

The Challenging Work Ahead

If you have gotten to this part of the book, you may be thinking that what it describes is a lot of hard work. Honestly, it is. What is important to note, however, is that the first iteration is the toughest. Once you've done it the first time you will have established a baseline from which subsequent work will be a process of refinement rather than starting over from scratch. That may be small comfort if you have not yet embarked on the journey. That said, I must ask, What is the cost of not doing this? Is yours a high-growth organization? The price of not having better plans against which to plot your portfolio of investment will be greater in the future than it is today. It is a difficult undertaking today, but it may well be an untenable one next year as the demand for IT grows and the diversity of that growth makes the challenge ever more complex.

If yours is not a high-growth company but rather a laggard in your industry, or if your company will be focusing mainly on cutting costs for the foreseeable future, even so I would argue that the CIO must be at the center of these conversations. In fact, if part of the path toward cost-cutting is to be automation of manual processes, for instance, then the CIO must make the case for augmented budgets for IT in order to decrease costs for the rest of the organization. What better way to determine where the opportunities lie than to have more clearly articulated plans for the entire organization?

In Bad Times or Good

During the economic malaise that commenced in 2008, more companies looked for more opportunities to do things in a more standard, shared way across departments, to create better process and technology standards, and to reduce the technology and vendor footprint. At that point in time, there tended to be a fair amount of “low-hanging fruit,” so to speak, as many companies had not been doing this sort of reconciliation during prior good economic times. For many companies, the best CIOs were at the center of these conversations, thinking about how to automate more, to do more in a standard fashion, and to take greater advantage of economies of scale.

Likewise, as the growth prospects for a number of firms improved a few years later, and different divisions of the company started leveraging data analytics software or social media or mobile technology, the best CIOs put themselves in the center of these conversations, and invited a wide variety of constituents to join the conversations so that a strategy for the entire company could be developed and the number of investments to meet the needs of the many would be relatively few.

However, CIOs should not change their way of operating to reflect the vicissitudes of the business cycles. During good times or bad, IT leaders must constantly collaborate with the leaders across the company to promote growth and to ensure that growth is undertaken in an efficient manner.

Consider the example of Automatic Data Processing’s CIO. Mike Capone has long had one foot in information technology and the other in the business. He has a bachelor’s degree in computer science, but he also has an MBA. He spent time as a vice president of IT at ADP, but he went on to be a general manager of a global HR and payroll outsourcing business within the company. In July 2008, he became ADP’s first-ever global chief information officer.

Capone probably did not realize that he was taking on that role on the cusp of the worst economic downturn of his lifetime, but as he was leading the new function he did what any good CIO who is new to his or her role would do: he had a number of conversations with his peers about their needs. He met with customers to understand where ADP had delighted or disappointed them with technology. All the while, he took notes and made sure that IT had a more active role in the planning process with the rest of the organization, while also being more transparent as to their own plans.

When the economy crashed, Capone, like most CIOs, was asked to cut costs, and many painful steps had to be undertaken. That said, he did not forget the many new opportunities that he had identified through his conversations with colleagues and customers that continued well past his honeymoon period as CIO. In early 2009, when most other CIOs were focused only on efficiencies, Capone identified a small cadre of high performers in the IT department and made innovation their primary focus.

It was during this time that Capone recognized the need for ADP to do more with mobile solutions to meet the growing demand of customers to access their information from any device anywhere. He and this overachieving group that he had assembled developed a highly popular mobile application that delighted customers and was downloaded at a record pace. More important to the company culture, Capone also instilled an awareness that, because it understood the strategic opportunities of the entire company, IT always needed to be a source of innovation and could not take a few years off from developing new, technology-enabled products. In the second half of 2012, Capone added the role of corporate vice president of product development to his CIO title, adding a very business-centric role to his one in IT.

Why You, as CIO?

Not long ago, I spoke with Gary Beach, the publisher emeritus of CIO magazine. During his long tenure at the magazine, he would poll a wide array of CIOs annually about, among other things, their status in their own companies. The questions asked how many CIOs saw themselves as “game changers” to the businesses that each was a part of. In the roughly fifteen years that the poll has been undertaken, the number of CIOs answering in the affirmative has never been above 9 percent. I am not surprised that CIOs might have suffered from a lack of confidence in the late 1980s or early 1990s, but during current times when IT is so clearly growing in importance, how could this continue to be the case?

Mike Capone exemplifies the IT executive who expands the value of IT to the point where it is only logical that he take over a key business role. Unfortunately, too many CIOs do not feel it is their place to push the rest of the organization to articulate their plans in a better way. However, as I asked near the outset of the book, who is really better suited? The Marketing department, which has primarily an external view? The HR department, which, like IT, works with literally everyone in the company, but which has primarily an internal focus?

IT has the breadth that a department such as HR has, and increasingly it is becoming an internal and external function, as CIOs and their teams are spending more time with customers. Who better than the CIO to take this on from the perspective of playing offense (finding new opportunities and being more proactive in advising the rest of the organization), but also from the perspective of defense and self-preservation (ensuring that the divisions do not make decisions that will have long-term IT implications, requiring IT's support without involving IT in the process).

To a greater extent, I think that CIOs will be asked to be change agents across many companies because of the increased importance of IT in companies, and the growing number of cases of CIOs who have successfully navigated this path.

Strategy: Still the Name of the Game

It's true that Peter Drucker once said, "Culture eats strategy for breakfast." By this he meant, for instance, that if your strategic plans suggest significant changes of one sort or another, as most strategic plans do, if your culture does not tolerate change, then the intransigence of the culture is likely to trump a beautifully articulated strategy. I agree with this sentiment, but believe that a well-articulated strategy is one of the paths to changing that culture.

The way to be on the leading edge of this change and to truly be like those few game changers in the CIO poll is to become more strategic. This requires weaving one's self and one's team more into the strategy-setting process of the rest of the organization, to articulate the many ways in which IT can bring those plans to life, to suggest new strategic possibilities to one's peers who head other divisions, and to artfully and clearly articulate the plans that IT has for itself.

As Filippo Passerini of P&G and Kim Stevenson of Intel both noted in earlier chapters, it is important to reflect on the past and present before articulating a plan for the future. No one wants to be told that their past work was not useful, and that the new plan is going to change all that was wrong. Rather, it is better to explain how the important work of the past has led to the present state, and then offer information about the compelling opportunities to seize and pitfalls to avoid in pursuing plans for the future. A well-crafted narrative is what is likely to get people on board and to push in the same direction toward the destination described in the strategic plan.

Sometimes when I speak with executives about the need for a more thoughtful and formal strategy-setting process, I will receive pushback suggesting that taking the time to document strategy is not so meaningful because it is a constant reflection of a moment in time that starts losing relevance before the ink dries on the paper on which it is printed. It is true that strategic plans are not like wine—they do not get better with age—but that does not mean

that an absence of a plan is preferable. On the contrary, it is essential to have a clearly defined strategic plan in place that reflects the journey that everyone must take. Changes will be needed, and this book has spelled out how changes required by time or events can be identified and made.

Get Started

I would like to leave you with some encouraging words. Begin this journey as soon as possible. Though it is a daunting one, it is necessary, and it may well lead to tremendous rewards. The sooner this journey begins, the sooner your organization will build the “muscle memory” to do many of the things this book suggests. As conversations with colleagues and customers increase in frequency, new opportunities will be more easily identified and incorporated into plans. As IT becomes more transparent and accountable through its own well-articulated plans and ongoing updates on progress made against them, other divisions are likely to become more transparent and accountable as well, which will benefit IT, but will also benefit the company as a whole.

Why not pursue this change? Why not let this journey for the company begin with the proactive steps of its CIO? It is time for action. I wish you all the best on your World Class IT Strategy journey!