

Despite Progress, Survey Reveals Common Obstacles for IT Leaders Remain

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CIO Strategic Marketing Services / IDG Research Services survey sponsored by Red Hat shows challenges remain before vision of IT / business integration can be fully realized

RALEIGH, N.C.--(BUSINESS WIRE)-- CIOs and other IT executives have made significant progress in their long-standing efforts to tightly align and coordinate their IT departments with their organizations' business units. Despite this progress, according to the results of the "CIOs at a Technology and Cultural Crossroads" survey announced today by Red Hat, Inc. (NYSE: RHT), the world's leading provider of open source solutions, obstacles remain before the vision of true IT and business integration can be fully realized.

The survey, commissioned by Red Hat through CIO Strategic Marketing Services /IDG Research Services polled 100 respondents at the IT director level and above at organizations with 1,000 or more employees about the current and future roles of CIOs. The survey results provide insight into the progress CIOs and other IT executives have made in assuming more strategic roles as well as into the challenges they continue to face but also raises fundamental questions about how CIOs can best drive business innovation within their companies and even suggests that getting the business and IT together may take something as fundamental as rethinking the CIO position itself.

Currently, many CIOs and other IT executives spend much of their time "keeping the lights on," with 48 and 47 percent of respondents of selecting "improving IT operations / system performance," and "implementing new systems and architectures" as one of their top five areas of focus, respectively. Despite these day-to-day demands, many IT executives surveyed also manage to engage in a variety of business activities, including 45 percent of survey respondents who note that they currently spend time aligning IT initiatives with business goals.

In the coming years, IT executives want to spend more time contributing to business strategy, according to survey results. When asked where they would like to spend more time in the next three to five years, survey respondents indicated that they would like to identify opportunities for competitive differentiation (48 percent); cultivate the IT / business partnership (42 percent); drive business innovation (41 percent); align IT initiatives with business goals (35 percent); and develop and refine business strategy (32 percent).

Given the chance, the surveyed IT executives believe they could be valuable contributors to business strategies. Among the respondents, 78 percent rated their knowledge of the business as either "excellent" or "good" and 66 percent said their receptiveness to new ideas coming from business units was "excellent" or "good." Even given the opportunity to innovate, many felt stymied by factors outside their control. When asked if they had the budget to support and enable new business ideas, 57 percent said their available budget was only "fair" or "poor," and 62 percent said the same about their staffing levels.

Other challenges remain before IT will be viewed as a contributor to business strategy. When surveyed IT executives were asked to describe how their companies' business stakeholders viewed the IT organization, only 10 percent said they were perceived to be "business peers" engaged in developing, not just enabling, business strategy. Even fewer of the business stakeholders (4 percent) were thought to perceive IT as a "business game changer" that serves as the primary driver of the enterprise's competitive future. Meanwhile, the IT respondents said that nearly 30 percent of business stakeholders still consider the IT department to be merely a "cost center," and the survey showed that new IT projects are more frequently initiated by business champions approaching IT (77 percent) than by IT approaching business (68 percent). According to the survey, IT and business representatives only collaborate to jointly identify new projects and opportunities for innovation 16 percent of the time.

"IT is a source of key business innovation, and it is the responsibility of IT executives to communicate the strategic value of that innovation," said Lee Congdon, CIO, Red Hat. "The survey results clearly show the need for IT executives to have a broad understanding of their organization, and to increase the collaboration between IT and business leaders. It is through this collaborative innovation that not only perceptions will change, but also business results will be driven."

See the results of the "CIOs at a Technology and Cultural Crossroads" survey and view an infographic on the survey results at <http://enterprisersproject.com/cio-report>.

Methodology and Demographics

CIO Strategic Marketing Services /IDG Research Services conducted an online survey on behalf of Red Hat to better understand the current and future role of the CIO. The survey polled 100 individuals in IT director or above positions in organizations with 1,000 or more employees.

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