



PLURALSIGHT

Innovate faster. Why accelerating change is a CIO's biggest challenge.

FEATURING RESEARCH FROM FORRESTER

Speed And Innovation Drive CIO Success

Innovate faster. Why accelerating change is a CIO's biggest challenge.

Featuring “Speed And Innovation Drive CIO Success,” a Forrester report brought to you by compliments of Pluralsight.

INTRODUCTION

Until recently, many organizations have taken a “wait and see” approach to digital transformation and the adoption of new technology. Some have chosen a cautious, bimodal strategy, experimenting with a few non-essential processes, data and systems while shielding critical business processes from the uncertainty of change. Others have stayed on the sidelines entirely, waiting for platforms and software to mature so they can support other business processes.

But that approach won't work anymore. Industry stalwarts and startups alike are moving quickly, solving problems in more cost-effective ways, creating engaging customer experiences, and taking market share from their competitors. For organizations to compete today, CIOs must provide business-focused strategies and improve the customer experience—before it's too late.

A few of the things you'll learn in this report:

- Why a bimodal approach to IT upgrades doesn't work anymore (if it ever did)
- How customer expectations are speeding up innovation and digital transformation
- Why a single strategy focused on delivering business technology is the best way to innovate
- How culture and talent must change to support technology's promise
- Which changes will make the biggest impact in your organization (and to your career)

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Speed And Innovation Drive CIO Success

Bimodal Dinosaurs Won't Be Able To Lead Their Companies To Success

by Tim Sheedy and Matthew Guarini

April 24, 2017

Why Read This Report

CIOs and tech teams play critical roles in enabling organizations to use technology and deliver on customer promises. One of the most important success factors is the ability to drive innovation and move your team at the pace that customers and the business demand. To deliver the speed and innovation their business requires, some CIOs have embraced bimodal IT, but this is an outdated approach that won't deliver. This report shows CIOs what changes to make to deliver business technology, improve the customer experience, and help the business succeed.

Key Takeaways

Rapidly Changing Customers And Markets Require CIOs To Deliver And Innovate At Pace

Technology can help the business quickly respond to competitive threats and customer demands — sometimes before they even happen. The speed at which your business can change will determine its success.

Speed And Agility Will Keep Your Business Ahead Of The Disruptors

Disruption can come from anywhere, and CIOs might need to respond in many ways, like scaling up security instantly, creating new supply chain elements within weeks, or deploying different billing models within days. Not all systems are always changing, but they need to be flexible so that when change is needed, it happens quickly.

Start Moving Toward Business Technology

Changing your strategy and team is hard. CIOs need to tell a story of why change is necessary and upskill staff with design thinking and customer journey mapping capabilities. Most importantly, they must change the culture of the technology management team to be agile, fast, and innovative.

Speed And Innovation Drive CIO Success

Bimodal Dinosaurs Won't Be Able To Lead Their Companies To Success

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April 24, 2017

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Once Upon A Time, Bimodal IT Made Sense

Once upon a time — let's say three years ago (!) — the concept of bimodal IT was gaining traction with CIOs. The idea was to keep the bulk of IT moving at a slower pace (Mode 1) while challenging the remainder of the IT operation (typically a smaller segment) to move faster. This decision was a no-brainer for most CIOs; they had gaps in talent, process, and technology that limited their ability to be fast, agile, and innovative and respond to the growing needs of empowered customers. But at its core, bimodal IT creates a two-speed system that adds complexity and kills culture, has a tech-centric model that does not engage customers, perpetuates the myth that back-end systems can be left to languish, and further isolates IT from business functions. The age of the customer has revealed the significant limitations that bimodal IT can create as three core trends start to play out:

- › **Market volatility and uncertainty require companies to constantly change.** Political upheaval is the new norm, and it's driving macroeconomic uncertainty. The outcomes of elections and referendums can turn company strategies on their head, creating huge volatility in businesses. Technology teams and CIOs need to be able to help the business respond at pace in order to remain relevant and help their businesses succeed. Change is everywhere — and the ability to respond quickly to change makes all the difference.
- › **Rising customer expectations force firms to continuously innovate around CX.** Market leaders are moving rapidly to provide a customer experience (CX) that meets the higher expectations of today's customers. Where a market lacks leadership or vision, startups jump into the void and create value, typically by leveraging the assets of others. Startups don't always become market leaders; often, established companies take the lead by changing the way that they engage. Regardless, the pace of change is creating significant volatility and ambiguity that successful tech leaders need to recognize and address. Domino's Pizza Enterprises, which is nearly a billion-dollar business, is one example of a firm that is taking on digital upstarts and winning.¹
- › **A bimodal IT strategy keeps your company out of sync with faster change.** When the ability to adapt quickly is synonymous with your organization's ability to prosper and succeed, a technology strategy that specifically throttles the rate of change of a portion of your tech systems will have a direct impact on your company's success (see Figure 1). Change is coming at your business from government, regulators, traditional competitors, digital-native startups, and customers; only a fast, innovative technology function will help it adapt to today's increased volatility (see Figure 2).

FIGURE 1 Bimodal Is Out Of Sync With Faster Change

- Mode 1
- Mode 2
- Fast-changing customer and product life cycles

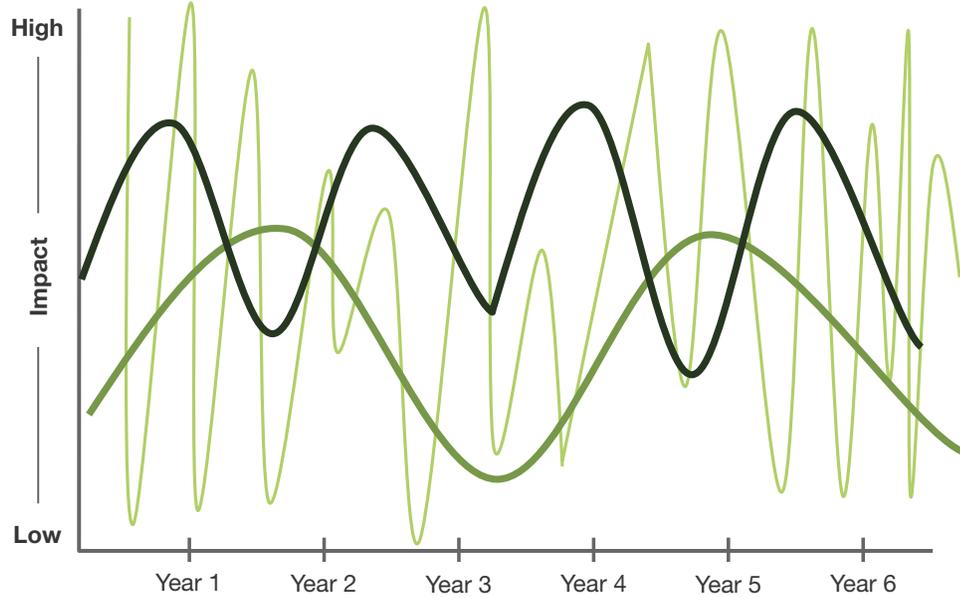
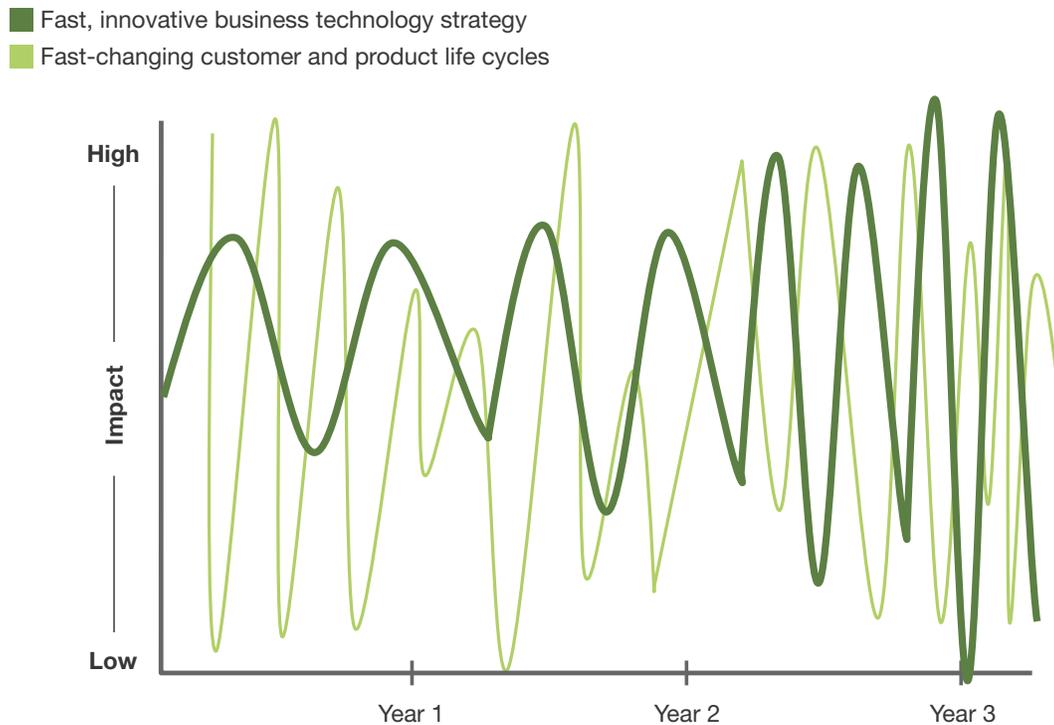


FIGURE 2 Start To Align Your BT Strategy With Your Customer And Product Life Cycles



Start Your Journey From Bimodal IT To Business Technology

Ultimately, having two technology strategies is unworkable. It creates conflict and confusion; most importantly, it can inhibit your company's ability to engage customers. You need a single strategy — one that focuses on delivering business technology (BT), which Forrester defines as the technologies, systems, and processes to win, serve, and retain customers. Ultimately, your BT strategy will help you to build a technology team that can deliver innovation at speed.

CHANGE IS THE ONLY CONSTANT — SO IT NEEDS TO CHANGE TOO

Your BT strategy will enable your business to make the necessary transition to become the business that your customers crave. So all CIOs should focus on implementing a BT strategy that enables the technology team to drive the speed and innovation that the business requires. This new strategy will play out in four areas of your business:

- › **Culture.** The values of your team need to change from the top down. The company will look to the CEO for the overall challenge, and your team will look to you for leadership. Your actions must demonstrate the core set of values that will be important to your business going forward. Agility, innovation, and speed should be central to this new culture.

To prepare the team for aligned value and a customer-led mentality, Singtel established a CX learning program for more than 800 IT employees in Singapore and Australia. Every member of the IT staff went through a one-day awareness program covering IT service levels, customer journeys, and key technology touchpoints. The CIO's office also used a Net Promoter Score measurement program tied to employee key performance indicators to shift employee mindsets.²

- › **Organization and talent.** The structure of your team and the skills in it will change; that is, your people need to change or be left behind. The changes in your team's structure will be some of the bigger ones of the next few years. The need for fast change will require flexible staffing models, the elevation of customer-facing functions, and more modern ways of developing and delivering customer and business applications.³ New skills will include customer insight and experience design, continuous planning and delivery, product and program management, service definition, and zero-trust security.

Mercer Pacific restructured its technology and marketing teams; the CIO told Forrester that he has employees embedded in the marketing function who work directly with the CMO's leadership team: "They don't see themselves as technology resources — we tag them as such, but they sit in part of the solution they're working collectively toward." Some members of staff have even switched teams entirely: For example, the CIO and CMO recently decided to move 30 people out of IT and put them under customer and marketing leadership.⁴

- › **Technology.** The need to support customers will drive a sea change in the technologies that your team uses and produces. Better use of data, collaboration tools, automation, cloud assets, and open source will help the tech team deliver the change that the business needs at the speed the customer demands. Kick-start your technology change by designing loosely coupled digital assets at the smallest level of decomposition. Focus on what differentiates you in the market, not on your architecture. Master APIs to accelerate change and design fundamentally digital capabilities and exploit analytics to scale your decisions and personalize customer experiences.⁵

A digital gaming business based in Australia made the decision to be a fast follower, reasoning that it shouldn't waste precious resources creating new business and customer capabilities when it could quickly match its competitors. The firm's investment in technology platforms and processes allows it to copy market innovations in weeks, not months or years. It has implemented fast technology so it can respond to and take advantage of market changes soon after they happen.

- › **Metrics.** Your new structure and culture will need new metrics — ones that are linked to business and customer outcomes and agility. For some businesses, these metrics will support critical changes in culture, tech, and people — so they are often a good place to start. A university CIO told us that, while his digital metrics are based on the percentage of student touchpoints that are digitally enabled, the tech team took no responsibility for the success of those touchpoints. When students do not adopt a touchpoint, each side blames the other instead of jointly focusing on improving adoption.⁶

Mercer Pacific is also changing the way it sets goals. According to the CMO: “Three years ago, we sat down at the same table and identified six core capabilities that an organization like ours needed in order to win in the next decade. We did that together, rather than the customer business coming up with an idea and saying ‘This is what we’re going to do.’”

SHIFT GEARS WITH A SINGLE BT STRATEGY TO CLOSE THE SPEED GAP

The biggest challenge in the shift to a single strategy will be to make your slow, hard to change technology fast and innovative. For many, the shift to bimodal IT was an easy one because their business had a number of large and sometimes fragile legacy applications that they didn’t want to disturb. However, it is these very applications that new competitors will target — so making them fast and innovative should be the No. 1 priority. Businesses that are embracing digital disruption are:

- › **Adopting public cloud.** No longer are bleeding-edge firms the only ones embracing the public cloud. Banks, insurers, publishers, and retailers — any business that wants to gain competitive advantage over yours — are quickly rearchitecting their applications to take advantage of public cloud services. And while companies are using public cloud to save money — like SuperChoice, which is saving up to 84% on cloud infrastructure costs — that’s not all they’re doing.⁷ Most are embracing platform capabilities in the cloud — the ability to quickly roll out new capabilities and services in days or weeks, not months or years. The public cloud will be the platform that all businesses will use to shift their focus away from running and managing their own technology assets in order to focus on what makes their business excel.
- › **Modernizing and simplifying their application portfolio.** While this is a big job, no one wants to be the CIO who was sacked because the inability of a technology system to adapt and change quickly allowed a competitor to grab market share. In the payments space, digital startups like TransferWise are stealing revenue from banks, which are often hamstrung by their own core banking platforms. For some organizations, this modernization strategy will be about identifying the friction points within their applications — the processes or capabilities that slow down the ability to change the application — and modernizing just those elements. Others need to rethink their entire technology stack.⁸
- › **Adopting DevOps and Agile.** Most companies are doing Agile development in some parts of their business, but many reserve this for their innovative and fast IT functions.⁹ Drive design-led Agile development through all of your teams and move toward a DevOps model. Maintain a tight connection between the management and change of business and tech functions; get the silos out of your tech team and make it better reflect the business processes, employees, and customers you support. One large payments business has moved entirely to Agile development and DevOps, varying the rate of change based on business need. In a time of fast-changing regulation, it delivered daily iterations; when customers needed to be taken on a journey, it made changes weekly or even monthly.

- › **Shifting from old-school outsourcing to more flexible service partnerships.** The speed of change of technology systems is often dictated by outsourcing and managed services contracts signed in a previous era. While some contracts can be long and rigid, it would not be in the best interest of your tech services partner to delay change and inhibit business opportunity. If your partner is an obstacle to providing better customer outcomes, then invite it to propose a new, mutually beneficial approach. A large utility in the northeastern US worked with several of its key partners to rework contracts that would benefit both parties. The utility achieved operational benefits centered on speed and quality of delivery, while the vendor became more flexible and could better utilize innovation in its approach.

SELL YOUR BT STRATEGY TO THE BOARD AND SENIOR MANAGEMENT

One of the big challenges in moving from bimodal IT to a BT strategy is to sell that change to your senior management team and board. If bimodal IT was a formal strategy for your team, this means explaining what is different today that requires a new strategy. For most CIOs, there have been genuine changes in the company or industry that require a shift away from bimodal IT; for others, it will mean selling the change of strategy — perhaps midstream. To build the case for BT, focus on the opportunities and threats to the business:

- › **Empowered customer stories will spark the imagination of your peers.** Every big change starts with an inspiration. You need to craft a story to tell the board, the CEO, senior management, your team, and the rest of the employees of your business. Let employees understand in real terms what is wrong today, why change is required, and what remedies are possible. Where possible, enlist allies to support your journey. The CEO is an obvious partner. The CMO can also be instrumental in telling the story and helping understand the stakes if you don't act. The CIO of a major national postal business has produced a vision of how the world of postal services will change and how they in turn can help the world change; the organization is challenging its employees to help it reinvent their future.
- › **The business needs to be fast — at the right frequency.** Disruption can come from anywhere — it does not respect the difference between back-end and front-end systems, and it does not respect the different modes of IT.¹⁰ The long-term success of every business on the planet will depend on its ability to respond to disruption quickly — and even disrupt itself ahead of the market. In Australia, 3 Mobile launched with a differentiated billing option (capped plans) that it knew other local telcos could not match due to their legacy billing systems.¹¹ The inability of incumbents to respond quickly is one of the key reasons it survived. Change needs to happen quickly, and bimodal IT inhibits a company's ability to respond to threats in an increasingly volatile market.

Tell a story. Let employees understand in real terms what is wrong today and why change is required. Inspire the company to take part in the journey.

- › **Business is digital — and bolt-on is no longer good enough.** Many businesses have worked hard to digitize CX. These initiatives were often driven by digital or “Mode 2” teams in order to get a solution to customers as soon as possible. Today, firms need to connect these systems to their traditional technology systems and modernize and enhance the latter to make the most of the digital opportunity. Any organization selling through a mobile app or site knows where the customer is, what they’re buying, and what is driving that sale — in real time. However, few businesses have the ability to do real-time one-to-one marketing to these customers, as their marketing systems and processes cannot support it. Digital operational excellence requires true end-to-end digitization of processes — meaning that all technology “zones” need to respond to customer changes quickly.
- › **Innovation is required across the technology stack.** CIOs making the move to bimodal IT often tell Forrester analysts about their struggle to identify which systems and technology to put in the slow zone. They understand that not all technology needs to be fast, but that all change needs to happen quickly — and change affects systems of record as much as systems of engagement and insight. The move away from bimodal IT can be wound into a larger innovation program where employees across technology and the rest of the business are encouraged to work on ways to be agile and fast. BBVA, a major Spanish bank, is known globally for its innovation efforts — both internally with technology staff and involving external customers and businesses.¹² The bank is looking to reinvent itself before the market does.

MAP YOUR JOURNEY FROM BIMODAL TO BT

A benefit of your original move to bimodal IT meant that you mapped all of your technology assets — including people, processes, data, and systems — to one of two zones. That’s good — you know what is where. The journey to BT is then an exercise in mapping this state to your new approach. Remember that BT is not about moving everything to the fast, innovative, experimental zone; it’s about prioritizing capabilities to help the business win, serve, and retain customers (see Figure 3). Much of the journey will be about new skills and processes, not new systems. CIOs must:

- › **Understand the risk of not changing.** The biggest risk of not acting is seeing a competitor or disruptor take a commanding lead in the market. One of the tenets of bimodal IT is putting systems and processes together in a “slow” or “predictable” IT zone where change is slow and steady. Such an approach poses an inherent risk to your business: What if disruption comes from a capability currently sitting in the slow zone? Build a basic road map that starts with the highest-risk solutions and those that have the most customer impact. A CIO at a leading pension services provider held a series of workshops with his team and key business representatives to identify the possible technology-enabled threats in the market. They came up with a plan to disrupt their own business with these ideas before the market does.
- › **Develop a skills matrix for today and tomorrow.** In all likelihood, the current skills within your tech team map to bimodal IT: One group has legacy skills and another maps more closely to agility, innovation, and speed. Your future state will require new skills — less waterfall development and

more Agile development, customer insights, invention, automation, security, communicators, and designers. If you were starting up your business today, what skills would the people you hire to run your technology have? That list is your end-state skills matrix. REA, an Australian-based digital media business specializing in property, rethought its business and is creating new teams, roles, workspaces, working styles, and employee metrics.¹³

- › **Map your assets and processes to the current and future states.** As you move toward faster delivery and improve your tech management capabilities, you will need to transform existing processes. Some businesses will choose to completely replace processes, such as moving their program and project management, design, release management, authentication assessments, legal assessments, testing/quality assurance, and application development from waterfall to Agile all at the same time. Others will make the transition from slow to fast over time. One major government department is going through this process at the moment, determining which capabilities will move to a pure Agile approach and which can continue to support both Agile and waterfall development processes.
- › **Make the transition personal.** While your marketing and CX teams are probably putting pressure on your tech management function to be able to deliver capabilities and change faster, some execs across your business are more comfortable with traditional processes and will need time to understand the value of alternative delivery models. The VP of information technology at the Federal Reserve Bank of Minneapolis identifies the right pace for the environment, not for the technology. In the transition from waterfall to Agile or “adaptive” development, he determines the needs of the individual business owner, people, and current culture and matches these to the style of development and the pace of change.
- › **Create an agile, innovative culture within tech management.** Invention and innovation need to happen across the entire technology stack and the whole tech team — not just in one group. And tech teams need to deliver these innovations quickly, using Agile principles across the entire process — not just the development process. Start by changing tech management’s metrics. Reward individuals and teams for embracing Agile methodologies and for building the ability to change and adapt quickly into their processes and systems.

Invention and innovation need to happen across the entire technology stack and technology team — not just in one group.

Australian bank UBank wanted to improve the speed and predictability of its team’s ability to deliver new features to customers, so it drove Agile development processes throughout its digital teams. The bank moved from role-based to cross-functional teams to foster a culture of innovation.

Coaches worked with product owners to link UBank's business objectives to the initiatives that the digital team worked on.¹⁴ Do as UBank did and encourage experimentation, invention, and innovation. Set up regular hackathons, where individuals and teams have the scope to change how they and others work, customers interact, and the business operates.

FIGURE 3 CIOs Need To Make Many Changes To Address Customer-Obsessed Operating Principles

Key principles	Bimodal IT's limitations	Business technology's advantages	Initial steps	Next steps
Customer-led 	<ul style="list-style-type: none"> • A tech-centered approach leaves much of the CIO's team isolated in a customer-led world • Fragmented design and development processes do not link to customer-facing methodologies 	<ul style="list-style-type: none"> • Customers act as the central design point • A common design thinking methodology marries customer journey mapping and ethnographic research with Agile, DevOps, and continuous delivery 	<ul style="list-style-type: none"> • Develop and tell the customer-obsessed story • Synchronize your planning cycles with customer cycles • Use customer journey mapping to align technology priorities to improving customer experiences • Design any new systems of engagement from the outside in to help customers in their moments of need 	<ul style="list-style-type: none"> • Train your technology team in design thinking to ensure that problem-solving is solution-focused • Change the metrics of the technology team to reflect the agile, innovative, customer-obsessed behavior that will be necessary
Insights-driven 	<ul style="list-style-type: none"> • More technology silos make data and insights harder to access • Organizational silos hinder the collaboration between business and technology required to unlock value 	<ul style="list-style-type: none"> • Systems of insight unlock insights from all data sources • The right mix of analytical skills, technology, and in-depth business expertise turns insights into action 	<ul style="list-style-type: none"> • Determine key areas for developing and providing insights across the enterprise • Link insights to cross-functional teams 	<ul style="list-style-type: none"> • Look outside of the business for data that will enrich your insights • Share company data with partners, customers, or other businesses to accelerate the rate of data-led innovation

FIGURE 3 CIOs Need To Make Many Changes To Address Customer-Obsessed Operating Principles (Cont.)

Key principles	Bimodal IT's limitations	Business technology's advantages	Initial steps	Next steps
Fast 	<ul style="list-style-type: none"> • Two-speed operations create conflict and complexity • The glacial pace of change of operational systems stalls innovation 	<ul style="list-style-type: none"> • Continuous development and delivery drives speed across all systems and people • Aggressive technology simplification and rationalization foster ongoing agility 	<ul style="list-style-type: none"> • Assess your ability to deliver continuously; start the move to DevOps if you have not already • Develop plans to accelerate your approach to Agile: What is inhibiting Agile today? • Examine internal processes; determine which ones slow down delivery and make a plan to modernize these processes or capabilities 	<ul style="list-style-type: none"> • Make a plan to modernize core systems that inhibit the agility of the business • Double down on your public cloud investments — these simplify your business and accelerate innovation • Work with your architects to develop a microservices strategy so that your tech investments are reusable regardless of platform or technology
Connected 	<ul style="list-style-type: none"> • Increased fragmentation leaves business stakeholders unsure of where to turn to get the right technology • Monolithic operational systems remain unlocked and disconnected 	<ul style="list-style-type: none"> • Cross-functional teams act as a single organism to rapidly sense and respond to changes • API-based integration and a cloud-first strategy support “promiscuous partnering” across customer ecosystems 	<ul style="list-style-type: none"> • Seed developers, analysts, data scientists, tech strategists, and architects across business units to drive collaboration and out-of-the-box thinking • Create an API strategy to help the business quickly get access to and reuse assets and business/customer capabilities • Kick off public hack-a-thons to drive defined customer outcomes 	<ul style="list-style-type: none"> • Move from functional teams to cross-discipline Agile teams to drive innovation at speed • Open APIs to external partners and customers to enable end-to-end engagement you don't control

Recommendations

Retire Bimodal IT So You Can Deliver At The Speed Of Your Customers

CIOs have leadership of the technology function at the beginning of yet another major inflection point — one where their role is to move beyond optimizing technology. They now need to explore and exploit new technologies to drive business and customer benefit. In the rush to get there, some CIOs have knowingly decided to create a bimodal model of IT, while others have ended up there as a side effect of the change that the digital customer is driving. Either way, long-term customer delight and business success require a focus on speed, agility, and innovation across all processes and systems. It's impossible to drive these outcomes with separate technology strategies; CIOs need a single, coherent strategy. To achieve this transformation:

- › **Drive change in your own team and across the business.** Change is rarely simple; few businesses have the luxury of a culture that embraces change. You need to drive the change from a two-speed IT and sheltered innovation model to one where speed is your company's competitive differentiator. Start with a story — make the change real for your employees by crafting a vision and build a strategy and road map to move the business toward BT.
- › **Keep the customer at the center of the journey.** Linking your BT strategy directly to current and future customer journeys will help you focus on things that make a difference. It will help you prioritize initiatives and understand how systems that were previously considered "slow" will have a real impact on improving the customer experience. Design thinking should be at the center of your development, delivery, and tech management capability — focusing on real customer benefits, not solutions to problems.
- › **Deliver business agility and speed to aid the empowered customer.** Speed and agility are where technology will make a real impact on the business's ability to deliver great CX. Your company's success will rely on your ability to use a strong BT capability to adapt to new digital competitors, new market conditions, new customer demands, or traditional competitors that have made the transition to a digital business. The design of your product, service, app, or capability might come from the product or CX or user experience team, and the promotion will come from marketing, revenue from sales, and direction from corporate — but the ability to deliver at speed will come from the tech management team. This is where CIOs who embrace BT will make a real impact on their business.
- › **Ask what a startup would do.** Anything that your business does that a startup would not is wasted effort and money. Sometimes this is necessary, but without asking the question, you can't determine why (or why not) to do something. A major insurance firm currently reinventing itself for the new era makes every decision about investments, projects, programs, and strategy by considering what a startup would do. Where the firm has a significant competitive advantage, such as humans to guide decisions, it will happily move away from the startup model — but if what the

insurer currently does lacks real business and customer benefits, it will take the modern approach. This has led to the vast simplification of the firm's technology and application stack and justified the retirement of significant numbers of legacy applications.

What It Means

A New Tech Strategy Does Not Require A New CIO

The age of the customer is real, and customers are driving change faster than ever before. Technology is the opportunity for your company to differentiate itself in the marketplace, but that will require you to be able to move quickly to adapt to continually changing market conditions. Having a team that can move at the speed that customers and the business demand will position you as a valuable asset. If you are embracing bimodal IT today, you will need to change your strategy and build a tech team that can function at the speed of the customer. Does a major change in strategy mean that your role is under threat? Not necessarily. For CIOs:

- › **The bigger threat is to remain wedded to the bimodal approach.** This sends a message that it's OK for some technology to be slow and lack innovation. Over the next few years, Forrester expects some CIOs to become "bimodal roadkill" — removed because they could not drive technology change at the rate the business and customer demand, usually at a critical time for the business.
- › **Today's need is to be fast and innovative.** This will make you and your team indispensable. Embracing digital opportunities and nullifying digital threats will be key to the long-term success of the CIO role — and will be a steppingstone that CIOs can use to seize bigger and better opportunities within the business. The CIO of a major online publisher stepped up to the challenge to help the business move ahead of the pack — and was promoted to head of marketing and innovation. The CIO of Myer, a large retailer, drove the digital and omnichannel push for the business and was then promoted to CEO.¹⁵ Good CIOs don't just manage and operate the technology — they help businesses succeed. Helping the business become fast, agile, and innovative is your mandate now. It's time for CIOs to let the business leaders know that the tech management team won't just help the company keep up with the competition — it will help them lead.
- › **Run technology like a product business, because it is your product.** A firm's technology, products, services, and CX are all the same thing now. Much of the time, the systems that your team builds and manages are core to the new CX.¹⁶ Technology is the product *and* the experience — so start treating it as such. The CIO of a global gaming company has recently taken the role of head of product — an acknowledgement that technology is the product. At SunSuper, a large pension provider in Asia Pacific, the tech and customer teams have recently merged in recognition of the fact that the technology is what drives CX.¹⁷ For many CIOs, this is the obvious promotion path — but bimodal IT won't get you there.

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Endnotes

- ¹ Globally, Domino's Pizza reported a net profit after tax of \$45.6 million, an increase of 56.7% on the prior corresponding period. Source: Sarah Homewood, "Domino's digital journey and hunger for innovation", AdNews, August 2, 2016 (<http://www.adnews.com.au/news/domino-s-digital-journey-and-hunger-for-innovation>).
- ² CIOs know that they must adapt their role to one of a trusted, strategic business partner, but most struggle to move from the what to the how. In 2012, Singtel, a leading communications group in Asia and a major player globally, embarked on a companywide transformation journey that required the support of a strong tech management team — so the IT organization also had to transform itself. See the Forrester report "[Case Study: Singtel Group's CIO Initiates A Customer-Obsessed Operating Model.](#)"

Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Satmetrix Systems, and Fred Reichheld.
- ³ The BT agenda focuses on technology to win, serve, and retain customers. Organizational elements including innovation labs, flexible sourcing models, and specialized customer-facing groups can help CIOs deliver on this agenda. See the Forrester report "[Design The Tech Organization For The BT Agenda.](#)"

- ⁴ Source: Nadia Cameron, “6 ways Mercer’s CMO and CIO are addressing customer-led transformation – together,” CMO, February 13, 2017 (<http://www.cmo.com.au/article/614133/6-ways-mercer-cmo-cio-addressing-customer-led-transformation-together/>).
- ⁵ Your firm’s eBusiness executives are pressing for a new approach to technology management. They are among the first to realize that older approaches to tech management aren’t working and offer cogent alternatives. CIOs must work with eBusiness executives to champion a BT agenda and transform the way their firms design, develop, and deliver digital business innovation. See the Forrester report “[CIOs: Use Your BT Agenda To Support eBusiness Strategy](#).”
- ⁶ While you can’t manage what you don’t measure, measuring the wrong things inevitably leads to organizational dysfunction at best and failure at worst. CIOs need to rethink the metrics they use to measure the performance of the technology team and put in place performance measures that help win, serve, and retain customers and ultimately drive revenue growth. See the Forrester report “[Define New Metrics For Digital Business Success](#).”
- ⁷ Source: Ry Crozier, “SuperChoice takes shine to cloud ‘spot pricing,’” IT News, February 13, 2017 (<https://www.itnews.com.au/news/superchoice-takes-shine-to-cloud-spot-pricing-450801>).
- ⁸ Do your technology platforms meet the needs of today’s and tomorrow’s connected and demanding customer? Do they enable employees to meet the business’s and customer’s requirements in their moment of need? If the answer to either of those questions is “No”, then you need to identify the weak and slow points — and build or source new capabilities that can make your business good today and great tomorrow.
- ⁹ Many companies still do waterfall development in their slow IT zone. This is one of the single biggest factors that keeps these functions slow — and will be the reason why you cannot respond to change.
- ¹⁰ Disruption is occurring today for banks in terms of the way that their customers expect them to deliver value. But tomorrow, fintechs targeting capabilities that are currently deeply embedded into core banking platforms may emerge. How quickly banks respond to this disruption will affect their revenues and profit.
- ¹¹ 3 Mobile is rolling out a first in Australia: allowing multiple users to share the value of a single capped calling plan. Source: Joseph Hanlon, “3 shares the love with new capped plans,” CNET, February 13, 2009 (<https://www.cnet.com/au/news/3-shares-the-love-with-new-capped-plans/>).
- ¹² Source: BBVA Innovation Center (<http://www.centrodeinnovacionbbva.com/en>).
- ¹³ The four main areas that help drive innovation at REA Group — people, culture, technology, and operating model — are interlinked. Source: “4 Key Ways Rea Group Drives Market-Leading Innovation,” InsiderHR, February 19, 2016 (<http://www.insidehr.com.au/4-ways-rea-group-drives-market-leading-innovation/>).
- ¹⁴ Source: Lorraine Pauls Longhurst, “How UBank’s FinTech culture enables Agile to thrive,” CIO, November 29, 2016 (<http://www.cio.com.au/article/610775/how-ubank-fintech-culture-enables-agile-thrive/>).
- ¹⁵ Source: Byron Connolly, “Myer IT chief Richard Umbers promoted to CEO,” CIO, March 2, 2015 (<http://www.cio.com.au/article/569239/myer-it-chief-richard-umbers-promoted-ceo/>).
- ¹⁶ Your customers increasingly interact with your products and service directly through the software they touch: mobile apps, connected products, websites, and digital experiences. If the software fails — or fails to delight — the brand suffers. Even physical products, from automobiles to thermostats, are increasingly enhanced by software. But software doesn’t stop with the applications that customers touch. It pervades your entire product and service experience, from call center reps to analytically derived custom offers from marketing. More than ever, software either enriches or degrades your brand. It’s time for companies to acknowledge the central role of software and elevate it from an IT-led application development group to a business-led product development function. See the Forrester report “[Software Must Enrich Your Brand](#).”
- ¹⁷ Sunsuper’s digital strategy sharpens the focus on customer experience together with technology and infrastructure

to deliver deeper customer engagement. Source: Justine Davies, “Sunsuper: Digital Strategy sharpening focus on customer experience,” Canstar, September 15, 2016 (<https://www.canstar.com.au/superannuation/sunsuper-digital-strategy-sharpening-focus-customer-experience/>).

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