A close-up photograph of a hand with the index finger pointing upwards, seen through the horizontal slats of window blinds. The background shows a hazy city skyline. A yellow graphic element, consisting of a thick line forming a partial frame, surrounds the central text. Below the main text, there are three small yellow squares followed by a horizontal yellow bar.

How do you know which
way to turn when the
future is far from clear?

Part 5 of 6. [Explore the series](#)



The better the question.
The better the answer.
The better the world works.

The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font, with a yellow triangle pointing upwards to the right of the 'Y'.

Building a better
working world

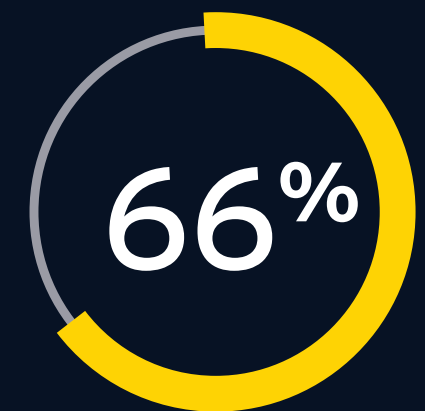


Thinking on your feet

What can CIOs do to navigate the pandemic and find safe harbor in a seemingly never-ending storm?

When the COVID-19 pandemic hit, organizations were immediately focused on cash flow and, in some cases, survival. CIOs, like other function leaders, were asked to take a hard look at their overall budget and identify opportunities to control spending.

As it became clear that the pandemic was here for the long term, CIOs had to focus again on what the future holds. As in, what does the next 12 months look like, and how does what's happening today affect their strategic three-year IT plans? CIOs started thinking about growth plans, hoping for a V-shaped recovery but ending up with more of a K-shaped recovery. Collaboration became commonplace as CIOs focused on working with their CEO and other leaders to help their business run more efficiently, freeing up cash through greater efficiencies and using it to enable digital capabilities. The future was coming, and it was crucial that the CIO was ready for it.



of CIOs have increased the strength of their relationship with the CEO during the pandemic.

Source: 2021 CIO Agenda: Seize This Opportunity for Digital Business Acceleration, Gartner, October 2020

Digital capabilities to digital transformations

Understanding where the market is headed to future-proof the business is crucial. While it is arguably difficult to see a global pandemic coming, the Transformative CIO is always thinking about various scenarios that could be around the corner and taking steps to make sure their IT capabilities are resilient enough to withstand future shocks.

- ▶ Accelerating new channels to market
- ▶ Mastering remote work
- ▶ Improving visibility to customers, suppliers, executives and employees

Accelerating new channels

The pandemic has clearly accelerated the movement toward digital. For example, within the consumer products and retail industry, there's been a well-documented shift to direct-to-consumer (D2C) sales because of new buying trends, as the pandemic forced companies to rapidly reinvent themselves for virtual engagement with customers.

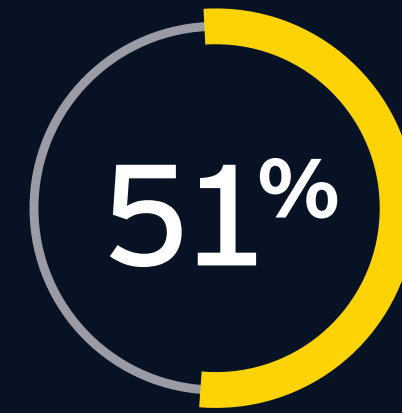
With traditional commerce brought to a standstill by government-mandated shelter-in-place orders, many companies with a mature online presence saw business boom to maximum capacity, while laggards quickly played catch-up. Traditional retailers expanded to online shopping, restaurants introduced touchless delivery options and many medical providers enabled video-based care.

Tragically, businesses that did not have plans already in place for digital transformation found themselves lagging severely behind or, in many cases, closing their doors.

The pandemic accelerated a shift to e-commerce that was already underway. In fact, for the 2020 holiday season, *Intelligence Insider* predicted US retail e-commerce sales would jump by 35.8%, while traditional brick-and-mortar firms would see a business decline of 4.7%.

Are these trends here to stay? Will consumers go back to brick-and-mortar locations when the pandemic finally ceases? Will brick-and-mortar simply become experiential (e.g., try clothes on first and then buy them online?) The Transformative CIO is thinking about how to support new channels where customers will want to shop in the long term – whether for auto parts or groceries, personal protective equipment, industrial products and more.

Transformative CIOs are also utilizing an ecosystem of partners and alliances to provide the transformation needed to support emerging customer needs. Some of these companies are cloud computing providers who offer flexibility to expand or create new online channels through nearly unlimited compute power and data storage options.



of consumers will fundamentally change the way they shop because of COVID-19.

Source: EY Future Consumer Index, EY, May 2020





of CIOs have implemented new technologies and IT strategies due to the pandemic.

Source: 2021 State of the CIO, IDG, January 2021

Mastering remote work

One of a CIO's first priorities as the pandemic struck was to provide a successful pivot to remote working, something which took place almost overnight in many cases. This required a people-first mindset and the ability to deliver in-office capabilities across a dispersed geography, allowing them to work and collaborate with their peers from home.

The use of the latest technologies is something of importance to Generation Z employees, who expect the same high levels of connectivity and agility they have grown up experiencing as customers. CIOs must now provide technologies, including virtual desktop infrastructure, audio and videoconferencing, collaboration platforms such as Slack or Microsoft Teams and other tools, while delivering enough capacity and stability for them. CIOs with the right vendor partnerships can utilize vendor development teams to quickly respond to employee needs. For example, EY CIO Steve George, commented that during the pandemic the ability to leverage Microsoft Teams was crucial to meeting the shift to remote work for tens of thousands of employees. Microsoft was rolling out new functionality for Teams almost weekly that would have never been possible with an in-house development team.

For companies where remote work is less common – such as the factory floor – CIOs had to rapidly identify and implement solutions to keep the enterprise running. For manufacturers, this meant sending supervisors home and keeping skeleton crews on the factory floor during COVID-19. Daily “stand-up” meetings between supervisors and shop floor workers that once took place in person were moved to virtual collaboration platforms. And virtual whiteboarding of daily issues and resolutions became commonplace. With the pandemic in full force, CIOs had to turn on a dime to provide a work environment where people could still be productive.

Our interviews with CIOs tell us that remote work is here to stay. The Transformative CIO will focus on enabling a similar quality experience to the customer-facing one, but for their workforce. For workers, these experiences must alternate from virtual to physical and should be mobile-enabled for additional flexibility. The Transformative CIO makes sure of a seamless integration with multiple applications and computer interfaces (e.g., desktop, workstation, laptop, mobile phone) to keep their organization's workforce connected, collaborating and productive even amid crises.

Improving visibility

In the wake of COVID-19, where demand wildly fluctuated and suppliers were affected by lockdowns and shutdowns, our interviews with supply chain executives and chief operating officers tell us that improving visibility will be a top priority in the next 12-36 months. The chief financial officer (CFO) also is keenly interested in how supplier performance and risk can be managed considering the damage wrought by the pandemic. How does the Transformative CIO better support these roles with improved visibility?

A first step is to collaborate with the business to understand the most critical information assets and consumers of those assets. Catalogue the applications for which the business cannot tolerate downtime and check whether key service level agreements are being kept. If applications are down, enterprise visibility may be compromised.

A second step is making sure data are accessible for decision-making. This may involve integrating data from across the enterprise into corporate data warehouses or using a data fabric to connect and visualize disparate data sources for more complete decision-making.

A third step is collaborating with other business leaders, such as the chief supply chain officer, to determine their visibility needs. For example, many

companies have limited visibility into product flows or risks beyond their tier-one suppliers, and because of this, there are often risks lurking throughout the supply chain. Therefore, the implementation of technologies, such as control towers, collaboration tools, digital twins for simulation, and data sharing/integration, are crucial to improving visibility and reducing overall supply chain risk.

The CFO also requires visibility of business performance, market dynamics, external risks, customer demand, fluctuations in the cost of goods and labor, and much more. The CIO can enable better visibility of accounts receivable and payable, inventory, cash, securities, etc., through providing dashboards based on relevant key performance indicators. Moreover, by providing a real-time refresh of financial dashboards, the CIO can become a key enabler of better financial and risk decisions for the enterprise.

There are some prognosticators that say COVID-19 will lessen from pandemic to endemic with regional hotspots. Some optimistically say the virus will eventually be eradicated. Regardless of what the future holds, the Transformative CIO will be prepared for what comes next. They will always be on the lookout for ways to serve customers better, enable the workforce (remote, office, or factory floor) with safety and productivity in mind, and improve visibility across various business functions for more complete enterprise decision-making.



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