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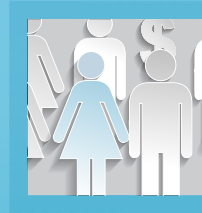IT SALARY TRENDS
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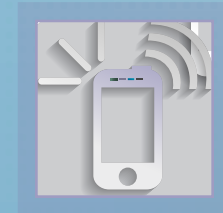What's Your CIO Earning Potential?

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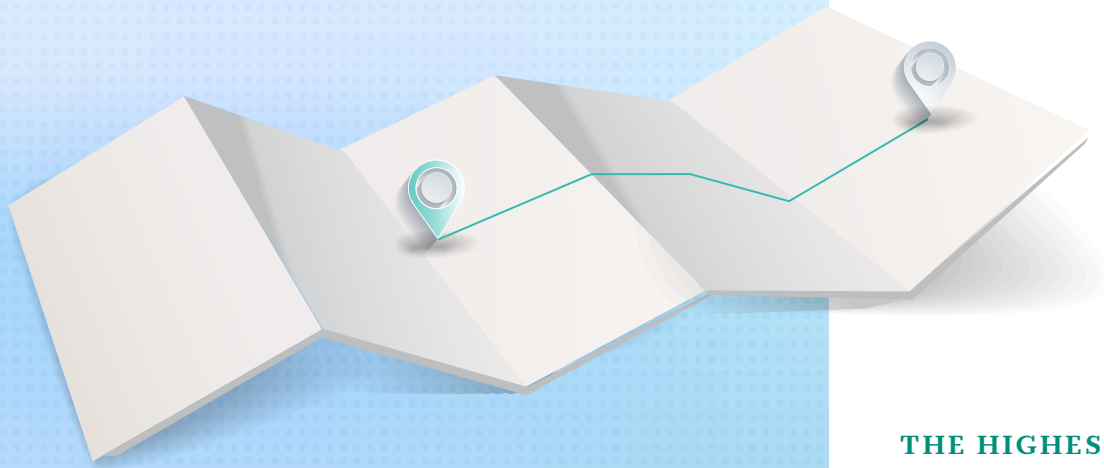TECHNOLOGY SPENDING
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The results of TechTarget's IT Salary and Careers Survey chart the compensation, job satisfaction and project priorities of 1,711 IT professionals, including hundreds of senior IT leaders.

TechTarget

A CIO Roadmap for 2014

The survey results are in: See how your salary and career goals stack up with those of your peers.

BY CHRISTINA TORODE

HOME

THE HIGHEST-PAID senior IT executive who took TechTarget's most recent IT Salary and Careers Survey was a CIO who pulled in $1.48 million (bonus included) in 2013. The average total compensation for this group of 466 senior IT executives was $164,000, and 50% of these executives expect their total compensation to rise by 5% in 2014—in line with the raise they received in 2013.

Why so optimistic about the compensation road ahead? It's well deserved, as several senior IT executives explained. Their responsibilities are being aligned with business goals and [business outcomes](#), not just "keeping the lights on." That spells [ROI](#). Technology is not just a means of optimizing business processes but flipping business models; not just improving customer service but engaging customers in entirely new

ways; and not just about serving the traditional "IT customer," the employee, but the external customers that the CEO or any line of business serves.

Sure, 54% of these senior IT executives (CIOs, chief technology officers, directors of IT and executive vice presidents of IT) said the top measure of success for their position is ensuring the reliability of IT services (that's a given), but 47% said it was also measured by helping the business meet expected goals and outcomes.

What are the top measures of success for your position?

Measure	Percentage
Ensuring reliability of IT services	54%
Helping achieve a business goal or outcome	47%
Completing projects on time	34%
Improving product or service delivery	34%
Meeting productivity goals	32%
Innovating and encouraging creativity	32%
Coming in under budget	19%
Achieving ROI on projects and technology purchases	18%

Source: TechTarget's 2013 IT Salary and Careers Survey, which polled 1,711 IT professionals.

"My role is being able to interpret what the business wants and finding the tools to do things not only differently, but better," said Mark Landes, the director of IT for a global manufacturer.

This entails consolidating 18 systems into one ERP in order to get one "data version of the truth" for reports used to make business decisions out of his company's business intelligence (BI) system. His IT organization is also swapping out a "big-cost and well-known" Software as a Service CRM system with one that instead easily connects to this new ERP system and caters to customers that are business partners.

CAREER PATHS LEAD TO DATA MANAGEMENT AND THE NEED FOR SPEED

Senior IT executives said that operational efficiencies (58%) is the top value the business expects to gain from technology projects in 2014, followed by increased employee productivity

(43%) and improved customer service (36%).

These are value factors that are not lost on IT executives such as Naimish Shah, senior director of IT for a large financial services company. His mission for 2014, first and foremost, is to improve the data quality of the information used by employees to do their jobs and to create new services for customers within the "business platforms that help generate revenue" for his company.

His top projects for this year include the following:

- **Cleaning up data**, in part by consolidating platforms and outsourcing the management of platforms to offshore data experts.

- **Introducing new products** and services faster through system consolidation and data cleansing.

- **Reducing complexity** and creating system flexibility. "If we have lower systems complexity,

we can tweak products and services that we offer faster and be more responsive to change management requests as they come up," Shah said. "These projects also set us up better for merger and acquisition with fewer systems to merge."

Jim Cole, who initially focused on tech projects ranging from BI to mobile, joined a technology services provider two years ago as an IT director in charge of 800 IT professionals serving the provider's financial services customers. That's a far cry from his career beginnings as a

What business value does your company expect from technology projects in 2014?
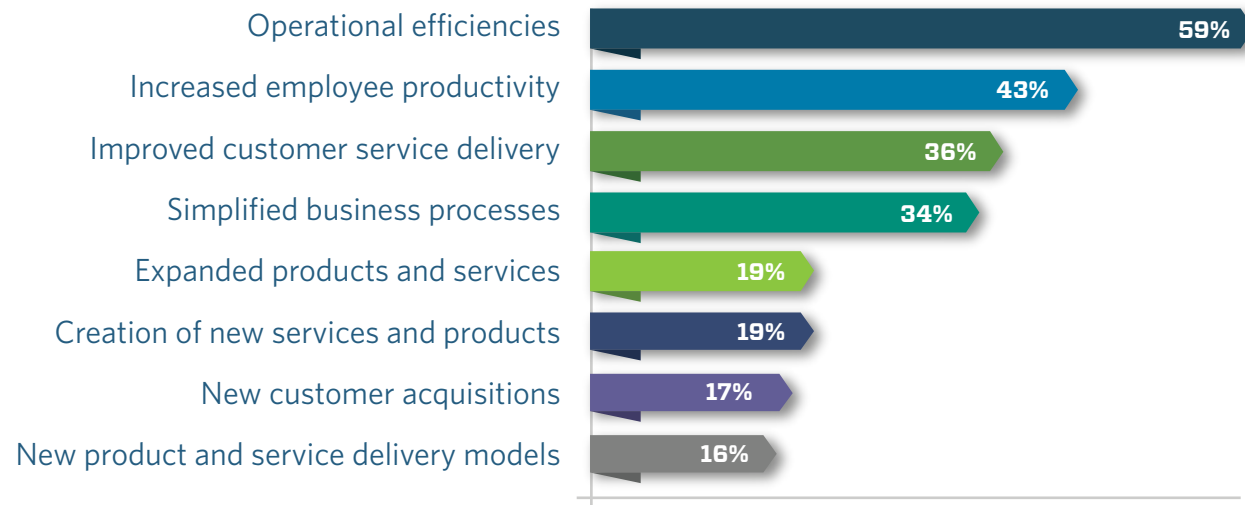
Category	Percent
Operational efficiencies	59%
Increased employee productivity	43%
Improved customer service delivery	36%
Simplified business processes	34%
Expanded products and services	19%
Creation of new services and products	19%
New customer acquisitions	17%
New product and service delivery models	16%

Source: TechTarget's 2013 IT Salary and Careers Survey, which polled 1,711 IT professionals.

programmer. How was he able to make the leap from taking directives to giving them?

"I started to focus less on the actual development and more on aligning to business objectives," he said. "[I focused on] making sure that IT services support the business. From an IT management perspective, the business is more 'in the driver's seat.'

"They see all this money being spent on technology and they want business value faster from technology," Cole said. "Whatever vendor stack you use, it's there already; what matters now is making enhancements faster."

Agile and iterative is the language that he and the C-suite are using, with the business loosely defining what it needs and IT delivering pieces of a project weekly. "We change things iteratively after we go back and forth with the business. It's not about perfecting everything—a long, large-scale project—but perfecting elements of it faster," he said.

Landes is also using an Agile project management approach to the roll-out of his new ERP

"I know a lot of IT people who do get very attached to a given technology."
—**Mark Landes**, director of IT for a global manufacturer

system. A transplant from a strategic consulting firm hired by his current employer for a specific project, Landes has the business-approach part down. He also has an interesting, agnostic take on the technology needed to support a business.

"I have no attachment to a given system, and I know a lot of IT people who do get very attached to a given technology," he said. "I have no problem switching out a system in six months if market or business factors change and something that better serves business needs comes along to improve the way things are done."

In 2014, Landes is planning an eight-week rolling, iterative schedule for the ERP imple-

mentation. "It doesn't have to be perfect because in many cases we would have to redo aspects of the system anyway. The idea is to remediate as you go to achieve smaller milestones."

BEING A MENTOR, A MOVER AND A SHAKER
Landes, Cole and Shah said their total compensations (salaries and bonuses) are in line with the average compensation of other IT executives in their given industries. For senior IT executives in the non-IT manufacturing industry, our survey found the average IT salary and bonus in 2013 was $150,000; for technology consulting, it was $162,000; and for financial services, it's also about $150,000. The highest-paying industry segment was legal, insurance and real estate, at an average total compensation of $197,000.

The almighty dollar is a factor in terms of job satisfaction and career path for senior IT executives, the IT salary survey showed. And

the ability to advance their careers and their take-home pay is based not only on their own actions, but on the actions or inaction of their staffs.

Cole has found that work/life balance and flexibility motivates his employees. "If they work late, they come in later and they can work from home," he said.

Work flexibility is also a hit with recent college grads, but Cole said it is harder to nail down the secret to keeping newer generations on the payroll. "They are looking for meaning in their work. I had a college grad tell me he didn't want to program for big banks who take money from people. He left to become a preacher," he said. "That's an extreme case, but money doesn't seem to be as big a motivator for many of them as meaningful work does."

This new generation also appreciates appreciation. An award or their picture on the wall for a job well done goes a long way, Cole added. "Public recognition motivates them. We try to balance all this, but the market is heating up

and it's becoming more and more challenging to balance all of their needs."

Landes has taken steps to improve the work life of his new IT staff. Before he came on board, "everyone in IT felt like a task doer. No one was empowered to make choices or suggestions," he said. His first move was to start calling his team "solution engineers" instead of IT employees to get across the point that they were building solutions for the company. The next step was to give them a way to do that. "They meet with people now and communicate how a new product or functionality will help them. You have to empower them to make decisions, and if they make the wrong ones, it's a learning experience."

What motivates senior IT executives to stay

What motivates senior IT executives to stay with current employers? The top three reasons are that innovation is encouraged, business is picking up and the management team is strong.

with current employers? The top three reasons are that innovation is encouraged, business is picking up and the management team is strong. Conversely, senior IT executives start to head for the door when career advancement is limited, management is ineffective and the IT budget keeps getting cut. ■

IT SALARY TRENDS

Seize the Pay

A majority of IT executives saw their compensation increase in 2013 and expect a strong 2014 as well. BY KAREN GOULART

THEY'RE IN THE money—and they expect to stay that way. A majority of senior IT executives who responded to the TechTarget IT Salary and Careers Survey reported an overall increase in compensation in 2013 compared to the previous year and believe history will repeat itself in 2014.

In all, 57% of the 464 senior IT leaders represented in the survey saw their total compensation go up in 2013 (29% reported no change; 14% claimed cuts). The average reported increase in base salary was 5.9%. Additionally, 43% of these executives reported receiving a bonus. The average bonus was nearly $31,500 for top-ranking IT leaders.

Looking ahead to 2014, 59% percent of senior IT leaders who took our survey expect another increase in compensation; 32% expect

no change, while 9% anticipate a loss. Senior IT executives were defined as CIOs, chief technology officers, executive vice presidents and directors of IT/MIS/IS.

Among the IT executives who saw compensation increases, several said the pay raises were tied to the growth and financial health of their companies, another sign of the economic recovery.

In the case of one executive at a consulting firm who did not receive a financial boost, the reason given was that the compensation package he had negotiated continued to serve him well. He further noted that his compensation was pegged to go up in 2014—likely in the form of increased stock ownership in the company.

Although the survey did not ask specifically about pay raises for their staffs, the senior IT leaders interviewed for this story said they worked hard this year to reward their own employees either through raises or finding ways to help advance their careers.

Daniel Salama, CIO at MCNA Dental based

in Fort Lauderdale, Fla., is one of the 57% who received an increase in compensation in 2013. He's also among the majority of people who expects a gain in 2014. His compensation

How did your overall compensation and benefits in 2013 compare to 2012? What do you expect in 2014?
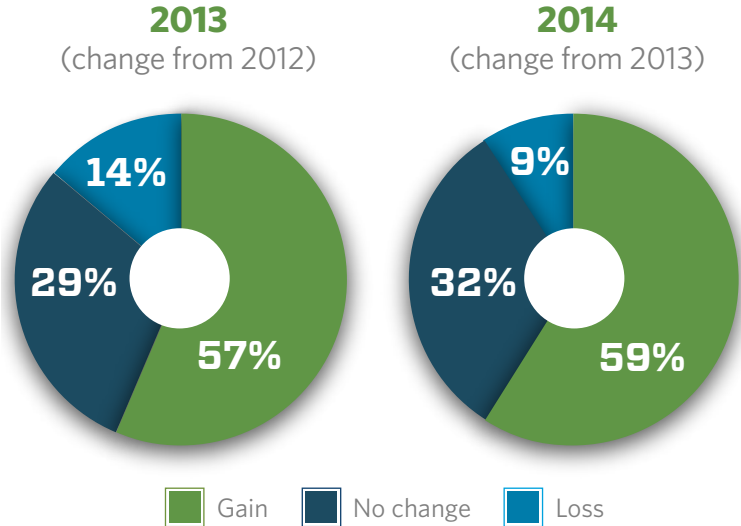
2013
(change from 2012)

2014
(change from 2013)

14% 29% 57%

9% 32% 59%

■ Gain   ■ No change   ■ Loss

Source: TechTarget's 2013 IT Salary and Careers Survey, which polled 1,711 IT professionals.

prospects are tied to the financial health of the company, he said. MCNA is experiencing rapid growth and the solutions his IT organization develops and delivers—in accordance with clearly defined project goals—are integral to that growth.

"I value myself as a key individual able to deliver unique knowledge and expertise to our company, and financial rewards are just one way the company shows its appreciation," Salama said.

Among the 29% of senior IT leaders who saw no change in compensation is the CIO at a regional IT consulting practice in the Northeast, who requested anonymity. Like dental insurance firm MCNA, his company is "doing great and growing rapidly," and like Salama he is expected to enable that growth with IT. Nonetheless, he was untroubled by not getting a compensation increase in 2013.

"Financial rewards are nice, but at this point in my career I feel comfortable with the package I negotiated, and I'm much more concerned

"Financial rewards are just one way [MCNA Dental] shows its appreciation."
—**Daniel Salama**, CIO, MCNA Dental

about being in the right job," he said.

Moreover, he expects an increase next year, which will likely be along the lines of stock options that add to his corporate ownership, he said.

Shivani Verma, provincial director of client services and service management at Heath Shared Services BC (HSSBC) in Vancouver, British Columbia, also didn't experience a boost in pay in 2013. Being employed in the public sector where tight budget constraints are the norm, Verma said she doesn't expect a regular major increase in compensation.

Her expectation for 2014 is only for a cost-of-living increase. Money isn't the only factor contributing to her work satisfaction.

"I can bring change in the healthcare delivery

to my province and to the people who live here," Verma said. "The ability to make that kind of change motivates me and everyone I work with."

SHARING THE WEALTH

When economic times are good or improving—and even when they're not—senior IT leaders who communicated with SearchCIO about the survey results said they strive to find ways to reward their own employees. Sometimes this means a salary increase; sometimes it means providing opportunities.

The consulting-practice CIO said the way his company is growing, there is ample opportunity for IT advancement, which brings with it additional compensation.

"We try to build an environment that is fun and exciting, and where individuals have ownership of their projects," he said. "We also pay more out in spot bonuses, so we're not constrained by high base salaries."

At HSSBC, where money is tighter, Verma encourages employees to develop new skills. "There is room to grow and those opportunities define the monetary rewards," she said.

For IT team members at MCNA, Salama has developed performance incentive programs to keep employees "motivated and on their toes at the same time." He said the programs include bonuses throughout the year and one or more salary revisions.

There are non-monetary rewards CIOs can provide their staffs too, he said. When opportunities for promotion are not available, for example, he said he looks for potential horizontal moves that will help employees advance their careers. He also works at creating a positive workplace culture.

"I always work hand in hand with my staff to develop extracurricular activities that promote team-building, while allowing them to disconnect from work and enjoy each other as colleagues and friends," Salama said. ∎

What's Your CIO Earning Potential?

For senior IT executives looking for higher pay, there's good news: If you move to a bigger company, you can nearly double your compensation. BY LINDA TUCCI

WHAT IS THE potential earning power of senior IT executives? The answer, of course, is, "It depends." According to our TechTarget IT Salary and Careers Survey, some of the most important factors that set compensation levels are company revenue, company size, length of career and, to a lesser degree, industry.

One clear conclusion: Senior IT executives looking for higher pay should consider moving to a bigger company.

Similar to last year's respondents, this year's survey pool of 464 senior IT executive respondents revealed that pay for the people in charge of IT operations can differ substantially. Total compensation for our 2013 group ranged from $30,000 for the lowest earners to almost $1.5 million for the highest earner. Senior IT executives were defined as CIOs, chief technology
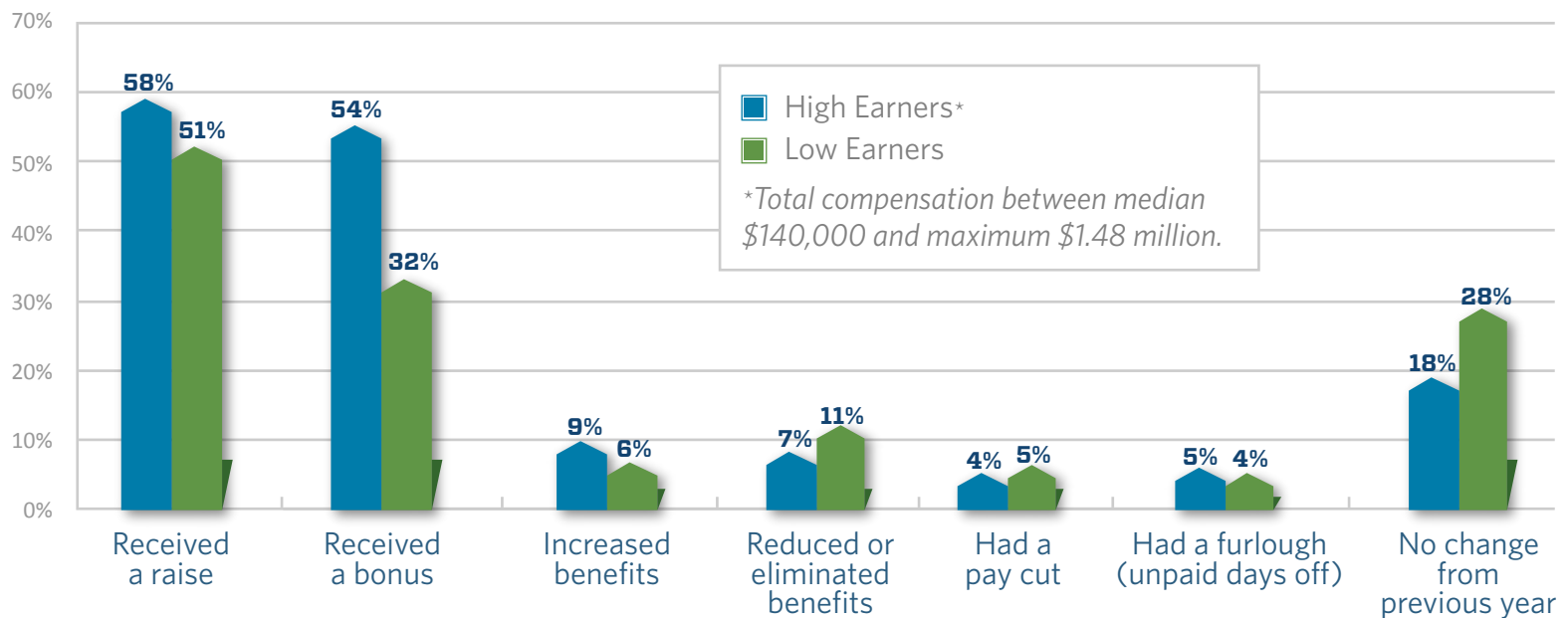
officers, executive vice presidents, and directors of IT, MIS and IS.

The top one-third of this pool—defined in this survey as *high earners*—received more than the median compensation of $140,000. For this

elite group, the average total compensation was $225,301, more than double the $101,562 average total compensation for low earners, or IT senior executives earning less than the median.

What separates the high earners from the

Which of the following did you experience in 2013?

Legend: High Earners* / Low Earners
*Total compensation between median $140,000 and maximum $1.48 million.

	Received a raise	Received a bonus	Increased benefits	Reduced or eliminated benefits	Had a pay cut	Had a furlough (unpaid days off)	No change from previous year
High Earners	58%	54%	9%	7%	4%	5%	18%
Low Earners	51%	32%	6%	11%	5%	4%	28%

Source: TechTarget's 2013 IT Salary and Careers Survey, which polled 1,711 IT professionals.

pack? While their raises as a percentage of salary were only slightly higher in 2013 than those of low earners (6.2% versus 5.4%), more high earners received raises than low earners (58% to 51%).

On the issue of bonuses, the differences were more striking: More than half of high earners (54%) received bonuses in 2013 compared with just 32% of low earners, and the average bonus of high earners was nearly four times higher than that of low earners—$41,960 versus $11,447. For IT executives earning below the $140,000 median, pay was also more likely to be stagnant in 2013, with 28% of low earners reporting "no change from the previous year" in total compensation, compared with 18% of high earners.

TIME ON JOB, SATISFACTION, INDUSTRY MAKE LITTLE DIFFERENCE
Experience plays a role in senior IT executive pay, at least in one respect. More high earners

(43%) have worked in the IT field between 21 years and 30 years than low earners (32%) for the same period. When it comes to the duration of their current positions, however, there is no appreciable difference between the two groups. The majority (54% for both high and low earners) have been in their current position between one and five years.

Likewise, job satisfaction was similar between the two groups. A slightly higher number of low earners (26%) plan to stay in their current roles compared with high earners (20%), but an equal number of high and low earners (45% and 46%, respectively) characterize themselves as "open to new opportunities but not actively seeking" a new job.

Industry, for the most part, was also not a deciding factor in pay. While more high earners (8%) than low earners (2%) worked in the legal field, and more low earners (7%) than high earners (0%) worked in the nonprofit sector, the top three industries for high earners and low earners were the same:

- **Financial/banking:** high earners (19%); low earners (18%)

- **IT-related services/consulting:** high earners (13%); low earners (8%)

- **Medical/healthcare/pharmaceutical/biotech:** high earners (10%); low earners (16%)

CIO PAY AND COMPANY SIZE, REVENUE

So what accounts for a twofold difference in salary and fourfold discrepancy in bonus pay Size matters: A higher percentage of low earners (63%) than high earners (35%) work in companies with fewer than 500 employees. The gap is even starker at the other end of the spectrum: Only 5% of low earners work for companies with 10,000 or more employees, compared with 21% of high earners. The difference holds true for company revenue, as well, with nearly half of high earners (48%) working for companies with revenue between $500 million to more

than $10 billion, compared with only 4% of low earners. The majority of low earners (54%) work for companies with less than $50 million in revenue.

That company size factors heavily into IT leader compensation did not surprise an IT director of a medical school at a large university, who asked to remain anonymous, whose pay is just above the $140,000 median compensation for high earners but below the average total compensation of $225,301. Pay for his IT group of 10 is set by a salary matrix, with directors at one end of the classification scale and help desk technicians at the other end. Points are awarded for education, certifications and years of experience.

"There is also a subjective component," where hiring managers can make a case for paying a person more, he said. And, yes, the size of the organization does matter. IT directors at the larger schools and departments of the university make more money than those in charge of small organizations or organizations that, un-

like the medical school, do not bring in large research grants, he said.

At the university for just a year, he has spent most of his energy implementing ITIL standards in an effort to make IT services consistently reliable. "You can't innovate unless the basic services are up and running," he said. Until that happens, the more strategic research initiatives at the medical school are being handled by a separate informatics group.

BACK-OFFICE VS. STRATEGIC CIOS

Lily Mok, a vice president at IT consultancy Gartner Inc. whose research focuses on CIOs, said that compensation strategies at organizations are shaped by economics, by the maturity of the industry and by culture, with "financial affordability" ultimately determining pay.

"No matter how much you value people, there is only a certain amount of money you have available to reward and pay them," Mok said. The Stamford, Conn.-based consultancy part-

ners with Mercer on CIO compensation research.

She has seen a move away from pegging compensation strictly to job position in recent years—at least for roles a company considers critical. "They adjust the pay to have the flexibility to attract the most qualified candidates for that position," she said. "If you put in the wrong person, over time you may not get a return on value."

That trend applies to CIOs, resulting in a disjunction in pay between "traditional CIOs with back-office, operational roles" and CIOs who help set business strategy. The latter deliver operational excellence but also take a leadership role outside of IT to impact product development or customer experience or generate revenue in other ways. "These are truly business executives, and their compensation looks like everyone else's in the C-level suite," Mok said.

Anthony Peters, who leads IT at Burr Pilger Mayer, a 400-person San Francisco-based accounting and consulting firm with six offices in

the United States and one in Hong Kong, has experienced the trend firsthand. Based on salary, bonus and profit-sharing, his compensation falls into the high earners' cohort, the firm's employee count notwithstanding. An integral member of the firm's management team, Peters also has an MBA, an attribute the survey did not ask for this year. He is at the table when business strategy is set.

"The expectation is that whatever information comes out of those meetings, I am able to take that information and translate it into technology, in some format," he said. If the company is trying to acquire a new firm or build a new product or take its customer service up a notch, Peter's team creates a solution that either

> *"These are truly business executives, and their compensation looks like everyone else's in the C-level suite."*
>
> —Lily Mok, vice president, Gartner Inc.

"solves the problem or meets the need."

As for the standard metrics often used to gauge IT's performance—reliability of services, completing projects on time, cost—those are "table stakes," Peters said. "That's IT's job, and my firm doesn't measure me on that. They want to know how IT can take them to the next level." ∎
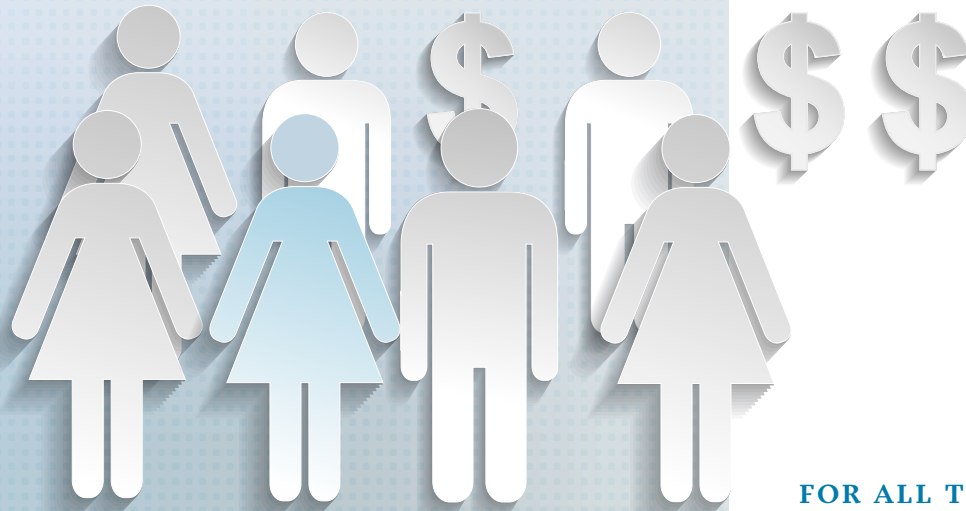
IT Budgets and Headcounts: Headed Up

Information technology budgets and headcounts either grew or stayed the same in 2013. What's on tap for 2014? BY NICOLE LASKOWSKI

FOR ALL THE recent talk of IT organizations on the road to extinction, the budgets and headcounts for most IT leaders either grew or stayed the same, according to the TechTarget IT Salary and Careers Survey.

In a poll of 348 senior IT executives, 76% reported their budgets either grew (38%) or remained flat (38%) when compared to 2012.

Similarly, 76% of respondents reported department headcounts either grew (29%) or remained flat (47%) in 2013. For those who reported staffing levels grew in 2013, the headcount increased by about 13%; for those who saw a reduction in staffing, the average decrease was close to 14%, according to the survey results. Conversely, only one-fourth reported they were either operating under a hiring freeze (16%) or shrinking by attrition (9%).

The IT department budget at your organization is …

38%

Larger than last year

38%

Same as last year

24%

Smaller than last year
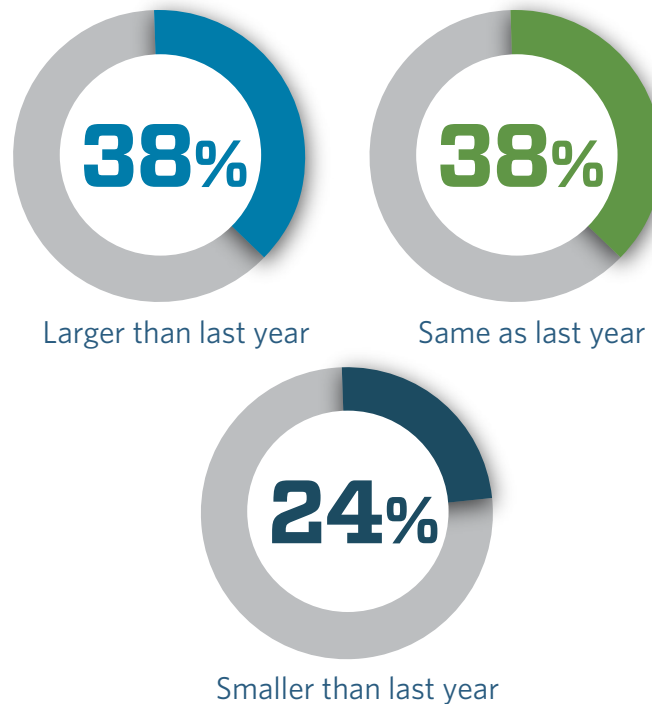
Source: TechTarget's 2013 IT Salary and Careers Survey, which polled 1,711 IT professionals.

Whether information technology budgets in the future are siphoned off by business groups—remember the prediction about

chief marketing officers?—and all the IT jobs get ported to the cloud or taken over by robots remains to be seen. But for now, reports of the IT organization's demise appear premature.

Indeed, data suggests 2014 will provide another year of stability and even growth for IT departments, with 32% of respondents indicating they're fully staffed and another 39% indicating they're looking to make new hires.

The relative stability and uptick of budgets and headcounts, however, doesn't mean IT leaders have left their penny-pinching ways behind. All the CIOs and IT leaders interviewed for this article, including those whose budgets and staffs increased in 2013, stressed that they continue to look for ways to cut costs without sacrificing service or innovation.

UPS AND DOWNS OF HEADCOUNTS

Michael Maya, CIO for the city of Wichita, Kansas, is one of the fortunate 29% of senior IT execs whose staffs grew last year; he was finally

able to fill seven positions that had gone un-filled for up to five years. "We just got back to where we were before [the recession]," he said. "Positions went open through attrition, and I pretty much held those open so I wouldn't have to worry about laying people off."

Anthony Peters, director of IT for the San Francisco-based financial services firm Burr Pil-ger Mayer Inc., had a different story to tell. His headcount decreased in 2013, but that was be-cause of strong market demand, not layoffs. "We started to see the market open up with more opportunities for IT technicians," he said. "One former employee left because the position he was going to was more senior and [it] gave him more authority to make decisions."

Scott Kushner, chief innovation officer for the Langhorne, Pa.-based Voice Systems Engineering Inc., said his headcount remained flat in 2013. That's a statistic that might technically be true for Kushner in 2014 as well, but he also expects to increase the company's use of consultants and contracted positions. It's a strategic initiative

backed by company dollars. "Because I'm adding in more consultants, [my budget] will actually go up by 6% to 7% [in 2014]," he said.

FLAT BUDGETS AREN'T NECESSARILY A BAD THING

While Kushner will get more money in 2014 for outsourcing, other areas of IT spending will follow the trend at his company since 2012 and will likely remain flat. "We're trying to go through a process of cleanup—[cutting] where we think we spent too much in the past years relative to our size," he said. "So we're trying to organize and prioritize what we choose to work on."

Maya and Peters echoed Kushner. Both of their budgets remained flat from 2012 to 2013, which neither saw as a bad thing. Instead, bud-get planning was described by them as a stra-tegic puzzle: How can they improve efficiency while providing better service to the business?

"When you have money to spend, you're not

concerned about priorities," Peters said. "IT leaders and CIOs have to be more creative and prioritize more."

Maya agreed. He plans to reduce costs by moving away from point solutions in favor of an enterprise resource planning environment. "I look at it more as a reallocation from a CIO perspective," he said. "How do we provide the same or better services with existing or new technology and still reduce costs so that we're providing better or more services with the same budget?"

An IT leader at a large financial institution who asked to remain anonymous had another name for reallocation; he called it "re-engineering targets."

> ## "IT leaders and CIOs have to be more creative and prioritize more."
> —Anthony Peters, director of IT, Burr Pilger Mayer Inc.

"As part of the budget, we're asked to look for ways to reduce costs ... [and] remove stuff that's no longer needed," he said. Freed-up funds are reinvested into new project initiatives for the department. "We had to build a new data center—that's a $300 million effort. And, over the course of about three years, we built that data center without increasing our operational costs." ∎

PROJECT PLANNING

Game Plan 2014: BYOD In, Outsourcing Out

Mobile technology is a top priority for CIOs and IT leaders in 2014, but outsourcing has fallen on the list. BY NICOLE LASKOWSKI

IN YET ANOTHER sign of the rapid workplace shift from desktop to mobile computing, mobile technology has become a top priority for CIOs and IT leaders, according to results from TechTarget's IT Salary and Careers Survey.

Twenty percent of the 463 CIOs and IT leaders who participated in the survey pointed to mobile technology as a top-three project area for 2014, sandwiched between security (21%) and disaster recovery/business continuity (19%). At the same time, other core IT responsibilities appear to be losing ground. Only 2% of survey takers selected outsourcing and privacy as primary project areas for 2014.

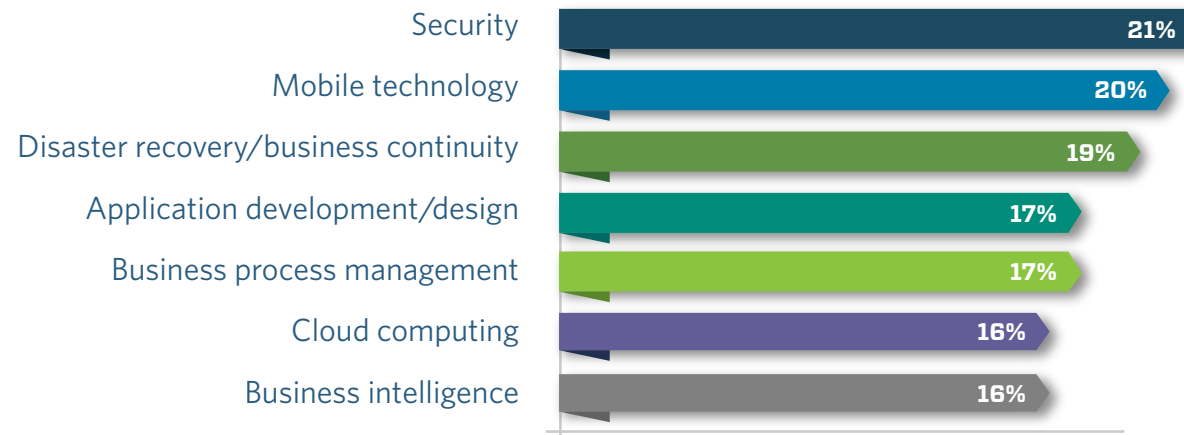## THE BYOD SPOTLIGHT

Based on conversations with IT leaders who

participated in the survey, rolling out a [bring your own device (BYOD) program](#) across the enterprise continues to be a top to-do for CIOs. The programs range from baby steps to implementing an all-out "have it your way" mobile environment. Their focus dovetails with survey results that indicate operational efficiency (56%) and increased employee productivity (43%) are the top two business values companies are hoping to gain from technology projects in 2014.

"Right now, our [BYOD program] is in pilot," said an IT leader of a large financial institution who asked to remain anonymous. "So we'll be

What are your primary project areas for 2014?

(Respondents were asked to choose their top three answers.)

Project area	Percentage
Security	21%
Mobile technology	20%
Disaster recovery/business continuity	19%
Application development/design	17%
Business process management	17%
Cloud computing	16%
Business intelligence	16%

Source: TechTarget's 2013 IT Salary and Careers Survey, which polled 1,711 IT professionals.

rolling that out, which really means just phone, and it really means just iPhone." Rather than secure the device, this IT leader's organization opted for the containerization approach for its 60,000-plus employees. Company data will be stored within its own container on the mobile device, giving the financial institution a chance to wrap it in features such as encryption and authentication and leave personal data alone.

"With the containers, we feel we've got enough of a handle on them to protect card members' data in the event of a lost phone or something else along those lines," he said. That is, as long as the device isn't rooted or the original operating system hasn't been swapped out and replaced with an alternative version, he said.

During the second or third quarters of 2014, the BYOD program will make room on the network for Android-based devices as well. But for now, "we're just starting with iPhones," he said, a reality driven by "nontechnical people who like

"We're making use of responsive design. You don't have a separate site for the smartphone and a separate site for the desktop. It's the same site."

— **Scott Kushner**, chief innovation officer, Voice Systems Engineering Inc.

the i-type devices."

Having a BYOD focus in 2014 isn't just for the largest companies. "We no longer call it mobile," said Scott Kushner, chief innovation officer for the midmarket organization Voice Systems Engineering Inc. "We think of it in terms of multidevice."

The telephone and online entertainment company based in Langhorne, Pa., plans to introduce a "have it your way" mobile environment in 2014, which means any data on any device at any time for both internal- and external-facing applications.

"We're making use of [responsive design](#)," Kushner said, referring to the practice of coding websites to conform to the device. "You don't have a separate site for the smartphone and a separate site for the desktop. It's the same site. It recognizes the device you're on and sizes accordingly."

OUTSOURCING, PRIVACY OUT IN 2014

While CIOs and IT leaders are continuing to implement mobile technology in 2014, other responsibilities are getting the cold shoulder. According to TechTarget's survey results, privacy and outsourcing fell to the very bottom of the project list, with only 2% of respondents indicating that either was a priority area this year.

Conversations with survey takers indicate that outsourcing and [privacy](#) may not stretch across industries and company size the way mobile technology and security do. For Michael Maya, CIO of the city of Wichita in Kansas,

privacy isn't a top concern because he's working within the public sector. But for Anthony Peters, director of IT for Burr Pilger Mayer Inc., a financial services firm based in California, data privacy is a major priority.

"For us, it's close to the top [of the list]," Peters said. "I think that one depends on what industry the CIO is coming from."

Outsourcing seemed to follow a similar pattern. For Voice Systems Engineering's Kushner, [outsourcing will be a major strategy initiative](#) in 2014.

"There's value in having some portion of the workforce be from outside [the organization]," Kushner said. "It provides flexible capability to … meet the high demand of the business, as well as access to capabilities where it doesn't make sense for us to invest all of the way."

It's also an opportunity to inject new, potentially innovative thinking into the business, he said. Besides, as a midmarket company with a small IT department, growing all of the exper-

tise in-house just isn't a reality, he said.

"I don't know what the right percent is, but we're probably moving to an 80/20 model where 20% of our resource pool is in some form coming from the outside," he said.

Perhaps in this instance, size does matter. The large financial institution referred to at the beginning of this article is insourcing more, according to the IT leader who asked to remain anonymous.

"We're starting to adopt Agile and Scrum more," he said, referring to a strategy that relies on small teams to build products quickly and work iteratively. "By bringing the resources together into rooms, we're more efficient, can get more done with less effort and [can] control our costs."

Additionally, while outsourcing used to be a cost-savings measure, it can also be self-limiting. Those with deep technical skills are promoted up the ranks into managerial positions, and tasks are fragmented and shipped elsewhere to be worked on, eventually creating "gaps in knowledge," he said.

"Long term, businesses can't sustain this, because you need that internal knowledge to be built from the ground up and to grow and to make mistakes," he said. "You won't be able to do that by outsourcing and building knowledge outside of your company." ∎

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