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ASPIRING IT LEADERS

WHITE PAPER
BY OWEN MCCALL
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Aspiring IT Leaders

“Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes.” - Peter Drucker Results.

That's why companies invest so much money in IT. They want and expect that investing in IT will deliver value to the enterprise. This means supporting the enterprise to deliver on their purpose and to their stakeholders' needs. As leaders of technology teams it is our job to ensure that this value is delivered. That, however, is easier said than done.

Challenge 1 - Skills shortage. As Jim Collins advises, in order to be successful you need to “get the right people on the bus.” This can be a challenge in an environment where there is a well documented and substantial shortage of appropriately skilled people. The competition for talent is hot and it is not necessarily a level playing field. If you are a CIO or similar then you are not only competing for skills against other similar organisations but you are also likely to be competing against high profile tech start-ups and global consulting firms, who have bigger marketing machines, offer more money and the promise of exciting leading edge careers. To make things worse a recent Department of Statistics finding suggests that the technology skill that we are most short of is technology leadership. It's tough to get the right people on the bus in this environment. In the face of an acute shortage of technology leadership skills what do we tend to do?

Challenge 2 - We promote our best and brightest ... technologists. Have you ever promoted one of your best technical people into a management or team lead role and had them fail? I have and in the process not only did I have an ineffective leader, who had a negative impact on the team, but I lost one of my best technical people. But if you are serious about providing career opportunities to your people and in light of the skills shortages, what choice do you have but to promote your best and brightest, your most competent? Promote your least competent people? Clearly that isn't an option.



Aspiring IT Leaders

Challenge 3 - The transition from technical expert to effective IT leader is tough.

What is clear is we don't really support our people to make the transition to the new skills required to be an effective leader. Consider, to become a great technical person requires an individual to invest years in education and practical experience, but when we promote them to a leadership role what support do we give? If they are lucky they will receive a ½ day "performance management" course and perhaps a ½ day "giving great feedback" course, or something similar, and we expect them to cope (with coaching and mentoring from their manager who probably went through the same process).

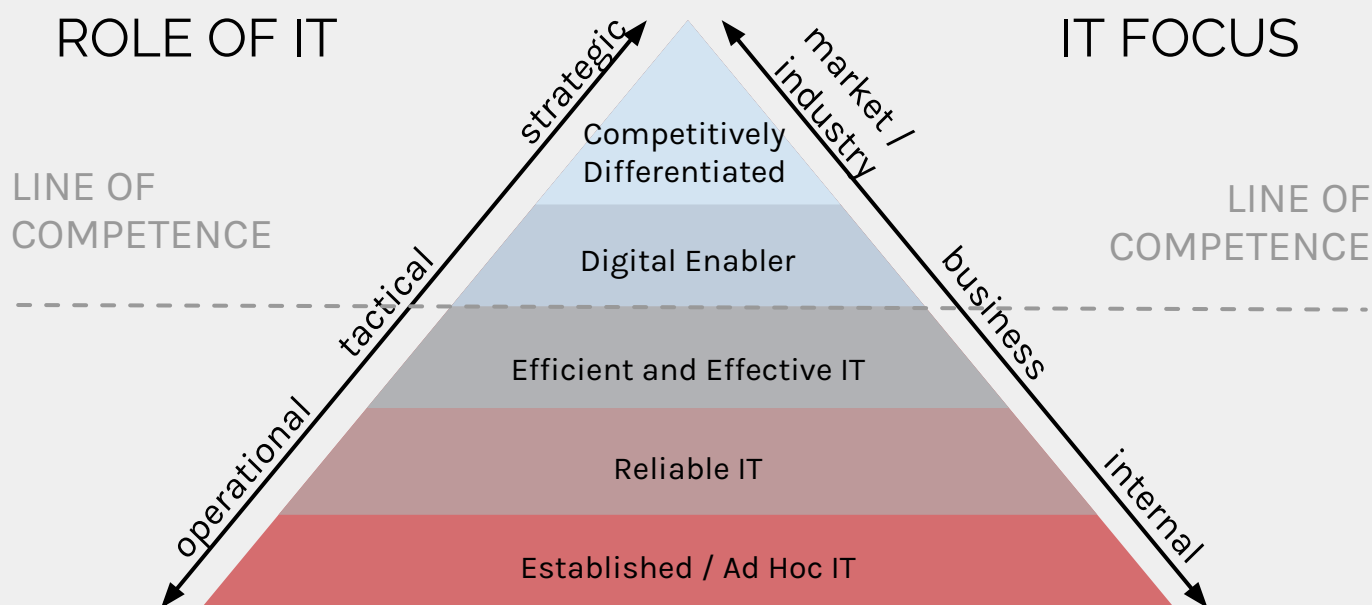
Challenge 4 - The transition from effective IT leader to influential executive is tougher.

As a leader of an IT team you most likely have an in depth understanding of the work that needs to be done and are leading a team of people who are similar to you. As tough as the change is there is an element of familiarity and you can still leverage your professional and technical skills. Both of these conditions change when you transition from IT leader to company executive with responsibility for IT. As a company executive you are expected to know and use the language of business, not the language of IT. Problem is the language and culture of business, even technology businesses, is very different than the language and culture of an IT organisation.

So what's the key?



Introducing The IT Hierarchy of Needs



THE IT HIERARCHY OF NEEDS

If we are going to deliver on the the full potential of technology being an effective technology leader is not enough. We need to become influential executives. The IT Hierarchy of Needs helps us to understand why. Technology delivers value to the enterprise in a number of different ways and each one contributes to your ability to be influential. So what are the levels in the IT Hierarchy of Needs?

Reliable IT. Employees use technology to make their daily jobs easier to do, however, if your systems are not available when they should be then work stops. The first value stream for the CIO to deliver is reliable systems so work doesn't stop. In reality this isn't so much about delivering value as it is the removal of an irritant and destroyer of value and influence.



The IT Hierarchy of Needs

Delivering reliability is primarily driven by defining, implementing and executing robust IT management processes that support your team to deliver robust systems. You can define these processes yourself or you can utilise one of the many IT management frameworks such as ITIL, MOF, COBIT or a combination of these frameworks.

Efficient and Effective IT. Like it or not organisations run to the heartbeat of money. It doesn't matter whether you are a for profit, a not for profit or a government department, it is money that makes organisations run. If you want to be influential you need to be able to demonstrate that you are an effective manager of money. If you are seen as a person who is careless with money your influence will be diminished and people will wonder if you understand the basics of business and management.

Delivering cost effectiveness is primarily driven by investing in IT innovation. For IT that means investing in innovative IT solutions that deliver IT based benefits. There are many ways to do this including modernising legacy systems, utilising cloud based technology platforms, simplifying your technology environment or leveraging open source solutions.

These first two streams of value are primarily internally focussed for IT and as a result can be delivered by a competent IT leader and their team. The next two value streams however focus primarily outside of IT and require an influential business executive to lead the initiative. If IT wants to be relevant then the CIO needs to be part of the executive team and ideally seen as a partner with their executive peers.



The IT Hierarchy of Needs

Digital Enabler. This is where value creation and influence really starts. This value stream is about making the business as a whole more efficient and effective at what they do. Optimising your business with technology requires effective partnerships to be formed between IT and other parts of the business. Your peers and colleagues will only partner with you (as opposed to telling you what to do) if they trust you, believe you are an effective business person and believe you have something of value to contribute to them.

IT contributes to this by fulfilling the four jobs of technology. These four jobs are simplify work through process automation, improve decision making through the use of information, support customer and team engagement through data supported social interaction and finally real time monitoring, leading to automated sensor based “detect and act solutions. CIOs who can successfully deliver change programmes, that optimise their organisation, are very powerful and influential indeed.

You can find out more about the [Four Jobs of Technology](#) in this blog.

Competitively Differentiated - Create new value. We hear a lot these days about new and disruptive business models and more often than not the new business models are made possible by innovative uses of existing or new technology. Whether it is the creation of new products and services, the ability to access new markets or customers or simply a much cheaper way to serve an existing need. This is perhaps best described as the CIO alchemist, creating value when none previously existed.

If we change the emphasis of the hierarchy of needs away from value and towards leadership we can begin to see how you are seen as a leader as you demonstrate your ability to realise value for your organisation.



Realising Value Through Leadership

INFLUENCE	STAGE	FOCUS	VALUE	IT COSTS	IT VALUE / BENEFITS
Strategic Driver	5	Industry / Market	New business models and sources of value that competitors find difficult to replicate.	Medium	Extremely High
Strategically Relevant	4	Business wide IT enabled innovation	Provides for superior performance within the context of your existing business model.	Low / Medium	High
Effective Business Person	3	IT innovation for IT	Efficient and effective operational and project processes.	Low	Medium
Technically Competent	2	IT processes	Provides reliable basic services enabling day to day business operations.	Medium / High	Low
Professionally Incompetent	1	Survival	Value destroyer where day to day business operations are compromised.	High	Value Destroying



Realising Value Through Leadership

Professionally Incompetent. At the lowest level is a leader who is incompetent. An incompetent leader doesn't add value to their enterprise, in fact they destroy value. As an IT leader there are two main ways that you can destroy value:

1. When your systems are not consistently reliable and fit for purpose. If systems aren't working it means that your users cannot do their job when they are at work. Let's put this in perspective. If you have more than about 1.5 faults per user per year then your systems aren't particularly reliable and you are likely to be destroying value. Most IT shops have an average of 3 - 4 faults per user per year. On average we as an industry destroy value.
2. When we fail to deliver projects on time, on budget and to agreed specifications. Most industry reports suggest that over half of all IT projects fail. The bottom line. When it comes to performance many, maybe even most IT teams, are operating at the level of incompetence and are destroying value.

Technically Competent. The second level of value is technical competence. Here your systems are largely reliable and work when expected and at a reasonable level of performance and you deliver the vast majority of your projects on time, on budget and to specification. At this level, while your day to day services and projects are delivered reliably, you are unlikely to be seen as efficient or effective and many of your users believe you are difficult to do business with.

Effective Business Person. At level three your systems and projects are delivered reliably, your processes are efficient and effective and most of your users enjoy working with you and your team as you are responsive to their needs. This is an important watershed achievement as level three represents professional competence. Achieving level three is what IT leaders are paid for. At this level peers across the organisation will see you as being an effective business person and a valuable contributor to enterprise leadership and performance.



Realising Value Through Leadership

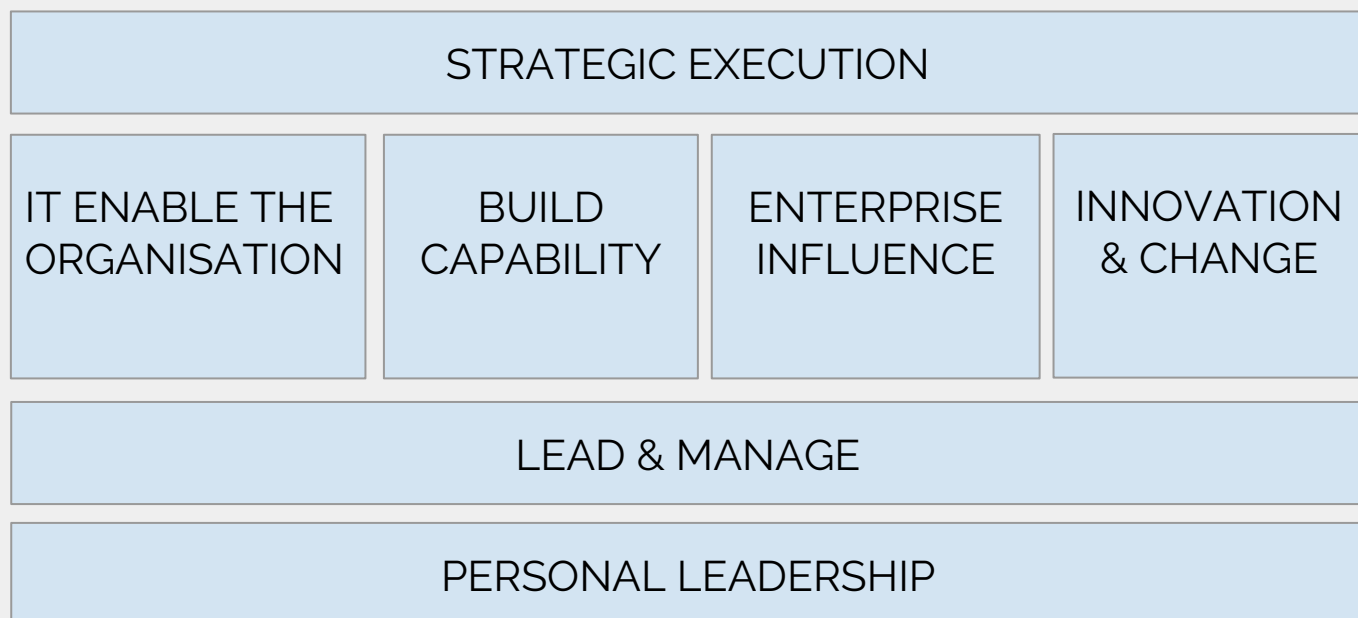
Strategically Relevant. Level four performance for an IT leader is the first level that can be truly considered high performance. Here you are taking effective IT and leveraging it to deliver value across the enterprise. This predominantly means using IT to automate business processes and to improve the use of information in decision making across the organization. Level four IT leaders are considered partners with their peers across the organisation as they collaboratively enable their business to outperform by ensuring that the business optimises its business model.

Strategic Driver. The top level of performance for IT leaders is level five. At level five the IT team / leader is not only strategically relevant but is a business leader. At level five IT is used to create new opportunities for the business that weren't previously available. This is the world of disruptive innovation and the IT leader and their team is leading the charge, creating new business models that deliver a competitive advantage for their enterprise while simultaneously disrupting their competition.

Great so now we know what is at stake but how do you make it happen? Cracking the leadership code is easier said than done, if it wasn't then everyone would be at least strategically relevant. About the only thing we know is that there is no recipe. If you turn up to an IT leadership event and walk around the room and talk to the IT leaders who are there you will find they are all different. In some cases radically different in how they think, how they act and what they do. Despite these differences if you dig below the surface you will find that successful IT leaders share seven capabilities in common and it is how these capabilities are deployed by them, their relative strengths and weaknesses, and the organisational situation they find themselves in, that causes the apparent variation in IT leaders.



7 Capabilities of Successful IT Leaders



The seven capabilities of successful IT Leaders are depicted in the above model. Let's examine each in more detail.

Setting the foundations through personal leadership. Current research suggests that great leadership performance is directly proportional to your level of emotional intelligence and your ability to grow and perform through your strengths. Most of us are not self aware, rather, we are driven by our automatic reactions to events. When you are driven by events and give up your right to choose, your impact on others is based purely on your unconscious reactions. Further, rather than working to develop and use our strengths most people obsess on eliminating their weaknesses. While great leaders ensure they do not have any blind spots caused by their weaknesses they also focus on building and using their strengths as much as possible.



7 Capabilities of Successful IT Leaders

Creating a high performance environment - leadership and management. As mentioned the purpose of leadership is to produce results. A leader however does not produce results directly, rather they produce results through a team. The role of leadership is to create an environment where the team can be successful.

Enterprise Technology Strategy - IT enable the organisation. The ultimate role of the CIO and the IT function is to create value for their enterprise through the use of technology and information. Value creation doesn't just happen it is normally the result of a well executed plan.

Building IT capability. It is all very well to have a vision of the future but if you do not have the capability to deliver on this vision then you will not succeed.

Enterprise influence. As IT matures within an organisation increasingly the CIOs most important work happens outside of IT as the CIO seeks to enable and drive enterprise success. All executive roles require enterprise influence but the CIO role is unique in that enterprise influence is central to and critical to its success.

Leading innovation & change. Most significant innovations in today's enterprises have technology at their core, or if not at their core, as a major enabling component. This fact makes the CIO a natural candidate for leading enterprise wide innovation and change initiatives. Despite this, relatively few CIOs have stepped into this role within their organisation.

Strategic execution – bringing it all together. OK, so you have invested in your own personal development, you have created an environment where a high performing team can show up and thrive, you have identified where IT can add value and documented that within your enterprise Technology Strategy and you know what capabilities you need to make it happen. Now it's time to pull it altogether and make it happen.



About The Author

OWEN MCCALL

Owen is an experienced management consultant and CIO who is passionate about harnessing the power of technology to create value for businesses, communities, families and individuals.

Previously, Owen spent 18 years with Deloitte where he worked with clients from around the world to implement technologies that supported their business strategy. He also led Deloitte's outsourcing practice for Australia and New Zealand.

Owen then became the CIO of The Warehouse, where he was responsible for actually delivering value from IT.

These roles have given Owen a broad perspective of IT, its power and its challenges. He now operates as an independent consultant and advisor, guiding CIOs and senior executives on how to use technology in a way that adds real value to their organisation. He is a regular blogger and contributor to CIO and iStart publications and a sort after speaker across the technology industry.

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