

APPLIED STRATEGIES

To: Paul Smith
Editor, *MIS* Australia

From: Philip Hall
Partner, Applied Strategies Pty Ltd
Web: www.appliedstrategies.com.au

Re: Editor's Letter and Feature Article "Search for the Hero Inside"
MIS Australia, 8 August 2006

While not a supporter of "heroism" in business – preferring instead to encourage the virtues of good leadership and management – I do agree with your editorial comment in "Search for the Hero Inside" (8 August 2006) that the potential is there for CIOs (and CTOs for that matter) to become business superheroes, but in the context of them being the champions for sustainable business improvement.

The dilemma for CIOs is that the definition and importance of their role varies significantly between industry sectors. In industries heavily dependent on IT, such as Banking and Finance, the CIO role is both strategically and operationally critical to the company's performance and success, whereas in Mining, Manufacturing and other like industries, a CTO role that encompasses IT might make more sense.

The examples of SunCorp, WorkCover, AMP and AAPT cited in the feature article, however, are appropriate to illustrate the CIO superhero proposition because these companies belong to an industry sector that is heavily dependent on IT. This sector is also highly competitive and serves a customer base that does not hesitate to vote with its feet when the contracted or expected level of service is not delivered. I believe this is where the real opportunity lies for CIOs to realise their potential to become business superheroes.

The reported US trend away from CIOs from technical backgrounds is a concern, but not surprising. The main issue it is not about performance of IT, but the overall performance of the business; technology and CIOs have become the traditional scapegoats for poor business performance, whereas the real reason is a basic lack of understanding and commitment **across the company** to consistently deliver the promised or expected level of service to the end customer.

I agree with Paul Rush (AAPT) that the best CIOs are those who are able to think like a CEO. A business savvy CIO from a technical background is ideally positioned to lead business improvement programs, and similarly a CTO where IT is not the driving technology base. Astute CIOs/CTOs can leverage their technical background and analytical skills to become experts on the intricacies of business performance and so identify business improvement initiatives to achieve sustainable service delivery. Few would refute that it is easier for a technically qualified CIO/CTO to become business savvy than for a CEO/CFO/COO to become technology savvy.

Business savvy CIOs have the best potential and opportunity than anyone in the company, with the exception of the CEO, to strategically champion the establishment of a company-wide culture of end-to-end customer-centric service delivery across the typical silos of Sales & Marketing, Technology & Product Development, and Operations

& Support. They are best placed to facilitate the definition and adoption of customer-centric performance metrics and measures appropriate for the products and services offered to customers, lead all areas of the business to agree on realistic and achievable targets for those metrics, and to insist on a company-wide commitment to achieve those targets.

CIOs are also well-positioned to facilitate business impact analyses of the company's potential failure to deliver against agreed service delivery targets. Companies must be realistic in setting business performance targets, and recognise that each and every person within the company has a role to play in achieving those targets, not just the CIO.

Philip Hall

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