



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 (I)



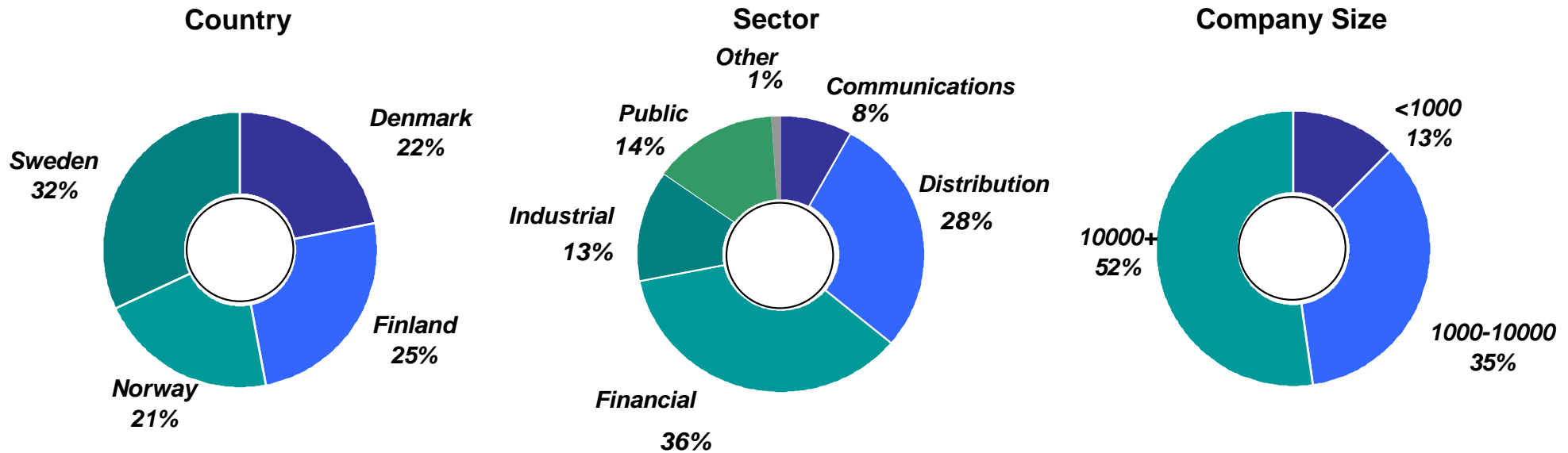
2008 CEO Study (II)



2009 CSCO Study

In the largest known sample of face-to-face interviews, IBM spoke with over 2,500 CIOs world-wide to understand their goals and challenges

**92 of these CIOs were based in the Nordics
 These CIOs came from companies of varying size across
 25 different industries spread across the four countries
 Their responses are analysed in this document**



Our analysis used 2004-2007 Profit before Tax (PBT) growth, relative to peers in their industries, to associate organisations with one of three growth levels: High, Medium or Low. For organisations 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 organisations with high PBT growth as “High-growth CIOs” and to those working in organisations with low PBT growth as “Low-growth CIOs.”

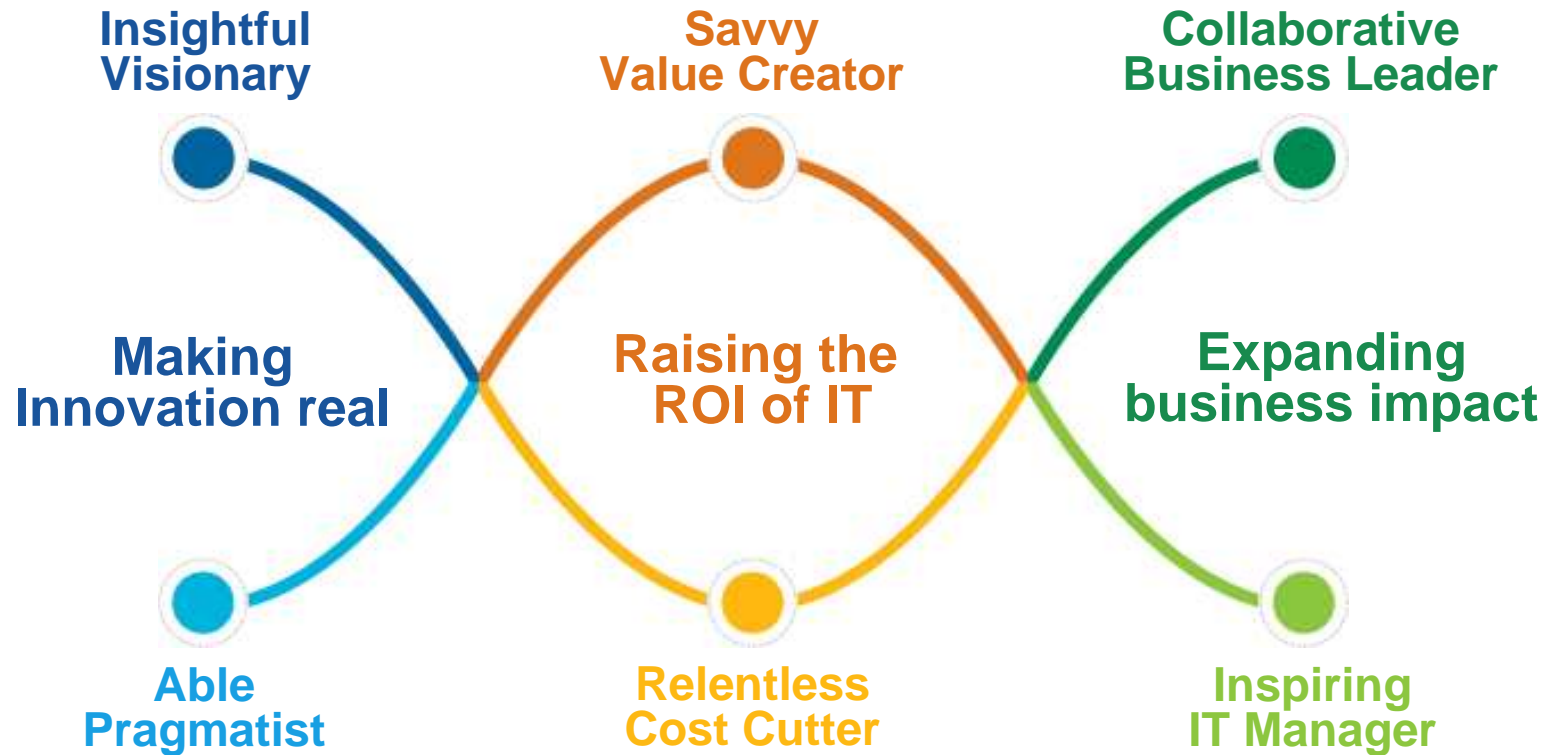
Our analysis provided insights into how CIOs can make the biggest impact on behalf of the entire organisation

- CIOs spend an impressive 55% of their time on activities that spur innovation and help the business:
 - Generating buy-in for innovative plans
 - Implementing new technologies
 - Managing non-technological issues
- Successful CIOs are much more actively engaged in:
 - Setting strategy
 - Enabling flexibility and change
 - Solving business problems
- CIOs are increasingly recognised as full-fledged members of the senior executive team



However, CIOs universally acknowledge that some of their most important objectives sometimes seem to clash

Successful CIOs blend three pairs of roles that seem contradictory, but are actually complementary



By integrating these three pairs of roles, the CIO makes innovation real, raises the ROI of IT and expands business impact

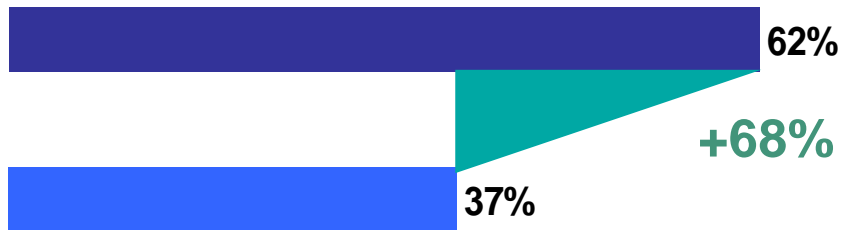


Making innovation real

*Insightful Visionary and
Able Pragmatist*

As Insightful Visionaries, Nordic CIOs are active members of the strategic team. Many CIOs now have daily contact with their CEO

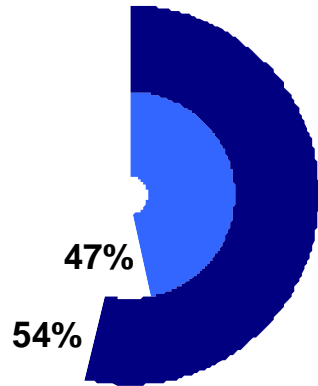
Visionary CIOs recognise that successful innovation requires deep involvement with the business



"I spend less and less time on managing the daily IT operation and increasingly more focusing on innovation and business strategy"

Manufacturing, CIO, Sweden

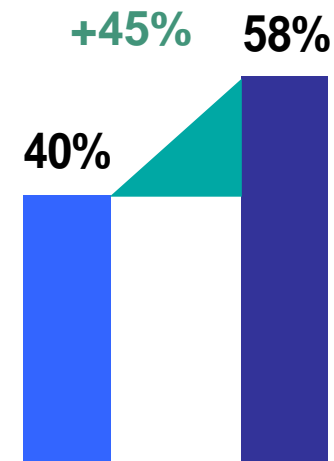
High growth CIOs are better at collaborating with the business to co-create and champion innovation...



"Senior Management has an increasingly clear understanding of IT's contribution to business outcomes and business development"

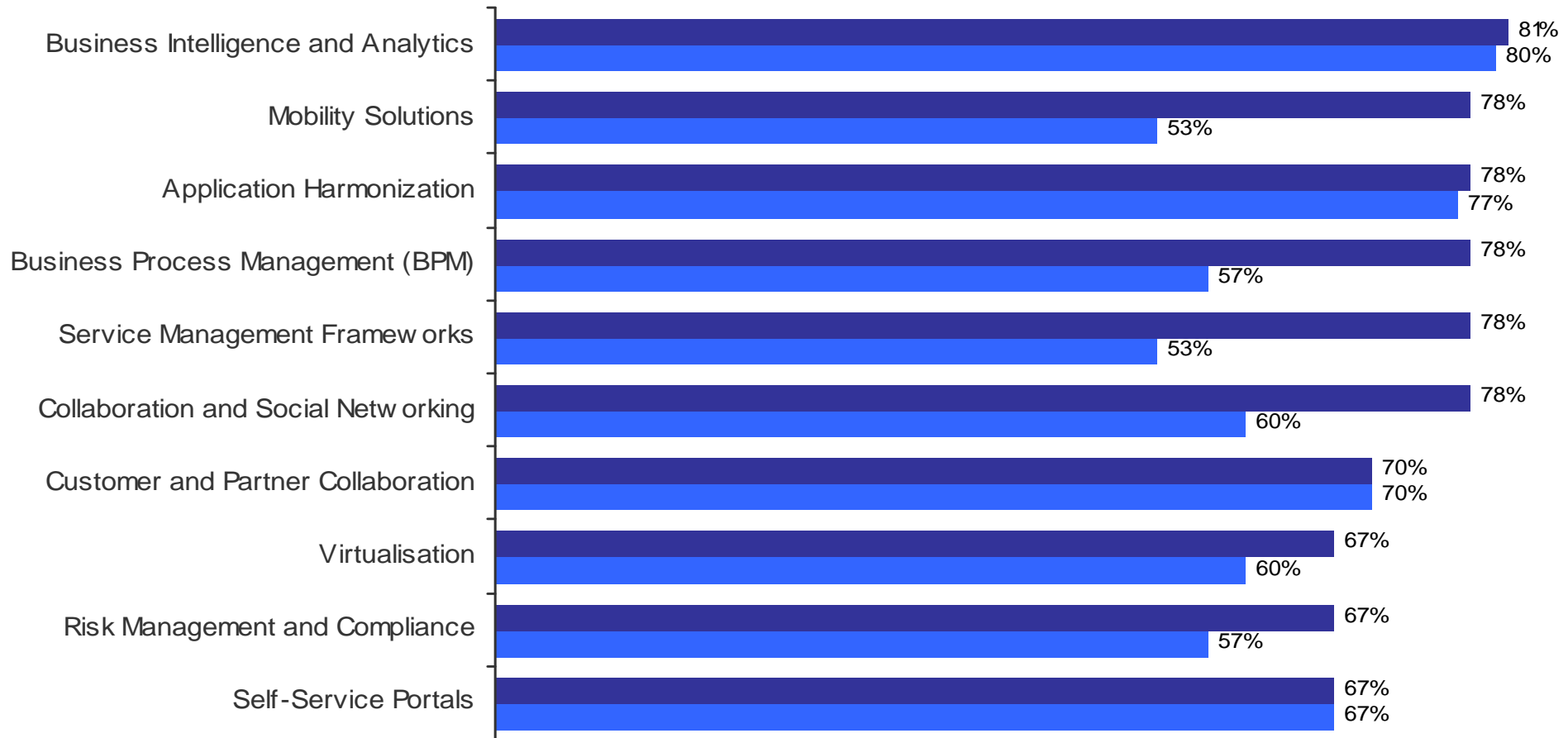
Food Manufacturer, CIO, Sweden

... and are more often core members of the most senior management team



Innovation is not limited to IT solutions: business-oriented plans rank high among Nordic CIOs' visions for enhancing competitiveness

Ten Most Important Visionary Plan Elements
Interviewed CIOs could select as many as they wanted

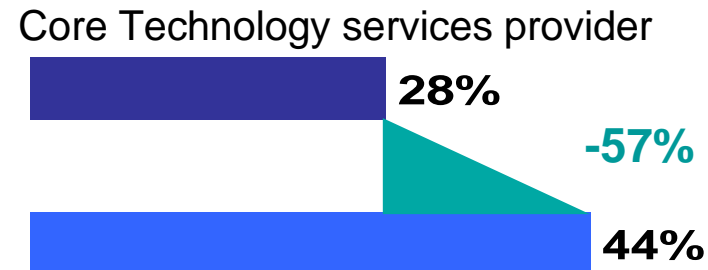
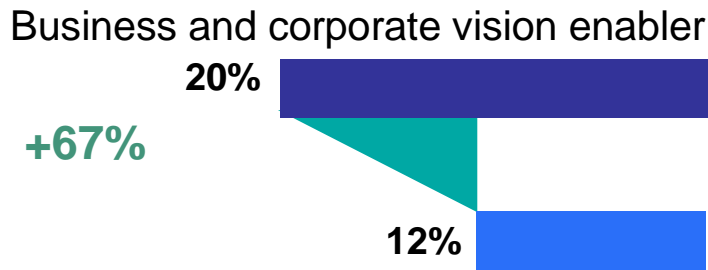


Source: IBM Global CIO Study 2009; based on 92 Nordic interviews

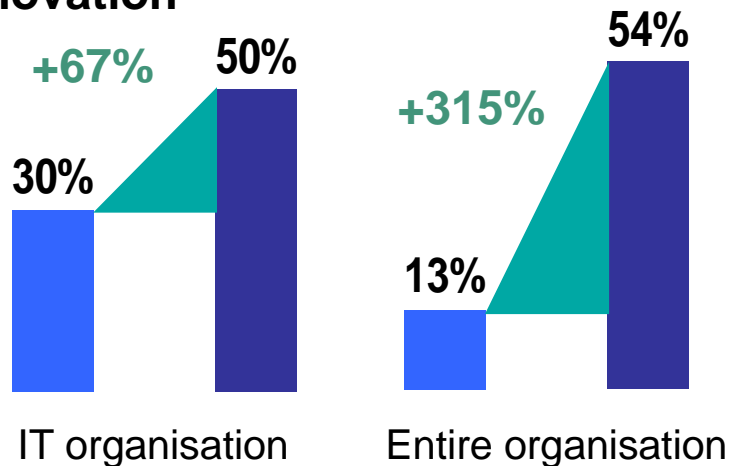
Low growth High growth

As Able Pragmatists, Nordic CIOs make it possible to bring innovative plans to life while "keeping the engine run smoothly"

High growth CIOs in the Nordics are expected to spend more time to enable the business and corporate vision



High growth CIOs actively use collaboration via partners for innovation



Nordic CIO's are universally accustomed to using third party business/IT services to improve their business agility



"We aim for a strongly centralised infrastructure; not in the physical location but rather in the way it is handled."

Chemical & Petroleum CIO, Sweden

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 to focus on the top priorities



” There is no point in pushing innovative technology just for the sake of the technology itself. There must always be a clear business benefit for it.”

Retail CIO, Finland

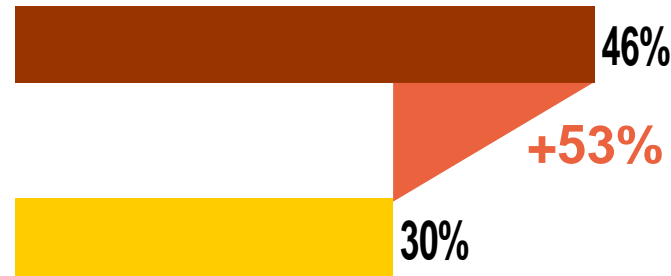


Raising the ROI of IT

*Savvy Value Creator and
Relentless Cost Cutter*

As Savvy Value Creators, CIOs are skilled customer advocates that create value by truly understanding what customers want

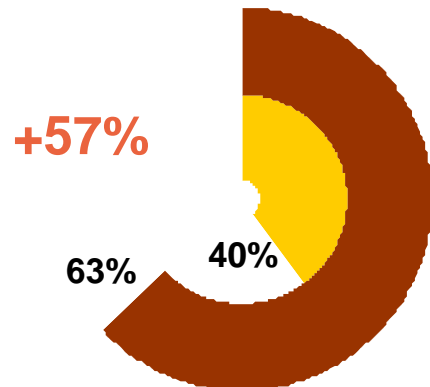
High Growth CIOs in the Nordics proactively craft data into actionable information. Business intelligence is the life-blood of companies and their competitiveness. However, information security, privacy and governance concerns also feature highly for Nordic CIOs



“Without technology we don't have any customers”

Transportation CIO, Denmark

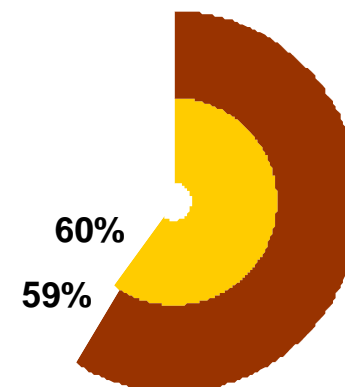
High growth CIOs expect end-customers in five years to continuously explore new channels



“Customer oriented solutions will be the most prioritised.”

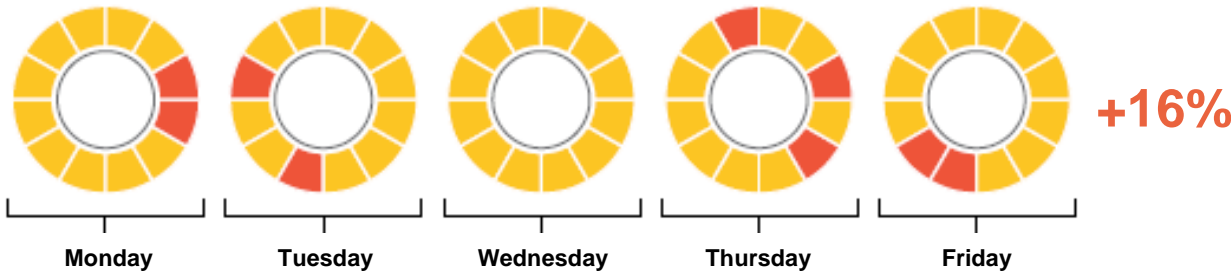
Transportation CIO, Norway

All Nordic CIOs anticipate much greater levels of integration and transparency with customers in the next five years



As Relentless Cost Cutters, CIOs are perpetual seekers of savings who reduce costs through infrastructure and process standardisation

Nordic CIOs spend about 16% of their time taking costs out of the ongoing technology environment

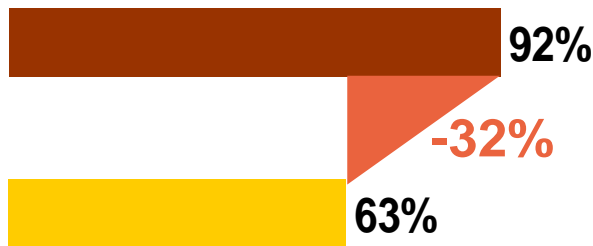


Of the 40 or so hours per week, some 6 hours are spent cutting costs

“2 years ago we used to be one of the top most costly IT organisations in the Nordic insurance industry. Now we are one of the top most cost-effective.”

Insurance CIO, Norway

Many CIOs foresee a strongly centralised infrastructure in five years...



“We aim for a strongly centralised infrastructure, but not in the physical location but rather in the way it is handled.”

Manufacturing CIO, Sweden

... and think business processes will be completely standardised and low cost



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 standardised, low-cost business processes
- Foresees a centralised infrastructure
- Focuses relentlessly on taking costs out of ongoing technology environment



“Customer interaction and collaboration are the foundation of our business model,... [but] ...the driving force behind technology is more often cost reduction than innovation.”

Handelsbanken CIO,
Anders H. Johansson



Expanding business impact

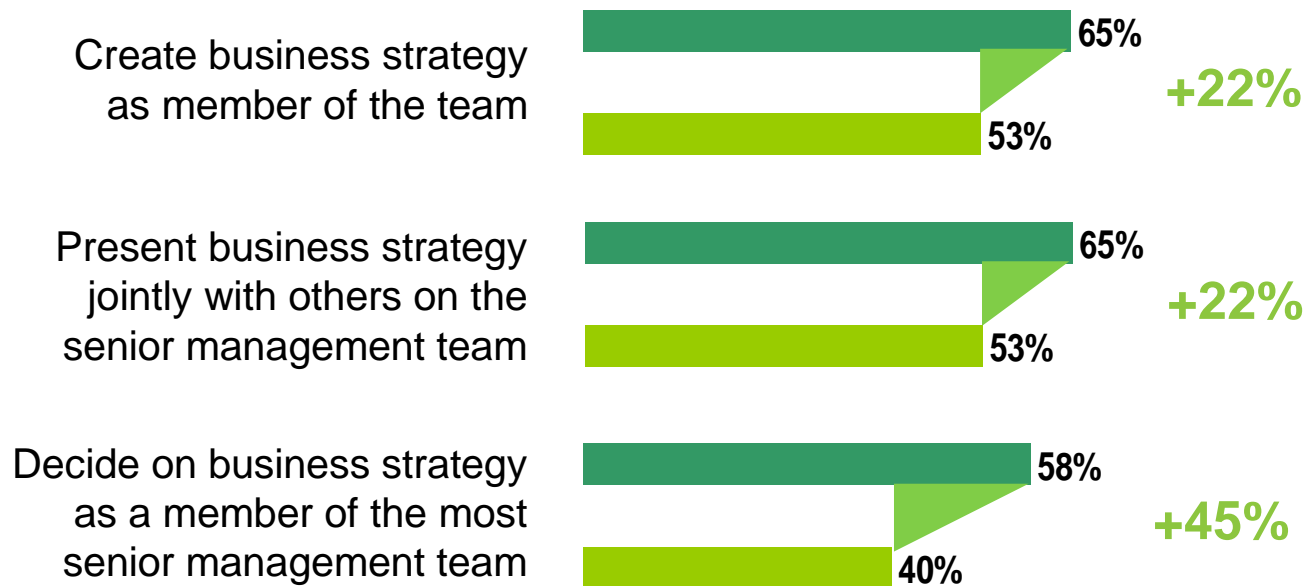
Collaborative Business Leader
and *Inspiring IT Manager*

As Collaborative Business Leaders, Nordic CIOs are true partners with other executives, jointly defining better business models

CIOs in high growth organisations in the Nordics more often receive strong recognition from their senior management team



High growth CIOs are more closely involved in co-creating the business strategy with their fellow business leaders

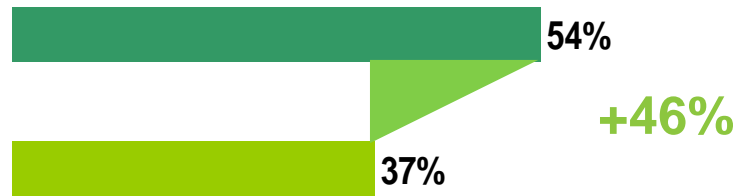


“Senior Management has an increasingly clear understanding of IT's contribution to business outcomes and business development”

Manufacturing CIO, Sweden

As Inspiring IT Managers, Nordic CIOs have become IT professionals who develop IT expertise to optimise critical business data

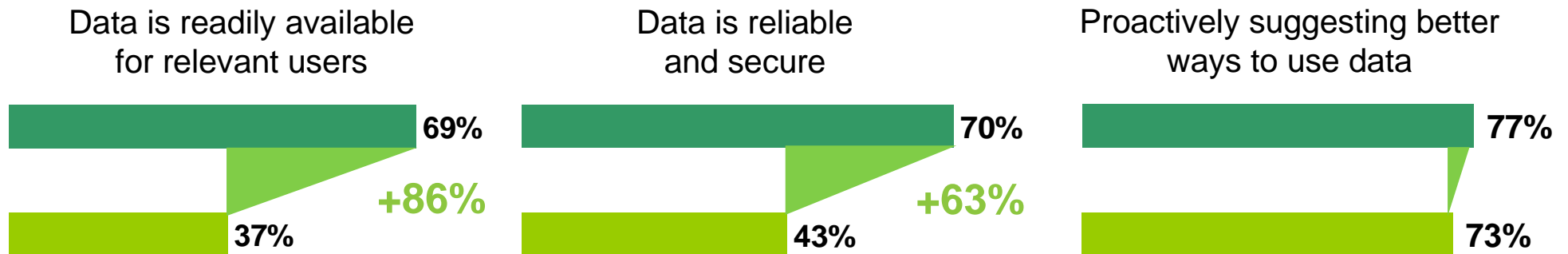
High growth CIOs create IT Centers of Excellence to help realise business and technology innovation



“Our intention is to constantly improve proactive data usage”

Forestry Industry CIO, Finland

High growth CIOs in the Nordics are highly focused on doing more to improve users access to data, as well as its integrity and value



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
- Nurtures and develops IT expertise and talent



“IT in itself is a commodity. It is the application of IT that differentiates a company”
Manufacturing CIO, Sweden



Tuning to context

A CIO's Reality

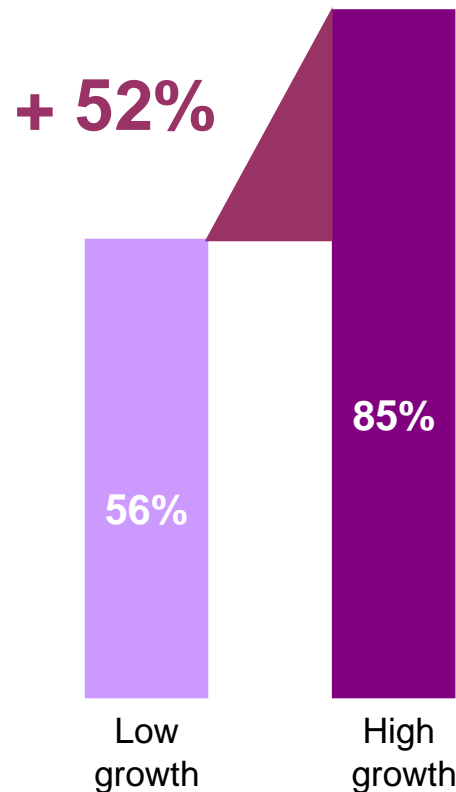
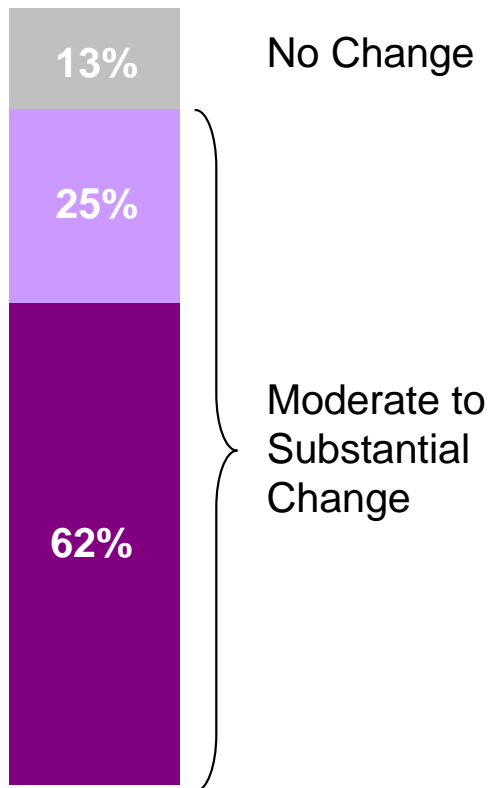
Key Enabler: Managing Change

Significant change is inevitable. CIOs in High Growth organisations report a substantially higher rate of success in making change happen

Most CIOs believe changes in business models, budgets and the economy will greatly impact them in the coming years

CIOs of high growth organisations reported managing change successfully 50% more often than those in low growth organisations

CIOs can learn from the “Change Masters” – part of IBM’s Making Change Work Survey in 2008:



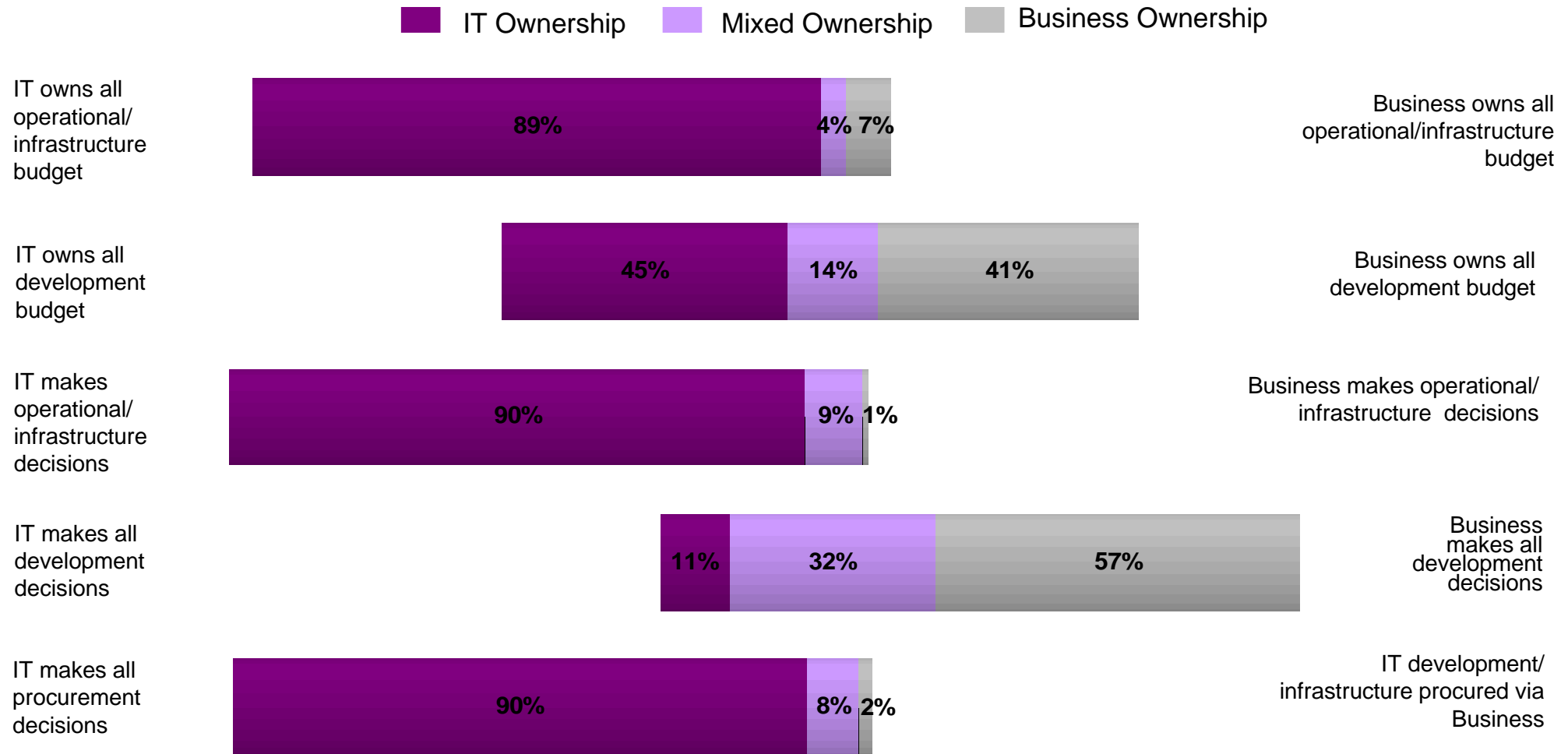
1. Consider Change Management as an investment - focus spending to offer the best return
2. Develop and promote a standard change method that can be applied consistently. Focus the change effort on benefits realisation
3. Enable rapid development of internal skills to keep pace with changes in the external environment

Source: IBM Global CIO Study 2009; based on 92 Nordic interviews

Key Enabler: Collaborative Decision Making

Working together on development decisions generates transparency and traction between business and IT. IT remains accountable for the procurement and final delivery of technology

Nordics



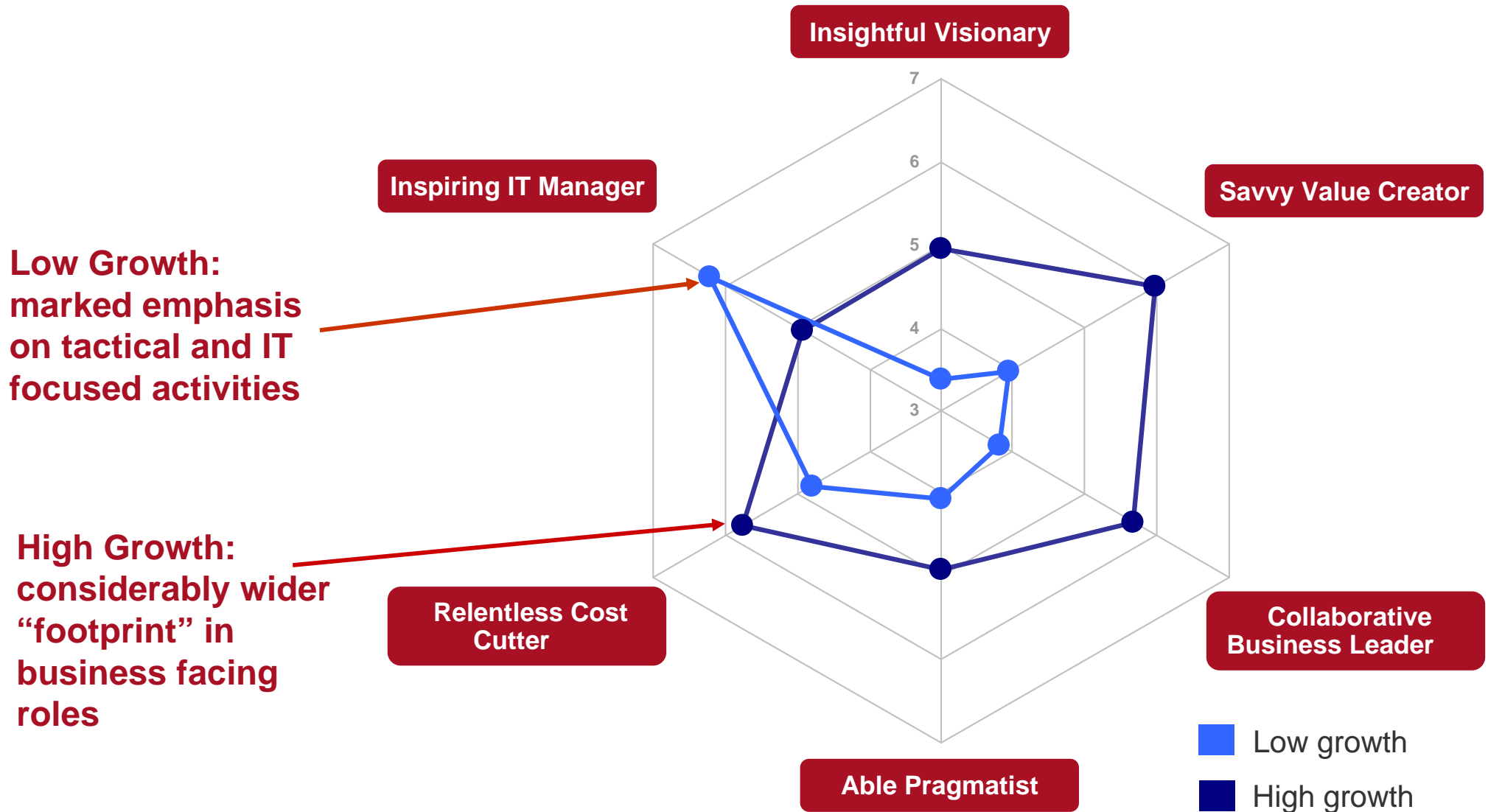
Source: IBM Global CIO Study 2009; based on 92 Nordic interviews



Increasing CIO success

Stretching to excel in critical roles

Using advanced statistical analysis, we profiled CIOs on the basis of six axes and plotted their unique characteristics

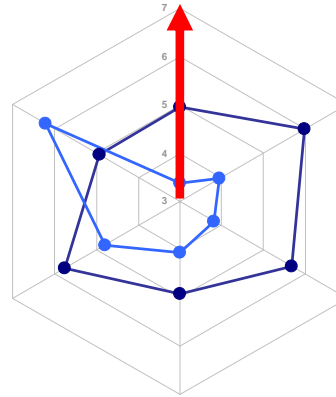


Source: IBM Global CIO Study 2009; based on 92 Nordic interviews

Our analysis identified key initiatives that can help CIOs make innovation real...

Stretching the Insightful Visionary dimension

- **Push business/technology integration.** Drive solutions that strengthen business and technology connections throughout the enterprise
- **Champion innovation.** Explain how new processes and technologies can deliver greater value to internal and external customers
- **Expand CIO influence.** Volunteer to help define the overall business vision and strategy

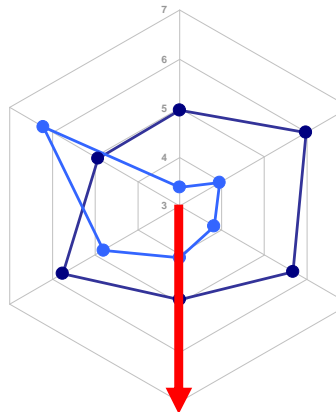


Considerations...

- Are you well-versed in how emerging technologies and innovative processes can address uncovered business needs in your industry?
- In what ways will you partner with third parties to increase the time you devote to driving innovation with the business?
- How can you expand the use of collaborative and communication tools to widen the knowledge networks of employees and partners?
- Do you measure implementation results so that business colleagues not only understand the results, but are convinced and inspired?

Stretching the Able Pragmatist dimension

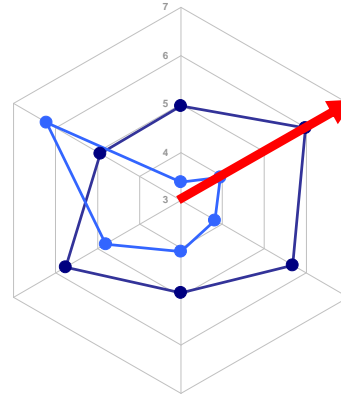
- **Enable the corporate vision.** Increase the flexibility and efficiency of infrastructure and applications to support ongoing business changes
- **Make working together easy.** Offer to help your colleagues solve current business dilemmas, even if the answer is not directly IT-related
- **Leverage third-party business or IT services.** Improve business agility by concentrating on core competencies



... while raising the ROI of IT...

Stretching the Savvy Value Creator dimension

- **Make the data “sing.”** Surprise the business with unexpected ways to meet customer needs and otherwise profit from enterprise data
- **Assess new ways to interact with customers.** Explore the potential financial return from using new channels for end-customer interactions
- **Enhance integration and transparency.** Address growing end-customer demands by proposing leading-edge technologies to create “one version of the truth.”

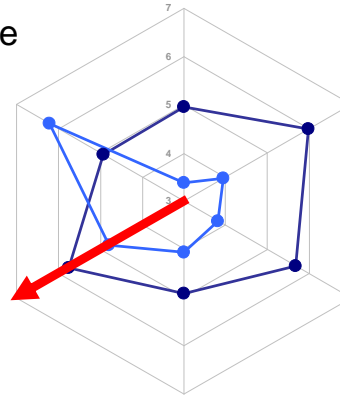


Considerations...

- In what ways can you work with the business to extract the maximum financial return from the current IT portfolio?
- Do you actively reach out to the business to jointly capture relevant information and do you suggest new ways it can provide value?
- How can you leverage competitors’ experiences to further optimise business and IT processes?
- If you were your own successor, what are the top three things you would do to generate a 20 percent increase in performance from your IT investments?

Stretching the Relentless Cost Cutter dimension

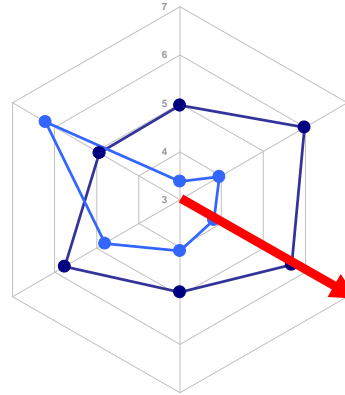
- **Standardise to economise.** Simplify, then standardise those business and IT processes that are deemed essential
- **Centralise the infrastructure.** Consolidate and use third-party services whenever it makes financial and business sense
- **Keep cost reduction a top priority.** Remain diligent and creative in discovering new ways to lower enterprise costs related to technology



... and delivering deeper business impact

Stretching the Collaborative Business Leader dimension

- **Know the business.** Improve your own understanding of the organisation's most pressing business problems
- **Step up interactions with business peers.** Leverage opportunities to expand your scope of responsibilities beyond the IT organisation to directly influence the business agenda
- **Put skin in the game.** Encourage the use of joint performance metrics to engender shared responsibility for business success

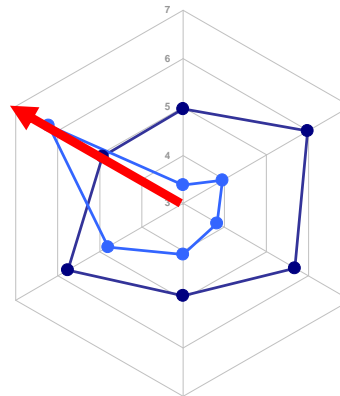


Considerations...

- Do you leverage business relationships throughout the enterprise to expand your scope of responsibilities beyond the IT organisation?
- How can you start the ongoing dialogue between the business and IT that also drives shared objectives and measurements?
- Are you a role model with state-of-the-art expertise in at least one IT domain?
- Do you have a flexible, comprehensive plan to enhance business and technology skills throughout the IT organisation?
- Is your IT organisation passionate about protecting and improving the quality of enterprise data?

Stretching the Inspiring IT Manager dimension

- **Foster IT expertise.** Establish IT centers of excellence to develop premium technology skills, and motivate the IT organisation to contribute more to the business
- **Dedicate time to develop new initiatives.** Allocate enough time to explore innovative approaches that can spur even more innovation
- **Take the lead.** Position yourself as a true leader who molds capable IT experts into business-relevant technologists



Despite multiple forces in play, our findings show that CIOs are focusing on what matters most for them and their organisation

- CIOs acknowledged the constant tensions of integrating actions and managing expectations that often seem to conflict
- To help drive business growth and success, we expect CIOs to continually assess themselves and their department against each of the three pairs of roles in order to make innovation real, raise the ROI of IT and expand business impact

Continue the conversation with your local IBM team



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IBM Corporation. "The New Voice of the CIO: Insights from the Global Chief Information Officer Study." September 2009. www.ibm.com/voiceofthecio.