

# KEY CIO TRENDS 2021 THE 3Ts

Tighten-up,  
Transform & Talent



2021 is upon us, but which key trends will affect CIOs and their priorities in the year ahead? There is no doubt that for many organizations, the CIO and IT department 'stock' is likely the highest in the 2000s. Thanks to the vital role they and technology played in ensuring business continuity during the global pandemic. Gartner Research's "The 2021 CIO Agenda: Seize This Opportunity for Digital Business Acceleration" report states that: "The CIO's relationship with the business is stronger than ever. The following were the result of the COVID-19 pandemic:

- 66% increased strength of CIO-CEO relationship
- 70% of CIOs assuming leadership of high-impact initiatives
- 80% of CIOs educating CEOs and other senior stakeholders on the value of IT"<sup>[i]</sup>

Now it's time to leverage and improve this level of perceived business value, as the IT department helps to ensure business survival and provides the capabilities that drive growth.

This requires CIOs and their team to focus on several trend-driven priorities during 2021, which can be grouped into three areas – The 3Ts:

1. **Tightening-up:** Acquiring knowledge of the status quo
2. **Transforming:** Reflecting on both new business needs and external forces
3. **Talent:** Ensuring the importance of IT 'Talent' is not overlooked

Each of these priority groupings and the CIO trends 2021 driving them is explained in this paper.

*"The shift to work-from-anywhere that happened in 2020 brought IT's strengths and weaknesses into the bright light for organizations to see. CIOs are now in a strong position to influence the future direction of their organizations if they have a firm grasp of the business goals and understand the technologies—existing and emerging—that will help attain those goals and innovate beyond them."*

**Roy Atkinson,**

CEO, Business advisory firm,  
Clifton Butterfield, LLC and Fellow of the Institute  
for Digital Transformation.



## Tightening-up the status quo

The tightening-up of the operational status quo is a short-term focus on several areas that help align the IT department's operations and outcomes to business needs. Importantly, these areas help IT to improve across service experience, speed, and cost-saving priorities, with the opportunities, addressed outside and ahead of digital transformation investments due to one or more of the severity of the need for change, the ease of change enactment, or because they're a pre-transformation necessity.

Additionally, "An 'improvement' bird in the hand, might be worth two in the bush." Digital transformation offers a wealth of operational and outcome-related opportunities. However, these might take time. Whereas, post-pandemic, organizations are seeking improvements and 'fixes' as quickly as possible.

So, while the transfer of some of the daily budget to digital transformation-related improvements will be seen as wise investments in an organization's ongoing prosperity and future growth; there's also a need to deliver as much progress – and the associated benefits – as early as possible. In particular, where these earlier improvements free up even more significant amounts for the forthcoming digital transformation.

It's also essential to balance the more-immediate improvements with the future delivery of transformative change. This, in many ways, is a trade-off not only between 'now and then' but also recognizing that future change can be either brought forward or delayed based on decisions about what to improve as part of the tightening-up initiatives. Furthermore, depending on the financial impact and timing impact of individual improvements, this is a business decision rather than IT's in isolation.

Three potential 'Tightening-up' priority areas are:

1. Optimizing for a distributed workforce
2. Meeting the immediate need for greater efficiency
3. Providing greater resilience



## Optimizing for a distributed workforce

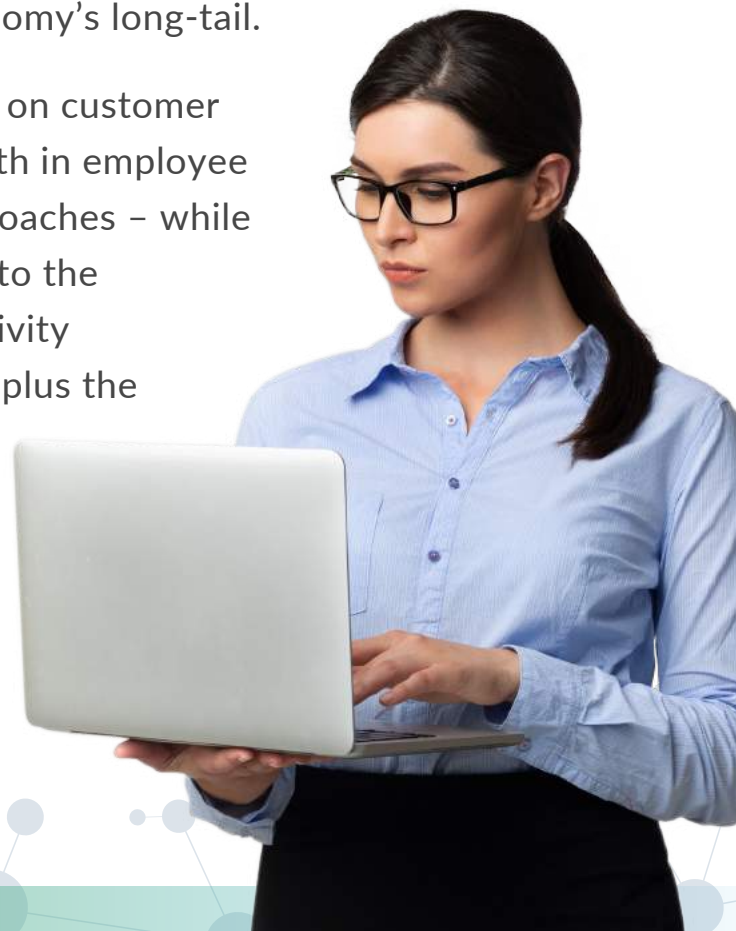
For IT departments, a lot changed operationally during the pandemic. In particular, to quickly react to the new ways of an employee working and sell to and supporting customers – with these necessitated by the need for social distancing and remote working. And while some of this might have felt like a swift fix to a serious business continuity challenge, it also started the much-needed changes to traditional service delivery and support operations.

There's much to be learned from IT's heroics in the second quarter of 2020. From the ability to quickly enact business-driven change by enabling greater business resilience to the shift in focus of IT support from the technology to the people who need it to work. Of course, the latter might already have been confirmed for some organizations, but, for many, the pandemic brought home the need for the IT department to focus on its impact on employee productivity. Perhaps as part of the broader move to employee experience management and the use of eXperience level agreements (XLAs).

## Meeting the immediate need for greater efficiency

In addition to meeting the evolving needs of a now-distributed workforce, there's also the genuine need to cut costs considering the pandemic's adverse commercial impact and the struggling economy's long-tail.

However, given the now-decade-old focus on customer experience (CX) and the more recent growth in employee experience, traditional IT cost-cutting approaches – while possible – are likely to harm than do good to the organization. Especially, when the connectivity between IT spend and business outcomes, plus the impact of cost-cutting, is unknown. For example, a dollar saved in IT Support operations might have a significantly larger adverse effect at a business level (in terms of additional business costs or lost revenue).





Instead, any changes and improvements related to greater efficiency need to be focused on and deliver against all three of “better, faster, cheaper.” While digital transformation will address a wide range of such ‘three-dimensional’ efficiency opportunities, there are also more immediate opportunities to improve. For example, the greater use of automation capabilities when the technology is already employed within the organization. Or the adoption of basic IT asset management techniques to help optimize hardware, software, and third-party service costs while improving operational IT service delivery and support processes.

Notably, some of the chosen ‘tightening-up’ improvements will also be necessary for future digital transformation investments to be successful.

## Providing greater resilience

In addition to the opportunities called out in the previous two sections, there’s also a need for the IT department to help make the parent organization less susceptible to the adverse impact of change – whether planned and controllable or not.

For the IT service management (ITSM) community and in wider IT circles, resilience was already a ‘fashionable’ word before the pandemic. For example, the 2019 ITIL Foundation: ITIL 4 edition publication<sup>[iii]</sup> calls out that “ITIL provides organizations with a simple and practical improvement model to maintain their resilience and agility in a constantly changing environment.” Plus, concepts of resilience engineering from the fire, building, health, and petrochemical industries were being brought into IT before this, with this offering the concise definition that “A resilient organization adapts effectively to surprise.”

For CIOs, there are at least three important needs for greater resilience:



**Business resilience** – this is usually covered by business continuity and disaster recovery plans at both a corporate and IT department level. The global pandemic was a great example of an ‘unwanted surprise’ that businesses needed to quickly adapt to in terms of business continuity.

*“Our use of a modern service management solution, with native AI capabilities, not only drove down costs and improved user experience and satisfaction. It also has better-enabled business continuity and service resilience – through streamlined processes, automation, improved collaboration, and the ability to more easily achieve our digital transformation goals.”*



**Service resilience** – this can be considered as a subset of business resilience related to the ability to continue to provide business-critical services in unforeseen circumstances. For example, Gartner Research found that '51% of CIOs reported a decline in the speed of supply, and 18% reported a decline in supplier reliability as a result of the COVID-19 pandemic.'<sup>[i]</sup> Again, the pandemic refocused our attention on this through the greater use of cloud services and mobility in particular.



**People resilience** – it's all about how well IT personnel can handle 'everything that's thrown at them.' This encompasses how they react to (and their ability to deal with) both change and adversity, well-being, and other elements that affect them as individuals and their at-work abilities.

## Transforming the business to meet new needs

CIOs have been banging the digital transformation drum within their organizations since the last decade with varying degrees of success. Then, after a few months of pandemic-related struggles, those organizations have been forced to accept the need for digital transformation across all three:



New products and services that leverage technology and data to deliver new revenue streams



Improved customer engagement mechanisms across the customer lifecycle, through better technology and data exploitation



Optimized back-office operations, including the replacement of manually-reliant processes with digitally enabled workflows.

*“69% of boards report accelerating digital business initiatives in response to COVID-19.” - Gartner Research<sup>[i]</sup>*

This adoption or acceleration of digital transformation strategies in response to the global pandemic is not just about the ability to ensure that the organization is 'Future Fit', but it's also an opportunity for IT departments to regain their status as drivers of technology-enabled business innovation. After all, digital transformation is ultimately about business transformation.

Three potential 'transformation' priority areas are:

- Leveraging pandemic-created wins
- Facilitating digital transformation through the tightening-up efforts
- Recognizing the role of IT in all three elements of digital transformation

## Leveraging Pandemic-Created Wins

What shouldn't be overlooked is the changing focus of IT service delivery and support personnel as both they, and the people they serve, better appreciated the IT department's efforts and achievements as being essential to business operations and outcomes.

In 2021, both of these elements should be seen as platforms for the required acceleration of digital transformation strategies. However, there's a third pandemic-created win that shouldn't be overlooked.

That is the learnings from the pandemic – the good, the bad, and maybe even the ugly. From the ability to rapidly deliver business-driven change by better appreciating the human-side of IT service delivery and support, to the impact of technology issues and their handling on business operations and outcomes.

In addition to being an accelerator of digital transformation, the global pandemic wins (and losses) should also be seen as the blueprint for future digital transformation success.



## Facilitating digital transformation through the tightening-up efforts

This paper has already called out that the 'tightening-up' activities should be aimed at all three of "better, faster, cheaper." So, the improvements will be able to generate cost-savings and contribute to better IT service delivery and support.

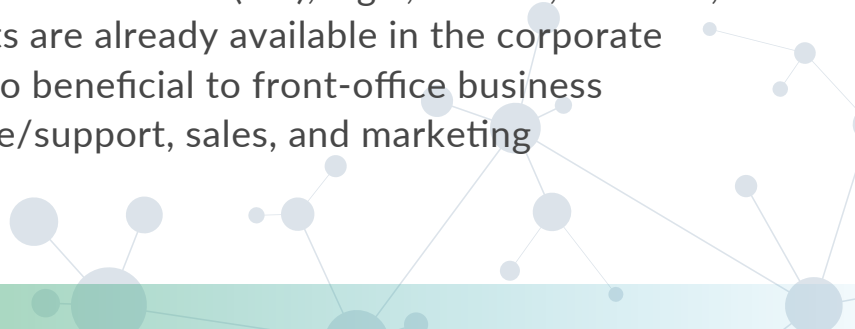
The impact of these improvements could also be two-fold, with both immediate and future benefits. For example, this could be where the process improvements are made to prime operations for digital transformation. After all, why would an organization want to automate, or add intelligence to, something that's currently a suboptimal way of working (which could be, how a process is enacted, the outcomes of the process, or both)? Or this could relate to people. Some of this has already been covered in the resilience subsection above, and more will be covered in the Investing in the Talent section that's yet to come.

## Recognizing the role of IT in all the three elements of digital transformation

The IT department's role in new digital products and services, and improved customer engagement mechanisms, will likely already be well thought out from an IT service delivery and support perspective. Gartner Research<sup>(i)</sup> found that '76% of CIOs report increased demand for new digital products or services during the pandemic, and 83% expect this demand to increase further in 2021.'

**The IT department's role in the third element** – optimizing back-office operations – might be apparent too. However, the availability of an existing technology-enabled solution to this transformation need might not.

**This is the use of an enterprise service management approach** – the use of ITSM thinking and capabilities to improve business function operations, services, experiences, and outcomes – to enable digital workflows across the organization. Much of what's needed to transform back-office digitally business function operations in human resources (HR), legal, finance, facilities, procurement, and other departments are already available in the corporate ITSM tool. These capabilities are also beneficial to front-office business functions – such as customer service/support, sales, and marketing departments, too.





Even if the more traditional IT service desk automated workflow capabilities such as incident, service request, and change management processes, along with enabling capabilities such as self-service and knowledge management, are already recognized as opportunities to improve other business functions. There are also two other enterprise service management opportunities that shouldn't be overlooked:



The sharing of additional ITSM capabilities and the technology enablement, with other business functions. This includes problem management, continual improvement, service design, service continuity management, and (IT) asset management (which is included as a new management practice in ITIL 4).



The extension of the intelligent automation capabilities in modern ITSM tools, introduced for better IT support in particular, to other business functions. The use of machine learning and automation reduces the manual needs of high-volume, low-value tasks such as incoming ticket triage. Or predictive analytics allows business function operations and outcomes to be all three of 'better, faster, cheaper.'

Machine learning can also be applied to existing technology enablers. For example, the self-service capabilities of both IT and other business functions – with many intelligent capabilities that improve the ease of use and employee experience of self-servicing. These leverage natural language understanding and machine learning and include:



**Smart searches** – where an employee can search for services or support using the words they use rather than IT terminology.



**Chatbots or virtual assistants** – with these conversational self-service interfaces available via a traditional self-service portal and other channels such as mobile apps, within personal productivity applications such as email or Slack, and potentially within line-of-business applications for application-specific help.



**Automated service provisioning and support** – includes the immediate delivery of help and new/changed services when automated approval criteria mechanisms authorize it.

## Investing in talent, not just technology

CIOs have long known the importance of people to their success. This is something that will continue even as new technologies – including intelligent automation capabilities – are added into the mix.

But how often does this knowledge translate into positive people-related improvements and investments? Such that IT personnel are fully equipped to do their jobs, and the highest caliber employees, relative to the required skills, knowledge, and experience, are encouraged to remain with the organization.

Unfortunately, despite the above recognition, people can often be relegated to the third most crucial part of IT service delivery and support operations. There are many opportunities for better people or talent management. For example, improving how IT personnel feel about working in IT – where 2020 research<sup>[iv]</sup> highlighted that:

- 76% of survey respondents thought that working in IT is going to get more challenging in the next three years, with only 18% thinking that it will not.
- 76% of survey respondents felt undervalued in their jobs.

The need to improve the focus on people, including employee well-being, should be an area of CIO focus in 2021 and the many trends or priorities related to process and technology. This need for better ‘talent management’ is even recognized in the latest ITIL best practice guidance, where a Workforce and Talent Management practice was added in ITIL 4.

Three potential ‘talent’ priority areas are:

1. Investing in new skills and perhaps new people
2. Investing in IT employee well-being
3. Reinventing IT performance metrics



## Investing in new skills and perhaps new people

So much of what's changing in IT service delivery and support operations affects IT employees. Not only in how they need to work but also in terms of the required knowledge, skills, and experiences. Especially their skills or qualities.

For example, much of what has already been called out in this paper has a people and capabilities impact:



**Remote working** – not everyone is suited to working from home, whether it's due to a personal working preference for office-based people interactions or the inability to do what needs to be done alone, in the home environment, or both.



**The push for optimization** – optimization usually means doing things differently. Whether this is process-based change, the addition of new technology, or the need for new tasks and the associated personal capabilities. Ultimately, people react to and accept/adopt change differently, and the resistance to change needs to be well managed through organizational change management.



**The need for resilience** – this is the need for personal resilience described earlier, tied into both of the above two types of changes and employees' ability to transition to the new ways of working successfully.



**Intelligent automation** – this is not only gaining the skill set needed to operate the technology successfully, but it's also vital that all the employees are comfortable and practical working, in what will be increasingly technology-enabled work environments.



**Employee experience** – this starts with IT employees having an employee-centric view of their roles. Elevating themselves above the technology, they deliver and support, to see the human impact of what they do and achieve. Using IT support as an example, this includes the need for empathy and an understanding of the effects of IT-related issues on employee productivity.

According to Gartner<sup>(ii)</sup>, “Building critical skills and competencies continues to top the list of priorities for HR leaders in 2021. Also on the radar – organizational (re)design and change, and leadership.”

Not everyone will be prepared for the changes happening around them in 2021, and organizational change management tools and techniques will play a big part in facilitating change. This includes the training or education necessary for the change(s) to be successful, with people helped with transitioning to whatever the new way of working is.

New employees – who have the required knowledge, skills, and experience – will, of course, be needed too. Not only to fill critical resourcing gaps but also where existing employees are unable to meet the new requirements of their role (or of a different position).

## Investing in IT-employee well-being

The earlier statistic of 76% of survey<sup>[iv]</sup> respondents thought that working in IT is going to get more challenging, which indicates where many corporate IT departments are right now, with more and more being asked of IT employees. This was even more daunting during the initial weeks, and maybe months, of the global pandemic.

To convey this effectively, the same survey also looked at the state of employee well-being and the corporate mechanisms in place to both prevent and handle well-being issues. And the results were:

- 52% of survey respondents stated that working in IT has adversely affected their well-being to some extent. And 69% of survey respondents noted that the global pandemic had adversely affected their well-being.
- 74% of survey respondents felt that their immediate managers are not suitably skilled, or only partially skilled, to identify and deal with employee well-being issues.
- 68% of survey respondents felt that their employers don't have suitable mechanisms, or tools that need improvement to prevent and help with employee well-being issues.

Whatever you think about the validity of these well-being related statistics, how certain are you that the well-being of your IT staff is as good as it can be? And what is being done to both prevent and improve well-being issues? Unfortunately, individuals often don't know that they have well-being issues until they've started to affect them.

## Reinventing IT performance metrics

All of these required change in 2021 affects the continued relevance of current IT metrics. Using IT service desk metrics as an example; there are many metric change drivers across all three "T" areas. For example:



**Tightening-up** – the support of remote workers might necessitate some SLA targets resetting to reflect the different priorities needed for home workers. Or the addition of additional automation capabilities will speed up resolution and provisioning time, again with the need to reset some targets as a minimum. Or the focus on employee experience will require new metrics that will allow for its useful measurement and improvement, mainly related to employee lost productivity.



**Transformation** – the use of intelligent automation will change a variety of traditional IT service desk metrics. The most critical being where the new technology-enabled capabilities radically vary the workload mix for service desk analysts. This is where intelligent automation takes away the simplest of service desk tasks – the high-volume, low-value activities – such that analysts are left with more complicated tickets (whether incidents or service requests). By their nature, these are tasks that take longer to handle and, in the case of incidents, are less likely to be solvable at Level 1. The result is that average ticket-handling time and costs go up, requiring a resetting of these metrics' targets. And for the first-contact resolution, the metric might no longer be relevant given the low level of issues that can now be resolved immediately.





**Talent** – changes expected in 2021 require more than an annual employee satisfaction survey. Unfortunately, industry research shows that IT departments had well-being issues long before the global pandemic, and, given the personal impact of the pandemic itself, to assume that these are going to resolve themselves miraculously is unrealistic. Instead, additional metrics are needed that allow the state of well-being, and the associated corporate mechanisms, to be monitored and improved upon. Of course, there are other talent-related areas to consider, given the need for new skills; this includes metrics related to skills gaps and the closing of the gaps over time.

## Next steps

2021 will necessitate various changes to IT service delivery and support and the wider IT department operations. While accelerated digital transformation will be prevalent within most organizations, the CIO agenda for 2021 should include far more across the 3Ts of Tightening-up, Transformation, and Talent.

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(i) Gartner, "The 2021 CIO Agenda: Seize This Opportunity for Digital Business Acceleration " <https://www.gartner.com/en/information-technology/insights/cio-agenda>

(ii) Smarter With Gartner, "Gartner Top 3 Priorities for HR Leaders in 2021", Jackie Wiles, Oct 23, 2020 <https://www.gartner.com/smarterwithgartner/gartner-top-3-priorities-for-hr-leaders-in-2021/>

(iii) <https://www.resilience-engineering-association.org/resources/where-do-i-start/>

(iv) <https://itsm.tools/the-post-covid-state-of-wellbeing-in-itsm-the-good-the-bad-and-maybe-the-ugly/>