

2013/14

CIO VIEWPOINT



Michael Page
Technology

KEY FINDINGS

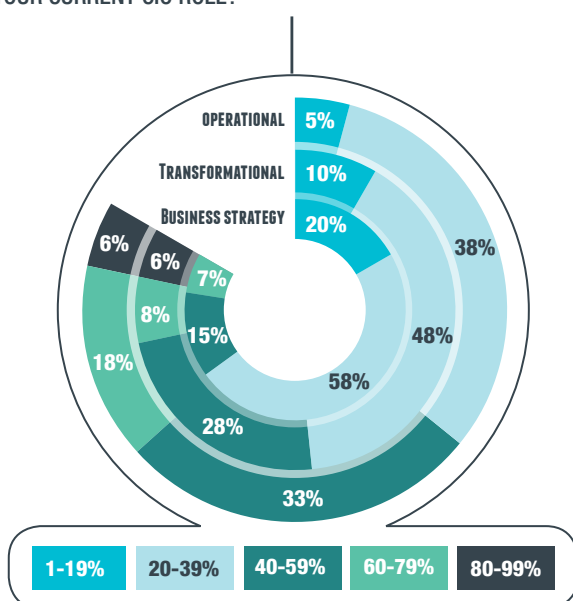
THE CIO ROLE AND FOCUS

Just over half of the CIOs responding to the survey (53% and comprising the majority of respondents) report into the Chief Executive Officer, giving them direct access to the top of their organisation. A further 28% of survey respondents report into the Chief Financial Officer. The vast majority of surveyed CIOs (75%) have responsibility for a regional or global IT function.

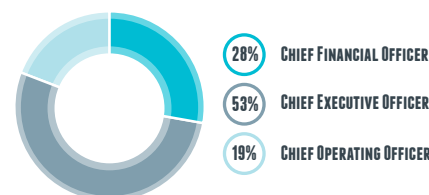
For most CIOs, operational duties remain the primary focus and make up the bulk of their time, with 38% spending 20-39% of their time and 33% dedicating 40-59% of their time to operational work. Transformational and change work continues to feature in the workload of CIOs, however most survey respondents are likely to spend a smaller percentage of time dedicated to this type of work. Some 48% spend between 20-39% of their time on transformational work and 58% spend within the same range of time on aligning the IT strategy with that of the business.

Based on the survey responses, the majority of CIOs (40%) are predominantly managing their workload in-house and outsourcing just 10-20% of their IT service to a professional services firm. Some 25% of respondents indicate they currently outsource between 20-30% of their IT service.

WHAT AMOUNT OF TIME DO YOU SPEND ON THE FOLLOWING ACTIVITIES IN YOUR CURRENT CIO ROLE?



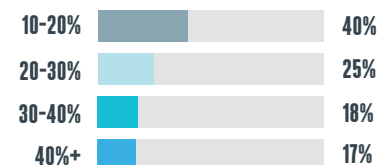
WHO DO YOU REPORT INTO?



DO YOU HAVE RESPONSIBILITY FOR IT REGIONALLY / GLOBALLY?



HOW MUCH OF YOUR IT SERVICE IS PROVIDED BY PROFESSIONAL SERVICES FIRMS?



METHODOLOGY

The CIO Viewpoint 2013/14 report, produced by Michael Page Technology, is based on the survey findings of 40 Chief Information Officers (CIOs) working across a range of industry sectors in Australia. The report provides a snapshot of CIO perspectives on some of the key considerations facing CIOs over the coming 12 months including the introduction of technology innovations and strategies within their organisations, IT budget allocation and IT resourcing trends.

IT INNOVATION AND STRATEGIES

With 73% of CIOs reporting they intend to or have delivered a BYOD strategy, which is aligned with the focus on BYOD strategy as reported in the CIO Viewpoint 2012 findings, many CIOs are now looking at a Bring Your Own Computing strategy across their organisation. Interestingly, 31% of survey respondents cite eCommerce as their priority over the next 12 months while 28% point to Big Data as their focus. This highlights that many businesses are looking to connect with their customers and drive revenue through mobile devices and internet availability of everything. Cloud Services and Mobility are also priority as indicated by 23% and 18% of respondents respectively.

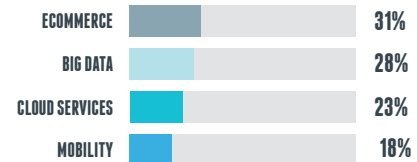
Big Data has proven to be a hot topic in the CIO and business community and this shows no sign of abating. The vast majority of survey respondents (65%) report that Big Data is increasing as a priority and there are plans to better understand, analyse and leverage customer information to increase revenue streams.

As activity around Cloud Services also remains a focus, most of the CIOs surveyed (53%) believe this IT innovation has had a moderate impact on their business and an additional 29% view it as having had a significant impact on business. Furthermore, more than half of respondents (55%) believe the impact of Cloud Services is changing their CIO role to become more of a vendor manager or internal consultant. This is compared with 45% who do not believe their role has changed.

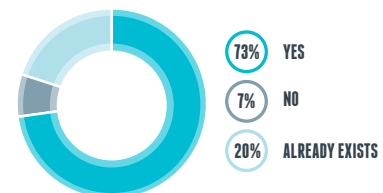
CIO respondents are for the most part balanced when it comes to their view of whether the Federal Election will impact their business and the IT function, however a slightly higher percentage (57%) reveal they believe it will have an impact with 43% believing it will not have an impact.

Looking ahead, the top three business improvement projects for CIOs according to the survey responses are Mobility, Cloud Services and projects around Client Relationship Management.

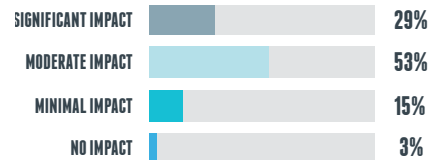
RANK THESE PRIORITIES IN ORDER OF IMPORTANCE OVER THE NEXT 12 MONTHS



HAVE YOU DELIVERED OR DO YOU INTEND TO DELIVER A BYOD STRATEGY?



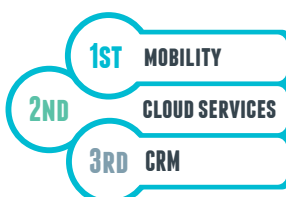
WHAT IMPACT HAS CLOUD SERVICES HAD ON YOUR BUSINESS?



IS THE IMPACT OF CLOUD SERVICES CHANGING YOUR ROLE TO BECOME MORE OF A VENDOR MANAGER OR INTERNAL CONSULTANT?



WHAT ARE THE TOP THREE BUSINESS IMPROVEMENT PROJECTS FOR 2013?



DO YOU THINK THE FEDERAL ELECTION WILL IMPACT YOUR BUSINESS AND/OR ITS IT FUNCTION?



IS BIG DATA BECOMING MORE OF A PRIORITY AND IS THERE ANY PLANNED ACTIVITY TO DEVELOP THIS IN YOUR BUSINESS?



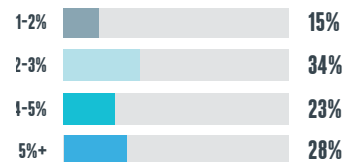
BUDGET PLANNING

CIOs will be working with various budget sizes over the coming 12 months depending on their company's investment into the function. While the biggest percentage of CIOs (34%) will see their organisation invest just 2-3% of overall revenue into IT, 28% will benefit from their company reinvesting a healthy 5% or more of revenue into the IT budget. A further 23% expect to have 4-5% of revenue reinvested into the IT budget to work with.

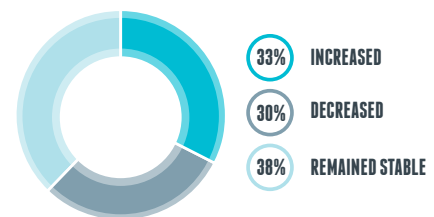
Compared to the previous year, the majority of CIOs surveyed (38%) will work with a similar budget over the coming 12 months while 33% expect to have an increased budget. The smallest percentage of respondents (29%) will need to carry out their IT responsibilities working with a reduced budget to the previous year; however this is a higher percentage of CIOs indicating a decrease in budget than the number reported in the CIO Viewpoint 2012.

Nearly half of the survey respondents will allocate either half or more than half of the IT budget to operational work, with 47% spending between 40-59% and 30% spending between 60-79% of the budget on operational 'business as usual' requirements. Budget for project work and innovation initiatives will take up a smaller amount of the budget allocation for most of the survey respondents, as 44% of CIOs report they plan to allocate 20-39% of the budget on projects and a majority 62% will spend just 1-19% on innovation associated initiatives.

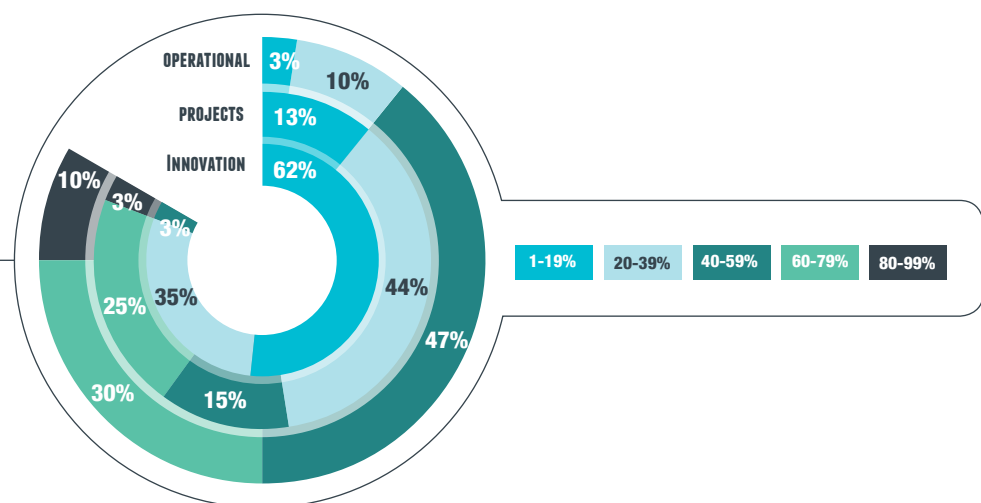
HOW MUCH OF YOUR ORGANISATION'S REVENUE IS REINVESTED INTO THE IT BUDGET?



COMPARED TO THE PREVIOUS YEAR, HAS YOUR IT BUDGET:



WHERE IS YOUR IT BUDGET BEING ALLOCATED, AND WHAT IS THE PERCENTAGE OF SPEND?



TALENT PLANS AND SKILLS IN DEMAND

The job market for technology professionals over the coming year is expected to be on par with the previous 12 months according to 61% of survey respondents, while a further 23% believe it will improve. This is down on the 44% of respondents in the CIO Viewpoint 2012 report who were of the view that the job market for technology professionals would improve.

Similarly, nearly half the survey respondents plan to keep IT headcount in their organisation at the same level to the previous year (45%) with just 30% indicating they will increase the number of technology staff. Permanent employees are the preference for hiring CIOs when presented with the choice for permanent and fixed term contractors, with 43% of survey respondents preferring to hire permanent staff for their team.

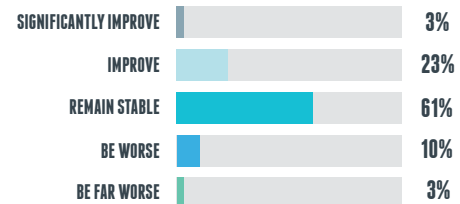
CONCLUSION

The next 12 months will be another progressive and productive period for the IT industry and technology professionals. While a significant focus on operational 'business as usual' work remains, the emerging areas of eCommerce, Big Data, Cloud Services, Architecture and Mobility continue to present challenges and opportunities for CIOs.

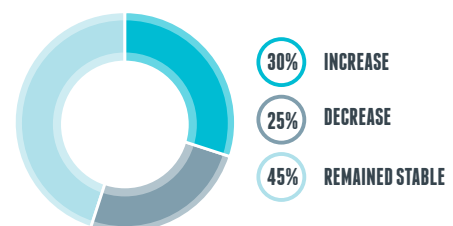
These trends will shape the hiring outlook for technology professionals over the coming year and in particular the demand for talent with the specific skills to develop and implement project initiatives, for example, Architects, Program / Project Managers, Change Managers and Business Analysts.

While technology innovation initiatives remain on the cards, many CIOs will need to factor this work into a similar budget to the previous year. Encouragingly, some CIOs will have an increased budget with which to progress IT strategy work and also have a preference for hiring permanent staff over contractors.

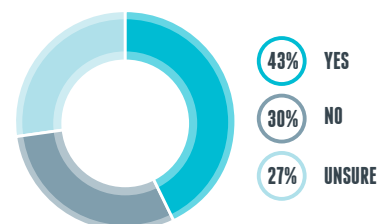
HOW DO YOU THINK THE TECHNOLOGY JOB MARKET DURING 2013 WILL COMPARE TO 2012?



COMPARED TO 2012, WILL THE NUMBER OF TECHNOLOGY STAFF IN YOUR ORGANISATION THIS YEAR:



WILL THERE BE A PREFERENCE TO HIRE PERMANENT STAFF OVER FIXED TERM CONTRACTORS IN YOUR BUSINESS DURING 2013?





CIO VIEWPOINT

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