Exploring the changing role of the CIO

A report following a CIO Roundtable at the Nigel Wright IT Directors’ Forum
About Nigel Wright Group

Founded in 1988 in Newcastle upon Tyne, Nigel Wright has become the largest specialist recruiter in the North East. Since then our business has grown outside of the region and we now have established offices in London and Teesside. In each of our UK locations, we offer expertise across a range of key industry sectors and disciplines.

We have also evolved into a Global Consumer specialist recruitment company, as well as having an Executive Search Division, operating across 13 European offices each having dedicated teams focused on national and international assignments in those areas.

A history of conducting business with locally based multinational clients helped our company develop a national, and subsequent international, proposition.
About the Nigel Wright IT Directors’ Forum

Established in 2004 the Nigel Wright NE IT Directors’ Forum meets every quarter to discuss topical issues affecting their discipline. With Directors from many different industry sectors, the subjects covered have been varied and take a top level view of issues so they are appropriate to a wide section of the forum members.

Members of the forum include Directors from Professional Services, Higher Education, Local Council, Manufacturing, Software Services, Financial organisations and Media companies.

Whilst the topics are generated by the members, Nigel Wright organise the meetings and provide speakers. Nigel Wright are supported by Dr. Colin Ashurst (currently at Newcastle University Business School) who works in collaboration with Nigel Wright.

One of the first pieces of research carried out by Colin explored Business Transformation. Others have addressed: Managing the Investment Portfolio - Exploring Best Practices; The IT Attention Deficit; and most recently, Competing with IT.
New World – New Opportunities

“There is an opportunity for very rapid change and innovation. How does the CIO help the organisation capture the strategic potential of this new world?”

In a world characterised by volatility, uncertainty, complexity and ambiguity the CIO has massive challenges and opportunities. There have been major shifts in the role of the CIO and IT function in the last decade. In particular managing ‘tin and wires’ is much less important. A few years ago one application might have required the purchase, installation and management of 60 or more servers. Now Cloud based infrastructure is flexible, secure and robust and available on a pay as you go basis. The Cloud also provides flexible enterprise applications, again available on a pay as you go basis at short notice. In many ways it’s a new world.

There is an opportunity for very rapid change and innovation. How does the CIO help the organisation capture the strategic potential of this new world?
Exploring the Changing Role of the CIO

The overall aim for this project is to contribute to the ability of organisations to deliver value to customers and other stakeholders through the successful exploitation of IT. This remains a major challenge for many organisations and is regularly on lists of top issues from CEOs.

The challenges of benefits realisation from IT can be approached from many perspectives, not least: strategic alignment; governance; innovation; evaluation; and the role of the IT function including sourcing. In this project we focus primarily on the role and competences of the CIO and their contribution to business value from IT.

The aims of the project were to:

- Explore how current social, business & technology trends are impacting on the role of the CIO and the IT function;
- Consider the implications for the skills and organisational competences required to deliver value from IT;
- Make recommendations for practical steps to develop the next generation of business savvy IT leaders and IT savvy business leaders.

Initial exploration of academic and non-academic literature as well as a brief survey was followed by a CIO Roundtable at the Nigel Wright IT Directors Forum.
Foundations: Enabling the Organisation to Achieve the Strategic Potential of IT:

Practical experience and research over the last 30 years suggests that a number of principles underpin the ability of an Organisation to realise the strategic potential of IT.

A brief summary is as follows.

1. The biggest gains come from doing the right things
   Strategic alignment of the overall investment portfolio is crucial;
   Different views of priorities and of how the world is changing make this a challenge. It is also important to balance business and technical perspectives, as well as long and short term;

2. Benefits arise when people do things differently
   Benefits Management is a well-established but not widely adopted body of knowledge that tackles IT investment and business change from the perspective of creating value for stakeholders;

3. Manage benefits over the lifecycle of an investment
   Post project harvesting of benefits from information and systems is often neglected. Continuous adaptation and improvement need resourcing;

4. Work creatively and collaboratively building commitment for change
   People are the key. Engaged and motivated teams working creatively and collaboratively is one element. A second is active engagement with stakeholders;

5. Invest in developing individual and organisational capabilities
   Sustained advantage, coming from continued innovation and change will only come from investing in developing change savvy leaders and an Organisation with strong, dynamic capabilities. These capabilities need investment and leadership to develop and are best achieved alongside investments in specific business changes;

6. The IT leader is part of the top management team
   Having a Chief Information Officer (CIO) who is a full member of the top management is a crucial step. A big win comes from having IT issues considered from the very beginning of a major initiative, rather than being brought in when opportunities have been missed and the direction is set.
Perspectives on the Big Challenges

One approach to complexity is to explore a problem from a number of different perspectives. Each perspective provides useful insight and provokes ideas of potential actions to enable improvement. We don’t seek a ‘solution’ because there isn’t one. The ‘silver bullet’ does not exist.

Participants at the Roundtable provided a range of different perspectives on the challenges faced by the CIO, IT function and wider Organisation in the move to a new world.

Governance

There is a real challenge in getting just enough governance without a descent into bureaucracy. As hugely functional systems and infrastructure can be paid for on a monthly basis out of business department budgets, many arrangements for governance, originally based on major capital projects have not kept up.

Aspects of governance to be addressed include: objectives; risk; budgets; and resources both IT and business.

The role of the sponsor is of particular importance. Active leadership of change and benefits realisation is required rather than formal approval of the investment.

Shared Language and Mindset

A second perspective on these issues is the need for a shared language and mindset. The fact that ‘benefits arise when people do things differently’ is a good example. There needs to be a shared focus on value-driven business change not IT functionality. The current trend of using the language of ‘digital businesses’ might be an opportunity for a fresh start.

This shared language is often a crucial factor in having ‘a seat at the table’ and the CIO being involved early enough in major decisions.

Strategic Planning

Strategic planning and prioritisation is required to avoid fragmentation of systems and growing complexity. Handling the demand for continuous ‘quick fixes’ driven by different, powerful stakeholders is difficult. IT must avoid being seen as the ‘can’t do’ function, but the long-term consequences in terms of fragmented architecture and delayed strategic initiatives can be serious.

Strategic alignment of the IT investment portfolio is a key outcome. IT investments are planned and delivered in line with business priorities and as part of business change programmes.

Where to Start?

A series of small steps are required. Hopefully momentum can build over time as stronger foundations are established.
Tackling the Challenges - Practical Responses

We focused the Roundtable on specific challenges:

• Tackling Explore and Exploit. This is the ambidextrous Organisation and bimodal IT function: running and improving the Organisation today alongside innovating and creating an Organisation for tomorrow;
• Developing the next generation of leaders;
• Embedding a value-driven approach and mindset;
• Making the shift to rapid cycles of value delivery.

Participants in the Roundtable shared a range of practical responses they had made to these challenges. Many of these can be valuable in a wide range of organisations, but the CIO will need to judge their local context.

Rapid Response Unit

Set up a small, multi-disciplinary team from existing resources as a rapid response unit. The unit will tackle the demand for quick wins and protect major programmes from continued distractions.

Prioritisation Matrix

Use a simple matrix (for example cost / effort vs. benefit) to review the priority of new proposals. Always ask ‘what shall we stop doing?’ to allow a new initiative to progress.

Portfolio Perspective on Strategy

Use a portfolio model to help clarify priorities and assess the overall balance of investments. One option is to split investments by:

• Stabilisation;
• Innovation;
• Realisation.

Clarify ‘Why?’

Explore any initiative from the perspective of ‘why are we doing this?’ Ensure any answer is in business terms with a focus on benefits for stakeholders. In this way keep the focus on vision and clear business objectives.

Use a ‘benefits map’ to explore the drivers and objectives for an initiative, also to clarify what changes to the business will be required to achieve the benefits.

Other aspects of a benefits-driven approach are a valuable way to build a shared language.

Business Process

Use the language of business processes to help develop a shared language.
Establish a Business Process Working Group
Get a representative from each process area to be part of a working group to help sustain value realisation from an ERP system.

Value Drivers for Your Organisation
Be very clear what are the top level value drivers for your Organisation. For example it might be increasing speed to market or cutting headcount. Most Organisations will have three to five top level drivers.

Architecture on a Page
An agreed architecture vision (information; process; application; technology) provides a strong basis for prioritisation and balancing short vs. long-term demands. The idea of an ‘architecture on a page’ is one response.

Match People to Roles
You will need to resource innovation, continuous improvement and fixes. Recognise that different people naturally do their best work in specific areas and match them to different roles.

Find People Who Make Change Happen
There are often visionaries and people to do ‘stuff’. Don’t leave a gap in the crucial role of making change happen.

Communicate Successes and What You Do Well
Put much more effort into communication of what you do well. Have a communications officer. Help end users get more out of existing systems and services.
Next Generation Digital Business Leaders

The aims of the project included:

- Consider the implications for the skills and organisational competences required to deliver value from IT;
- Make recommendations for practical steps to develop the next generation of business savvy IT leaders and IT savvy business leaders.

Although the changes we are experiencing are bringing major new challenges and opportunities, many of the issues in terms of skills and organisational competences are much the same as we have faced over the last 20-30 years. Only now the prize for getting it right is even greater.

What this means is that (i) developing the next generation of business savvy IT leaders and IT savvy business leaders is more important than ever and (ii) we know a lot about the skills we need to develop.

Next Steps to Develop the Role of the CIO and Build the Digital Business Capability of the Organisation

A key step is to include a CIO as a full member of the top management team.

Five final points:

1. Encourage CIOs to go to lunch more. That’s to build relationships with business colleagues;
2. Focus on language. A shared focus on business value is a valuable starting point;
3. Take small steps, but start now;
4. Get in touch if you want to explore any of these ideas any further;
5. Get in touch if you have examples of good practices to share.

Dr. Colin Ashurst

May 2016
About Colin Ashurst

My working life has been a journey of learning how to help individuals and organisations succeed with innovation and change. My teaching, research and practice all align around this goal. I emphasise getting stuck in and learning by doing.

***

My Experience

The first stage of my career was qualifying as a Chartered Accountant (Ernst & Whinney). I then moved into IT consulting and management (Deloitte Haskins & Sells, Asda, Microsoft). After 25 years in this variety of roles I moved into higher education to teach and research.

Alongside my own teaching and research I’ve been Director of Learning and Teaching at both Durham University Business School and Newcastle University Business School. My aim has been to bring innovation to management education and leadership development to better prepare students for a complex world. My goal was to enable students to develop new perspectives and ‘know how’ so they can make a positive contribution in the workplace and the world.

Along the way, in addition to the ACA, I picked up an MBA, PhD and professional qualifications including CEng with the British Computer Society. I now value being a Fellow of the Royal Society of Arts (FRSA).

A New Phase of Work: Track-Layer

I’ve called my new web site track-layer, because the ‘track layer’ is someone who explores and tries out new ideas. That’s me. I’m working on a number of different strands....

At the core is working to help others take a strategic approach to a complex situation then planning and delivering a portfolio of change initiatives with the aim of creating value for stakeholders. This is strategy, innovation and change for the digital business: Digital Leadership.

My book Competing with IT tackles this area. I’m currently working to help individuals and organisations develop as digital leaders.

The principles and practices that underpin digital leadership apply in much broader settings to deliver change resulting in benefits for stakeholders. To avoid jargon I call this ‘making stuff happen’. Watch out for the first version of my new book Making Stuff Happen in Sept. 2016.

My time in higher education has given me valuable insights into how we can innovate to the advantage of students and organisations. I did a lot of learning by doing over the years. I’m exploring how we Reinvent Management Education and Leadership Development.

There is a massive opportunity for a fresh approach.

My diverse strands of work are really one. My goal is helping individuals and organisations develop capability in the principles and practices of creating change for the good.

Can I help you or your organisation?

colin.ashurst@gmail.com
www.track-layer.com
www.linkedin.com/in/tracklayer
Contact details

For more information on this report, please contact the Marketing department at Nigel Wright Recruitment:

**Nigel Wright Recruitment**
Lloyds Court
78 Grey Street
Newcastle upon Tyne
NE1 6AF

**T:** +44 (0)191 222 0770  
**E:** creative@nigelwright.com  
**W:** www.nigelwright.com