eXP Premier

Improving the CEO's View of the CIO

Contents

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Foreword

Most CEOs view their CIOs as effective operational leaders. Yet only a few view them as full business leaders. There's an opportunity for CIOs to build their relationship with their CEO and other stakeholders—to increase their influence and to enhance the contribution of IS.

The quality of the CEO-CIO relationship influences the CIO's effectiveness and success as a business leader, and the value gained from information technology. CEOs are demanding and not always clear about their expectations. That can create a situation where their views are radically different from the CIO's perceptions, a situation fraught with risk for both.

This report draws on interviews with 22 CEOs across different geographies and industries. The interviews address the question, *What are the characteristics of CEO-CIO relationships, and what can CIOs do to improve these relationships?*

The research was led by Dave Aron (Gartner EXP research director) and Marcus Blosch (Gartner EXP vice president and research director).

Our approach necessitates that the companies, CEOs and CIOs remain anonymous. We are able to name two sets of CEOs and CIOS from our exemplary cases: Trent Bartlett, CEO, and Jo Parker, CIO, Capricorn Society Ltd.; and Deryl Wright, CEO, and Terry Clark, CIO, Chickasaw Nation Industries.

Many organizations and individuals contributed to the research, including:

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- Other colleagues from Gartner EXP and across Gartner: Rick Ackerman, Vicki Adamson, Steve Bittinger, Charles Chang, Maureen Firkins, Michael Fleisher, David Flint, Chris Goodhue, Nick Kirkland, Ellen Kitzis, Jean-Marc Lejeune, John Mahoney, Mary Mesaglio, Tina Nunno, Petter Standal, Leann Taylor and Andrew Walker.

Executive summary

CEOs and CIOs often see the relationship between business and information differently. CIOs tend to view their role and contribution optimistically. CEOs, by contrast, are more critical.

Relationships matter

The difference between how the CEO views the CEO-CIO relationship, and how the CIO views this relationship creates the potential for a dangerous disconnect, limiting the value generated by information technology and the power of the executive team. Understanding the CEO's expectations and view of the CIO helps create the right relationship based on personal style and enterprise need.

Section 1: CEOs and CIOs view the CEO-CIO relationship differently

CIOs believe they are trusted and respected business leaders, and to a great extent they're right. But few CEOs share the same unqualified view.

This is partly because CEOs have a broad span of control, with IT just one of many priorities.

It is also because of CIOs' technology and operations focus, which doesn't always allow them to show traditional business leadership styles and behaviors.

Section 2: CEOs are looking for the right relationship for the enterprise

CEOs hire CIOs to fit with enterprise needs and the changing context. CIOs must understand the type of relationship they are in and the actions required to reach the right relationship type. Four relationship types describe how CIOs relate to CEOs: at-risk, transactional, partnering and trusted-ally.

These relationships aren't set in stone. Sudden events—a change of CEO or a strategic IT initiative—can change the balance. And if both CEO and CIO are open to the possibility, they can change the relationship.

Section 3: Tailor your approach to your situation

The first step is to understand where your relationship is now, through self-assessment and dialog with the CEO.

Use that information to decide your next step, and then move one step at a time, cementing your credibility and the enterprise's appetite for change at each level.

Section 4: Create an action plan based on proven practices

CIO success stems from a four-step cycle— leading, shaping demand, setting expectations and delivering. Build an action plan based on this cycle, tailored to your current relationship type.

Ensure that your plan has tangible, time-bounded goals. And embed in your plan six powerful and proven practices: Get coaching and mentoring, make time for relationship building, take on non-IT responsibilities, build the strength of your deputies, educate yourself and educate your stakeholders. This will increase the chances of achieving the right CEO-CIO relationship.

A note to CEOs: The age of the operational CIO is almost over

Your relationship with your CIO matters. The CIO can be a powerful and positive member of your executive team. A recent study by Burson Marsteller shows that 5 percent of Fortune Global 500 companies have CIO skills on their board. And these companies' stocks have outperformed the industry index by 6.4 percent per year since the CIO-skilled member was elected.[1]

You set the tone of the relationship with your CIO. Successful CEOs are getting more from IT by building their CIO relationship. Getting CIO input into enterprise strategy has proved much more powerful than getting the CIO to execute a fixed strategy.

This trend is increasing, not decreasing, as enterprises become more reliant on IT to implement efficient processes and to drive sources of competitive advantage.

[1] This claim is based on 313 companies with available biographical information about their directors, with 15 companies having CIO-experienced directors and 298 companies without CIO-experienced directors.

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