

The rise of the CIO

A look at the growing clout of the CIO/IT director

Despite the rise of the non-technical IT decision maker in organisations, the chief information officer (CIO), or IT director, is likely to be a powerful beast – and increasingly so. It may come as a surprise to see that in the US, at least, top flight CIOs command enormous remuneration packages – in 2004 they received a massive 45% rise on average over 2003, with the highest paid, Jon Beyman at Lehman Brothers, getting a cool \$5.9 million for a year's graft.

Today's CIOs, particularly in larger organisations, really are now those mythical "hybrid" managers first mooted in the 1980s. In other words, they are people who understand business processes and how to apply IT – and are constantly on the look out for driving value through their organisations. According to David Sibley, who runs consultancy People Achieving, and who was at Computercenter, a CIO today is likely to have an MBA and worked in consultancy companies such as Accenture before making the move to an end user.

"They are a new type of person – unlike the operations-driven IT managers of old, they are analytical, with strong business vision and goals, and are extremely well

'Don't assume that CIOs are very successful at what they do – their compensation can bear little relation to value'

organised, and know how to run teams. But they are very distrustful of vendors (and some consultancies). You need to be very well prepared to get anywhere in a meeting with them."

C-level training firm Executive Conversation has also looked at today's CIO, noting how you can unpick their issues by matching their roles with the overall issues of the CEO/CFO. This means, say, developing metrics for accelerating end user access to information to become more competitive, or cutting system admin time to save costs. That's clearly the way to get a value proposition in shape but, as an outsider, to get to this



point your preparation has to be meticulous. Not only is the world becoming more complex – organisations are now networks of alliances and outsourcing, placing great demands on IT – but there is also likely to be a wide variability in the "fit" of a solution.

Value for money?

Furthermore, despite the trend towards more power and higher salaries for CIOs, don't assume that they are necessarily very successful at what they do. According to analysis by ROI specialist Alinean, CIO compensation actually bears little relation to shareholder value – the reasons for the salary boost include a peer effect (everyone expects it); industry sectors such as manufacturing are finding it hard to attract good people; and a trend for some CIOs to go for large, risky projects that accumulate incentive milestones.

Sibley has tips for approaching CIOs:

- Above all research the firm's offerings, customers, competitors and language – preparation could be 10 hours for an hour long meeting
- CIOs need to keep up with the pace of change – they are increasingly networking with peers (eg the CIO Connect group) because they feel vulnerable with vendors. They'll also use these forums to test out business cases. Honesty and great listening skills are essential
- Understand their difficult position between the CEO/CFO and the organisation and a need to ensure decisions are right – such as delivering security

- They are career builders and like big projects, but are increasingly staying to see these projects through from start to end. Their reputations depend on delivery
- They often bring a close team with them from previous roles – these people are great ways in
- Try to avoid taking your firm's political or product agenda into meetings – that distrust runs deep and they have no time for people with little value.

You should, adds Sibley, also take time to understand the personality types of CIOs – they tend to be introverted, analytical types – whereas salespeople are often the opposite – and CIOs are not as young as you might think – mid-30s to early 50s – and their top interests are more likely to be family and gardening than playing golf (see also box).

See www.peopleachieving.com, www.conversation.com, www.alinean.com

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Decision maker preferences

As part of a brand awareness exercise ICM Research and Computercenter surveyed IT and financial decision makers on their media and spare time preferences. Among the findings:

- Not surprisingly, most IT decision makers read the IT press, with *Computer Weekly* way ahead of anything else. Financial people naturally favour the business press – but 36% of IT people in the sample also look at the *Financial Times*.
- Of websites visited, IT decision makers cite the BBC's site as top dog, followed by *Computer Weekly*, *Computing*, *FT.com* and *Silicon.com*
- National newspapers choices are a bit surprising – the *Times* and *Sunday Times* come out ahead of the pack for both financial and IT people, and next is the *Independent*, the *Daily Telegraph* and the *Guardian*.
- For spare time pursuits IT decision makers favour gardening and walking/rambling, playing football and family. Financial people score on relaxation/family time, but also mention travelling, DIY, golf and cricket.