

Slade Partners Technology CIO Insights

THE MODERN INFORMATION CHIEF

Over the past six months, Slade Partners has embarked upon a mission to make contact with and get to know top Chief Information Officers through posing questions that would provoke opinionated discussion on the nature of their role. The search began in Australia but quickly spread overseas as the issues we have raised provoked increasingly animated debate.

As a result we've been exposed to the unique perspectives of some of the world's leading CIOs regarding how they are perceived both in progressive organisations and those in organisations less inclined to recognise the requirement for strategic thinkers to shape technology direction.

What began as a simple networking exercise has created a flood of discussion and debate. This discussion piece aggregates the opinions of more than 100 respondents, primarily CIOs but including some fascinating input from IT Managers, Business Directors and other high-level strategists that highlight a potential disconnect in how CIOs want to be engaged and how more traditional management still regards them.

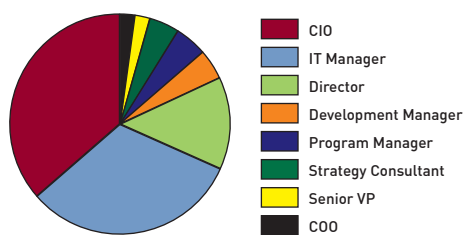
Certainly the modern CIO must be regarded as more than simply a glorified programmer, but to what degree should

they be afforded a seat at the boardroom table? What attributes make a great CIO and where should they report to best make use of these qualities? Perhaps most importantly: is your CIO fully engaged or do they resent being treated as a mere 'cost centre'?

We invite your input on these issues as we further our understanding of the changing landscape that is information technology in the modern business.

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Respondent Profile:



Key Responses:

Ideal CIO background:

- Mix of Management & IT: 78%
- Management only: 16%
- IT only: 7%

Regardless of background, an ideal CIO will have well developed managerial and business strategy skills

33% reported a lack of emotional intelligence in IT candidates

67% believe psychological testing is effective in identifying better candidates

17% believe they are better placed to identify top candidates from an interview with no testing required

CIO Reporting Lines:

- Report to CEO: 80%
- Report to Full Board: 12%
- Report to CFO: 8%

What we asked:

What is the ideal reporting structure for a CIO and why?

Would the 'perfect CIO' have a background in general management or Information Technology?

Can a CIO be effective with exclusively technology-based experience?

How important to you is psychological testing for employing direct reports in technology-based roles?

What are the challenges you have experienced in recruiting for technology-based roles?

The Evolution of the CIO

In March of 2009, just two short months into his tenure as President of the United States, Barack Obama appointed America's first ever official federal government CIO.

The appointment of Vivek Kundra, former CTO of the District of Columbia, with a budget that will exceed US\$71 billion serves as a timely reminder of the CIO's emergence from the server room to the board room. The highest profile CIO in the world reports directly to the President of the United States.

While Kundra may be held up as an example of the CIO as a valued strategist solely responsible for the development and implementation of President Obama's technology-based policies, other CIOs continue to battle the perception that they operate as a mere cost centre within their organisation.

Recent comments collected from more than 100 respondents on issues concerning CIOs clearly indicate that the modern Information Chief prefers to be viewed as the head of a 'profit centre' – a strategist with the ear of the CEO, if not a seat at the board room table. All respondents identifying themselves as CIOs or CTOs stated that they would not even consider a job offer that reported anywhere else.

Further to this, more than 90 per cent of respondents suggested that the ideal CIO does not necessarily come from a technology background, but is instead a seasoned manager and leader, acting as a bridge between IT and management.

A mere seven percent of respondents believed it was possible to be a 'perfect CIO' with an exclusively technical background.

Underpinning this shift in thinking is the perception that there is a dearth of emotional intelligence in existing technology staff. One third of respondents identified a lack of these basic management skills in their own team, making them unsuitable for promotion into strategic positions. It seems that the stereotyped 'IT geek' who needs a translator to speak to the board persists in spite of increased awareness and acceptance of technology in general.

In times of economic downturn, CFOs traditionally take charge, slashing budgets and halting projects that don't promise a guaranteed immediate return. Whilst a CEO constantly seeks new and expanded revenue streams, a CFO controls costs and is seen as less likely to champion a

potentially costly technology initiative. It should therefore come as no surprise that the modern CIO seeks to bypass the holder of the purse strings in favour of a seat at the strategic table.

Only 8% of respondents thought that the CIO should

report through the old financial lines. Interestingly, all of these respondents were themselves from non-technology backgrounds.

Our research into the evolving role of the CIO raises more questions than it answers. With every Technology Chief wanting to emulate the achievements of Kundra and other top strategic CIOs, their lack of business training and emotional intelligence is brought into sharp relief. A recruitment dilemma looms large: if you want a fully engaged CIO, you must offer them the opportunity to participate in top level decision making. Finding a CIO capable of contributing at this level, however, requires some new-age thinking.

Whereas the majority of respondents indicated a lack of managerial and strategic capacity in IT professionals generally, only

17 per cent thought they were well placed to identify suitable candidates from interviews. Clearly, identifying and attracting the best people requires specific expertise. More than two thirds of respondents expressed a desire to engage targeted psychometric testing to assist this process, but surprisingly less than a quarter currently do. The gap between established and acknowledged best practice in top level IT recruiting and current activity would seem to be astounding.

We intend to expand the scope of our research to include more CEO and CFO input to add different perspectives and better understand the reasons for this gulf. As we continue to add depth to this portrait of the modern CIO, the outline is already beginning to take shape: they no longer want to be seen as a technician; they demand engagement as a strategist and the ear of those in charge of policy direction. The question now appears to be: is your CIO up to the task and are you engaging them to their full potential?

Participants' Organisations Include:

Alcatel-Lucent
Australia Post
Bharti AXA Investment (India)
BKS Bank (Croatia)
Cisco Systems
Clark Rubber
e.Republic (USA)
Ericsson (USA)
The Fosters Group
Mazda Australia
The Phoenix Companies (USA)
Rio Tinto
Roy Morgan Research
SAP America (USA)
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