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‘Office of the CIO’ an Outdated Term, but Transformational Concept Still Cutting Edge

By Andy Patrizio

More than a decade ago, IT leaders mapped out a new approach to departmental management that would clearly define IT roles and processes, incorporate consistent communications standards, and provide more accountability and control of technology initiatives. In essence, the concept called for a new IT org structure under the direction of the CIO that would eliminate project bottlenecks and create a path for more interaction with other C-level executives in an organization.

Today, the Office of the CIO (OCIO) structure is still alive and well in operational spirit, although the term itself may not be as viable as it was before the emergence of social, mobile and other digital disruptors. The role of the CIO is also shifting from technology facilitator to business solutions enabler, which means there are a lot more stakeholders and project partners in the mix. Given these changes, is the OCIO approach and term itself pretty much obsolete?

Simply put, an Office of the CIO structure is a team-oriented approach to IT management in which the CIO delegates specialized IT roles—essentially, the ideal IT org chart. An OCIO is born out of a desire for solid IT governance processes—a vision of repeatable IT processes, clear lines of project accountability and consistent communication of standards.

But, many do not see a real need or presence of formal Office of the CIO

structures, except maybe global Fortune 500 companies where the responsibilities of the CIO are almost like a line president. This means an office that has its own dedicated HR support, finance and procurement support, notes Shawn Banerji, a member of the Information Officers and FinTech Practices at Russell Reynolds Associates, an executive search and recruitment firm.

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— Twila Day, former CIO, current Managing Director, Alvarez & Marsal

The CIO job is now moving to social media, he argues, because firms are very concerned with what people are saying about them on social media, and the CIO has an opportunity to take ownership through social mobile apps, and a lot of older CIOs aren’t very good with the brave new world of mobility and social apps.

“The CIO is at an inflection point, where the CIO can move from being operational

owner of IT to contributing to real innovation,” he argues. “Even the really good CIO of a few years ago, their job was getting the trains to run on time and implement an ERP package. Now they are expected to contribute to all these emerging areas.”

Maintaining Digital Connections

Rather than rely on an executive committee or IT inner-circle of trusted advisors, CIOs are also working more closely with CMOs and even CDOs because of the increased reliance and impact of social on the business environment.

CIOs are now looking at how they structure and organize themselves within the organization, such as how they work with the office of the CMO. They are getting closer to business not just through having a business liaison with the different units within a company, but are more directly aligned with sales and marketing and business units, said Shahryar Shaghaghi, a partner with Kurt Salmon, a global management consulting firm. While he admits an understanding of information technology is necessary, CIOs today are increasingly valued more for their expertise in the products and services that are driven by technology enablement, as well as their knowledge of customers and clients.

“If the CIO is not involved in the business, the business is screwed. If IT is simply managing boxes, then you don’t need a CIO,” adds Banerji.

Banerji said much of his firm's executive recruiting efforts these days is to find CIOs who can do more than just keep the data center running. "The market is booming because organizations have very high expectation for what technology can do and if the CIO doesn't demonstrate their ability to create a value add, they will replace that person," he said.

Twila Day, former CIO for Sysco Corp. and now a managing director at the global professional services firm Alvarez & Marsal, thinks the term "Office of the CIO" is more of a buzzword, but the underlying concept is essentially sound: CIOs must be involved and be a relevant part of the business if they are to survive.

"CIOs can be less relevant if they are not structured properly," she said. "The original philosophy that every single tech decision has to be funneled thru the CIO is ineffective and seen as very burdensome and as someone throwing gridlock and

saying no. It's more effective to understand business needs and how to meet them."

Whatever structure you have, the structure is not the most important, she added. "In the end it's about the procedures and governance you need to manage the technology. You can put any structure in place, but if you don't have the right procedures and governance, you won't be effective, and that's where the potential to be seen as a bureaucracy layer comes in where you are seen as a hindrance," said Day.

Tactics over Transformation

Of course, it's tough to be collaborate closely with business or manage a team of OCIO advisors if all of your efforts are presently focused on tactical demands.

"A CIO today is still very tactical," notes Glenn Willis, founder, chairman and CEO of CDM Media, a B2B marketing and media firm. "It all gets back to the business you are dealing with. The more sophisticat-

ed communications and financial services firms have made a step into that world. But if you looked at a transportation or clothing manufacturer, the maturity [of that market] and legacy systems are not demanding a CIO to be hugely transformational."

Ultimately, the CIO must be a business partner with the other C-level execs while subordinates worry about the mundane tasks like keeping the servers running and making sure BYOD devices meet government regulatory compliance, said Willis.

"For me, I think CIOs with a prolific career ahead of them will be working heavily with line of business and working to have incubator sessions thinking of 36-48-60 month plans of where the customer is heading," he points out. "The closer they will be to true innovation sectors, the better it will be for them in the long run."

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