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Gartner-Forbes 2012 Board of Directors Survey Shows IT Is at Top of Investment Priorities, Tied With Sales

Special Report Shows Top Business Priority of the Board of Directors Is Attracting New Customers

STAMFORD, Conn., 23 July, 2012 — Board directors are prioritising customers, core competencies and competitive advantage, according to the second annual Gartner-Forbes 2012 Board of Directors Survey. Half of the board directors surveyed were willing to invest in IT as a means to change the rules of competition, and they had IT as the highest priority for investment in 2012, tied with investments in sales.

Gartner and Forbes surveyed 175 board members in March and April of 2012 regarding their perceptions of the key business issues facing their organisations, and the contemporary aspect of their attitudes toward IT.

"Board directors clearly have a top priority to invest in IT and leverage IT for competitive advantage," said Jorge Lopez, vice president and distinguished analyst at Gartner. "These forward-looking and proactive attitudes are being made although more than half of the survey respondents replied that they are preparing for a market recession. It underlines the fact that that the investments they plan to make are essential to growth and even survival, and that they are willing to throw the investment gauntlet down now, rather than later."

The priorities of the board directors in this survey were directly centred on customers, building better ways to drive the business forward through better core competencies, working on sustaining competitive advantage, or innovation. Gartner analysts said all of these are proactive efforts to acquire, retain or develop customers and markets.

Eighty-six per cent of respondents said they believe that IT's strategic contribution to the business will increase by 2014.

"The best strategy for the CIO is to select projects that drive the strategic priorities of the firm," said Mark Raskino, vice president and Gartner fellow. "Although this seems obvious, in practice, it is challenging to drive consensus on what that exactly means. CIOs need to review project elements with the CEO and key board sponsors, so they can understand that the project is designed to enhance their priorities in a meaningful way."

The fastest-rising priority is pursuing greater diversity in the business portfolio, which will drive mergers and acquisitions (M&As). Gartner recommends that IT leaders review their plans for integrating acquired company systems. They should also prepare plans for divestitures as the investment portfolio is restructured for lower risk.

The Gartner-Forbes 2012 Board of Directors Survey asked board directors to rate each of 30 different choices from extremely low importance to extremely high importance. The top five priorities were:

1. Attracting new customers
2. Retaining and enhancing existing customers
3. Focusing on core competencies
4. Maintaining competitive advantage
5. Fostering innovation

The top spots were dominated by issues that have a direct connection to revenue and profit. The fastest-rising priorities point to the rise of pursuing greater diversity in the business portfolio, which is usually a move to reduce the overall risk of an enterprise.

As boards seeking ways to build or extend their competitive advantage increasingly look to IT as a source of that advantage, Gartner believes that IT-enabled business models will be useful as advances in technology continue to gain ground, and the reputation of IT as a means to improve productivity persists.

"CIOs should continue to examine how to liberate budget allocations through improved efficiencies, so that the innovation and core competency investments prioritised by the board of directors are maintained," Mr. Lopez said. "They should also investigate how IT can change the business model for their industry in a manner that will change the rules of competition."

Additional information is available in the report "Gartner-Forbes 2012 Board of Directors Survey: Stay in Balance." This research is part of the Gartner Special Report, "Seizing Competitive Advantage: New Opportunities in IT." This Special Report is available on Gartner's website at <http://www.gartner.com/technology/research/competitive-advantage/>.

Mr. Lopez will provide additional commentary during the Gartner webinar, "Gartner Forbes Survey: CIOs Must Prepare for Future Volatility" on 28 August at 2 pm BST and 5 pm BST. To register for this complimentary webinar, please visit http://my.gartner.com/portal/server.pt?open=512&objID=202&mode=2&PageID=5553&ref=webinar-rss&resId=2078515&prm=wb_sr_ctva.

Mr. Lopez and other Gartner analysts will examine the key issues facing CIOs and IT leaders at Gartner Symposium/ITxpo.

About Gartner Symposium/ITxpo

Gartner Symposium/ITxpo is the world's most important gathering of CIOs and senior IT executives. This event delivers independent and objective content with the authority and weight of the world's leading IT research and advisory organization, and provides access to the latest solutions from key technology providers. Gartner's annual Symposium/ITxpo events are key components of attendees' annual planning efforts. IT executives rely on Gartner Symposium/ITxpo to gain insight into how their organizations can use IT to address business challenges and improve operational efficiency.

Additional information for Gartner Symposium/ITxpo in Barcelona, 5-8 November, is available at <http://www.gartner.com/technology/symposium/barcelona/>. Members of the media can register for the event by contacting Laurence Goasduff at laurence.goasduff@gartner.com.

Additional information from the event will be shared on Twitter at http://twitter.com/Gartner_inc and using #GartnerSYM.

Upcoming dates and locations for Gartner Symposium/ITxpo include:

August 28-30, Cape Town, South Africa: www.gartner.co.za
October 3-5, Tokyo, Japan: www.gartner.com/jp/symposium
October 10-12, Goa, India: www.gartner.com/in/symposium
October 21-25, Orlando, Florida: www.gartner.com/us/symposium
October 29-31, Sao Paulo, Brazil: www.gartner.com/br/symposium
November 5-8, Barcelona, Spain: www.gartner.com/eu/symposium
November 12-15, Gold Coast, Australia: www.gartner.com/au/symposium
March 5-7, 2013, Dubai, UAE: www.gartner.com/technology/symposium/dubai/

About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is the valuable partner to clients in 12,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,000 associates, including 1,280 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com

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