Boardroom-CIO Readiness Index

CIO Professional Development Series
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Readiness Index

Introduction

The role of CIO is changing substantially. IT can do more than just deliver service levels within a given budget. IT has the power to drive business strategy; it need not be a victim of it.

IT needs a voice in the boardroom. It should be the CIO’s voice—not the muffled voice of a CFO or other CxO who manages IT because they drew the short straw. The skills and experiences that many of today’s CIOs have acquired will be of limited value in the digital economy.

This paper is designed to help CIOs and aspiring CIOs assess where they are on their journey to the C-suite, and what they need to do to complete the journey. This paper:

• Identifies the key attributes associated with boardroom-ready CIOs.
• Provides a mechanism for calculating your Boardroom-CIO Readiness Index (BCRI), a score that indicates how close you are to being a boardroom-ready CIO.
• Suggest ways to address the gap between where you are now and where you need to be.

The assessment criteria may surprise some people. But it is reflective of the new IT reality.

Methodology

My approach stems from a blend of formal research, informal research and gut feeling. I have worked at the leading edge of the IT industry for almost three decades, with considerable exposure to CIOs and those who engage with them. That experience has helped me formulate the approach.

Although this paper depicts a preferred profile, even the most successful CIOs can and do change their characteristics to suit their work environment. Market turbulence can put inordinate pressure on CIOs to focus on the here-and-now and operational efficiency. Both are important but only relatively so. Focusing on the future and innovation is more important under any economic circumstance. However, you must deliver what your business requires, and the model I present here reflects that reality.

Key Attributes

This section details key attributes that are associated with 21st century CIOs.

Business–Technology Orientation

Think of the CIO as someone sitting between the organization’s users and its technologists. The business–technology spectrum measures the CIO’s proximity to one or the other of those two groups. Traditionally, CIOs have a strong technology leaning.

Today, some CIOs have no technology background. The CIO’s position on the business–technology spectrum is one indicator of his or her readiness for the boardroom and ability to make a valuable contribution.

Leadership Style

Leadership—not just a management role—is required. The ability to inspire the troops is a major step in the right direction. Representing their interests in the boardroom is where IT leaders need to be.

Brand Management

The extent to which the boardroom is aware of the CIO’s positive characteristics is another key attribute. Hiding behind server racks will not help your brand recognition or elevate your position.

Degree of Integrity

Acting with integrity is a key element of professionalism, so one would expect IT leaders to act with integrity. Nontransparent behavior may yield short-term victories but is unlikely to provide a solid platform for long-term success. This attribute overlaps with brand management in that it is not enough to act with integrity. You also need to be known for acting with integrity.

Political Acumen

Many CIOs believe that hard work alone will eventually take them into the C-suite. But to advance your objectives in the boardroom, you must form alliances with influential people. To do that, you need to understand where the power lies within the organization, both officially and unofficially. Political acumen coupled with acting with integrity is a powerful mix at this level.

Time Horizon

The nature of IT and its relationship to business operations makes it easy for CIOs to be swept up in today’s urgent issues and to ignore what lies ahead—thereby creating tomorrow’s urgent issues. CIOs who can “keep the wheels on the bus” today but also think about where the bus should be going will be valued at the highest levels.

Innovation Orientation

Many CIOs are operationally focused: keep the network running and the email flowing. Those that can find time to think about how technology can deliver greater operational efficiencies and competitive advantages beyond the current business and IT model will be sought after.
Self Assessment

This section provides you with guidance for scoring yourself on the BCRI attributes. Be as objective as you can. You might consider asking bosses, peers and staff to provide input.

For all of the categories except Degree of Integrity, your score can be any value between the maximum and minimum, inclusive. For example, if you think that you are not politically naïve but not truly politically alert, then score yourself somewhere between 1 and 5 on Political Acumen. (For Degree of Integrity, you can only assign yourself a score of either 0 or 5.)

Business–Technology Orientation

• Technology – Are you perceived as a technologist, in that you know the application code or servers better than most of your staff?
• Business – Are you more likely to talk about profit, share price, risk and balance sheet rather than .NET, virtualization or grid computing?

Your score: __________

Comment

The score for high tech, high business is lower because many boardrooms are threatened by CIOs who—although they understand business—occasionally revert to speaking in obscure technical language.

Leadership Style

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No approach to management</td>
<td>0</td>
</tr>
<tr>
<td>More focused on management than leadership</td>
<td>1</td>
</tr>
<tr>
<td>Inspire the IT staff but lack influence in the business</td>
<td>5</td>
</tr>
<tr>
<td>Inspire the IT staff and the users</td>
<td>10</td>
</tr>
</tbody>
</table>

Your score: __________

Brand Management

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not concerned about people’s perceptions</td>
<td>1</td>
</tr>
<tr>
<td>Always consider reputational impact of actions</td>
<td>10</td>
</tr>
</tbody>
</table>

Your score: __________

Degree of Integrity

To what extent are you transparent in your intentions and actions?

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t act with integrity</td>
<td>0</td>
</tr>
<tr>
<td>Do act with integrity</td>
<td>5</td>
</tr>
</tbody>
</table>

Your score: __________

Political Acumen

• Politically naïve – Fail to form alliances or do so with those lacking real influence in the business
• Politically alert – Form alliances with influential persons at all levels of the business

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politically naïve</td>
<td>1</td>
</tr>
<tr>
<td>Politically alert</td>
<td>5</td>
</tr>
</tbody>
</table>

Your score: __________

Time Horizon

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused more on today’s issues</td>
<td>1*</td>
</tr>
<tr>
<td>Focused more on tomorrow</td>
<td>5</td>
</tr>
</tbody>
</table>

* If you are scoring yourself during a market downturn, give yourself 2 rather than 1 if you are focused more on today’s issues.

Your score: __________

Innovation Orientation

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused solely on operational efficiencies</td>
<td>1*</td>
</tr>
<tr>
<td>Focused primarily on how IT can be used to gain competitive advantage</td>
<td>5</td>
</tr>
</tbody>
</table>

* If you are scoring yourself during a market downturn, score yourself 2 rather than 1 if you are focused solely on operational efficiencies.

Your score: __________
### Calculate Boardroom-CIO Readiness Index

Transcribe your scores to the following template and then follow the numbered steps.

**Step 1**

A – Multiply your scores as follows:

Business-Technical Orientation ____________

x Leadership Style ____________

x Brand Management ____________

Score A _______

**Step 2**

B – Add your scores as follows:

Degree of Integrity ________ + Political Acumen ________

Score B _______

**Step 3**

C – Add your scores as follows:

Time Horizon ________ + Innovation Orientation ________

Score C _______

Your Boardroom-CIO Readiness Index

Score A ________ x Score B ________ x Score C ________

Your BCRI _______

### Analysis

<table>
<thead>
<tr>
<th>YOUR SCORE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,000–100,000</td>
<td>You are likely already on the board. Enlightened organizations will see you as potential CEO-grade material.</td>
</tr>
<tr>
<td>25,000–49,999</td>
<td>You have the qualities of a boardroom-ready CIO. If your company doesn’t recognize this, consider finding an organization that does.</td>
</tr>
<tr>
<td>3,000–24,999</td>
<td>You clearly have the potential to be boardroom material. Your scores will tell you which areas you need to work on.</td>
</tr>
<tr>
<td>1,000–2,999</td>
<td>You likely have the profile of a traditional CIO. However you have some work to do to improve across the key competencies before you make your bid for the board.</td>
</tr>
<tr>
<td>0 – 999</td>
<td>You need to address some serious fundamental issues before you can even think about your path to the boardroom.</td>
</tr>
</tbody>
</table>

### Development Options

The model is structured to make it clear where your strengths and weaknesses lie. This section presents some suggestions for gaining strength in each key attribute.

#### Business–Technology Orientation

Options include:

- Extend your work experience beyond the IT function. Arrange to have a sabbatical in one or more of your user environments, such as finance or sales. If walking away from IT isn’t feasible, then take this on as an additional responsibility.
- Gain at least theoretical understanding by enrolling in an M.B.A. program, ideally one attuned to the industry you work in.
- Read the publications that your CxOs read.

#### Leadership Style

Options include:

- Conduct a 360-degree audit of how you are perceived by those around you to ensure that you have an accurate view of your actual style.
- Be aware of the different styles that exist.
- Invest in leadership coaching.
- Immerse yourself in leadership literature.

#### Brand Management

Follow these steps:

1. Educate yourself on what brand management means and the mechanisms for doing it.
2. Develop a brand-management plan.
3. Ensure you allocate time for carrying out the plan.
4. Execute the plan.

#### Degree of Integrity

Plenty of self-help courses and literature explore the importance of integrity.

You probably do act with integrity but are not perceived by the board as doing so. Broken promises on system delivery times—and poor expectation management in general—can damage a reputation for integrity.

Identify some opportunities to act consistently with your promises. Start by picking quick and easy wins. As your confidence and the confidence and trust of those around you grow, you can elevate both the promises you make and the extent to which you manage the associated expectations to a higher standard.
Political Acumen
Try the following steps:
1. Improve your influencing skills through training and literature.
2. Build a power map of those who exert most influence in your organization.
3. Decide whom you want to have as allies.
4. Set goals in terms of whom you want to influence and how they will benefit.
5. Set time aside to nurture these relationships.

Time Horizon
- Make time to think ahead and think strategically.
- Read books on time/activity management. Much firefighting today results from poor forward or preemptive thinking.
- Develop your delegation skills.
- Delegate or outsource anything that can be done by someone else. (The cloud makes this easier than ever.) Focus on your unique skills.

Innovation Orientation
Again, delegation plays a part. Innovation itself can also be delegated. However, you need to be aware of what lends itself to innovation and what processes and approaches you can take to embrace innovation. Understanding how you sell innovation to the boardroom is a key skill.

Conclusion
The attributes that this paper details and quantifies may come as a surprise to some. However they are necessary characteristics to develop if you are serious about being a genuine C-class executive.

In my experience, very few CIOs score higher than 1,000. This might explain the poor level of IT representation in the boardroom across the world’s leading organizations.

Many people will blame this lack of board-level representation on technophobic business leaders. A degree of technophobia does exist. In many cases, however, the management team is willing to have genuine IT representation on the board, but the CIO is simply not ready to step up.

Do not despair if you have scored relatively poorly. The scoring system is designed to reflect the attributes of next-generation CIOs, as opposed to the CIO model we have become accustomed to over the last few decades.

In what is becoming an increasingly digital world, digital leaders need to take their rightful position in the boardroom. Today this is an aspiration for many. Tomorrow the aspiration will be for the CIO and the CEO to be one and the same person. The opportunity for suitably skilled CIOs has never been greater.

About the Author
Ade McCormack is an opinion columnist on digital leadership for the Financial Times and CIO magazine. His focus is on advising business leaders on IT matters. He is the author of IT Value Stack: A Boardroom Guide to IT Leadership and other books. He is also a visiting lecturer at the MIT Sloan School of Management, where he lectures on digital leadership for the M.B.A. program. He also helps organizations prepare for the digital economy through his eWorld Academy. Ade’s eWorld Radar blog was recently shortlisted in Computer Weekly magazine’s blog awards in both the innovative use of social media and CIO/IT Director categories.

About VMware
VMware is the leader in virtualization and cloud infrastructure solutions that enable businesses to thrive in the Cloud Era. Customers rely on VMware to help them transform the way they build, deliver and consume Information Technology resources in a manner that is evolutionary and based on their specific needs.

For additional information or to learn more about VMware from an executive perspective, please visit