



CIO
Symposium Community

Trip Report

CIO Imperatives: Growth & Innovation

Key Takeaways

The evolution of the CIO role into an ever-more integrated part of the enterprise fabric was an overarching theme in this year's Fall Symposium. The CIO Community in Orlando attracted 975 attendees. Speaker after speaker offered examples of how the CIO's influence in healthy enterprise growth is increasing. Conference attendee Dr. Catherine Aczel Boivie, Senior Vice President, Information Technology for Pacific Blue Cross in Vancouver concurred. "IT and business are part of the same fabric, so it is no longer acceptable for executives to say they do not understand IT. As we're seeing in many of the presentations here," continued Dr. Boivie, who is also president of the CIO Association of Canada, "it is the CIO's job to present technology to business executives in terms that show business value."

CIOs should immediately begin — or re-energize — long-term, sustained initiatives to build strategic relationships, both inside and outside the enterprise.

- **In the short term:** CIOs should assess their current process, performance management and reporting capabilities, examine how the role and shape of IT are changing in their businesses and get up to speed on new and disruptive technology trends.
- **In the medium term:** CIOs need to take a strategic approach to human capital management to help ensure an influx of personnel who can integrate and adapt IT into the business milieu. Work to close any gaps in process, performance or business management competency and formalize enterprise architecture methods, processes and practices.

Conference Highlights

"CIO Agenda Progress and Challenges in Mid-2007 and Beyond" by Mark P. McDonald

CIOs are in transition. Once valued for their ability to "do more with less" and cut company costs, CIOs are evolving into key players involved in developing growth initiatives and making the organization more competitive. This presentation was based on a survey of CIOs and offered case studies on how CIOs are creating value. It also looked at future business expectations for CIOs and offered action items for 2008 that can help CIOs extend their value as business and technology leaders. Recommendations:

- In your 2008 plan, include a statement on how IT will help the organization achieve a competitive difference
- Invest in your IT people, their skills and competencies.

"Mastering Innovation: How Leaders Will Stay Ahead of the Game" by Kathy Harris

In her presentation, Ms. Harris noted that organizations that have mastered the art and science of innovation have done it by developing the disciplines, processes, culture and management to create breakthroughs in services, products and operations. She also noted that these same organizations tend to break new ground in their industry — and the overall business environment — again and again. She outlined the key issues companies will face if they are to acquire the mix of theoretical and practical elements needed to master innovation in the future.

Recommendations:

- Get top-level commitment. Don't start an innovation program without it.
- Put the most effort toward weaker areas such as focus and accelerators. Processes are a natural strength.
- Invest in people, and foster a culture of innovation. Culture is critical to success.
- Raise your innovation proficiency. Invest in building creative, challenging and collaborative skills and behaviors. Build networks. Know your obstacles and meet them head-on.

“Going for Growth: The CIO’s Role in Enterprise Growth” by Dave Aron

Even when the economy slows, growth opportunities remain, especially in emerging markets. In 2007, CIOs made delivering projects that enabled business growth their top priorities. Financial growth can come either from reducing costs or increasing revenue, though there are limits to how much costs can be reduced. This presentation explored the consistent patterns that CIOs and IS organizations follow to stimulate growth and contribute to revenue. Mr. Aron demonstrated how, by instilling the “IT venture capitalist mind-set,” in the IT organization, CIOs can help increase the relevancy and credibility of IS in a growth environment.

Recommendations:

- Define your investment strategy clearly. Clarify enterprise growth levers, that is, where IT can best contribute.
- Build deep business knowledge and behavioral capabilities. Contribute proactively to business project definition and prioritization.
- Go beyond project management to encourage practices that produce business benefits.
- Communicate your growth contribution.

“Business Performance Is the Language of IT Value,” by Richard Hunter

IT is essential to the success of companies in the 21st century, yet many CIOs struggle to communicate the value that IT produces for the business. This presentation explored how IT value can be expressed in terms that stakeholders understand and appreciate. Hunter provided compelling examples of how CIOs can determine the key performance indicators and measure the value of IT on those indicators and hence on the business. He warned of “value traps” to avoid and offered step-by-step guidance on approaching business unit managers to ferret out the opportunities and challenges the business faces and how to apply IT to deliver business value.

Recommendations:

- Think like a business executive first and like a CIO second. Correlate business performance metrics to IT operations and report those results monthly.
- Position IT spend as the cause, not the effect, of improved business performance.
- Increase the business’ competitive focus and communicate IT’s contribution to it, be it strategic, tactical, via information dynamics or operational dynamics.

“From CIO to COO: Planning the Career Leap” by Colleen Young

The career move from CIO to COO is becoming increasingly common, and represents an attractive career path for IT leaders. But just as the CIO role is changing, so is the COO role. It behooves any CIO contemplating such a move to first fully understand the opportunities and risks involved. In her presentation, Gartner’s Colleen Young explored the trends that are combining IT and business operations, the factors that typically drive the decision to combine IT and core business operations and how CIOs can best position themselves for the career leap to COO.

Recommendations:

- Be specific about the COO context you are targeting.
- Consider interim jobs, roles or assignments that may better position you for the COO role.

“Collaborative Business Process Management: A New Way to Work” by Jeffrey Mann and Toby Bell

Many aspects of processes must be coordinated to achieve excellence: people, systems, rules, policies, sequences flows, documents, decisions and so on. Systems automation efforts have automated many routine, repetitive tasks that use structured data and occur in a predictable sequence, but many other aspects of work remain that are rarely automated or even coordinated using computers. In today’s high performance workplace, “process” goes well beyond “applications,” and control of the process must reside outside the application context. This presentation dealt with BPM associated with collaboration, including aligning collaboration processes with business goals and identifying opportunities to introduce processes that enable better collaboration among people.

Recommendations:

- Align collaboration processes with business goals.
- Identify opportunities to introduce processes that facilitate and enable better collaboration among people.
- Be clear about the benefits and costs to all participants.
- Work out collaboratively details of who owns what, who can do what with which, and so on.
- Cater to specific processes and roles.
- Focus on technologies that enable the orchestration of your processes with business partners.

What People Asked About

“How do we restructure IT to be a more effective business-changing organization and improve standing of IT in the total organization?”

Based on the assumption that there is a solid, reliable, efficient organization in place to deliver the basics, it is then a matter of thinking like a business person first, and a CIO second, always viewing challenges and opportunities from a business value perspective.

“How do we find people with the right skills?”

Many attendees — and some 70% of respondents in our recent surveys — mentioned having trouble with finding people. This is more than just a technical problem. Those in the CIO track, just like those in BPI and PPM need people that not only know the technologies, but, more important, have the business savvy and people skills to make IT work. HR can help. The IS organization is often at the forefront of what HR is doing for the rest of the business.

“How can we best go about killing ‘generic IT?’”

First, stop leading with a technology solution when faced with an issue that needs addressing. Second stop naming projects after the technology used. Start asking of every project: “Why do it this way? How will it make a difference?” Just the process of asking the questions will force people to consider alternative approach.

“Will the sub-prime mortgage crisis impact the investment in IT?”

Some, maybe, but not as much as inflation. With the dollar becoming weaker and weaker, materials and labor costs are going up. Suggestion: Do not refer to “IT spend when talking budget;” call it an investment, which implies that you get something back.

“How do you apply the language of business value in the public sector?”

Rather than applying the value of IT to monetary metrics as in private enterprise, determine what the agency does value. Is it faster response to tax payers? More efficient distribution of services? Whatever it is, determine how IT can support the key performance indicators important to the particular agency and couch your language in terms that resonate with them.

Things to Watch For

Be alert for uncertainty in IT budgets. Despite inflationary and other pressures on budgets, look for modest increases of in IT spending — averaging 4.3% through 2010 — as more and more top level managers come to understand and appreciate.

On the other hand, while most projections show increases for IT spending, CIO would be remiss not to have ready a second budget based on cuts in IT spending. The current economic environment is just too nervous and global interconnections too powerful not to be prepared. Further, while the tech sector is looking positive in general, IT budgets are subject to varying conditions industry by industry. Despite our belief that IT investment will go up in bad or unstable times, the reality is that IT could take hits in poor performing companies or sectors.

Expect to encounter new and different technologies or tools sets. Social networking, until recently considered a consumer phenomenon, potentially has significant implications for business. Blogs and exchanges among members of social communities such as MySpace and Facebook can sometimes alert companies to growing concerns before those concerns grow to the point of triggering regulations or legislation. CIOs should look for ways to exploit these new technologies — or at the very least, not to be blind-sided by it. No industry is immune, though some, such as pharmaceuticals, media, automotive and retail are particularly vulnerable.

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