

IT ANALYSIS

Six Critical Success Factors for the CIO



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The role of Chief Information Officer is among the most challenging positions in any industry. Why is it so difficult? That's because an organization's business and IT strategies are often not aligned — which results in falling short of goals or even overlooking one or more factors that are critical to the success of any company, program or project.

A successful IT program has a proven formula. This was true in decades past and remains relevant today. In order to be effective, CIOs must succeed in six key areas, an approach that has been proven time and again at the world's top technology companies.

Readers may review the six critical success factors discussed below and contemplate experiences with failed IT organizations. Doing so may evoke recognition of one or more components that are missing from those organizations' IT programs.

1 The CIO must be **tactical**. The CIO's priority must be to manage the day-to-day operations of the business. These must run smoothly and reliably without incident on a 24/7/365 basis. Tactical delivery earns strategic trust. Examples include:

- The company's website and email must be up and running.
- All client and company applications must be secure and operational.

- Projects, regardless of size, must be on time and on budget.
- All applications must be secure and managed by a capable Chief Security Officer (CSO) and cyber security team.

2 The CIO must be **strategic**. A successful CIO understands the business in order to align the technology, including systems and data, with the strategic business objectives. The technology must be agile and flexible to adjust to the business' changing needs and requirements. Essentially, the technology enables the business.

3 The CIO must differentiate IT finances by **investment vs. cost**. The CIO must be aware that costs for technology are investments made by the business, which requires a return on that investment (ROI) approved by the business. It is imperative that the CIO have a financial analyst to manage the budget and track expenses in business terms. Additionally, investments must be understood and relatable to the business.

For example, a systems investment should be related to the margins of the business, such as how many products or services must be sold against the profit margin to recover the investment. This puts a different view on that investment, especially if the CIO considers it a small to medium cost to upgrade a system.

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4 The CIO must remain current on **new technology**, especially technology trends. Many major systems implementations can take 24 to 36 months. Technology can become outdated during that time period and be old or obsolete by the time systems go into production.

Architects are essential to the CIO to ensure that systems are designed to be open, flexible and future-proof. The CIO should have a team of architects — solution architects, data architects, integration architects, application architects and infrastructure architects — to serve as a review team and help keep the systems current and designed for the future.

5 The CIO must set **talent management** as a key priority and invest personal time on recruiting and retaining IT talent. Key roles that have leverage for ensuring IT's performance include but are not limited to:

- Program and project managers
- Business and systems analysts
- Solution, data, integration, application, infrastructure and cloud architects

6 The CIO must develop and maintain key ***internal client relationships*** with peers and executives within the organization. Good interpersonal and strong leadership skills are a must. The CIO must communicate early and often and be transparent and honest in all communications. Successful CIOs manage by "walking around." They are knowledgeable, experienced, balanced, and honorable, and know how to manage the interests of all IT stakeholders.

An assessment of how well your organization performs against these six dimensions is an important step for any IT area. An assessment provides a roadmap for optimizing strengths and improving performance in identified areas.

About Jamie Hogg

Jamie Hogg is a partner with MVP Advisory Group, a consulting firm focused exclusively on the insurance industry. As an executive advisor with more than 30 years of experience in the insurance and financial services industry, Jamie has broad based technology, process, and operational experience as a group vice president, CIO for a Top 100 multi-line insurance company, and as a senior partner with IBM Global Business Services. Visit MVP at www.mvpadvisorygroup.com.