

ARE YOU PREPARED TO NAVIGATE IT TRANSFORMATION?

The stakes couldn't be higher. Companies are looking to digitize every aspect of their business that they can. Many CEOs are turning to IT as a key enabler of this effort. To be successful, IT must quickly and radically transform the way it delivers services. Failure could result in tremendous business setbacks, and professional oblivion.

Half-measures could be fatal. "Bold, tightly integrated digital strategies will be the biggest differentiator between companies that win and companies that don't, and the biggest payouts will go to those that initiate digital disruptions," says [McKinsey & Co.](#), in an analysis of a survey of more than 2,000 executives across 10 industry segments. "Fast-followers with operational excellence and superior organizational health won't be far behind."

On average, industries are less than 40% digitized, according to McKinsey. The returns on investment are distributed unequally, with some leaders in all industries "earning outsized returns," while others are experiencing returns less than the cost of their investment in the effort.

"These findings suggest that some companies are investing in the wrong places or investing too much (or too little) in the right ones—or simply that their returns on digital investments are being competed away or transferred to consumers," McKinsey says.

How's that for pressure?

"Take a journey through the world of IT Transformation. But be sure to watch out! You don't want to get stuck in the IT Sprawl Pits or the Migration Quagmire. And definitely avoid the Valley of the Shrinking Budget. Detours like those can stop you in your tracks." That's the roadmap Rackspace's Jaret Chiles lays out in introducing

an infographic aptly titled "[Navigating the Treacherous Terrain of IT Transformation.](#)"

That infographic is a teaser to an ebook, [The CIO's Survival Guide to IT Transformation](#), which provides practical advice on avoiding pitfalls and wrong turns.

IT transformation is unique to each organization, but Rackspace found clear commonalities among those who navigated transformation successfully: "In each case, the CIO successfully leveraged transformation to push IT beyond the reactive grind of maintenance and support. Instead of simply scrambling to keep the lights on, IT began proactively looking ahead and thinking creatively about how to add business value."

EARLY DAYS, BUT MANY LAGGING

It's still relatively early days in the digital transformation push, but winners and also-rans are already staking their places. As McKinsey and other consulting groups note, rewards tend to accrue to those who gain an early lead.

At this stage, many companies see themselves lagging. [Information Age](#) reported on one survey of 500 senior executives that finds half of the respondents are failing to execute on their digital strategies.

That leaves CIOs walking a digital tightrope between opportunity and risk, says [CIO](#). One thing is certain, that article asserts: "Strong appetites for emerging technologies, with all of their potential

risks and rewards, coupled with a willingness to fail fast and move forward, are essential for CIOs navigating the digital era, in which innovation is no longer a dilemma but an imperative.” Meanwhile, competitors for driving roles in digital transformation are emerging in the form of chief digital officers, chief data officers, and chief marketing officers.

With an issue of this magnitude, however, competition between C-level executives could prove to be disruptive in the bad sense of the word, leading to chaos, and failure. “It’s important for the entire C-suite to collaborate with regard to digital innovation, but an even closer dynamic must be forged between the CIO, CDO and CMO,” writes CompTIA CEO and President [Todd Thibodeaux](#). “Across industries, IT, data and marketing are becoming interdependent functions—and their shared success depends on the quality of their leaders’ communication.”

STAYING ON TRACK

Those tasked with leading the transformation effort will find plenty of advice along the way. PwC US Principals Florian Gröne and Christopher Perrigo offer a list of [10 steps that may lead to success](#). But before diving into that they provide four insights into what not to do: Proceed with a business plan that’s hazy; fail to clarify IT’s role in the project; split responsibilities among different groups that each follow their own pace; and assume that funding will take care of itself at some point.

Another consulting group executive warns that cloud alone can’t guarantee successful transformation. “Although migrating to the cloud can be a catalyst for breaking through the inertia surrounding the old way of running IT, the broader transformation journey is filled with challenges,” says [Ken Corless](#), principal with Deloitte Consulting.

“Taking old technology and pulling one lever of change simply results in marginally updated technology,” Corless warns, adding that companies seeking to look and act differently may want to examine their IT function holistically, and prepare to implement changes without fear of breaking glass. “Be bold, be brave, risk some failure, disrupt yourself—oh, yeah, and move your stuff to the cloud,” he concludes.

LIGHTING THE PATH FORWARD

CIOs certainly can’t expect cloud alone to solve transformation issues, but it clearly plays a fundamental role as enterprises seek to cast off the shackles of legacy technology that serves as an anchor, holding back change and slowing innovation.

Rackspace’s transformation survival guide examines the journeys of CIOs at five notable companies that successfully navigated the terrain: General Motors, AstraZeneca, Novartis, Capital One, and General Electric. Their insights help provide guideposts for others.

“The CIO’s role in the future of enterprise IT has never been more important—or difficult,” writes Rackspace CIO Ryan Neading. “Indeed, the scope and strategic focus of this job title has sometimes suggested to me that the ‘I’ in CIO should now stand for ‘innovation’ instead of ‘information.’”

There’s no easy path ahead for CIOs charged with leading digital transformation. People, processes, and technology all represent issues to solve. But CIOs can’t transform the business if they’re not willing to transform their own organizations. For more insights into the challenges ahead, [click here](#). To get a copy of the ebook, The CIO’s Survival Guide to IT Transformation, [click here](#).