

TONGUE-TIED,



FUND-STARVED

HERE'S THE good news: most chief executive officers think their chief information officer is doing a good job. When analyst group IDC asked 200 CEOs for an appraisal of the work their IT departments carry out, the feedback was mostly positive.

But here's the bad news: most CEOs have no idea what their chief information officers actually do. And if that isn't already enough of a slap in the face – it's all your fault, CIO!

Most CIOs have moved up through the IT backbone of the company, and learned a language particular to the IT environment. So they simply don't know how to tell the business what they are up to in a way that their colleagues understand.

It has been this way ever since IBM put together the first mainframes and punch cards. Later, courses in electronic engineering attracted enthusiastic individuals who liked the elegance of mathematics, and the straightforward response of a machine solution.

But business isn't straightforward, and the complexity of organisational communication is far from elegant.

As a result CIOs have spent decades lamenting their apparent incapacity to engage with senior executives, to secure the funding they need, to align IT with the business and to deliver tangible business benefits.

Some easy wins were made in the 1990s, but now that we've hit the 21st century, getting anywhere means making a serious pitch involving business strategy.

But the key, as it turns out, is not just to ensure the technology you're pitching fits in with the overall strategy of the company you work for. The key to securing funding and engaging senior executives is to deal with them on their own terms, recognise their pain points and learn their language.

And some IT types have actually figured out how to do it.

ECONOMIC EVANGELIST

Terry Wright, a strategist with the commercial division of the Victorian Department of Treasury and Finance, is an economics evangelist. Every year he deprograms thousands of government and private sector employees to stop thinking in terms of project management and IT jargon and instead start thinking in terms of business fundamentals.

"After 40 years of working for the government, I was left looking at all the layers of project management terminology," Wright says. "I couldn't help but wonder whether it actually served to obscure, rather than clarify, what it was we were trying to achieve."

In 2002, Wright found himself working for the department of the state government's CIO, when he had an epiphany. It dawned on him that project management and investment management displayed two entirely different mindsets. He realised that whereas CIOs focused on how a project would be completed, and whether it would finish on time and within budget, senior executives were only really interested in what it would cost, and how it would benefit the organisation overall.

"It sounds like a simple notion, but there are some profound differences between project management and investment management," he says. "Project management is all about delivering a project on time and on budget. Investment management is about the economic benefits the project will bring to the organisation – a completely different language is required."

Each year he would watch CIOs and technology managers passionately pitch their proposals in terms of timelines, deliverables, and ROI, only to be sent away penniless and wondering why it was no one else in the business saw potential in their ideas. The problem, as he saw it, was that CIOs were pitching their plans in

Long seen as poor cousins of more fluent marketing and finance sections, IT teams are learning to state their case and secure the funds they need, Jeanne-Vida Douglas finds.

terms of technological deliverables and cost benefits, whereas the executives were concerned about business results and strategic direction.

Rather than recruit yet another IT person to support this budget function, Wright appointed an economist to help him change his thinking and language and to realign the IT proposals coming across his desk so they spoke in the language of business.

"When it came to discussing the benefits of a proposal, all the results were being discussed in terms of IT, not in terms the executive could understand," Wright says. "When we made the switch and started saying, 'The result will be to reduce the crime rate', rather than, 'The implementation of a new database', suddenly everyone sat up and listened."

STRATEGIC HOME RUN

In the first year the approach was used, Wright and his team at the government CIO's office managed to secure an extra \$250 million in project funding for new IT investments. And, in an unexpected twist, senior managers from a range of government agencies and private institutions started to attend his workshops in an effort to improve their hit rate in pitching projects. The approach has been so successful that it has been adopted as the standard for all government agencies seeking government funding.

The fundamental idea behind what Wright is trying to achieve is to teach CIOs and other managers how to align their projects with the strategic direction of the company or agency where they work.

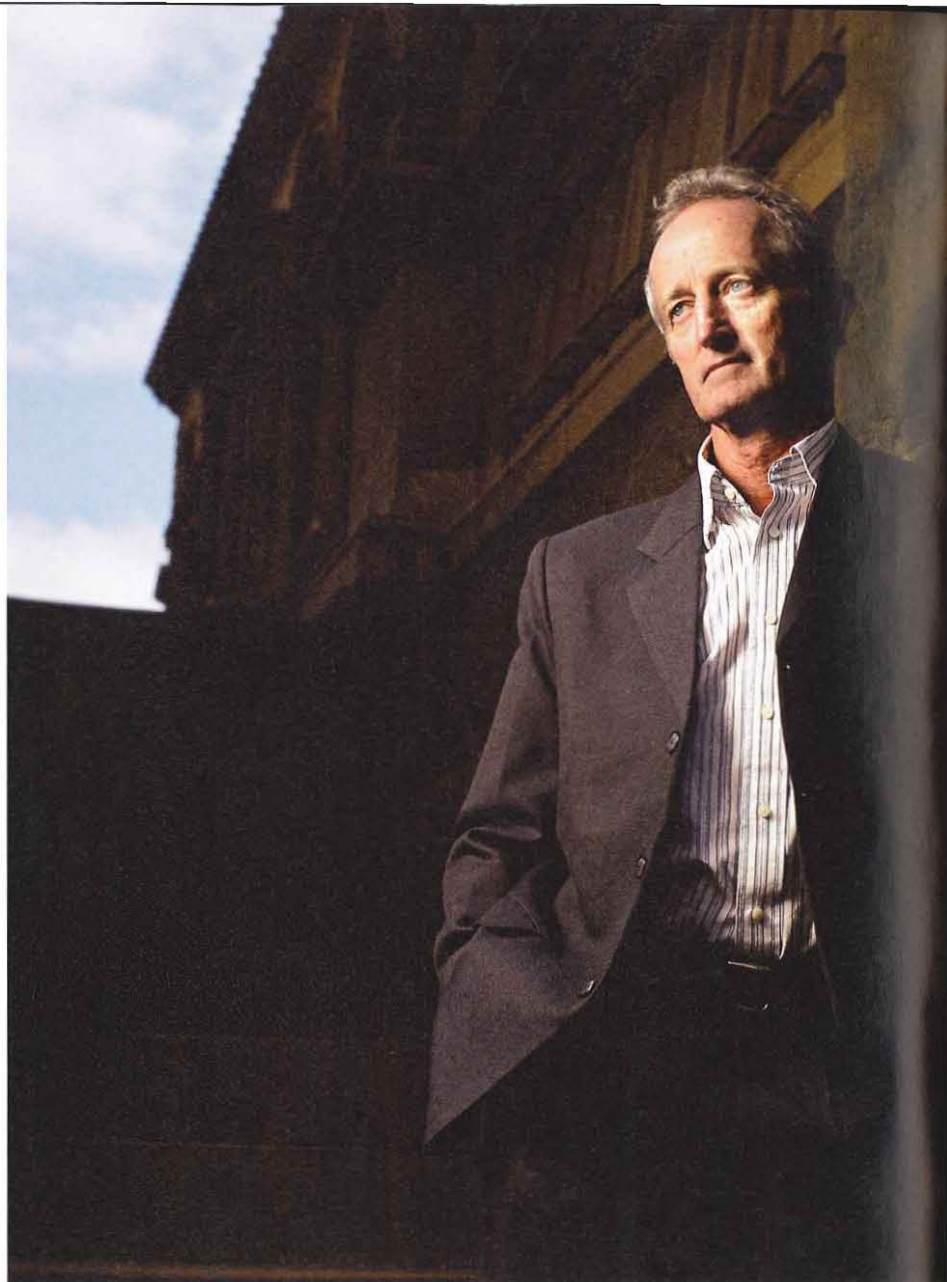
Most available funding in both government and business takes the form of solutions looking for problems. The main focus of Wright's approach is to peel away the layers of project management, and get back to the core of why a project needs to be carried out and what it will achieve.

"We start with a two-hour problem workshop, where we get the senior executive to define the business problem and the benefits that any investment would be expected to deliver," he says.

"We then hold a two-hour solution workshop, where we explore possible solutions and shape the way they can be strategically aligned, and made innovative and feasible. Unless you can define what you're doing in terms of the benefits it will bring to government, then you shouldn't be doing it in the first place."

KEEP THE USER IN MIND

This fundamentally important notion of explaining IT investment in business terms and results seems obvious, but it's not necessarily all that straightforward.



PAUL JONES

Terry Wright, Victoria Treasury and Finance: Knowing what to say is the real challenge.

Mark Gardiner, CIO for Eastern Health Victoria, is acutely aware of the communication gulf that could exist between his IT department and the 8000 staff it supports.

His boss began her career as a nurse, and her superior is a doctor. The board of directors to which he answers is similarly made up of health-care professionals, and while they can spot a haematoma at 10 paces, they neither know, nor need to know, where the file server is located or what it does.

"As a CIO, you have to be able to communicate at a business level and in the language of the CEO, as well as engage the user community," Gardiner says. "What my bosses are looking for is how I can help them to augment delivery of quality health care, so I need to speak to them in those terms."

Gardiner says clarity of communication has been a particular challenge for IT departments.

"The problem is that a lot of technical people work in isolation in a little box," he says. "They become so wrapped up with the technology that they lose focus on who the users are and what the technology is meant to provide. What you need to remember is that we're working at banks and schools, and health-care organisations, not ICT companies. So what we say and how we say it has to be constantly modified to be appropriate to the context."

In fact, even some of the most eloquent, strategy-focused CIOs need a bit of help with communication, especially during times of significant upheaval.

National Australia Bank's CIO, Michelle Tredenick, was appointed to the role after holding a range of high-level strategic development positions at NAB, MLC and Suncorp-Metway. Nonetheless, as the bank embarked on a strategic restructure of its IT infrastructure in 2005, she appointed an IT-specific communications professional to communicate the project's progress internally, and externally.

Research manager at analyst group IDC, Phillip Allen, believes part of the challenge CIOs face is that when the present generation of IT managers began their careers, communication skills and business knowledge was simply not on the radar.

"The focus has been on budgets, and getting work done, not fitting it into the overall business, or communicating those benefits to others," Allen says. "In the past couple of years, we've seen the CIO shift from reporting through the chief financial officer, over to reporting directly to the CEO, suggesting that CEOs want more insight into what is happening with the IT spend."

However, even those with good communication skills can find themselves in trouble, says Mary Ann Maxwell, group managing vice-president of executive programs at research organisation Gartner. "One of the main challenges of the CIO communication strategy is that it needs to be tailored to each separate audience," Maxwell says.

"Even people who have fairly strong communication skills find they don't know how to tailor their message and stick to the central points, and if there's a perception that they're in some way inconsistent, they'll lose their audience."

Maxwell says the best aligned and designed IT strategies can fall apart due to poor communication.

"All the ideas need to be wrapped up in clear, consistent and timely communication," she says.

The days of lonely, low-contact IT roles are gone. IT staff now need to understand business needs, manage relationships and deliver results.

Kerrie Harris, ANZ

WELL-ROUNDED RECRUITS

On the other side of the fence, even if the CIO has the communication skills and the business insight to get a message across, it won't go far without a strong and diverse team bringing up the rear. Within IT departments a greater emphasis has been placed on communication and business skills in the recruitment process, as an ever-growing number of CIOs are being drawn from non-IT backgrounds.

In an attempt to relegate the highly qualified but inarticulate programmer to the past, Australia and New Zealand Banking Group has adopted creative recruitment and staff development policies designed to create a diverse IT team that has a solid understanding of the relationship between IT and

the rest of the business. "The days of lonely, low-contact technical roles are gone," says ANZ's head of human resources technology, Kerrie Harris. "We need people who understand business needs, who can manage relationships and deliver results.

"The socially inept programmer so often depicted in pop culture is a myth at ANZ. We recruit from a diverse range of disciplines across the bank and we value difference and diversity, so there's no mould to fit our IT program."

IT staff are also rotated through different roles in the bank, so that they can gain insight into how the technology is actually being used, and the challenges associated with different roles.

"More generally, across the bank, we look for graduates from all university disciplines and consider a range of factors, including outside interests, work experience, community involvement, leadership and academic record," Harris says. "We highly value applicants who've studied double disciplines because it shows us they can use both their logical and creative side."

Having come from finance and marketing roles into IT management, Corporate Express CIO Garry Whatley sources his staff from a variety of disciplines. He has implemented a range of training initiatives to hone the communications skills of those in the IT realm of the office supplies company.

"We send IT staff out with the drivers, and put them directly into the customer service areas, so that they understand what it's like to work in other areas of business," he says. "What we're looking for when we're recruiting isn't an ability - it's often an attitude. There are people who are exceptional from a technical perspective but because they're unable to communicate their ability to contribute is diminished."

Ultimately, Whatley believes such employment and staff development practices might reverse the tendency for CIOs and senior IT managers to be drawn from outside the traditional technology parameters. "The whole area of communication and being able to speak in the language of the business is critical to the success of individual projects, but also to the CIO being seen as a business leader and not just a technology leader," he says. "A CIO is a business leader who has responsibility for technology, and not the other way around."

Given that he holds down a position on the Corporate Express board, and that he participates regularly in strategic planning, Whatley is in a situation that might

be considered the envy of many of his peers.

However, as Terry Wright points out, actually winning a place on the board shouldn't be the goal of the CIO. Instead, knowing what to say when you get there is the real challenge.

And it seems Whatley agrees. "Having a role on the board gives me insight into the strategy and where the company is heading," he says. "It allows me to speak on business terms with my colleagues, but the discussions are always about business and business direction, and discussing issues in those terms."

So if you're still thinking of business in terms of IT and no one seems to be listening, perhaps it's time to make the switch and start to think of IT in terms of business. You might go further if you set out speaking a language everyone else can understand. *