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CIOs Should Think Like Chief "Value" Officers

CIOs need to change the game to get a seat at the table

By Mark Thompson

Today's Environment

In many companies, CIOs struggle for a seat at the table with the rest of the C-suite. As technology has become central to the success of companies in every industry, being out of the leadership loop is a growing problem for CIOs and their companies. Yet many haven't cracked the code that would gain them an equal seat at the leadership table.

There have been plenty of articles and discussions about the phenomenon; no need to recant them here. But it is worth looking at how CIOs can change the game. What would it take to elevate their value in the eyes of the C-suite and board of directors?

Point B's Perspective

It's Point B's experience that the CIO's absence from the table is symptomatic of a larger issue: CIOs and IT departments need to change the way they function. IT can no longer be run or viewed as only an operational utility focused on keeping the lights on and the doors open. In today's environment, IT must deliver measurable business value under increasing pressure to reduce costs.

These days, every business is in the technology business. Whatever your industry, technology is bound to play a key role in the future of your business. Doesn't it stand to reason that your CIO should play a key role, too? Perhaps CIOs can play a bigger role by thinking about what it would take to become the CVO—Chief "Value" Officer. Let's put our emphasis, and our expectations, where they belong: on delivering value to the real customer. What would CIOs do differently to

elevate their value and earn greater leadership influence? The following are a few ways that CIOs can demonstrate a new focus on creating business value:

They get close to the customer.
The key for CIOs who want to elevate their leadership roles in any organization is to focus on the real customer. Knowing the customer has always been important, but it's even more so now, as consumers have become active and ever-evolving drivers of technology. In order to create value for customers, IT must have a deep understanding of them.

This is a fundamental shift for traditional IT organizations, which tend to be inwardly focused. When we ask CIOs to define their customers, they usually recite internal departments such as finance, human resources, supply chain and manufacturing. They consider the internal functions or operations of the company to be their customers first and foremost. Of course internal customers are important. But the CIO of the future must understand the customer that buys the company's goods and services—and be able to demonstrate and share this understanding with the rest of the executive team.

CIOs of the world: When was the last time you spent time with your real customers? Are you delivering what matters most to them? Are you wasting time and money on things that don't? When CIOs talk to real customers, they're almost always surprised to hear what customers value most, and what doesn't matter at all.

Based on this new information and understanding, CIOs are likely to find an eager audience at the C-level, with

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new support. You're focused on creating value based on fresh, irrefutable information straight from real customers. The change in your approach is visible, maybe even inspirational. Now, when you talk about technology, it's in the context of leveraging it to deliver value to real customers and the business. In the process, you've just increased your own value; welcome to the table.

Imagine a CIO who walks into the CEO's office and shares an innovative idea that will deliver a measurable value to shoppers, drive tighter customer engagement, and generate higher top- or bottom-line results. Or consider a CIO who knows the real customer better than anyone else at the table. Do you think a fount of such knowledge would have to fight for resources? Or go unheard in a strategy session? When a CIO is able to base all of IT's needs on measurable value delivered to real customers, it's tough to argue that efforts or investments aren't important. And, by the way, if you're delivering value for the real customer, you'll inherently be delivering value for your internal customers. Some CIOs even extend their value by defining solutions that don't have a technology focus. Because they're strong business leaders who understand the business beyond IT, they see solutions beyond IT.

They define IT vision and strategy in terms of customer value.
Getting close to your real customers is a change in perspective that will naturally affect your IT vision and strategy, too. This may lead to new solutions that shake up the IT status quo. For example, maybe you'll want to deliver more business-based technology solutions to your customers in less time. That may mean leveraging solutions and technologies outside the norm of traditional IT. Instead of having your IT team build the solution, you hand off the commoditized components to third parties that can do it faster, better and cheaper. The savings will give you the budget to invest in new opportunities and create even greater business value.

They structure their teams to deliver solutions that support customer value.
Traditionally, IT organizations are structured by key IT areas—applications, infrastructure, support, etc.—each with its own leadership and teams. Team members may work well together, but they seldom work as well across disciplines.

In companies where IT is focused on the real customer, teams are often organized around solutions, not limiting functional silos. Each solutions team has all the IT skills needed to deliver—from design and development through user support. Some companies migrate these solutions teams into their respective business groups; the closer to the business, the better. This is a huge shift for many IT organizations and their leaders as they watch traditional roles and relationships transform before their eyes. And it's all the more reason why the wise CIO focuses on creating business value; in doing so, the CIO and IT will never become obsolete.

They define success by customer value.
When you're ready to signal a change in focus, try a change in language. CIOs and IT teams tend to talk in technical terms that are foreign to the C-suite. It's easy for executive peers to feel disconnected or miss the impact of what you're saying. Suddenly you're not the value-adding team member they'd like you to be. Now's the time to be sure you're speaking their language. Whether you're proposing an idea or reporting a metric, communicate it in terms of business results, and see what happens. For instance, instead of reporting a "99.5 percent uptime," state you've "made it possible for us to sell our products 365 days a year, 24/7."

The Bottom Line

CIOs shortchange themselves and their companies when they lose sight of their real customers and their ability to create business value. By getting close to those real customers and delivering solutions that matter most to them, CIOs can gain a new seat of influence at the table.