



The Transition to CIO

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The CIO

Richard Cleaver has been CIO¹ of Empire Life since June 2008. Empire is one of Canada's top 10 life insurers serving both individual and group clients with a variety of financial products. As CIO, he is responsible for providing overall technology leadership for the company. Before joining Empire Life, he was a Vice President with the Bank of Montreal and prior to that, with London Life. He began his career as an academic, teaching computer science.

Richard's presentation challenged the members of the CIO Brief to reflect on their values and goals in life as well as the role of the CIO. He has followed Steven Covey's advice², to think about the meaning of his career and what he can bring to the roles he plays. He believes that an IT leader needs to cultivate a number of personal characteristics in order to be considered for a CIO role, including: confidence, charisma, communication, character, wisdom, judgement, and awareness of limitations. In addition, he or she should be motivated to do this job and see themselves as an enabler of the business.

This presentation compared and contrasted his experiences as an IT executive at the three firms where he has worked, and then examined the challenges he faced in becoming a CIO.

Lessons from Three Different Organizations

The three companies where he has been an IT leader varied considerably in size, with revenues ranging from over a billion dollars (Empire Life) to multiple billions. He believes that "It really doesn't matter where you work. The important thing is to be an agent of change, regardless of context and to give it your best." There are differences in what can be done of course. A large firm, such as a bank, can more barriers to entry to be competitive; for a mid-sized firm, every customer counts. In a smaller company, everyone knows your name and the business culture is much more personalized. "This came as a real shock to me joining Empire, coming from a large bank," he said. "Larger companies are good at bureaucracy. With many more employees, you can delegate issues. At Empire you sometimes have to be more hands on and get down into problems."

All three companies use satisfaction surveys to understand what motivates their employees. In the bigger firms, he found that while some staff give their best, others only work 9-5. At Empire, he has found that more people are passionate and very engaged because they have a more direct sense of being able to contribute. "This is a real help to a CIO," he noted. In his experience, people are looking for a company to believe in, a way to contribute, and something to care about. "The best bosses make sure that people feel their contributions

¹ Richard's formal title at Empire is SVP and CTO. In his presentation, Richard spoke to the issues facing CIOs without necessarily distinguishing the SVP and CTO roles. As a result, we simply use the term CIO throughout.

² Found in "*Seven Habits of Highly Effective People*"

matter.”

Larger companies matter more to vendors, he has found. They know the names of the IT leaders and often have dedicated account representatives. Mid-sized firms like Empire, often have to lobby for attention. Similarly, larger companies have a greater ability to influence. They can shape markets, regulators and products and these subsequently affect smaller competitors as well. Larger firms also have more options to compete differently such as acquiring other companies to grow; mid-sized firms usually grow organically.

However, in a large firm, it’s much harder to make change, he has found. “Really large IT organizations have many more applications, and more of everything,” he said. “And it’s all connected making it a legacy landmine.” Politics tend to be more complex in larger firms as well, with communication protocols and structures and many layers of management. “Larger companies are centrally managed and tend to say ‘You will operate this way’”, he said.

Whatever the size, he has learned that not all projects need to be completely finished. “There’s often a good case to have manual work-arounds rather than spending time automating exceptions. As well, architecture really matters, regardless of size, although larger firms have more resources to dedicate to developing formal practices in architecture.

Key Differences between an IT Executive and a CIO

Although IT leadership involves many similar activities, whether one is an IT executive or a CIO, Richard identified several areas where the CIO’s role is different:

1. **Vision.** The CIO’s job is to help the CEO build a successful company, not to debate which operating system to use. A CIO must build and *realize* a business vision that delivers results both by enabling the business and by making IT more efficient. He or she must understand the organization’s current IT situation and set targets for change and then achieve these goals. In addition, he/she is expected to articulate this vision for IT in business language. An appropriate vision is based on a good knowledge of the business and its leverage points. “This is really a business-oriented role,” said Richard.
2. **Managing Commitments.** A CIO is expected to make *something* right. When a new CIO is appointed, his/her mandate is usually to “make our systems right”. However, exactly what this means needs to be more clearly articulated and managed. The key is to find the sweet spot between expectations and reality and manage to this, making sure that everyone in the business knows what has been accomplished.

3. **Selling Ideas.** A CIO must sell his/her ideas to obtain the resources needed to implement a vision. Increasingly, this is done at the board level, said Richard. Once sold, what a CIO does with these funds is also critical.
4. **Removing Barriers.** CIOs are change agents and this often involves dealing with non-technical issues, such as ensuring that different groups work together and that internal silos and other barriers don't inhibit progress.
5. **Working at Multiple Levels.** "The escalator stops at the CIO's office," explained Richard. "A CIO needs to be like a Swiss-army knife with expertise in business, technology and finance. And the issues that arise are usually challenging and often not enjoyable to deal with."
6. **Mentoring.** A big part of being a leader is continuously and actively developing talent. Richard spends about two days a week doing this across his organization. "It's difficult to find the time to do this but I learned this from my boss and it pays off." He works one-on-one with key individuals and also helps them with their individual career development plans. This type of work also helps him to inspire others to be their best and to find the best place they can make a contribution to the organization.

A CIO Lessons Learned

Richard concluded his presentation by outlining some key lessons he has learned as a CIO. "It's a wonderful role," he noted "but there *is* pain and aggravation as well." The CIO's major responsibilities are:

- **Visioning.** A CIO must define roles and the time-line of decisions – from the immediate to the long-term. "Without vision, there is no context for what you are trying to achieve," Richard said. Understanding and helping to develop a business vision is the number one job. Then, a CIO needs to translate what this vision means for the IT portfolio. "People are hungry for a vision. They want to see where you are going and to be part of something bigger," he explained, adding that some organizations take all the excitement out of being involved in a bigger vision. "Having a vision can create a positive buzz in the organization."
- **Team-building.** Another major part of the CIO's job is building a terrific team. "As Peter Drucker once said: 'The art of leadership is making the extraordinary happen with the ordinary.'" said Richard. There is no recipe for doing this but people know it when they see it. "Usually a CIO doesn't have the team he needs to start with and the culture may be challenging to work with," he said. A CIO's role is

to guide and develop his/her team and if done properly, the culture will evolve along with the team. "A CIO will fail if he doesn't work with his team or if he doesn't appreciate the challenges involved."

- **Serving Others.** "Earlier in my career," Richard admitted, "I was usually focused on my own role and my own job progression." Now, however, he realizes that he is in the CIO role to serve others and to make them successful, as well as helping the business to achieve its objectives.
- **Leading Change.** A CIO is a change agent and this takes courage. "Most CIOs don't enjoy change," he said. "We prefer predictable patterns." However, when it comes to change, "don't expect people to cheer; if you're not hearing noise about change, you are not changing anything!"
- **Working with Authenticity and Passion.** A CIO should convey "trustability" and be a person that others can count on, said Richard. He/she must also be passionate about their work.

In conclusion, Richard asked the Brief members to remember that a CIO's job is only temporary and they should keep this in perspective. "Someone else will have it in a while so what mark do you want to leave behind?" He recommended that members make their time count and choose where they put their passion and energy.

Discussion

- ***Are there differences between digital natives and digital immigrants when it comes to managing change in IT?*** Most organizations now have several different generations working together in IT. It is notable to see how they are reacting to technology changes, such as cloud computing. Digital natives are very comfortable with technology changes and don't really understand the trouble others have with it, said Richard. However, the key is how change is managed. "Mostly it's all about people and processes and changing these must be done with care." One way to do this is by increasing the technological literacy of the "immigrants" while not discouraging the "natives". It's also important to state the basis on which new technology decisions are made.
- ***What impact is the consumerization of IT having on the CIO's job?*** It's now driving change in IT, said Richard. For example, board members are using iPads and the app store model is changing how software is delivered. "Cloud, virtualization, social networking and mobility are all really exciting technologies for IT people but many organizations are not really sure what to do about them," he said, "because there are still lots of questions about how strategy should be developed for emerging

technologies, and the business drivers and payment models are not always clear.” There’s also recognition that these are not substitute technologies but add-ons to existing technology and the costs and refresh rates are still not understood. In insurance, he noted, many agents are older and are not ready to move to new technology. Therefore, about 85% of the business is still paper-based. “You really need to understand how a person works and what the core business process is before you can make changes,” he said. “Our customers are always ahead of us these days.”

- ***How should a CIO balance IT’s innovation role with its responsibility to protect the organization?***

“The CIO is an advisor to the business,” said Richard. “He should be a technology provocateur and create awareness of the marketplace.” However, in a regulated industry, there are significant concerns about the security of data. Thus, it is important for a CIO to understand how the company can best leverage innovation where the downside risks are not great. It’s also important to ask where the company wants to be in the adoption curve because this will drive the pace of organizational change. “We still need ‘clicks and bricks’ and therefore will need multiple channels of delivery,” he said. “It’s important to ask what this new world would look like and what the company should be doing about it.” For example, possibly, it could leverage an existing ecosystem rather than creating a new one. Richard reminded members that we are in the same position with new technologies as we were with the web about 15 years ago. “Initially, websites were very primitive but once a certain momentum was reached, companies had no choice but to adopt the technology.” In short, a CIO should highlight the possible and then ask where the company should be.

- ***How can we operate better as an enterprise with new technologies?*** The classic IT response to new technology is to kill it and if it persists, to control it. However, in today’s environment, not everything can be controlled so organizations need a spectrum of strategies for dealing with technology, ranging from embedding controls to putting control into the hands of individuals. IT should be asking such questions as: *What happens if...? Who stores the data?* and, *Who owns the data?* Ideally, businesses should tightly control their core data and processes and allow the rest to be consumerized.

Empire has created an Innovation Centre to add focus to its work with new technologies and infuse new ways of thinking about technology. This Centre is building relationships both inside the firm and with external sources to get different ideas and perspectives on innovation and enablement. “It’s important to understand and provide context when introducing new tools,” explained Richard. “We need to look deeper into what ‘enablement’ really means and learn from our mistakes.”



Concept

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