

HOME

NEWS

2013 SET TO BE THE
YEAR OF DIGITAL
ENABLEMENT

CLOUD OFFERS A
NEW APPROACH TO
SECURITY SYSTEMS

CERN EXPANDS
COMPUTE POWER
WITH OPENSTACK

NATIONWIDE'S
COO ON £1BN IT
TRANSFORMATION

EDITOR'S
COMMENT

OPINION

BUYER'S GUIDE
TO SOFTWARE
AS A SERVICE

FIRMS GO DIGITAL
TO MEET BUSINESS
OBJECTIVES

WHY IT LEADERS
NEED BROADER
BUSINESS SKILLS

DOWNTIME

☛ CIOs WILL
HAVE TO SHARE
CONTROL OF IT
BUDGETS

☛ CIOs
DISTRUST PUBLIC
CLOUD FOR
MISSION-
CRITICAL WORK,
SAYS IDC



ALENGO/ISTOCKPHOTO

The CIO has long been positioned as a senior executive on the cusp of becoming a truly strategic partner to the business. But as this research warns, the reality is that relatively few CIOs have so far managed to reinvent themselves sufficiently to actually become one.

Less than one in five of the CIOs polled for this study have risen to become a full member of their company's executive management team. And, when asked about the degree to which they participate in strategic decision-making, responses were lukewarm with just 43% rating this as something that they are highly engaged in.

Indeed, in their interactions with the organisation's leadership, today's CIOs are typically talking most often about IT budgets and IT's role in business transformations. They are far less likely to be discussing the overall performance of the business or shaping the key decisions that influence it. Even when it comes to providing the data needed for strategic decisions — arguably the central premise for the “information” part of their title — many CIOs are reluctant in their reply. A notable minority (14%) even say that this is simply not something they are called upon to provide. Respondents originating from Eastern Europe especially lack this input. CIOs' peers within the rest of the C-suite broadly agree, typically seeing even more limited scope for CIO engagement.

In short, despite nearly two decades of debate about the need for a truly strategic CIO role to emerge, this remains a work in progress.

COMMUNICATION STILL A WEAKNESS

Although CIOs have acknowledged for well over a decade the need to develop their softer skills, not enough progress is being made. When asked to identify skills that are crucial for

HOME

NEWS

2013 SET TO BE THE
YEAR OF DIGITAL
ENABLEMENTCLOUD OFFERS A
NEW APPROACH TO
SECURITY SYSTEMSCERN EXPANDS
COMPUTE POWER
WITH OPENSTACKNATIONWIDE'S
COO ON £1BN IT
TRANSFORMATIONEDITOR'S
COMMENT

OPINION

BUYER'S GUIDE
TO SOFTWARE
AS A SERVICEFIRMS GO DIGITAL
TO MEET BUSINESS
OBJECTIVESWHY IT LEADERS
NEED BROADER
BUSINESS SKILLS

DOWNTIME

their role, 81% of CIOs cited leadership and 79% named communication and influencing skills. Both scores were well ahead of IT know-how.

But despite this recognition, it is also clear that too many CIOs do not know what it takes to join the executive management team. One of the most important changes is still often forgotten: the need to discuss technology issues in terms of the business value they bring – whether costs saved, revenues gained, customer satisfaction achieved or similar – rather than in terms of uptime, gigahertz and terabytes.

Too few CIOs bring strong financial literacy to their role. They need to understand how IT spend affects the net present value of the business and consider costs in balance sheet terms versus profit and loss terms. For too long, CIOs have resisted efforts to improve these skills. But they must take action.

The central role that technology has played in nearly every industry and sector of business since then emphasises just how big an opportunity CIOs have already missed. To help them steer the business, CEOs are in clear need of “co-drivers” who combine technology expertise with business skills. Executive recruiters readily agree, but such candidates are notable by their rarity. To find out why, this research draws on the experiences of many individuals with the relevant experience on both sides of the fence.

**“IN A WORRYING
NUMBER OF BUSINESSES,
THE PERCEPTION OF IT
STILL APPEARS TO BE
SHAPED BY ITS ROLE AS
A HELPDESK”**

OUTDATED VIEWS OF THE CIO PERSIST

Too few CIOs are currently regarded as true members of the executive management team. This limits their potential for change. Many CIOs nowadays appear to be C-level in title only, and this rank is not necessarily reflected in how they are perceived in the leadership team. Less than one in five hold a seat at the top table and less than half say they are deeply involved in strategic decision-making. Related to this is a perception that CIOs have a higher regard for the value that they bring to the business than that seen by their C-suite peers. While 60% of CIOs strongly believe that they help enable fact-based decision-making in relation to corporate strategy, just 35% of their C-suite peers agree. But if CIOs are truly going to deliver on the potential remit of their role – and the potential of IT – they will need to work harder to secure their position at the top table.

Nearly four in 10 CIOs cite overcoming a lack of support from the executive management team as one of the biggest barriers they face. In a worrying number of businesses, the perception of IT still appears to be shaped by its role as a helpdesk. Indeed, what is clear throughout this study is that the views of the rest of the leadership team often remain stuck in the past, in a time when IT was simply a back-office function that operated the basement datacentre.

THE CHANGE IN IT'S ROLE

Most leaders aim to keep any discussions with the CIO centred on IT budgets, with few seeing this as a chance to engage in a wider discussion about the value of technology. Far fewer also see the need for leadership from the CIO as part of a wider sense that the C-suite prefers a CIO who is simply stable, consistent and does not rock the boat much. CIOs acknowledge that it will be difficult to change such perceptions, but doing so will be a prerequisite for recasting the role of the CIO – and IT – within the business.

Companies are making a shift away from creating their computing resources in-house, toward the unassailable logic of treating this as a utility resource instead.

This is not merely a shift in computing architecture; it is changing how companies use IT.

HOME

NEWS

2013 SET TO BE THE
YEAR OF DIGITAL
ENABLEMENTCLOUD OFFERS A
NEW APPROACH TO
SECURITY SYSTEMSCERN EXPANDS
COMPUTE POWER
WITH OPENSTACKNATIONWIDE'S
COO ON £1BN IT
TRANSFORMATIONEDITOR'S
COMMENT

OPINION

BUYER'S GUIDE
TO SOFTWARE
AS A SERVICEFIRMS GO DIGITAL
TO MEET BUSINESS
OBJECTIVESWHY IT LEADERS
NEED BROADER
BUSINESS SKILLS

DOWNTIME



- [DOWNLOAD: THE DNA OF THE CIO](#)
- [CIOs DEBATE THE FUTURE OF THE DATACENTRE](#)
- [UK CIOs SEE EU REGULATION AS KEY](#)

Having previously digitised existing processes, many are now wholly automating processes, or simply removing them altogether.

"We are on the threshold of a major change. A new set of technologies, such as various cloud solutions are going to be so compelling, pervasive and cost changing that CIOs will increasingly stop buying and building their own capital infrastructure for IT," says Dave Ryerkerk, Global IT Advisory Leader at Ernst & Young.

Volker Raupach, vice-president IT Automotive Experience Europe of Johnson Controls, a major automotive supplier, says that this, in turn, is commoditising many aspects of IT, steering the role of the CIO toward more of an information and process manager.

Paolo Cavosi, EMEA IT Advisory Leader at Ernst & Young, says this commoditisation process has been going on for a long time, but continues to shift into new areas of IT: "Take an IT service like helpdesk, which used to be handled within IT, but is now nearly always handled externally.

"The same process is happening across other aspects of IT, such as network management, storage, virtualisation and so on. All this implies a new set of trends, with new skills demanded of the CIO.

Many CIOs describe this consumerisation of IT as an inflection point: a transition where the rest of the business starts to feel able to implement technical solutions, without the CIO. But few technology leaders have looked far enough ahead to see the real long-term transition happening. "To be successful they will need to be something of a visionary, to really understand how this is going to change operating and process models," says Ryerkerk

"WE ARE ON THE THRESHOLD OF A MAJOR CHANGE"

DAVE RYERKERK,
ERNST & YOUNG

THE ROAD AHEAD

A more senior role is inevitably more political in nature, making the need to win friends and influence people far more important. The transition to the modern CIO role requires many incumbents to put a far greater emphasis on relationship-building and fostering better links with a wider range of stakeholders both within and outside the business.

There is wide agreement that developing these skills is the number one thing that CIOs can do to bolster their chances of promotion, with nearly three-quarters considering it highly important. Nevertheless, few appear to relish the task. When asked about key priorities for the years ahead, internal politics ranks low for most respondents.

More copies of Dale Carnegie's classic work on winning friends and influencing people will doubtless be needed as CIOs work to secure the relationships they need. Compared with many other C-suite roles, CIOs have wide-ranging opportunities to influence and effect change across the business. But few have taken action as yet. This will need to change, not least given the underlying shifts in the dynamics of the technology industry. *The DNA of the CIO* provides CIOs with a robust and balanced toolkit on what to change, who to influence and how to do it. But it will be up to CIOs themselves to find the courage to reinvent themselves.

The clear message from many CIOs — old and young, in mature and rapid-growth markets, spanning a range of industries — is that the status quo will need to change. In order to stay relevant in a rapidly-evolving technological landscape, CIOs will need to break out of their comfort zones within the datacentre.

Those who don't will run the risk of being further relegated down the corporate hierarchy or side-lined altogether. ■

Paolo Cavosi is IT advisory leader and Michel Savoie is IT transformation leader at Ernst & Young

HOME

NEWS

2013 SET TO BE THE
YEAR OF DIGITAL
ENABLEMENT

CLOUD OFFERS A
NEW APPROACH TO
SECURITY SYSTEMS

CERN EXPANDS
COMPUTE POWER
WITH OPENSTACK

NATIONWIDE'S
COO ON £1BN IT
TRANSFORMATION

EDITOR'S
COMMENT

OPINION

BUYER'S GUIDE
TO SOFTWARE
AS A SERVICE

FIRMS GO DIGITAL
TO MEET BUSINESS
OBJECTIVES

WHY IT LEADERS
NEED BROADER
BUSINESS SKILLS

DOWNTIME



Pirates versus plumbers

With a childhood spent mostly being a plumber and rescuing a princess from a castle, Downtime has learned a few things. Mostly it has learned that being a plumber and rescuing princesses can be a lonely experience.

It has now also learned that backing the plumber may have been a mistake, as the soaring popularity of role-playing Mr Right games among single Japanese women would indicate that a man who can fix your taps is not the dream ticket Downtime always assumed it was.

A typical scenario in these romance simulation games, according to Reuters in Tokyo, is that after being saved from kidnapping, you discover you are the daughter of the prime minister and your life is in imminent danger. You are introduced to a handful of handsome bodyguards and must choose who will protect you. After

choosing their knight in shining armour, the player develops the relationship through choices they make in the story line.

If the title of one game is anything to go by – *Pirates in Love* – it would seem nautical scoundrels are very much in vogue in Japan.

Value of money lost on Chelsea tweeter

It seems that fans of rich football club Chelsea have learnt from Russian owner Roman Abramovich and taken to throwing their money away.

One individual, who Downtime can only presume is a fan of Fulham's second club, was so confident Chelsea would win against bottom-of-the-table QPR that he used Twitter to bet his bank details on it. He announced to followers that he would publish his bank details if Chelsea lost to QPR. Guess what... Chelsea lost.

It seems money is not only meaningless to Abramovich, but also the club's fans. ■

DON'T BE EVIL: SCHMIDT TRAVELS TO NORTH KOREA

Downtime was interested to hear that Google's Eric Schmidt is visiting North Korea on a "humanitarian" trip. It's hard to imagine what could possibly come of the meeting, as North Korea is one of the poorest nations on Earth, with only the elite of Pyongyang having internet access.

Asia expert Victor Cha wrote: "Kim Jong Un clearly has a penchant for the modern accoutrements of life. If Google is the first small step in piercing the information bubble in Pyongyang, it could be a very interesting development."

But it's also difficult to picture what the ruler of the largest surveillance body in the world and the North Korean leader could have in common to talk about...



READ
MORE ON THE
DOWNTIME BLOG