Keeping Up with IT Strategy in a World of Constant Business Change

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Executive Summary

The full article records an interview by the author with Phil Weinzimer, a seasoned IS executive with 40 years' experience. The interview identifies the competencies, and their supporting skills, needed by a strategic CIO. Based on these insights, the article provides advice on how IS leaders aspiring to be strategic CIOs can acquire the necessary strategy knowledge.

Significant points made by Mr. Weinzimer include:

- There are three types of CIOs:
  1. The technical CIO who is very good at addressing IT service delivery issues. Average tenure is three to five years.
  2. The transformational CIO who has business acumen and can transform the culture of the IT department. Average tenure is five to 10 years.
  3. The strategic CIO who changes the business model of a company and becomes a long-term executive with the company, staying for dozens of years.

- The CIO role is becoming more strategic and CIOs are spending much of their time working with the top management team on information strategies, with the CTO and COO taking on the IT operational responsibilities.

- The strategic CIO is spending much of his or her time collaborating with all the major business unit managers and the presidents of the different businesses.

- CIOs who become business people first and technology people second have greater opportunities in their career paths.

- IT roles are evolving because companies recognize that information and technology can provide competitive advantage. Companies also recognize they are in a technology-centric customer era and want to extend the reach of their IT to individual customers.

- The role of the CIO is to help functional managers understand the complexity of corporate IT. It is not as simple as plugging in an Apple device and having it integrate seamlessly. Business technology infrastructure is very complex, and organizations with multiple technologies supporting the business need to ensure that they all integrate well.

- The CIO and IT department need to develop a collaborative dialogue with functional managers. Business departments need to understand what their business processes are and the applications that support those processes, while the CIO and the IT department need to help functional managers understand the complexities of IT.

- A major role of today’s CIO is to inform and educate functional managers on how the enterprise’s technology operates, how the role of technology is changing and how they need to work with the IT organization on new solutions and products.

- The responsibility of the CIO is to develop a cadre of C-level executives in the IT department who understand the business, have business acumen, collaborate with the CIO and work with the business on developing information-based strategies.

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1 The full article is published in the September 2015 issue of MIS Quarterly Executive, available online at www.misqe.org.
Role of Information Systems in Empowering Innovation Networks

- A lot of CIOs are outsourcing tactical tasks to third-party providers, which enables the IT department to focus on strategic solutions and work with the business to develop new products and services, and optimizes costs because of reduced infrastructure costs.

- Business units are bypassing the IT department and contracting directly with third-party providers—and that’s dangerous. CIOs need to be part of every activity that involves third-party providers, working with each business unit manager on requirements and then forming strategic partnerships with a set of providers.

- For an IT organization to become strategic, IT personnel need to have a particular set of skills. From his research with CIOs, IT executives and business executives, Mr. Weizimer has developed a strategic IT organization competencies and skills framework (depicted in the figure below). This framework comprises four competencies and the set of skills needed for each competency.

Strategic Competencies and Supporting Skills

These competencies and their supporting skills are described in the full article.

Acquiring the Knowledge Needed to Become a Strategic CIO

The interview with Phil Weizimer did not shed any light on where a CIO’s strategic knowledge comes from. Knowing what actions are necessary to become a strategic CIO is only the starting point. CIOs also need to acquire the knowledge that will enable them to operationalize those actions. From the interview, the author has identified three areas in which IS leaders who aspire to become strategic CIOs can acquire the required strategic knowledge.

- From Knowledge Spillovers. Knowledge spillovers are the inadvertent exchange of information from an initiator to a recipient without a financial exchange, with the information then being used to develop strategy. Both the initiator and recipient benefit from knowledge spillovers. This form of knowledge gathering works in cooperative exchanges of knowledge, rather than contractual exchanges.

- From Alliances. In an alliance, an agreed service or product is provided in exchange for an agreed price. Agreements for providing services or products from third parties are common when operational value propositions and strategic innovations are needed. Third-party companies often spill systematic (codified) knowledge in an attempt to secure know-how (tactical) knowledge engagements.

- From Cross-boundary Knowledge. Boundary spanning involves crossing many types of internal boundaries (e.g., business units, teams, individuals), and cross-boundary knowledge has been shown to be an important factor in the integration of business and IT strategies. Mr. Weinzimer emphasized the need for CIOs to work with functional managers on new solutions and products, noting that working with functional managers was one of the major roles of the CIO today.

In conclusion, the strategic CIO starts by meeting with business executives to understand the organization's critical success factors. Next, the CIO works to determine how IT is going to enable value. He or she then acquires strategy knowledge through knowledge spillovers, alliances and cross-boundary knowledge. Put simply, the strategic CIO acquires strategy knowledge and acts on strategy competency.