



ENFO CIO SURVEY:
DIGITAL INNOVATION
DRIVERS AND
OBSTACLES IN 2017

SURVEY REPORT, N=40

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Enfo surveyed the views of Finnish CIOs:

Digital innovation drivers and obstacles in 2017

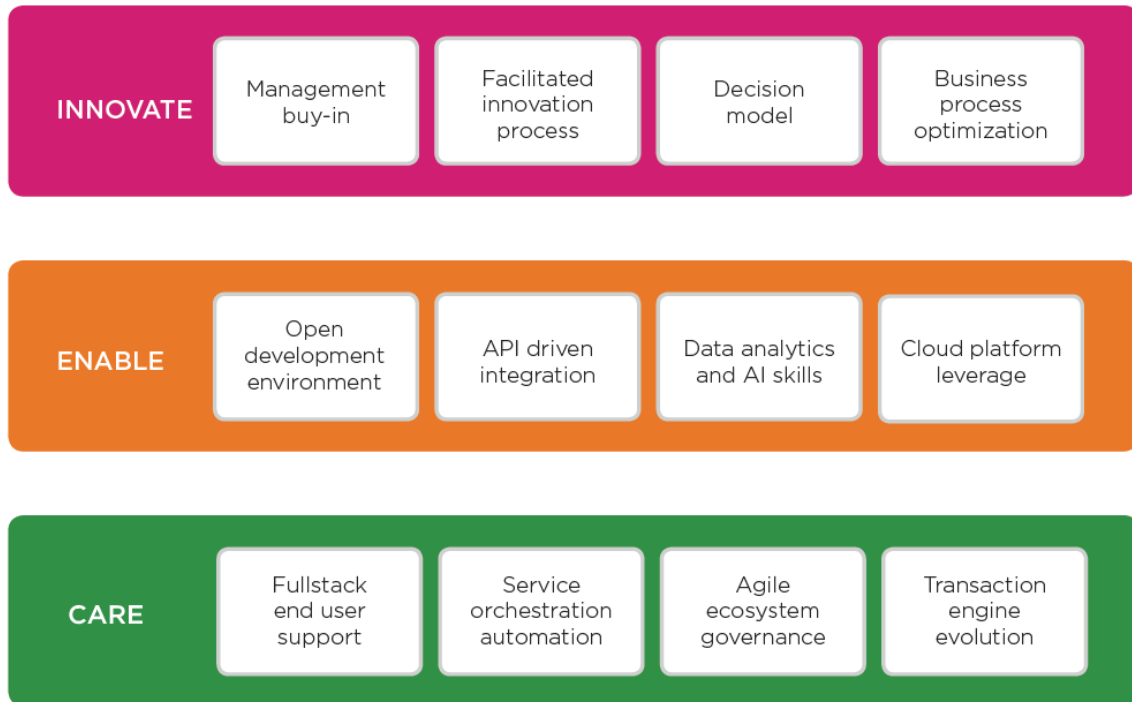
Survey report, N=40

On April 26, 2017, Enfo organized a workshop at CIO 2017 for CIOs on the theme, “Lead the development of digital innovations through an effective model”. In the workshop, we introduced the Enfo Innovation Framework tool, which enables the easy assessment and development of an organization’s readiness to refine digital concepts into profitable business. The workshop was attended by 40 CIOs from Finland’s leading companies, and its results and highlights provide a good picture of the problematics of digital innovation in today’s organizations.

The Enfo Innovation Framework model fills the typical gap between small and agile digital partners working directly with businesses and large IT partners working with IT.



Three important layers need to be addressed. With Innovate, Enable, and Care taken care of, businesses can accelerate the transition of digital innovation to continuous business, optimize partner relations at the small and large ends, and ensure high quality, evolving services for end-users. Each of the three layers have four subareas.



Enfo Innovation Framework serves as a checklist for assessing the innovation readiness of an organization one piece at a time. Will executive decision-making bring digital innovation to a halt? Or partners' management models? How can information management and business functions be brought together to create and maintain new services? After an assessment utilizing the tool, it is easy to create a road map for developing your organization.

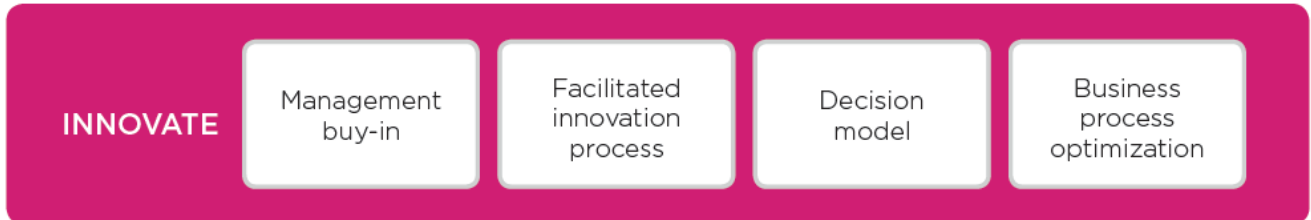
COMMENTS ON THE OVERALL MODEL

"A working outline and checklist for getting the organization in shape!"

"The model brings up a real challenge in managing large and small partners: the large ones are too slow while the small ones can be too fast, taking our business in changing directions. Problems occur with both."

"This model certainly could be used for prioritizing and managing our projects, as well."

INNOVATE – How do you create a culture of innovation?



Management buy-in has previously been cited as a problem when trying to drive digital innovations forward in an organization. However, it is no longer the greatest problem. It has taken a few years of beating the drum for the issue to get senior executives behind digital projects, and now 61.5% of the respondents cite the management buy-in stage as one of their organization's strengths.

At the same time, three out of five respondents say the most challenging stage is the Facilitated Innovation Process stage. If we view the Facilitated Innovation Process and Decision Model stages as a whole, almost 90% of CIOs place the greatest challenge there. A systematic way of collecting ideas, processing and refining them, and drawing conclusions from them is the greatest slow-down in businesses.

The Business Process Optimization stage will not come until after the innovation and decision-making processes. As there are still challenges in the above areas, optimizing business processes does not have significant weight in the minds of CIOs. It, however, may be the next great headache once the decision-making process works.

- ➔ **Management supports and even drives innovation in the majority of organizations. Focus should now be on systematically collecting ideas and creating a decision-making model. Only after that can attention be paid to linking innovation and business processes.**

COMMENT ON THE INNOVATE LAYER

"We lack a clear process for innovation management and decision-making."

ENABLE – How to create a technical environment that enables innovation?



There has been plenty of talk about cloud services, and they are well accepted and understood at IT departments. This means that a lot of development has been done in this field, and over 40% of CIOs identify cloud services as a strength of their organization.

Despite being the No.1 development item for IT departments in Finland for years *), data analytics is in a poor state; 40% of the respondents say it is the greatest obstacle in the ENABLE layer.

The data analytics field has evolved in recent years, though. The significance of data has increased, and today's operations require real-time data. It has long been challenging to find skilled specialists and, on the other hand, the introduction of artificial intelligence has broadened the field of data analytics. Therefore, this area no longer looks the same as it did a few years back, but its weight and potential have increased further.

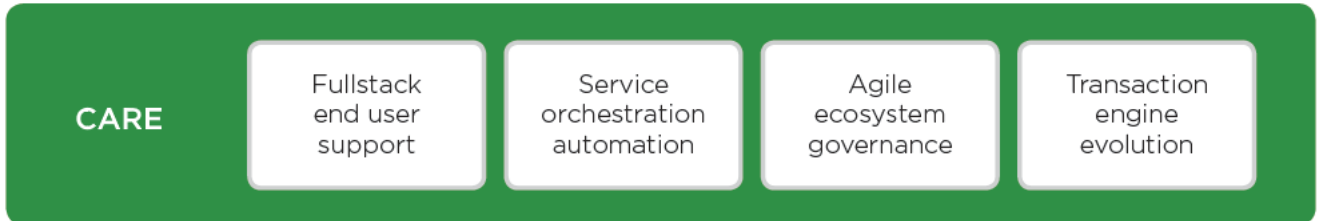
→ **With respect to the cloud, the direction is clear; the obstacle is data analytics.**

COMMENT ON THE ENABLE LAYER

"The greatest challenges currently involve gathering and managing data; we need agility in our process."

* ICT priorities 2014 (Marketvisio/Gartner), Digitalization and ICT Development 2017 (Gartner LINE), ICT Development 2016 (Gartner LINE), IT and Business ICT priorities 2012 (Marketvisio)

CARE – How to bring IT close to business to sustain new services credibly?



The original name of this layer was RUN but, based on the feedback received, a more appropriate name is CARE. The question is how to ensure that new digital services work from the end-user perspective and how an organization's IT environment is systematically modernized.

The greatest challenges and strengths were identified in service orchestration and agile partner management. Approximately one third of the respondents named these areas as a strength or weakness, which indicates great organization-specific differences in maturity.

In contrast, the weight of the Transaction Engine Revolution stage as a strength or weakness was deemed only low, which is surprising. Traditional information management's concept models regarding reproducibility and automation have often rendered IT into a monolithic chunk that strips agility from new digital services, making it difficult to build them. It is our belief that it is the gradual replacement of large ERP solutions with new, agile digital services that, in fact, is the greatest and probably most important area in the CARE layer and will boost its profile as the major area of development in many organizations.

- **The Transaction Engine Evolution stage will probably be the greatest challenge but is not yet fully identified. With respect to the CARE layer, IT has the most experience and understanding of the processes; the challenge can be the compatibility of traditional IT processes with new types of digital services being run or with end-user support for any product.**

COMMENT ON THE CARE LAYER

"Getting rid of the ERP is sure interesting; it would definitely make our organization more flexible, as well."

About the findings in general

Each organization is different. With a few exceptions, the findings on the strengths and weaknesses of the organizations have a rather even distribution. This makes it hazardous to draw black-and-white conclusions. The field of digital innovation progresses constantly, but often the progress is organization-specific. Despite the even distribution, some clear, even universal findings emerged.

Based on discussions and comments, the Enfo Innovation Framework model works here and now and genuinely allows businesses to assess their operations. The advantage of the model is that it not only works as an IT development tool but also supports executive, business, and production organizations. We received kudos for coverage of the model; workshop participants felt it contained the essentials. As said, this model is a tool for the here and now, and its components are likely to survive alongside digital innovation that leaps forward in organizations. Help is needed to keep pace with development, and we believe this model is a practical tool for development.

Thank you to all participants for the excellent discussion, valuable feedback, and courage to engage your organization in a process that truly enables digital innovation!



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