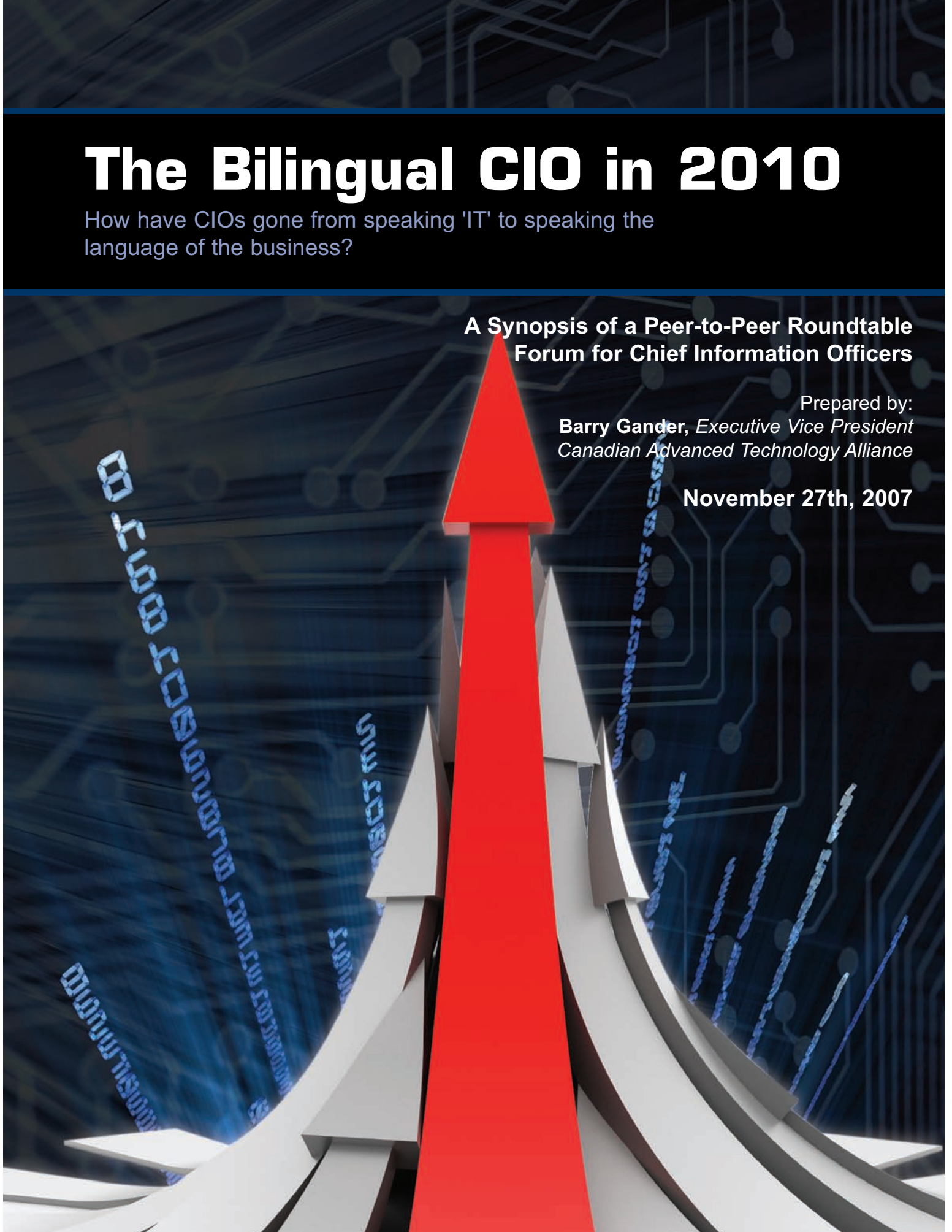# The Bilingual CIO in 2010

How have CIOs gone from speaking 'IT' to speaking the language of the business?
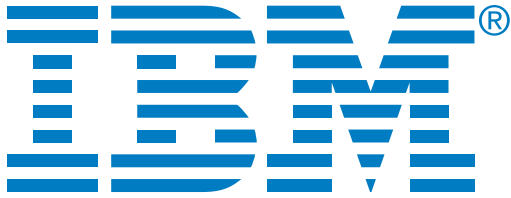
A Synopsis of a Peer-to-Peer Roundtable Forum for Chief Information Officers

Prepared by:
Barry Gander, *Executive Vice President*
Canadian Advanced Technology Alliance

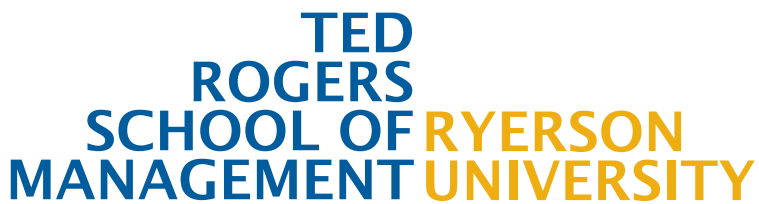**November 27th, 2007**

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Acknowledgements

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- IBM Canada Ltd.
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- Canadian Advanced Technology Alliance
- CNC Global Limited
- Info-Tech Research Group
- CIO Association of Canada Ontario Chapter

Any conversation is only as good as the participants and panellists, and we thank the executives from these organizations for taking time from their schedules to add to our collective understanding:

- Apotex
- Canadian General-Tower Limited (CGT)
- City of Toronto, Information and Technology Division
- CNC Global Limited
- Inscape Corporation
- Purolator

Contents

The purpose of this document is to capture and share the essence of the discussion of a specific roundtable forum in an effort to provide food for thought to further nurture the advanced technology industry in Canada.

Where possible, credit has been given to individual participants in the discussion, with the acknowledge-ment from the conference organizers that everyone who participated has contributed a great deal to solving a heartburn issue for Canada.

Forward: *The Kitchen Table Conversation*

In response to an invitation from the CIO community across Canada, a group of 40 senior executives from leading companies met around a figurative "kitchen table", to find ways to deal with an issue of heartburn importance to CIOs: finding a way to bridge the silos between IT and the business itself.

The kitchen table conversation was seeded by a feature panel, which included:

- **Tim Armstrong,** *Vice President of Corporate Systems, Canadian General-Tower Limited (CGT)*
- **Michael Davidson,** *Vice President, Chief Information and Privacy Officer, Apotex*
- **Andrew Dillane,** *Chief Information Officer, CNC Global Limited*
- **Doug Lennox,** *Vice President of Technology, Inscape Corporation*
- **Andrew Lyszkiewicz,** *Information and Technology Division, City of Toronto*
- **Jim McDade,** *Senior Vice President and Chief Information Officer, Purolator*

Rick Wolfe, *PostStone Corporation, acted as the host and facilitator.*

The session was opened by Access Group Managing Director **Taimour Zaman**.

IBM's **Tom Vassos** provided interactive voting devices that allowed opinion-taking throughout the event. The polling graphics in this paper are courtesy of IBM Canada.

About the Access Group

The Access Group is a unique management consulting firm specializing in strategic business development for fortune 500 organizations. Some of its clients include Microsoft, Accenture, Siemens, IBM, and KPMG. The Access Group's unique approach allows companies to get access to senior decision makers in various target markets and get the opportunity to hear candid insights into key challenges facing target prospects. It also provides a unique way of building relations with these decision makers.

The ***Kitchen Table Game Plan*** was developed by PostStone Corp. The Access Group uses it with permission.
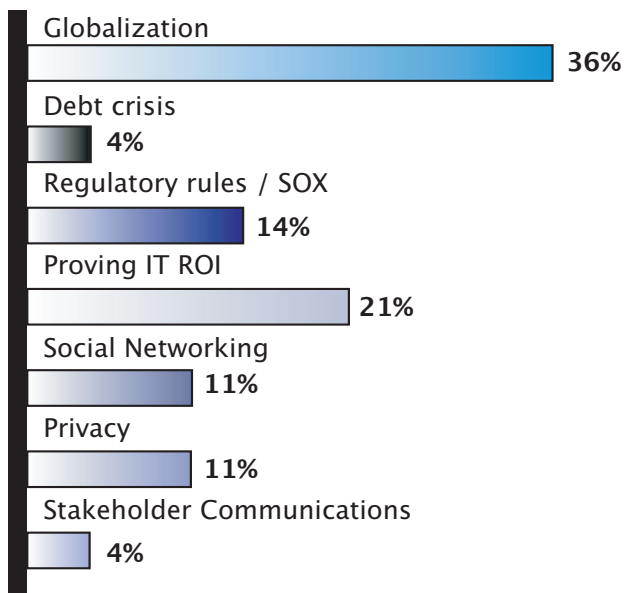
In A **Nutshell...**

Forty CIOs and senior executive gathered in the Second City studio in Toronto on November 27th, 2007.

They described a tsunami hitting the CIO function today:

- A global shortage of qualified workers is making skilled labour the biggest bottleneck to economic growth today. "In Canada, some 30 per cent of the work force will retire in the next few years," said Taimour Zaman.

What recent changes will have the biggest impact or cause the biggest challenges to your organization?

Globalization
36%

Debt crisis
4%

Regulatory rules / SOX
14%

Proving IT ROI
21%

Social Networking
11%

Privacy
11%

Stakeholder Communications
4%

To join the list of those interested in follow-on CIO Roundtables, please send an email to Taimour Zaman: taimour@accessgoup.com.cn

"When we're talking about productivity against global competitors, we have found that a key competitive advantage is to be able to move fast. Speed of reaction time is the key.

"Low-priced labour simply cannot move as fast or change as fast as we can. Our global partners know this and appreciate our value.

"We also make sure that we don't wait around for the perfect solution - we go out ASAP into the market with a useful service."

Tim Armstrong, *VP Corporate Systems, Canadian General-Tower*

- There will be increased pressure on CIOs to automate the lower functions, forcing IT staff to move into the realm of business support.
- This pressure will confront them with the need to "speak the language of business".
- At the same time, the IT infrastructure needs to be made robust enough that firms with differing "languages" -- such as a legal firm dealing with an international client -- can interconnect despite the disparities of business functions.

In a nutshell, CIOs have to speak many "languages" to keep up with the changes that are coming into the company from abroad, and the corporate objectives that are part of the CIO landscape today.

The Key: *Providing Business Value*
CIOs at the heart of competitive differentiation

The increasing value of the IT department is reflected in the swiftly-rising salaries of IT professionals. The competition for IT talent is global. Good middle managers are rare: annual wage increases for project managers in IT have averaged 23% a year over the past

> *"Building trust is important to the IT leader. You have to treat your organization as a supply chain, and develop the personal relationships with each of the departments that allows you to partner effectively with them."* **Andrew Dillane,** *CIO CNC Global*

four years, and salaries for skilled workers will rise fourteen and a half per cent, a sure sign that demand for skilled labor is outstripping supply.

CIOs can provide their companies with the key to competitive advantage. In considering their companies' productivity against global competitors, Canadian CIOs reported that they were concentrating on providing value-add capabilities for their corporations -- capabilities like the speed of reaction time. The low-priced labour of their competitors cannot prevail against the ability to move fast and change business solutions quickly.

To help both business and IT become bilingual, the CIOs advised IS functionaries to change places with other departmental personnel, to get a feel for the operating lines' business problems. An equally effective and often complimentary strategy was to have the operating lines join the IT department -- the VP of Marketing would join the IT staff, for example, or the VP Legal would help resolve an IT approach.

IT could, in these cases, take the active role of change-maker. Because IT is a relatively new function in comparison to 'Marketing', IT could be the department that sees things in a different way, and initiates the change.

In an extreme example of 'fitting into the business mold', a CIO noted that he had in fact turned over key IT functions to departments like Finance. Others cautioned against it, because there are issues that only an IT specialist knows about and can resolve. Line departments don't have the knowledge to solve IT problems. Latency problems, for example, can be solved by an IT person but not by a Financial Analyst.

Leadership, however, is a responsibility that devolves on all departments, and must be encouraged. It is especially a challenge for a department like IT, where the new entrants to the skills pool do not share the corporate culture. Being in an IT department can be an isolating experience for these new hires, and the CIO must actively lead them into understanding the business lines.

> *"You cannot work any longer as the IT guy. You have to be able to lead business teams in charge of achieving business goals. It is the CIOs job to make sure that everyone in his or her department knows what the whole company's business strategy entails."* **Jim McDade,** *Senior Vice President and CIO Purolator*
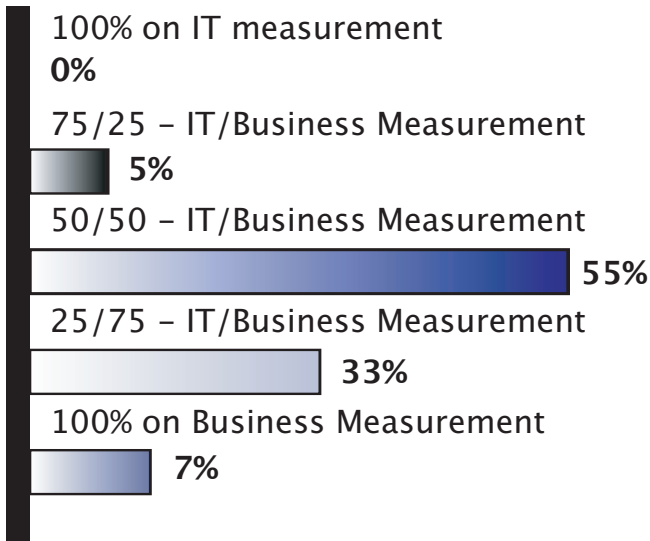
Matching IT to the Business - The Gulf

A measure of the gulf that remains to be conquered was illustrated by the poll on how IT should be benchmarked.
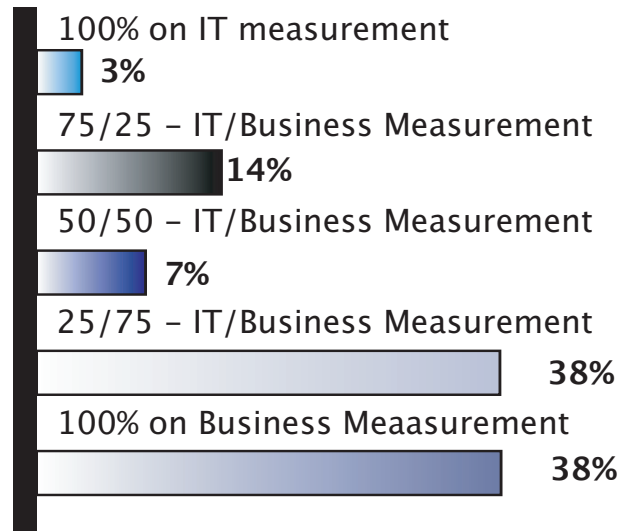
The CIOs felt that half of what they achieved should be measured by IT success, and half by business success.

The business people felt that the IT department should be measured mostly on success in business accomplishments (76%).

How does IT feel it should be measured?

100% on IT measurement
0%

75/25 – IT/Business Measurement
5%

50/50 – IT/Business Measurement
55%

25/75 – IT/Business Measurement
33%

100% on Business Measurement
7%

How does the business think the IT should be measured?

100% on IT measurement
3%

75/25 – IT/Business Measurement
14%

50/50 – IT/Business Measurement
7%

25/75 – IT/Business Measurement
38%

100% on Business Meaasurement
38%

> *"It seems to me that sometimes we're almost apologizing for being the IT guy. I don't apologize. We're the glue that holds the business unit silos together. We provide process enablement. By 2010, business process improvement will have been critical to corporate success. IT is the business!*
>
> ***Michael Davidson,*** *VP and Chief Information & Privacy Officer*
> *Apotex*

Executive *Conversations*

Points made by the roundtable of the CIOs included:

- IT is the key enabler for global technology. INFORMATION is the critical element in breaking down silos within a business. Information can provide the linkage points…the measure of success.

- Security in IT depends on transparency to avoid problems. The importance of issues such as the archiving email messages correctly is vital, for newly-emerging legal purposes regarding corporate accountability.

- Prepare for succession planning of a CIO can be difficult. If it takes, 20+ years to become a three-star General, how long does it take to become a CIO? The key questions to ask to filter out the best candidate are:

- Who best knows what we're trying to achieve as a business?

- Who can get things done?, and

- Can someone from somewhere else give another experience that might be more useful to your organization?

- The change of work style to mobility today is very challenging for the IT department. The CIO has to be an exceptionally good motivational leader, to implant the corporate culture in young workers who are not 'plugged in' to the corporation. They are more interested in their quality of life…social networks are more important than money. Only after the leadership side is developed should the CIO worry about being an IT expert. The 'soft skills' are the really important thing.

- A CIO's skills are similar to what you want in a CEO, except that a CIO can have fun.

- Recruits for IT come mostly from the business side. CIOs look at people with Masters degrees or PhDs because of their different and higher level of conceptualization. It's the thought process that is really being bought. The observation was qualified

"Success comes when IT provides a business solution. IT must understand where the business is going. The business units don't want to be bothered by IT; they just want to use the tools. To make meaningful tools we have to work as closely as possible with our 'customer' - we have to provide something that is meaningful to the customer.

Andrew Lyszkiewicz, *Information & Technology Division*
City of Toronto

with the thought that MBA grads had an unfortunate entitlement mentality.

- The technology has advanced to the point where you don't have to look after the bytes; you can con centrate on higher things.

- The issue about hiring people with university degrees was qualified with the observation that the real quality was the ability to solve difficult problems. Formal education is not as valuable in business as motivation.

- CIOs also need people who have experience delivering what you're hiring them for -- *people who can understand your industry and speak business.*

Overall, there was a consensus that CIOs in general had better become good at really attracting people! Young entrants to the work force have many compet-ing opportunities, and CIOs have to be fighting for those entrants.
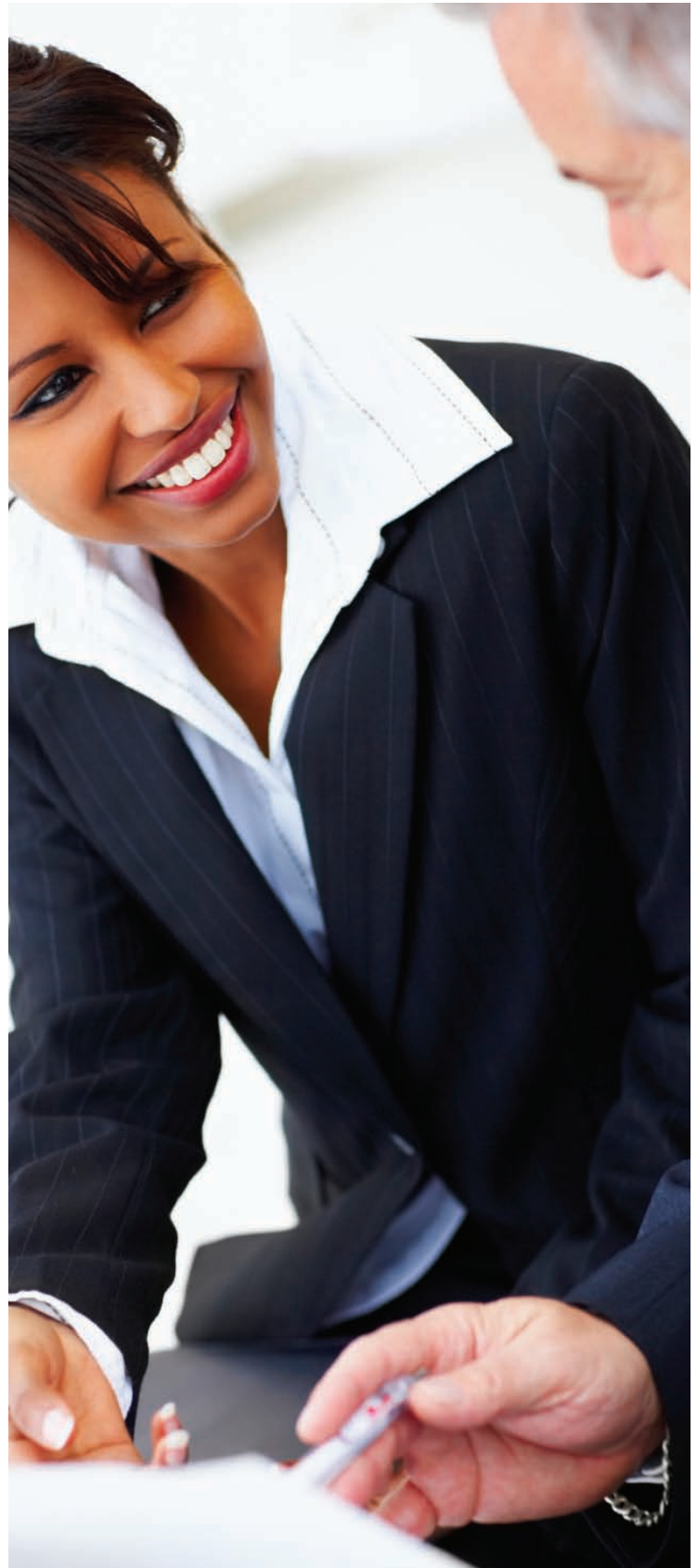
About *the Author*

Barry Gander has been working as a business growth expert for three decades, specializing in advanced technology. He has created compelling business development and advocacy programs around the world. His specialty is the invention of effective, creative new ways to expand a company's business, either through selling more product, positioning it more forcefully, or establishing a better public policy environment. He was the author of a best-selling book on how to lobby the federal government, a second best-seller called "Fast Lane", which crystallized the growth ideas of the pinnacle CEO's from across Canada, and a landmark book called "SUCCESS", which highlights the views of 100 of Canada's top executives. In his work with CATA, Barry has created and executed the "TechAction Town Hall Program", a pan-Canadian drive to increase the effectiveness of a community's use of advanced technology. Barry is currently working on a drive to increase Canadian exports throughout the Commonwealth, in a program called the "Commonwealth Advantage", and to expand the network of Canadian companies into NAFTA, by forming the "NAFTA Advanced Technology Alliance" with his American and Mexican counterparts. Barry can be reached at:

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