

THE NEW ROLE OF THE CIO

OPPORTUNITIES FOR DISRUPTIVE TRANSFORMATION

Technology is rapidly evolving, increasingly transforming industries. It is shaping every aspect of the business, with digital transformation initiatives escalating as a corporate priority. Resultantly, CIO's need to constantly acclimate to the changing landscape, adapting their personal and professional skills to meet the demands from the new business environment. The pace at which digital transformation is impacting businesses has positioned many of them in a more strategic role – contributing to business strategy while driving leadership and innovation.

Such expansion of responsibilities has been embraced by some CIOs, creating vast opportunities to solve enterprise-level problems, create business value and deliver competitive advantages. However, this evolving role also brings with it a myriad of challenges. CIOs must therefore evolve, seize opportunities, and overcome challenges, to enable their organizations to succeed.

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INTRODUCTION

In this new era of digital disruption, CIO's need to start thinking radically and out-of-the-box to fundamentally support business transformation. This requires a shift from the traditional mechanism, where technology was the main precursor and driver of change. Today's technology has opened opportunities to enable change. However, the way in which companies embrace change is critical to success.

Digital transformation is changing all aspects of business, from supply chain management to the relationship between customers and the firm. It comes as little surprise that the CIO's role has evolved, now tasked with a new portfolio of capabilities in addition to previous responsibilities. In today's competitive environment it is important for CIOs to transform, being not only experts in IT but working closely with the business teams to drive strategy and innovation. Those who are unable to adapt to the new range of duties required by the firm may find themselves irrelevant in the new dynamic environment.



It's a lot easier for CIO's who work at companies that are disruptive (Amazon, Uber, etc.) because they embrace customer experiences and the technologies that support that strategy since they recognize that customers are demanding new experiences and willing to pay more for it. For the companies that don't fall into this category, that is, companies that were established before the digital revolution - there are definite challenges and opportunities.

The shift for CIO's is to work with their business counterparts and leadership to reach a consensus on the go-forward strategy and approach. Unlike the standard IT bi-modal approach, they need business leadership to be actively engaged and take ownership of the initiatives.

The New Role of the CIO – Opportunities for Disruptive Transformation

Unless there is a burning platform that is supported by the C-Suite, driving that change is a challenge. We have seen the likes of Wal-Mart recognize they need to adjust their business model based on the disruption by Amazon. This adjustment to reach out to the customer by enabling the accessibility of stores with eCommerce and supply chain adjustments to provide new and exciting ways for customers to shop. Is there more opportunity to change? Absolutely. This is a journey. This is a mindset change for CIO's; but change is essential and risk-taking should be the new normal in this era of digital disruption to enable the companies to remain competitive.

THE EVOLUTION OF THE CIO

CIOs need to think differently. The world around us is changing. The culture is changing. The customer expectations are changing. They have to engage with the business in a different way. They must shift from running the IT organization to playing a more business centric role and partnering with the executive leadership to focus on delivering to the firm's goals and objectives.

In the past as in present, we can see that CIO's have been at the helm, leading firms to make the best technological decisions with the budget that they have been allocated. The responsibility of identifying the best-fit for a company's IT infrastructure has never been a small task, as it relates to the efficacy of the business and in some cases its competitive advantage. In modern times, the role has evolved to become more important, as companies navigate managing their data in a landscape filled with choice. The key difference between past and contemporary CIOs can be summarized as follows. CIO's of the present day have an increasingly prominent role within the company and must recognize that their job is no longer to solely provide IT solutions for the business, but to also lead teams to achieve the firm's vision. CIOs should be thought of now as business leaders, and agents of change. These individuals are not only required to be experts in their field but are mandated to inspire their employees through transformational leadership.

The major shift for the CIO in recent years is resultant of digital disruption. The movement has single handedly transformed jobs, processes and markets across the world, forcing the re-evaluation of the CIO position. To cope with rapid advancement, the effective CIO has had to immediately refocus their means of operation to suit new corporate priorities.

Currently, we are privy to view revamps in entire supply chain systems, inventory management and customer relationship management systems among leading firms. However, large corporations are not the only ones that see the benefit of the switch, with subject matter experts making their own adjustments where possible to keep abreast with the leaders of industry. We can observe that CIO's must now become familiar with using big data and analytics to predict future trends, in addition to continuously looking toward the future for potential applications of other technologies such as machine learning and artificial intelligence. The job scope has broadened, highlighting that the effective leader is one who adapts their

The New Role of the CIO – Opportunities for Disruptive Transformation

personal and professional skills to meeting the demands of a competitive environment. The need for this new thought leadership is integral to mounting successful campaigns. The new role of the CIO places them in the prime position to be the champion for innovative and creative initiatives.

The successful CIO is one who can encourage others to embrace, engage and implement new processes and technologies in dynamic environments.

It should not be understated that the new CIO remains responsible for ensuring that existing IT departments deliver on prior commitments. While seemingly obvious, the effective CIO will be expected to take on the portfolio of traditional Chief Digital Officers, who prior to this evolution sought to convert “analog” firms into digital ones. With the CIO’s new portfolio encompassing this, firms moving forward must be certain that their candidate is capable of handling a broader scope of work, whilst motivating and managing strategic and transformation changes.

CHALLENGES ENCOUNTERED BY CIOs AS THEY ASSUME THIS NEW ROLE

CIO’s at disruptive companies, such as Amazon and Uber, experience less resistance to change due to their tendency to embrace both the experiences of the customer and the technology that facilitates it. Enterprises that are keen on recognizing these traits in their target demographic have carved a competitive edge for themselves, ensuring that the needs of the clients are met. Companies established prior to the digital revolution may often be blindsided and afraid of this paradigm shift, leading to lost opportunities and threats to their viability as a going concern.

The primary challenge for CIOs, is placing a greater focus on being effective business leaders and communicators. It is expected that CIOs utilize clear and inspirational communication pivoting employees toward embracing new technology and processes. Unlike the standard IT bi-modal approach, leaders must now be engaged with the process, taking ownership of the initiatives and convincing others to follow. This can be problematic for a few reasons.

Chiefly, CIOs in the past solely needed to be experts in the field of IT giving strong advice designed to move the company forward. The problem that has arisen however is that the job scope has expanded to include leadership, which is a quality that some persons may lack. CIOs who are unable to inspire their staff or adapt the leadership skills required for the position can find themselves irrelevant to the company’s strategic vision.

Another challenge faced by persons in this domain lies with confronting the innate human resistance to change. Employees may have fears about technology replacing their jobs, believing that their positions

The New Role of the CIO – Opportunities for Disruptive Transformation

will become redundant if the change is embraced. It has now become an additional duty of the CIO to dispel these thoughts and push the company's vision.

As part of this transition into new and rapidly changing environment, the CIO needs to think out-of-the-box. The traditional waterfall model for initiatives to support business operational improvements leads to longer delivery models and larger initiatives and is not a viable model moving forward. The go-forward model needs to be agile, with sprints of a 2-3 week duration for delivery and accommodating adjustments based on outcomes.

One difficult question the CIO must ask and answer is:

“What is or should be the core competency of the organization? Delivery of products and services or should it be IT?”

Structurally speaking, by leveraging a SaaS or PaaS operating model, it allows the IT organization to be nimble and adapt to the changing business requirements. And with the newer technologies for AI, RPA, ML, etc. the landscape of related products and services is getting rather cloudy making it very difficult for someone to make the related choices to support the business roadmap.

With rapidly changing technologies are we better off leveraging outside experts/advisors to establish the roadmap based on the initiatives to support the business goals and objectives and the governance/oversight over the program. Additionally, the selected Systems Integrator will responsible for ensuring that the right skilled persons and software are assigned based on the contract working closely with the internal center of excellence. In terms of IT delivery models, it remains pertinent that CIOs weigh the pro and cons with regard to insourcing, outsourcing or taking a hybrid stance to IT.

Finally, with Innovation and digital transformation taking center-stage, technologies like cloud and IoT are increasing the attack surface of an organization's digital assets. It is the responsibility of the CIO to work with the company's executive leadership team to establish the structure to implement measures to mitigate cyber related risks and minimize exposure and ensure compliance of more recent stringent government regulations such as GDPR, PII, HIPPA, ITAR, etc. that are be applicable to that specific industry.

THE OPPORTUNITIES FOR CIOs IN THIS NEW ROLE

The changing role of the CIO brings with it a new scope of responsibilities that will shape the structure of the firm moving forward. In the past, CIOs solely required knowledge of technology to be effective in their roles. However, the job has changed, focusing on building new digital platforms that improve engagement with clients, while also ensuring that employees have the same strategic vision.

The New Role of the CIO – Opportunities for Disruptive Transformation

The opportunity for the CIO is that they are able to become strategic thinkers entrenched in the process of change. While the technological know-how remains important, candidates will need to be change managers, capable of convincing employees of the way forward. Additionally, the future of the CIO will see them contributing heavily toward the corporate strategy of the firm, tasked with foreseeing trends in technology that can give the firm an advantage in future. This skill intertwines itself in a familiar manner with traditional skills, such as ensuring that proper vendors are secured and that the technology that it is purchased works as intended.

Prudent corporate giants such as Wal-Mart have adapted their approach to brick and mortar offerings, noting the success of Amazon's item-item collaborative filtering. This innovation has fundamentally changed eCommerce, creating the new norm for purchasing goods online. This is evidenced among a multitude of other platforms, with retailers such as H&M, Target and AliExpress creating their own versions of item to item. The path that lies ahead for CIOs is daunting and uncertain, with technological change being inevitable and somewhat unpredictable. The successful CIO though, will be the one who confronts any digital disruption head on, while also finding methods motivate staff across the enterprise to achieve the company's objectives.

The new role of the CIO is deeply embedded with customer satisfaction. In an age where information is readily available to anyone with access to the internet, it is clear that the CIO, along with their peers, have responsibility in ensuring that customer service management surpasses client expectations with the intent of attracting new clientele and improving customer retention.

CONCLUSION

The evolution of the CIO is an important discussion that will impact the future of modern enterprise. Over the years, we have seen digital disruption occur to degrees previously unfathomable, redefining entire industries and making others obsolete. With this in mind, the role of the CIO has become remarkably more important, with their contributions spanning not only technical expertise, but additionally the ability to lead change management

This is an exciting period for CIOs, as the opportunity for growth lays dormant around each corner. Despite the air of excitement, individuals who are unable to acclimatize to the new weather conditions will find themselves, much like the floppy disk- irrelevant, shelved and forgotten.

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