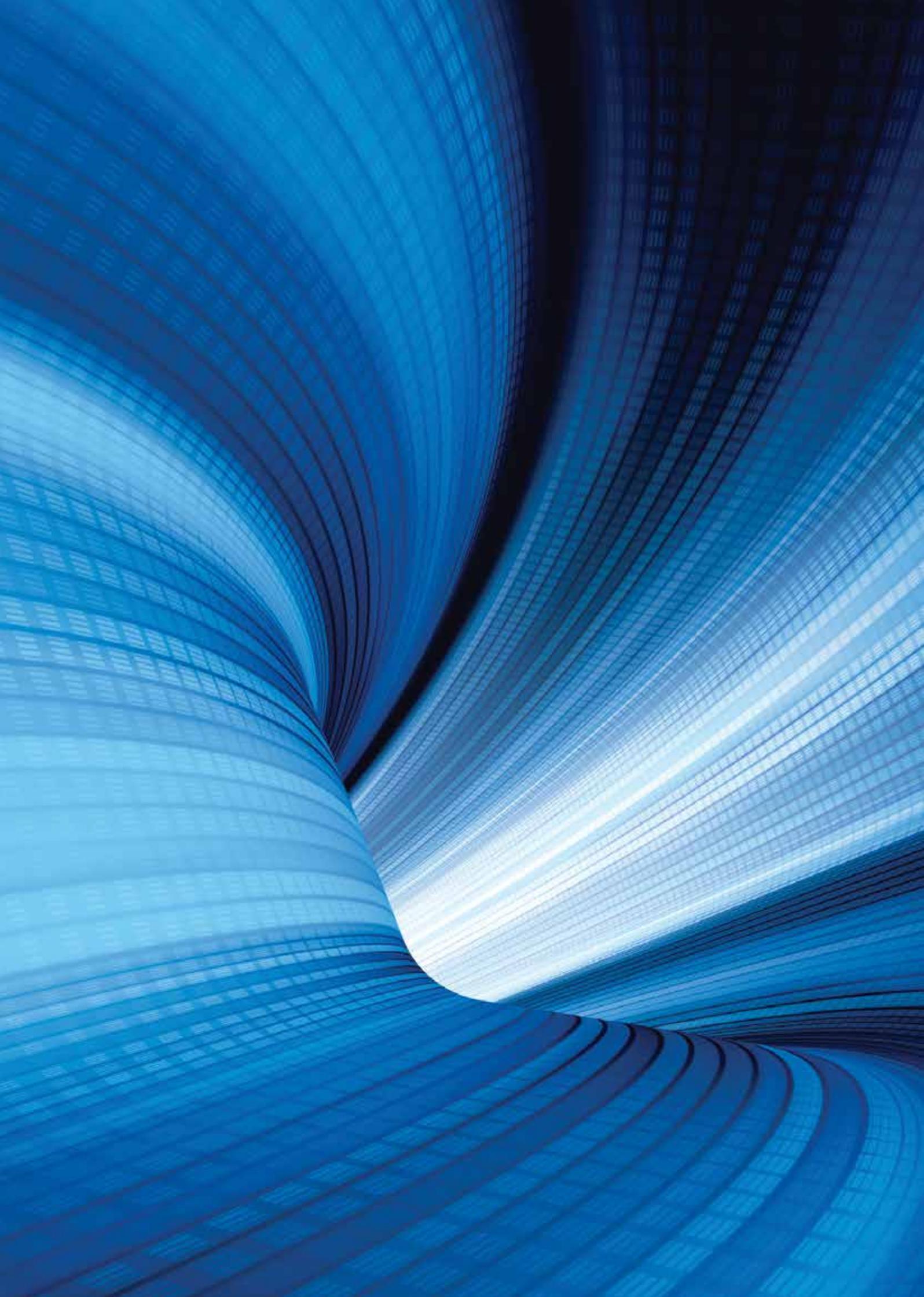




The New CIO



ODGERS BERNDTSON
Search Intelligence





■ Executive Summary

“We live in a moment of history where change is so speeded up that we begin to see the present only when it is already disappearing.”

R. D. Laing

We live in a rapidly changing world with much of the dynamism driven by continuous advancements in technology from consumer devices to office systems. Change rarely occurs unaccompanied by technology transition of one form or another. This paper explores how the role of those who manage Information Technology is necessarily changing and also has observations on organisational issues that this throws up. If there is one certainty going forward it is that agility will be a key component of the leaders of the technology future.

Whilst organisations are demanding that CIO's are at the heart of business strategy formulation there is an interesting parallel, but counter-intuitive requirement, that they are also more technical at the same time

The Chief Information Officer (CIO) is a relatively new title signifying someone who is taking IT beyond the process level to the strategic differentiator or advantage. Even in the few years the title has taken hold however, change is re-shaping the priorities of the seat and the attributes required to be successful in it.

Today the CIO is likely to be at the heart of strategic formulation at the business level rather than the supportive, second-wave facilitator of the past. Companies that exclude their IT leadership from this process, or do not have CIOs with the ability to participate at least equally with peers, are tempting the fates here. In our meetings this last year we have also noticed a generational shift in those taking MBA's. Whilst there are many CIOs at present who could in our view, cope with an MBA intellectually, very few if any have the time to do so. This is in marked contrast to the Generation X who did find the time somehow. There seem to be fewer younger CIOs who have made the investment, but maybe the lessons of the dotcom boom are that a good idea and energy are more important?

Whilst organisations are demanding that CIOs are at the heart of business strategy formulation there is an interesting parallel, but counter-intuitive requirement, that they are also more technical at the same time. The need to evaluate new technology potential at increasing rates of change, to move to cloud from in-house, to worry about cyber-attacks, to move to multi-channel with common Customer Relationship Management (CRM) capability, all require a degree of technical understanding that the CIO simply did not need in the mainframe or client-server days. Now they do. Some organisations clearly have the Chief Technology Officer (CTO) accountable for these decisions but the CIO still has to have the depth of understanding to ratify them. We are stretching the competencies of the ideal CIO quite some distance to accommodate this. The CIO today will have to be aware of how consumer devices can be accommodated in a “bring your own device” (BYOD) world and also to anticipate the capability direction of these devices to make investment decisions that correctly leverage them. The range of technologies that today's IT teams need to be conscious of, and



architecturally understand, has perhaps doubled overnight. This may be a transient requirement but just now, well informed “techie” are like gold dust.

This leads us to another oft seen conundrum. Whilst the range of technologies that need to be evaluated has broadened at an amazing rate, and, coupled with the fact that many technologies, especially mobile, are innovating at rates never seen before with functionality changing every six months, the time available to understand and consider the implications of each innovation has quartered. So not only is it harder to work through the options because of the number of choices, but you need to do it twice as fast. This means that today’s CIO is often now working with investment cycles and payback cycles that are very short because anything longer is threatened by technological redundancy. The CIO needs to think smart, act smart and then move smartly on. It is a conundrum that many Chief Financial Officers (CFO) may also have to come to terms with – the arrival of the semi-disposable business solution, where short-term action is more beneficial than lengthy consideration.

Because of the rate of change we are seeing in technology and its pervasive impact on business we are increasingly seeing the advent of the Innovation function in internal service type contexts rather than product development as such. More often than not, these “labs” are the domain of the CIO who often brings in youth from around the business (the fast track grads or apprentices) who can think and innovate to improve the business from within. Again, short cycle investments and “skunk-works” trials are a characteristic. Vivaly, these operations give the CIO an influence not recently felt. And may indeed pave the way for the CIO to take on more as the business sees them as proactive solutions-deliverers

rather than blocking technocrats. This is a trait we are also observing – the talented CIO is given more to do. We believe that this is part of the evolution of the CIO into the COO as they gain oversight of some business operations, and this is also likely to put them closer to a seat on the board than ever before. It is a seat that is won however, not gifted by way of organisation design. Simply put, CIOs are rare on boards today because many CIOs do not have the wherewithal to contribute in the boardroom as well as their finance or sales peers. But some do and more will be increasingly equipped to do so.

If businesses are service oriented and Business to Consumer in nature then we are also observing that the CIO will be spending time with business peers who they have previously not frequently associated with. Sales and Marketing and IT have rarely been comfortable bedfellows. Its something of a genetic difference between those who enter sales (whose skills revolve around people and psychology) and those who enter IT historically as a career whose skills are about logic and the avoidance of people issues. Social media trends and the impact of these externally with customers and internally with staff are now big joint issues for marketing and IT to address. Yet more breadth in the CIO skill-base is expected or needed. In the highly connected Business to Business world the CIO is also dragged out of the shadows to work with suppliers or customer peers in global supply chains to ensure the extended enterprise functions optimally. CIOs now must have advanced people skills and sensitivities. People, process and technology are the three legs of the stool today, and this has quite an interesting impact on who might choose to take up IT as a career and indeed who might be better suited! Human Resources need to look carefully forward to see if they can nurture these “super-broad” profiles. Of course then HR also has to figure out how to retain such beings going forward.

So not only is it harder to work through the options because of the number of choices, but you need to do it twice as fast



It can be a difficult time of regeneration for many, for which HR support and guidance will be vital. They also need to be brave

The CIO today then also has a more intimate understanding of a key individual than ever before – that person being the customer. CRM systems, social media profiles, tools and techniques, data analytics over “big data” all has to be facilitated by the CIO’s team. In a multichannel world, connecting all the views of the customer will also be a core activity for IT. In the pre-connected world the customer was someone IT did not know and cared even less about. Today the CIO will often build the process and technology around the customer as Lean thinking permeates the whole enterprise.

If the CIO’s diary was not full enough then there are now also other demands upon it. CIOs will have to be spending time with a proliferation of suppliers and customers as outsourced service providers need to be understood, engaged, negotiated with, retained, and disciplined. Delegation is a skill that the CIO must learn today which brings with it a need for greater courage than ever before to hire better people than they are in many respects. This need to build a high-performing team also flies in

the face of another CIO attribute which is the desire to do more with less. CIOs today are looking to shrink their empires rather than grow them, but also to repopulate with the new skills and attributes discussed above. It can be a difficult time of regeneration for many, for which HR support and guidance will be vital. They also need to be brave.

There are probably many more examples of where the CIO is having to change and where the role differs materially today from that of just a few years ago. What we do see however is that the new genre of CIO is very small in number but hugely impactful. Some may be about to “throw away the rule book” and innovate entirely new business solutions and the ripples of change driven by this will require concomitant and equally brave organisational change to garner the benefits. We therefore also confidently predict that HR and IT will become even more closely intertwined as change requires people, process and technology to adjust at ever greater rates. Quite some challenge.



■ About Odgers Berndtson

Odgers Berndtson is one of the world's leading global executive search firms. Our reputation for excellence and integrity has been established over 40 years. We act as advisors to clients who need help recruiting for important positions.

A leading search firm for the appointment of Chairs, Non-Executive Directors and Advisory Board Directors, we have a thorough understanding of board and committee structures, and board dynamics. Our team includes experienced directors of publicly quoted and privately held companies.

In the USA, we work with a number of Fortune 500 companies. In the UK, we work for a wide range of FTSE and AIM-listed companies. Worldwide, Odgers Berndtson works with some of the largest and most complex international institutions, private equity backed businesses, family-owned organisations, small and medium sized businesses and regulators.

■ Our People



■ Alan Mumby

Alan Mumby leads the TEC and the global CIO/CTO group and has been a headhunter since 1995. He is also a member of the Board Practice specialising in technology roles. He has a wide range of clients internationally across both the public and private sectors.

■ Contact Details

t: +44 (0) 20 7529 3973

t: +44 (0) 7887 791118

e: alan.mumby@odgersberndtson.com



■ Caroline Sands

Caroline Sands is a Consultant within the CIO/CTO Practice and a member of the Technology, Entertainment & Communications Practice and focuses on senior strategic IT management appointments. In addition, she is also focused on Board level appointments where the requirement is to appoint a candidate with specific information technology experience or is within the technology vendor sector.

■ Contact Details

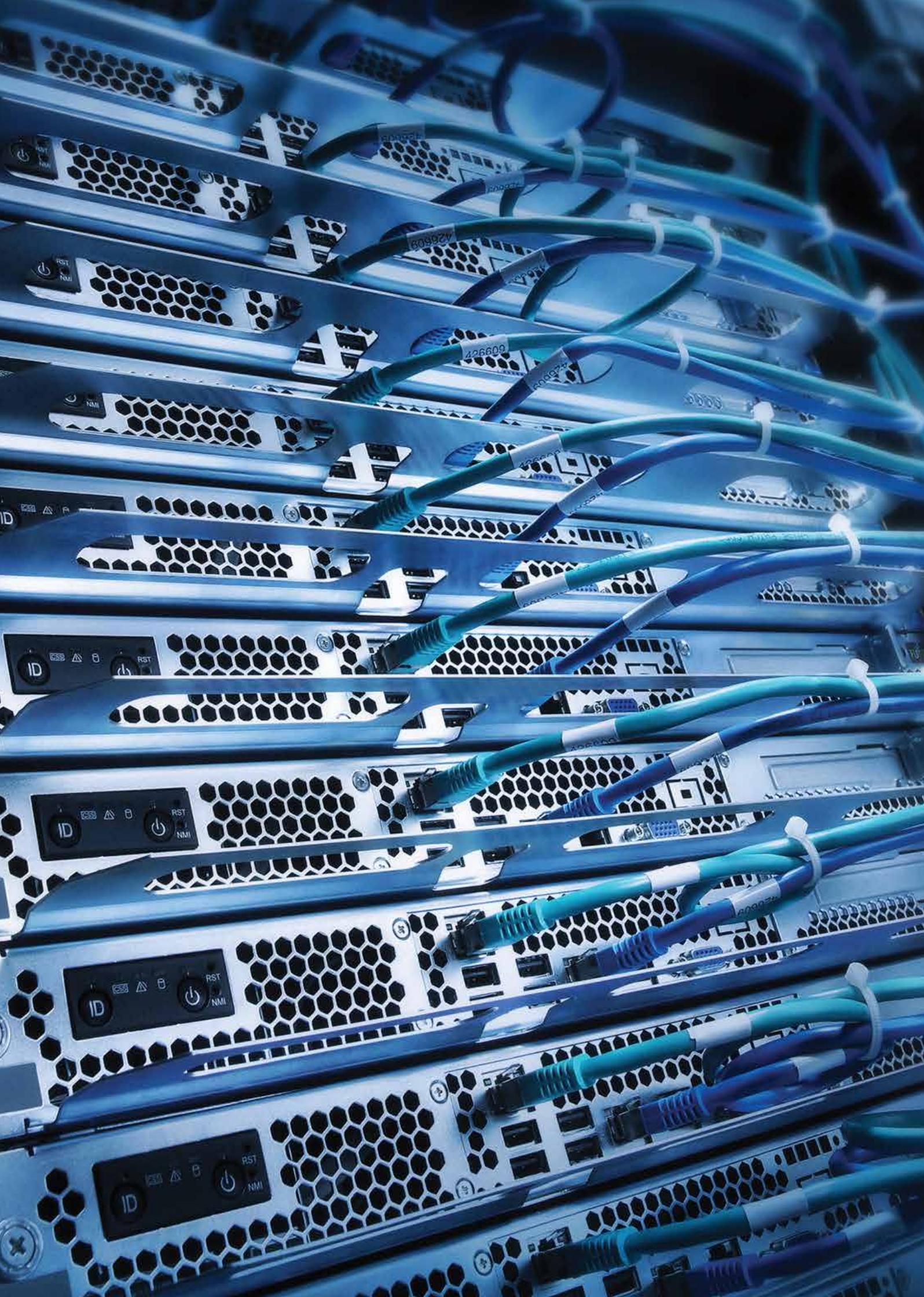
t: +44 (0) 20 7529 1131

t: +44 (0) 7734 826389

e: caroline.sands@odgersberndtson.com

TEC Practice: <http://www.odgersberndtson.co.uk/gb/industries-functions/industry-practices/technology/>

CIO Practice: <http://www.odgersberndtson.co.uk/gb/industries-functions/functional-practices/it-leadership/>



Global Offices



International Executive Search and Assessment in 30 countries across the world

Americas

- Brazil**
- Canada**
- Sao Paulo
- Calgary
- Halifax
- Montreal
- Ottawa
- Toronto
- Vancouver
- Peru**
- Lima
- United States**
- Boston
- Chicago
- Dallas
- New York
- Philadelphia

Europe

- Austria**
- Belgium**
- Denmark**
- Finland**
- France**
- Germany**
- Italy**
- Netherlands**
- Norway**
- Poland**
- Portugal**
- Russia**
- Slovenia**
- Spain**
- Sweden**
- Switzerland**
- Turkey**
- United Kingdom**
- Vienna
- Brussels
- Copenhagen
- Helsinki
- Paris
- Lyon
- Frankfurt
- Hamburg
- Munich
- Milan
- Amsterdam
- Oslo
- Warsaw
- Lisbon
- Moscow
- Ljubljana
- Madrid
- Barcelona
- Stockholm
- Zurich
- Istanbul
- London
- Leeds
- Manchester
- Glasgow
- Aberdeen
- Cardiff
- Birmingham

Africa, ME & Asia Pac

- Australia**
- China**
- Japan**
- South Africa**
- India**
- Singapore**
- United Arab Emirates**
- Vietnam**
- Sydney
- Canberra
- Hong Kong
- Shanghai
- Beijing
- Tokyo
- Cape Town
- Johannesburg
- New Delhi
- Singapore
- Dubai
- Ho Chi Minh City

