Beyond the Crossroads:
How Business-Savvy CIOs Enable Top-Performing Enterprises and How Top-Performing Enterprises Leverage Business-Savvy CIOs

January 2010
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Preface

If you were a CIO in 2006, you were likely exposed to lots of articles, white papers and media focus on the role of the CIO which, in the opinion of many at that time, was less than encouraging. In the extreme case, people were saying “CIO” stood for “Career Is Over” or “Chief Infrastructure Officer.” The more optimistic view saw the CIO role as a “junior” executive position, one (usually) with a seat at the executive table yet often not involved in setting business strategy or having significant input into how information technology could drive top-line revenue or sustainable business growth. The job was primarily about running a tight operation and continually managing down capital and operating expenses associated with the IT function.

That same year, many industry leaders and pundits characterized the role of CIO as at a crossroads, challenged with a choice: to become true business partners and equal peers at the C-suite level or, alternatively, accept the fact that their role would likely be marginalized.

In direct response to the challenges posed, the Center for CIO Leadership was launched to serve as a catalyst for enabling the global CIO community to clearly understand and articulate these needs and to facilitate the delivery of education and professional development resources to support the CIO’s journey toward becoming a strategic business leader.

Three years later, the Center is pleased to report that the concerns expressed by many leaders, pundits and CIOs themselves about their uncertain future have meaningfully given way to a very different outlook. Our work with hundreds of CIOs from all around the world has shown that the profession has, in many cases, moved beyond the crossroads, and that many more CIOs are beginning to seize the leadership opportunity and play increasingly impactful strategic roles within their enterprise.

Are we done? Not even close — there is still much work ahead. This paper highlights the progress that we, as a profession, have made in just a few short years. It is designed to share with you some of the tools and techniques that have been developed to facilitate the journey and, more importantly, some of the success stories that begin to give form and substance to the characterization of this new emerging role — the Business-Savvy CIO.

I invite you to spend time with this paper and to reflect upon its meaning to you in your role as a CIO. I hope you will agree with me that we have indeed chosen the right fork in the road and that our careers as CIOs are brighter than ever. Most importantly, I strongly encourage you to participate in our community and continue to share and debate your opinions and points of view to fuel and energize your journey. I look forward to continuing the trip with you.

With warm regards,

Harvey R. Koeppel
Executive Director
Center for CIO Leadership

center for CIO leadership
Research-Driven Approach to Advance the Profession

THE CENTER FOR CIO LEADERSHIP RESEARCH OVERVIEW

In 2008, the Center for CIO Leadership initiated two significant research efforts. The first was the design and development of a new framework which described the Core Competencies and Good Practices required for CIOs to transform their role into that of the Business-Savvy CIO. The Competency Model was the outcome of a detailed qualitative study conducted with leading CIOs, academic experts and other prominent industry practitioners. A graphical illustration of the Competency Model is illustrated in Figure 1. For the complete specification of Good Practices associated with each of the Core Competencies see Appendix I.

Figure 1. The Center for CIO Leadership Competency Model

Leadership
- Align business colleagues
- Serve as a trusted advisor
- Lead and influence others

Business Strategy and Process
- Participate in business strategy
- Link IT to business drivers
- Develop business indicators

Innovation and Growth
- Secure innovation resources
- Develop opportunities with clients
- Lead an innovation process

Organization and Talent Management
- Develop a success plan
- Delegate the nonstrategic
- Build IT team business skills
To enable CIOs to identify their individual strengths and developmental opportunities, the Center implemented its second major research program in July of 2008 — a global self-assessment survey. The survey provided CIOs with a means for comparing their own skills, competencies and areas of focus with those previously established by the Good Practices defined within the Competency Model. Nearly 300 CIOs globally participated in the survey. The findings were organized by Core Competency and, at a high level, revealed the following opportunities for CIOs:

<table>
<thead>
<tr>
<th>Core Competency</th>
<th>Associated Strengths and Opportunities</th>
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<tbody>
<tr>
<td><strong>Leadership</strong></td>
<td>CIOs clearly view themselves as leaders of the IT function and the IT vision in the organization. They have further opportunity to establish themselves as true C-suite peers and leaders of their enterprise.</td>
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<tr>
<td><strong>Business Strategy and Process</strong></td>
<td>Given their unique knowledge of end-to-end business processes, CIOs are well positioned to lead their enterprise through often-desired process standardization, simplification and streamlining initiatives. They report that there is, however, increased opportunity to participate in business strategy and collaborate with customers and other external business partners to successfully drive these programs through to successful fruition.</td>
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<td><strong>Innovation and Growth</strong></td>
<td>Many CIOs actively envision and propose innovative ideas for how IT can drive their enterprise. There is a significant gap between the number and frequency of innovation programs proposed versus the number of initiatives that actually get funded.</td>
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<td><strong>Organization and Talent Management</strong></td>
<td>While most CIOs understand the skills and competencies that their IT organizations need to acquire and develop, there is a large gap between those that know what they need to do versus the number of CIOs that actually have the appropriate staffing and skills development plans in place. An even smaller number of CIOs reported that they lack the bench strength and do not have a plan in place to delegate authority when needed.</td>
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For further reading, the detailed results of the survey appear in the October 2008 white paper, *The CIO Profession: Leaders of Change, Drivers of Innovation.*

The Center has continued to evolve its education and outreach programs to help CIOs address the challenges that they face as they progress along their journey from being managers of the IT cost center to becoming business leaders of the enterprise.
In 2009, IBM performed a comprehensive global survey entitled *The New Voice of the CIO*, based upon in-depth one-on-one interviews with almost 2,600 CIOs worldwide. IBM’s research created a framework for describing the Strategic Initiatives and supporting Tactical Roles that CIOs need to focus upon. The framework is depicted in Figure 2 below.

![Figure 2. Strategic Initiatives and Tactical Roles of the CIO](image)

The IBM study revealed that in top-performing enterprises, CIOs extend their impact by enacting multiple seemingly contradictory roles, e.g., Insightful Visionary and Able Pragmatist, driven by the real-time demands of situations encountered on a daily basis. Looked at in this light, these roles can be seen as not contradictory at all, but rather as different areas of priority and focus that are continuously balanced by the demands of the particular situation.

The Business-Savvy CIOs demonstrated increased awareness of and sensitivity to the context that they were operating within an ever-evolving business environment driven by macroeconomic factors, regional conditions, industry and competitive dynamics, organizational influences, and personal aspirations.

Statistical analyses of the study data additionally showed that CIOs in high-growth organizations focus on innovative change and collaboration (the Collaborative Business Leader role), and tend to delegate responsibilities associated with their more traditional Inspiring IT Manager (IT cost center manager) role.

See the publication *The New Voice of the CIO* for a more detailed view on the findings and their implications.
INTEGRATING THE CENTER RESEARCH AND THE IBM RESEARCH

Taken individually, either body of work will lead a CIO to performance improvement; looked at from an integrated perspective, the combined findings and recommendations will lead a CIO toward performance optimization.

As you read through the paper, think of the Strategic Initiatives and Tactical Roles as what is expected of the CIO by the enterprise: in other words, the job description. Think of the Core Competencies and Good Practices as a view into what is needed for success: in other words, the skills needed to do the job.

A graphical representation of how these two bodies of research come together is shown in Figure 3.

Expanding upon the integrated research framework, the remainder of this white paper presents practical and actionable recommendations from your CIO peers that you can use to construct a personal roadmap to continue your journey toward becoming a Business-Savvy CIO who successfully enables a top-performing enterprise.
Becoming a Business-Savvy CIO

CIOs report that the challenging economic environment is changing their priorities. CIOs realize they need to be flexible, must adjust the IT strategy to the business strategy, and have to find a diverse portfolio of accountable solutions as business strategies shift. CIOs also point out that efficiency and cost cutting alone are not sufficient. Transformation through technology is required, although CIOs acknowledge that cost cutting can impact their ability to bring innovation to the table.

The integrated research view presented in Figure 3 provides CIOs with the C-suite or enterprise view of what is expected from a top-performing CIO: the job description, together with the individual view of what CIOs need for success. These are the skills needed to do the job.

Figure 4 highlights enterprise-level Strategic Initiatives as they inform what is needed to become a Business-Savvy CIO. These initiatives provide a context for understanding the impact of the Core Competencies and Good Practices that are critical to CIOs within top-performing enterprises and provide a framework for the remaining sections of the white paper. These all present the experiences, examples and advice from CIOs on how to advance their skills and impact.
The current economic environment is driving technology innovation in many organizations, which most certainly creates opportunities for CIOs, particularly around customer service and other customer-facing processes.

The IBM research determined that CIOs who are successful at Making Innovation Real exhibit traits from an enabling pair of roles: Insightful Visionary and Able Pragmatist. Through a series of surveys and qualitative interviews, the research points to a set of Competencies and Good Practices that will help CIOs who are looking for activities and advice to grow these traits.

**Communicate a Vision for Innovation to Drive Opportunity**

The research clearly ratifies the importance of being seen as a trusted advisor and a leader of change and transformation to help solidify a CIO as an Insightful Visionary. CIOs should take advantage of their insight and the future competitive possibilities that technology innovations can enable to build trust as an advisor to their executive peers. As one Center member commented:

> “The acceptance of my role in leading innovation is heightened. There was always acceptance of the CIO sitting at the table. Now the business is hungry for what I have to say.”

Change and transformation do not have to be dramatic to make impact. Although CIOs are being asked to do more with less, alert CIOs still identify innovation opportunities, both large and small.
Hertz Corporation Senior Vice President and CIO Joseph Eckroth explains what he terms a “huge opportunity” for CIOs to help their organizations advance by focusing on smaller scale innovation. In fact, he points out that CIOs’ experience in doing more with less can become a core strength in leading innovation through creating more efficient and more effective processes.

“Everybody’s business is suffering because of the global economy. There’s a real opportunity for CIOs to step up and do what we do best, which is help the business advance. It may be at a smaller scale, it may be more focused, but there’s a real opportunity. On the other side, we also have a huge opportunity because we’re being asked to do more with less, which is not a new paradigm for us, but probably on a bigger scale.”

To become an Insightful Visionary, CIOs must be able to communicate their vision — and do so in a manner that both excites colleagues and demonstrates their leadership and knowledge about the business impact of IT investments. A Center member who understands the importance of positioning oneself as a visionary gives this advice:

“Make what is invisible, visible to your business colleagues. Talk to them about the future and how it will truly change the business — they love to hear about that.”

Effective communication provides another benefit to CIOs: credit for providing technology innovation for competitive advantage, as shown in the case on page 11.
CASE EXAMPLE: Getting Credit for Innovation

Under Senior Vice President and CIO Joseph Eckroth, Hertz Corporation introduced self-service kiosks in facilities around the world. The successful global roll out, which helped reduce wait time and reduce counter staff, not only innovated the rental process, but it also saved a lot of money in terms of labor efficiency and it enhanced customer service. This represented an opportunity for IT to help the organization make the connection between better business process and better customer experience — a key element of business value. When it came time to provide the appropriate credit to whom in the organization was driving efficiencies and budgets at Hertz, IT received credit for their contribution. “IT getting credit is a big change,” said Eckroth. “That’s a huge shift in thinking, but that’s the way it should be. We have to continue every year to show how we are managing our operations more efficiently. We shouldn’t be exempt from that. On the other side of it, as we do that, we should also be getting credit for the amount of efficiencies we’re driving in the business if we’re introducing technology that’s doing that.”

Connecting with the Business to Get to Results

The flip side of vision is pragmatism, and CIOs who perform as Able Pragmatists to Make Innovation Real keep one key word in mind: business. To be successful as innovators and lead the organization to accept the value that technology enables, CIOs must also know business strategy and process. They must be able to focus their IT team on the business and show their business partners how to make that link. “The CIO needs to be more flexible and adjust the IT strategy to the business strategy,” recommends one CIO.

A focus on business does not mean an internal focus. The ability to partner effectively with external vendors and lead relationships through an effective governance process provides CIOs with a key tool to enable business growth. Saab Group CIO Michael Friis, for example, leverages strategic and forthright relationships with vendors to enhance IT’s contribution to Saab’s growth.
“My role is to support the business and to increase the profitability of Saab, so I need a partnership with different vendors or suppliers in this, meaning that I need to share much of my own strategy to build the relationships. The willingness to be open in my discussions has surprised some of the companies that I work with. The key is that you have a strategy and you know what you want.”

Paul Jeffreys, Director of Information Technology at the University of Oxford, brought innovation to the university by effectively blending the Insightful Visionary and Able Pragmatist attributes to Make Innovation Real and connect with the business needs of his organization. Seeing opportunity to add value slowed by institutional inertia, he employed a gentle but convincing approach to change — listening to his business leaders’ needs and facilitating a dialog to uncover the key areas where most value will accrue. As Jeffreys explains:

“I see opportunities for real value-added services. At the same time I can’t go to researchers or teachers and let technology lead what they’re doing. The way to go forward is to go to them and say, ‘I understand the traditional teaching process in Oxford is highly regarded and extremely valued. Are there gaps where you could be more efficient or more effective with the use of technology? Let me give you some examples.’ Or finding areas of best practice in one part of the university using the latest e-learning opportunities, and saying, ‘Are you aware that this group is doing it this way? Would you like to try it?’ It’s a coaxing of the people in the university to recognize that there are opportunities here to do what they’ve always done, but in a more effective way.”
Research further suggests that CIOs can be more effective as Able Pragmatists when their IT organization understands the business and what the enterprise is trying to achieve. Jeffreys, who oversees a widely decentralized operation, adds that Making Innovation Real requires a particular mix of skills to maximize the service capability of IT and help the team align to the service mission.

“I see a real change of skills mix to having quality of service running large enterprise software suites and then local support for being much closer to the type of activity that happens in their local units. This change leads to some challenges in terms of the staff that we have in the university. And you have to be realistic. You have to go to the staff and say, ‘Look, life has changed. We are here to deliver a service to the users. We have to have the right skills, the right types of people for the services that are now needed.'” 5
The IBM research shows that CIOs who are successful in raising the ROI of IT are able to blend two challenging roles: Savvy Value Creator and Relentless Cost Cutter. The following stories will help CIOs advance their ability to raise the ROI of IT and to appropriately balance the traits of the Savvy Value Creator and Relentless Cost Cutter.

**Communicating the Business Value of IT—A Core Lever for Impact**

We have focused deeply on the questions of defining and communicating business value, emphasizing the critical aspect of developing a business-focused view of ROI, and linking investments to business value drivers for CIOs to be Savvy Value Creators. Findings underscore the importance of linking technology investments to specific business strategies and outcomes in order to define and drive value creation.

Maintaining a comprehensive end-to-end view of IT’s role in delivering value to customers is paramount, as is linking IT to key business drivers.

One-time Virgin Entertainment CIO and VP of Information Technology Robert Fort achieved both of these objectives when Virgin introduced its Crescendo data reporting system, as described in “Creating Value Opportunities with Strategic Data Delivery” below.

**CASE EXAMPLE: Creating Value Opportunities with Strategic Data Delivery**

When Virgin Entertainment Group replaced a manual data reporting process with its home-grown Crescendo system, it put high-value information into the hands of the people who could influence results — the front line sales staff. Employees in Virgin stores could view sales, inventory levels, and other information throughout the day, even down to 15-minute increments. They knew quickly the products moving fastest and if they were meeting their sales plan for the day. If traffic was down, staff could begin talking to every customer in the store. Using the power of the data newly available to the front line, Virgin was then able to take the learnings from the information and progress to the next level. “We were actually to the point that we were trying to predict what was going on,” said former CIO and VP of Information Technology Robert Fort. “As that system moved more to the buying level, the buyers were sitting there and using that data to understand past sales trends, but they actually used those to predict future sales trends.”

center for CIO leadership
At the same time, when making the connection between IT and business drivers, CIOs must be prudent. Business results come from a complex set of steps and inputs, of which technology is a critical component, but not the sole contributor. A Center member offers this advice, and a word of caution:

“Link IT to revenue drivers of the business. You must be clear, but careful. IT cannot claim the full project value, because it is generally supporting something else. There is a fine line between being able to make the link while not treading on someone else’s territory to make that connection.”

Communicating Value in the Right Way Speaks Volumes

Effective communication of IT’s strategies for innovation and growth is necessary for CIOs to be recognized as champions of value creation. Research with CIOs emphasizes the critical step of communicating value effectively in bringing the enterprise along to support strategies for innovation. CIOs need to remember the importance of simplifying complex information into understandable and actionable messages, a step that many CIOs find challenging, as explained by one CIO:

“One of the communication gaps many CIOs find challenging is demonstrating the critical link of the IT strategy with the strategy driving the business. The step of illustrating how IT strategy maps to business strategy can help CIOs effectively communicate the role of IT investment in growth and value creation.”
One Center member—highlighted in the quote below—underscored the critical step of making the clear connection on how this mapping of IT strategy to business strategy occurs in gaining the buy-in on the value of the investment:

“CIOs always miss a slide. After the business strategy, the next slide shows a systems applications landscape. The missing slide is one that puts the strategy into business themes and maps the way in which the IT investments will help the business support those themes.”

Making the Most of ROI

Most CIOs acknowledge the importance of measuring the ROI of IT investments in bridging the communication gap around the value of technology. A Center member described it this way:

“Good metrics help build transparency and trust. The business knows what we are tracking and they appreciate it. The facts will set you free. That helps build the trust.”

To take it a step further, some CIOs have found that comparing projected ROI with actual ROI ensures a more accurate way to quantify the impact of IT investments on business outcomes. As one Center member highlights in the quote below, tracking and verifying the results of initial ROI calculations is not always done after the fact, and this undermines the credibility of the assessment of potential return for future projects and projections:

“ROI is still the Holy Grail, but even companies that succeed well in calculating ROI upfront rarely go back to confirm their assumptions and calculations. Taking the next step to track what happened against what you thought would happen helps to evolve the metrics for understanding true value going forward.”
At the end of the day, selling value is still selling. Research underscores the need for CIOs to develop effective selling skills, including understanding the audience, having the ability to elicit and uncover the right issues of concern to that audience, and gathering buy-in to effect the change needed, as stated by one Center member:

“Everything is about selling value, and the type of value is determined by who you are talking to. You need to open all your antennae. What are your colleagues doing? How can you reach them?”

Given the more demanding and changing global economic environment during the past year, it is not surprising that research revealed value creation, cost cutting and efficiencies as becoming more central to driving business competitiveness and growth throughout the C-suite, and it is likely that the importance of cost cutting and efficiencies will continue. Linking IT to business value also is an element of being strategic and focused in the approach to cost cutting and efficiencies.

“The over-arching theme is: How do we cut cost without cutting into customer service? How do we keep cost at a minimum, and how do we improve what is already in place with selective investments?”

**Taking a Strategic Leadership Role through Cost Cutting**

Becoming an effective Relentless Cost Cutter can — and should — involve more than a narrow focus on IT. As explained by former Virgin CIO and VP of Information Technology Robert Fort, knowing the business side improves the value and impact of cost-cutting decisions and in fact positions the CIO in a more strategic frame.

“I've always taken my IT department and tried to focus it most on the top line — driving sales. Inherent in everything we do, though, is to try to control costs. Certainly when the total enterprise starts taking a hit, we have to start looking at things that we can resolve. That's where business and IT alignment come back to play. I don't think that an IT department can take out its own costs without having worked with the business and understood the business.”

Effectively raising the ROI of IT requires CIOs to be both Savvy Value Creators and Relentless Cost Cutters. In “Aligning Competing Priorities and Securing Buy-In” below, Center member and CIO of a large university gained users' trust to effectively play both roles.

**CASE EXAMPLE: Aligning Competing Priorities and Securing Buy-In**

The CIO of a large university saw an opportunity to consolidate the three separate admissions programs currently being used by the MBA, doctorate, and executive MBA programs respectively. The programs operate as autonomous silos within the university and regarded their admissions program data as their own carefully guarded asset. At the same time, the CIO knew that there was overlap in much of the information, as well as duplication of system management and maintenance. Although a single program made sense from an infrastructure maintenance, cost, and efficiency perspective, none of the three programs wanted to make the switch. The CIO met with the admissions heads and listened to their arguments against consolidation to better understand their fears and their needs. He learned that all three were fearful of losing their jobs; plus, the three programs were marketed to the same student base and they were afraid to share access (even though coordinated marketing campaigns could support and lift all three programs). “After having these conversations, I was able to make the business case that it was going to cost less, offer business efficiencies, and create marketing opportunities for each of the participants if they share and collaborate on the same system. This turned the tide.”
ACTIONS FOR EXPANDING BUSINESS IMPACT

The ability of successful CIOs to Expand the Business Impact of IT is evident in their ability to simultaneously act in the roles of Collaborative Business Leader and Inspiring IT Manager. This section provides insight and guidance on Good Practices CIOs can leverage to make progress in these areas.

Linking to Business Goals Provides the Basis for Impact
CIOs functioning as Collaborative Business Leaders fully understand the end-to-end business environment—from the customer base to competition, from industry trends to regulation. As respected advisors and change leaders, these CIOs impact growth by carefully integrating IT into the business. As one CIO in the entertainment sector described it, in his organization integration is a key to how they operate on a daily basis.

“Business and technology executives work together day to day, often involving business strategy. We are creating the future of our enterprise by integrating business needs with technology.”

By identifying business priorities and establishing integrated goals, CIOs enjoy greater success as strategic leaders. One CIO explains his view on the importance of starting with the business problem that needs to be solved to more clearly make the link from the business goal to the technology investment needed.

“We need to focus on the business problem that has to be solved; otherwise, at the end of the day it just looks like another IT strategy . . . not a business initiative.”

Chief Operating Officer of Banque Cantonale Vaudoise (BCV) Aimé Achard suggests another important element in collaborating to integrate IT and the business—ensuring that the project teams combine the range of business and technology skills required to make the connection.

“The [project] lead should be from the business, and it should be a multi-disciplinary team with IT people and users as part of the team. It is not an IT project; it is a user’s project.”
Leading the IT Team to Help Drive Business Impact

Making an impact as an Inspiring IT Manager is also linked to developing the IT team so they can adequately support the strategic IT vision and help drive the vision throughout the enterprise. As BCV's Achard relates, a blend of skills on the team can enhance the capabilities of IT as a strategic business partner.

“You have to have a team that will bring you the expertise that you might not have. So it means that young CIOs must have a team with more senior level executives who will help them understand and properly communicate to the users and to the bank and understand what the basis of that business is. So we have to find a middle way of having both technicians and geeks so that we have something that is realistic for business.”9

Talent management is more than hiring and training, of course. Sometimes it is listening and providing support, moving a good idea from a casual discussion to a value-added initiative, and providing the critical link from the IT function to the rest of the business, as demonstrated by Hertz’ Eckroth in “A Conduit for Ideas” below.

CASE EXAMPLE: A Conduit for Ideas

Hertz Corporation Senior Vice President and CIO Joseph Eckroth was engaged in a “skip level meeting” with a group of technology employees when a Web developer mentioned a non-technical, business idea he had for promoting a one-way rental. This was a new program for Hertz, and the Web developer suggested a nostalgic road-trip theme would be a winner. Eckroth did, too, and arranged a meeting with the directors of sales and marketing. The Web developer’s brainstorm became one of Hertz’ new promotions, and in turn he was tasked with determining new ways to use the Web to improve the customer experience for Hertz, an exciting opportunity for the Web developer to use his technical skills to directly benefit the customer. Interacting and listening to staff and then facilitating the exchange of ideas with the rest of the business made it work. Explained Eckroth, “My idea is to be a conduit for ideas to get them to the right place. That doesn’t guarantee that they’re going to be successful; it doesn’t guarantee that they’re going to go somewhere. All anybody can ask for is that an idea gets to the right place and gets at least the right consideration.”10
CIOs have made tremendous progress during the past decade in strengthening their value and influence in a broad range of organizations. Globally, CIOs’ increasing involvement in strategic business decisions and their impact on innovation and growth have helped propel IT from a support function to an integral and vital part of the business — to Expand Business Impact. Nevertheless, opportunities exist for improvement.

“This is the best time to be a CIO — technology is the mother lode. It is the largest cost in any business, so if you can align it with the business the potential for impact is enormous. Apart from labor it is the largest spend, and the largest lever to help drive opportunity.”
**ADDITIONAL PERSPECTIVES ON INCREASING CIO IMPACT**

To maximize their effectiveness, CIOs can gain benefit by considering the full range of possible influences outside and within their enterprise when evaluating their actions and where to focus next. In addition to the advice detailed above, there are external and internal factors that CIOs should consider to become more business savvy and to increase their organizational impact. These factors are highlighted below.

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<th>Factor</th>
<th>Considerations</th>
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<tr>
<td><strong>Macroeconomic Factors</strong></td>
<td>The Business-Savvy CIO makes sure to stay abreast of major market forces and the broad trends and influences in the economy that might impact their enterprise. Particularly, after the recent economic crisis, it is clear that an ongoing understanding of the implications of market trends is key to envisioning how technology can provide a path to growth and competitive advantage. One area of focus is to assess the role of macro market forces on the potential for risk to the enterprise. Today’s C-suite peers are increasingly looking for the CIO to proactively identify potential risks and implement processes and approaches to mitigate those risks before they become a crisis for the enterprise.</td>
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<td><strong>Regional Conditions</strong></td>
<td>The Business-Savvy CIO also takes into account the business impact of global and regional factors that affect their enterprise. Successful CIOs find a way to leverage this information to advise on more localized risk and potential for shorter term emerging opportunities. Another key element to staying ahead of impactful regional conditions is to track and understand the availability of industry-specific technology skills in the region. Building an effective IT team that understands the needs of the business is critical for CIOs within top-performing enterprises, underscoring the need to stay on top of the pipeline required to build this team.</td>
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<tr>
<td><strong>Industry Characteristics</strong></td>
<td>A critical key to positioning the enterprise for growth is a deep understanding of the customer and how customer expectations are changing. Business-Savvy CIOs take proactive steps to understand customers’ needs and factor changing customer expectations into their innovation priorities and plans. Successful CIOs also take the step to understand how the enterprise’s customer relationships are evolving, and seek to align with customer-facing teams to embed technology and innovation into delivering high priority customer solutions. Thirdly, Business-Savvy CIOs build their knowledge of the industry in which they operate. They know where competitive threats exist, and consistently examine the role of technology in creating and alleviating those threats to the enterprise.</td>
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<td>Factor</td>
<td>Considerations</td>
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<tr>
<td>Organizational Influences</td>
<td>Business-Savvy CIOs also look inward to create and enhance their impact. Successful CIOs underscore the importance of understanding the organizational structure and culture of the enterprise in order to effectively lead change and transformation. CIOs who are able to evaluate the overall business and the position of the IT function within that framework are positioned to more effectively assess the internal landscape and proactively establish their place at the table. Also critical to leading innovation and change is the ability for the CIO to build and manage C-suite relationships within the enterprise. They find that credibility and influence will come from effective collaboration.</td>
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<tr>
<td>Personal Aspirations</td>
<td>Finally, Business-Savvy CIOs continually look to build and enhance their own skills and knowledge as a business leader. They regularly reach out to request input from end users and IT colleagues to identify areas of strength as well as opportunities for improvement. They also take advantage of the experiences of professional peers and seek to learn from other CIOs to further capitalize on those opportunities.</td>
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How the Center for CIO Leadership Can Help

Building on the base of knowledge gathered in previous surveys, the Center is continuing to research the key strategic competencies required for CIOs to advance in their profession. With each round of research, new insights are made, new questions surface, and additional opportunities emerge for identifying and closing the gaps. The Center serves as a hub for collaboration—a central community and an open, unbiased, confidential peer-to-peer networking environment available to CIOs around the world. With its academic and learning partners, the Center delivers education programs in a variety of formats, including:

• Hosted classroom executive education
• Online virtual classroom study
• Community learning through events, forums, social networking
• Peer mentoring

The Center for CIO Leadership provides rich resources tailored to CIOs' needs, including research, content, outreach, and education programs to help CIOs advance their performance and become better Business-Savvy CIOs.

About the Center for CIO Leadership

The Center for CIO Leadership is a global community created to advance the CIO profession. Founded in October 2007, it is a membership-based peer network of more than 1,600 CIOs worldwide, and its mission is to provide global thought leadership to drive research, education, and outreach. The Center sponsors relevant and timely educational programs in collaboration with academic and learning partners, develops practical insights, promotes peer-to-peer mentoring, and fosters a greater understanding of the business value of IT among executive leaders and industry influencers.

Learn more at [www.cioleadershipcenter.com](http://www.cioleadershipcenter.com)
Endnotes

1. Sourced from Center Video: *The Opportunity to be a Hero*, Joseph Eckroth, Senior Vice President and CIO, The Hertz Corporation, March 2009.

2. Ibid.

3. Sourced From Center Video: *Realizing More Value from Your Partners*, Michael Friis, Chief Information Officer, Saab Group, March 2009.


8. Sourced from Center Video: *There are No IT Projects, Only Business Projects*, Aimé Achard, Chief Operating Officer, BCV - Banque Cantonale Vaudoise, March 2009.


10. Sourced from Center Video: *Be a Conduit for Ideas*, Joseph Eckroth, Senior Vice President and CIO, The Hertz Corporation, March 2009.
Appendix

I. CENTER FOR CIO LEADERSHIP COMPETENCY MODEL

The 33 Good Practices below are a vital set of guideposts for CIOs to reference as they progress in the competency areas and, in turn, become effective leaders of change and drivers of innovation.

<table>
<thead>
<tr>
<th>Core Competency</th>
<th>Associated Good Practices From the Center for CIO Leadership</th>
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<tbody>
<tr>
<td>Leadership</td>
<td>• Provide clear vision of how IT will drive the business&lt;br&gt;• Align business colleagues to IT vision&lt;br&gt;• Establish and maintain strong relationships with executive colleagues&lt;br&gt;• Serve as a trusted advisor with LOBs and management&lt;br&gt;• Be seen as a leader of change and transformation&lt;br&gt;• Know how to lead and influence others without formal authority&lt;br&gt;• Communicate complex IT strategies and execute programs in terms understandable to executive peers and clearly linked to business priorities&lt;br&gt;• Help others build strong teams and trusted, productive relationships across the organization&lt;br&gt;• Establish a governance model that integrates business priorities and allows better strategy and investment decisions</td>
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<td>Business Strategy and Process</td>
<td>• Fully understand the business environment, including competition, emerging industry trends, suppliers, customer base, and regulatory environment&lt;br&gt;• Maintain a comprehensive “end-to-end” view of the company and technology’s role in enabling the enterprise to deliver business value to customers&lt;br&gt;• Participate actively in developing business strategy&lt;br&gt;• Deliver on business strategy through an action-oriented plan that links business goals&lt;br&gt;• Link IT investments to one or more key business drivers: top-line growth, bottom-line savings, return on invested capital, and reputation&lt;br&gt;• Build a clear and effective governance process for engaging high-performing external partners for outsourcing, co-development, etc.&lt;br&gt;• Be seen as a leader by industry peers&lt;br&gt;• Develop business value indicators that link IT performance metrics and business goals&lt;br&gt;• Maintain IT risk-management strategy&lt;br&gt;• Integrate IT risk-management strategy with enterprise risk management</td>
</tr>
<tr>
<td>Innovation and Growth</td>
<td>• Be seen by executive peers as source of technology that creates competitive advantage for the organization&lt;br&gt;• Secure resources for innovation and investment by identifying technology-enabled business opportunities for the enterprise&lt;br&gt;• Examine continuously how to use IT resources to extract greater customer value and economic growth&lt;br&gt;• Regularly work with clients and external stakeholders to develop new opportunities and/or innovation&lt;br&gt;• Actively involve members of IT team in identifying how IT can enable business opportunities for the company&lt;br&gt;• Lead initiatives to ensure that IT and the organization are flexible and agile enough to support the rapid rate of change&lt;br&gt;• Ensure that the organization has a process for encouraging, identifying, and evaluating technology-driven innovation opportunities</td>
</tr>
<tr>
<td>Organization and Talent Management</td>
<td>• Ensure that the IT team uses effective communication skills to establish credibility with business peers&lt;br&gt;• Develop a process and a plan for delegating authority to allow more time for strategic activities&lt;br&gt;• Actively develop the long-term business and IT capabilities of the IT team&lt;br&gt;• Know the critical competencies for the IT team’s success&lt;br&gt;• Implement a program that links business and technology objectives to the IT team’s performance goals&lt;br&gt;• Develop training opportunities for the IT leadership team and identify a succession plan&lt;br&gt;• Analyze business priorities and establish a plan to acquire and grow the talent needed to achieve those priorities</td>
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II. ADDITIONAL RESOURCES

The Center for CIO Leadership provides research and content to help CIOs advance their business savvy and strategic skills and competencies. The Center regularly solicits and shares insights and ideas from its CIO members to add value to this process.

Visit the Center site for the full range of materials available to members. Below you can find more about the advice and insights shared in this paper.

- Center Pulscheck: The Changing Role of the CIO in the Current Economic Environment
- CIO Research Synthesis: Communicating Business Value
- CIO Research Synthesis: Communicating the Value of Technology in the C-suite: Challenge and Opportunity
- Video: Aimé Achard, The Need For Multi-Disciplinary Teams
- Video: Aimé Achard, Use IT For Innovation
- Video: Joseph Eckroth, The Opportunity To Be A Hero
- Video: Paul Jeffreys, The Changing IT Skills Mix
- Video: Joseph Eckroth, Be A Conduit For Ideas
- Video: Robert Fort, It’s About Value, Not Cost
- Video: Robert Fort, Measuring Technology ROI
- Video: Robert Fort, Using Data Strategically For New Opportunities
- Video: Michael Friis, Realizing More Value From Your Partners
- Video: Paul Jeffreys, Promote Technology Adoption