

Leadership Vision for 2024: Midsize Enterprise CIO

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Initiatives: [Midsize Enterprise IT Leadership](#); [Elevate Functional Performance](#); [Provide Strategic Business Leadership](#)

AI is center stage, talent challenges have abated (for now), CEOs are realigning their strategies, and there is continued uncertainty in the economy. These factors add up to a unique landscape and opportunities for midsize enterprise CIOs to navigate over the next 12 to 18 months.

Overview

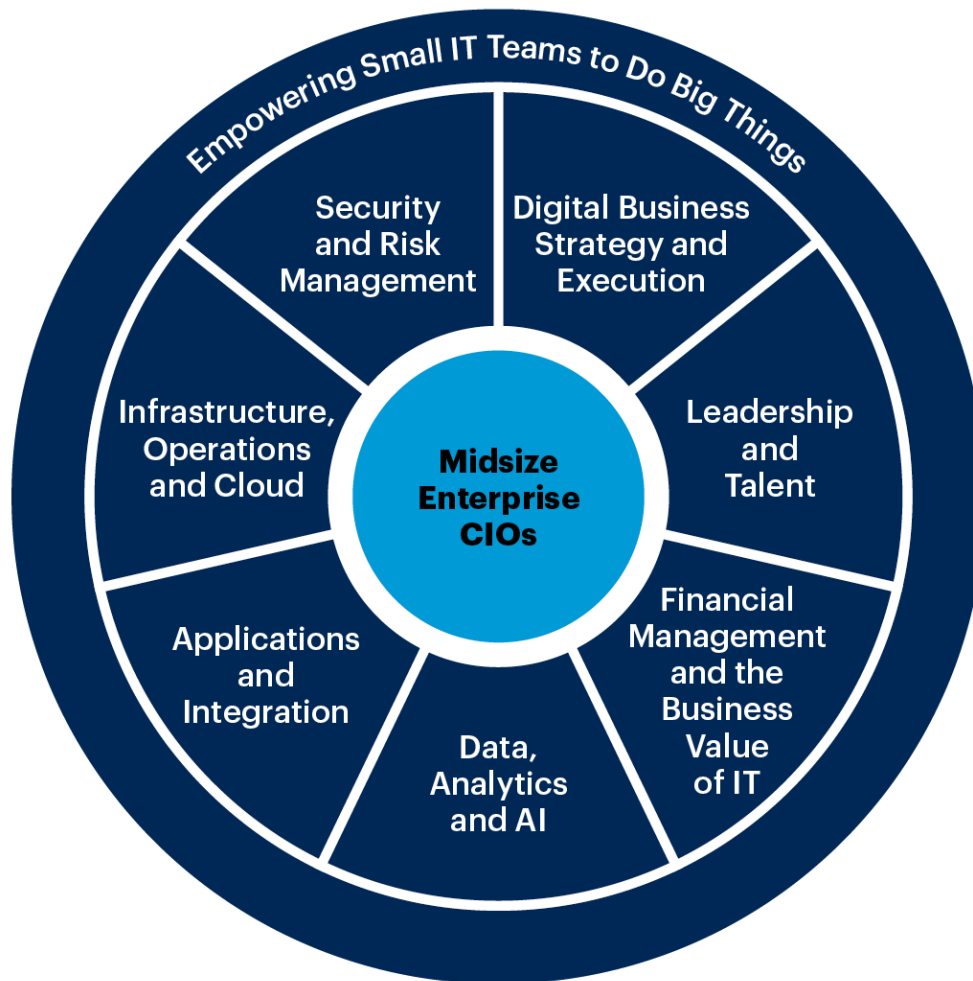
Midsize enterprise (MSE) CIOs face unique conditions in having to deal with an increasing rate of change in a highly dynamic business and economic environment. On the positive side, there is the promise of AI and how it will help organizations improve productivity, negate resource challenges, and help CIOs execute against CEO growth objectives. CIOs anticipate increases in their budgets as CEOs continue to indicate a willingness to spend on technology. The postpandemic talent crisis that has hampered their ability to execute has subsided to some degree.

On the negative side, deployment of AI to any significant degree is putting more pressure on IT platforms, particularly in the areas of data governance, trust, reliability and security. While talent issues have abated, the projected demand for talent over the next two to three years indicates that this may not be a long-term reprieve. Economic conditions such as inflation and higher interest rates are taking a bite out of budget increases, but not out of the expectations of and demands on technology delivery.

MSE CEOs are reevaluating their organizational strategies. This presents both opportunity and challenge for MSE CIOs. The opportunity is to take a more active role in strategy development and integrate technology strategy into business strategy. The challenge for busy MSE executives, including the CIO, is to dedicate the time to formal strategy creation and delivery. However, as business and technology move ever more rapidly, the anchor of good strategy becomes more critical to success.

Figure 1: Midsize Enterprise IT Leadership

Midsize Enterprise IT Leadership



Source: Gartner
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This research is in the form of a presentation deck and provides Gartner’s overall point of view on the important things on which you, as a leader, should focus. The presentation deck is designed for you to download and use with key stakeholders, your peers, or others who might benefit from it. You can integrate the most relevant slides to your organization into your own materials.

Trends for MSE CIOs

As we consider 2024, this presentation highlights the following trends affecting MSE CIOs:

- **Artificial intelligence has CEOs' attention** – MSE CEOs are very intrigued by the possibilities of AI in their growth plans.
- **MSE CEOs cite technology as the top areas for investment increase** – The ability to leverage technology for top- and bottom-line advantage has CEOs willing to invest.
- **The talent crisis shows signs of abating** – The latest talent metrics indicate some stabilization for MSEs. However, CIOs are predicting new talent challenges in the near future.
- **Company strategies are getting a fresh look** – CEOs are taking a fresh look at their business strategies as they recalibrate postdisruption. This creates a unique opportunity for CIOs to better integrate their technology strategies and elevate their position as a strategic partner.

Challenges for MSE CIOs

As these major trends play out, this presentation highlights key challenges that MSE CIOs will face over the next 18 months:

- **AI challenges abound, inhibiting adoption** – Organizations are beginning to realize potential issues with AI deployment such as the need for use case definition and more deliberate attention to data protection and data quality.
- **Economic challenges place additional burden on justification of IT budgets** – With increased dependence on technology, lingering questions around the economy and an interest rate environment not seen in years, MSE CIOs must apply extra attention and structure to discussions on IT budgets and spending.
- **New technology and increasing demand will create talent gaps in the next two to three years** – MSE CIOs are predicting new talent challenges in the near future, due to rapid advances in technology and increasing demand for services.
- **A formal IT strategy is becoming more critical for CIOs to properly manage the delivery of technology** – In MSEs, limited resources generally (sometimes must) default to tactical operations, leaving little room for realizing the benefits of formal strategy.

Recommended Actions

The MSE CIO's agenda for the coming 12 to 18 months should emphasize the following prioritized actions. Each action is a leadership opportunity to demonstrate executive acumen and develop high-performance organizations. As an MSE CIO, you must:

- Guide your organization in leveraging AI to its fullest potential by applying the fundamentals of enterprise technology, such as definition of use cases, assessment of risks and principles of reliable data.
- Simplify IT spend for your organization by dividing the investment story between the requirement to run the organization versus the requirement to achieve growth and expected ROI on technology-fueled initiatives.
- Leverage financial transparency to mold technology investments around the CEO's expectations for ROI time horizons and levels of return.
- Prepare for potential talent shortages by defining your operating model and talent needs now. Consider upskilling existing talent for future needs.
- Catalyze your organization's strategy discussions by identifying the strategic lenses that drive value, and tying technology investments to well-defined business goals and objectives.

Evidence

2023 Gartner AI Survey – CIO and Technology Leader View: This survey was conducted to capture CIOs' and technology leaders' sentiment toward AI and to better understand what organizations are doing as a result of recent changes/announcements about AI. The survey was conducted online in June 2023 among CIOs (34%) and other technology leaders (66%). The total sample is 615 respondents, with representation from North America (41%), Europe (36%) and Asia/Pacific (23%) and across all industry sectors. Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

2024 Gartner CIO and Technology Leader Priorities Survey: This survey was conducted to capture CIOs' and technology leaders' current priorities and responsibilities, as well as to better understand how those priorities have shifted over time. The survey was conducted online in January 2024 among CIOs/CTOs/heads of IT (35%), CEOs/other C-suite (9%) and other IT and technology leaders (57%). The total sample is 2,073 respondents, with representation from North America (34%), Europe (35%), Asia/Pacific (17%), Brazil (10%), the Middle East (3%) and across all industry sectors. Disclaimer: the results of this study do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2024 Gartner CIO Generative AI Survey: This survey was conducted online from 30 January through 12 February 2024 to examine how CIOs are thinking about generative AI and the current role of the CIO in generative AI initiatives. This serves as an update to the 2023 Gartner CIO Generative AI Survey. In total, 83 CIOs who were members of Gartner's Research Circle participated. Members from North America (n = 42), EMEA (n = 29), Asia/Pacific (n = 7) and Latin America (n = 5) responded. (Gartner's CIO Research Circle members include enterprise-level CIOs/CTOs, divisional CIOs/CTOs and heads of the office of the CIO, representing a mix of industries and organization sizes.) Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2023 Gartner Midsize Enterprise Baseline Survey: This survey was conducted to understand the most critical market differentiators in the midmarket and discover what midsize enterprises are doing differently when investing in and deploying technology. It also focused on monitoring changes in buying behaviors, staffing resources, budgets, outsourcing strategies and other conditions that drive midmarket IT leaders' IT decisions. The survey was conducted online from May through July 2023 among 366 CIOs or the most senior IT leaders in organizations with annual revenues from \$50 million to less than \$500 million across industries. Participants were from North America (n = 236), Europe (n = 100) and Asia/Pacific (n = 30). Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2024 Gartner Board of Directors Survey on Driving Business Success in an Uncertain World: This survey was conducted to understand the new approaches adopted by nonexecutive boards of directors (BoDs) to drive growth in a rapidly changing business environment. The survey also sought to understand the BoDs' focus on investments in digital acceleration; sustainability; and diversity, equity and inclusion. The survey was conducted online from June through August 2023 among 285 respondents from North America, Latin America, Europe and Asia/Pacific. Respondents came from organizations with \$50 million or more in annual revenue in industries except governments, nonprofits, charities and nongovernmental organizations (NGOs). Respondents were required to be nonexecutive members of corporate boards of directors. If respondents served on multiple boards, they answered questions about the largest company, defined by its annual revenue, for which they are a board member. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2024 Gartner CEO and Senior Business Executive Survey: This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2023 through December 2023, with questions about the period from 2023 through 2025. One-quarter of the survey sample was collected in July 2023, and three-quarters was collected from October through December 2023. In total, 416 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 356 online surveys and 60 telephone interviews. The sample mix by role was CEOs (n = 282); CFOs (n = 81); COOs or other C-level executives (n = 32); and chairs, presidents or board directors (n = 21). The sample mix by location was North America (n = 175), Europe (n = 94), Asia/Pacific (n = 93), Latin America (n = 41), the Middle East (n = 8) and South Africa (n = 5). The sample mix by size was \$50 million to less than \$250 million (n = 77), \$250 million to less than \$1 billion (n = 101), \$1 billion to less than \$10 billion (n = 166) and \$10 billion or more (n = 71). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2024 Gartner CIO and Technology Executive Survey: This survey was conducted online from 2 May to 27 June 2023 to help CIOs determine how to distribute digital leadership across the enterprise and to identify technology adoption and functional performance trends. Ninety-seven percent of respondents led an information technology function. In total, 2,457 CIOs and technology executives participated, with representation from all geographies, revenue bands, and industry sectors (public and private). Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2023 Gartner AI in the Enterprise Survey: This study was conducted to understand the keys to successful AI implementations and their impact on the broader AI that has been brought by generative AI. The research was conducted online from 19 October through 21 December 2023 among 703 respondents from organizations in the U.S., Germany and the U.K. The main sample consisted of 645 out of the 703. Organizations were required to have developed or intended to deploy at least two AI initiatives within the next three years. Respondents were required to be part of the organization's corporate leadership or report to corporate leadership roles. Fifty-eight out of 703 are the business intelligence (BI) sample. Organizations were required to have developed or intended to deploy at least one AI initiative within the next three years. Respondents were required to be part of the organization's corporate leadership or report to corporate leadership roles or below (senior manager and above) and to be primarily responsible for BI in their organizations. Both the main sample and the BI sample respondents were required to have a high level of involvement with at least one AI initiative, and they were required to have one of the following roles when related to AI in their organizations: determine AI business objectives, measure the value derived from AI initiatives, or manage AI initiatives development and implementation. Quotas among the main sample were established for company size and for industries to ensure a good representation across the sample. No quotas were established for the BI sample. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2023 Gartner CIO and Technology Executive Survey: 2023 Gartner CIO and Technology Executive Survey: This survey was conducted to help CIOs and technology executives overcome digital execution gaps by empowering and enabling an ecosystem of internal and external digital technology producers. It was conducted online from 2 May through 25 June 2022 among Gartner Executive Programs members and other CIOs. Qualified respondents are each the most senior IT leader (e.g., CIO) for their overall organization or some part of their organization (for example, a business unit or region). The total sample is 2,203 respondents, with representation from all geographies and industry sectors (public and private). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2023 Gartner Industrialization of Digital Business Survey: This study was conducted to better understand the extent to which enterprises focus on capabilities such as improving the speed of their innovation, embedding digital into enterprise strategy and developing/leveraging visionary industry leadership to prepare for bigger changes to their markets, customer bases and methods for delivering value. The research was conducted online from June through July 2023 among 292 executive leaders from North America (70%), Europe (17%) and Asia/Pacific (13%), across all industries from organizations with at least \$50 million in annual revenue. Respondents were screened for involvement in overall business strategy and digital business strategy. Disclaimer: Results of this study do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

Document Revision History

[Leadership Vision for 2023: Midsize Enterprise CIO - 26 April 2023](#)

[Leadership Vision for 2022: Midsize Enterprise CIO - 3 September 2021](#)

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Midsize Enterprise IT Leadership Primer for 2024](#)

[Mastering the 3 Dynamics of Midsize Enterprise IT Leadership](#)

[How Should MSE CIOs Invest in Enterprise Architecture Capabilities?](#)

[Generative AI Use-Case Comparison for Midsize Enterprises](#)

[An Effective Talent Strategy for Midsize Enterprise CIOs](#)

[IT Key Metrics Data 2024: Industry Measures – Insights for Midsize Enterprises](#)

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