

A new IT model and CIO role for the digital age

By Nicole Laskowski

The traditional model of IT is starting to look like ancient history, according to Ian Cox. And that isn't good for CIOs who still see their roles as technology and services providers rather than technology and services brokers, said Cox, a former CIO-turned-consultant and author of [Disrupt IT: A New Model for IT in the Digital Age](#). In the digital age, businesses are looking to technology to create new products and services, not just enable them.

SearchCIO senior news writer Nicole Laskowski recently caught up with Cox to discuss what he sees as the new [core competencies](#) for IT, what CIOs need to do to transform their role, and why clinging to old-school IT is helping pave the way for a new C-level executive -- the [chief digital officer](#) (CDO).

The title of your book is *Disrupt IT*. Why does IT need to be disrupted?



Ian Cox

Ian Cox: The rest of the business is shifting now and thinking about how it can use technology to create value and new revenue streams, new business models, and products and services and digital experiences around existing products. If that's where the rest of the business is focusing, then the CIO and IT function also need to be focused on creating [new business models](#), and new products and services. That takes a slightly different style of IT than reacting to business need; it's about working alongside the business and looking for the next opportunity to use technology to create a new product or service.

Because of that, you need different skills. Rather than the hands-on, techie skills we needed in the '90s, IT -- while it's still a technical department -- [needs to] become more business-focused and to look at the IT skills required to add value to the business.

What are those skills?

Cox: In the book, I lay out the core competencies of the new IT department:

- The first one is **architecture and design**. Digital business moves quickly, and [it needs to be flexible and agile](#); it needs to be able to do things quickly and securely. You need to have a solid architecture in place so you can plug in a new solution, try something new, bring in a new data field, [and] potentially expose a new data field.
- Having to do things quicker and in a more flexible way makes **delivery management** a core competence. And being able to manage project progress of all manners is a core competence.
- Data is valuable; data is the life blood of [digital business](#). Getting the right data to the right person at the right time is absolutely essential. So **data management** is a core competence -- which includes how you collect, how you store, how you structure, and how you make it available [for] people to use.
- The fourth core competence comes from the fact that we're [using more vendors](#). It's **vendor management**. One of the things I recommend is outsourcing anything that isn't part of a core competence.

That's a lot to outsource.

Cox: There's clearly going to be things you can't outsource for regulatory reasons, legal reasons or the fact that it's just not economic because it's a really old system. But other than that, unless it's something that's truly setting you apart in the marketplace, and you want to keep it close to you, my challenge for CIOs is to stop spending precious time and resources on something that is not adding value to the business anymore and won't make you stand out from your competitors.

If you decided to keep something in-house because it's a differentiator, it should be reviewed every year because a differentiator this year may not be a differentiator next year. You'll need to shed that and move your resources to the next differentiator.

Where do you recommend CIOs get started with this "disrupt IT" transformation?

Cox: First: Don't be technical. Effectively, what I'm saying is you still [need to understand technology as a CIO](#), but you don't need to know it to the level of detail or depth that you did for the last 10, 15, 20 years. You don't need to be a technical expert and build things from first principle; you need to have a full breadth of technology and, more importantly, you need to know how you can use that technology to create value for the business -- and [you've got to be able to articulate that](#).



Second: Get non-IT experience. A growing trend among some leading CIOs is they've [spent some time outside of the IT function](#) in the rest of the business. A lot of them know what it's like to deliver a P&L [profit and loss statement] or attract and retain customers. That's important for two reasons: For the CIOs' credibility going forward, if they're brought into discussions in the board room about creating new products and services and new revenue streams, they're more credible if they've actually done it themselves and know what it's like.

Third: In the digital age, the CIO is a [far more social animal](#). They're spending more time outside of the IT function working with stakeholders across their business, but also with the stakeholders outside of the business -- so customers, partners, suppliers. They're looking at that whole value chain, as we tend to call it, that digital ecosystem, and at how to generate value across it. And they're looking at what comes next -- it's a far more proactive role than waiting for someone in the business to find a new technology and opportunity. Instead, it should be the CIO thinking a year or 18 months out about what's coming and how to introduce that to the business, and how to collectively work out whether it's relevant to them.

Is the [emergence of the chief digital officer](#) a byproduct of the still-lingering old-school IT model?

Cox: I sit on the judging panel of the [CIO 100](#) in the U.K., so the top 100 CIOs [in the U.K.]. And, in my estimate, based on what I see from their submissions, only about 20% of them are the new-style CIO, or are on their way to being one. That leaves a large majority of CIOs who are not currently working this way. And they don't have the skills or experience -- or even the capabilities at the moment -- to be that kind of new-style CIO. A lot of CDO-type roles are borne out of frustration of CEOs who know they need to be doing something but don't have an executive they feel can drive that kind of change forward.

In part, that's because traditionally, the CIO role has been very much inward-looking in terms of controlling what the company is doing as opposed to growing the business. So, CIOs haven't developed processing

skills, resources and structures to do that, and I think they're being called out a little that the role is changing around them.

Let us know what you think of the story; email [Nicole Laskowski](#), senior news writer, or find her on Twitter [@TT_Nicole](#).

19 Dec 2014

All Rights Reserved, [Copyright 2007 - 2016](#), TechTarget | [Read our Privacy Statement](#)