



Research Report #15
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The "Quals" Of The Ideal CIO

In SCC's almost two decades of existence, our core team of personnel has worked with somewhere around a thousand CIOs. We have mentored CIOs, served as Interim CIOs, helped recruit new CIOs, and assessed the performance of hundreds of other CIOs.

This report is an attempt to distill what we have learned. It will explore four areas:

- The three roles of the IT function
- The three roles of the CIO
- The personal characteristics of the *ideal* CIO
- The professional characteristics of the *ideal* CIO

Much like the twelve parts of the Scout Law (Trustworthy, Loyal, etc.), virtually all employers have a list of adjectives to describe an *ideal* employee ... ambitious, energetic, creative, etc. A recent article listed twenty-five such adjectives with it being highly unlikely that there is anyone anywhere possessing all of them. The real issue is *balance* and *fit* with a specific employer's needs and culture.

Another recent article identified passion as the most important CIO attribute, going on to say "hire for passion; train for skill" - a rather indefensible statement when one considers the growing importance of the CIO role in many companies. We are not talking here about hiring a Cheerleader. Rather, we are talking about hiring a possibly mission critical executive whose ability to get things done in a successful and timely manner can significantly and swiftly impact an employer's bottom line.

THE THREE ROLES OF THE IT FUNCTION

There is no such thing as a *One-Size-Fits-All* ideal CIO. The styles of companies and their senior management staff vary hugely in their approach to the IT function.

The following is an over simplification but there seems to be three types of approach to the IT function:

FIRST - IT as strictly a support organization. The business vision/plan is simply "passed" to the IT organization and IT plays a 2nd tier "back office" role. IT's task is to bring efficiencies but not necessarily effectiveness to the business functions. This is the classic "old school" approach and leaves IT underutilized.

SECOND - IT as a change agent to improve business operations. In this approach, IT management must be familiar with all business processes. High impact technologies are used to improve cycle time and customer service market responsiveness. IT acts more like an internal consulting team. This is a transitional approach but a very important one.

THIRD - IT as an aid in creating business value or strategy. We see this when information is or can be an important part of the delivered product or can be used to enhance business opportunities. IT personnel understand the business and the industry and are included in business strategy meetings. This only works well when the underlying IT infrastructure (networks, up-time, daily operations, etc.) are stable.

In SCC's judgment, IT in most companies is operating between #1 and #2 when it should operating between

#2 an #3.

THE THREE ROLES OF THE CIO

Within the context of the above three approaches to the IT function, there are also three CIO role types.

FIRST - The individual effort role type where the CIO receives little or no direction from the next level up - the point of view stemming from the early days of computing when the "Data Processing Department" was tasked with substituting programming and equipment for high labor tasks, typically Payroll and Accounts Payable processing. Characteristics of this role type include:

- Very little consultation time up or down; very little mentoring. The CIO is not always clear that he is part of the team. Communication is sporadic. The Company's needs change rapidly so the official IT project list does not always reflect the current "hot issues."
- A perception by the CIO that "What I do is not important."
- Also a perception of not having enough dialogue with his boss.
- An "I'm on my own" feeling. No senior CIO expects to have his hand held but he does need at least bi-weekly one-on-ones for updates.

SECOND - The autonomous role type (but with some scheduled meetings with his superior). The characteristics of this role type include:

- The CIO is mentored on the business plans and his input valued. This environment exists when the IT department is accepted as a major contributor in the Company Operations Performance and Customer Service, not just a "support group".
- The CIO is expected to pro-actively push for change and use technology to support the company goals, which implies he must know the goals and be part of the Management Team developing them. No, he is not going to know what your next product should be but by being in the key meetings he will provide an IT perspective to them and he will hear the company's needs from a broadened perspective.

THIRD - The participating member role type where the CIO is a full member of senior management in all respects and activities. The characteristics of this role type include:

- The Company's survival depends on how well the IT department and the Information Systems perform.
- Frequently seen in industries where the delivery of service has as much value or more than the product being sold. Financial Services, Brokerage Services, Mail Order retail and Airline Reservation systems fall into this category. Real time is the essence of the marketplace.

Many more product industries are moving in this direction. As more products become commodities in the marketplace, highly responsive service and very swift reaction to trend analyses become key competitive differentiators.

- The CIO is expected to maintain a leading edge in technology innovation.
- The CIO's input has the same bearing on decisions as that of any other senior manager.

The best environment that SCC has seen in this writer's 30 years of IT experience is somewhere between #2

and #3. A key decision when hiring a CIO is deciding where a company fits in this CIO role spectrum.

THE PERSONAL CHARACTERISTICS OF THE IDEAL CIO

Once a company has decided upon its approach to IT (support organization or change agent or creator of business value) and the role it wants its CIO to play with regard to senior management (individual or autonomous or participant), then it should be ready to select a CIO.

The following are some of the key personal traits that we have seen:

○ **Intellect** - All of the successful CIOs that we have worked with have been quite bright with integrative minds and the ability to comfortably juggle many concurrent tasks.

○ **Balance** - While some CIOs have been "numbers oriented," others have been far more interested in concepts and impact. However, in virtually all cases, the successful CIOs have demonstrated a strong sense of *balance*, listening with care to both sides of issues and deciding on the appropriate actions with objectivity as contrasted to emotion.

○ **Self Confidence** - A few CIOs that we have encountered have been quiet and introspective but most have displayed a strong, lively self confidence (but not hubris), that draws others to their ideas and sense of direction.

○ **Simplicity** - GE's Jack Welch listed "3 S's" for business success: Speed, Simplicity, and Self Confidence.

Beyond the already mentioned Self Confidence, successful CIOs frequently exhibit a talent for achieving *simplicity* in the often quite complex world of Information Technology.

Where less successful CIOs devise never-before-seen organizational structures that few can comprehend and/or incredibly complex infra-structures with little hope of meaningful reliability, the more successful CIOs consistently demonstrate a strong tendency to see beyond the veil of details to "the heart of the matter."

THE PROFESSIONAL CHARACTERISTICS OF THE IDEAL CIO

Beyond the personal characteristics described above, there are several professional characteristics that seem to distinguish the more successful CIOs from their less successful colleagues. These include:

- having a broad understanding of the business and the ability to interpret (map) the Company's requirements to be able apply the IT resources
- having the competence to develop and maintain an organization and technical structure to support the functions of the Company

The CIO is part of senior management and is responsible for all aspects of Information Technology in the Company. He is the bridge between the goals and plans of the Company and the technical infrastructure required to support those plans. The CIO position is a balance of visionary leadership and management of IT resources. The truly successful CIO will be notably able to manage the numerous changes (cultural, procedural, organizational) inherent in the transition from traditional technology and procedures to user-driven technology.

The more successful CIOs will:

- Know the business as well as a line manager (continuous learning)
- Align the IT vision and Company vision
- Develop and "sell" a strategic IT plan firmly based on *Business Need*
- Stay abreast of emerging technologies and make prudent use when appropriate
- Be an effective manager of his company's IT expense and capital budgets.
- Establish and enforce effective policies and standards regarding applications development, hardware, software, networks, security, and information privacy
- Create and co-chair a company-wide Information Technology Council
- Establish and achieve annual IT plans and goals
- Attract, hire, train and retain a professional and competent IT staff
- Educate Senior Management regarding using IT for gaining competitive advantage.

In addition to all of these traits, the *ideal* CIO will be well educated with an advance degree from a "better" college or university, will have at least 5-6 years of successful management track-record, and be highly self-motivated with well above average verbal and written communication skills.

CONCLUDING OBSERVATIONS

I have had the privilege of knowing and often working closely with a hundred or so CIOs. One of the most successful was widely perceived as harsh and tyrannical. Another of the most successful has never been observed to raise his voice or utter a harsh word. A third remains one of the most widely liked individuals I have ever known. He has a disarmingly self-deprecating sense of humor that adds just the right touch of humanness to his extraordinarily successful CIO career. A fourth is scholarly and *remote* while a fifth is one of the friendliest, most gracious people I have ever met. Clearly, there is no standard mold for producing ideal CIOs. They come in all different shapes and sizes with widely different personalities. Intellect, energy, candor, ambition, and others already discussed, are commonly encountered but in widely varying proportions. As said earlier, balance and fit ... balance and fit.

This report was prepared by the Systems Consulting Consortium, Inc. (SCC) as a service to our past, present, and future clients. The two authors have extensive relevant experience. Mr. Spitze has served as the CIO for Xerox Data Systems, American President Lines, and other prominent private sector firms, and - as a consultant - as an Interim CIO for QANTAS, Tri Valley Growers, Lam Research, Tencor Instruments, and others. Mr. dePaschalis has served as the CIO for The Singer Company, Dayton-Hudson, Mervyn's, Levi Strauss, Shaklee, and NA Philips - Electronics/Semiconductors. Mr. Spitze has served SCC as its Managing Partner since 1988. Mr. dePaschalis has served as an SCC Senior Partner since 1992.

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