The Impact of Cloud Adoption on the CIO role

Your guide to understanding the power, opportunities and pitfalls that decentralized IT spending brings to your organization.

It's not just IT leaders who face multiple challenges with the spending shift.

Organizations can expect to face challenges like:

- Increased risk to data security (35%)
- Cloud spend spiraling out of control (32%)
- 73% of organizations have been audited by at least one software vendor in the past 12 months
- 40% are worried about vendor audits for licensed software usage within IaaS environments
- Audit preparation becoming more time-consuming and complex (40%)
- 96% of IT leaders believe they are judged on IT's effectiveness in driving business growth – not IT operational measures
- Cloud spend spiraling out of control (32%)

As business units continue to manage their own IT spend, IT leaders expect their role to evolve.

- 65% of IT leaders believe that cloud spend needs better oversight
- 59% are more focused on business outcomes
- 50% believe they are being held accountable for improving customer experiences

But organizations will see benefits like:

- 45% that IT can focus on more strategic initiatives
- 41% increased agility and innovation
- 46% of IT leaders believe their role is becoming more important to the business
- 34% believe they're finding it easier to command boardroom attention as the leadership better manages digital expenditure
- 32% believe IT is more relevant to the business

The multiple concerns that IT leaders have with the shift in IT spending

- Increased IT integration (62%)
- Hidden costs of cloud providers (56%)
- Application optimization (53%)
- Regulatory compliance (49%)
- Potential for security/privacy breach (46%)
- Talent/skills shortage (34%)

The shift in IT buying power

You've adopted the cloud across your organization and are seeing IT spend becoming more decentralized. Business units hold the power and SaaS (Software as a Service) and IaaS (Infrastructure as a Service) are letting these teams make their own tech purchase decisions. Although, IT is still responsible for budget, security and compliance, so needs to define a new role for IT leaders – and a new way of working.

Address the challenges around cost and security

- The challenge with: IaaS platforms
  - Investment in IaaS platforms drives business growth and innovation, but costs can quickly spiral out of control.
  - IT leaders are concerned about losing the ability to view and manage workloads across multiple on-premise and cloud environments.

- The challenge with: SaaS solutions
  - IT struggles to get the appropriate level of oversight to manage sprawl cost, compliance and security.

The opportunities are clear, but so are the challenges.

Concerns include:

- IT leaders are 'somewhat concerned' by the effect of increased business unit ownership.
- IT leaders need to find a way to maintain control over business technology, without limiting the productivity of tech-reliant business units.

What does this shift mean for the CIO role?

As business units continue to manage their own IT spend, IT leaders expect their role to evolve.

Many organizations are already seeing positive results from this new way of working.

Thanks to decentralized IT spend, CIOs and IT leaders are:

- Aligning IT with business unit requirements
- Gain better visibility of the entire IT estate
- Becoming a trusted advisor to business leaders

But organizations will see benefits like:

- IT can focus on more strategic initiatives
- Increased agility and innovation
- Become a trusted advisor to business leaders

What does the future hold?

The IDG Connect research was commissioned by Snow Software via an online survey in 2019 of 450 IT leaders from companies over 1000 employees in the UK, Ireland, Germany and the United States.