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The Power of Talent

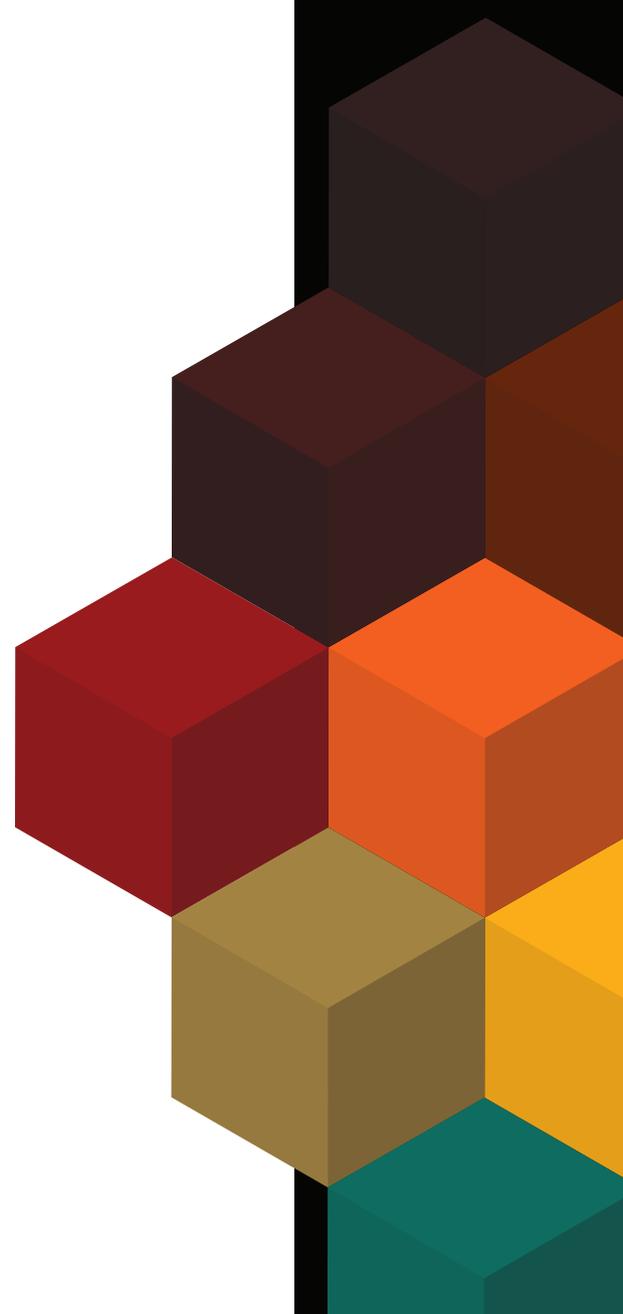
HARVEY NASH
CIO SURVEY
2014



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About the Survey and Participants

The Harvey Nash CIO Survey 2014 collected data between 6th January and 19th April 2014 and represents the views of 3,211 technology leaders from more than 30 countries, with a combined IT spend of \$160bn. Of the respondents, 34 per cent identified themselves as CIOs, 8 per cent as CTOs, 36 per cent as director / VP in technology and the remaining 22 per cent were spread between a broad range of roles including CEO, COO and more junior technology roles. The currency used in this survey is US Dollar (USD); at the launch of the survey the conversion rate was GBP 1 = USD 1.65 / Euro 1 = USD 1.36.





Albert Ellis,
Chief Executive,
Harvey Nash plc

A white handwritten signature of Albert Ellis, consisting of stylized initials 'AE'.

The 2014 CIO Survey is the largest survey we have ever undertaken in almost two decades of researching the market. With more than 3,200 CIOs and technology leaders taking part globally, it is one of the largest studies of its kind ever produced – and I am grateful to everyone who contributed to making this happen.

We are seeing a new spirit of optimism amongst CIOs. Growing budgets, a shift from cost saving to investment, innovation a key objective, digital transformation and an increasingly strategic role for many CIOs all point to a positive sense of expectation about new opportunities that lie ahead.

This year I am delighted to welcome Dr Jonathan Mitchell, recently appointed Chairman of Harvey Nash's Global CIO Practice and former CIO of Rolls-Royce, to the CIO Survey team. Jonathan's advice and insights have helped shape and improve this year's report and his Executive Summary on page 6 makes compelling reading.

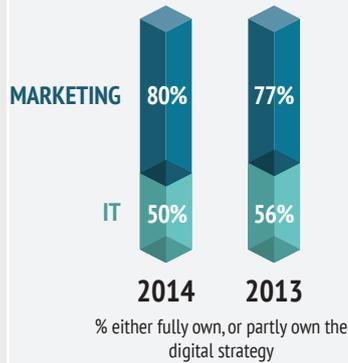
I do hope you are able to find the 2014 Harvey Nash CIO Survey a valuable resource in your career and business planning.

As always, I and the Harvey Nash team are here to support you, in facing the challenges presented by the market and also in taking advantage of the many opportunities for technology leaders during 2014 and beyond.

What does the rise of digital and the Chief Digital Officer mean for the CIO?

THE DATA *1

WHO OWNS THE DIGITAL STRATEGY?



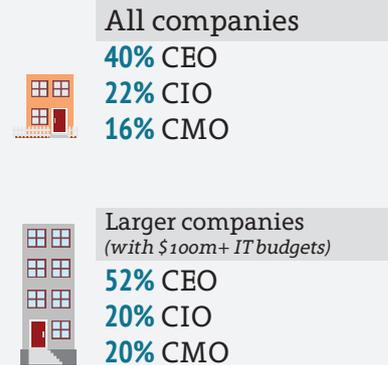
HOW MANY COMPANIES HAVE CHIEF DIGITAL OFFICERS?

7% of all companies

16% of companies with \$100m+ IT budgets

25% of large companies will have CDOs by 2017
(Source: Gartner *2)

WHO DO CHIEF DIGITAL OFFICERS REPORT TO?



THE OPINION



I'd like to think the increasing number of CIOs who are on the board and the rise of the CDO reflect an acceptance that the CIO is competent to add value – not just to run a peripheral service. The up to date CIO who grasps what collaboration means is in a unique position to understand how behavioural shifts drive new services, new markets and a new agility in exploiting them.
Carolyn Brown, CIO, Durham University, UK



CDO job titles have simply evolved to bring IT and Marketing functions closer together. The CDO role itself is not required but it is essential that digital is effectively embedded into corporate strategy and clearly articulated within the three-year plan.
Julie Price, IT Director, White Stuff, UK



The rise of the CDO for me is a very good development and I believe complements the CIO role. I see the CDO owning and enhancing the complete digital service/strategy with the CIO providing technical services.
Tim Thurman, CIO, ASX, Australia



Driven by the Digital Revolution, the CIO role will be transformed and its value recognised. The CIO, partnering with the business, will combine the classical and the new digital IT. As 'Chief Information, Infrastructure, Integration, Interaction and Innovation Officer', he will drive the transformations towards the digital enterprise and will be a key player for the future business success.
Dr Dirk Ventur, CIO, Software AG, Germany

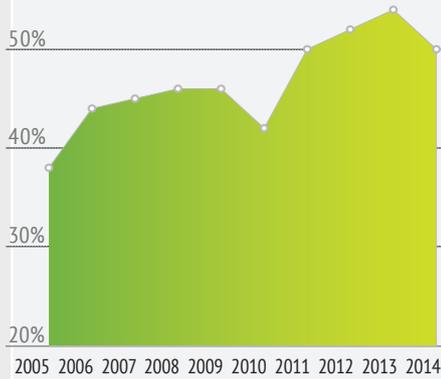
*1 Sources: Harvey Nash CIO Survey 2005 - 2014
www.harveynash.com/ciosurvey

*2 Source: Gartner January 2014,
www.gartner.com

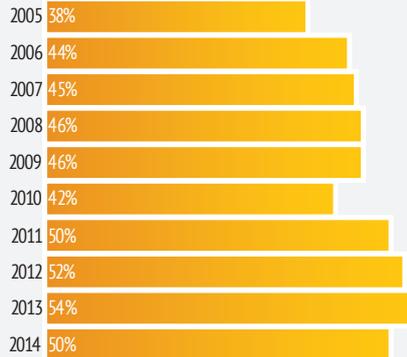
Are CIOs more or less important now than they were five years ago?

THE DATA*¹

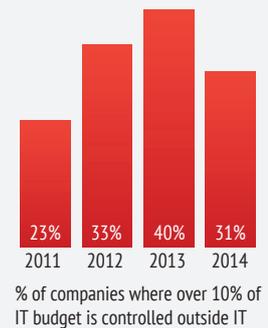
WHAT PROPORTION OF CIOS REPORT TO THE CEO?



WHAT PROPORTION OF CIOS ARE ON THE EXECUTIVE COMMITTEE?



IS 'UNAUTHORISED' IT SPEND INCREASING?



THE OPINION



The CIO's role is no longer to manage the enterprise information but to extract the most value from the huge information available inside and outside the enterprise. Ride this digital wave to become the digital champion or step back to the IT operation room – it's the CIO's choice.

Khanh Nguyen, CIO and Deputy CEO, PVcomBank, Vietnam



CIOs are definitely more important than five years ago – CIOs are no longer just technical by nature, they must also have more business knowledge than the traditional CIO. Today, the CIO contributes to the overall performance of the organisation by driving revenue, profitability and customer satisfaction.

Tim Thurman, CIO, ASX, Australia



The combination of big data, mobility, internet of things, social media is making a substantial impact on business operating models and the ability of companies to meet

the growing expectations of the customer's experience. The role of the CIO in this new world is growing due to the new technology landscape, new security challenges and ability to properly introduce new components into the legacy world.

Dorota Poniawska-Mańczak, CIO, Credit Agricole Bank, Poland



Being effective doesn't depend on your title. We must each take ownership of the area of influence where

we can have the impact our business needs: what matters is the credence given to the business vision of a technology lead.

Carolyn Brown, CIO, Durham University, UK

EXECUTIVE SUMMARY



Asia, many leaders are starting to worry about skills shortages – the first time in nearly a decade.

CIOs are becoming more important to their organisations

Things are certainly looking up for CIOs and other IT leaders today. More than half of those holding CIO posts have a seat at the top table as genuine members of the executive team. While there was a slight fall in CIO representation at the top table from last year, the general trend is more than 20 per cent higher than in the years before the financial crisis. We have also seen significant increases in the number of CIOs in the marketplace. In 2005 11 per cent of organisations reported that they had a CIO at the top of their IT function. This year that figure has grown to 44 per cent – a fourfold increase. IT Directors are increasingly becoming an endangered species as the CIO role has taken hold and exerts its ever-growing influence across the enterprise.

Following a trend we first identified in the 2013 Harvey Nash CIO Survey, we have noted that CIOs are increasingly changing their operational focus. In the years following the recession, cost savings

in the years to come we will probably recognise 2014 as the point of watershed after the financial crisis. For the first time in years, CIOs across the world are looking forward to the future with renewed optimism. Budgets are rising and in some hotspot areas, particularly

were at the top of the executive 'to-do' list. However, as the recovery process took hold, this gave way to operational efficiencies. But this year, large numbers of IT leaders are telling us that growth is now at the very top of their agendas. Those telling us that building revenue and profit is most important have increased since last year, while we have also seen increases in the numbers of CIOs who are concerned about achieving better engagement with customers.

Good project performance remains an important ingredient for CIO success

In project delivery, performance remains disappointingly erratic. Technical and infrastructure projects are the best executed initiatives. More than a third of leaders in the survey this year tell us that their infrastructure roll-outs have been 'very successful'. Mobile apps, cloud and website projects also enjoyed impressive success rates. However, when it comes to business transformation, the situation is very different. Barely ten per cent of IT leaders who implemented new digital marketing systems together with those who attempted 'big data' implementations reported high levels of success.

The skills shortage problem is back on the agenda

With all the optimism in this year's survey there is a cloud to accompany the silver lining. This year, it appears that CIOs are increasingly worried about technology skills shortages and their ability to keep up with the pace of change as a result. Nearly 60 per cent of those who responded told us that this skills shortage was a significant problem for them – a jump of nearly 20 per cent since last year. But the optimism still shows through. The numbers of IT departments who plan to increase their headcount substantially outnumber those who do not. In some geographical hot-spots, the fire-fight for technology talent looks set to reach furnace-like proportions.



Relationships remain a challenge, particularly with the marketing and HR functions

There is little change in the 'relationships' league table this year. Traditionally, CIOs have worked most effectively with operational business units and the finance function. This year is no exception. Sixty per cent of those surveyed tell us they get on really well with the operational teams. Sadly, the HR department generally suffers the weakest relationship with IT – little more than a quarter of CIOs report 'very strong' relations. Building strong relations with the Marketing department is also something of a challenge. Respondents report that they are twice as likely to have a good working relationship with operational units within their companies compared to the marketers.

Digital leaders, who are they and who owns them?

For the first time, we are seeing the clear emergence of a digital leader. Seven per cent of CIOs report that their organisations have recently established the role of Chief Digital Officer or CDO. With the explosion of digital channels and the enhanced importance that many organisations place on their digital sales and marketing programmes, it comes as no surprise that something of an arm-wrestling contest is going on between the IT and marketing functions for control of this exciting new opportunity. Many respondents from both private and public sector departments report that they now have both CIOs and CDOs in their organisations. Companies that have created a CDO seem to see it as a strategic position. CDOs are much more likely to report to the Chief Executive than to the CIO.

As far as ownership is concerned, four in ten leaders tell us that Marketing 'owns' digital – a substantial

rise on last year's results – while only ten per cent of CIOs claim to control this area. However, some organisations seem to have taken what we think might be seen as a more mature approach. Around 40 per cent of respondents tell us that the function is shared between Marketing and IT, suggesting that each group is playing to its strengths. A collaborative approach may well be the best way to make gains instead of making messes.

Budgets are increasing and so is outsourcing intent

Seven years of budget famine appears to be coming to an end. Nearly half the IT functions surveyed this year are reporting budget increases. In fact, this is the highest score we have seen since 2006, well before the financial crisis. Looking into the future, things appear even rosier. Outsourcing continues apace, though the era of 'mega-outsourcing' deals appear to be behind us. The number of CIOs who plan to outsource infrastructure projects has jumped significantly - by a whopping 14 per cent- while the outsourced provision of service desks and helpdesk has also seen a large increase in interest.

It's a great time to be a CIO

So in summary, it looks as though we have turned the corner at last. The dark days may truly be in the past. This year's respondents have enthusiastically and optimistically described the broad, sunlit uplands they see ahead. They are focusing on adding value to their organizations rather than focusing exclusively on the relentless assault on costs. Skills are in demand and technology is making an ever bigger impact on people's lives and the fortunes of corporations and public sector bodies alike. The year ahead looks like a good one. In 2014 it's clear that it is indeed a great time to be an IT Leader.

Dr Jonathan Mitchell

Non-Executive Chairman of Global CIO Practice, Harvey Nash



THE CIO OF THE FUTURE...

The Harvey Nash CIO Survey 2014 has tracked the responses of people less advanced along the CIO career path – the potential future CIOs. Currently in their late 20s or 30s, these IT Managers, senior architects, analysts and associate directors are on a career trajectory that could take them to the top IT job one day. Compared to their current CIO leaders, this generation came of age when technology was already centrally important to customer engagement and organisational growth. Future CIOs grew up respecting technologists like Bill Gates and Steve Jobs, but idolising figures like Mark Zuckerberg, Jack Dorsey or, even, Edward Snowden for their vision for a 21st Century Internet. The Millennial, or Internet Generation, could be expected to have a vastly alternative outlook to many IT trends like technology innovation, security, management style and career planning, but how different are they to the current batch of CIOs?

Compared to current CIOs, the future CIO is:

20% less likely to think the position of CIO is **strategic**

(CIO influence: 53 per cent believe CIO role strategic, compared to 66 per cent of CIOs)

29% more likely to feel frustrated that innovation efforts are hindered by **security**

(Security: 27 per cent say focus on security slows process; 21 per cent of CIOs say similar)

18% more likely to feel they are investing the right amount of time in **innovation**

(Innovation: 63 per cent say they spend too little time innovating; 72 per cent of CIOs agree)



50% more likely to
see a bigger role for
IT in **digital**

*(Digital: 15 per cent say IT should
'own' digital, compared to
ten per cent of CIOs)*

Twice as likely
to be **female**

*(Gender progress: 13 per cent future
CIOs are female, compared to
7 per cent of CIOs)*

21% more likely
to be **dissatisfied**
with salary

*(34 per cent of future CIOs are
unhappy with pay compared to
28 per cent of CIOs)*





1.GLOBAL RESULTS

1.1 THE CIO ROLE

CIO reporting lines

The reporting line for CIOs is essentially unchanged in 2014 compared to the previous year, with the three most common reporting lines being CEO, CFO and COO. Some respondents – 16 per cent – have alternative reporting lines that include reporting directly to the board, a founder or owner.

CIOs report to CEO more than to any other role

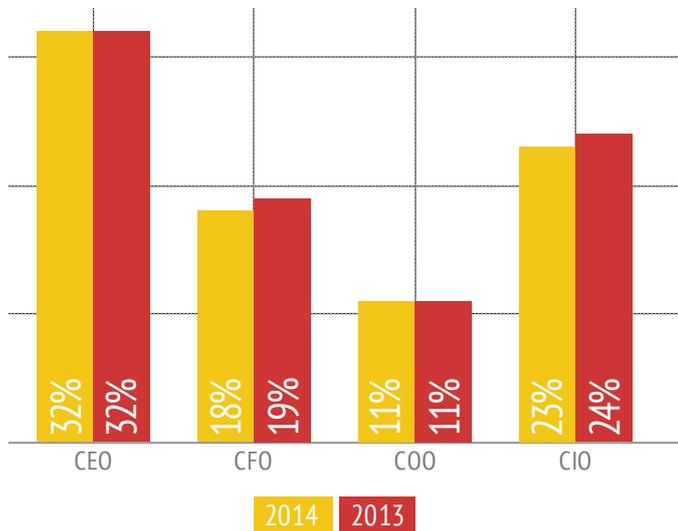


Chart 1: Who does the CIO report to?

CIO job title

In 2005, 11 per cent of organisations reported that they had a CIO at the top of their IT management. This year that figure has grown to 44 per cent – a fourfold increase. IT directors are increasingly becoming an endangered species as the CIO role has taken hold and exerts its ever-growing influence across the enterprise.

CIO job title grown fourfold in a decade

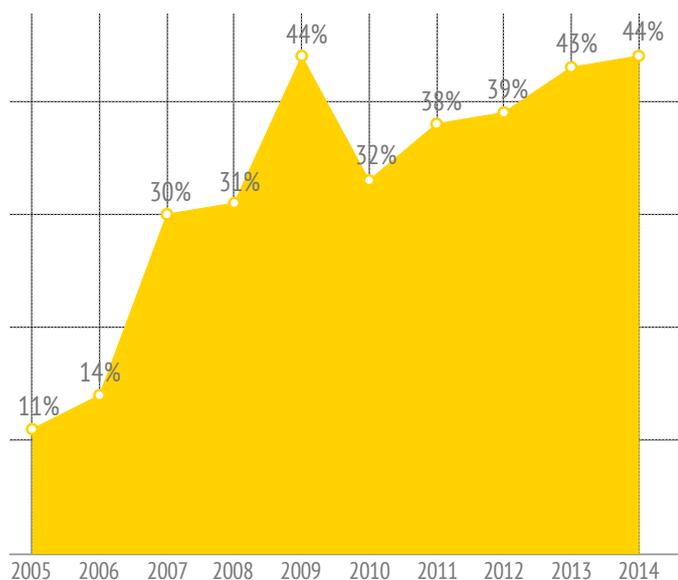


Chart 2: Respondents indicating 'CIO' as their job title 2005 - 2014

CIO strategic influence

Executive board participation has been much higher since the depth of the recession. The onward march of technology and its ability to change enterprises mean that many more IT leaders are better able to influence their executive colleagues and board members.

However, the perception of the CIO as a strategic influencer remains a broadly flat trend since 2011. In 2014 there has been a small drop in the number of respondents who see the CIO role as strategic (66 per cent today compared to 68 per cent in 2013 and 2012).

Half of CIOs are members of executive board

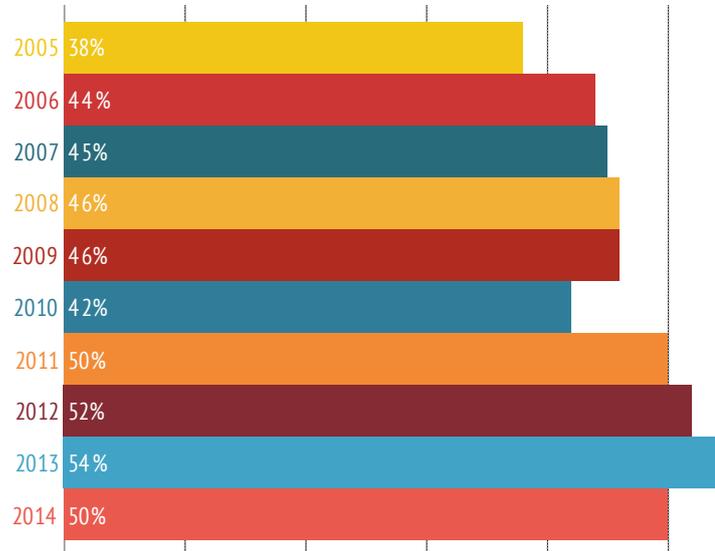


Chart 3: CIOs indicating that they are a member of the executive board 2005 - 2014

CIO operational priorities

CIOs are increasingly changing their focus. In the years immediately following the recession, cost savings were at the top of the executive 'to-do' list. However, as the recovery process took hold, this gave way to operational efficiencies.

Top CIO priority over time is cost saving, most intense during recession and aftermath

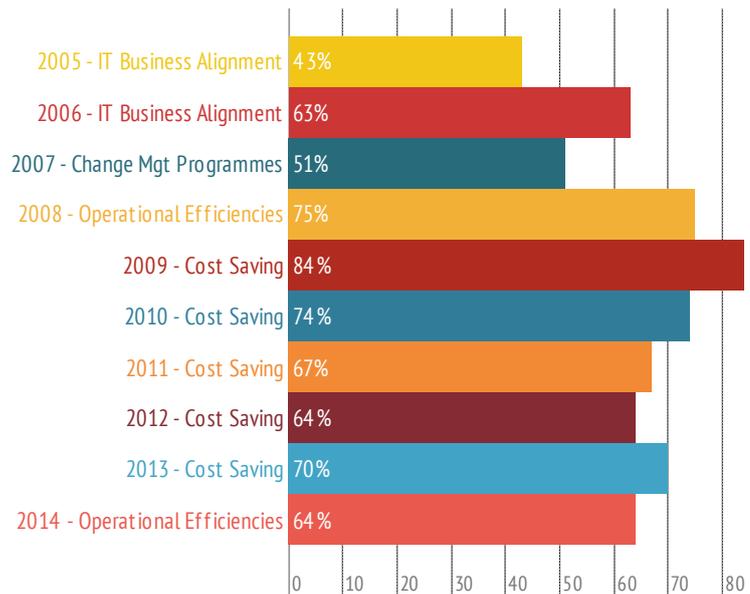


Chart 4: Top operational priority for board, and percentage CIOs that selected it 2005 - 2014

CIO operational priorities

Over the last few years, priorities across the industry have been fairly consistent. CIOs are worried about operational efficiencies and the need to improve business processes. Making sure the trains 'run on time' remains a key priority, with consistent IT service and delivery performance being at the top of many CIOs' lists.

Saving costs experienced the biggest drop in priority, falling from number one in 2013 to number four today. Delivering consistent and stable IT had the next biggest drop with one in ten fewer CIOs seeing this as a priority.

The fact that almost two-thirds of respondents (63 per cent) say that projects which can make money are a

priority this year, combined with a slight increase in CIOs wanting better engagement with customers, suggests that the wider operational focus may be changing to 'what IT can do to grow the business', rather than the most recent theme of cost reduction.

However, there is not a universal shift away from operational IT duties towards customer-facing, growth-orientated initiatives. Developing innovative new products and services and enabling mobile commerce are both down as CIO priorities compared to 2013. The continued influence of the marketing function in the use of digital and disruptive technologies may be one reason why the role of the CIO has declined in these areas despite their growing importance to organisational growth.

Focus on 'top' operational issues drop, creating complex multi-priority environment

	2014	2013	Variation
Increasing operational efficiencies	64%	68%	-4%
Improving business processes	59%	60%	-1%
Delivering consistent and stable IT performance to the business	58%	70%	-12%
Saving costs	57%	71%	-14%
Enabling business change	50%	53%	-3%
Driving revenue growth	45%	42%	+3%
Developing innovative new products and services	42%	51%	-9%
Delivering business intelligence	42%	48%	-6%
Managing operational risk and compliance	40%	41%	-1%
Better engagement with customers/prospects	37%	33%	+4%
Improving the success rate of projects	31%	36%	-5%
Improving time to market	29%	31%	-2%
Enabling mobile commerce	24%	33%	-9%
Outperforming competitors with new business models	24%	26%	-2%
Driving synergies from mergers and acquisitions	16%	17%	-1%
Investing in social media platforms	11%	N/A	N/A
Achieving sustainable/green IT	9%	9%	0%
Reputation management via social media technology	8%	13%	-5%

Table 1: What key business issues is the Board looking for IT to address?

Measuring CIO success

Projects remain a major concern for CIOs. IT project performance has not enjoyed a very good press in recent years and so it is hardly surprising that the executive board will want to keep a close eye on it.

The most popular way to measure CIO success is through the successful delivery of projects.

Almost two-thirds of CIOs are measured based on the successful delivery of projects and half based on their ability to support business innovation, while just over a quarter have more formal KPIs.

CIO success most commonly measured by successful delivery of projects

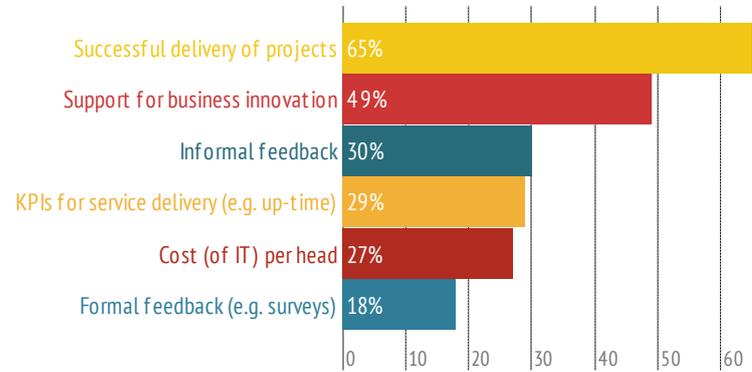


Chart 5: How is the value of IT measured in the business?

Slight majority of CIOs have personal bonus linked to IT performance metrics

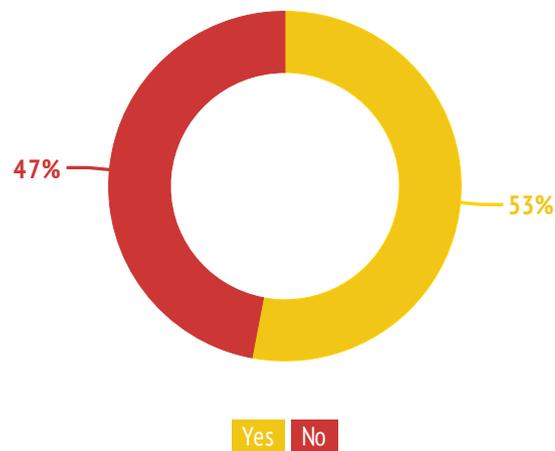


Chart 6: Is the CIO's personal bonus linked with KPIs?

1.2 SKILLS

Technology skills

This year sees a big jump in the number of CIOs reporting a technology skills shortage. Whereas 45 per cent were concerned about a lack of technology talent in 2013, this has risen sharply to 60 per cent in 2014.

A long-term trend analysis of CIOs' opinion of the supply of technology talent clearly shows the significance of the increased demand for technology talent in 2014. Not since the global economy began its slide into recession in 2008 have so many CIOs registered a shortage of IT skills.

Significant concern about technology skills shortage in 2014

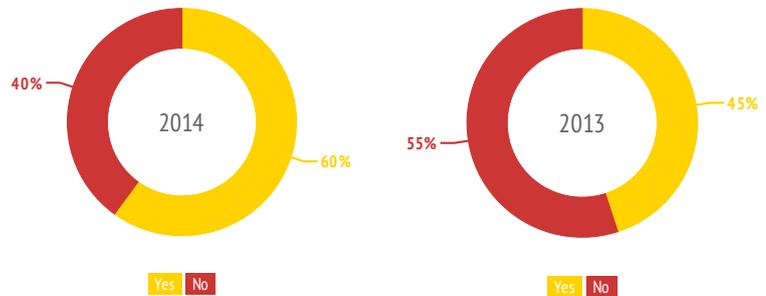


Chart 7: Does the skills shortage prevent your organisation from keeping up with the pace of change?

2014 technology skills shortage is the most severe since 2008

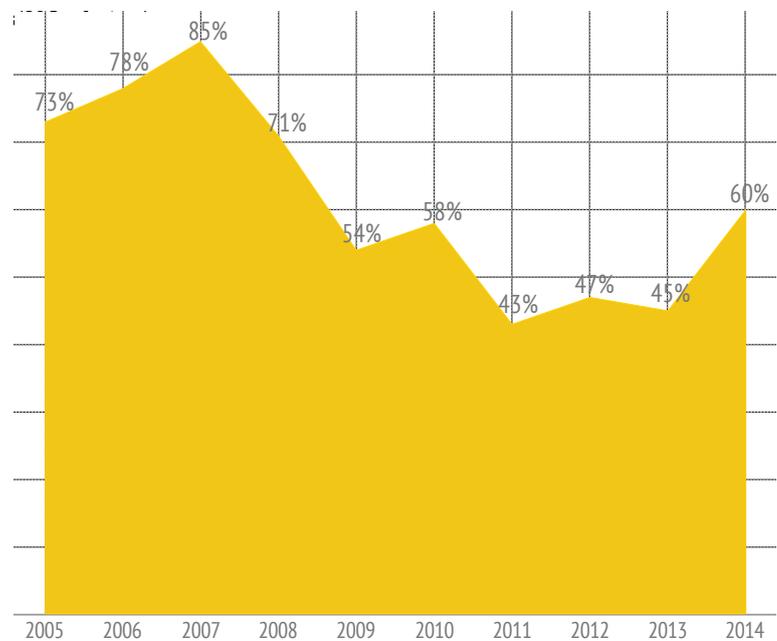


Chart 8: Does the skills shortage prevent your organisation from keeping up with the pace of change? 2005 - 2014

Technology skills

The importance to CIOs of successfully delivering technology projects has pushed project management skills to be the most sought after, and scarce, skill. The skill that has experienced the biggest growth in scarcity since last year was change management, suggesting that competitiveness for growth, and the associated major changes required to achieve this growth, are at the top of many CIOs' lists.

CIOs express increased demand for project management skills

	2014	2013	Variation
Project management	34%	31%	+3%
Enterprise architecture	33%	39%	-6%
Business analysis	33%	39%	-6%
Technical architecture	29%	35%	-6%
Change management	27%	23%	+4%
Mobile solutions	26%	25%	+1%
Big data	26%	25%	+1%
Development	25%	22%	+3%
IT strategy	23%	20%	+3%
Business relationship management	22%	22%	0%
Security and resilience	21%	21%	0%

Table 2: Which functions are you experiencing a skills shortage in?

Most successful CIO-led projects

Without doubt, infrastructure and technology-led projects are the most successful. Large-scale business transformation, together with new trends such as big data implementation and digital marketing, enjoy much lower success rates.

Infrastructure projects are the most successfully delivered by CIOs

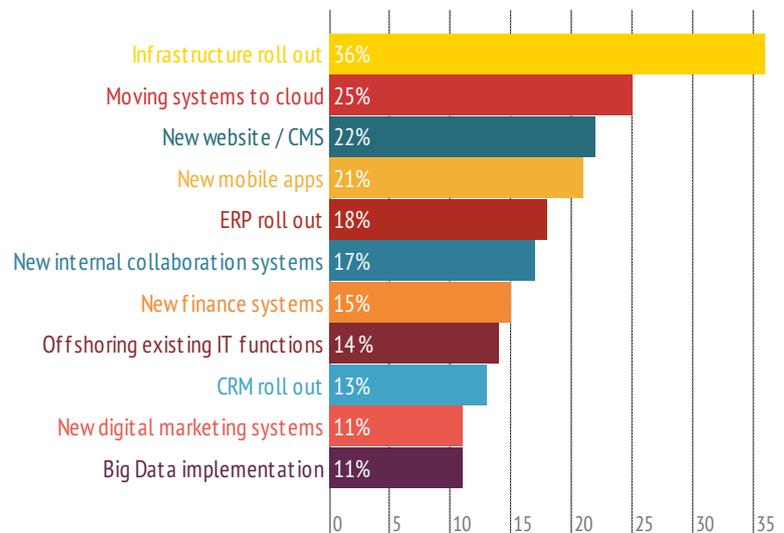


Chart 9: Proportion of projects in last two years viewed as 'very successful'

Retention of talent

The retention of IT talent remains at least of some concern for nine out of ten CIOs, which is essentially unchanged from 2013 and therefore represents a continued leadership challenge for the second year in a row.

90 per cent of CIOs remain concerned about retaining best IT talent

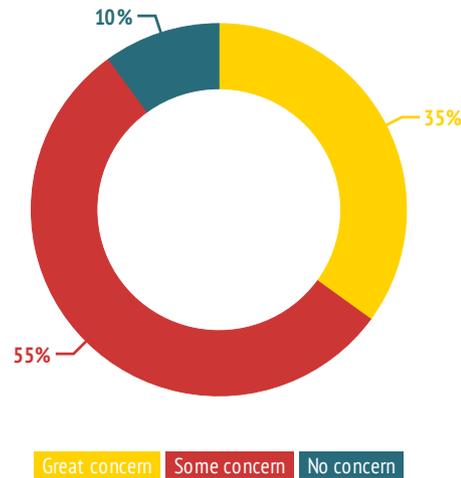


Chart 11: To what extent will the retention of talent be a concern for you?

When it comes to talent retention strategies, it is encouraging to note the number of CIOs who actively use mentoring techniques to develop their key staff. Many support this with more traditional management training courses and performance incentives. Many IT leaders also actively look to place their best people in roles that can extend and develop them. There seems little doubt that nurture and active talent management are at work as an integral part of many IT functions.

CIOs look to mentoring and job-fit as most effective retention strategies

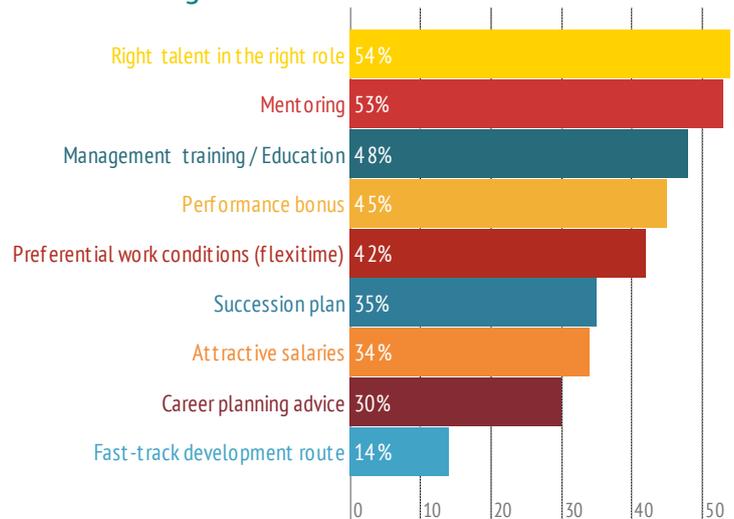


Chart 12: What tactics do you use to retain your top talent?

1.3 INNOVATION AND DIGITAL

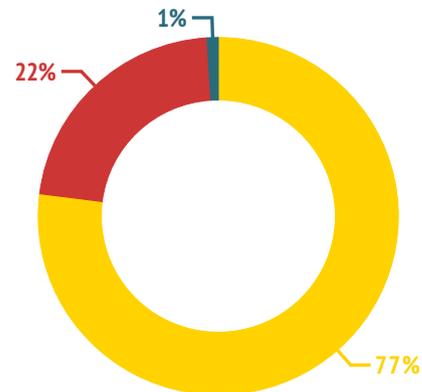
Innovation potential

CIOs see greater innovation potential than ever before; 77 per cent believe there is 'great' innovation potential in their industry compared to 71 per cent of CIOs last year.

However, the 'innovation gap' that was identified in the 2013 Harvey Nash CIO Survey has grown wider, with even fewer CIOs in 2014 confident that their organisation can realise its innovation potential.

CIOs are also intensely pragmatic about the benefits of innovation. Almost none see the full potential of innovation coming to delivery in their organisations. This may be related to project capability, the willingness of the business to make radical changes or because CIOs have a more realistic view of how new technologies and ideas can affect the enterprise.

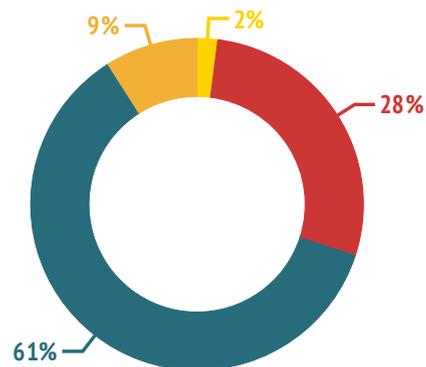
Overwhelming majority of CIOs see great innovation potential in their industry



Great potential Some potential Little potential

Chart 13: What potential for innovation for competitive advantage is there in your company?

Only 2 per cent of CIOs see innovation potential being fully realised



Fully achieved Mostly achieved Partly achieved Not achieved at all

Chart 14: To what extent has your company achieved its innovation potential?

Innovation investment

More than two-thirds of CIOs (69 per cent) admit that they invest too little personal time and departmental resources in innovation programmes to realistically achieve their organisation’s innovation potential, a figure that remains unchanged from 2013.

Mobility is something that many CIOs are talking about this year. Similarly, cloud investments dominate their plans. The rise of public Wi-Fi hotspots and mobile technology such as 4G means that many workers can do their job from almost anywhere in the world – at any time. IT departments have to accommodate this trend, despite the ever-present concerns over security.

Progress integrating cloud technologies has been, at best, marginal during the past year with just one in eight CIOs achieving a ‘great extent’ of integration, a similar level to 2013. Similarly, there has been no measurable progress on mobile technology integration, with CIOs recording the same results in both 2014 and 2013.

Mobility and cloud dominate innovation investment plans

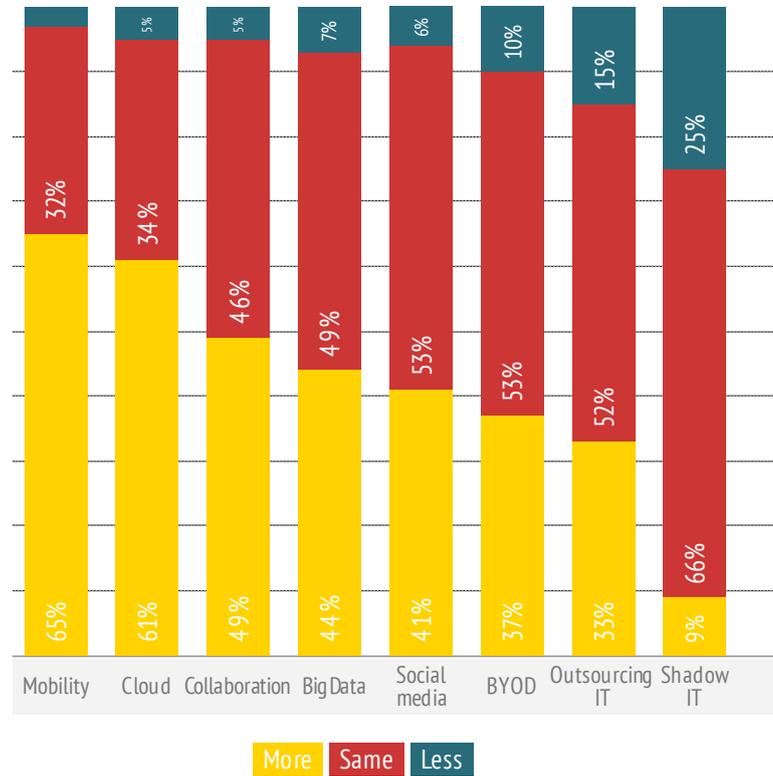


Chart 15: How will your innovation investment change in the next 12 months?

Limited progress in cloud integration, none in mobile

	Mobile			Cloud		
	2014	2013	Variation	2014	2013	Variation
No / little extent	20%	20%	0%	19%	21%	-2%
Some extent	53%	53%	0%	34%	34%	0%
Reasonable extent	19%	19%	0%	34%	33%	1%
Great extent	8%	8%	0%	13%	12%	1%

Table 3: To what extent has your company implemented mobile and cloud opportunities?

IT and Marketing relationship

There has been little improvement in the working relationship between IT and Marketing during the past 12 months. While almost one-third of CIOs say the IT function has a 'very strong' relationship with Marketing, this has only improved by three per cent on last year (27 per cent) and remains significantly behind the working relationship of IT with Sales, Finance and Operations.

IT relationship with Marketing remains worse than with Sales, Finance or Operations

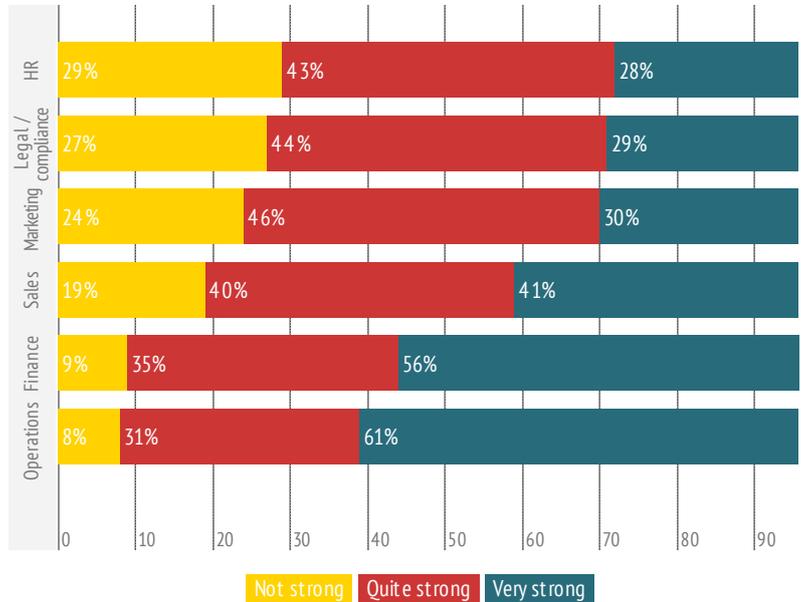


Chart 16: How do you rate the IT department's relationship with other business functions?

Four in ten CIOs confirm that Marketing 'owns' digital, up seven per cent on 2013, while only one in ten CIOs (10 per cent) says that IT is the digital owner in their organisation, down two per cent from last year. Other organisations, however, report a collaborative approach where the shared ownership of this area has evolved. With both groups having something to offer in this area, it seems that many organisations are seeing the benefits of collaboration with each function playing to its strengths.

Marketing winning the battle for control of digital

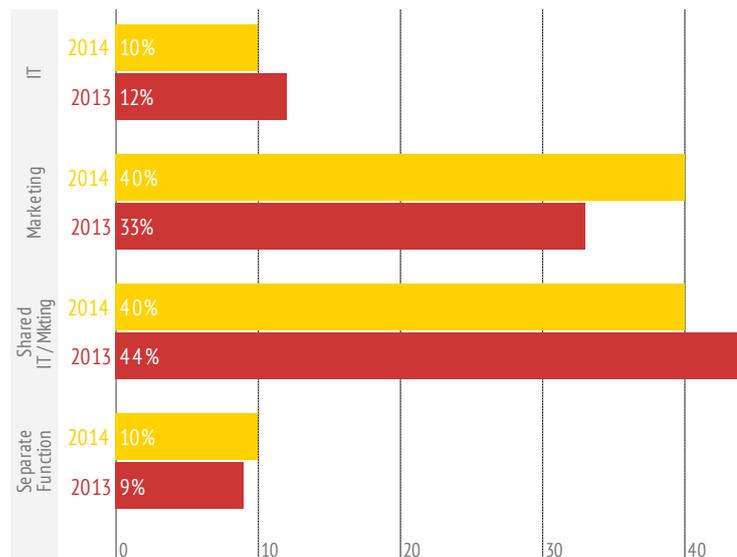


Chart 17: What function owns the digital strategy?

Chief Digital Officer

Some seven per cent of CIOs report that their organisation has established a Chief Digital Officer (CDO) role; this increases to 16 per cent for larger companies with IT budgets of \$100m or more. Given the explosive growth of digital channels and the importance that many organisations now place on their digital sales and marketing programmes, it is clear that those who control the operations and strategy of digital will play a central role in many leadership teams.

It is perhaps unsurprising that for 40 per cent of organisations the CDO reports directly to the CEO; they are a C-level officer and responsible for one of the fastest-growing functions in the business.

However, given the overarching battle being won by Marketing for control of digital, it is interesting to note that more CDOs report to the CIO than to the Chief Marketing Officer. However, as company size increases, the reporting lines change. In companies with IT budgets of \$100m or more, more than half of CDOs report to the CEO, and they are equally likely to report to the CIO as they are to the Chief Marketing Officer (both 20 per cent).

For the remaining Chief Digital Officers, their reporting line is to the Operations Director (suggesting an emphasis on digital systems) or the Sales Director (suggesting a greater focus on digital commerce), while 13 per cent of Chief Digital Officers report to divisional or product heads where their digital strategy is implemented.

More Chief Digital Officers report to CIO than CMO

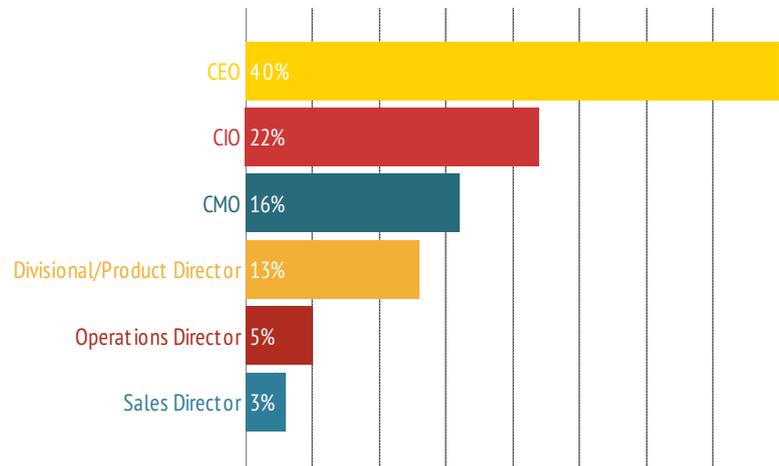


Chart 18: Who does the Chief Digital Officer report to?

1.4 MANAGING IT

IT budgets

The recession is over as many CIOs welcome back a stranger called 'growth' into their IT budgets. The emphasis is now much more on new investment, and opportunity. Many IT leaders are climbing out of their bomb shelters and are starting the process of building their new tomorrows. It has been a long time since optimism has been so high. In the past 12 months, almost half of CIOs benefited from IT budget growth, the first time since 2006 where such a proportion of CIOs are operating with bigger IT budgets.

Looking ahead, CIOs are more optimistic about future IT budget growth than at any point since the Harvey Nash CIO Survey began tracking the sentiment. Next year 44 per cent of CIOs expect further IT budget increases, compared to 38 per cent who expressed a similar sentiment last year.

CIOs experiencing most IT budget growth since 2006

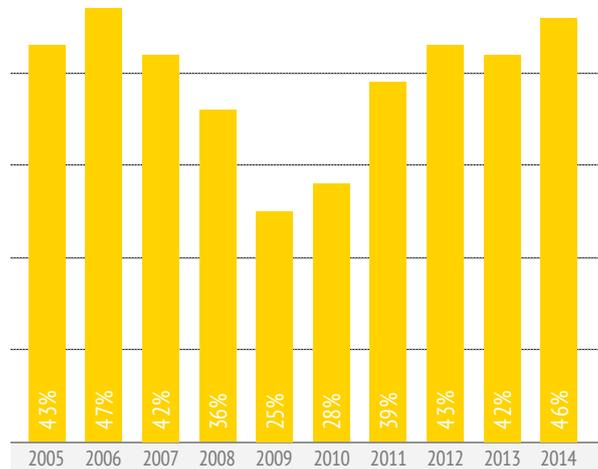


Chart 19: Percentage of CIOs indicating IT budget increase 2005–2014

More CIOs than any previous year predict future IT budget growth

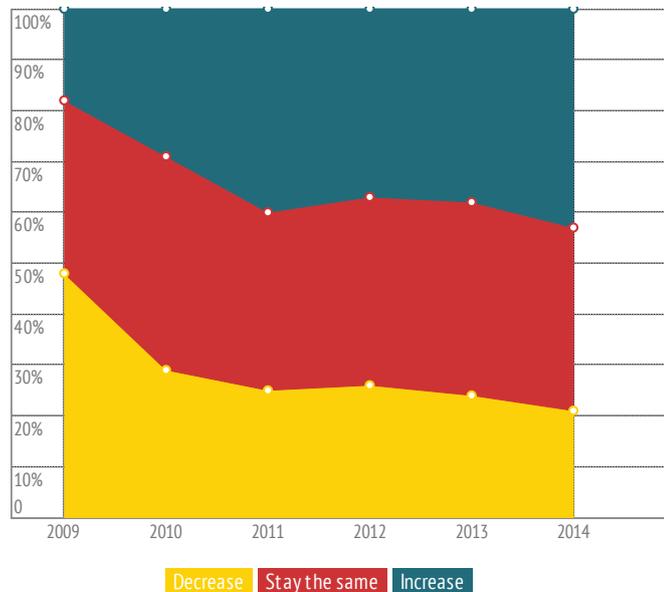


Chart 20: How do you expect your IT budget to change next year? 2009–2014

IT budgets and outsourcing

In a reversal of last year's trend, more CIOs control more of their budget in 2014. The proportion of CIOs who control more than 95 per cent of their IT budget has grown from 38 per cent in 2013 to 46 per cent today.

CIOs regain control over more of their IT budgets

	2014	2013	Variation
Less than 5%	46%	38%	+8%
5-10%	23%	22%	+1%
11-25%	17%	22%	-5%
26-50%	9%	11%	-2%
More than 50%	5%	7%	-2%

Table 4: What proportion of IT spend is managed outside the IT organisation?

CIOs are investing more of their IT budget on outsourced activity. In 2014 more than one in ten CIOs invested over half of their IT budget in outsourced activity, up marginally on 2013. In 2014 one in five CIOs spends between a quarter and half of their IT budget on outsourcing activity, up 2 per cent compared to 2013.

CIOs increasing budget dependency on outsourced partners

	2014	2013	Variation
Less than 5%	18%	20%	-2%
5-10%	21%	21%	0%
11-25%	29%	30%	-1%
26-50%	21%	19%	+2%
More than 50%	11%	10%	+1%

Table 5: What proportion of IT budget is spent on outsourcing?

Almost half of all CIOs expect their dependence on outsourced partners to increase over the next 12 months, and 49 per cent anticipate spending more of their IT budget on outsourcing, up significantly from 42 per cent last year.

IT outsourcing and offshoring

Outsourcing is alive and well, with software development and data centres remaining the top two outsourced functions. The proportion of CIOs who outsource their service desk/help desk is significantly higher in 2014, an increase of nine per cent from last year. The proportion of CIOs looking to outsource their entire IT operations has doubled, albeit from a low base.

Highest outsourcing growth for IT infrastructure and help desk support

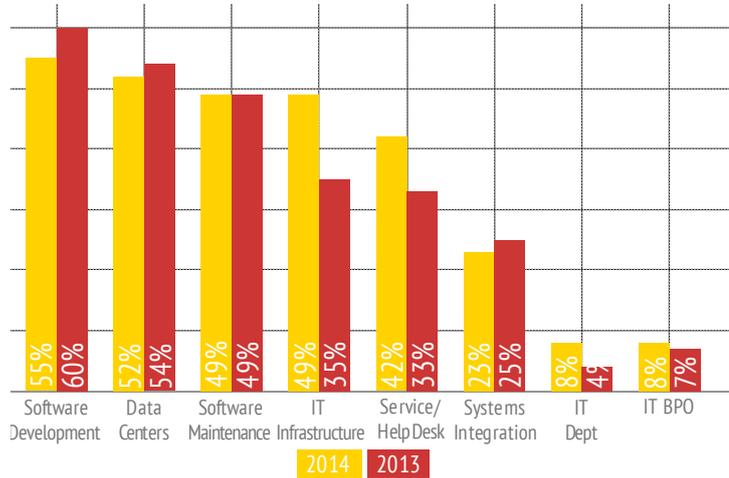


Chart 21: Which IT functions do you outsource?

However, while interest in outsourced projects has increased, interest in offshoring has fallen. While a third of CIOs (34 per cent) plan to increase their offshore investment this year, this is 10 per cent lower than in 2013. The marked drop in the number of CIOs considering offshore outsourcing this year may reflect a renewed interest in 'resourcing' offshore activity closer to home, improving CIO control over outsourced projects.

Offshoring popularity dips despite growing interest in outsourcing IT projects

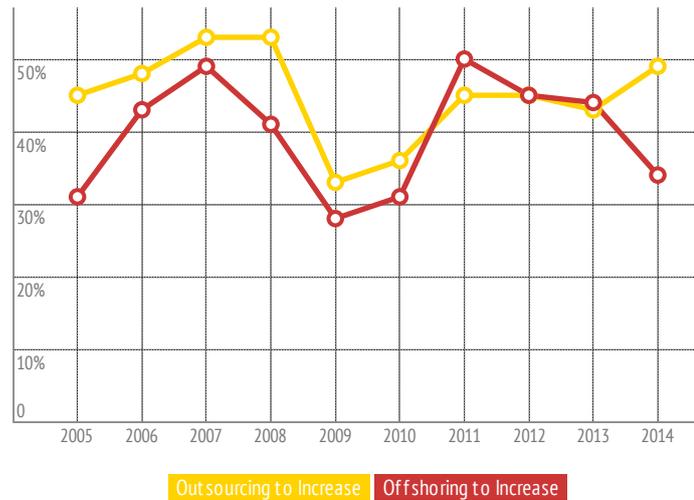


Chart 22: Are you planning to increase outsourcing / offshoring spend next year?

IT security

While cyber threats increase both in number and sophistication, the relentless demand from the business is for flexibility, more openness and an increasing requirement to integrate with other people's systems and services. Just over one-fifth of the respondents report that they have suffered major IT security attacks in the last two years, ensuring that many CIOs will continue to have sleepless nights. This is an area where a strong constitution, a pragmatic nature and a cleverly designed security strategy are essential.

However, despite the challenges presented by IT security threats, an overwhelming majority of CIOs (79 per cent) say their focus on security does not hinder their ability to innovate, and 63 per cent of CIOs believe the risk of possible exposure to IT security threats from 'open' technologies – including public cloud, mobile and BYOD – are worth the risk because of the potential competitive advantage these technologies can bring.

'Major' IT security attack experienced by one in five CIOs

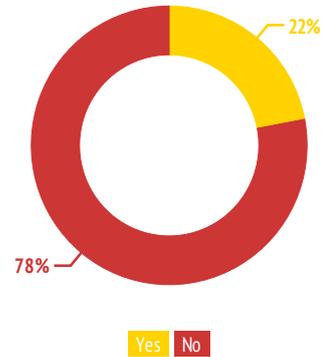


Chart 23: Has your organisation experienced a major IT security or cyber attack in the last two years?

Two-thirds of CIOs will embrace 'open' technology despite security risk

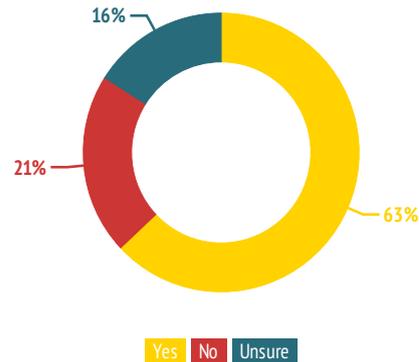


Chart 24: Is the risk of exposure to IT security threats from 'open' technologies worth the potential competitive advantage they can bring?

1.5 CIO CAREERS

CIO career planning

Almost a third of CIOs (30 per cent) have been in their current role for two years or less, while a further 30 per cent of CIOs have been in the role for between two and five years.

When considering their next role, a quarter of CIOs expect to be in a new job within the next 12 months, and a further quarter expect to be in a new role in the next two years. Only six per cent of CIOs can see themselves in their current role for the next ten years, but the largest proportion of CIOs expect to be with their current employer for up to another five years.

Majority of CIOs in role for five years or less

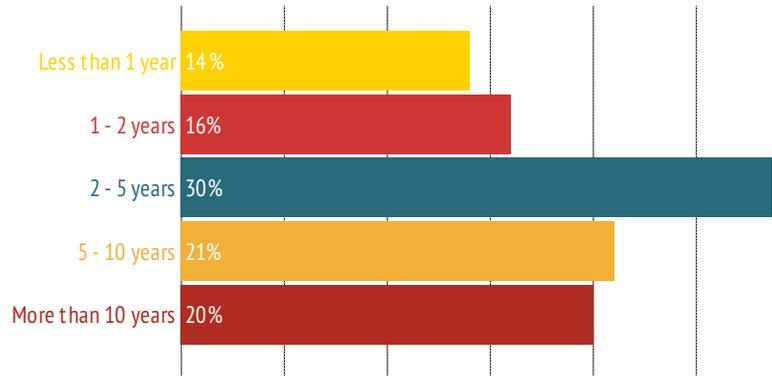


Chart 25: Length of time spent in current role

Half of CIOs want to be in a new role within two years

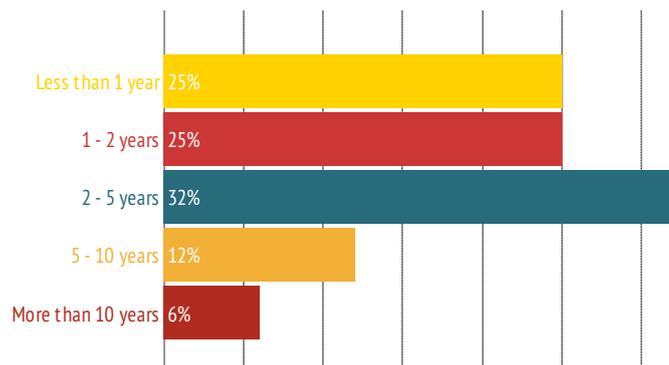


Chart 26: When do you plan to next change jobs?

CIO job satisfaction

An overwhelming majority of CIOs today (78 per cent) are 'quite' or 'very' fulfilled in their role, although analysis from the past decade of responses to the Harvey Nash CIO Survey reflects that this figure has been higher in the past. Yet the level of job fulfilment in 2014 is an increase of two per cent from last year and reverses what had been a declining rate of job fulfilment since 2011. A minority five per cent of CIOs are deeply unfulfilled in their current role while almost one in five remains 'not very' fulfilled.

A quarter of CIOs unfulfilled in role, but trend improving

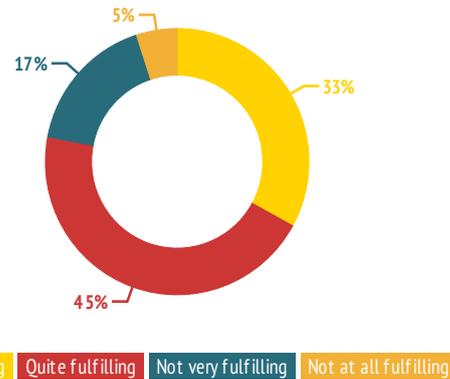


Chart 27: How fulfilling is your current role?

More than one in ten CIOs are so committed to their current role nothing would entice them away, but this section of the CIO community is dwarfed by those CIOs who are actively seeking and applying for roles and who would consider roles presented by a headhunter.

CIOs more reactive than proactive in job market

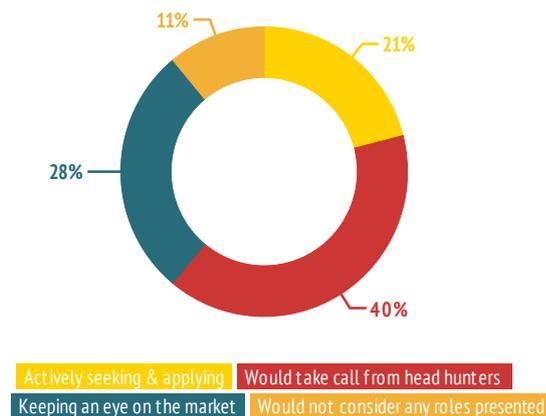


Chart 28: How actively are you seeking a new role?

CIO career path

Technology is the spiritual home to the vast majority (71 per cent) of CIOs as they began their career in a technical role. However, a proportion of CIOs have taken time out of the IT function at a later point in their career. Almost half of CIOs (43 per cent) have operated in a consulting role, 39 per cent have had a spell as a general manager and a third (33 per cent) held an operations role. Far fewer experienced a position in Sales and Marketing – two areas where collaboration has been weaker with IT.

CIOs lack exposure to Sales, Finance and Marketing during career

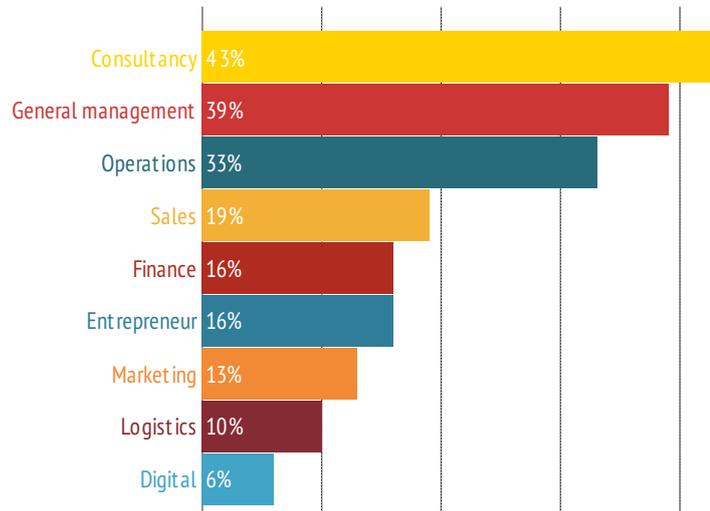


Chart 29: What careers / functions have you worked in outside IT / technology?

Over half (57 per cent) of CIOs have pursued an entrepreneurial project while building their career, with 45 per cent having launched their own business. However, a significant majority of CIOs would prefer a more senior technology role as an employee rather than run their own business full-time as a next career step.

CIOs would prefer another IT role rather than the CEO's job

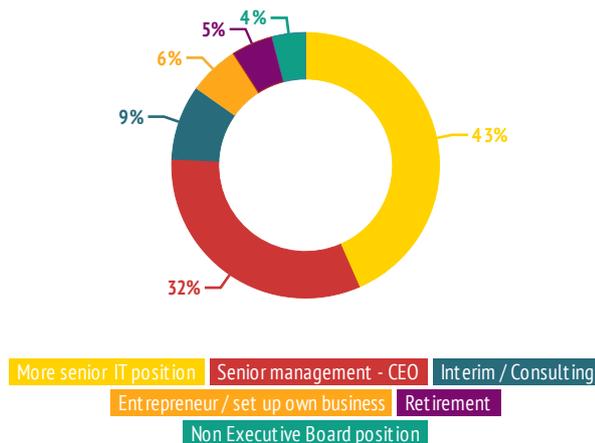


Chart 30: What is your most likely next career step?

CIO remuneration

The salary for the majority of CIOs has remained the same between 2013 and 2014. Those enjoying a salary increase are seeing the pace of salary growth slowing, with fewer CIOs receiving significant increases of 20 per cent or more. However, fewer CIOs are experiencing a salary cut in 2014 compared to 2013.

CIO salaries relatively unchanged

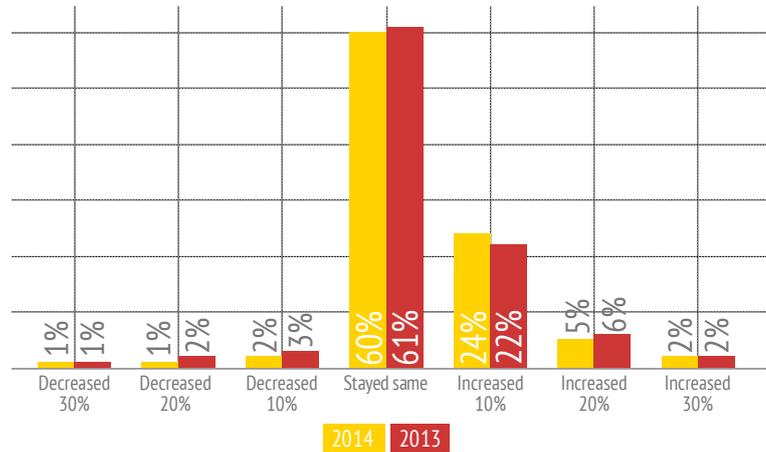


Chart 31: Percentage of CIOs' change in remuneration during past 12 months

There is more significant growth in CIO bonus opportunities, with 25 per cent seeing an increase in performance-related incentives, compared to 21 per cent in 2013. Overall satisfaction with CIO remuneration is marginally improved, two per cent higher this year (72 per cent) compared to last year.

Majority of CIOs satisfied with remuneration

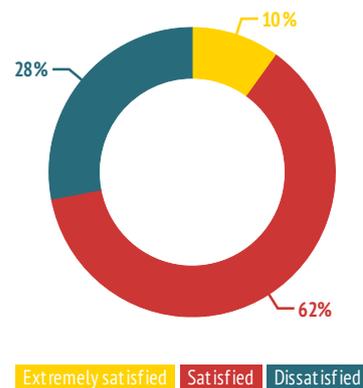


Chart 32: How satisfied are you with your remuneration?

CIO career influencers

The average life of a CIO in many organisations is somewhere between two and four years – little more than an eye blink in a 30- to 40-year career in the industry. Despite this, they love their jobs. Over the past decade of tracking CIO sentiment, CIO job fulfilment has never fallen below 75 per cent and CIO salary satisfaction has remained above 70 per cent throughout the recessionary years even as remuneration packages were frozen or cut.

In fact, CIO career fulfilment is more closely linked to the perceived strategic influence of the role than the salary paid for it, as seen in Chart 33.

As the CIO role became more strategic during the recession and immediate aftermath of 2008–2011, CIO job fulfilment was also increasing, despite CIO salary satisfaction falling during the same period. As organisational growth initiatives shifted the role of the CIO slightly during the most recent few years, requiring more collaboration between IT, Marketing and Sales, CIO job fulfilment fell as the perceived strategic influence of the CIO also fell.

CIOs are more fulfilled by strategic influence than pay and perks

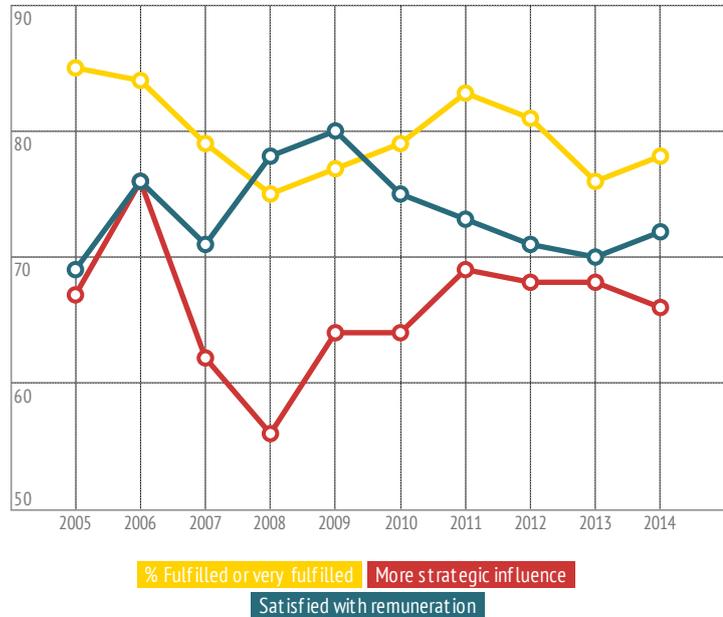


Chart 33: CIO job fulfilment, salary satisfaction and perceived strategic influence tracked together

1.6 CIO DIVERSITY

Gender diversity in the IT workplace remains very unbalanced. This year only seven per cent of the respondent community of IT leaders were women, a drop of two per cent on figures from last year. Over the last decade the proportion of women in the IT function has remained stubbornly low, despite the efforts of concerned leaders.

Although nearly three-quarters of CIOs recognise the gender imbalance in their organisations, diversity programmes appear to be making little progress. Proactive succession planning by CIOs to develop the next generation of female IT leaders is essential if meaningful change is to be achieved.

However, there is a bright spot in these numbers. Compared to many other disciplines such as HR, a greater proportion of women in IT make it through into senior positions *1. This suggests that while we do not yet see enough young women entering the industry, if they do embark on a career in IT there is more chance that they could realise their full potential than in many other sectors. If more young women can be persuaded to enter the IT profession, it looks as though both they and the industry will benefit.

*1 Source: *Harvey Nash HR Survey 2014*

Women remain under-represented in IT, but those who join the profession flourish

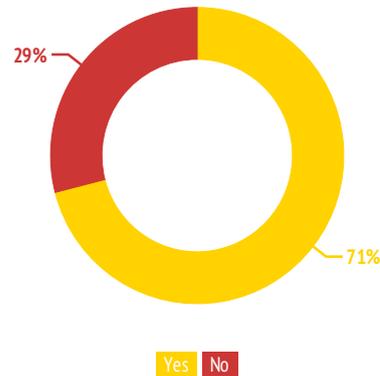


Chart 34: Do you believe women are under-represented in the IT department?



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2. REGIONAL RESULTS



ASIA-PACIFIC (APAC) REGION

Compared to the global average, a CIO from APAC is...

<p>Increasingly strategic in outlook</p> <p>70 per cent see the role of the CIO becoming more strategic, 4 per cent more than the global average (66 per cent)</p>	<p>More affected by skills shortage</p> <p>76 per cent believe skills shortage will have an impact, 16 per cent higher than the global average (60 per cent)</p>	<p>More likely to increase headcount</p> <p>49 per cent plan to increase IT headcount, 7 per cent higher than the global average (42 per cent)</p>
<p>Less restless about innovation investment</p> <p>59 per cent believe too little time is invested in innovation, 10 per cent less than the global average (69 per cent)</p>	<p>More likely to have a Chief Digital Officer</p> <p>11 per cent currently have a Chief Digital Officer, 4 per cent more than the global average (7 per cent)</p>	<p>More exposed to major IT security attack</p> <p>25 per cent have faced a major IT security attack in the last year, 3 per cent higher than the global average (22 per cent)</p>
<p>More likely to outsource</p> <p>62 per cent expect to increase outsourcing, 13 per cent higher than the global average (49 per cent)</p>	<p>More likely to have received a pay rise</p> <p>55 per cent received a pay rise in the past year, 24 per cent more than the global average (31 per cent)</p>	<p>More concerned about diverse IT leadership</p> <p>11 per cent of respondents are female IT leaders, 4 per cent higher than the global average (7 per cent)</p>

NOTE: The APAC region for the 2014 Harvey Nash CIO Survey includes the insights of CIOs from China, Hong Kong, India, Japan, Singapore, Thailand and Vietnam.

Chart: Top priorities of CIOs in APAC

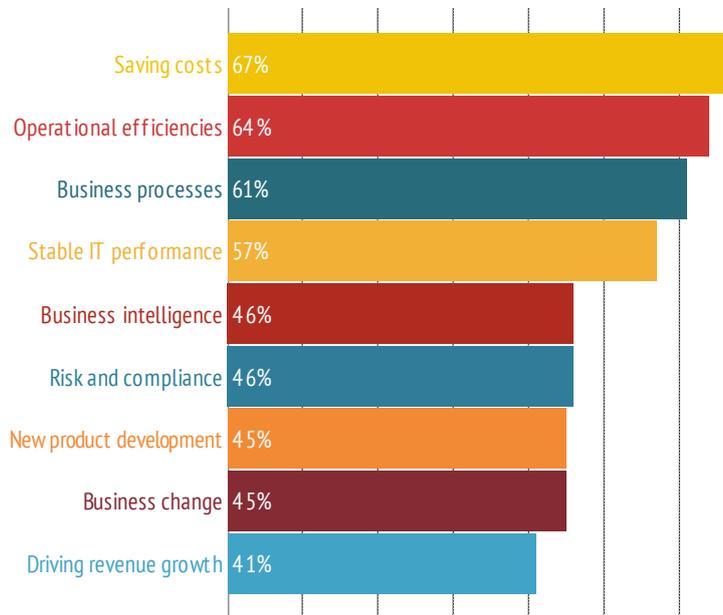
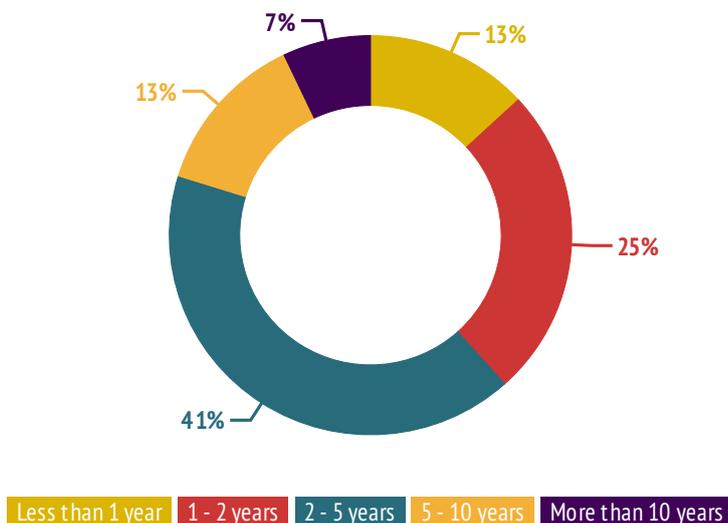


Chart: CIOs in APAC planning to move job



Much like their peers from all across the globe, CIOs from APAC are intently focused on internal priorities, including saving costs, driving operational efficiencies and delivering stable IT performance. A second tier of operational priorities is focused on more external-facing priorities, including gathering business intelligence, developing new products for market, driving revenue growth and engaging directly with customers. Outside the top ten priorities, improving the success rate of projects is a priority for 32 per cent of APAC CIOs, and enabling mobile commerce for 31 per cent.

More than one in ten CIOs from APAC are planning to leave their job within the next 12 months, which is below the global average (25 per cent). However, another 25 per cent of APAC CIOs would like to move job in the next two years, the same percentage as global CIOs. A bigger percentage of APAC CIOs would prefer to work in their roles for another two to five years (41 per cent).

AUSTRALIA

Compared to the global average, a CIO from Australia is...

Increasingly strategic in outlook

69 per cent see the role of the CIO becoming more strategic, 3 per cent more than the global average (66 per cent)

Less affected by skills shortage

50 per cent believe skills shortage will have an impact, 10 per cent less than the global average (60 per cent)

Less likely to increase headcount

37 per cent plan to increase IT headcount, 5 per cent lower than the global average (42 per cent)

Likely to have greater intent to innovate

76 per cent believe too little time is invested in innovation, 7 per cent more than the global average (69 per cent)

Less likely to have a Chief Digital Officer

5 per cent currently have a Chief Digital Officer, 2 per cent less than the global average (7 per cent)

Less exposed to major IT security attack

15 per cent have faced a major IT security attack in the last year, 7 per cent lower than the global average (22 per cent)

More likely to outsource

54 per cent expect to increase outsourcing, 5 per cent higher than the global average (49 per cent)

More likely to have received a pay rise

35 per cent received a pay rise in the past year, 4 per cent more than the global average (31 per cent)

Equally concerned about diversity

70 per cent believe women are under-represented in IT, 1 per cent lower than the global average (71 per cent)



Chart: Top priorities of CIOs in Australia: 2014 vs 2013

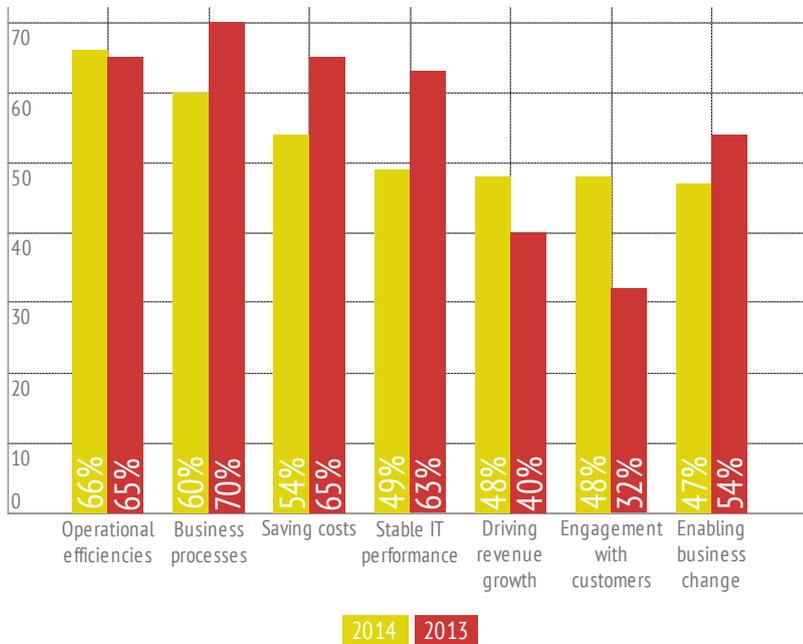
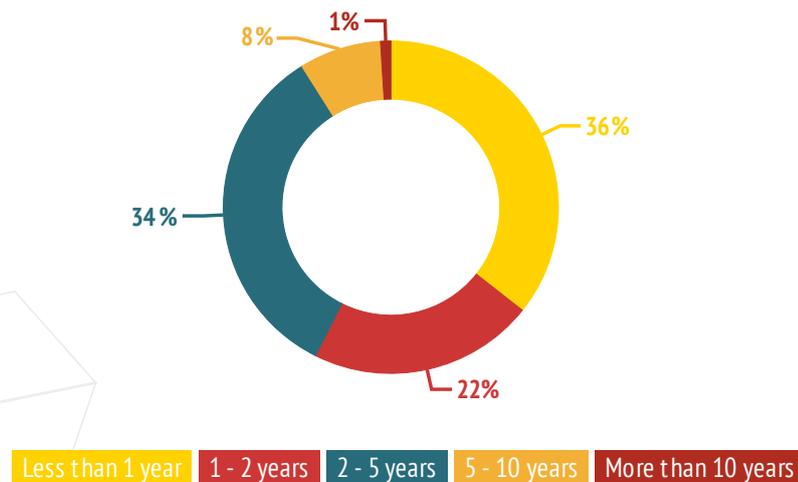


Chart: CIOs in Australia planning to move job



There has been a major shift in the operational priorities of Australian CIOs. Seventy per cent of Australian CIOs prioritised the improvement of business processes last year, but only 60 per cent will give a similar focus in 2014. Almost two-thirds of Australian CIOs were focused on saving costs last year; in 2014 just over half (54 per cent) will do so. However, focus has increased on driving revenue growth; 40 per cent of Australian CIOs made it a priority in 2013 whereas 48 per cent will do so this year. And only a third of Australian CIOs were engaged with customers last year, but this has leapt 16 per cent (to 48 per cent) in 2014.

A greater proportion of Australian CIOs are planning to move job this year. Over a third (36 per cent) aim to move role in the next 12 months, up 8 per cent on 2013 when 28 per cent said they were intending to move job imminently. Some 58 per cent of Australian CIOs expect to be in a new role in the next two years, which is above the global trend for CIOs (55 per cent).

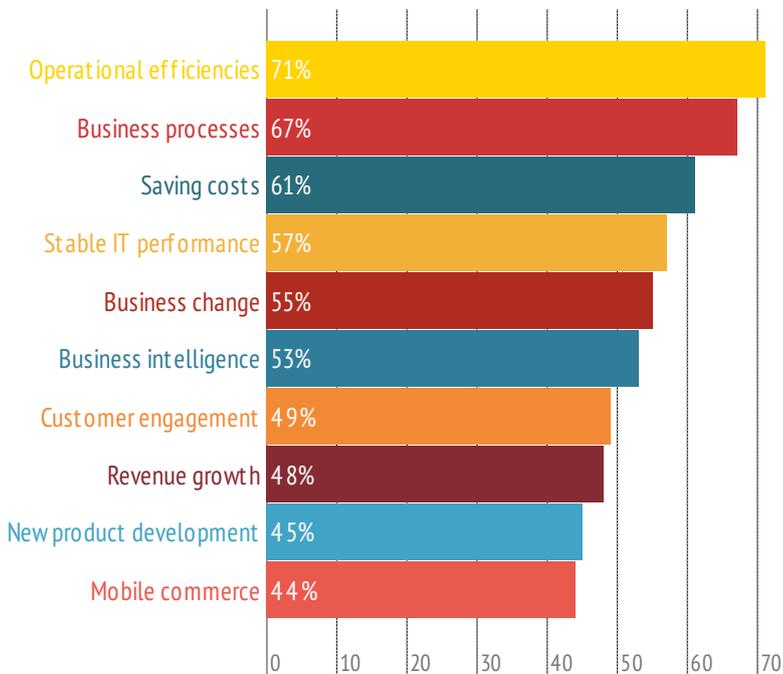
CHINA/HONG KONG

Compared to the global average, a CIO from China/Hong Kong is...

<p>Increasingly strategic in outlook</p> <p>73 per cent see the role of the CIO becoming more strategic, 7 per cent more than the global average (66 per cent)</p>	<p>More affected by skills shortage</p> <p>76 per cent believe skills shortage will have an impact, 16 per cent higher than the global average (60 per cent)</p>	<p>Equally likely to increase headcount</p> <p>42 per cent plan to increase IT headcount, the same percentage as the global average (42 per cent)</p>
<p>Less restless about innovation investment</p> <p>67 per cent believe too little time is invested in innovation, 2 per cent less than the global average (69 per cent)</p>	<p>More likely to have a Chief Digital Officer</p> <p>16 per cent currently have a Chief Digital Officer, 9 per cent higher than the global average (7 per cent)</p>	<p>More exposed to major IT security attack</p> <p>25 per cent have faced a major IT security attack in the last year, 3 per cent higher than the global average (22 per cent)</p>
<p>More likely to outsource</p> <p>55 per cent expect to increase outsourcing, 6 per cent higher than the global average (49 per cent)</p>	<p>More likely to have received a pay rise</p> <p>54 per cent received a pay rise in the past year, 23 per cent more than the global average (31 per cent)</p>	<p>More diverse IT leadership</p> <p>10 per cent of respondents are female IT leaders, 3 per cent higher than the global average (7 per cent)</p>



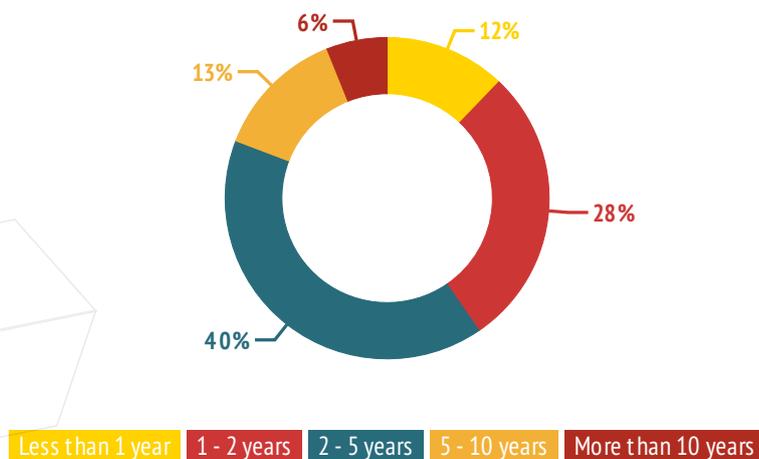
Chart: Top ten priorities of CIOs in China/Hong Kong



For CIOs in China/Hong Kong, the top priority in 2014 will be to drive operational efficiencies. More than half of the respondents from China/Hong Kong will push forward with business change projects and business intelligence projects in the year ahead. More than four in ten CIOs from this region will take on more customer-centric tasks, including new product development and enabling mobile commerce.

More than one in ten CIOs from China/Hong Kong are planning to leave their job within the next 12 months, which is in line with regional APAC trends (12 per cent) but below the global average (25 per cent). However, another 28 per cent of China/Hong Kong CIOs would like to move job in the next two years, higher than the global average (25 per cent). Four in ten CIOs from China/Hong Kong will stay in their roles for another two to five years.

Chart: CIOs in China/Hong Kong planning to move job



FINLAND

Compared to the global average, a CIO from Finland is...

Increasingly strategic in outlook

70 per cent see the role of the CIO becoming more strategic, 4 per cent more than the global average (66 per cent)

Less affected by skills shortage

50 per cent believe skills shortage will have an impact, 10 per cent lower than the global average (60 per cent)

Less likely to increase headcount

35 per cent plan to increase IT headcount, 7 per cent less than the global average (42 per cent)

Likely to have greater intent to innovate

74 per cent believe too little time is invested in innovation, 5 per cent higher than the global average (69 per cent)

More likely to have a Chief Digital Officer

16 per cent currently have a Chief Digital Officer, 9 per cent more than the global average (7 per cent)

More exposed to major IT security attack

24 per cent have faced a major IT security attack in the last year, 2 per cent higher than the global average (22 per cent)

Less likely to outsource

27 per cent expect to increase outsourcing, 22 per cent lower than the global average (49 per cent)

Less likely to have an IT budget increase

23 per cent saw an increase in IT budget last year, 23 per cent lower than the global average (46 per cent)

Less anxious about diversity

45 per cent believe women are under-represented in IT, 26 per cent lower than the global average (71 per cent)



Chart: Top ten priorities of CIOs in Finland

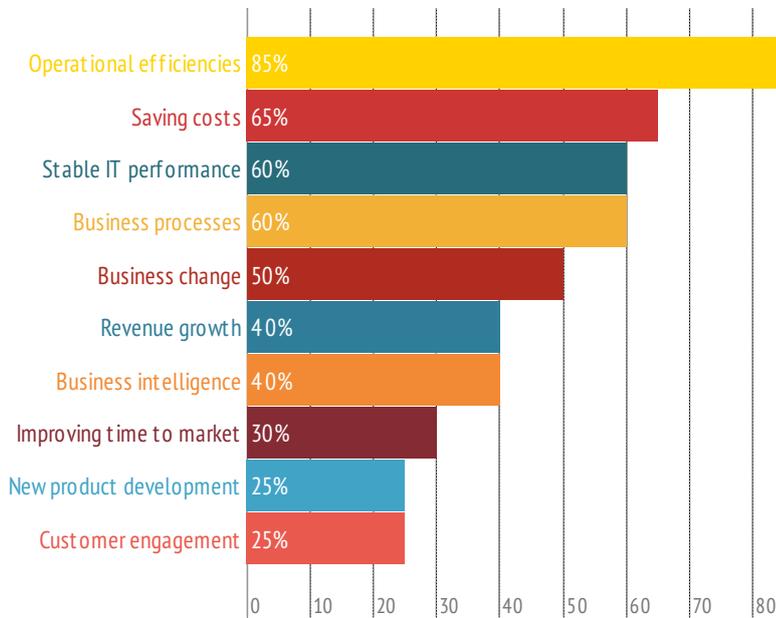
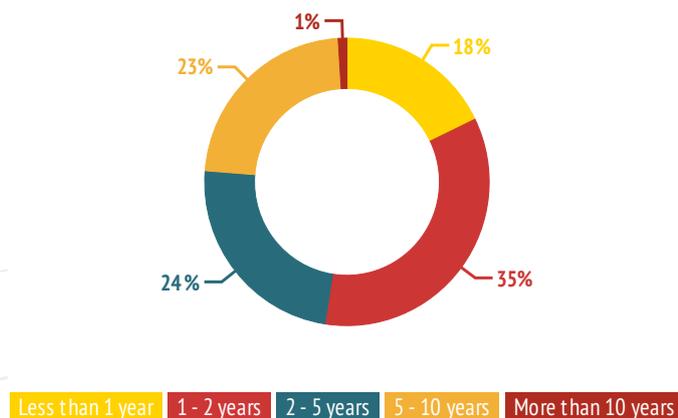


Chart: CIOs in Finland planning to move job



CIOs in Finland share their top operational priority – driving efficiencies – with their global CIO peers. However, the global average for this number one priority is 64 per cent, far below the proportion of CIOs in Finland who make it their top issue (85 per cent). Saving costs remains a high priority for CIOs in Finland (65 per cent), moderately higher than the 57 per cent global average. Pursuing business change (50 per cent) is rated higher than driving revenue growth (40 per cent) and new product development (25 per cent) by CIOs in Finland.

CIOs in Finland are less likely to move role within the next 12 months (18 per cent) compared to the global average (25 per cent). However, significantly more CIOs in Finland expect to be in a new role within the next two years (35 per cent), compared to 25 per cent globally. A smaller proportion of CIOs in Finland are planning to be in their role long term; only 1 per cent are planning to stay for more than a decade, compared to 6 per cent of CIOs globally.

FRANCE

Compared to the global average, a CIO from France is...

Increasingly strategic in outlook

79 per cent see the role of the CIO becoming more strategic, 13 per cent higher than the global average (66 per cent)

Less affected by skills shortage

52 per cent believe skills shortage will have an impact, 8 per cent less than the global average (60 per cent)

Less likely to increase headcount

14 per cent plan to increase IT headcount, 28 per cent lower than the global average (42 per cent)

Likely to have greater intent to innovate

77 per cent believe too little time is invested in innovation, 8 per cent more than the global average (69 per cent)

More likely to have a Chief Digital Officer

23 per cent currently have a Chief Digital Officer, 16 per cent more than the global average (7 per cent)

More exposed to major IT security attack

32 per cent have faced a major IT security attack in the last year, 10 per cent higher than the global average (22 per cent)

Less likely to outsource

42 per cent expect to increase outsourcing, 7 per cent lower than the global average (49 per cent)

Equally likely to have received a pay rise

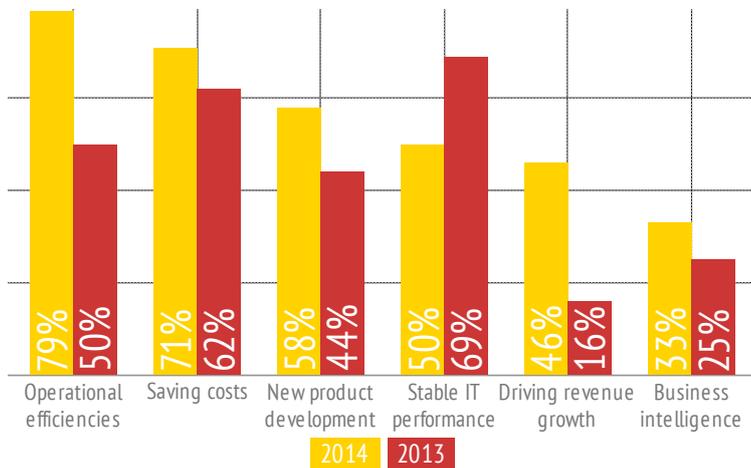
30 per cent received a pay rise in the past year, 1 per cent below the global average (31 per cent)

More concerned about diversity

91 per cent believe women are under-represented in IT, 20 per cent higher than the global average (71 per cent)

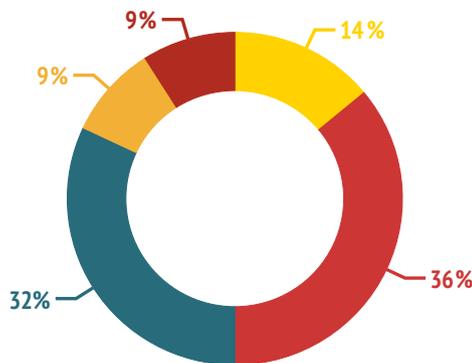


Chart: Top priorities of CIOs in France: 2014 vs 2013



CIOs in France have significantly shifted their focus in 2014. While only 50 per cent of French CIOs prioritised operational efficiencies in 2013, this has grown to 79 per cent in 2014, whereas the proportion focused on saving costs has dropped from 71 per cent to 62 per cent. More French CIOs are pursuing new product development (58 per cent in 2014), a jump of 14 per cent from 2013. This comes at the expense of delivering stable IT performance, which slides 19 per cent. French CIOs are also more likely to be part of revenue growth initiatives (up 30 per cent in 2014) and business intelligence programmes (up 8 per cent) compared to last year.

Chart: CIOs in France planning to move job



Less than 1 year 1 - 2 years 2 - 5 years 5 - 10 years More than 10 years

Fewer CIOs in France are planning to move job in 2014 compared to 2013. While 14 per cent of French CIOs will look to change job in 2014, this is significantly below the 39 per cent who planned to move job last year. A greater proportion of French CIOs would like to move role in the next two years – 36 per cent – which is above the 2014 global average (25 per cent). More French CIOs would also consider staying in their current role for more than a decade (9 per cent) compared to 6 per cent of CIOs globally.

GERMANY

Compared to the global average, a CIO from Germany is...

Concerned about strategic outlook

61 per cent see the role of the CIO becoming more strategic, 5 per cent less than the global average (66 per cent)

More affected by skills shortage

66 per cent believe skills shortage will have an impact, 6 per cent higher than the global average (60 per cent)

More likely to increase headcount

44 per cent plan to increase IT headcount, 2 per cent higher than the global average (42 per cent)

Less restless about innovation investment

65 per cent believe too little time is invested in innovation, 4 per cent lower than the global average (69 per cent)

Less likely to have a Chief Digital Officer

4 per cent currently have a Chief Digital Officer, 3 per cent below the global average (7 per cent)

More exposed to major IT security attack

26 per cent have faced a major IT security attack in the last year, 4 per cent higher than the global average (22 per cent)

Equally as likely to outsource

49 per cent expect to increase outsourcing, the same percentage as the global average (49 per cent)

More likely to have received a pay rise

37 per cent received a pay rise in the past year, 6 per cent more than the global average (31 per cent)

More concerned about diversity

74 per cent believe women are under-represented in IT, 3 per cent higher than the global average (71 per cent)



Chart: Top priorities of CIOs in Germany: 2014 vs 2013

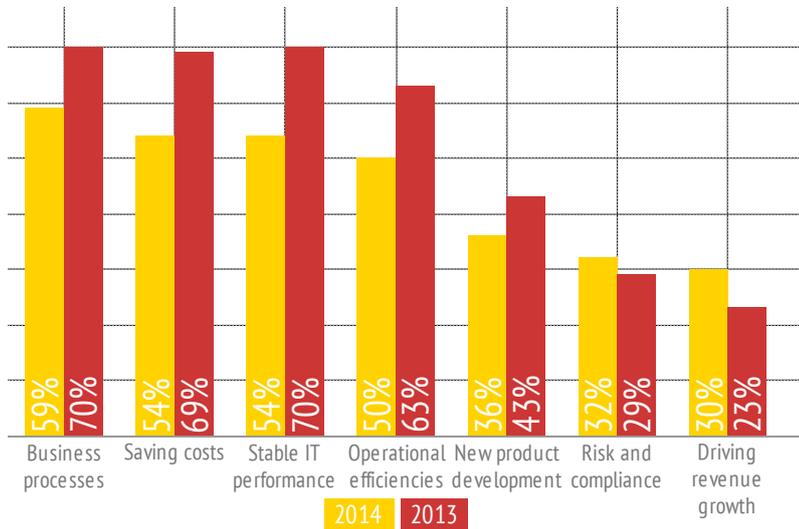
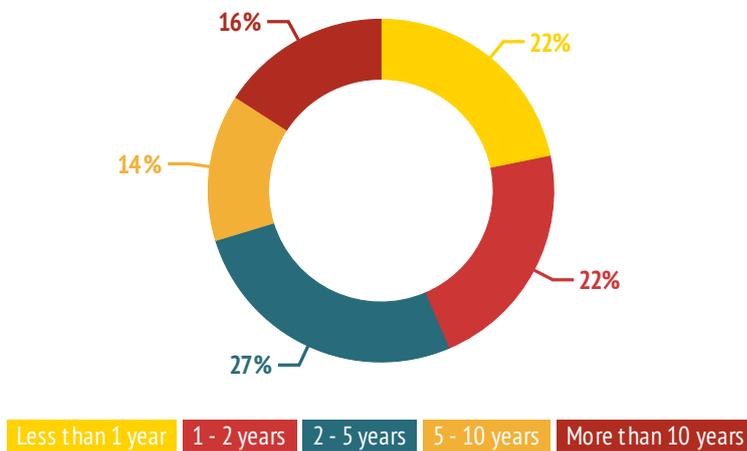


Chart: CIOs in Germany planning to move job



CIOs in Germany are less intently focused on the operational priorities that were dominating their attention in 2013. While enhancing business processes remains the number one priority for German CIOs, the percentage of respondents making it a priority has dropped 11 per cent between 2013 and 2014. Similarly, the proportion of CIOs focused on saving costs has dropped 15 per cent in the past year, delivering 'stable' IT has dropped 16 per cent and pursuing operational efficiencies has dropped 13 per cent. German CIOs focused on developing new products has also dropped seven per cent. However, more German CIOs (30 per cent) are driving revenue growth in 2014 compared to last year (23 per cent).

The proportion of German CIOs planning to move role within the next 12 months (22 per cent) is marginally lower than the global average (25 per cent) and in line with German CIO sentiment from 2013 (also 22 per cent). German CIOs planning to move role within two years is up slightly, from 18 per cent in 2013 to 22 per cent today.

IRELAND

Compared to the global average, a CIO from Ireland is...

Concerned about strategic outlook

63 per cent see the role of the CIO becoming more strategic, 3 per cent less than the global average (66 per cent)

Less affected by skills shortage

54 per cent believe skills shortage will have an impact, 6 per cent lower than the global average (60 per cent)

More likely to increase headcount

49 per cent plan to increase IT headcount, 7 per cent higher than the global average (42 per cent)

Less restless about innovation investment

62 per cent believe too little time is invested in innovation, 7 per cent lower than the global average (69 per cent)

Less likely to have a Chief Digital Officer

5 per cent currently have a Chief Digital Officer, 2 per cent below the global average (7 per cent)

Less exposed to major IT security attack

15 per cent have faced a major IT security attack in the last year, 7 per cent lower than the global average (22 per cent)

Marginally less likely to outsource

47 per cent expect to increase outsourcing, 2 per cent lower than the global average (49 per cent)

Less likely to have received a pay rise

22 per cent received a pay rise in the past year, 9 per cent less than the global average (31 per cent)

More diverse IT leadership

9 per cent of respondents are female IT leaders, 2 per cent higher than the global average (7 per cent)



Chart: Top priorities of CIOs in Ireland: 2014 vs 2013

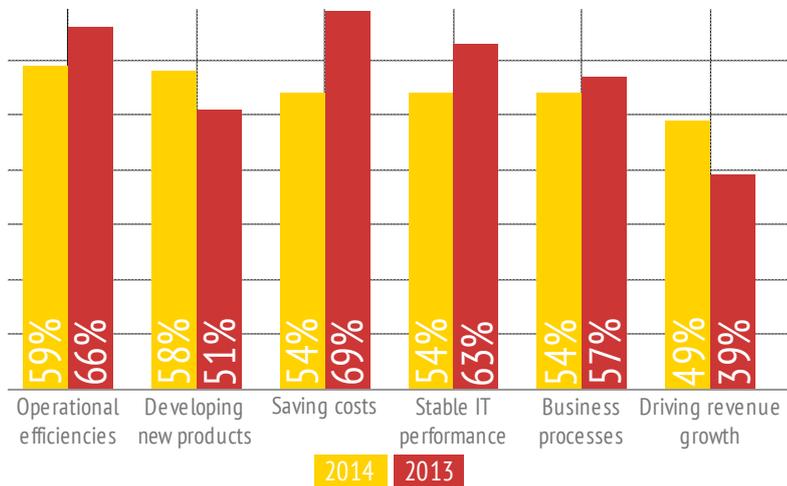
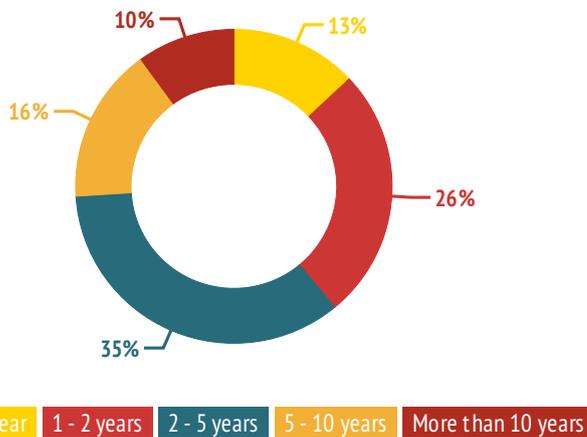


Chart: CIOs in Ireland planning to move job



Saving costs has dropped from the number one priority of Irish CIOs in 2013 to the number three priority in 2014, with 15 per cent fewer Irish CIOs focused on reducing internal overheads. While operational efficiencies are also a focus for fewer Irish CIOs this year (a drop of 7 per cent), it has become the top priority. The shift away from internal costs and efficiencies is replaced by a greater focus on developing new products and services with technology innovation, which is a priority for 58 per cent of Irish CIOs in 2014, up 7 per cent on last year. Driving revenue growth is a higher priority for almost half of Irish CIOs this year, up 10 per cent from 39 per cent in 2014 to 49 per cent today.

The proportion of Irish CIOs planning to move role within the next 12 months (13 per cent) is significantly lower than the global average (25 per cent), and is below the sentiment from Irish CIOs in 2013 (also 25 per cent). Irish CIOs planning to move role within two years is also down slightly compared to 2013, from 31 per cent last year to 26 per cent today. A larger proportion of Irish CIOs plan to stay in their job for two to five years, at 35 per cent this year compared to 27 per cent in 2013.

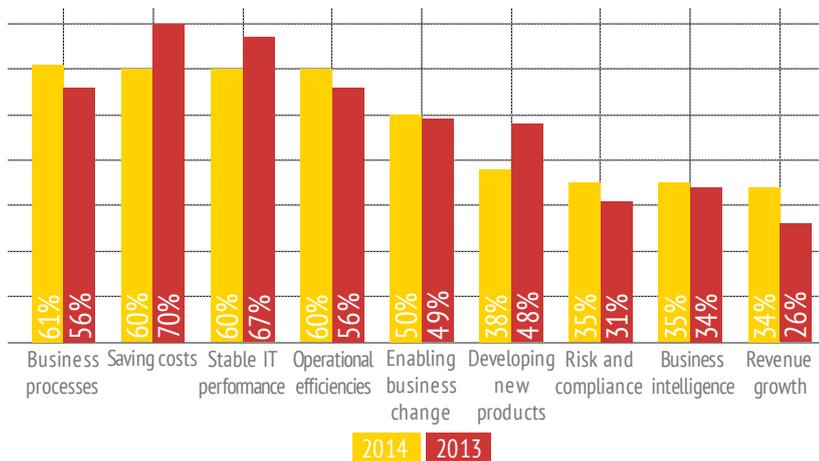
THE NETHERLANDS

Compared to the global average, a CIO from the Netherlands is...

<p>Increasingly strategic in outlook</p> <p>74 per cent see the role of the CIO becoming more strategic, 8 per cent more than the global average (66 per cent)</p>	<p>Less affected by skills shortage</p> <p>58 per cent believe skills shortage will have an impact, 2 per cent lower than the global average (60 per cent)</p>	<p>Less likely to increase headcount</p> <p>27 per cent plan to increase IT headcount, 15 per cent lower than the global average (42 per cent)</p>
<p>Likely to have greater intent to innovate</p> <p>72 per cent believe too little time is invested in innovation, 3 per cent higher than the global average (69 per cent)</p>	<p>Equally likely to have a Chief Digital Officer</p> <p>6 per cent currently have a Chief Digital Officer, similar to the global average (7 per cent)</p>	<p>Equally exposed to major IT security attack</p> <p>22 per cent have faced a major IT security attack in the last year, the same percentage as the global average (22 per cent)</p>
<p>Equally likely to outsource</p> <p>49 per cent expect to increase outsourcing, the same percentage as the global average (49 per cent)</p>	<p>Less likely to have received a pay rise</p> <p>22 per cent received a pay rise in the past year, 9 per cent less than the global average (31 per cent)</p>	<p>More concerned about diversity</p> <p>82 per cent believe women are under-represented in IT, 11 per cent more than the global average (71 per cent)</p>

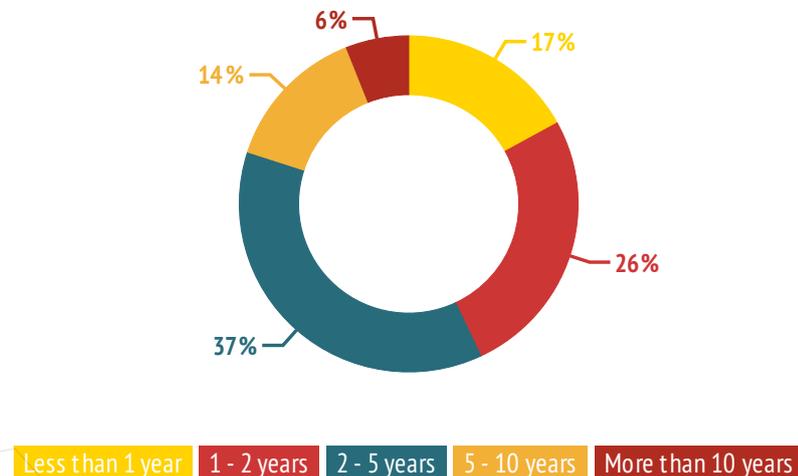


Chart: Top priorities of CIOs in the Netherlands: 2014 vs 2013



In 2013 CIOs from the Netherlands were most focused on saving costs but like many CIO peers around the globe this has been replaced in 2014 by the priority to improve business processes. Delivering stable IT performance is less of a priority for the CIO community in the Netherlands in 2014, dropping 7 per cent in 12 months. Developing new products is also receiving less attention from CIOs here; 38 per cent will prioritise this in 2014 compared to 48 per cent in 2013. However, the importance of driving revenue growth is up from 26 per cent in 2013 to 34 per cent today.

Chart: CIOs in The Netherlands planning to move job



The proportion of CIOs from the Netherlands who are planning to move role within the next 12 months (17 per cent) is below the 2014 CIO global average (25 per cent) and also below the 2013 average for CIOs in The Netherlands (24 per cent). The 26 per cent of CIOs from the Netherlands who plan to move role within the next two years is more closely aligned to the sentiment seen in 2013, when 28 per cent of CIOs from the Netherlands said they planned to move on within 24 months.

NORWAY

Compared to the global average, a CIO from Norway is...

Equally strategic in outlook

65 per cent see the role of the CIO becoming more strategic, 1 per cent below the global average (66 per cent)

Less affected by skills shortage

48 per cent believe skills shortage will have an impact, 12 per cent lower than the global average (60 per cent)

Less likely to increase headcount

27 per cent plan to increase IT headcount, 15 per cent lower than the global average (42 per cent)

Likely to have greater intent to innovate

73 per cent believe too little time is invested in innovation, 4 per cent higher than the global average (69 per cent)

Equally likely to have a Chief Digital Officer

6 per cent currently have a Chief Digital Officer, 1 per cent below the global average (7 per cent)

More exposed to major IT security attack

36 per cent have faced a major IT security attack in the last year, 14 per cent higher than the global average (22 per cent)

More likely to outsource

61 per cent expect to increase outsourcing, 12 per cent more than the global average (49 per cent)

Less likely to have an IT budget increase

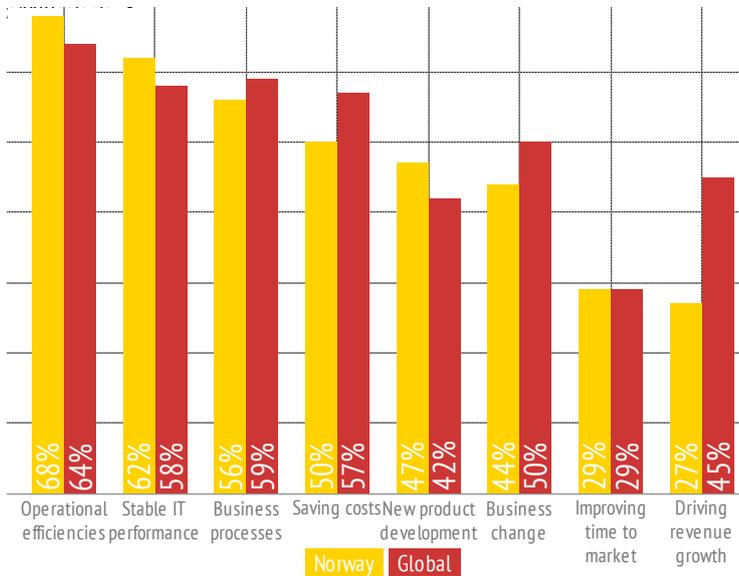
27 per cent saw an increase in IT budget last year, 19 per cent lower than the global average (46 per cent)

More concerned about diversity

85 per cent believe women are under-represented in IT, 14 per cent more than the global average (71 per cent)

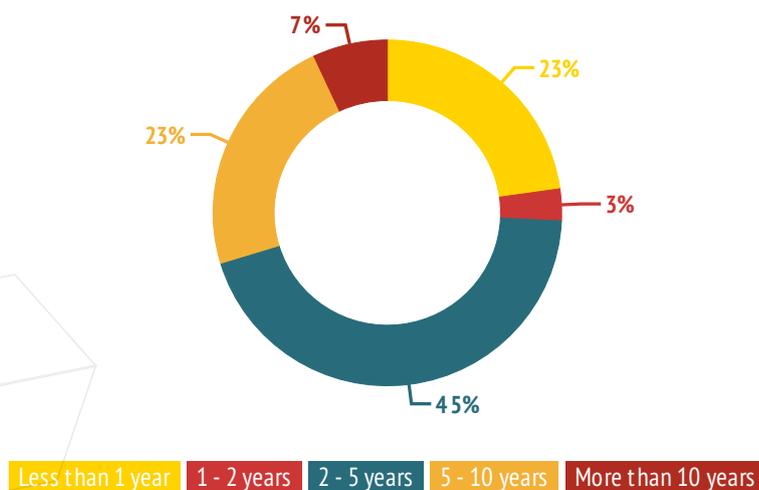


Chart: Top priorities of CIOs in Norway vs Global



CIOs in Norway share the top operational priority of their global CIO peers. Over two-thirds of Norwegian CIOs (68 per cent) make driving operational efficiencies their number one priority in 2014, marginally above the global average of 64 per cent. Norwegian CIOs are also more focused on delivering stable IT performance, 62 per cent make it a priority compared to a CIO global average of 58 per cent. Saving costs is important for 50 per cent of local CIOs, but 57 per cent of CIOs globally make this a priority. Norwegian CIOs are more interested in new product development (47 per cent) than their CIO peers (42 per cent). However, Norwegian CIOs are less compelled to drive revenue growth (27 per cent) compared to 45 per cent of global CIOs.

Chart: CIOs in Norway planning to move job



The proportion of CIOs from Norway who are planning to move role within the next 12 months (23 per cent) is marginally below the global average (25 per cent). However, only 3 per cent of Norwegian CIOs are considering changing job in the next two years compared to 25 per cent of CIOs globally. A much more significant proportion of Norwegian CIOs (45 per cent) will stay in their current job for two to five years compared to 32 per cent of global CIOs.

POLAND

Compared to the global average, a CIO from Poland is...

<p>More strategic in outlook</p> <p>68 per cent see the role of the CIO becoming more strategic, 2 per cent above the global average (66 per cent)</p>	<p>Less affected by skills shortage</p> <p>57 per cent believe skills shortage will have an impact, 3 per cent lower than the global average (60 per cent)</p>	<p>Less likely to increase headcount</p> <p>36 per cent plan to increase IT headcount, 6 per cent lower than the global average (42 per cent)</p>
<p>Restless about innovation investment</p> <p>68 per cent believe too little time is invested in innovation, 1 per cent lower than the global average (69 per cent)</p>	<p>Less likely to have a Chief Digital Officer</p> <p>4 per cent currently have a Chief Digital Officer, 3 per cent below the global average (7 per cent)</p>	<p>More exposed to major IT security attack</p> <p>24 per cent have faced a major IT security attack in the last year, 2 per cent higher than the global average (22 per cent)</p>
<p>Equally likely to outsource</p> <p>50 per cent expect to increase outsourcing, 1 per cent more than the global average (49 per cent)</p>	<p>Less likely to have received a pay rise</p> <p>25 per cent received a pay rise in the past year, 6 per cent less than the global average (31 per cent)</p>	<p>Less anxious about diversity</p> <p>46 per cent believe women are under-represented in IT, 25 per cent less than the global average (71 per cent)</p>



Chart: Top priorities of CIOs in Poland

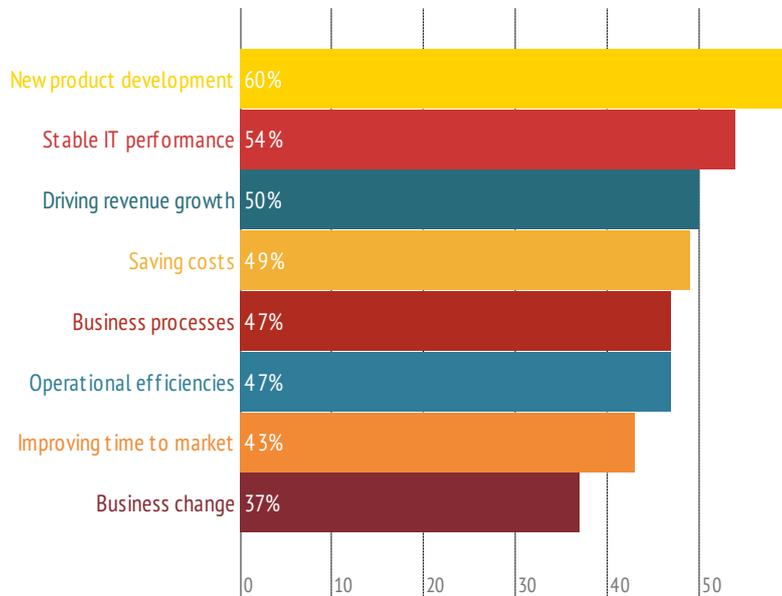
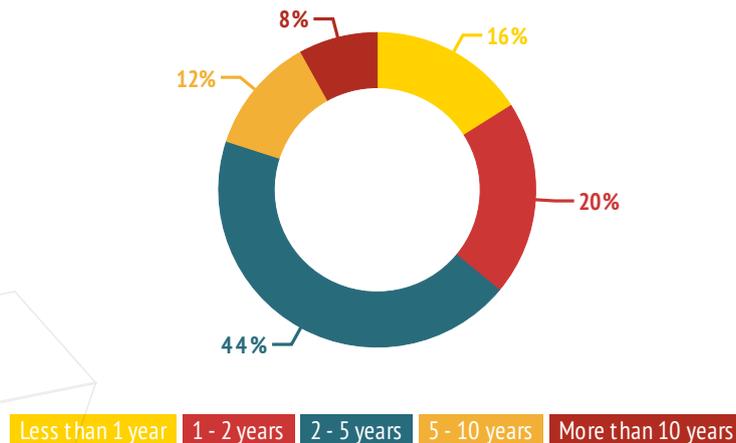


Chart: CIOs in Poland planning to move job



In a departure from the global trend, it is product development (60 per cent) and not internal efficiency priorities that dominate the attention of Polish CIOs in 2014. Stable IT performance is still a priority for 54 per cent of Polish CIOs, slightly below the global CIO average (59 per cent). Less than half of Polish CIOs (49 per cent) will make saving costs a priority this year, compared to 57 per cent of CIOs globally. Whereas operational efficiencies are sixth in the list of 2014 priorities for Polish CIOs (47 per cent), they are the top issue for CIOs globally with 64 per cent focused on delivering operational efficiencies.

Some 16 per cent of Polish CIOs plan to leave their current job within the next 12 months, which is lower than the global CIO average of 25 per cent. A further one in five Polish CIOs (20 per cent) will move job in the next two years, also marginally below the global average (25 per cent). A more significant proportion of Polish CIOs (44 per cent) will stay in their current job for two to five years, compared to 32 per cent of global CIOs. Some 8 per cent of Polish CIOs would like to stay in their current role for more than a decade, 2 per cent higher than the global CIO average (6 per cent).

SCOTLAND (UK)

Compared to the global average, a CIO from Scotland is...

Concerned about strategic outlook

61 per cent see the role of the CIO becoming more strategic, 5 per cent below the global average (66 per cent)

More affected by skills shortage

63 per cent believe skills shortage will have an impact, 3 per cent higher than the global average (60 per cent)

More likely to increase headcount

44 per cent plan to increase IT headcount, 2 per cent more than the global average (42 per cent)

Less restless about innovation investment

65 per cent believe too little time is invested in innovation, 4 per cent lower than the global average (69 per cent)

Less likely to have a Chief Digital Officer

4 per cent currently have a Chief Digital Officer, 3 per cent below the global average (7 per cent)

Equally exposed to major IT security attack

23 per cent have faced a major IT security attack in the last year, 1 per cent more than the global average (22 per cent)

Less likely to outsource

35 per cent expect to increase outsourcing, 14 per cent less than the global average (49 per cent)

Less likely to have received a pay rise

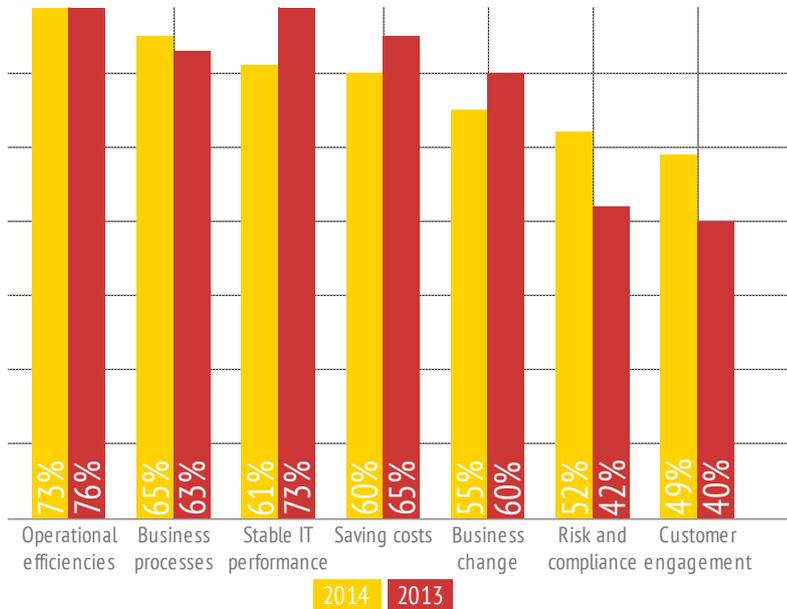
23 per cent received a pay rise in the past year, 8 per cent less than the global average (31 per cent)

Less anxious about diversity

60 per cent believe women are under-represented in IT, 11 per cent less than the global average (71 per cent)

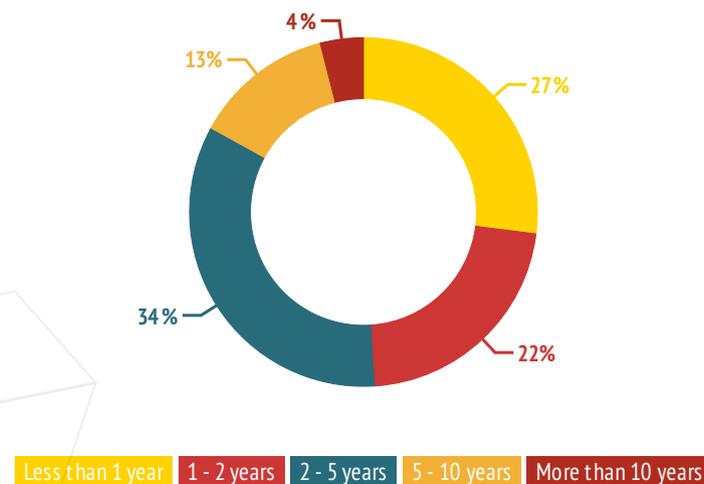


Chart: Top priorities of CIOs in Scotland: 2014 vs 2013



Operational efficiencies continue to be the top priority for Scottish CIOs, but only 73 per cent of CIOs will make it a major focus this year compared to 76 per cent last year, a three per cent drop. On the other hand, improving business processes increases by two per cent. Both saving costs and driving business change drop by five per cent in 2014 compared to 2013. Yet the focus on risk and compliance is up significantly; 52 per cent of Scottish CIOs will make it a priority this year compared to 42 per cent last year. The proportion of Scottish CIOs focusing on customer engagement strategies is also up in 2014, by nine per cent.

Chart: CIOs in Scotland planning to move job



More CIOs from Scotland (27 per cent) plan to leave their job in the next 12 months compared to the global average (25 per cent). Another one in five Scottish CIOs (22 per cent) would like to be in a new role within two years, marginally lower than the global average (25 per cent). Scottish CIOs are also less likely to be in their role in a decade; only four per cent believe this compared to six per cent of CIOs globally.

SWEDEN

Compared to the global average, a CIO from Sweden is...

Concerned about strategic outlook

60 per cent see the role of the CIO becoming more strategic, 6 per cent below the global average (66 per cent)

More affected by skills shortage

71 per cent believe skills shortage will have an impact, 11 per cent higher than the global average (60 per cent)

More likely to increase headcount

49 per cent plan to increase IT headcount, 7 per cent more than the global average (42 per cent)

Likely to have greater intent to innovate

81 per cent believe too little time is invested in innovation, 12 per cent higher than the global average (69 per cent)

More likely to have a Chief Digital Officer

10 per cent currently have a Chief Digital Officer, 3 per cent more than the global average (7 per cent)

More exposed to major IT security attack

31 per cent have faced a major IT security attack in the last year, 9 per cent higher than the global average (22 per cent)

Less likely to outsource

41 per cent expect to increase outsourcing, 8 per cent less than the global average (49 per cent)

Less likely to have an IT budget increase

37 per cent saw an increase in IT budget last year, 9 per cent lower than the global average (46 per cent)

More concerned about diversity

73 per cent believe women are under-represented in IT, 2 per cent higher than the global average (71 per cent)



Chart: Top priorities of CIO in Sweden: 2014 vs 2013

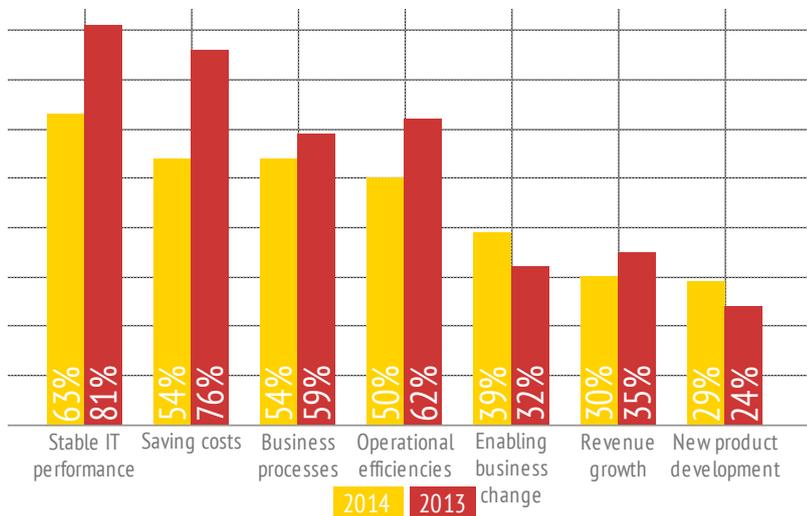
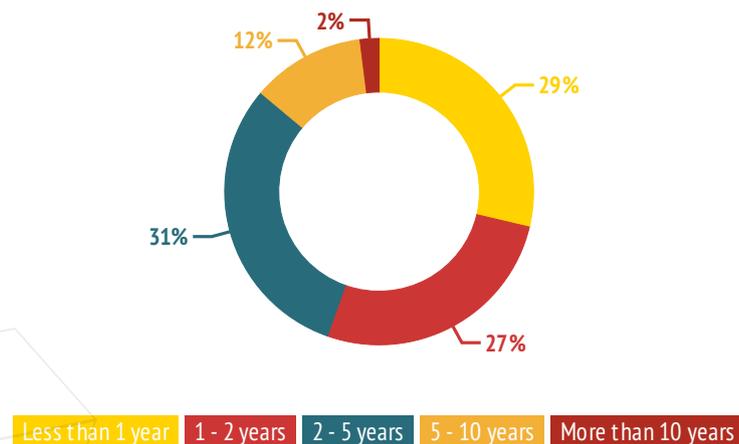


Chart: CIOs in Sweden planning to move job



Delivering stable IT performance remains the top priority for Swedish CIOs, but only 63 per cent are focused on this issue in 2014 compared to 81 per cent last year. There has been a drop in focus across many internal CIO priorities in Sweden this year. Saving costs drops from 76 per cent of CIOs making it a priority in 2013 to 54 per cent today. Delivering operational efficiencies is now a focus for 50 per cent of Swedish CIOs, but 62 per cent were focused on them in 2013. One CIO priority that is growing in 2014 is enabling business change, with 39 per cent focused on it this year compared to 32 per cent last year. More Swedish CIOs (29 per cent) are focused on new product development this year, up from 24 per cent in 2013.

More Swedish CIOs plan to be in a new role in the next 12 months (29 per cent) compared to the global CIO average (25 per cent). There are also more Swedish CIOs (27 per cent) who would like to change job in the next two years, compared to CIO peers from around the globe (25 per cent). Fewer Swedish CIOs are planning to stay in the job long term; only two per cent expect to be in their current role in ten years' time, compared to six per cent globally.

SWITZERLAND

Compared to the global average, a CIO from Switzerland is...

Concerned about strategic outlook

54 per cent see the role of the CIO becoming more strategic, 12 per cent below the global average (66 per cent)

More affected by skills shortage

64 per cent believe skills shortage will have an impact, 4 per cent higher than the global average (60 per cent)

Less likely to increase headcount

36 per cent plan to increase IT headcount, 6 per cent less than the global average (42 per cent)

Likely to have greater intent to innovate

76 per cent believe too little time is invested in innovation, 7 per cent higher than the global average (69 per cent)

Less likely to have a Chief Digital Officer

4 per cent currently have a Chief Digital Officer, 3 per cent less than the global average (7 per cent)

More exposed to major IT security attack

33 per cent have faced a major IT security attack in the last year, 11 per cent more than the global average (22 per cent)

Less likely to outsource

47 per cent expect to increase outsourcing, 2 per cent less than the global average (49 per cent)

Less likely to have received a pay rise

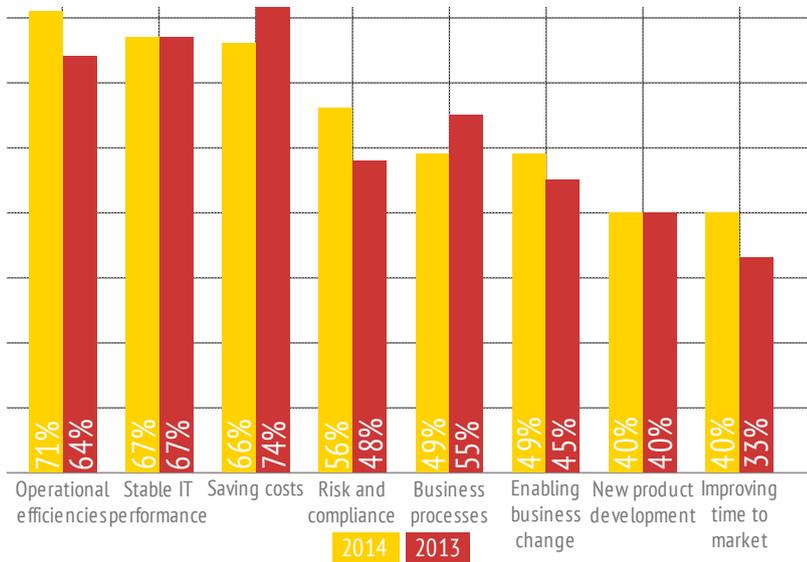
24 per cent received a pay rise in the past year, 7 per cent less than the global average (31 per cent)

More concerned about diversity

83 per cent believe women are under-represented in IT, 12 per cent more than the global average (71 per cent)

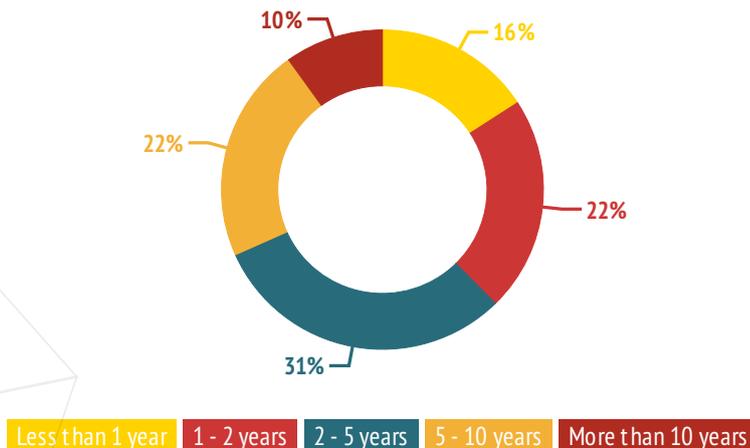


Chart: Top priorities of CIOs in Switzerland: 2014 vs 2013



Operational efficiencies have risen in importance for CIOs in Switzerland. Almost three-quarters (71 per cent) will make these a top priority in 2014, up from 64 per cent in 2013. Saving costs, which was the top priority in 2013, drops from 74 per cent to 66 per cent of Swiss CIOs making it a priority today. Risk and compliance issues are more important to CIOs in Switzerland this year; 56 per cent will focus on them compared to 48 per cent in 2013. For four in ten CIOs in Switzerland (40 per cent), improving time to market is a priority, up seven per cent since 2013.

Chart: CIOs in Switzerland planning to move job



Some 16 per cent of CIOs in Switzerland want to be in a new role within the next 12 months. This is slightly down on last year when 20 per cent of local CIOs planned a move, and below the 25 per cent of CIOs globally who would like to move roles this year. While more than one in five CIOs in Switzerland (22 per cent) would like to change job in the next two years, a greater proportion will wait between two and five years (31 per cent), and another 22 per cent will wait between five and ten years before contemplating a change.

UNITED KINGDOM

Compared to the global average, a CIO from the United Kingdom is...

Concerned about strategic outlook

64 per cent see the role of the CIO becoming more strategic, 2 per cent below the global average (66 per cent)

Affected by skills shortage

59 per cent believe skills shortage will have an impact, 1 per cent lower than the global average (60 per cent)

More likely to increase headcount

47 per cent plan to increase IT headcount, 5 per cent higher than the global average (42 per cent)

Likely to have greater intent to innovate

69 per cent believe too little time is invested in innovation, the same percentage as the global average (69 per cent)

Equally likely to have a Chief Digital Officer

7 per cent currently have a Chief Digital Officer, the same percentage as the global average (7 per cent)

Less exposed to major IT security attack

20 per cent have faced a major IT security attack in the last year, 2 per cent less than the global average (22 per cent)

Equally as likely to outsource

49 per cent expect to increase outsourcing, the same percentage as the global average (49 per cent)

Less likely to have received a pay rise

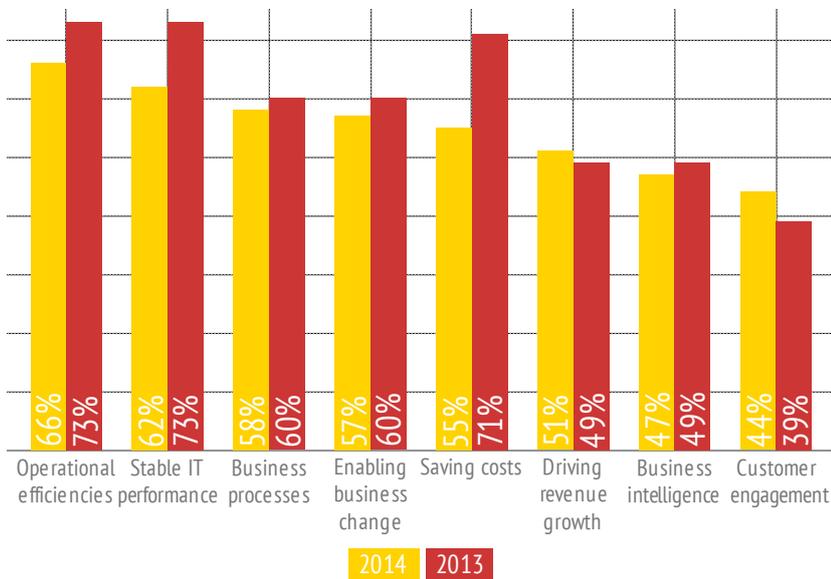
29 per cent received a pay rise in the past year, 2 per cent less than the global average (31 per cent)

Concerned about diversity

70 per cent believe women are under-represented in IT, 1 per cent less than the global average (71 per cent)



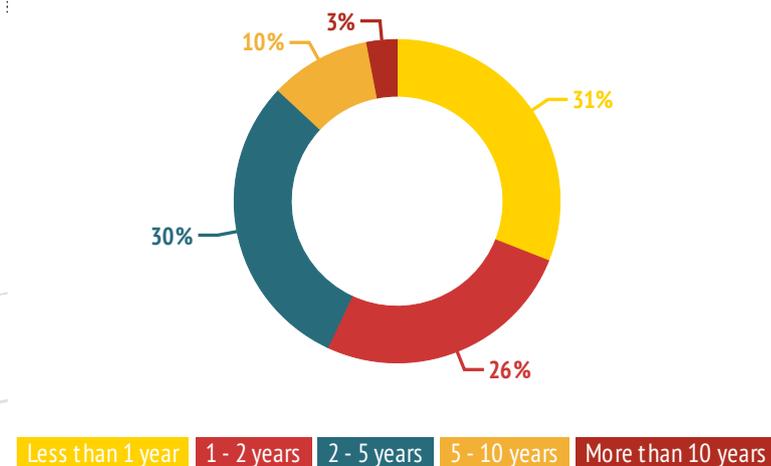
Chart: Top priorities of CIOs in the UK: 2014 vs 2013



The top two priorities for UK CIOs last year remain their top two priorities in 2014. However, both issues have fewer CIOs focused on them overall; delivering operational efficiencies sees a drop of seven per cent while the proportion of UK CIOs focused on delivering stable IT performance drops nine per cent. All internally focused priorities have dropped this year for UK CIOs. However, there are marginally more UK CIOs driving revenue growth (up two per cent this year), and five per cent more UK CIOs are engaged in customer-facing initiatives compared to 2013.

More UK CIOs are planning to move job this year (31 per cent) than their global peers (25 per cent). There are also more UK CIOs expecting to change role within two years (26 per cent) than the global average (25 per cent). The level of churn in the UK CIO job market remains static compared to UK trends seen in 2013. Last year the proportion of CIOs planning to move role within one or two years was exactly the same as this year.

Chart: UK CIOs planning to move job



UNITED STATES

Compared to the global average, a CIO from the United States is...

Concerned about strategic outlook

64 per cent see the role of the CIO becoming more strategic, 2 per cent below the global average (66 per cent)

Less affected by skills shortage

55 per cent believe skills shortage will have an impact, 5 per cent lower than the global average (60 per cent)

More likely to increase headcount

46 per cent plan to increase IT headcount, 4 per cent higher than the global average (42 per cent)

Likely to have greater intent to innovate

69 per cent believe too little time is invested in innovation, the same percentage as the global average (69 per cent)

More likely to have a Chief Digital Officer

9 per cent currently have a Chief Digital Officer, 2 per cent more than the global average (7 per cent)

More exposed to major IT security attack

24 per cent have faced a major IT security attack in the last year, 2 per cent higher than the global average (22 per cent)

Less likely to outsource

44 per cent expect to increase outsourcing, 5 per cent lower than the global average (49 per cent)

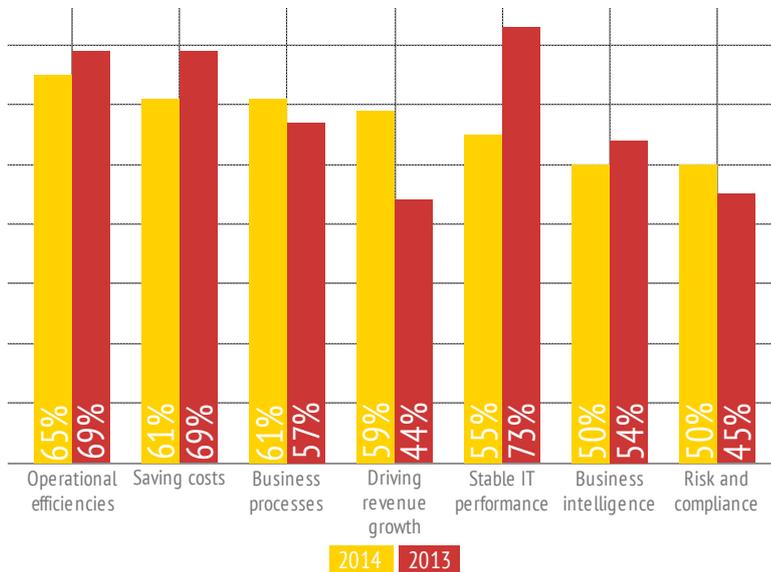
Equally likely to have received a pay rise

31 per cent received a pay rise in the past year, the same percentage as the global average (31 per cent)

More diverse IT leadership

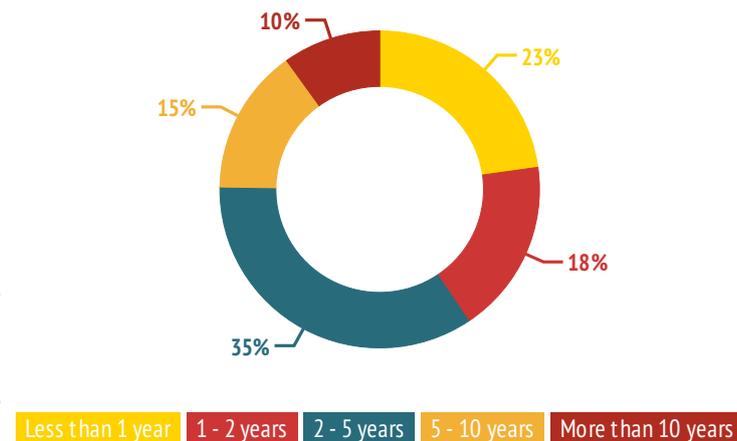
11 per cent of respondents are female IT leaders, 4 per cent higher than the global average (7 per cent)

Chart: Top priorities of CIOs in the US: 2014 vs 2013



US CIOs, like many of their CIO peers around the globe, have prioritised operational efficiencies this year (65 per cent), although this figure is down from 69 per cent in 2013. Delivering stable IT performance remains a priority for 55 per cent of US CIOs, but it too has dropped considerably, from 73 per cent of US CIOs for whom it was a key issue in 2013. The greatest increase in priorities for US CIOs in 2014 is the drive for revenue growth, which leaps from 44 per cent in 2013 to 59 per cent today. Risk and compliance priorities are also up by five per cent in 2014.

Chart: US CIOs planning to move job



More than one in five US CIOs (23 per cent) are planning to move job in 2014, marginally below the global CIO average of 25 per cent, but an increase on the 20 per cent of US CIOs who planned to move job in 2013. Another 18 per cent of US CIOs hope to move job within the next two years. A further third of US CIOs (35 per cent) will stay in their current role for up to another five years, up from 29 per cent in 2013, suggesting that US CIOs are slightly more settled in their roles in 2014.

VIETNAM

Compared to the global average, a CIO from Vietnam is...

More strategic in outlook

72 per cent see the role of the CIO becoming more strategic, 6 per cent higher the global average (66 per cent)

More affected by skills shortage

84 per cent believe skills shortage will have an impact, 24 per cent higher than the global average (60 per cent)

More likely to increase headcount

61 per cent plan to increase IT headcount, 19 per cent higher than the global average (42 per cent)

Less restless about innovation investment

41 per cent believe too little time is invested in innovation, 28 per cent lower than the global average (69 per cent)

More likely to have a Chief Digital Officer

9 per cent currently have a Chief Digital Officer, 2 per cent more than the global average (7 per cent)

More exposed to major IT security attack

31 per cent have faced a major IT security attack in the last year, 9 per cent more than the global average (22 per cent)

More likely to outsource

59 per cent expect to increase outsourcing, 10 per cent higher than the global average (49 per cent)

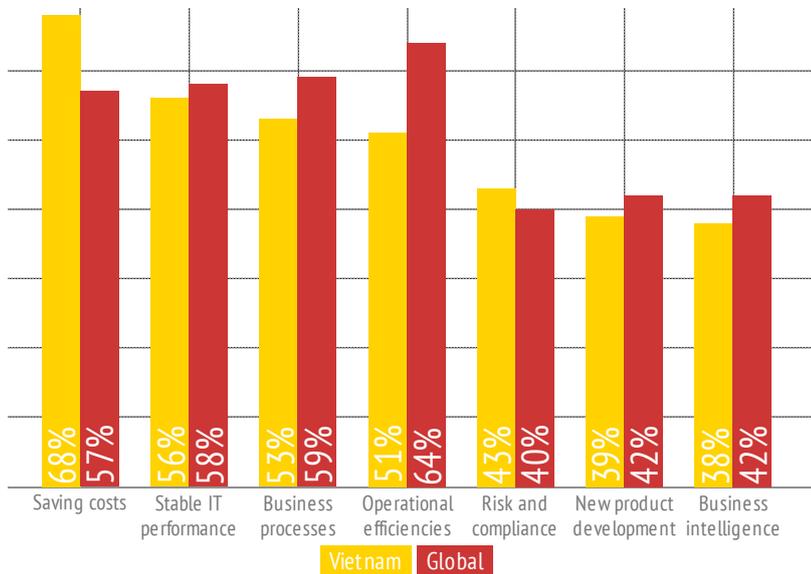
More likely to have received a pay rise

65 per cent received a pay rise in the past year, 34 per cent more than the global average (31 per cent)

More diverse IT leadership

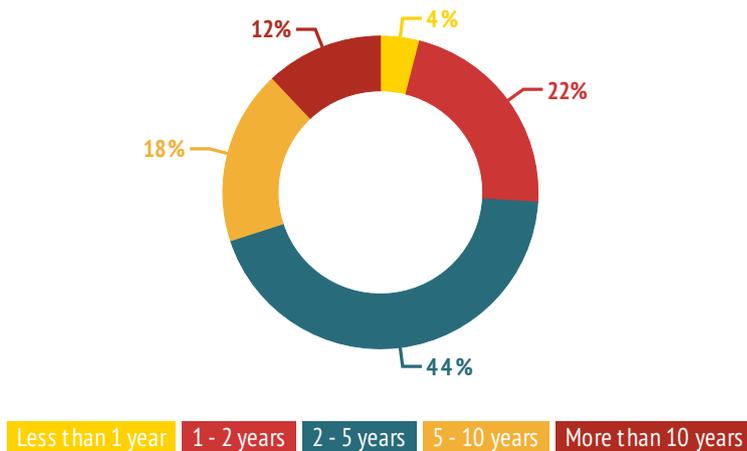
15 per cent of respondents are female IT leaders, 8 per cent higher than the global average (7 per cent)

Chart: Top priorities of CIOs in Vietnam vs Global



CIOs in Vietnam identify saving costs as their top operational priority; 68 per cent will focus on this during 2014 compared to 57 per cent of CIOs globally. CIOs in Vietnam are broadly in line with their CIO peers globally when planning to deliver stable IT performance. However, fewer CIOs in Vietnam will focus on operational efficiency (51 per cent) compared to 64 per cent of global CIO peers. CIOs in Vietnam are more focused on risk and compliance than CIOs globally, but slightly less involved in new product development and business intelligence priorities.

Chart: CIOs in Vietnam planning to move job



Far fewer CIOs in Vietnam (four per cent) plan to move job in the next 12 months compared to 25 per cent of CIOs globally. However, 22 per cent of CIOs in Vietnam would like to change role in the next two years, more in line with the 25 per cent of CIOs globally who plan to move role in the next two years. A majority of CIOs in Vietnam (44 per cent) will stay in their current job for two to five years, a higher proportion of CIOs than the global average (32 per cent). One in five CIOs in Vietnam (18 per cent) will stay in their role for more than five years, and more than one in ten CIOs in Vietnam (12 per cent) plan to stay for more than ten years.



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