increases in their shares of revenue-generating responsibilities. And, over the next two to three years:

- 62% plan to prioritize systems that support increasing revenues
- 63% will focus on reducing costs and increasing efficiencies
- 64% report increases in the importance of technology-related matters during board and executive staff meetings
- 60% agree that CIOs are now more relevant to corporate strategy and development

"There's no doubt that digital channels have become more important, and the most important source of revenue for many organizations. So the technology is certainly a greater part of the revenue-generating activities of most organizations," says Dan Chesterman, CIO of the Australian Securities Exchange.

This doesn't surprise Dhawan.

"CIOs are standing up with CEOs and CFOs for their investor presentations," he says. "They're going out and creating business partnerships with technology providers."

The CIO is destined for an even more important role in the C-suite. But fulfilling that role won't necessarily be easy. Indeed,

67% of CIOs say increased responsibilities have already put greater pressure on them.

After all, CIOs are not just creating partnerships with the typical service providers that support daily operations. As Dhawan notes, they're also forming partnerships that support overall business goals, because digitization sits at the center of many new corporate initiatives. And digitization just happens to be the CIO's area of expertise.

"CIOs have the best technology know-how, as well as the best business model understanding to drive that conversation," he says. "They know why and how digitization needs to be put front and center as part of the strategy."

If digitization isn't part of this strategy, Dhawan adds, "the company may not evolve into the future."

"CIOs have to understand the business strategy evolution. If digitization is the lead component, are they still going to be in the support role? Or are they going to take the lead active role in driving the digitization?"

SUMIT DHAWAN
President, VMware

Seizing The Opportunities Of Multicloud

To meet new challenges, CIOs must take charge as their organizations' primary enablers of innovation.

They must actively discover and introduce new products, platforms and services that derive new value from various parts of the business.

Here, again, multicloud is the answer for many.

"There is a world of amazing innovations and services out there for anyone who's on this path of digitization," says Dhawan, "and that's all available in the cloud."

But not just one cloud. Innovation—and the value it drives—may be found in any combination of one or more public clouds, in a company's own data center on private clouds or in edge environments.

"When you look at this distributed world and how services need to come together, this is what we call multicloud," Dhawan says.

Salvatore Cassara, CIO of SGB-SMIT Group, says, "A multicloud environment is key to our success as a fast-growing company with multiple, geographically spread locations around the world."

Our survey confirms CIOs are aware of multicloud's potential to solve problems and advance business goals. Specifically, 64% believe that multicloud infrastructure can accelerate innovation in their companies. Multicloud and next-generation cloud (that is, multicloud service layers across all environments) were cited by CIOs alongside artificial intelligence and machine learning as the most important factors that will impact their industries by 2025.

It's a good thing, then, that 95% of CIOs have a multicloud strategy in place. More than half (52%) are already using more than one cloud provider; this number is expected to jump to 90% in five years. In terms of rollout, most CIOs (54%) intend to add additional clouds as their business requires it.

Adoption isn't without its challenges. For those 56% of CIOs concerned with interoperability or a lack thereof, running multiple clouds can delay ROI by delaying growth initiatives. Indeed, 55% of CIOs are also worried about increased costs.

On the other hand, few CIOs report being worried about multicloud's operational aspects. Credit may go to multicloud services. These third-party applications support the monitoring, management and financial control of multicloud environments, and nearly every CIO (96%) currently uses one such service, plans to use one or will consider using one.

Additionally, cross-cloud infrastructure platforms make it possible to run apps with enterprise-grade resiliency and security wherever CIOs may need them—private, public or edge. They offer seamless portability between environments, and existing IT skills can be leveraged to modernize apps with built-in Kubernetes.

Multicloud was cited by CIOs as one of the most important factors that will impact their industries by 2025, along with AI and ML.

Shiv Kumar Bhasin, CTO and COO of the National Stock Exchange of India, says that by using such tools his organization has been able to “simplify administrative tasks; automate manual processes; scale up on demand; and improve our business agility.”

And, Dhawan says, multicloud offers one more advantage that’s easy to overlook: It helps in future-proofing a business.

“Relying on a specific or a single public cloud provider can create a business risk as well as a technology risk where you are relying on innovation only coming from one provider.”

Why are CIOs using multicloud?

To foster business continuity and avoid outages  **77%**

To enable fast scalability  **75%**

To meet regional regulatory requirements  **75%**



Modernizing The App Pipeline To Create Consistent Experiences Across Clouds

To prepare for the future, CIOs agree that modernizing applications from a customer-centric point of view is a top priority: 63% believe such modern applications “are seen to accelerate innovation.”

They also report that much of this responsibility falls on their shoulders: 72% of respondents believe “CIOs should take a bold leap forward in developing their application strategy.”

Presently, just one in five IT teams are managing between 11 and 20 modern applications; by 2025, however, that figure is expected to nearly double (38%), with IT managing up to 20 modern applications.

CIOs understand what’s at stake. Most agree that customer-focused modernization is critical to remain price competitive (53%), stay ahead of competitors (52%) and maintain efficient, lower-cost supply chains (51%).

As for CIOs, those who don’t embrace this new customer-centric paradigm may get left behind.

“If you are a centralized CIO focused on technology strategy, then you are usually one step away from customer experience,” Dhawan says. “Being one step away from customer experience may have worked in the past, but it’s not aligned to the strategy of the future.”

To make such customer-centrism possible, CIOs agree that well-managed multicloud environments are important: 70% say their companies would benefit from greater simplicity across their many platforms, and 68% acknowledge that a seamless developer experience would dramatically improve efforts to modernize applications.

CIOs believe customer-focused app modernization is critical to:

Remain price competitive  53%

Stay ahead of competitors  52%

Maintain efficient, lower-cost supply chains  51%

70% of CIOs' companies would benefit from greater simplicity across platforms.

68% of CIOs believe a seamless developer experience would dramatically improve modernization efforts.

"Running in a distributed, multicloud environment is the future of the application pipeline," Dhawan says. "It must cater to developers to be able to build applications rapidly and enable customer experiences quickly."

Here, again, there are challenges. CIOs are most concerned about maintaining cybersecurity standards as they modernize their app pipelines (51%). Many also worry about overstressing IT staffs (48%) and how to best integrate across silos and different systems (38%).

Top Modernization Roadblocks

Maintaining cybersecurity standards **51%**

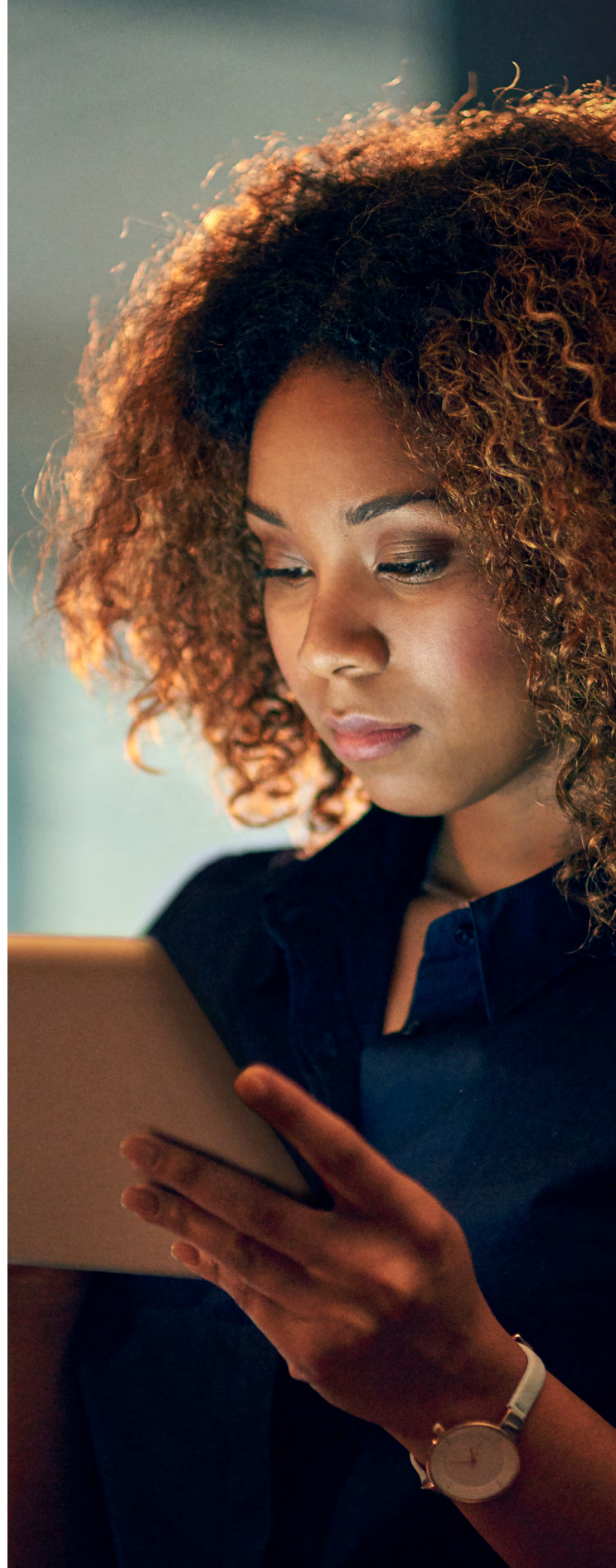
Overstretching IT staff **48%**

Integrating across silos and different systems **38%**

These results don't surprise Dhawan.

"At the end of the day, they're all related to the central theme of driving innovation at velocity," he says. "Digitization has now become a key priority in how every business is going to differentiate themselves. If they don't do it at pace and speed, then someone in the marketplace who was born digitally is going to wipe out the existing business models."

In other words, with digitization fast becoming the key to success, the speed of one's transformation is even more critical.



Meeting, And Exceeding, Expectations Around Hybrid Workplaces

Of the many fundamental changes that Covid-19 brought about, the accelerated scaling of remote and hybrid workplaces may prove to be the most profound.

Satellite and branch offices are hardly new, but few were architected to serve as primary workplaces. By building workplaces with a multicloud architecture, CIOs can create secure experiences whether employees are using company equipment or personal devices on their homes' Wi-Fi networks.

The survey data certainly validates the idea that CIOs have their minds on hybrid. Fifty-nine percent of them cite "the demands of a hybrid or distributed workforce" as a top factor that will impact their companies between now and 2025. Additionally, 60% will "lose a significant number of valuable employees" if they don't support hybrid or remote work and 63% say enabling flexibility and autonomy is "one of the best ways to attract and retain employees."

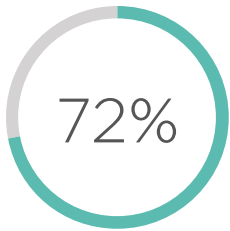
That's simple enough, in theory.

In reality, few departments were harder hit by the arrival of hybrid work than IT. Not only did tech teams find themselves scrambling to support their colleagues in remote environments, they themselves had to transition their own operations off-site. Seemingly overnight, entire workplaces were designed and deployed so that teams could be productive working from anywhere.

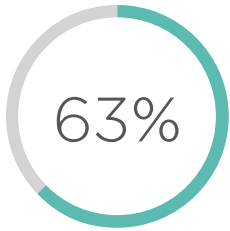
The most effective examples of these new architectures are built with multicloud services, which provide an integrated approach to optimize both security and experience. No matter the device or location, workforces can access the same applications they've always used, safely and securely.

"In a hybrid environment, data security and performance need to be architected using the power of the cloud because it's closest to the employee now, not corporate networks."

SUMIT DHAWAN
President, VMware



of CIOs believe that “integrated workforce solutions enabling employees to work from anywhere with secure, frictionless experiences” drive innovation.



of CIOs say enabling flexibility and autonomy is “one of the best ways to attract and retain employees.”

This is good news for the 72% of CIOs who believe that “integrated workforce solutions enabling employees to work from anywhere with secure, frictionless experiences” can help accelerate innovation within their organizations.

It’s also good news for the 65% of CIOs who report seeing expanded attack surfaces and entry points with hybrid work. Effective multicloud services can help protect network data and assets from threats by consolidating security measures across various cloud deployments.

“We still miss engaging with each other in person, but it’s not a requirement to get much of our work done. We can do it through other means,” Dhawan says. “In a hybrid environment, data security and performance need to be architected using the power of the cloud because it’s closest to the employee now, not corporate networks.”



Conclusion

As our survey makes clear, CIOs are taking a seat alongside their organizations' most important executives.

Tasked with more than just IT, they will find that their decisions and initiatives will impact growth trajectories for years, even decades to come.

Even the most forward-thinking tech executives can be forgiven for feeling overloaded by the myriad complexities facing them. To achieve success in this climate, tech leaders need to make bold moves, and fast.

But every transformation journey begins with the first step.

For most CIOs, this means accelerating their organization's digital transformation by moving to secure, seamless multicloud architectures. This, in turn, will make it possible to modernize application pipelines to keep pace with ever-changing consumer demands.

Finally, when considering the so-called "New Normal" of remote and hybrid workplaces, CIOs have a unique opportunity to build experiences that do more than just meet employee needs; they can surpass all expectations and as a result improve both employee recruitment and retention.

"In today's world, CIOs can't just sit back and keep the lights on. You have to be at the strategy table, showing how technology will move the business forward," says Ahmad Yahya, COO and CIO of the American Hospital Dubai.

Indeed, the CIO's role certainly has changed in just a few short years.

Dhawan doesn't see these new responsibilities as theoretical possibilities. To him, this is the reality for today's top-performing tech executives who are overcoming complexity to build bridges on the road to 2025.

"Those CIOs of the future are here," he says. "They're doing that transformation today."

"Those CIOs of the future are here. They're doing that transformation *today*."

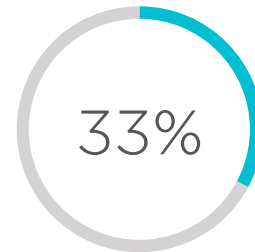
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Methodology

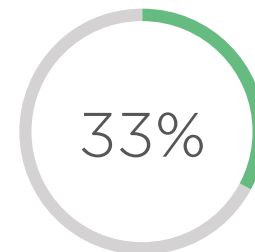
Forbes Insights surveyed 603 CIOs from North and South America (33%), Europe (33%) and APAC (33%) in December 2021 - January 2022.

Respondents were equally represented across the financial services, government, healthcare, manufacturing, retail and telecommunications sectors. All respondents came from organizations with over \$1 billion annual revenue and half came from organizations with annual revenue of over \$5 billion.

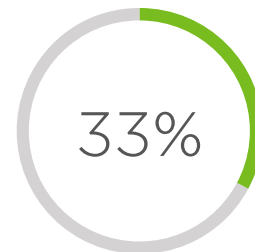
Region Breakdown



North and South America



Europe



APAC

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