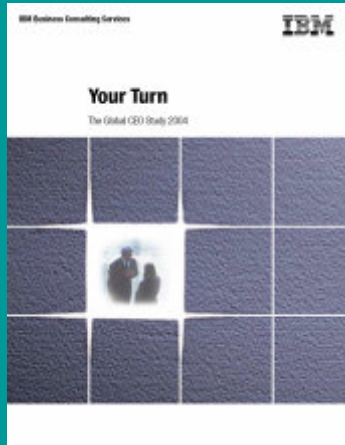


**Heikki Paija**  
**Associate Partner**  
**IBM Global Business Services**

# The IBM Global CIO Study is part of our ongoing C-Suite Study series



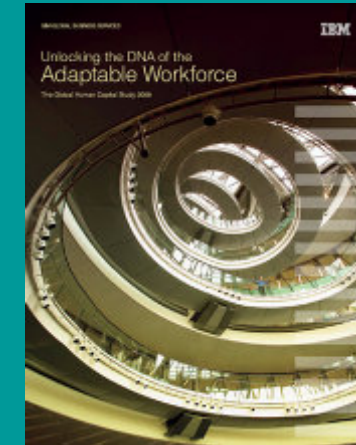
2004 CEO Study



2005 CHRO Study



2006 CEO Study



2007 CHRO Study



2007 CFO Study



2008 CEO Study



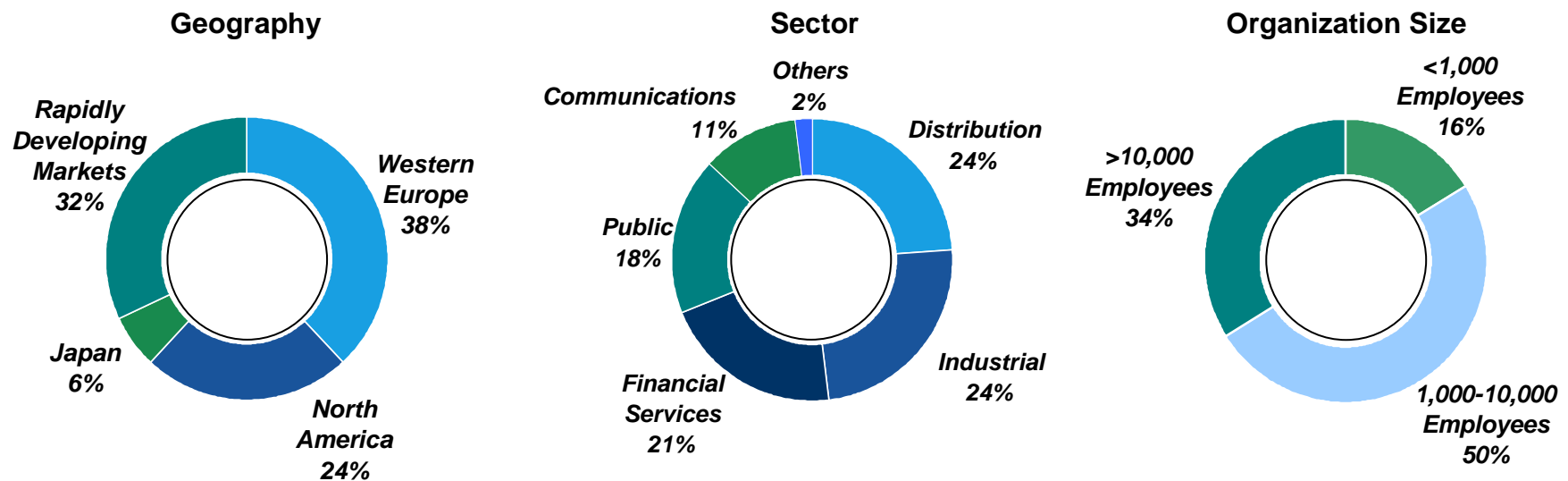
2008 CEO Study (II)



2009 CSCO Study

## We spoke with over 2,500 CIOs to understand their goals and challenges (in Nordics 92, in Finland 23)

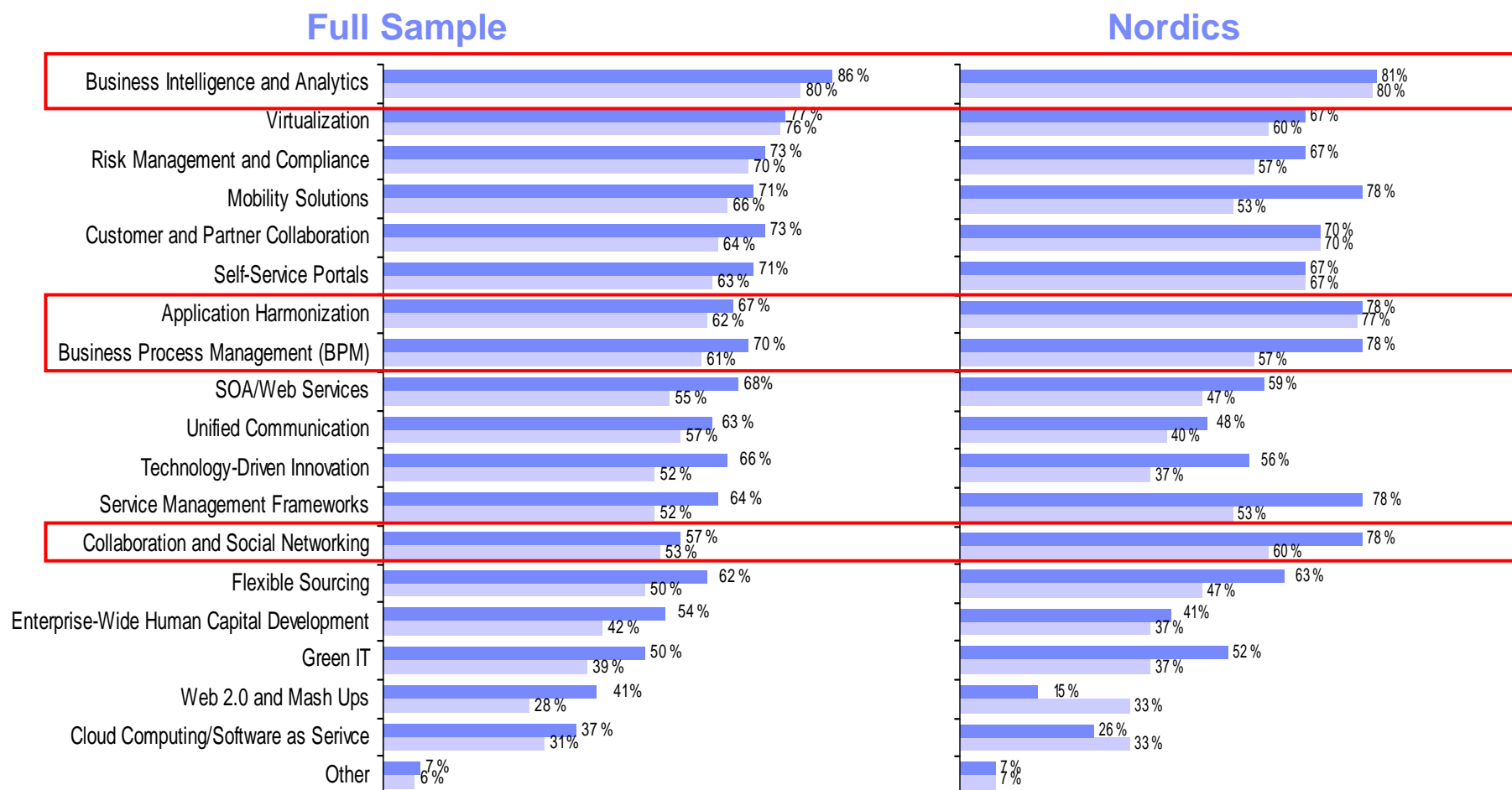
The Study represents different-sized organizations in 78 countries and 19 industries



Our analysis used 2004-2007 Profit before Tax (PBT) growth, relative to peers in their industries, to associate organizations with one of three growth levels: High, Medium or Low. For organizations where this information was not available, we used statistical correlation to assign levels, based on closest overall similarity of answers.

In this presentation, we primarily refer to CIOs who work in organizations with high PBT growth as “High-growth CIOs” and to those working in organizations with low PBT growth as “Low-growth CIOs.”

## Innovation is not limited to IT solutions: Business-oriented plans rank high among CIOs' visions of enhancing competitiveness

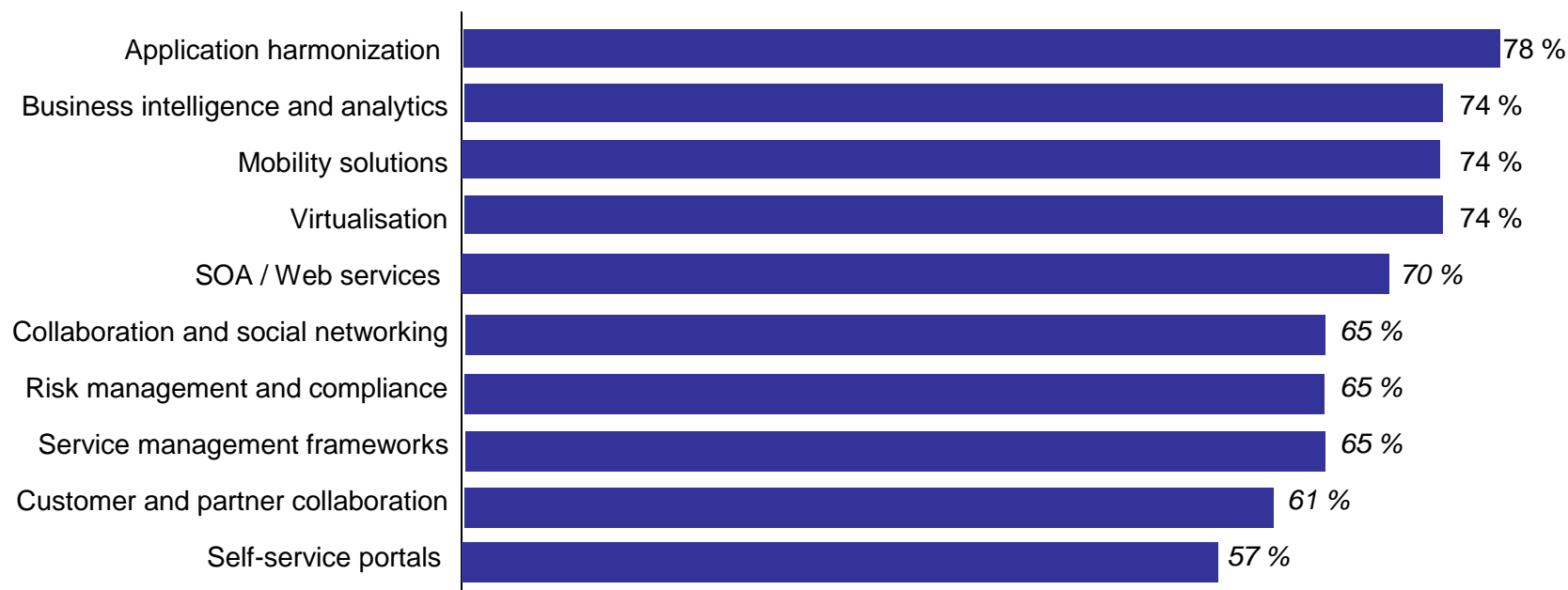


Notes: Q14: Full Sample N = 2354, Nordics N=89

Low Growth High Growth

## Application harmonization ranks high among Finnish CIOs' visions for enhancing competitiveness

### Ten Most Important Visionary Plans for Enhanced Competitiveness *Interviewed CIOs could select as many as they wanted*



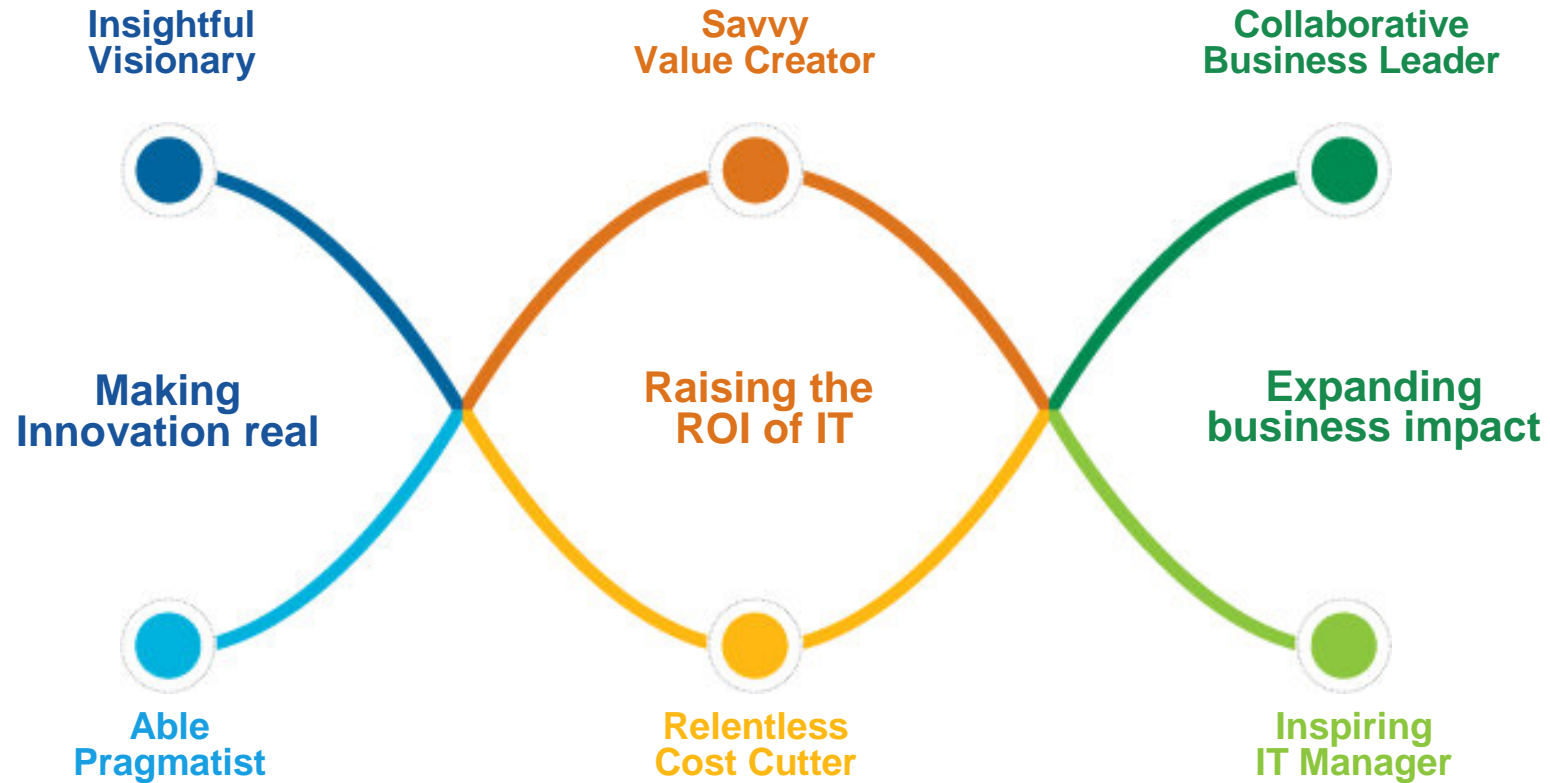
Source: IBM Finland 2009; based on 23 Finnish CIO interviews

CIOs around the world report that their role has evolved: they are becoming full-fledged members of the senior executive team – in Finland there is room to improve this

High Growth CIOs are more closely involved in co-creating the business strategy with their fellow business leaders					
	Full Sample		Nordics		Finland
	Low Growth	High Growth	Low Growth	High Growth	All Companies
<b>Create business strategy as member of the team</b>	61%	74%	53%	65%	65%
.....					
<b>Present business strategy jointly with others to the senior management team</b>	53%	66%	53%	65%	70%
.....					
<b>Decide on business strategy as a member of the most senior management team</b>	46%	62%	40%	58%	26%

Notes: Q11A Full sample N=2354; Nordics N = 89; Finland N = 23

To achieve the below goals, successful CIOs blend three pairs of roles that seem contradictory, but are actually complementary



The relative emphasis a CIO places on each role is correlated to the context in which the company operates, as outlined in our research by the rate of growth in organisation profitability

## The Insightful Visionary explores how technology drives innovation, and the Able Pragmatist enables innovative plans

### Insightful Visionary

- Truly integrates business and IT to innovate
- Proactively reaches out to the business to co-create and champion innovation
- Has a clear view of the top technological priorities that will enhance competitiveness

### Able Pragmatist

- Does practical things to help enable the business and corporate vision, as business leaders expect
- Widely uses collaboration and partnering technologies to get work done
- Uses third-party business and technology services to allow focus on the top priorities



*"Innovation should be based on practical technology that can deliver business objectives within reasonable time and cost, which can be absorbed by the business."*

Life insurance CIO, India

## The Savvy Value Creator devises solutions to fit customers' needs, while the Relentless Cost Cutter is vigilant about trimming expenses

### Savvy Value Creator

- Proactively crafts data into information
- Prepares for end-customers that will continuously explore new channels
- “Knows” that end-customers expect no less than world class integration and transparency

### Relentless Cost Cutter

- Aims for completely standardized, low-cost business processes
- Foresees a centralized infrastructure
- Focuses relentlessly on taking costs out of ongoing technology environment



*“Customer interaction and collaboration are the foundation of our business model.”*

Anders H. Johansson,  
CIO, Handelsbanken

## The Collaborative Business Leader knows the business and partners well, while the Inspiring IT Manager sharpens IT expertise

### Collaborative Business Leader

- Participates in strategy teams
- Presents the strategy jointly with team members on the senior management team
- Is often invited to meetings or even sits permanently on the most senior management team

### Inspiring IT Manager

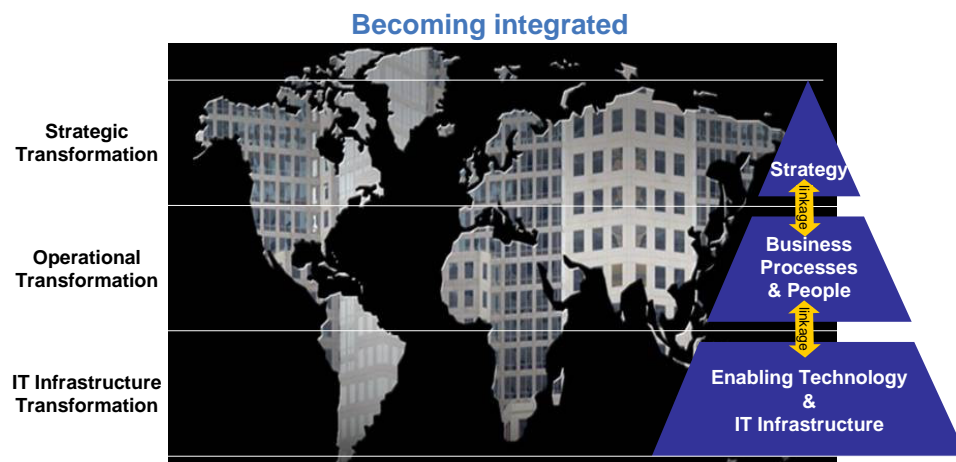
- Actively promotes business and technology innovation through creation of IT centers of excellence
- Manages IT agenda to allow for multitude of new and inspiring initiatives



*“IT is now seen as a key enabler to business goals and mission, and is engaged in delivering business strategy. Managing with defined goals and intent makes it easier for IT to align to business needs.”*

Chris Ferguson, CIO,  
Elders Rural  
Services

# Case Study – Making Innovation Real : Using Component Business Modeling in Business and IT alignment, industrial sector company, Nordics



- Client’s objective was to align the business strategy with key IT solutions
- The CIO as the main driver initiated a project utilizing the Component Business Modeling, which revealed and prioritized the key business improvement areas
- As a result, a program to further develop 14 business improvement initiatives was created
- This in turn, enabled the CIO to implement the new IT architecture

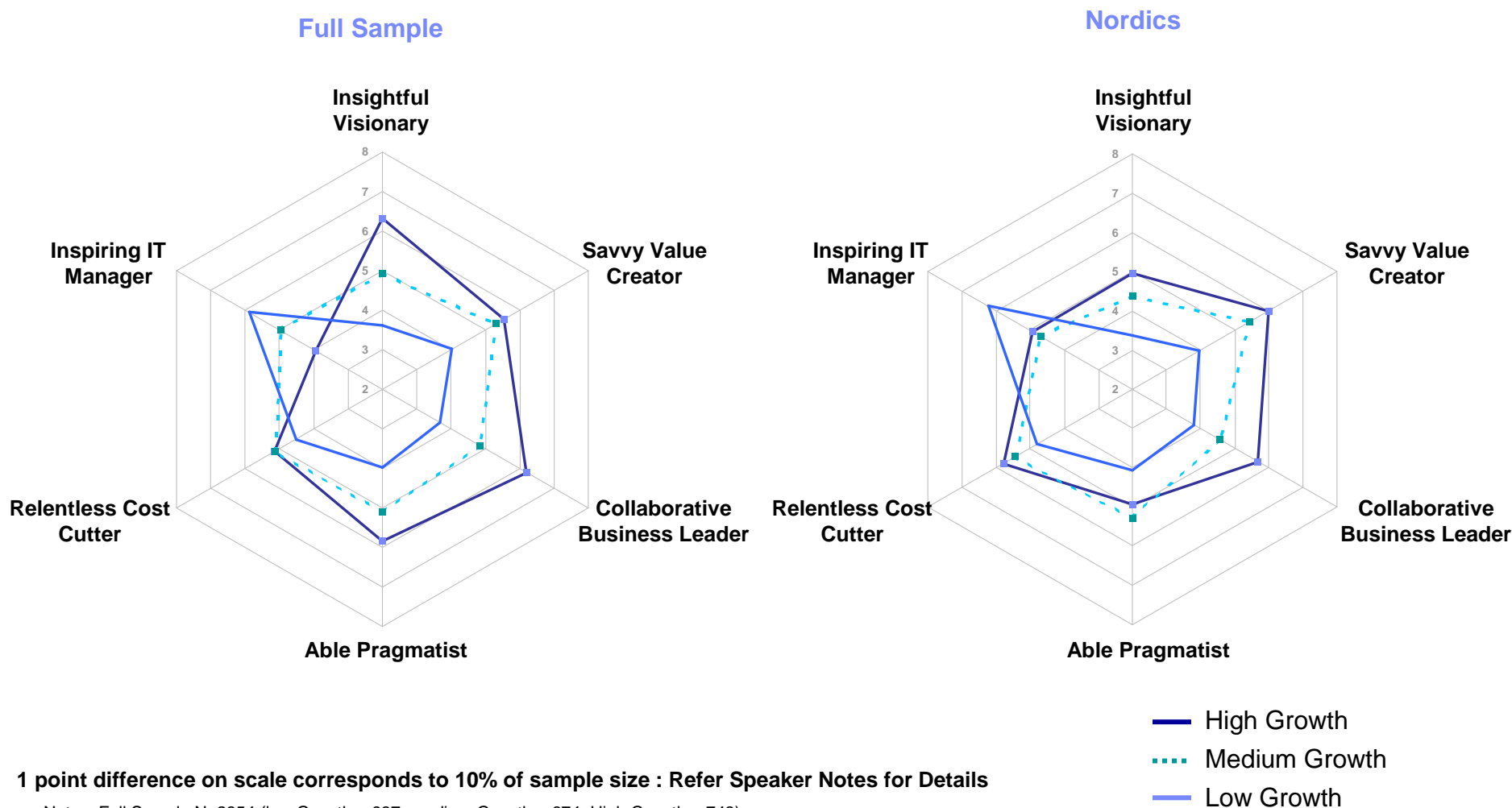
	Editorial Production	Advertising Production	Physical Manufacturing	Advertising Sales & Marketing	Consumer/ Outlet Sales	Consumer Marketing	Business Administration
<b>Direct</b>	Media Planning		Capacity Planning	Demand Planning & Forecasting			Corporate Planning
	Media Budgeting	Pricing Policy	Materials Resource Planning	Product sales strategy	Product sales strategy	Product marketing strategy	Alliance/ Supplier Management
	Edition Planning & layout	Ad planning & layout	Maintenance planning	Adv Account Planning	Media channel strategy	Feature / section marketing strategy	LOB Planning
	Commissioning decisions	-	-	Media planner negotiations	Wholesaler / Outlet Account planning	Brand strategy	Brand/Title Plan
<b>Control</b>	Assignment Scheduling	Ad Inventory Yield	Job scheduling	Ad share performance	Wholesaler performance	Product promotions management	Business Performance Management
	Journalist contact management	Quality management, (eg preflight checks)	Quality management (eg colour, breaks etc)	Account / segment performance	Outlet performance	Market campaign tracking	External Marketplace Analysis
	Edition management	Rebate/price protection mgmt	Waste management	Receivables management	Receivables management	Brand tracking	Ad Contract Accounting
	Editing	Ad template design	Materials inventory control	Contract tracking & management	Subscriber management	-	Legal and Regulatory Compliance
<b>Execute</b>	Capture agency feeds	Capture ad booking	Ed-Ad Integration (including high res)	Sales calls	Wholesaler/ outlet sales	Reader market research	Finance & Accounting
	Capture journalist input	Ad copy chasing	Pre-press	Ad Sales	Customer service	Campaign execution	Procurement & Payables
	Pagination	Ad make-up	Manufacturing	Ad Upsell/ cross-sell	Reader/ subscriber services	Marketing materials production	Treasury and Risk Management
	Web Production	Ad production (including eTearhsheets)	Packaging & Inserts	Outbound Telemarketing		Promotion execution	Human Resources
	Syndication & rights tracking	Classified pagination	Distribution	Inbound classified & subscriptions		Renewals	IT Systems & Operations
	Content Management & Archiving	Content Management & Archiving	Returns & Waste Handling	Billing & receivables	Billing & receivables	-	Facilities & Equipment Management

## Case Study – Expanding Business Impact: Consumer products company in Nordics



- Client sought to implement leading practices based operating model to achieve higher maturity and ambition level across the different business areas
- The objective is to harmonize the ways of working especially in the area of finance, sales and operations planning, and distribution
- To achieve this goal the company, with the support of its CIO:
  - Launched the business transformation program, covering
    - Identification of leading practices
    - Evaluated the maturity of operations in different areas
    - Redesign of business processes
    - Better information management and technological support
  - Implemented a governance framework for the transformation
  - Established a measurement framework to track realized business benefits

# Using advanced statistical analysis, we can profile CIOs on the basis of six axes



1 point difference on scale corresponds to 10% of sample size : Refer Speaker Notes for Details

Notes: Full Sample N=2354 (low Growth = 937, medium Growth = 674, High Growth = 743)  
 Nordics N=89 (low Growth = 30, medium Growth = 32, High Growth = 27)