What Sellers Need to Know About CIOs and Value

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Agenda

Introduction

CIOs and IT Value

Implications for Sellers

Introduction

Executives still doubt IT value and in spite of the value management tools available, most organizations don't use them

There is a gap between "knowing" and "doing"

More focus is required on influencing managerial behavior, therefore a greater understanding of CIO dynamics is beneficial

Our research on CIOs spans 8 years

In-depth interviews of over 130 CIOs and non-IT executives across multiple industries

Global survey of 675 CIOs

Co-researcher and author: Joe Peppard, European School of Management and Technology - Berlin

Executives view CIOs through different perspectives and the CIO role is ambiguous

Strategic

Strategic Contributor	Considered an executive with special responsibility for IT and strategic input
Solution Provider	Considered an expert who collaborates with executives to deliver business solutions
Service Provider	Considered a technical manager providing support services to the organization

Tactical

These perspectives can be held by various executives within the same organization!

Source: Gerth, Anthony B., and Joe Peppard. "The dynamics of CIO derailment: How CIOs come undone and how to avoid it." Business Horizons 59.1 (2016): 61-70.

Executives define "success" of an IT initiative loosely

Most described "business results" as the success indicator, even "achieving metrics", but…few formally review benefits realization after the fact and most rely on observable, anecdotal assessments

Generally they reported doubts that IT benefits can be empirically measured and do not recognize their role in realizing them

An illustrative comment from an executive regarding realizing value from IT projects

"I think IT can do better. I think the people that are directly involved in the project, particularly on the IT side, have a pretty big vested interest in painting a picture that might be rosier than it really is. So, I think there is room for improvement there."

This executive clearly saw value realization as an IT responsibility!!

Executives describe themselves as fairly IT savvy* (contrary to the CIOs' opinion)

❖ This is primarily based on their familiarity with consumer IT such as smart phones, tablets and wireless home routers

❖ They admit this over-simplifies enterprise IT, but…

> They expect the CIO to understand their issues and bring solutions to the table, but do not reciprocate in trying to understand IT better

IT savvy meaning understanding how IT enables their part of the business

Source: Gerth, Anthony B., and Joe Peppard. "The dynamics of CIO derailment: How CIOs come undone and how to avoid it." Business Horizons 59.1 (2016): 61-70.
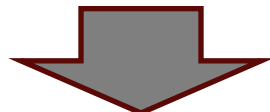
CIOs need to proactively define success

IT initiatives that are viewed as unsuccessful / non-value contributing blow back on the CIO
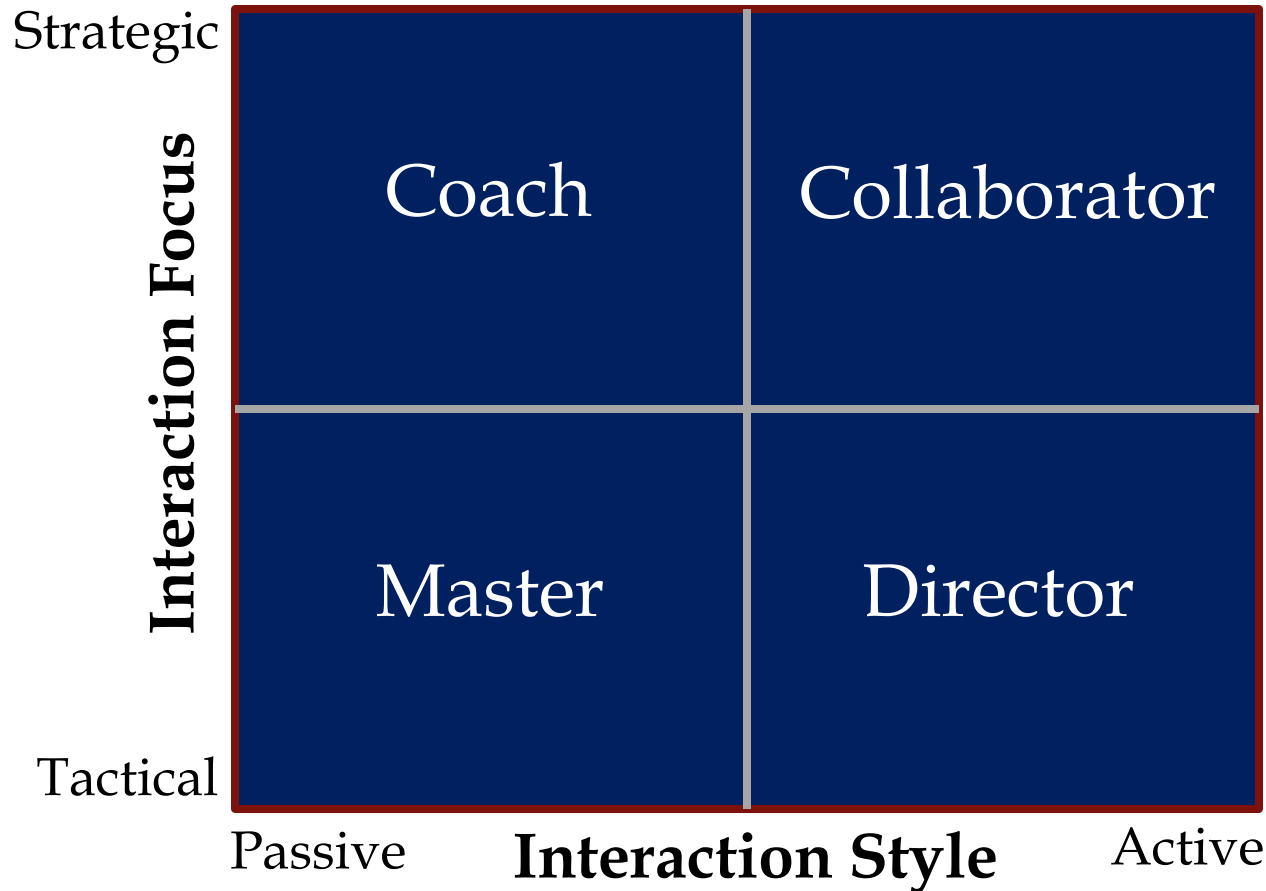
CIOs do not "own" the resources to deliver value, only non-IT executives do

CIOs must proactively collaborate with their peers to concretely define success of IT initiatives

Collaborating with peers is not easy for CIOs because of stakeholder differences

Interaction Focus (vertical axis: Strategic to Tactical)

Interaction Style (horizontal axis: Passive to Active)

	Passive	Active
Strategic	Coach	Collaborator
Tactical	Master	Director

Source: Gerth, Anthony B., and Joe Peppard. "The dynamics of CIO derailment: How CIOs come undone and how to avoid it." Business Horizons 59.1 (2016): 61-70.

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CIOs need to focus their relationship building on Coaches and Collaborators

Master	• Passive style and Tactical focus • Views CIO as service provider, not peer
Director	• Active style and Tactical focus • Tries to influence CIO priorities as a Service Provider. Does not view CIO as peer
★ **Coach**	• Passive style and Strategic focus • Views CIO as Solution Provider, will help if they ask, does not view CIO as peer
★ **Collaborator**	• Active style and Strategic focus • Considers CIO a peer and a Strategic Contributor

Source: Gerth, Anthony B., and Joe Peppard. "The dynamics of CIO derailment: How CIOs come undone and how to avoid it." Business Horizons 59.1 (2016): 61-70.

CIOs need to consider new ways to define and communicate value

How does the initiative support the organization's strategic / operational objectives?

Does the initiative lay the foundation for more advanced practices (e.g. providing data for business analytics)?

Will the initiative impact key performance indicators?

Ways to help the CIO (and yourselves)

Bring industry knowledge to help the CIO understand the business more broadly

Start with sources of value and benchmarks so that the CIO can proactively define success

Sales teams should work with the CIO to develop **specific** value plans for their program

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Ways to help the CIO cont'd.

Help the CIO communicate value in a way understood by their non-IT executive peers

Don't embarrass the CIO in front of their peers by relying on generic sales messages!!

Don't be a "Service Provider", be a "Strategic Contributor" for the CIO

Thank you for your attention today

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