LEADERS OF THE PACK

Part II - The CIO

By Professor Donald A. Marchand - January 2009
As the pressure on leaders increases, so does the need for understanding the roles and responsibilities that come with the job. This is especially true in today’s rough waters. Each top leadership position has different areas of responsibility, all of which must function together like the legs on a chair to keep the organization up-and-running. Today we look at the CIO.

Where the CIO role comes from

The CIO role is one of the more recent additions to the C-Suite. It was created in the nineteen-eighties as information flows and their management started gaining in importance, particularly with the arrival of computer systems.

At the time, there were two camps. One that stressed the importance of the new technology, and the other that spoke about the need for managing, planning and using the increasing volumes of information effectively.

From that point on, the legacy evolved and was affiliated with re-engineering, cost-cutting and re-structuring companies. In the nineties, there was a shift of emphasis, with the further development of technology, infrastructure, communication networks, personal computers, mobiles, laptops, etc. Everything was focused on the need for managing standards and, more importantly, on managing the ever-growing IT investment costs.

Where the CIO is now

When the dot.com bubble burst, companies went back to basics and started asking themselves: “Where is the business value in the IT investment? Are we aligning ourselves with our counterparts in general management?” This realignment led to a three-axis model for the CIO position.

The CIO’s first job is to manage IT resources and organizations: the infrastructure, the applications and the people involved in this area. Credibility is, as in all CXO positions, very important here. They must manage their responsibility with responsive service, their projects must be completed on time and within budgets. In short - walk the talk.

The second axis relates to relevance in the business. This means developing a focus on how people and the business can use information and IT effectively, and how IT can be leveraged in the business process: be it in manufacturing, distribution or the front and back office in a service firm. Are you relevant in creating value with your business partners and others in the organization?
The third axis relates directly to the CXO role. As a member of the CXO organizational team, it’s about integrity and taking personal responsibility, as well as determining strategy and how and where information, knowledge and IT can play a role in the business model and the execution of corporate strategy.

Who is the CIO?
Those people of a certain age will remember vividly the emergence of computers. They will also remember the stereotype person who was interested in them. “Tech-head”, “nerd”, there were many names out there. The position of CIO has changed all that. Or at least, CIOs can no longer be too “out there” and, if they are to fulfill their positions effectively, must be fully-accepted members of the CXO team.

One of the reasons why this is important is that, if IT is to be used effectively, there must be a shared mindset in the CXO team around the use of information and knowledge, and IT’s strategic role in the business. This means that the CIO must be able to sell his proposition.

However, CIOs must be willing to take on this responsibility. Many of them grew up in a technological environment and have few other skills. They must therefore be exposed to business leadership, business mindsets and behavior, in order to understand the role they are expected to play.

Another important reason for understanding the soft side is that every CXO who is doing his/her job properly has a passion for not just doing what that job requires, but also wants to contribute intrinsically to the rest of the organization with the resources her/she oversees.

It’s about shared commitment: “The more I understand what my colleagues are trying to do, and what they are responsible for, the more I am intrinsically motivated to contribute beyond my job specifications”. The objective for the CIO, therefore, is therefore to understand his or her colleagues alongside the ins and outs of the technology.

Very senior leadership requires people who pursue excellence. As you start to make the transition from quite senior to the highest ranks, you must bring excellence from a particular area that you have grown up in. Yet to reach the very top, you must also understand what constitutes excellence in the other functions.
This article is based on Chapter 11 “The Chief Information Officer” by Donald A Marchand, in the book Leading in the Top Team: The CXO Challenge, Preston Bottger (editor), Cambridge University Press, 2008.

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