Become a Transformational CIO

Collaborate with the business to lead transformation and
leave behind a legacy of growth.

ANALYST PERSPECTIVE

Elevate your role and embrace the role of a business leader.

" *In a business environment that is changing more rapidly than ever before, businesses are increasingly relying on technology to create a competitive advantage. Business leaders are actively seeking innovative technological solutions to support their transformation agendas. CIOs can either take part in shaping the business transformations or take the risk of being relegated to back-office IT.*

A transformational CIO is a business leader who actively approaches business peers with opportunities for transformation, and who seeks to co-lead business change. In order to step into this role, the CIO has to build the capability to transform and elevate the stature of IT. "

Gopi Bheemavarapu,
Senior Manager, CIO Advisory
Info-Tech Research Group

Our understanding of the problem

This Research Is Designed For:

- ✓ CIOs
- ✓ CIOs who aspire to be CEOs
- ✓ Chief innovation officers

This Research Will Help You:

- ✓ Craft your brand as a business leader.
- ✓ Identify and capitalize on growth opportunities.
- ✓ Establish crucial business partnerships.
- ✓ Initiate business transformation.
- ✓ Navigate business transformations.

This Research Will Also Assist:

- ✓ Operationally-focused CIOs
- ✓ CTOs
- ✓ Heads of Enterprise Architecture
- ✓ IT leaders who aspire to be CIOs

This Research Will Help Them:

- ✓ Be involved in the strategic planning process for the business, not just for IT.
- ✓ Acquire an understanding of how to influence the direction of business transformations.

Executive summary

Situation

- Businesses and industries are changing faster than ever before following the lead of technology, particularly with the advent of "digital" (Karalee Close, Boston Consulting Group).
- The ability to successfully transform a business has become critical to achieving growth and long-term success (Faeste et al.).
- Technology is often the focus of business transformations (Harvard Red Hat Report, 2014).

Complication

- Fewer than 40% of transformations achieve the desired benefits (Isernet et al., McKinsey & Company).
- Many CIOs are still not perceived as strategic business partners and are only involved to help implement change (Harvard Red Hat Report, 2014).
- CIOs have traditionally not been well positioned to lead business transformations.

Resolution

- CIOs need to prove that they have the ability to think of the business first and technology second.
- CIOs need to create partnerships with business peers to identify opportunities for growth and co-create value.
- The IT organization needs to evolve to be able to plan for and implement business transformation.
- The CIO needs to instill a culture of customer centricity within the IT organization to align IT and business success.
- The CIO has to adopt a new leadership style: focus on developing the leaders of tomorrow and step away from operational activities.

### Info-Tech Insight

1. **Don't take an ad hoc approach to transformation.** Build the capability to identify opportunities, and plan for and implement change.

2. **You're not in it alone.** Build business partnerships and co-lead transformation.

3. **Your legacy matters.** Strive to create a competitive and empowering environment for your team and they will help you transform the organization.

Navigating a very different environment
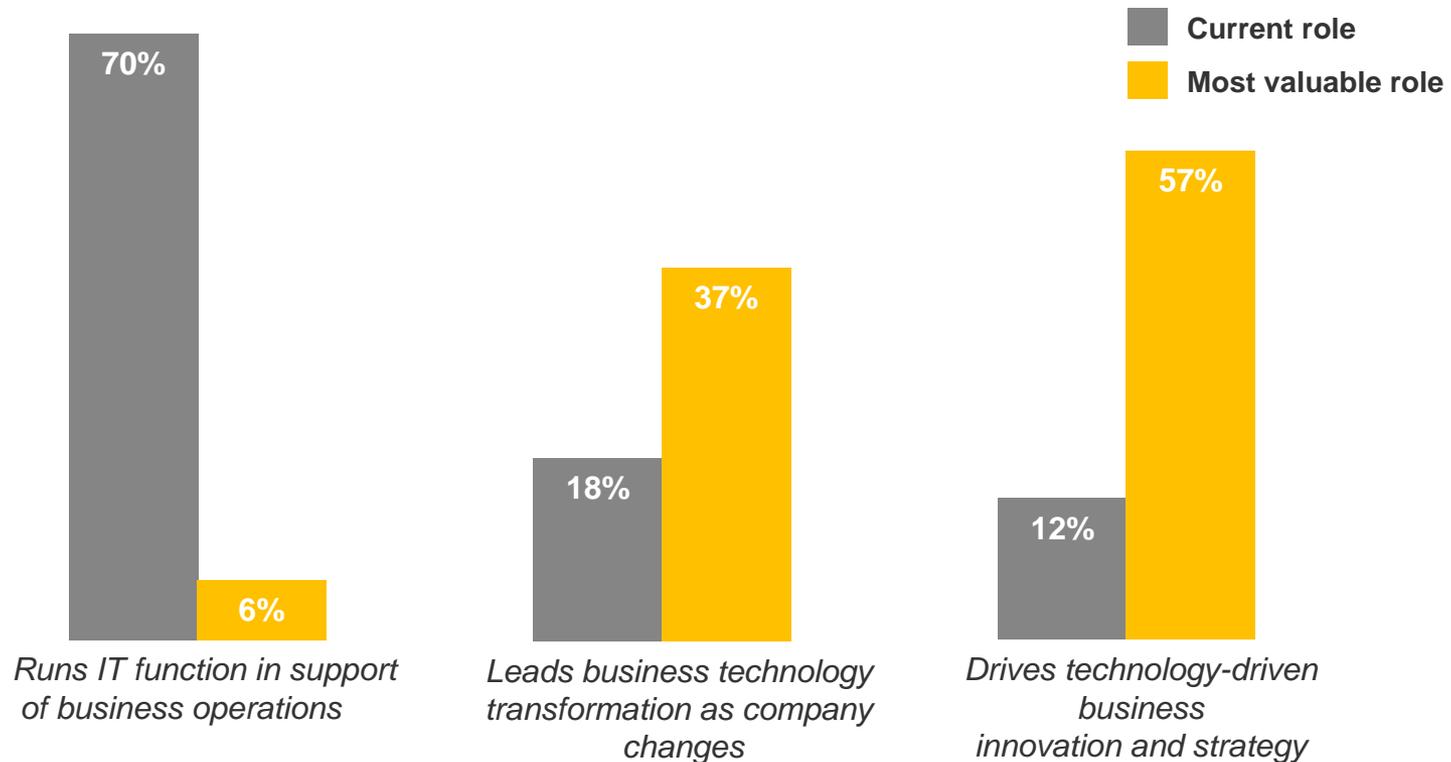
The new business landscape is governed by frequent change, and business cycles have sped up considerably.
Organizations need to adapt and react faster than before – that task gets even more complicated when one accounts for the rate of technology change.

New Business Cycles

Amplitude
New cycles have greater volatility

Old Business Cycles

Frequency
New cycles come faster
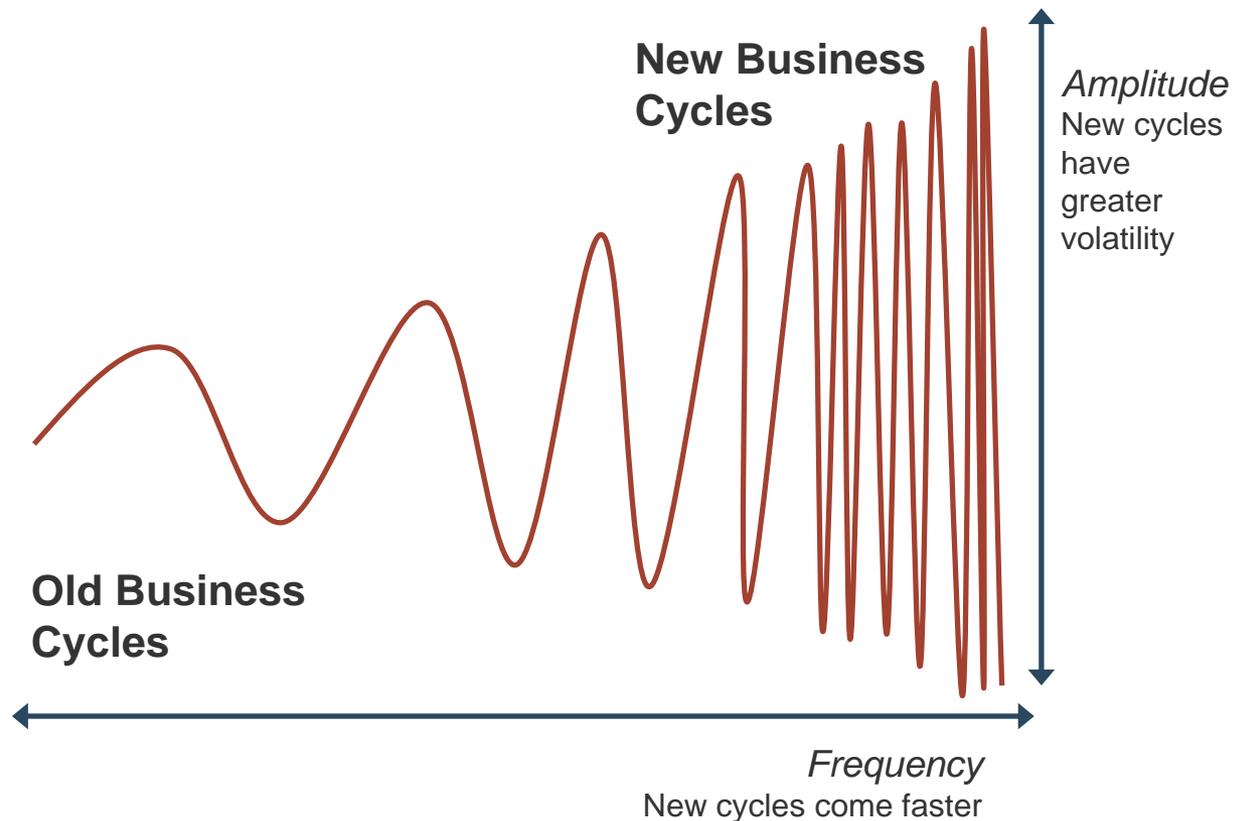
Business transformations are becoming more common, but the CIO rarely leads the effort

Key questions regarding the CIO as a leader of transformation:
Which of the following best represents the current role of your organization's CIO? Which of the following CIO roles would enable the most valuable and effective technology-driven business innovation in your organization in the future?

Legend:
- **Current role** (gray)
- **Most valuable role** (yellow)

Data:
- Runs IT function in support of business operations: Current role 70%, Most valuable role 6%
- Leads business technology transformation as company changes: Current role 18%, Most valuable role 37%
- Drives technology-driven business innovation and strategy: Current role 12%, Most valuable role 57%

Adapted from: Harvard Red Hat report

CIOs haven't historically been perceived as very effective in identifying opportunities for and driving business change

IT's Effectiveness in Enabling Business Objectives

Incremental Change

Business Transformation

	Share Knowledge	Deliver Productivity Gains	Track Customer Profitability	Create New Products	Enter New Markets
2011	77%	72%	67%	59%	57%
2012	78%	71%	71%	62%	57%
2013	71%	65%	62%	49%	37%

■ 2011 ■ 2012 ■ 2013
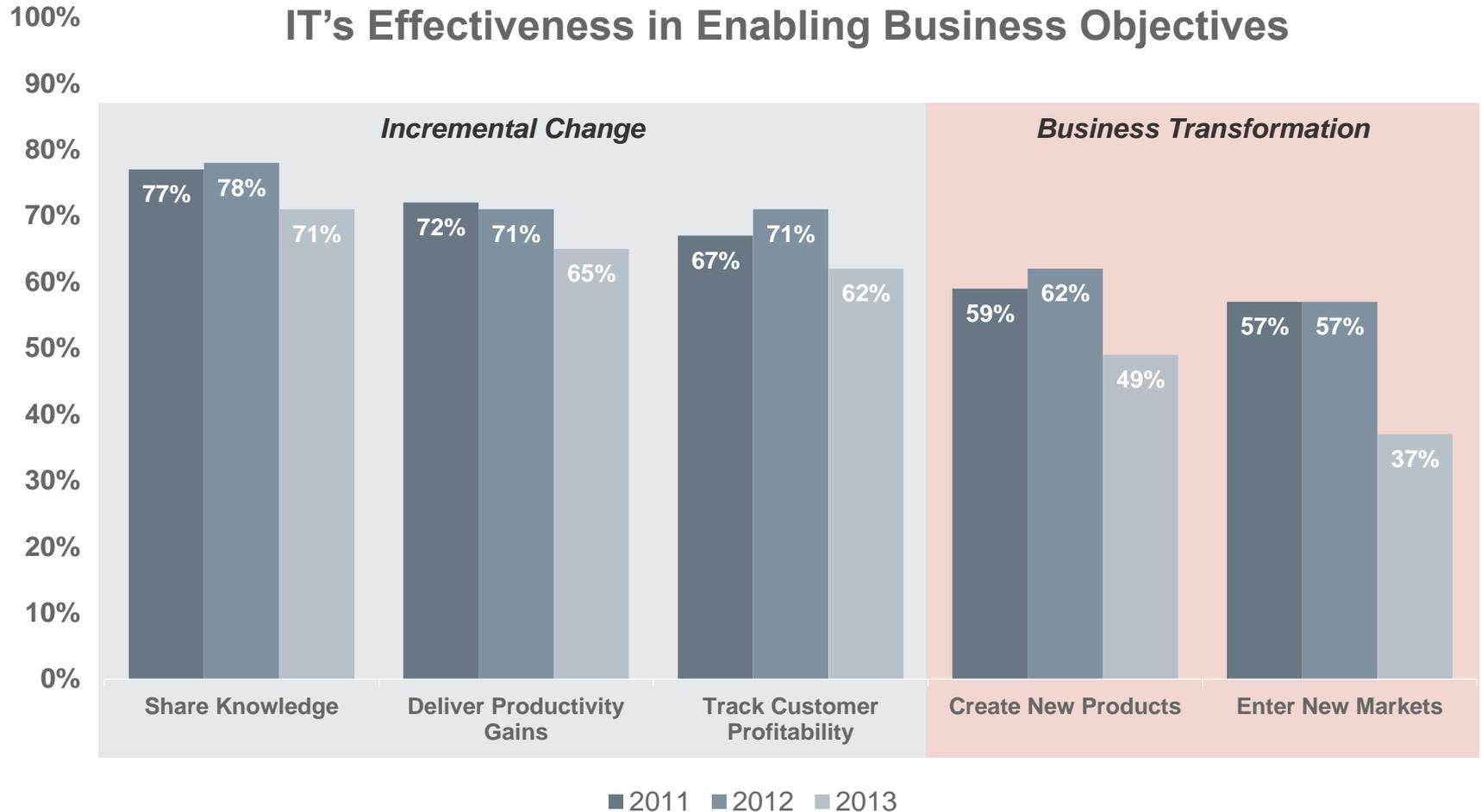
CIOs have a decision to make – get involved and evolve, or stagnate

This isn't just about the CIO's direct impact to the organization, it's also about the legacy that the CIO will leave behind.

If a CIO is willing to jump into the foray of business leadership and actively seek out opportunities to co-lead business transformation, they will be perceived as a business leader that helps drive the organization forward, as opposed to just a technology leader.

Future of IT

IT as a Business Transformer

IT as a Technologist

Value of the IT Function

IT as a Technologist

Value

Time

1990   2000   2010   2020
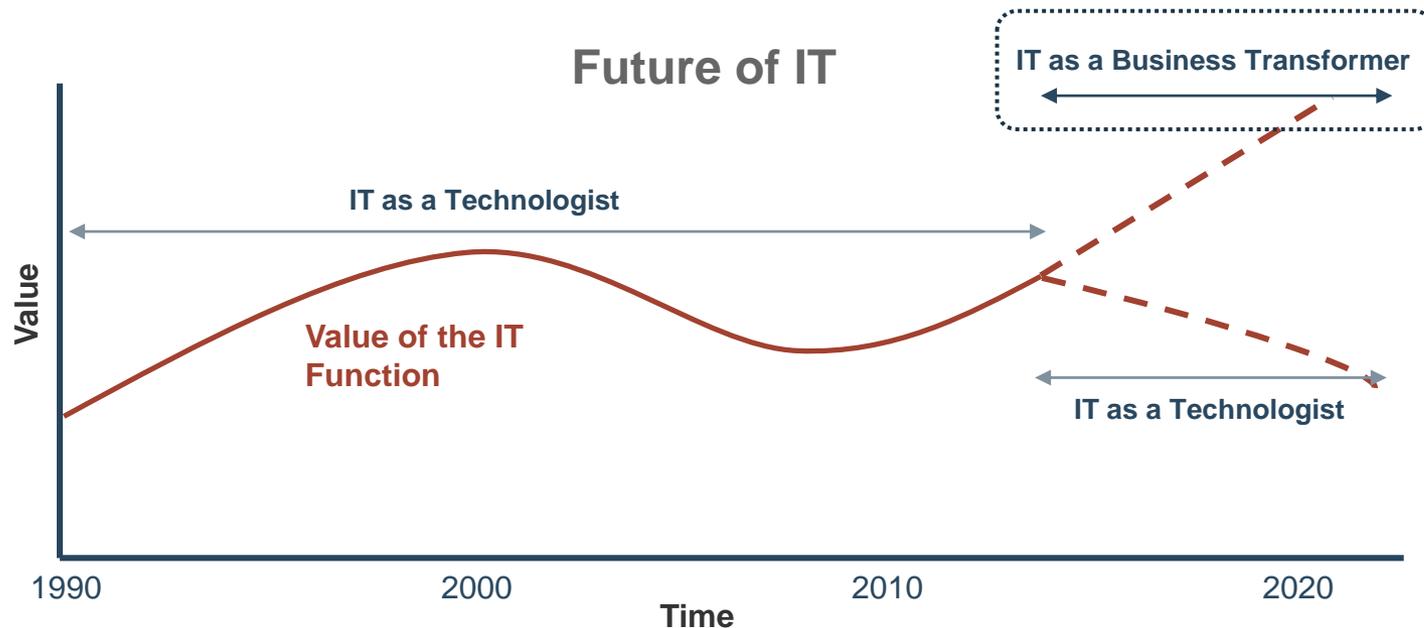
The CIO needs to take the opportunity and elevate the stature of IT as a business leader

" What role does IT play? Are they the ones that you call when the Internet is broken or you need to get a projector fixed or an application doesn't work? Or, are they the folks that you call when you're trying to figure out a new strategic initiative for the company as a whole and you want IT at the table? Or, is IT coming to you with different business objectives that actually are substantial and are not about technology? "

– Tim Crawford, DevOps (Are you a transformational CIO?)

Make way for the new CIO – the one who can initiate and co-lead business change

The profile of a CIO who helps the organization transform is one who can actively identify opportunities for transformation, team up with business peers to plan and initiate the transformation, work with organizational peers to drive lasting change, and set a precedent of continuously seeking new opportunities.
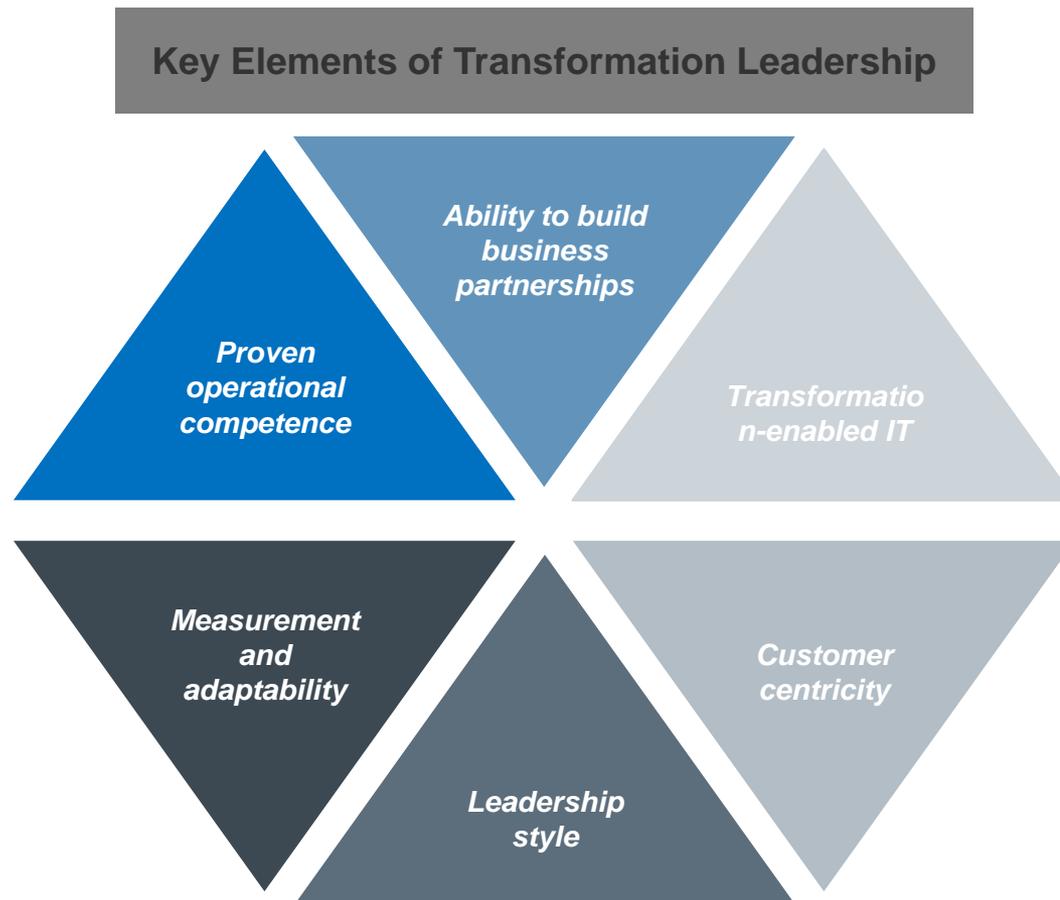
Innovator – Transforms
Reliable Technology **Innovation**

> " *A more strategic role involves the CIO teaming with peer executives to infuse technology-powered business objectives into early strategy discussions. As a key contributing player, a strategic CIO can introduce emerging technology opportunities to which only they may be privy. They can make recommendations, and perhaps suggest new business models, to the executive team.* "

– Dean Samuels, Alcatel-Lucent

Don't tackle transformation on an ad hoc basis – plan for it and build the capability to transform

A CIO's impact will only go as far as the IT organization can deliver on its promises, and if the CIO sits and waits for opportunities, very few will come. Establishing the capability to transform will provide the CIO with the confidence to commit to change and the ability to follow through.

Key Elements of Transformation Leadership

- Ability to build business partnerships
- Proven operational competence
- Transformation-enabled IT
- Measurement and adaptability
- Leadership style
- Customer centricity

Follow the journey of a transformational CIO

CASE STUDY

Industry *Education*
Source *Info-Tech Research Group*

Cincinnati Public Schools

CPS is a school board with 5,000 teachers and staff that is responsible for providing education to over 17,000 students. Historically, the IT department was considered a supporting branch of the organization, focused on providing tools to staff and teachers. Most projects were operational in nature and there was a constant tension on resources: staff benefit vs. student benefit.

Solution

The CIO, Sarah Trimble-Oliver, identified an opportunity to shift the mentality of IT, and in turn, other parts of the organization, to the end customer – students. She also actively sought staff and curriculum partners and created an environment that fosters innovation focused on providing better learning experiences for students.

Results

Students now benefit from an overhauled way of learning: 1-to-1 devices, distance learning, digital curriculum, and technology integrated in the classrooms. This has led to a higher rate of technology adoption across schools, better student experience, and increased competitiveness and ability to attract students.

Sarah Trimble-Oliver's Journey

Created a customer-centric vision

↓

Built business partnerships

↓

Established the capability to lead business change

↓

Adopted a leadership style focused on achieving the new vision

↓

Created a system for continuous improvement and innovation

Workshop overview

Schedule your workshop today. Email www.p-c-group.com to get started!

	Preparation	Workshop Day 1	Workshop Day 2	Workshop Day 3	Workshop Day 4
Activities	**Determine readiness to become a transformational CIO** **1.1** Select data collection techniques. **1.2** Conduct diagnostic programs. **1.3** Review results and define readiness.	**Build business partnerships** **2.1** Identify potential business partners. **2.2** Evaluate and prioritize list of potential partners. **2.3** Create a plan to establish the target partnerships.	**Establish IT's ability to transform** **3.1** Define transformation as a capability. **3.2** Assess the current and target transformation capability maturity. **3.3** Develop a roadmap to address gaps.	**Shift IT's focus to the customer** **4.1** Analyze value streams that impact the customer. **4.2** Map business capabilities to value streams.	**Transformation leadership and sustaining the capability** **5.1** Set the structure for the office of the CIO. **5.2** Assess current leadership skills and needs. **5.3** Spread a culture of self-discovery. **5.4** Maintain the transformation capability.
Deliverables	1. CIO Business Vision Diagnostic 2. CIO-CXO Alignment Program	1. Partnership strategy	1. Transformation capability assessment 2. Roadmap to developing the transformation capability	1. Value stream maps 2. Business capability map	1. OCIO structure document 2. Transformational leadership dashboard