GOVERNANCE OF INFORMATION TECHNOLOGY (IT)

Chapter 8
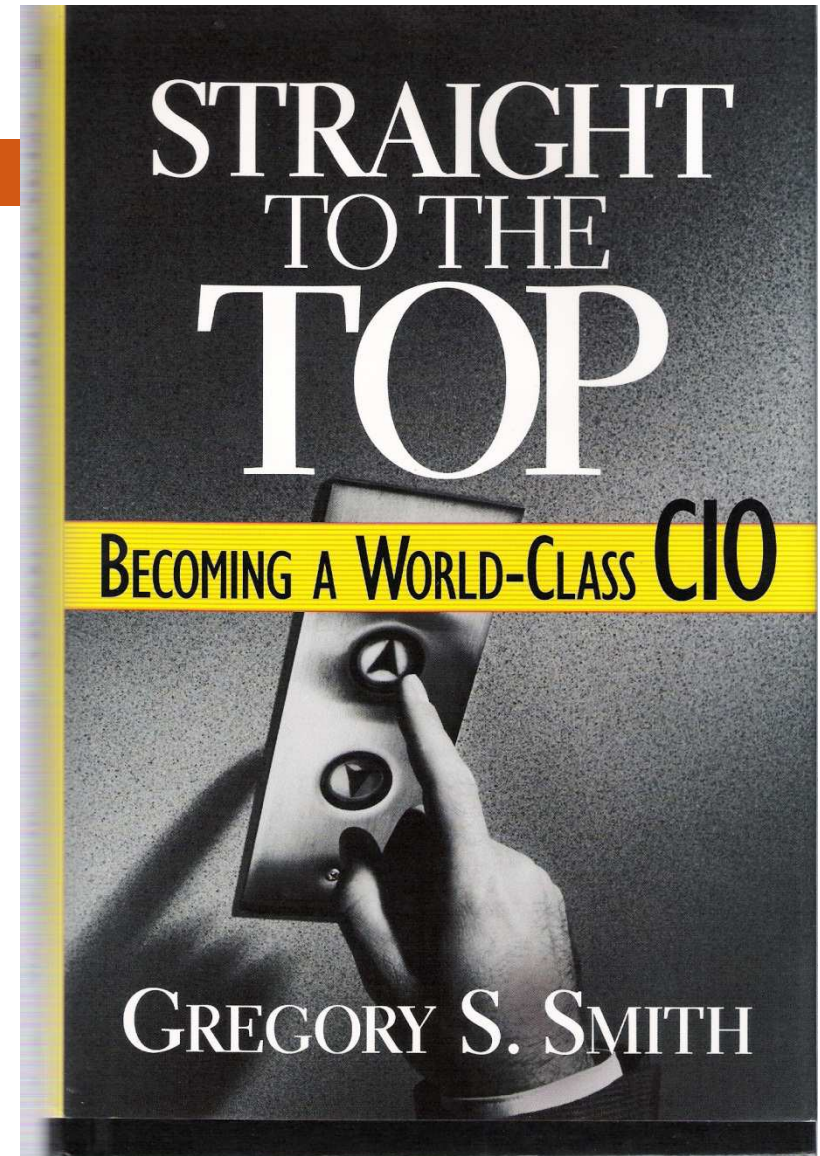
"A leader is a dealer in hope". Napoleon

Summary

Basic Reference

- G. S. Smith.
  Straight to the top, becoming a world-class CIO,
  2006,
  John Wiley &
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Basic Reference

- B. L. Shoop. *Launching your career: A practicioner's guide to Leadership*, 2008, IEEE-USA

IEEE-USA E-Books

Launching Your Career:
A Practitioner's Guide to Leadership

TO LEAD PEOPLE
WALK BESIDE THEM...

AS FOR THE BEST LEADERS,
THE PEOPLE DO NOT NOTICE
THEIR EXISTENCE.

THE NEXT BEST, THE PEOPLE
HONOR AND PRAISE.

THE NEXT, THE PEOPLE FEAR;

AND THE NEXT,
THE PEOPLE HATE...

WHEN THE BEST LEADER'S
WORK IS DONE,
THE PEOPLE SAY,
"WE DID IT OURSELVES!"
— LAO-TSU

Barry L. Shoop, Ph.D.
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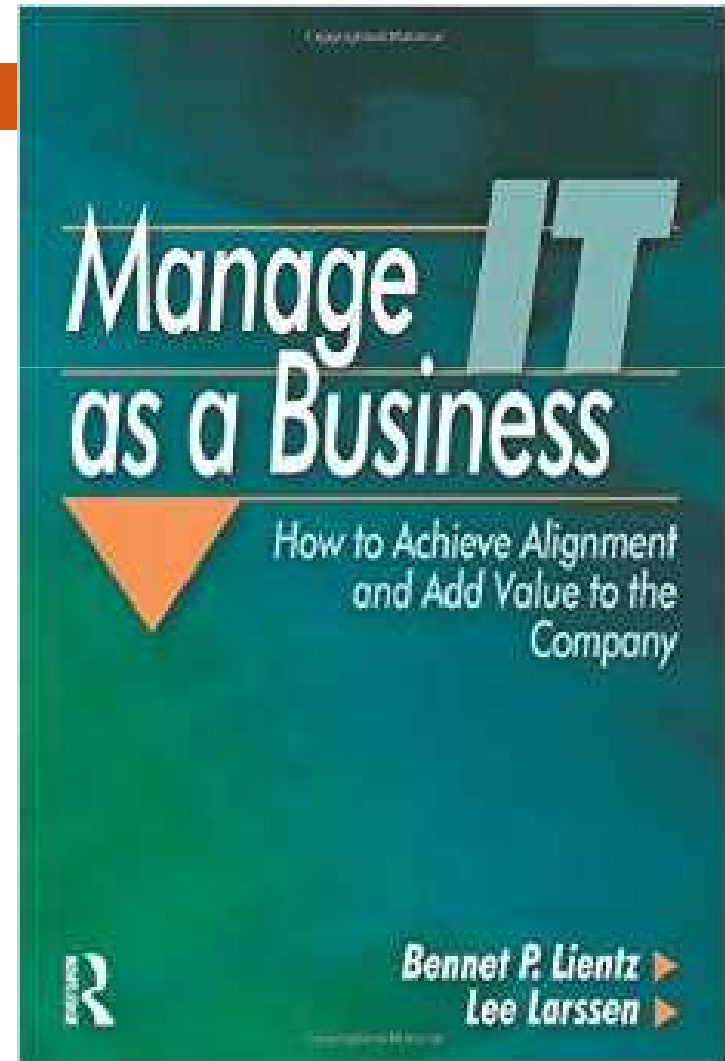# Basic Reference

- M. D. Harris, D. E. Herron & S. Iwanicki, "The Business Value of IT. Managing risks, optimizing performance and measuring results", CRC Press, 2008.

Basic Reference

- B.P. Lientz, L. Larsen, "Manage IT as a Business. How to achieve Alignment and Add Value to the Company", Elsevier, 2004.

8. CIO vs. CTO

- CIO (Chief Information Officer):
  - Governance of IT
  - Investments
  - Alignment of IT with business
  - It is responsible for "what" and "why" of IT
- CTO (Chief Technology Officer):
  - IT Management
  - Technical "right hand" which reports to the CIO
  - It supports the strategy and direction of the CIO
  - Responsible for infrastructure and architecture are safe, reliable and efficient
  - It takes care of the "how" of IT

8. CIO vs. CTO

- CIO (Chief Information Officer):
  - Means IT leadership, strategy and vision
  - His/her background is IT and consultancy
  - His/her work is less technical
  - His/her future is to be CEO
- CTO (Chief Technology Officer):
  - Means a technical executive
  - His/her background is IT
  - His/her work is technically
  - His/her future is being CIO

8. Recommendations for CIOs

- Have strong IT background but also strong in business
- Experience in consultancy
- Constantly learn about new technologies and processes
- Conduct sessions to share information with the rest of the staff
- Sponsor several projects to gain knowledge and leadership
- Attend demos and other information
- Read publications to gain perspective
- Knowing the critical systems and applications
- Investigate or innovate
- Having a network of contacts to improve

8. The business and key relationships

- The greatest difficulty lies in making the rest of the staff to think like the rest of the business

- The success of IT is much more than maintaining a datacenter, the staff must understand the business needs rather than trying to resolve them.

8. The effective CIO …

- Advise the business quickly
- Identify technological issues and risks
- Define plans, strategies and initiatives to meet business needs
- Prioritize initiatives
- Build an IT organization and its focus on good governance
- Govern IT budget and IT costs efficiently
- Use technology to make a positive change in organization, profit, productivity and other important goals for the company
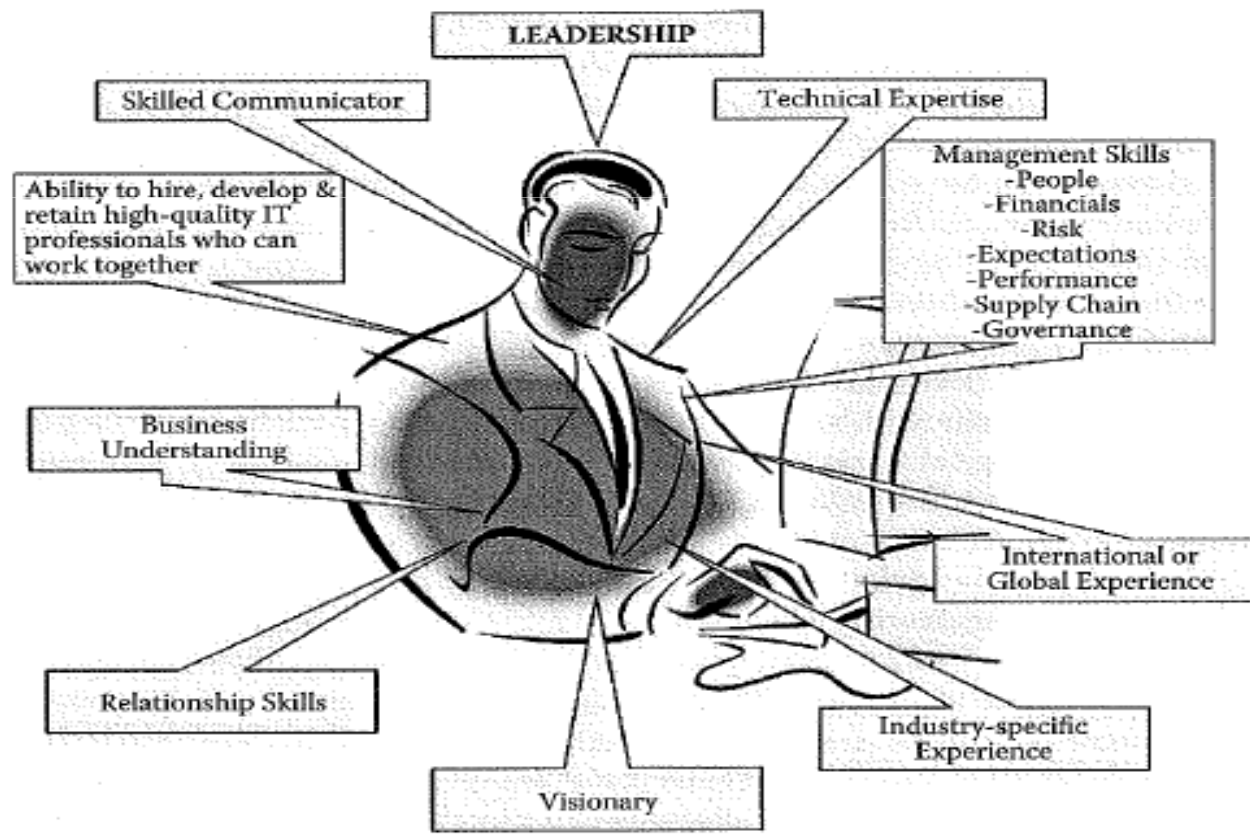
The ideal CIO

Figure 15.1 The ideal CIO.

8. Communication Skills

- Learn about the business through interaction with other company executives to increase the exposure of the IT organization and establish credible and beneficial relationships.
- IT explains its role to non-IT staff
- Work with other executives in strategic plans and initiatives to improve the organization
- Show business skills outside the IT knowledge
- Serve as co-sponsor in some projects with the business units

8. Communication Skills

- Another important challenge for a CIO is to prevent business executives have unrealistic expectations about what can or can not do with IT.

- IT "house" in order, symptoms of problems:
  - Late delivery of projects
  - Diffuse governance of IT
  - Poor organizational structure of IT staff
  - There is no strategic plan for IT
  - Important "disappeared" or inconsistent with the strategy projects
  - ...

8. Communication Skills

- Listen carefully to customers and users to ask the right questions and facilitate the flow of information to IT

- Educate customers and users in methodologies, processes, procedures, plans, project management, ...

- Communicate, communicate, communicate ... much and often, to manage the expectations of users and employees

- Be on the agenda of the CEO

8. CIO communications matrix

Board of Directors

Management Committee

CEO, COO

CFO

CIO

Vice Presidents, Business Units

Steering Committees

IT Staff

Directors

External Vendors & Outsourcers

Project Managers

Communication Types

Strategies, Planning, Projects, Priorities, Approvals, Standards, Procedures, Governance, SLAs, Direction, Key Wins, Relationship Management
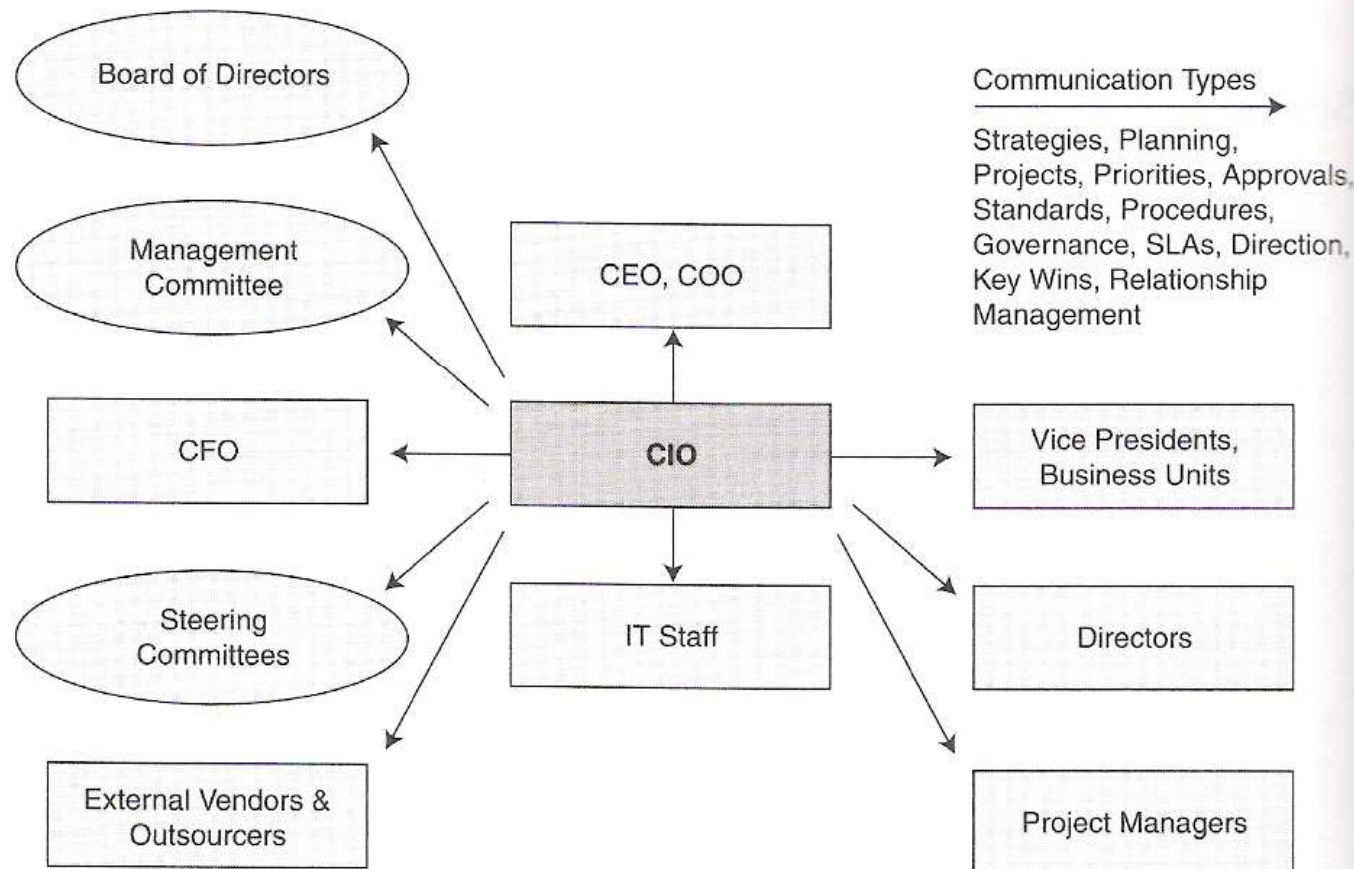
EXHIBIT 5.3   Communications Matrix—Upward, Lateral, Downward, and External Communication

8. Communication Skills

- In a survey of 106 companies that have a great reputation in IT, they identified the following benefits of having a good perception:
    - IT increases credibility
    - Accelerate alignment between business objectives and IT
    - Improved teamwork with no IT units
    - Promote more appropriate investments
    - CIO influence improvement in business

8. Communication Skills

- To change a negative perception:
  - Making co-owner (sponsors) of IT projects to the business units
  - Directing strategic planning sessions with business leaders
  - IT procedures have solid governance, PPP governance (projects, programs, Portfolios) and IT investments
  - Present IT successes executives, board, and all the company ...
  - Take account of the successes and failures in IT projects and lessons learned

8. The five common CIO errors

1. No listening
2. To think that the work is primarily technical for CIOs
3. No build relationships with stakeholders (customers, users, employees, shareholders, ...) and sponsors
4. Not communicate what is being done and why
5. Do not get involved with business units, in sponsorship and responsibility, in key initiatives

10 reasons to fire the CIO

1. Not understand the 80/20 rule
2. Not understand the applications in mobility, consumerization, etc.
3. Lack of leadership
4. Priorities are not aligned with the strategic direction
5. "My job is not to sell"
6. Not generating value from IT
7. No link with to the client, the user
8. "Cloudy" in the cloud
9. Lack of real-time analysis of the market
10. Lack of power of transformation

8. Leading the communication about technology in the organization

- "*When the communication between the strategic direction and technology leadership is not effective, the image the board has of the information systems is that they arrive always late, are expensive and not entirely competent, and very often ... something arrogant*" (AT Kearney)
- What can the CIO do?
  – Leading the Change

8. The role of CIO

1. Drive innovation and growth while controlling costs
2. Demonstrate the strategic value of IT
3. IT is governed effectively, efficiently and effectively
4. Developing the next generation of IT leaders
5. Manage the expectations of other CxO