

From IT Leadership to Business Leadership

Insights for IT Executives on Becoming Influential Business Leaders

By Sam Gordon, CIO Practice Director - Harvey Nash USA

For many businesses, there was once a substantial wall of separation that divided the IT operation from the greater business organization. That wall has crumbled or is crumbling for most businesses as management teams look to their technology leaders to play central roles in development and execution of business strategy. Just as technology can improve the efficiency, performance and innovative value of a business, leaders who advance from the technology side of an organization also have extensive knowledge, creativity and experience to contribute. The fact that more and more CIOs and CTOs today are groomed for and welcomed into CEO roles shows that businesses recognize the value, knowledge and experience of IT leaders.

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From Business Integration to Career Elevation

While many businesses are eager for the knowledge IT leaders have to share, some technology managers and senior leaders are struggling to expand their scope of responsibility beyond IT and to be recognized as competent business leaders, rather than just an IT authority. At Harvey Nash, we explore this issue for the IT organization as a whole annually through our CIO Survey.

One goal of the survey is to measure how well IT leaders feel they are integrating and interacting with their fellow business colleagues, peers and clients. In recent years, the Harvey Nash CIO Survey measured large improvements in IT-business integration according to CIO respondents. For example, from 2005 to 2006 Harvey Nash saw a 20% increase in the number of IT leaders who said that their IT departments are well integrated with the overall business. Nevertheless, aligning technology operations and goals with those of the greater business remains the top priority for the majority of IT leaders, according to the 2006-2007 CIO Survey, which demonstrates how focused today's IT executives are on delivering business value.

What You Will Read

- A look at why it has been historically harder for IT leaders to ascend to the senior-most leadership roles in a business organization.
- Insights on how IT leaders can better position themselves for senior executive management positions.
- A list of common roadblocks IT leaders might face as they seek to take on responsibilities that span the business organization.
- A summary of the unique and extremely valuable qualities IT leaders bring to their business management roles.

As business-minded IT leaders work to align their teams with strategic business goals, Harvey Nash Executive Search sees this as an important opportunity to remind technology executives of the advantage of being a business leader versus a technology leader. In the pages ahead, I interview Wayne L. Anderson, author of the book *Unwrapping the CIO: Demystifying the Chief Information Officer Position*, in order to explore the key issues facing IT executives who are focused on expanding the reach of their management arms.

Anderson is both a longtime IT industry executive and business consultant who knows firsthand the challenges of evolving from an IT-focused leader to a senior business leader. Our discussion provides IT leaders with insights on the career path advantages they have, skills they should leverage and the roadblocks they may face. This interview is designed to both educate and inspire technology leaders as they work toward leadership positions at the very top of business organizations worldwide.

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A Harvey Nash Interview with Wayne L. Anderson

TOPIC 1: The Path from CIO to CEO

Sam Gordon: Wayne, you wrote a book on the CIO role and have also served in the highest levels of global technology organizations. Why in your experience has it been historically less likely for CIOs and CTOs to move into the CEO role than it has for executives coming from the operational and sales sides of an organization?

Wayne Anderson: I think you have to look at the selection process. When I review the selection criteria for many of the CIO positions, I find that many CEOs look for very specific technical characteristics. For example, one company I worked with listed “experience in the Enterprise Resource Planning (ERP) system” of a specific vendor as the primary qualification for the position. Further analysis revealed that the company had a large project that was failing that used the specific ERP product.

The problems with this type of a selection criterion are numerous. For example, if the company decides to pursue a different product for the project, will that make the newly hired CIO obsolete? Will the new CIO be myopic and discard other products that may be a better fit than the chosen product only because that is their area of expertise?

The nature of a CIO’s job is to provide many leadership personalities to the company. A CIO has to be a business strategist, a financial manager, a technology strategist and a business relationship manager, just to name a few. The position requires a broad range of skills that far exceed the knowledge of a particular technical product.

I believe that the business skills of a CIO are not weighed as heavily as they should be during the selection process. Business skills are those that are necessary to advance to the key senior business positions in the company. When it comes time to select the next CEO or CFO at a company that uses limited criteria to select its technology leaders, the CIO is generally overlooked due to the lack of emphasis on their business knowledge and skills—even if the CIO clearly possesses those qualifications.

Sam Gordon: At Harvey Nash, we are often surprised at the fact that so many businesses still put a clear division between IT and “the rest of the business.” The IT organization is as much a part of any department within a company, yet many still tend to feel it’s too complicated an area to understand. A financial model can be just as difficult to understand in layman’s terms as technology architecture, and both are equally important to a business. Still many organizations put a line between technology and the business that does not exist between the business and finance (or any other department for that matter). When do you ever get people complaining about finance not being “aligned” with the business? Would you agree that this persistent sectioning off of IT from the business also makes it harder for technology leaders to climb to the very top of the corporate ladder?

Wayne Anderson: Yes, and I think the reason often has to do with language. To expand on your finance example, finance is the



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language of business. Everybody understands language like return on investments, return on equity, cash flow, etc. IT professionals tend to talk in terms of “bits, bytes, bandwidth and real-time.” In addition, they have a propensity to talk in acronyms and they don’t always mean the same thing. For example, to an IT project manager, SDLC is the Systems Development Life Cycle. However, to a network person, that same acronym would mean Synchronous Data Link Control.

Language is not consistent *within* IT. This makes it extremely difficult for our business partners to understand IT leaders when we talk about the business of IT. It is easier for them to put a “line” between IT and the rest of the business than to try to figure out the *language* of IT. Of course, the net result is IT leaders are often separated from the people being considered for the top level positions.

TOPIC 2: How CIOs Can Position Themselves for Senior Business Roles

Sam Gordon: Besides choosing to work for a pure technology company that gets IT to its core (say Google or Microsoft), what should today’s IT leaders do to position themselves for broader leadership roles across their business organizations?

Wayne Anderson: There are several things that IT leaders can do. First, they must become skilled at building business relationships. They must get close to their internal business partners and become a trusted advisor to people across all areas of the organization.

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Second, IT leaders must develop a clear understanding of the businesses that they support, learning both the critical success factors of their companies as well as the problem areas. Their knowledge should be so extensive that when key problems arise for the business, they are automatically consulted for support and ideas.

IT leaders also need to be one of the primary innovators in their companies. They need to develop the skills necessary to marry a business problem to a workable solution, and it will not always be a technical solution. The solution might involve changing an existing process or putting into practice a new one. It could be implementing an alternate marketing technique or approach. Or, it may involve suggesting a new sales approach, such as up-selling or cross-selling.

The broad range of skills that IT leaders possess will become evident when they employ these techniques and they display talents beyond the obvious technical ones.

Sam Gordon: I agree and would say that leaders are uniquely positioned with a helicopter view of the organization—they are involved with all aspects of the business as a normal function of their jobs. They can exploit this tremendous organizational insight by creating new business opportunities, be they internal or external.

TOPIC 3: What Common Career Roadblocks IT Leaders Can Expect

Sam Gordon: As IT leaders work to leverage their unique position in order to rise to new ranks of responsibility, what roadblocks should they be prepared for?

Wayne Anderson: The most common roadblock is an issue of perception. The IT leader is generally perceived as a technical wizard with limited business knowledge. I always find that interesting since many IT leaders possess an MBA. Due to this misperception, IT leaders must demonstrate their management skills and business knowledge at every opportunity.

I think the second roadblock that IT leaders face internally is one of their own making. They need to focus both on the technology aspects of the business and simultaneously focus on the business itself. This dual focus is uncomfortable for many IT leaders brought up in the technical world. They have developed a technical expertise, they have succeeded based on that expertise and now they are being asked to perform business duties that are clearly outside of their comfort zone. IT leaders have to fight the natural tendency to focus on just the technical aspects of their job.

Finally, many IT leaders are micro-managers—I say this as an IT professional and reformed micro-manager. Technology leaders must learn to attract, hire and retain exceptional talent. Once that is accomplished, they need to get out of their team's way and let them do their jobs. IT leaders must learn to be maestros, orchestrating the work of their systems professionals rather than

performing it. Being the chief technologist is only one of the roles IT leaders must fulfill. When they focus on only technical aspects of the job, they ignore all of the other roles by default. This practice tends to support the stereotype that IT executives are not business savvy and creates another roadblock to achieving senior-most leadership roles.

TOPIC 4: Unique Qualities IT Leaders Bring to Business Leadership

Sam Gordon: I always find it valuable to remind senior technology leaders of the unique power they have to drive change. Their innovations and improvements can truly resonate across the entire business organization. If IT leaders are able to recognize the business leverage they have and put it to good use, they will find themselves quickly becoming key assets to the entire business, including the board room. Would you agree?

Wayne Anderson: Absolutely. When IT leaders put their broad business view to work for them, their business organizations will begin to recognize the unique qualities they can bring to the CEO and other senior executive roles. Qualities like exceptional process improvement talents, which can be used to improve overall business operations, as well as versatility, a quality IT leader must master early on due to the diversity of audiences they work with to solve business and technology challenges.

The job of an IT leader is tough on a very good day. IT leaders must recognize that fact, but not dwell on it. They have the opportunity to play a significant, influential role in their companies and must take advantage of their unique position to demonstrate the values they can bring to the entire enterprise.

Sam Gordon: Thank you Wayne for your seasoned insights into IT and business leadership. I know as we prepare to launch the 2007-2008 CIO Survey, Harvey Nash is eager to see how today's most senior technology leaders feel about their current performance at the top and the direction of their own careers.

For IT leaders who know how to leverage the advantages of their position (a comprehensive business outlook, the ability to manage projects across the entire company, experience serving both internal and external clients, etc.), the executive career path does not have to end until it reaches the very top. Challenges are there for all executives seeking to make it to the top. IT leaders need to shake off the shackles that hold many of them back, push for change, drive innovation and question the norm in a way that any other business executive does. If marketing and finance leaders do, why not IT? Technology leaders have the greatest power to drive change; they just need to step up, take charge and forget looking back!

For more insights on technology leadership and advice for IT executives looking to advance, contact Sam Gordon, CIO practice director for Harvey Nash, by calling 212.481.2563 or e-mailing Sam.Gordon@harveynash.com.