

center for **CIO** leadership
A GLOBAL COMMUNITY TO ADVANCE THE PROFESSION

The CIO Profession: Leaders of Change, Drivers of Innovation

October 2008



The Center for CIO Leadership was launched in October 2007 as an open, independent industry organization. Its mission is to become a highly respected focal point for global thought leadership, research, education and outreach designed to advance the CIO profession. It will enable CIOs to define and develop the competencies needed to establish themselves as strategic business partners and innovative leaders that drive sustainable business value for their enterprise.

Executive Summary

In July 2008, the Center for CIO Leadership launched a comprehensive survey with the goal of determining how CIOs worldwide assess themselves in four competencies that comprise the core skill set of the strategic CIO.

The four competencies—leadership, business strategy and process, innovation and growth, and organization and talent management—are based on a detailed qualitative study conducted early in 2008. Designed to uncover the competencies that CIOs need in order to perform as true strategic partners in their enterprises, the competency model comprised by these four elements constitutes a core pillar of the Center’s research program. The results will provide the basis for future education and content development initiatives, in accord with the Center’s mission of advancing the CIO profession.

The self-assessments are crucial to an understanding of the roles that CIOs can and must play as their enterprises confront challenges on a global scale. Not only are companies of all sizes faced with the effects of globalization itself, but they must contend with pervasive, Web-based computing, mass collaboration and the impact of the worldwide financial crisis. These circumstances present CIOs with exciting and perhaps unprecedented opportunities to demonstrate their value to their organizations’ future growth and success.

The results of the 2008 survey present a positive picture of CIOs’ readiness to help their enterprises succeed, and they shed abundant light on CIOs’ diverse range of *capabilities* to match their readiness to lead.

Overall, the results suggest that CIOs feel confident to step into strategic leadership roles. From the survey findings, it is apparent that CIOs see themselves very clearly as leaders in their companies and believe they are aligning more closely with key business objectives. In addition, the survey results show that CIOs are evolving their skills in change management—a key attribute given the degrees of transformational change that many CEOs believe necessary for the long-term success of their companies. Their survey responses also indicate that CIOs are emerging as leaders of innovation and bringing those ideas to the table, putting their end-to-end knowledge of the business to use in thinking through new technology-based opportunities.

At the same time, the CIOs' responses to the detailed elements of the leadership competency profile suggest there remains a gap in whether they are perceived as leading the IT function, or leading the business more broadly. Findings show that there remains an opportunity for CIOs to grow as leaders of the business, not just leaders of the IT function.

The survey also highlighted opportunities for CIOs to continue to advance and grow their skills. For example, while CIOs have strong confidence in their ability to tie IT initiatives to core business issues, and despite their having clear end-to-end "sight lines" into business operations, there remains a challenge in helping to drive the creation of the business strategy, and more clearly communicating the business value of technology as a key contributor to business success.

In short, the survey findings reveal several areas of opportunity for further advancement in CIO skills and competencies:

- CIOs are leaders in their organizations and are playing an increasingly important role in leading change, but they are still evolving to be viewed as true trusted advisors by their business colleagues
- CIOs have a seat at the table, but have yet to fully seize the opportunity for participation in developing the business strategy
- CIOs are emerging as leaders of innovation and bringing new ideas to the enterprise, with a real opportunity remaining to fill the innovation execution gap
- CIOs know where they need to lead their IT organizations, but continue to wrestle with delegation and with building the next-generation team

The study suggests several areas where CIOs can, by closing these gaps, help spur innovation and growth for their enterprises.

The findings from the CIO survey were paired with feedback from interviews conducted earlier in the year with CIOs, academics and competency experts to gather qualitative input on the competency model. Where appropriate, we reviewed findings from past surveys conducted by the Center to further set the context for emerging patterns. What we have learned from this study makes clear the strengths from which CIOs have to build, along with the competencies that CIOs must now refine as they position themselves as leaders of change and innovation within their companies. The learnings also give the Center invaluable insight into the education and skill development necessary to help CIOs fulfill their long-term business leadership potential.

A New CIO Leader

Drawing on a series of one-on-one interviews and input from CIOs, academic leaders and practitioners in the CIO competency field, the Center developed a set of core competencies that we believe are requirements for CIOs looking to evolve and sustain leadership roles in their enterprises. These competencies (see Figure 1) emphasize a set of strategic business skills and abilities necessary to lead the organization to competitive advantage. The four competency areas are:

- Leadership
- Business Strategy and Process
- Innovation and Growth
- Organization and Talent Management.

The competency model lays out a series of thirty-three specific strategic and tactical actions that best-practice CIOs take to help drive their organizations towards growth and increased competitiveness. (The detailed best-practice actions are highlighted in the “Understanding the Competencies” section starting on page 9.)

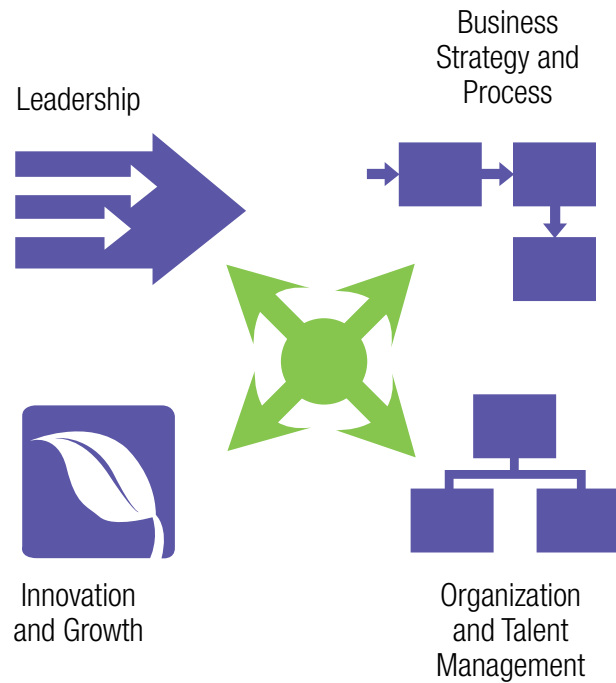


Figure 1: The strategic CIO competencies

The Center tested these competencies with a group of 270 CIOs around the globe to determine where the profession sees itself. Looking at the findings overall, it is evident that CIOs worldwide are very confident in their roles as corporate leaders. They give high self-assessment ratings on all four competency categories, with a notably strong result in the Leadership competency—particularly regarding clarity of vision and ability to lead and influence.

Yet CIOs' self-assessments expose a gap between recognition and results that carries throughout all of the four competency areas. In each competency category, there are noticeable differences between CIOs' levels of agreement with and recognition of what is needed, and their assessment of how well they are getting to results—the processes, models and resources needed to accomplish key goals.

The gaps by themselves are not surprising, and the Center's study is not the first time that these kinds of gaps have been revealed. Recent articles in technical trade publications and research reports from industry analysts and other sources validate the challenges that IT leaders face in fully aligning their objectives and approaches with those of the C-suite.¹ Further, the conclusions of IBM's "Enterprise of the Future" CEO study point to areas of emphasis in which CIOs, by their own admission in the Center's research, have further to go.

However, this study is one of the first studies to parse CIO competency findings to this degree of specificity and usefulness. We will highlight some early thinking on tangible next steps later in this report. (See section starting on page 21, "How the Center for CIO Leadership Can Help," for more detail on the Center plans.)

CIO Survey Findings

ORGANIZATIONAL ADVANCEMENT

The 2008 study confirms that the CIOs surveyed have a substantial scope of control and are among their organizations' most senior managers; nearly 86 percent are enterprise-wide or corporate CIOs and they report directly to the top executive officers (See Figure 2). More than 40 percent have between 100 and 500 employees reporting to them, while 75 percent of the respondents are at companies with at least 2,500 employees; more than half of the respondents' companies have annual revenues above \$2 billion.

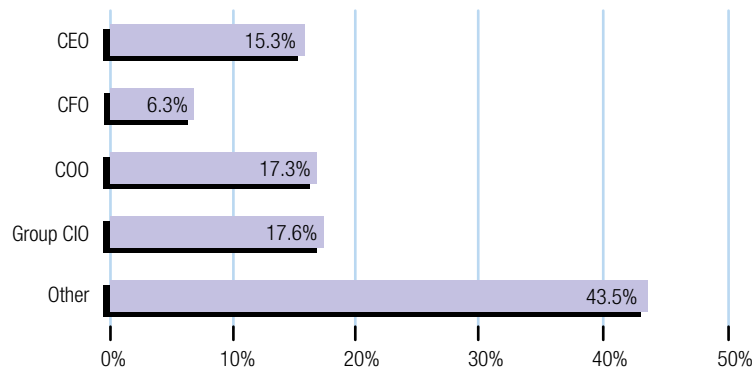


Figure 2: CIOs report to the C-Suite

The qualitative survey work undertaken by the Center indicates a movement into the profession from the business side. *"I come from the business side – I have had roles in engineering and manufacturing,"* says the CIO of a leading oil-exploration services company. *"I have an operational background and I don't know how I could do my job without that background. Coming from the business side is extremely valuable. I have easy access to the management team and I have credibility."*



Leadership
Best-practice Actions

- √ Provide the vision of how IT will drive the business
- √ Align business colleagues to my IT vision
- √ Maintain strong relationships with executive colleagues
- √ Serve as a trusted advisor with LOBs and management
- √ Seen as a leader of change and transformation
- √ Lead and influence others
- √ Communicate clearly IT strategies linked to business priorities
- √ Build strong teams and trusted relationships
- √ Create governance model that integrates business priorities

Such cross-pollination is by no means a prerequisite for success as a CIO, but it is a healthy sign for the profession. It is positive in terms of the kinds of skills that immediately enrich the IT function and it bodes well for improved alignment with the business and other key elements of business strategy and process.

UNDERSTANDING THE COMPETENCIES

Analysis of the four competencies—leadership, business strategy and process, innovation and growth, and organization and talent management—uncovered useful input from CIOs on key strengths and areas for growth. The following sections provide a snapshot of the key finding from each competency, along with highlights of areas of progress made and opportunity gaps remaining.

Leadership

“Snapshot” finding: CIOs clearly view themselves as leaders, but they still have to find ways to demonstrate their full set of capabilities to their business colleagues.

Progress made: Leadership is the competency category in which CIOs recorded the highest self-assessment scores. Overall, 84 percent report that they agree or strongly agree with all of the nine key activities within the Leadership category. (See sidebar this page.) CIOs are confident that they provide a clear vision of how IT is driving the business forward and 90 percent feel that they are leading and influencing without formal authority. (See Figure 3.) This advanced view of their leadership skills points to a shift in how CIOs perceive themselves and in the potential that lies ahead as CIOs look to lead the business more broadly.

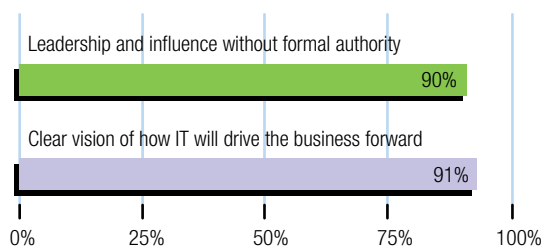


Figure 3: CIOs are leading in their organizations

An example of this advancement was explained by a CIO of a major U.S. airline who is unequivocal about the need for her profession to demonstrate leadership. *“This is the highest priority,”* she says. *“Leadership means participating in the articulation, communication, and setting of a shared vision and then mobilizing the company to take action. It’s more than just accepting the strategy and moving forward. Sometimes the technology is the strategy. The CIO takes a bigger role. You can roll a lot under ‘mobilizing a company to take action.’”*

Change management is another area where CIOs report strength. Eighty percent report that they are regarded by their colleagues as a leader of change and transformation within their company. The need for change leaders was featured in the 2008 IBM Global CEO study *The Enterprise of the Future*, which indicated that while 83 percent of CEOs expect substantial change within their enterprises, only 61 percent report that they have accomplished change successfully in the past. In fact, the study noted that this gap between the anticipated need for change and the ability to manage it has nearly tripled since 2006.² The Center’s study results show that 87 percent of CIOs identify themselves as leaders of change and transformation, possessing the skills and experience required to drive the CEO agenda. This is especially important in terms of the kinds of transformation necessary to achieve superior corporate growth over the long term. It calls for particular attention on how to identify and engage key stakeholders. (See insert “The Art of Stakeholder Management” on page 20.)

Opportunity Gap: One leadership gap represents a significant challenge. CIOs assert that they have strong, established relationships with their peer executives and are leading and influencing across the organization, even when they lack formal authority. However, only 74 percent say their business colleagues are aligned with that vision. A parallel gap is revealed between the 90 percent of CIOs who say they know how to “lead and influence” and the 80 percent who claim that they are regarded as trusted advisors. (See Figure 4.)

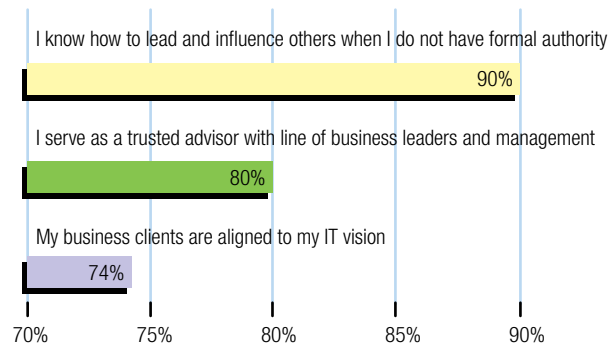
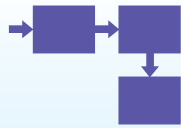


Figure 4: CIOs lead but face a challenge in aligning IT with the business

The gap featured in the above illustration suggests that CIOs continue to face a challenge in aligning IT with the business. While CIOs are making progress in setting forth a clear vision, fewer of them believe that their colleagues understand and are aligned to this vision.

The Center's findings are corroborated by recent research from Center partner, the Society for Information Management (SIM). SIM's most recent annual survey finds that the number one hurdle cited by CIOs, CEOs and top enterprise managers is alignment between IT and the business.³ A 2006 poll by *CIO Insight* yielded similar findings: asked to rate the overall effectiveness of the leadership at the CIO level of their organizations, 20 percent of business executives gave their CIOs an "excellent"—half the percentage of CIOs who did so.⁴

Of course, there are two sides to IT-business alignment, and recent writings have pointed out that business leaders frequently misinterpret IT's role and may overestimate their own understanding of technology.⁵ There is an onus on CIOs to get to the root of the challenge and an opportunity to bring their colleagues around. *"We have a seat at the table,"* says the CIO at a leading global bank. *"We have the benefit of the doubt and now we have to prove that we should have that seat at the table."*



**Business Strategy
and Process
Best-practice Actions**

- √ Understand fully my business environment
- √ Maintain “end-to-end” view of technology’s role to deliver business value
- √ Participate actively in developing business strategy
- √ Deliver on business strategy through plan linked to business goals
- √ Link IT investments to key business drivers
- √ Lead clear governance process for engaging external partners
- √ Seen as a leader by Industry peers
- √ Develop indicators to link IT performance and business goals
- √ Maintain IT risk-management strategy
- √ Integrate my IT risk-management strategy with enterprise risk-management

Business Strategy and Process

“Snapshot” finding: CIOs are making progress engaging with the business, and they have a substantial opportunity to actively help *drive* the business strategy rather than reactively participating in its development.

Progress made: Nearly 70 percent of respondents say they agree or strongly agree with all statements regarding IT’s understanding of and readiness to help the business. Although the overall scores in this category are the lowest of all four key competency areas, 85 percent of CIOs are emphatic that they can link IT investments to one or more business categories; more than 84 percent agree that they have an “end-to-end” view of their company and technology’s role is to deliver business value to customers. The same percentage confirm that they fully understand the business environment. *“You don’t bring credibility unless you understand the business,”* said one CIO.

Opportunity Gap: The survey suggests that CIOs still have opportunities to forge stronger links between IT and the business. For example, just over half report that they have developed business value indicators that link IT performance metrics and business goals. (See Figure 5.) This is an area where CIOs have an opportunity to continue to grow and it is one that is widely reported as necessary in order for CIOs to be viewed by their peers as leaders in the business and drivers of business strategy.

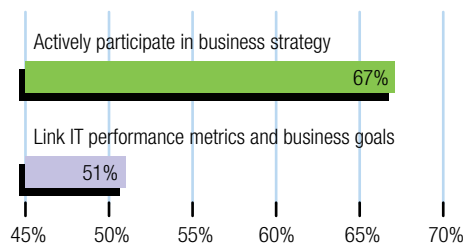


Figure 5: CIOs have additional opportunity to link to business strategy and business results

And while many CIOs seek to make progress in this area and many CIOs are using metrics, the metrics they employ often focus on technology and operations, rather than on business value and growth. (For a glimpse of how CIOs can use metrics to make a difference to IT effectiveness, see the insert “A Metrics Manifesto” on page 14.)

At the same time, a significant proportion of CIOs in the survey admit that they are not deeply engaged in helping to drive business strategy; just two-thirds indicated that they are active participants in developing the business strategy for their companies. The remaining third of CIOs in effect operate as recipients of the strategy, rather than an active partner in development. Complementary research from a recent study by *InformationWeek* confirms this fact. While 70 percent of CIOs gauge their effectiveness by their ability to support company-wide business strategy, only 65 percent of line-of-business managers use that criterion as their measure of CIO effectiveness.⁶ Furthermore, the recent SIM study cited ‘building business skills in IT’ as the second most important priority for IT leaders.

One CIO who previously worked in the business explains, “*You cannot ask your boss for prioritization of business requests. It is important to understand the strategy and to have lived it. Having been in operations, I am able to steer the boat in an aligned way. I may make some technical mistakes, but I have technical people around me who support me to fill in those skills.*”

CIOs also have an opportunity to close the gap in their ability to manage IT risk. By their own admission, less than half say they have IT risk management approaches that are integrated with enterprise risk management. (See Figure 6.) At a time when IT risks are rising dramatically—because of both the proliferation of data-rich consumer devices that are not always sanctioned by IT and the looming influence of professional hackers—this is a competency subset that merits particular attention.

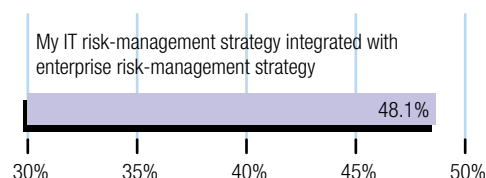


Figure 6: CIOs are still working to integrate their IT risk management with the enterprise risk management strategy

A METRICS MANIFESTO

How do you shift your IT group's mindset from operations to revenue generation? Think metrics—and then put them into action.

That was the approach taken by the CIO of a large Indian communications company. In doing so, he overturned traditional specialized outsourcing models in favor of streamlined single-source partnerships, re-thinking value measurement to emphasize customer-based metrics, and creating a community-oriented IT culture built on collaboration, teamwork and reciprocal value. In short, he used these innovations to help transform the business, and in the process, achieved startling results.

With the harnessing of IT for customer and internal benefit as one of seven guiding principles of the company's "change manifesto," the CIO identified and launched several critical journeys for IT to propel the change process. One of the most important was value measurement: how to measure the business value of IT as an innovation engine. Because IT had moved into the dual function of servicing business needs and driving deliverables, the CIO set up metrics along two dimensions – cost and revenue value.

On the revenue side, the CIO, in partnership with his senior business colleagues, built metrics to measure the revenue streams from new products and services that were developed and launched from within IT. These metrics were deliberately focused to look beyond the technology that enabled new product development, new deals, alliances, and business development relationships that resulted from IT-led innovations and initiatives. On the cost center side, the company measured value along three dimensions: functional benchmarks that assessed growth; financial metrics that demonstrated direct cost savings and increased productivity; and "feeler metrics" that measured satisfaction with IT delivery and operations.

The company's board reviews functional and feeler metrics only once a year, allowing network roll-out to be the primary measurement of scale, not simply the financials which were linked to revenue. *"One-dimensional thinking does not adequately tell the story of how valuable IT is to the business,"* says the CIO. *"Taken together, these metrics provided a deeper understanding of the value of IT in achieving business goals and solutions."*



Innovation and Growth Best-practice Actions

- √ Seen as source for technology for competitive advantage
- √ Secure resources for innovation by identifying opportunities
- √ Examine continuously how to use IT resources for value and growth
- √ Work regularly with clients and externally to develop innovation
- √ Involve my team actively in identifying how IT can enable business opportunities for the company
- √ Lead initiatives to support flexibility and agility for rapid change
- √ Ensure a proactive process for evaluating innovation opportunities

Innovation and Growth

“Snapshot” finding: CIOs clearly understand what their role in innovation should be, but they are less successful in selling their beliefs and securing the investments and resources needed to put their innovations into action.

Progress made: More than 80 percent of CIOs say their IT teams are actively involved in identifying how IT can enable business opportunities for their companies; about the same percentage report that they are leading initiatives to ensure that the IT organization and the enterprise are flexible enough to support rapid change. (See Figure 7.)

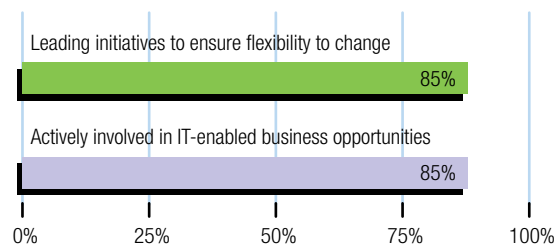


Figure 7: CIOs are leading initiatives and generating ideas to enable innovation

These are promising indicators, given the importance of top-line growth to the CEO, and the role of innovation in achieving that growth. IBM's 2008 Global CEO study shows that innovation plays a two-fold role for CEOs – linking with customers to collaborate and innovate; and innovating the business model for dramatic marketplace impact. This represents a platform for CIOs to offer the key to new ways to serve customers and disrupt the business model for competitive advantage through technology.

Opportunity Gap: While the opportunity is there for CIOs to help CEOs close this gap, the survey suggests that CIOs still face a challenge in bringing proposed innovations to execution. CIOs themselves identify a more than 20 point gap between agreeing that members of their organizations are actively involved in identifying how IT can enable business opportunities for the company and saying that they have secured the resources required for innovation investments. Less than two-thirds of CIOs have successfully secured resources for innovation by identifying technology-enabled business opportunities, despite the fact that their executive colleagues look to them to deliver competitive advantage through technology. (See Figure 8.)



**Organization and
Talent Management
Best-practice Actions**

- √ Ensure my team communicates effectively with business peers
- √ Plan for delegating authority to allow for strategic activities
- √ Develop business and IT capabilities of my team
- √ Know the critical competencies for my team's success
- √ Link business and technology objectives to team's performance
- √ Develop training opportunities and succession plan for my team
- √ Establish plan to acquire and grow talent

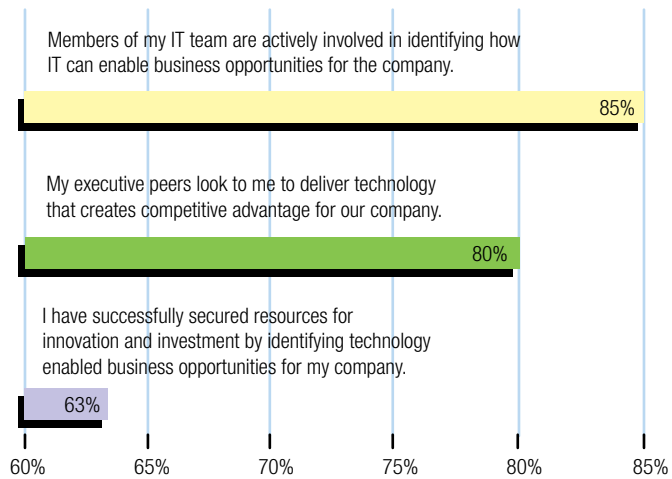


Figure 8: CIOs have the opportunity to take innovation through to execution

This is potentially a significant area for CIOs to make their mark on the long-term success of their company. *“The CIO is the evangelist for the innovation process,”* says the CIO of an information-services firm who is in the forefront of her firm's growth strategy. *“As such, she needs to walk around and promote continuous discussions. The CIO is responsible for helping make the company more flexible and for preparing the company for the new business challenges.”*

Organization and Talent Management

“Snapshot” finding: CIOs know where they need to lead their IT organizations, but they still find it a challenge to delegate and to build their next-generation teams.

Progress made: More than 92 percent of CIOs state that they know the critical competencies required to make their IT organizations successful. It is reasonable to expect that CIOs who demonstrate proficiency in the Organization and Talent Management competency are quite likely to be able to enhance their standing in the other three competencies because they will be able to free up time to focus on them. In short, they will have developed the leadership bench strength to be able to tackle bigger strategic issues for the organization.

The topics of organization and talent are clearly on CIOs' minds: the recent SIM study revealed that two of the top 10 priorities for IT are attracting new IT professionals—and retaining them. In practice, managing a leadership pipeline requires strong leadership and management skills, whether it involves developing new leaders in-house or hiring them externally. In “Organizing Genius: The Secrets of Creative Collaboration,” co-author and leadership expert Warren Bennis notes: *“The problems we face today come at us so fast and are so complex that we need groups of talented people to tackle them, led by gifted leaders, or even teams of leaders.”*

Opportunity Gap: CIOs indicate that they still tend to execute rather than to plan and strategize. The study reveals a gap of almost 30 points between their agreement that they know the critical competencies and that they have a plan in place to acquire and grow the talent needed to achieve business priorities. And just two-thirds say they have put in place training opportunities for their leadership team and have identified a succession plan. (See Figure 9.)

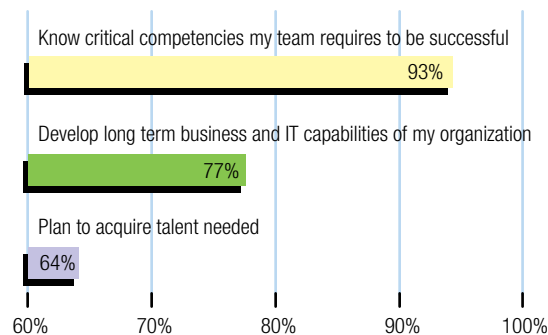


Figure 9: CIOs work to delegate and close the talent gap

This gap suggests that CIOs need help not only to delegate more effectively, but to have the time to work on the talent pipeline within IT. Without improving their ability to delegate and build their teams, it will be very difficult for many to disengage from executing in order to be able to plan.

One CIO interviewed by the Center provides this perspective: *“At the project team levels we have folks who move in and out of technology and business areas. In and out, cross pollinating, if you will. If we don’t have an organization that can execute to the strategies and vision that we lay out, we are going to fail. That’s what makes talent so important.”*

Takeaways

CIOs have come far in the past decade. There is widespread acknowledgment of IT's value and future potential among most senior executives, and there are more and more situations where CIOs truly have a strong voice as well as a seat at the executive table. But the latest research from the Center for CIO Leadership points to opportunities for CIOs to become even more influential in shaping their enterprises' growth trajectories.

We observe that CIOs have strong self-awareness—and the willingness, eagerness and ability to explore further. Moreover, their ranks are starting to include professionals from business backgrounds. According to Forrester Research, 35 percent of CIOs do not come from the IT ranks. For those CIOs, and for their teams, alignment with the business should be much easier to achieve.

Our study also reveals that CIOs see themselves as leaders who are effective at building strong teams, who communicate well with their teams and who know which IT competencies will lead to success. That is a strong positive, because it implies that CIOs have the backing of their teams in demonstrating IT's role as a driver of top line revenue and sustainable business growth.

CIOs who grasp that point have a good perspective on how to shape the views of top management. Essentially, they are not alone in ensuring the enterprise seeks to gain competitive advantage through technology: they can develop the skills and competencies of their staff to promote and support their vision. Says the CIO of one European financial-services firm: *“What's the value of a newly competent CIO if he doesn't have the talent behind him? The CIO has to convert his team much as he converts himself.”*

WHAT CIOS CAN DO THEMSELVES

There are steps that CIOs themselves can take to close competency gaps. For many, there are opportunities to present their cases more in business terms than in technical terms. That may be less comfortable for CIOs who have spent their whole careers within IT. But like any language, it can be learned—and it will help in establishing trust and strong peer relationships with the rest of the C-suite. Further to the point about communication: Fully 88 percent of CIOs who indicated that they communicate clearly may excel at conveying concepts, updates and directions to their staff and even to business colleagues. But they have an opportunity to address the other half of the communication equation: actively seeking information and listening deeply. (See the insert “The Art of Stakeholder Management” on page 20.)

At the same time, CIOs may find it helpful to put themselves in the place of their business colleagues. One CIO offered the following advice: *“Think about the last time that IT mandated an enterprise-wide changeover of desktops and laptops in order to augment data security. It’s not too much fun for business users—all they see is the bother of having to get used to new personal productivity tools and maybe having to reconfigure their systems. And often, all they get is a quick e-mail about the upcoming changeover—with nothing to explain its importance in business terms.”*

CIOs can and should extend their perspective to viewing things through the perspective of customers and other external stakeholders. The CIO of a large global communications equipment provider is regularly in direct contact with customers. *“Now IT has direct touch with external customers. We have real external revenue associated with those partners...If the order process does not work in 24 hours, an immediate response is needed because you can just forget the contract with the partner if it does not work. A completely different language is used with customers than in internal conversations.”*

THE ART OF STAKEHOLDER MANAGEMENT

Major change initiatives often do not fulfill their potential because change leaders do not engage key stakeholders early enough or deeply enough. Too often, research teams spend months gathering data and developing strategies that are not fully implemented due to insufficient internal and external support.

Studies by Censeo Consulting Group, a firm that supports complex strategic sourcing initiatives in the U.S. federal government, where single-category spending often exceeds hundreds of millions of dollars, are applicable to IT leaders and their efforts to shift perceptions of IT's strategic value to the organization. Censeo maintains that the key is to follow a disciplined process for identifying, wooing and continuing to engage stakeholders.⁷

Censeo has identified these six principles for effective stakeholder engagement that organizations from any sector—public or private—should bear in mind when planning or managing a complex, large-scale change management program.

- Get to know your stakeholders
- Engage them as early as possible
- Listen with both ears open
- Communicate, communicate and communicate some more
- Use policy as carrot, not stick
- Create communities

HOW THE CENTER FOR CIO LEADERSHIP CAN HELP

The Center for CIO Leadership set out with this competency research to help identify the gaps that exist in the “competency portfolios” of CIOs. The next step is for the Center—alongside its academic and learning partners—to develop programs that will help close the competency gaps identified in the study. The following is a roadmap that the Center will carry out with the goal of engaging CIOs from across the globe to help advance the CIO profession.

Continued Research and Community Engagement

Building on the base of knowledge gathered in this survey, the Center will continue researching the theme of CIOs’ leadership competencies. With each round of research, new questions will surface, with additional opportunities emerging to identify and close gaps. The Center will also provide a hub for collaboration—as a central community and an open, unbiased and confidential peer-to-peer networking environment that is not readily available to many CIOs around the world.

Learning and Education Roadmap

At the same time, the Center is developing learning roadmaps for CIOs as well as specific tools to address competency gaps shared by many. One of the specific areas of interest for potential education modules include CIOs’ innovation capabilities—a major opportunity for CIOs to become catalysts for change and an area that meshes with what IBM, in its “Enterprise of the Future” CEO study calls “innovative beyond customer imagination.” Another specific area of interest that has clearly emerged is change management and the potential for CIOs to lead this critical function for the enterprise as a whole. (See Figure 10.)

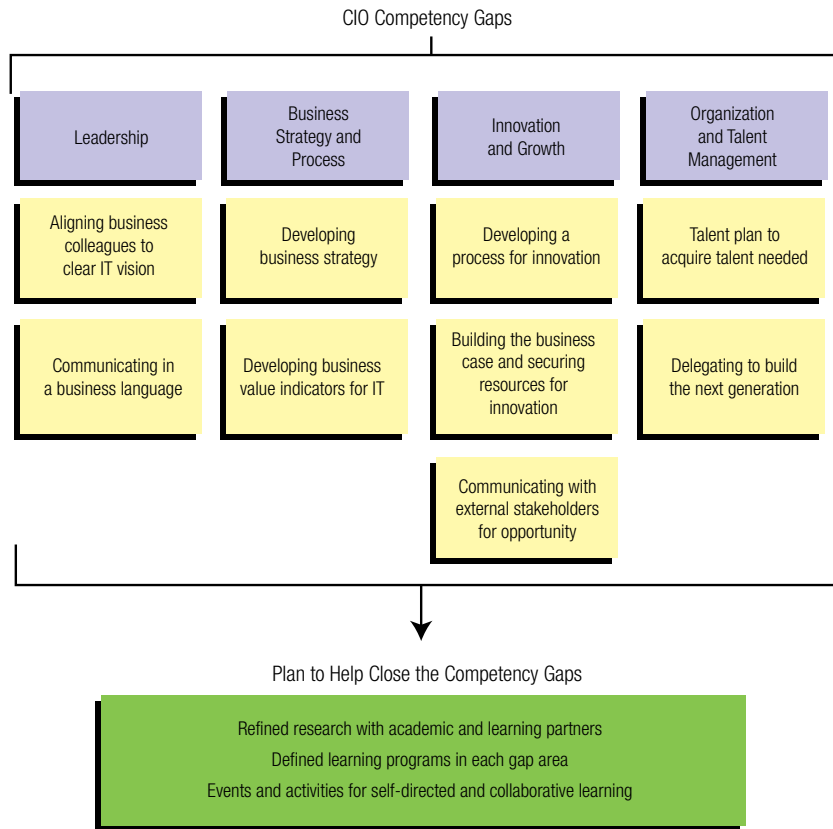


Figure 10: The Center offers CIOs a plan for closing competency gaps

The Center will deliver education programs with its partners in a variety of formats including:

- Academic partner-hosted classroom executive education
- Online virtual classroom study
- Community learning through events, forums, social networking
- Peer mentoring
- Executive coaching

The Center's website will provide a portal of rich resources tailored precisely to the competency gaps that our research has revealed.

A NOTE ON CLOSING THE GAP

The competency gaps that the Center for CIO Leadership has uncovered must be put in perspective. In aggregate, they represent an intriguing series of opportunities for both career enrichment and enhancing the business value of the IT function—and for helping CIOs' enterprises to grow faster and more profitably. All of the questions raised by those competency gaps *can* be addressed. The questions may not be resolved overnight—and nobody is saying that the gaps can close inside the next financial quarter. But the solutions are evident, and are well within reach.

While there are many ways that CIOs can interpret the survey data described in this report to help themselves, there is also much that is not within their charters—or on their agendas. For the job of continued research of these issues, of providing e-learning tools and virtual classroom time, of developing the right mentoring and coaching programs—organizations like the Center for CIO Leadership can provide an effective and efficient resource.

PURPOSE AND METHODOLOGY

The objective of our research initiative was to deeply understand the status of the global CIO profession within four specific best-practice competencies: leadership; business strategy and process; innovation and growth; and organization and talent management. The outputs from the research will enable the Center for CIO Leadership to build solid foundations for its education offerings and ongoing research.

The survey is broadly representative of CIOs as a group in all respects—by geography, by industry and by company size. The majority of respondents are from Europe and North America, but the survey received global input from 45 countries in all, including Vietnam, Russia, Myanmar, India, Venezuela, and many others. (See Figure 11.)

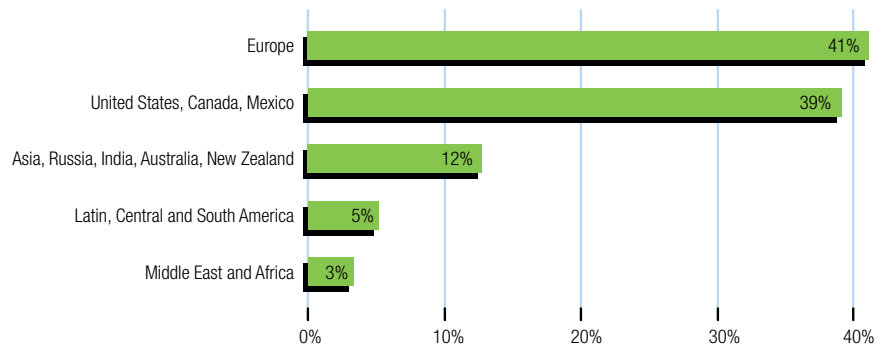


Figure 11: Geographic composition of survey respondents

While manufacturing, public administration and finance (including insurance) make up nearly half of the industries represented, the survey also includes replies from 30 discrete sectors as diverse as construction and health care. (See Figure 12.) More than 60 percent of the respondents are with companies with 5,000 or more employees and with most generating annual revenues of at least US\$1 billion. Over 25 percent of CIOs' companies report top-line numbers above US\$10 billion a year. (See Figure 13.)

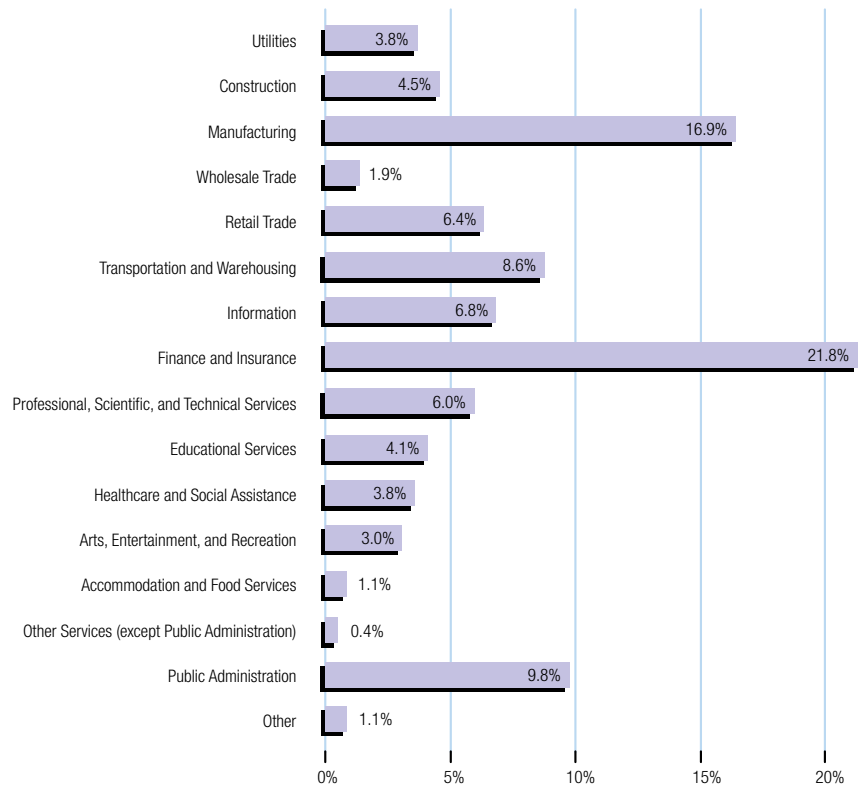


Figure 12: Industry composition of survey respondents

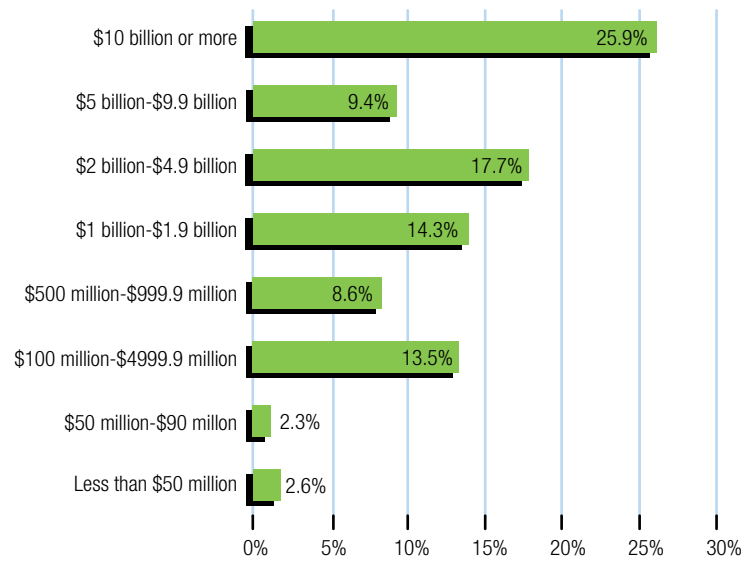


Figure 13: Size of company represented by survey respondents (in US \$)

About 86 percent of those polled are the corporate CIO; about 40 percent report directly to the chief executive officer. A little under 20 percent supervise between 101 and 500 employees, with some CIOs surveyed report being in charge of staff numbering in the thousands.

The survey questionnaire was structured around the four core competency categories, and included 33 specific tactics or activities within those four competencies. Respondents were asked to rate their performance by indicating their level of agreement with the statements. The statements within each competency were listed in random order to reduce question bias.

Launched as a confidential online survey in July 2008, 1,592 CIOs worldwide were invited to participate, with 266 responses (a 19 percent response rate). Importantly, 35 of the respondents gave permission to reach out to their CEOs to obtain supplementary information.

The survey instrument was developed in collaboration with Dr. Lynda Applegate of Harvard Business School (HBS) and Dr. Soumitra Dutta of INSEAD. Additional advisors included Dr. Marianne Broadbent (Edward W Kelley & Partners), Dr. Joe Peppard (Cranfield's Information Systems Research Centre (ISRC), Michael Lindemann (Merck) and Dr. Zhong Wen (Tsinghua University's Department of Management Science and Engineering School of Economics). Some questions in the survey were sourced from *The New CIO Leader Self-Assessment* in [The New CIO Leader: Setting the Agenda and Delivering Results](#), authored by Dr. Marianne Broadbent and Ellen S. Kitzis.

RESOURCES

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