



CIO 2010

Key Issues Facing Tomorrow's CIO

There is no disputing the fact that today's CIO plays a much more public, influential and mission-critical role than the CIO of ten years ago. And, as technology continues to fuel growth, the CIO within technology-dependant corporations continues to grow in stature. In fact, many industry experts argue that the CIO function has emerged as the most critical and irreplaceable executive in today's corporate world.

Understanding that the leveraging of technology will only continue to grow in importance for competitive organizations, it is imperative that organizations selecting new CIOs must seriously consider candidates who understand the business, are proven in their ability to apply technology to enhance competitive positioning and are capable of anticipating and utilizing new innovations before the competition does. If you consider your business to be a contact sport, CIO²⁰¹⁰ is your lead blocker.

CTPartners' CIO²⁰¹⁰ Model provides a blueprint of the experience, expertise and leadership attributes a company should seek when selecting a CIO. Furthermore, it serves as a career planning tool for the preparation of next-generation CIOs as organizations conduct career mapping and succession planning. Aspiring CIOs who use the career routes of their mentors as templates to achieve their own success often become lost along the way since the resume for CIO²⁰¹⁰ looks very different from that of the CIO of the past. The CIO²⁰¹⁰ Model allows future CIOs to plan to develop the requisite experiences required in the future, not the experiences deemed most appropriate in the past.

Our model was developed after several years of extensive interviews with industry's top business, technology and innovation leaders – each of whom shared insights on the essential experiences required to fulfill technology related business needs. The CIO²⁰¹⁰ Model clearly defines the essential experiences that the most progressive of corporations are demanding for their IT leaders of the future.

The CIO²⁰¹⁰ Model evolves as a simple explanation for a common problem: corporations routinely find themselves without adequate bench strength to fill the top corporate technology position when needed. Why is it that more often than not, F500 corporations go to the outside to fill the CIO position when it opens? Even the best of organizations often fail to plan properly for the future. With the best intentions, IT leaders of today are coached to shape their careers to fit the mold of today's CIO. CIO²⁰¹⁰ is progressive, planning his or her career in a dynamic fashion to fit the

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needs of the future. Technologists, in typical well-planned linear fashion, are prone to take a very calculated approach to situations. The problem arises when aspiring CIOs develop and follow a set career plan. Plans developed in 1990 for the CIOs of tomorrow are flawed. And, many mentors (current CIOs) fail to recognize this due to their belief that their route to success is a proven one, and, therefore, the one those riding on their coattails should follow. The business, on the other hand, is more apt to take a broader view. Conflict can then arise when the CIO's recommendation for his or her successor clashes with the CEO's view of the ideal next-generation CIO.

Corporate CEOs and boards offer the suggestion that CIOs of the future think today about what they want to hire tomorrow and begin structuring their career moves to remain ahead of the game. By "leading the target", aspiring CIOs stand a better chance of progressing. The CIO target is not a static one, and career planning must be focused on where the target will be tomorrow, not where it sits today.

Technology Advances Change Everything

To understand the future, we must first look to the past.

And one does not have to go very far back in time to see that the role of CIO was a shadow of what it is today. (In fact, until recently, many organizations did without a CIO altogether.) And, for those companies that did utilize a CIO, the role was often marginalized and focused on specific functional silos. The corporation's senior technology leader was not referred to as the "CIO", and was not necessarily a member of executive management. Early-stage CIOs' voices in the organization often went unheard.

Over time, as IT became core to business operations and execution, technology responsibilities grew, teams multiplied, budgets expanded and technology resource management reached a level requiring someone to pose the question, "Who is in charge here?" The answer was not always clear.

On foreign territory and unaccustomed to demanding or receiving respect, many of yes-

terday's CIOs ended up reporting to the CFO – who often knew little to nothing about technology – simply because of the finance and/or enterprise focus of the systems supported.

The CIO Evolves ... To a Point

During the 1990s, concurrent with the Internet burgeoning and the proliferation of affordable hardware, software and technology services, most corporations significantly expanded their IT investments. The CIO role was formalized and fortified. It was a new day in corporate America and the CIO – yesterday's nerd – was today's innovator. Naturally, there was a direct correlation between a company's degree of technology dependence and the importance assigned to the role of CIO. But by 2000, the CIO was a critical player in most organizations. Within organizations with the greatest dependency on technology (financial services is a prime example), this transformation occurred even sooner.

Unfortunately, he or she was not always up to the challenge. Here's why.

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Traditionally, CIOs understood technology and just technology. This was important since innovations were happening so quickly that yesterday's technology, literally, could be obsolete in a matter of months. However, once elevated in an organization, it often became apparent that the person running technology lacked a true understanding of the businesses they supported. The CIO's focus was often on building technology in an apparent race to do everything faster, bigger and better than the competition. "Technology for technology's sake" was far too often the CIO's goal. As history suggests, business and technology decisions were often made without adequate consideration of business plans and market realities.

A funny thing happened on the way to respectability. While the role of CIO was elevated, the characteristics of an effective technology leader changed as well. In short, business beat out technology and even technology-driven companies started to hire, promote or rotate non-technology rooted executives into senior-level IT roles.

Naturally, this trend frustrated career IT professionals who repeatedly did not get the nod when the top role opened. (And how could they without mentors to educate them on the importance of a business education?)

In addition, since "CIO as business strategist and technologist" is a relatively new notion, most corporations do not have adequate bench strength to fill the top corporate technology position. (This is probably why it's not uncommon for Fortune 500 corporations to go to the outside to fill the CIO position when it opens.)

Many industry experts suggest that, in technol-

ogy dependent companies, the CIO is such a key player that he/she should be hired using similar criteria management would use when assessing a CEO.

That's where the CIO²⁰¹⁰ Model comes in.

A Guide for Tomorrow's CIO - Today

Listening to the marketplace and scrutinizing hiring trends over the last 10 years, the CIO²⁰¹⁰ Model was developed to help corporations both create and identify their next top-performing technology executive: an individual with solid technology knowledge, exceptional management skills, and proven ability to leverage technology to satisfy business goals.

The CIO²⁰¹⁰ Model can be utilized as a hiring guide for CEOs, Boards and CHROs and as a professional development tool for CIOs to use in conducting succession planning and providing career coaching. It identifies and details the six key areas of expertise required for today's most competitive CIOs. It serves as a blueprint for the next generation of technology professionals.

The six areas of expertise include:

1. Business Acumen

CIO²⁰¹⁰ understands the business. He/she has leveraged IT to support a winning business, has empathy for the business and acts as a true leader and business partner.

Furthermore, he/she is a peer to the business leaders and delivers services that are both highly sought after and appreciated. The CIO²⁰¹⁰ earns an "A" rating from the LOB leaders he/she supports. Attitude and focus matter. CIO²⁰¹⁰ drives relentlessly to satisfy business needs and is only content

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when the business is pleased.

2. *Technical Competence*

CIO²⁰¹⁰ has well rounded experience in all traditional CIO silos including: application (business focused) development, infrastructure/operations, enterprise systems, strategy and architecture. The degree of detailed understanding of technology differs based on the size of the organization. Regardless of company size, CIO²⁰¹⁰ is best served by having career experience in all IT areas. The application development VP today must consider gaining operations experience tomorrow and vice versa. This requirement decreases as the size of the role increases. In the largest of corporations, the ideal CIO is likely evaluated first on the other criteria, with pure technical acumen being the least important of all.

3. *Non-CIO Functional Experience*

CIO²⁰¹⁰ ideally has previous experience running a line of business P&L. He/she has previously served in a finance, marketing or other non-IT functional area. Such experiences better position the CIO to make business decisions and progress to the next level. The IT professional, therefore, needs to consider not only rotation through the traditional technology roles, but also should spend time in management roles with the business. Assuming CIO²⁰¹⁰ is a CEO²⁰¹⁵, it is imperative the executive possess the general management, financial management and operations management skills that position the CIO as a viable candidate for the next level.

4. *Vendor and Sourcing Management*

CIO²⁰¹⁰ works in a world very different from that of his/her mentor. Outsourcing, right-sourcing and other staffing alternatives will continue to develop. BPO, SLA, and other terms largely unknown 10 years back will continue to proliferate. CIO²⁰¹⁰ must be qualified to evaluate and lead initiatives in this area so critical to corporations today and in the future.

5. *Career Future*

CIO²⁰¹⁰ does not see the move into a “top IT role” as the end game. He/she is hungry to take it all the way to the top. As a result, CIO²⁰¹⁰ should be a long-term candidate for the next level role and must possess interest in career longevity that supports this goal.

6. *Global*

CIO²⁰¹⁰ realizes that the world is a global marketplace and borders will continue to evaporate. He/she has experience managing resources around the world, understands how to manage a team from diverse cultures and, optimally, has lived or worked internationally.

Identifying an individual that encompasses all six areas of expertise is admittedly a tall order. However, by using these criteria when identifying your next CIO, you will significantly improve the caliber of person hired today and propel the growth of your technology-enabled business.

For more information regarding CTPartners, please visit our website at www.ctnet.com