

SYSC 4106

Term Project

Group Three

Prioritization, Governance, and Crisis

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Chapter Summaries and Discussion:

Chapter 1

The chapter introduces our main protagonist, Jim Barton, and the new ‘turnaround’ CEO of the IVK company, Carl Williams. During an interdepartmental shake up, Williams offers Barton the position of Chief Information Officer (CIO). Barton considers the promotion by researching what the responsibilities of a CIO truly are and begins to understand what running an IT department might truly entail. By the end of the day Barton decides to become IVK’s new CIO.

In this chapter we are introduced to the financial company IVK and two important characters in the story, our main protagonist Jim Barton, and the new CEO Carl Williams. IVK is facing a downturn in growth following the prior year’s rapid growth, Williams has been brought in as turnaround CEO and has already begun to make changes within the management of IVK to get back on an upward trend. Barton is introduced as IVK’s head of loan operations who is an experienced executive who has just been offered the role of CIO by Williams. Barton is unsure if he is the right choice for the job since he lacks a background in IT. As the chapter progresses, we are shown the type of employee Barton is, we see him introspect on his own abilities and learn what it means to manage an IT department. Barton concludes that ‘IT Management’ is just ‘Management’ [1, p.12] and that his experience in the business world might be the type of shakeup IVK needs to revamp its fledgling IT department.

When considering who should take over the role of CIO, Barton might not be the type of person many people might consider at first. The previous CIO had a strong grasp of the technical aspects of the business, while Barton has none. As a member of the previous higher management team, Barton understands what managing a department might entail. Barton convinced himself that he can contribute significant value to the department with his managerial skill set. Already we observe Barton looking ahead and solving problems, he is finding out how his skills can apply to the challenging CIO role despite being the unexpected choice. Williams considers Barton as a someone who can turn IT around.[2]

We conclude Barton has the business skill and acumen to excel at CIO based on the actions he took to affirm himself in the role and his history as a management executive that spoke out against the old IT management decisions. It is our belief that Barton is the right choice for the CIO position, and he was right to accept the offer.

Chapter 7

In this chapter Barton successfully demonstrates the value that IT provides to IVK. In a senior leadership meeting, Barton takes a new approach to evaluating potential IT projects as “Compete” or “Qualifier” (CQ). Compete or Qualify is a metric to gauge if a new project is adding competitive advantage to the product or breaking even with the expected norm. We can see this concept in action by looking at Gartner Magic Quadrant. ‘Compete’ projects seek to advance the business status towards the top and right of a magic quadrant, while ‘Qualify’ projects seek to prevent slide back towards the bottom left of the quadrant.

The one sticking point from the meeting was Williams inquiring about the infrastructure replace (IR) project. After discussing the project with one of his employees, Tyra Gordon, Barton soon realizes that the project was not moving forward the way it should have. After reviewing what the issues with the project were, and a quick meeting with the consultants hired for the IR project, NetiFects, Barton makes the decision to fire NetiFects and attempt this project from a new angle.

To truly grasp the issues with the IR project we must first understand the differences in the underlying technologies used. While NetiFects insisted on using a Unix based system, many of IVK's technologies ran on a Microsoft platform. Disregarding the fact that many of the IVK IT employees would not be as comfortable or experienced with the Unix system, this decision made much of the project a more horizontal move opposed to one that would add real value to the department. Under the recommendation of the consultants, IVK leadership placed Jay Palmer at the head of this project due to the recommendation in the consultation report that someone from the business unit should take the lead. As the project progressed, Palmer began to lose interest in the project. The projects progress was inhibited due to its massive scope with many interconnected systems and a pressure to switch to Unix.

While Barton's decision to completely cut ties with NetiFects may seem rash in the moment, there was merit in this decision. After reviewing the progress on the IR project, it became clear that NetiFects was pushing a technology that was incompatible with what IVK already had in place. By having an employee from the business unit take lead, much of the difficulties were underplayed, as the business units did not understand the difficulty in moving to a completely new technology. By restarting the project and having one of the IT members take the lead instead, Barton is assuring that the proper technologies will be selected this time around. The scope of the project would be reduced by taking the required time to carefully split the project up into more manageable chunks.

At the end of this chapter Barton has made one of his first big moves within the IT department. By convincing Williams to fire NetiFects he demonstrates his commitment to truly improving the IT department, regardless of what the business units had to say. Whether or not this decision ends up being the correct one is yet to be seen, but at least Barton has taken a step in the right direction and has saved the company from spending any more money on a project that was going nowhere. By approaching the overwhelming project from a new angle and directing his team to spend the time to split it up into more manageable chunks (a complex task), Barton is banking on a slow start but a more rapid progression down the line with several manageable projects that will align with their technological infrastructure.

Chapter 8

During this chapter Barton faces the difficulties of IT project funding. During a meeting with Gary Gisler, Barton is mortified to learn that an extremely important IT project had been denied funding for the past 2 years and that he was the main detractor responsible for this in the past. Barton consults with his girlfriend Maggie about asking for complete control of the IT budget to fast-track important infrastructure projects. He discovers that this decision is not as clear as it first appears. After consideration of alternatives with Gisler, he ultimately decides to ask for control of the IT budget in the short term with a promise to propose a more inclusive system later.

In this chapter we get to see how Barton maneuvers through his new department. After discussions with both Paul Fenton and Gary Gisler, two members of the IT management team, Barton learns why many of his new employees might not be too happy with his new position. We learn that while the previous CIO Bill Davis had difficulty explaining the importance of technical projects to his business counterparts, Barton was also instrumental in diverting funding from a serious security project to his own projects in the past.

After realizing the difficulties Barton had personally placed on the IT department, it becomes clear why he is so adamant about getting this security project funded as soon as possible. Although he made the bold decision of taking over the full IT budget this decision

might come back to haunt him as Maggie explained that it is his neck alone in the noose if anything goes wrong. We get the impression that Barton is writing past wrongs and is the key factor as to why he decided on such a drastic strategy. He is banking on the short-term risk to pay off and after that he will propose a more inclusive framework for investment decisions.

Although taking full control of the IT budget may be a risky move, nevertheless it effectively gets the job done and aligns with Williams's 'turnaround' aggressive approach. By having the ability to allocate resources where needed within his own department, Barton can at least attempt the projects his department desperately needs that otherwise would not have gotten funding within the current committee-based system. His willingness to accept his previous mistake also works to highlight how much he has progressed in his new role and shows that he is grasping the true importance of the IT department in relation to IVK.[3]

Chapter 9

Barton proceeds to a meeting with the board of directors to update them on his departments progress 3 months on. Although the IT portion of the meeting is placed at the end of the meeting, and is only allocated 30 minutes, Barton manages to leave a positive impression on the board. One board member specifically, Francisco Carraro, takes a liking to Barton and tries to build a stronger professional relationship with him. After the meeting Williams and Barton meet to discuss interpersonal politics between Barton and Carraro. Barton manages to ease Williams' mind, and informs him that he will keep him updated on all interactions he may have with Carraro.

Barton's managing style finally pays off, his team of managers are working in a more cohesive manner than in previous chapters, they prepare an excellent presentation for the board meeting. During the board of directors meeting, Barton shows off what he and his team have been able to accomplish in the past 3 months and conveys the current risks that need to be addressed. One of the key players on the board, Francisco Carraro, is onboard with the presented objectives and proposes a more involved committee for IT oversight to assist with tackling the presented risk factors. Barton was able to make head way with the board by demonstrating communication skills his predecessor lacked. Barton spoke the executive's language and successfully conveyed the current risks and the required investments that would be needed in language they can understand without technical jargon.

The political side of Barton's job comes into focus when Williams meets privately to discuss 'managing' Carraro. We learn a bit more about where Barton's loyalties lie, as he makes the effort to assure his CEO that he has no plans about going over his head regarding any IT issues. We believe Barton has no desire to burn any bridges with Williams and decides to defer to Williams's suspicions about Carraro angling for the CIO job and keeps him in the loop about their conversations. However, Barton secretly sees this as William feeling threatened by the pair of them, we would argue that having Carraro on Barton's side might be a better long-term investment as he could vouch for him in the future if the CEO position becomes available and may provide a wealth of prior IT experience that Barton lacks.

By the end of this chapter Barton has effectively impressed his superiors and seems to have gotten a grasp on what being a CIO means. By communicating with the board what value IT could bring in the future, he successfully manages to bridge some of the gap between the technical and business aspects at IVK. Although Williams conveys to Barton some of his concerns over Carraro, Barton still manages to gain a powerful ally within the board itself.

Questions:

1. If you were Jim Barton, would you accept the CIO job offered by the new CEO? In your opinion, if he accepts, what should be his plan of action? What should he do first? Second?

Jim Barton is being thrust into an unexpected leadership role as Chief of Information Technology, a role he feels apprehensive about since and he knows very little about IT. Like Barton, we would undergo a similar process of research and consideration before taking the job. Furthermore, we would see this as a career step that ultimately can lead to a CEO position in the future; many modern CIOs aspire to become CEO [4]. Yes, we would accept the job!

The first order of business should be to take inventory. Meet your team, get up to speed on current projects and financials. Barton could find out how the IT dept fits into the overall picture of IVK; how much money is spent on IT and what value is coming out of that spending? Feedback from this initial inspection and from your staff should inform where to focus first. In this story Barton focused on project management process and project prioritization first, a refactoring of Davies old process systems. The old way was too informal and to move forward this had to be fixed first.

The second order of business should be looking into the biggest money sink on the books, the Infrastructure project (IR). When we look at the financials from chapter 1, we see that the company has doubled its costs without an equivalent boost in revenues to compensate [1, p.23]. The quickest thing to fix is costs and the change is rapid. Ultimately Barton saves the company additional expense by letting go of a contractor that was not providing value after a year of effort and \$3 Million in expense. The costs are reduced yet the infrastructure problem remains, and a new approach is developed to split up the problem into more workable chunks. Presumably in a few months a new contractor more aligned with IVK's technology base could be brought in to work one of the smaller IR project chunks.[5]

2. Why do you think the previous CIO, Davies, created slush fund slack for budgeting IT projects?

The slush fund concept was to have a pool of funds that could be used to fund internal projects that otherwise would not get funding from the board. The idea of a slush fund is not problematic but the idea of using it to fund projects is a worry. This could indicate a failing of the committee-based process to fund projects or a deficiency with Davies's skill as a CIO. We believe Davies created the slush fund because he was unable to get funding for important internal projects due to a lack of business tact and issues with the committee-based process not fairly evaluating IT projects future value to the company. We see Barton and Geisler discuss alternatives to only having ROI to evaluate an investment decision, some projects could be considered mandatory [1, p.135] and such a system would have helped the ex CIO get projects like the security upgrade funded.

3. Under Davies, whose neck is in the noose if a project goes bad?

Only the necks of those who are together on giving a project funding approval. Davies is not a man to take risks so if he gets a project approved, the board executives who voted for it are in with him.

4. Do you think Barton's approach of providing the best information at the time is a better approach than Davies' approach?

When looking at the way Barton shared information in comparison to Davies, Barton seems to have a much better grasp on how the senior management, specifically the CEO, may be helpful in making IT related decisions. Barton manages to provide his colleagues outside of IT useful information on what is happening within his department so that they may better understand the risk and trade-offs a specific project might entail. Davies was more comfortable keeping the IT department as a form of black box; insular and self contained. Davies' approach may have been more appropriate in its earlier years, an effective CIO in modern times must be able to properly convey the work the IT department is currently completing. By communicating with the CEO on how the IT department is planning on using their resources, Barton can gain important feedback that he can use to better place his department as a strategic partner to the company opposed to Davies' approach which leaves the IT department in a purely supportive role. [6]

5. Under Barton, whose neck will be in the noose if a project goes bad?

Unlike Davies, Barton is taking risks to affect change. When Barton receives full control over the IT budget, he could be made the scapegoat if his IT project investment decisions perform poorly or lead to crisis.

6. Would you recommend that IVK form a board level IT committee? Why? Why not?

While it is important for the board of directors to have some input on IT's role within IVK, we do not think a board level committee would be of any real benefit to IVK at this time. Although it is important for the board to be informed on the underlying technologies that the IT department provides to keep themselves out of legal trouble, as Carrero puts it "In the future, 'I don't know much about IT,' will be no better a defense against criticism of a board of directors than 'I don't know much about accounting'" [1, p.166]. With the help of a good CIO, much of the day-to-day decisions can be left to the department itself and the CEO. What might be more useful than a board level committee might be the introduction of an IT task force that reports directly to the board. By forming a task force specifically for major IT projects, such as the IR project which was suggested to use 3% of IVK's current revenue, IVK would be better prepared to balance out business related benefits with extra, and maybe unreasonable, work that the IT department would need to implement such projects.[7]

7. What should be the role of the Board of Directors in respect to IT oversight? Suggest a list of IT oversight questions for the Board.

We believe the main role of the board directors regarding IT oversight should be focused more on defensive IT based on IVK's current technical capabilities at the time of Barton's first

board meeting. A defensive IT mindset would be more concerned with making sure the existing technologies are reliable and secure. As the board's main concern regarding IT seems to revolve more around liability issues, this form of oversight would assure them that every precaution is taken to ensure the integrity of their client's data. The main questions the board should be asking in this mindset would revolve mostly around security. For example, the board could ask what kind of encryption schema and technologies are used to keep client data private. Another example would be to check how frequently data is being backed up and how secure these backups are. With the board making sure they are IT department is as secure as it could be security issues like the one in seen chapter 8 would be able to get funded almost immediately and bypass the current committee base approval it had to face for the past 2 years.[8]

8. Why do you think the IT presentation at the board meeting was scheduled as the last agenda item and given thirty minutes?

The company has a corporate culture that thinks 'IT should do what senior management says and to stay in the basement'. This is reflected in the positioning of their presentation at the board meeting being at the end running for less than 30 minutes. It is fortunate that Barton wins over 2 key board members and made great points during the limited time they had. Barton seeks to bring more awareness of IT within IVK by moving towards a strategic partnership with the senior management to be more involved in IT matters, raising IT status within the corporate culture.

9. What should Barton do about "managing Carraro"? Managing Williams?

In the story Barton sides with the CEO and promises to keep him in the loop regarding any dealings with Carraro, but we agree with Barton that this could be Williams feeling threatened by his progress. We would want to improve the relationship with Carraro as he could become a powerful ally on the board to push change that benefits the IT department and IVK.

At this point in the story Barton decides to manage Williams by acquiescing to his request to keep him in the loop. So far, they have had a fruitful partnership and he owes him for the job, it would be foolish to put that in jeopardy. Managing these partnerships is going to be critical when times get tough.

10. How is Jim Barton's doing after 3 months as IVK Corp's CIO? What is your assessment?

Barton's work in his first 3 months seems to be moving in the right direction. One of the main benefits his management style has produced is the ease at which he can communicate with his direct reports at this point, as seen in the beginning of chapter 9 [1, p.162]. Thanks to Barton's leadership his direct reports are now able to effectively convey important information to one another without the need of their own technical sidekicks. has also managed to convey the importance of IT to his CEO and the board of directors. IVK's board of directors and CEO are now able to see how their IT department will add value to the company in more than just a supportive role.

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