

Chief Information Officer

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This article aims to highlight the progressive importance of the Chief Information Officer (CIO) role in the corporate world.

Without a doubt, flexibility and responsiveness rule the marketplace. Successful companies focus on sensing and responding to rapidly changing customer needs and preferences. Information technology has created a significant competitive dynamic, fuelling further and faster change.

Therefore it would be hard to find a function within an enterprise that has changed and evolved in the past 10-15 years as much as the IT management. From an operational responsibility for end user support, data processing and hardware it has transformed into an executive function, and as such moved from the back office to the board table. IT finally came into the spotlight synergising technology and business strategy.

In a world where consumers are more sophisticated, informed and overwhelmed with choices, where companies are under unprecedented pressure for transparency and responsibility to their shareholders, clients and stakeholders, where the need for real time communication and connectivity is higher than ever, and the information borders between countries and businesses become virtually non-existent, IT plays a major role in giving big companies the agility of a small organisation, or a small company the power and bandwidth of a big corporation. It achieves this through:

- Improving company's performance through the optimisation of business processes and the provision of real-time information to all decision makers.
- Improving the overall productivity of an organisation through higher returns on capital and the reduction of operational costs. This is mainly achieved through faster asset turns, better customer retention and the implementation of rigorous quality control systems such as 6 sigma.
- Rendering businesses more flexible and adaptable to changing operational requirements, the overall market dynamics, while exploiting faster new opportunities.
- Providing dramatic competitive leverage and strategic advantage.

For IT to be successful, the people aspect needs to be put under the spotlight. Due to inflexible corporate structures and ill-defined business processes, the implementation of an Enterprise System can become a costly nightmare, which drove some adapters in the nineties almost into bankruptcy. This occurs when IT managers put too much stress on both hardware and software, while they do not put enough emphasis on the soft science on how people actually exchange information. This means changing those corporate behaviors that discourage speedier information sharing and execution.

As such, an executive function emerged in the corporate world: the Chief Information Officer (CIO), someone to mediate between IT system imperatives and business requirements. Under his lead IT shifted from inflexible hardware management to a function aiming at reducing the constraints imposed by time and space in acquiring, interpreting and acting on information. Hence his role has evolved from reactive to proactive, in order to create an environment where technology and people are synergising and dramatically improve the organizations' unique competitive differentiators.

Because the CIO brings technology in line with the tactical and operational plans, and monitors execution and results, he is at the executive table with equal responsibility for decisions and performance. The set of skills necessary for a successful CIO is less that of a technician and more of a business analyst. The CIO, in addition to knowledge of IT and information management, needs to have business process analysis, communications, project and people management skills. In more and more service companies, the CIO can be seen as one of the executives closest to the CEO, especially in organizations that handle large amounts of transactions and create their revenue mainly through the exchange of information, where just seconds off-line can cause huge losses.

Employees, customers and suppliers now expect in this sense-and-respond world immediate and uninterrupted information supply. Therefore the CIO must steer the people in the company by managing the organisation's informational assets and representation. He will direct the company to invest in technological capabilities rather than in isolated IT systems. Coherent corporate behaviour needs more than blockbuster applications, network connections and competent hardware plumbers. It needs an integral informational model that codifies a company's intent, values and behaviours.

The successful CIO is the executive who will stress the Enterprise in the System. Whether called as such or not, a CIO is already an essential requirement for corporations that need to compete harder and faster, while executing flawlessly. The consideration to create the CIO function through the promotion of a qualified executive, or the recruitment of an outstanding outsider, is not anymore a luxury but a definite necessity.

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