

## **“2009 Crisis Management . . . Has the role of the CIO changed?”**

*A series of thought leadership articles for the CIO and executive management*

By all news accounts, the economies of the world continue to slip deeper into an ever darker abyss; one characterized by growing unemployment, significantly lower corporate revenues and earnings, and reduced spending. Global stock markets are hitting levels not seen in well over 10 years. “Crisis” is the word most often used to describe the current global state of affairs. As corporations scramble to deal with the crisis, what changes in executive decision-making will ensure survival and prepare for long-term success? Which companies will look beyond the near-term tactics of across the board cost-cutting, to develop strategies that help them to survive this downturn, while preparing them to sprint ahead as the coming recovery takes hold?

As CIO, CEO, or other member of the executive team, you probably have already been engaged in tactical decisions regarding operations. You likely have also been busy reassessing corporate strategy and looking for approaches which will enable your company to survive the current turmoil, without significantly impacting its ability to compete and grow as the world comes out of the current crisis. As your executive team discusses, evaluates, and revises corporate strategy, what focus have you placed on technology? Do you see technology as a large expense to be cut, or as an enabler, that when aligned with business objectives can be leveraged to increase efficiency, reduce costs, and enhance competitiveness? How you answer these questions is likely to be influenced by the role the CIO of your company has with regard to executive decision-making.

In today’s corporation, the position, role, and reporting relationship of the CIO will vary. In some corporations, the position of CIO is highly evolved, reporting to the CEO (or possibly the board), filled by someone extremely knowledgeable about the business, likely with technology and business responsibilities, and integral to executive decision-making. On the other end of the spectrum the CIO may be non-existent, or perceived as the head of a support organization, reporting to another C or E-level officer, filled by an individual that is likely characterized as a great technologist, and responsive only to the requirements of the business. Which of these characterizations is correct? Best? This is often dictated by company size, maturity, and line of business. However, for many companies the role of the CIO in strategy development and decision-making may very well determine survival in 2009, and growth and prosperity in years beyond.

What does today’s strong and “evolved” CIO look like? Characterizations include:

- Reports to the board or CEO
- Strong and working knowledge of the business
- Actively involved in executive decision-making
- Drives business change, effectively leveraging technology to meet business goals
- Aligns technology goals to meet business goals
- Has strong working relationships across the company, especially key stakeholders
- Is an educator, with the ability to express technology in terms of business impact
- Accountable, and fosters a culture of accountability and communication
- Able to easily justify all technology expenses in terms of ROI

A strong and evolved CIO has the ability to bring significant value to a corporation, especially in 2009. As the focus of executive management shifts to tactical decision-making - cost-cutting, lay-offs, market pricing, supplier viability, customer retention, and other, a CIO engaged in the process will be able to identify areas where technology resources can be aligned and leveraged to facilitate tactical changes underway. Helping the executive team understand the ROI on specific expenses or investments in technology will ensure that decisions related to budgets and activities are targeted, and aligned with business strategies and objectives. Further, a CIO with strong knowledge of the business can focus technology efforts where it will bring the greatest value to business strategies, as well as avoid or eliminate activities that will not. Alignment of technology resources with business strategies and objectives ensures that these scarce resources are applied in ways that create value that would not be recognized if business decisions were made without active involvement of the CIO.

Active involvement of IT in executive decision-making also creates the foundation for an environment and culture where technical resources can be fully integrated with the business and the goals and objectives of the business. The CIO that is a business leader first has the ability to align, manage, and motivate the technology organization in terms of the business impact that they have. Through the understanding of the business and the customer, decisions at all levels of the technology organization can be made with regard to the impact on the business, and the resulting costs, efficiencies, revenues, and profits. Additionally, with common goals and objectives, business and technology staff working together can craft solutions that include the best mix of business policy, business process and technology. The combination of business and technology may also result in innovative approaches, technologies, products, and know-how that would likely not come about without the integration of business and technology thinking.

In summary, the crisis of 2009 may well accelerate an evolution that is already underway for the CIO and his or her role. Expect to see continued changes in CIO reporting relationships and responsibilities, as well as in the skills, knowledge, and experience of those individuals filling the position of CIO. And as the role of CIO changes, also expect to see the perceived value of the technology organization as a whole change, while the responsibilities and activities of technology and business continue to merge. As technology continues to grow in importance to companies and their sustainability, the lines between business and technology will continue to blur. Boards and executive teams that recognize and leverage the importance of technology and a strong CIO in business decision-making will enhance their company's competitive positioning, versus those companies that fail to embrace technology as a necessary component of today's business.



**About the author:** David Coleman is a former Fortune 100 senior technology executive with over twenty-five years of leadership experience. He most recently served as Vice President of Technology at Fannie Mae where he led strategic business and technology planning. During his tenure at the company, he managed technology and business divisions as the industry went through significant transition and was forced to cope with multiple crises. He is currently writing and speaking on "CIO Strategies for the 2009 Economic Crisis."

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