

Center for CIO Leadership Pulsecheck Interview Synthesis: Impact of the Current Environment on the Role of the CIO May 2009

Background

We interviewed nine Center CIO members to gather input on the CIOs' view of the changing role of the CIO in the current economic environment and how this environment is influencing their roles and decision making. We asked CIOs if their role changed in this challenging environment, and whether they in turn were also seeing their reporting structures change. The interviews were conducted from March – May 2009.

Top 5 Headlines

1. The CIO role is not changing, but priorities are.
2. CIOs need to be flexible and adjust the IT strategy to the business strategy.
3. Given the challenging economic times, the focus is not on big investments but rather on small solutions.
4. Efficiency and cost cutting won't be enough; transformation through technology is required and is what their companies need.
5. It is not clear that the current situation is driving a shift in reporting structure; in some cases it is, and in some cases not.

Interview Highlights

The following are highlights of the stories and thoughts shared by CIOs.

On the changing role of the CIO:

CIOs are experiencing changes due to the economic environment, but not to the role itself. Changes are experienced in the needs of the business and in response to shifting strategic needs.

- *“I would not say the role itself is changing, but rather changing priorities. I am still talking to the business, but I now have more cost constraints. I look for cost optimization solutions and we are talking about longer timeframes for implementing activities.”*
- *“I think it depends on how you've done the job in the past. If you were an IT guy, then your role may be changing to link more to the business. If you were more of a business-oriented CIO, you are continuing to integrate business changes into the strategy.”*
- *“My role has not changed as a result of the current economic climate. It changed a year and a half ago – ahead of the downfall. The focus of the business is changing and we are definitely more cost focused now.”*

The economic environment is increasing the appetite for technology innovation in some organizations, creating opportunity for CIOs.

- *“I am not necessarily working more closely with the business now, but changes are happening fast. The CIO needs to be more flexible and adjust the IT strategy to the business strategy.”*
- *“The acceptance of my role in leading innovation is heightened. There was always acceptance of the CIO sitting at the table. Now the business is hungry for what I have to say.”*

At the same time, pressure to focus on cost cutting continues to influence some CIOs’ ability to bring innovation to the table.

- *“The economic environment is making it an interesting time, but I wouldn’t say that my role is changing because of it. IT is considered a cost and not a strategic part of our business. We need to continue to ensure that we are delivering the best service to the business per dollar and honing in on being cost effective.”*
- *“My role is changing. The company is not investing in technology – the focus is on small solutions. The CIO must know the business and be able to think about solutions to overcome critical situations.”*

On reporting structure:

CIOs interviewed have a varied experience in terms of whether this global economic climate has driven changes in the reporting structure for CIOs.

In some cases, they have seen their reporting structure change, but for reasons other than the economic environment.

- *“The CIO had been reporting to the COO, but now reports to the CFO. This is not because of the economy, but because of the needs of the company.”*

Two CIOs report no change.

- *“I report to the CEO in the region for IT strategy, and the CIO in the Group for the IT needs of the region. This has not changed.”*
- *“I lead shared services and my boss is on the board of the group. This has not changed due to the environment. Personally, I am not seeing a trend of CIOs reporting to the CFO.”*

In three cases, the CIO reports to the CFO and did so prior to the change in economic environment.

- *“I report to the CFO. We have four business units who all have their own Managing Director and those MDs sit on the board which consists of the CFO, CEO etc.”*
- *“For IT, I report to the CFO and for the strategy piece I report to the CEO.”*
- *“I report to the CFO. The CEO has 3 direct reports. There are 11 individuals who sit on the CEOs team, and I am one of those. This works well; The CFO is there when I need him to be but otherwise he is a silent manager.”*

The environment has had an impact on the role of one CIO, by shifting the reporting structure of the IT function and eliminating the leadership role.

- *“We had a new CEO come in and based on his prior experience he felt that we did not need a head of IT. It is bundled now under shared services. IT was a service company within the enterprise. Now it will be partitioned out under each of the business divisions.”*