

THE METAMORPHOSIS OF THE CIO

Tell me what your business wants and we will find a technology innovation.' As implausible as it may have sounded a few years ago, this really is the top priority of the modern CIO. The writing on the wall is clear – active CIO involvement in business is the only way to prepare enterprises for the future.



Profound transformations don't happen overnight. Just ask a Chief Information Officer (CIO) of any global enterprise who's been in the position for about a decade. I choose 10 years because that's roughly the amount of time we've witnessed it takes for a complete metamorphosis of the CIO's role in digitally directed enterprises.

Today, large enterprises spend, on an average, a quarter of their marketing budget on the digital medium. This amount is expected to increase to 75 percent in the next five years. As such, CIOs are more than simply

technology-minded executives who 'keep the lights on' and oversee large enterprise resource planning (ERP) projects. The most progressive global enterprises now know that the CIO is perhaps the most important C-suite executive, other than the CEO himself. That's a bold statement, to say the least. So you're probably thinking to yourself: Just what is the job description of this modern CIO? Should he have business skills or technology skills? Should he be internally focused or externally focused?



Becoming a transformative CIO is not about being perfect. It is about achieving business outcomes. To be successful with innovation in mind, one has to be what I refer to as 'DATE' — Different, Agile, Tolerant, and Enthusiastic.

The modern CIO

Today, the marketplace has begun to change, and with it, some forward-looking enterprises too. CIOs of these enterprises have moved closer to their enterprise strategy to drive efficiencies in an effective and structured manner. Some of those CIOs have understood the importance of being customer-focused and have started assisting businesses with technology innovations. For instance, refer to the four quadrants below that I use to illustrate the transformative role of today's CIO. There is no quantum leap from quadrant to quadrant. The CIO must still thrive in the lower left-hand quadrant. From there, he can use his skills to influence both the upper left-hand and lower right-hand quadrants. These are the two quadrants that contain elements that a CEO notices when improved or changed for the better, and that ensures the CIO's movement to the upper right-hand quadrant. It is in this quadrant that he should be collaborating with the CMO and setting strategy alongside the CFO.

on a traditional IT exercise that involved running a tender process, selecting the packages, and setting up the infrastructure. Everything took more than a year, yet he was not close to delivering the program. The other CIO took an innovative approach. Because he understood the need to deliver business value, he stitched a portfolio of cloud-based solutions and delivered the program in 12 weeks. The cloud-based solutions costed the company US\$5 million. But since he was up and running in three months, his company posted a revenue of US\$2 million a month from the online platform. That is US\$18 million in revenue in the nine months in which the first CIO was attempting to set up his own infrastructure. Although the first CIO thought he saved his company money, his efforts essentially cost the company US\$13 million in wasted time-to-market, assuming (generously) that he was online within 12 months instead of his competitor's three months.

<p>Business skills Internally focused</p> <p>Driving productivity improvements Driving cost reductions</p>	<p>Business skills Customer focused</p> <p>Driving business innovations Driving business transformation</p>
<p>Technology skills Internally focused</p> <p>Keep systems running</p>	<p>Technology skills Customer focused</p> <p>Assisting business with technology innovations Delivering large scale programs</p>

“Tell me what your business wants and we will find a technology innovation.” If a CIO uttered this sentence a decade ago, eyes might have rolled at board meetings. But today, with social media, mobile, analytics, and the cloud driving corporate strategy, the most effective CIOs are pushing strategy, rather than being pulled along by it. This shift within the C-suite is not as seamless as it sounds. It calls for un-learning some of the basics, adapting to the new environment, and innovating with speed.

I would like to share the story of two CIOs who were attempting to implement an e-commerce platform. The first CIO embarked

The paramount role of the CIO

An industry that demonstrates that some CIOs are firmly at the helm of strategy formulation, is retail. I know of a leading apparel company that tests its new designs, not in the physical world, but, online. Based on consumer responses, the company decides what will be in its product launch and plans its supply chain accordingly. Then there's a consumer packaged goods company that is focusing on changing its business model and selling products online, directly to consumers. This way, it is competing head-on with its physical distribution channel and online retailers. Yet



another company analyzes its sponsorship deals and systematically mashes multiple sources of data to determine marketing investments for the future.

CIOs have the power to transform once-moribund enterprises into nimble, digital-savvy ones. The paramount role of the modern CIO – as part of the C-suite executives in an enterprise, while they formulate strategy – is that of the security chief. Take an informal survey – scan white papers, press releases, and company communications, and you'll find that very few address online security breaches because it's the issue most enterprises wish would go away. But hackers appear to stay one step ahead of enterprises – even those companies with the most technology-heavy budgets. It's up to CIOs to assert their expertise in this area and demonstrate just how much money they could be saving their companies by checking cybercrime and fraud.

On January 8, 2016, for example, Time Warner Cable, one of the world's largest media and entertainment companies, discovered that approximately 320,000 of its customers might have had their e-mails and passwords stolen. What was even more troubling was that Time Warner Cable was unable to explain how the company was hacked. Whatever way the company spun it, it remained a major embarrassment and was another validation to allocate whatever a CIO needs to make an enterprise and its consumers secure from cybercriminals.

An expert says that the CIO could be the only barrier between the enterprise and powerful hackers. CEOs and CIOs alike are learning the hard way that their security measures might not be as robust as they think they are. Ask yourself: What is the value of all your company's sensitive information? Is it R&D? Is it analyses of the markets and its major competitors? Think of the consequences if all this data were stolen by hackers and sold to the highest black-market bidder. Analysts

rightly hold that CEOs should stop viewing risk management as merely an IT problem. When their CIOs suggest novel security measures that overshoot budget, the CEO should cut funding elsewhere and redirect it to security.

Changing dynamics between the modern CIO and senior leadership

So what exactly should the CIO be focusing on at the moment? First, be sure to get the basics in place. By that I mean beyond ensuring that systems are running and all hygiene requirements are met. Have strategic conversations aimed at setting up an enterprise for the future. An enterprise needs experts with the right skills who can ensure that the team has a good appreciation of the mix of business and technology. In addition, strategic conversations drive a clear meritocratic enterprise. The best people for the job will rise to the top in no time.

Secondly, collaborate, collaborate, and collaborate.

It is imperative that CEOs and CFOs treat the CIO as a full-fledged creator and implementer of the enterprise-wide strategy. And for CMOs, the imperative is even more vital – they should be working in tandem with CIOs because marketing is a function that lives and dies by the hand of IT. A collaborative effort of

CMO and CIO will propel enterprises forward in ways that boards of directors never even dreamed of a decade ago.

For most of the 100 years that General Motors has been making automobiles, its marketing efforts tended to showcase technology in the context of overall options available in new models. Information technology tended to be relegated to options such as OnStar, its in-vehicle security, turn-by-turn navigation, and remote diagnostics features. And then there was the infamous EV1 in the 1990s, a terrific electric-powered car which ultimately flopped because the CMO and CIO were

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not in the closest of corporate relationships. On the other hand, in mid-January 2016, at the annual Consumer Electronics Show, the chairman and CEO of GM, Mary Barra, unveiled a prototype of an electric car that will come with “an unparalleled level of connectivity.” The image of GM’s CEO on stage touting web connectivity at the Consumer Electronics Show was a watershed moment in the rise of the CIO’s influence. Here was Barra, telling the technology-savvy crowd that companies such as Apple and Google lack experience in manufacturing cars and that they don’t have the extensive network of dealerships and service centers that GM does. There’s no doubt then, that General Motors has fully integrated the CIO into its strategy. And it shows.

The DATE formula of a CIO’s success

All of these examples remind us to be constantly mulling over actions with innovation in mind. Enterprises should adopt two speeds so that big bang innovations can occur, and so can ‘slow simmers’ that

often result in more innovative and enduring results. Becoming a transformative CIO is not about being perfect. It is about achieving business outcomes. To be successful with innovation in mind, one has to be what I refer to as ‘DATE’ — **Different, Agile, Tolerant, and Enthusiastic**.

Being different allows the development of IT along two timelines – two-speed IT. **Being agile** means you are willing to move fast after aligning to your enterprise’s many goals. **Being tolerant** means you allow people to fail, if failure is a natural part of their quest to become as innovative as possible. Then, there is the ability to remain **enthusiastic** throughout this challenging process.

The role of the CIO will only continue to expand as technology will become integral to every function in an enterprise. The CIO must understand business realities and define her success parameters. It’s even more important that other corporate leaders understand the huge degree by which the role of the CIO has transmuted. Today, the CIO might just be your enterprise’s most underutilized asset.

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Ambeshwar (Amby) has over 17 years of experience in the IT industry with specialization in the retail, CPG, and logistics business. He has worked with several clients in IT consulting and services across Europe. As a senior leader, he brings in-depth experience in sales and client relationship management.

In his current role, Ambeshwar extensively partners with Chief Experience Officers (CXOs) to define their IT strategies, and helps them successfully execute their transformational and outsourcing programs. He holds a master’s degree in business administration with a concentration in business strategy, and a bachelor’s degree in computer engineering.

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