

## An IDC Leadership Model for Digital Transformation

Ensuring that IT is an effective partner in business transformation

Successful CIOs of the future will be judged by their ability to manage three essential disciplines on a continuous basis while anticipating the next wave of digital transformation. IT leadership must forge a lasting collaboration with business partners to drive the transformation engine — from old to new, from unstable to stable, and from experimental to operational.



# Leading in 3D: Creating a Culture of Continuous Transformation

## Why Leading in 3D?

IDC predicts that in 2016, CIOs will face their biggest crisis in leadership as they struggle to adjust to the speed and needs demanded by digitally empowered business transformation. 3rd Platform technologies such as analytics, IoT, and mobility are enabling new business models. From every angle, business is changing, and IT is evolving from automating and improving processes to creating new digital revenue streams, customer experiences, and operating models. Every CIO must take actions to ensure the IT organization is an effective partner in the digital transformation of the business. How to drive innovation with the business while driving operational excellence with existing IT systems is the question facing CIOs.

A great divide has surfaced: business innovation initiatives are taking place separately from and without connection to the infrastructure, systems, processes, and people currently fulfilling the enterprise's existing mission. This two-pronged, siloed approach breeds sub-optimal performance within the entire IT organization.

At a time when businesses change at accelerated speed and needed resources are scarce, a closer collaboration between IT innovation and IT operations is essential. CIOs still need to align with business innovation while also managing IT efficiently. Leading the digital transformation (DX) of businesses requires a third discipline, at least as important as the other two: the ability to manage a continuous transition from old to new, overlaying existing products and services with their replacements, at an ever-increasing speed, driven by the evolution of the external business ecosystem. Digital transformation requires IT to infuse innovation into the scale and breadth of the enterprise. This is not a one-off task but a continuum of actions.

## What is Leading in 3D?

IDC's Leading in 3D framework focuses on the following dimensions:

*Innovate* – Partner with the business to create digital innovations

*Integrate* – Transition new technologies into stable business services

*Incorporate* – Evolve existing technology platforms continuously by infusing new skills, techniques, and culture



## Who Drives *Leading in 3D*?

Successful CIOs of the future will be judged by their ability to manage all three of these connected disciplines on a continuous basis while anticipating the next wave of digital transformation. IT leadership will need to forge a lasting collaboration with business partners to drive the transformation engine — from old to new, from unstable to stable, and from experimental to operational.

## How is *Leading in 3D* Implemented?

Successful technology leaders will learn to balance the three critical dimensions of their role:

- Promote business **innovation** through visionary technology leadership and agile development. Critical to the success of “Leading Innovation” is the ability to work with business partners at the speed of business change.
- Bridge the business and IT operations transformation with an **integration** agenda that transitions technology innovation to a stable, secure, and reliable business service for the enterprise. Critical to the success of “Leading Integration” is strategic architecture that serves as the framework for IT platforms.
- Lead **incorporation** by selectively streaming new technologies, processes and methodologies to enable the transformation of existing information technology and enterprise processes. Critical to the success of “Leading Incorporation” is achieving the appropriate balance of risk and reward in the change management of IT operations.

The creation of broad IT transformation strategies needs to be coupled with a culture of continuous transition. Employing program management offices (PMOs), DevOps, and other coordinated IT disciplines will help to speed change and deliver new products and services within existing business and technology processes.

While CIOs will face their biggest crisis in leadership as they struggle to adjust to the speed and needs demanded by digitally empowered business transformation, they will also face their greatest personal and professional rewards. On the other side of IT transformation awaits an IT organization that is primed for the innovative and adaptive world of the digital economy.

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