Changing Careers

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Consulting offers refuge and sometimes riches to CIOs who are interested in new challenges—or who see their careers slowing as the economy deflates.

The subprime mortgage crisis that first upended U.S. banks has yet to cause major turnover among CIOs at financial firms, but the crisis and the weak economy do have top-level executives wondering what the fallout will do to their companies and their careers. The good news for them, according to CIOs who have faced similar struggles, is that the perennial fallback strategy of going into consulting is still viable.

Take Brian Kilcourse, who “loved every second” of his 10 years as CIO of Longs Drug before retiring in 2002. He then founded two IT consulting companies for the retail industry, the more recent of which is Retail Systems Research.

Why did Kilcourse decide to move from CIO to consulting? “I remember sitting in a system requirements meeting and realizing that I’d been in almost the same meeting with the same people discussing the same problem in 1985,” he says. “The only thing that had changed was the technology. That’s when I knew it was time to get out.”

Moving Out

Not every CIO gets to make that decision. Merrill Lynch got a new CIO after a year in which it posted $8.6 billion in losses. But it also got a new co-chief risk officer and is replacing its chief operating officer—all changes that followed the departure of the CEO who presided over the financial tumult.

Credit Suisse also got a new CIO, and credit giant Moody’s restructured to focus on new lines of business. (See “Shifting Gears a Matter of Survival at Moody’s” in May Baseline.)

Most CIOs are still in place, though, and many who are leaving are quitting because of career stagnation.

The current economic situation isn’t doing much to charge the batteries of IT managers who are more interested in innovation and growing the business than in maintenance and risk aversion, says Tony Bishop. Until last November, Bishop was senior vice president, product management at Wachovia’s Corporate and Investment Bank subsidiary.

“We looked at the credit crisis and realized it would be a big problem that would probably have a two-year impact on everything going on internally and would affect our ability to drive growth in terms of platform innovation,” he says.

During a vendor-sponsored tour of conferences and customer sites, Bishop was asked many questions about IT operations: How can companies get as much investment in infrastructure as in applications? What’s the best way to manage project design? How had he gotten business-unit buy-in for his projects? That’s when Bishop realized there was a business in providing the answers.

Making the transition to consulting wasn’t a huge leap for Bishop: He spent the first 15 years of his career in development and integration consulting, and his last job before Wachovia was at Data Synapse, a grid and application virtualization vendor.

About 20 architecture specialists, programmers and project managers followed Bishop into Adaptivity, a consultancy he founded. The initial customer leads came from the reference calls, conferences and customer visits he made on behalf of vendors.

“A lot of CIOs are looking for extra help,” Bishop says. “They know that because you’ve done it [as a CIO or IT manager], you can help others do it. We talk to them about architecting the next generation of systems, overall strategy, sunsetting other platforms, running architecture programs and project lists like a portfolio, and focusing on how to get the best return.”

Helping CIOs is also what consultant Kilcourse does these days. He says that working with smart people, using cutting-edge technology and teaching based on his own hard-earned experience is fun and relatively low stress.

“Retiring to just a full-time job” as a consultant (after a 24/7 CIO spot) has given Kilcourse more time to spend on a rock ’n’ roll addiction going back to the ’70s. “Rock ’n’ roll is my golf,” he says. “It’s loud, pointless and cathartic.”

When he was a CIO, Kilcourse performed under the stage name Slim Chance, of Slim Chance and The Guilty Saints. Since retiring, he has released three CDs of original music.

Changing Direction

Major changes in direction can enhance and extend the careers of CIOs by increasing their experience in business disciplines and different markets, according to Susan Cramm, who was a CIO at Taco Bell and a CFO at a smaller PepsiCo restaurant chain in the 1990s. As the head of Valudance, which provides coaching, training and advice to IT executives, she now coaches other CIOs on career development and strategy.

“When I realized the CIO of a restaurant company didn’t have as much influence as I wanted, I re-evaluated,” Cramm says. “As CIO, I was responsible for change, but I didn’t have responsibility for any of the three Ps: people, process, and profit and loss.

“PepsiCo does finance really well, and I had enough financial background to be able to do the job,” Cramm says of her switch to Chevy’s Mexican Restaurant, where she was CFO from 1994 to 1998. “I believe innovation comes from the intersection of two related disciplines.”

Cramm doesn’t find it surprising that many CIOs are interested in a career switch. “CIO tenure has stabilized at four-and-a-half or five years, according to Gartner and an IBM survey,” she says. “I did a survey at a large client, and only 15 percent of the people in IT aspired to the CIO role. It’s surprising how many people think it’s a job with a lot of headaches, so they’re not interested.”

That’s a problem for large companies. In fact, 60 percent of them search outside their own staff for replacement CIOs, according to Cramm. “What that means in terms of succession is that we’re not developing the talent we’re going to need,” she says. “Since 50 percent of external hires of C-level executives don’t work out, that’s a huge risk.”

“We need to find a way to make the CIO job more attractive, so we can have good candidates in the pipeline.”