The Authentic Leadership Guide for the Non-Technical CIO

Today's CIO does not need a deep understanding of technology, but better understand what technology can do for the business and have the leadership skills to make it happen

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Introduction



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Today's CIO does not need a deep understanding of technology, but better understand what technology can do for the business and have the leadership skills to make it happen.

Trending Toward Non-Technical IT Leaders

Have you noticed how many CIOs and chief digital officers didn't rise through IT? I've seen this trend accelerating during the past 15 years.

Why is this happening?

There is a continuously shrinking gap between IT leaders with business knowledge and business leaders with technology knowledge. Let's be clear. I'm not talking about business folks with programming skills or the ability to configure a network. I'm referring to the increasing understanding of what's possible with technology.

There was a time when the CIO had comprehensive knowledge of business processes because IT evolved to support nearly every aspect of the business. We saw a growing trend of business-savvy CIOs becoming COOs or General Managers. That made perfect sense.

And while more of the business grew dependent on technology, those business leaders developed an increasing understanding of how technology could support their business goals. These business leaders were not necessarily *technical*, but they grew to understand how they

could *use* technology.

So how does the non-technical business leader thrive in the CIO role? (Note that this guide is designed for the chief information officer and chief digital officer roles but does not necessarily apply to the chief technology officer role. Contact us if you'd like clarification.)

Leadership Skills for the CIO

While traditional CIOs may have led their teams through technical vision and deep technical skills, today's CIO needs a much broader and balanced skill set. Especially the non-technical CIO.

We've identified six leadership skills that will help the CIO earn trust, credibility, and respect from other business leaders, the board, and the IT organization. For anyone that follows us regularly, you know that trust, credibility, and respect are what enables the CIO to navigate through the IT Value Journey and transform the business.

These six leadership skills include:

- 1. Rally the team around a vision
- 2. Develop and execute strategy
- 3. Delegate
- 4. Measure
- 5. Coach
- 6. Communicate

We'll dedicate the next six chapters to explaining each, with an emphasis on the non-technical IT leader. You'll see how important it is for the IT leader to not necessarily have deep technical skills but, rather, to have a clear understanding of how technology can help the business.

Rally the Team Around a Vision

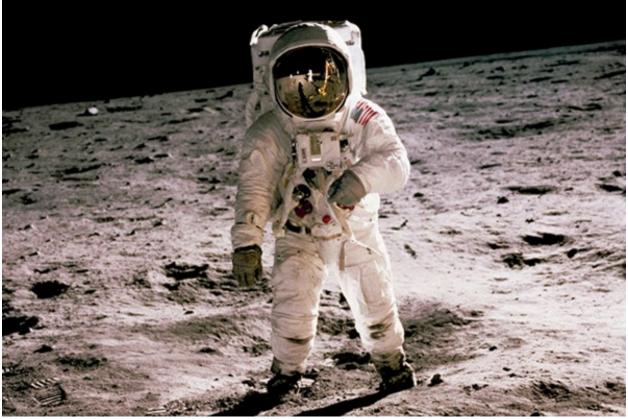


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Articulate a clear vision, show your team why it's achievable, and then prepare to be amazed by what people can accomplish.

The Power of a Vision

According to Bain Consulting, 95% of employees don't know their company's strategy.

Do you know what your company's mission, vision, and strategy are?

Does your team understand your vision?

When John F. Kennedy challenged America to put a man on the moon and return him safely to earth by the end of the decade, he shared a vision of what we could achieve.

Henry Ford envisioned the assembly line and his team developed it, revolutionizing manufacturing for centuries.

IT leaders, whether they have technical backgrounds or not, must understand what is possible with technology. I've coached numerous CEOs on the idea that you don't need to understand technology, but you better understand what technology can do for your business.

Your success as a CIO starts with understanding what technology can do. Then, you can

articulate a vision of how technology will differentiate your business and provide a sustainable competitive advantage.

You may not know how the technology will work. That's why you have a trusted team of talented leaders and practitioners.

Your vision represents the end zone on the football field. Your vision makes the destination perfectly clear. It's the first step in aligning your team around a common purpose.

Sure, IT needs to keep the infrastructure running, maintain systems, and service its customers. But the small, day-to-day decisions by each team member should always have the end zone, the destination, the vision in mind.

Rallying the Team

Explaining your vision is only worthwhile if your team believes in it. You must convey your confidence in the team's ability to execute. Point out previous successes. Give examples of similar challenges that they have risen to. Describe how much more fun it will be to work toward that vision and how much it will mean to the rest of the business. Explain how this work will help their careers.

It's also a good idea to include key team members in development of the vision. Whether they are IT leaders or staff, establishing ownership is critically important. Brainstorm with your team. Explore what's possible. And then stretch. Challenge people to achieve a little more than what they believe possible. Get them excited about the vision and let them own it with you.

Conclusion

When your team understands the vision, they will focus their energy and take the necessary steps to drive success. Your job, as the leader, is not necessarily to understand the technology but, rather, to understand – and communicate a vision of – how technology will drive success for the company.

We'll see in upcoming chapters how you can reinforce the vision with a clear strategy, effective delegation, measuring results along the way, coaching your team, and frequent communication.

Develop and Execute Strategy



A non-technical CIO may be able to develop AND execute the IT strategy as effectively as, or even better than, the technical CIO.

Strategy Development

We previously wrote an entire series on <u>IT Strategy Management</u> – the marriage of strategy and execution. I encourage you to reference that for valuable insight on building and executing the IT strategy.

The IT Strategy is a roadmap for navigating the <u>IT Value Journey</u>. As time goes on and IT evolves, we shift our focus from **Maintain** to **Enhance** and then **Transform**. But our strategy always covers all three regions of the IT Value Journey. Early on, we may focus 80% or more in the Maintain state and, perhaps, zero in the Transform state.

The IT Strategy drives continuous improvement which enables us to Maintain better, but at a lower cost. We shift time and budget from Maintain to Enhance so we can keep up with business needs. When we demonstrate a continuous ability to Maintain and Enhance, we earn the trust, credibility, and respect to navigate into the Transform state, where IT is leading business transformation.

Keep your vision clearly in mind. Maybe there is a lot of technical debt to repay before IT can even start working on the ideas in your vision. That's ok. Tighten up the infrastructure, improve customer service, tackle some of the recurring issues in the home-grown systems, and more -- all for the purpose of shifting focus, and shifting people and budget, to the vision.

Set clear objectives that drive continuous improvement in the Maintain and Enhance states and support those objectives with clear metrics that can cascade into each team member's performance goals. Remember, you're aligning the team around the vision and the path to get there.

Perhaps the most impactful part of strategic planning, and the part I enjoy the most, is turning the plan over to the team. Leaders set strategic objectives and measurable goals. Let the team tell us how to make it all happen. Explain the objectives and goals, and let the team develop the action plans. Think of action plans as the individual projects, large and small, that we'll execute to deliver the strategy.

When the entire IT organization, or reasonable representation across the group, creates the action plans, we increase engagement, the team takes ownership, and everyone is aligned. Again, refer to some of these articles for greater detail.

So, we have our strategic plan and it's reduced to a series of action plans. Now what?

Strategy Execution

Strategy without execution is just a dream. The opening article in the series on <u>IT Strategy</u>

<u>Management</u> includes an overview of the 8-step process that we've followed for more than two decades. The first four steps build the strategy, as we described above.

The second four steps are all about execution.

Once your action plans are built, it's time to make sure you have the resources to execute them. Most companies that build a strategy may get six months down the road before they realize they don't have the people to execute the strategy.

Prioritize the action plans based on business value and then assign people or teams. At some point, you're likely to run out of people long before you run out of action plans. Contracting and outsourcing may be options if the return on investment remains strong. Otherwise, you may need to adjust your strategic objectives and goals to meet the reality of your people and budget.

After you resource your action plans, it's clear what each team member needs to do to execute the strategy. Great! Turn that into personal performance objectives to keep the team focused on the strategy.

Throughout this process you're building project plans and, hopefully, an umbrella program plan that recognizes inter-project dependencies. Manage that plan rigorously. Anticipate risks and discuss how to mitigate theme Recognize the domino effect if any given project gets off track. And keep the IT team, executive leadership, and the Board informed of progress and issues. Remember, we're building trust, credibility, and respect. Transparent program management of your strategy will accelerate all of those.

Communicate

Finally, let's discuss communication. During the entire planning and execution of your strategy, you need to communicate with several constituents and in a few different ways. Your IT team needs the most detail to understand the strategy and the progress in executing it. Across the

company people should know, in more general terms, what IT is pursuing and the progress you're making. Executive leadership and the Board require summary information and a clear understanding of risks and mitigation plans. Again, you are building trust, credibility, and respect that fuels progress along the IT Value Journey.

Conclusion

While this chapter is a high-level overview, it should give you an understanding of the necessary continuum from strategic planning to execution. As a reminder, there is nothing very technical in the IT Strategic Plan. It's more of a roadmap of the IT Value Journey and how you'll create value for the business.

Refer to the links in this chapter to read more about the IT Value Journey and IT Strategy Management.

Upcoming chapters will emphasize the importance of effective delegation, discuss measuring the value that IT creates, offer some tips on coaching your team, and will continue to emphasize the importance of frequent, targeted communication.

Delegate



When you delegate tasks, you create followers. When you delegate authority, you create leaders. (Quoted from pastor and author Craig Groeschel.)

Delegating

Every leader needs to delegate. It's obvious, right? If you're "doing" you're not "leading." Sure, that makes sense. But what you delegate is of critical importance.

If you're delegating tasks to your team members, that makes you a manager, not a leader. And, if you are trying to delegate tasks as a leader, you're doing a terrible disservice to your team.

What you really want to delegate is authority.

Our previous chapter spoke about developing and executing strategy. We recommended that you build your strategy and goals with your IT Leadership Team and then work with staff at all levels of IT to build Action Plans.

In those two activities, you are delegating authority to your leadership team and then to your staff. You're giving them the authority to develop the IT strategy. What a gift for the non-technical CIO! You develop a vision and give your team the authority to build a strategy around it.

Your job is to challenge your team, give them permission to reach for the stars, and provide them a platform for personal growth. Isn't that what leadership is really about?

Servant Leadership

It's outside the scope of this chapter to go into the finer points of Servant Leadership. Suffice it to say that Servant Leadership is a philosophy and practice in which leaders serve the staff. That means giving them the authority, tools, and confidence to reach their peak performance. It means setting every individual up for success.

One advantage the non-technical CIO may have over the seasoned IT professional is the ability to see what's possible without the constraint of current paradigms. Dream big and give your team the authority and tools to make it happen.

That also means trusting your team when they challenge you and having the wisdom to modify plans when you are confident that the team has reached as far as they can. I'd rather scale back a bit than set the team up for failure. Let them achieve incremental wins. It will give them the fuel to reach for greater heights.

Conclusion

Once we've created the vision and strategy, and delegated the authority to execute, we need to support the team with objective measurements and coaching, and support the entire business with effective communication.

The next few chapters will explain each.

Measure

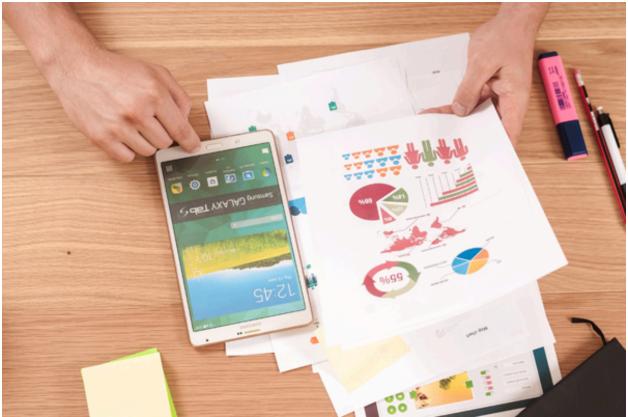


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Measure IT to build trust, credibility, and respect from the rest of the business enabling IT to serve a transformational role.

Introduction

I frequently speak and write on the topics of the IT Value Journey and Measuring the Value of IT. Please refer to some of the articles listed at https://www.wolffstrategy.com/article-quick-find. For this chapter, I'll summarize "What" to measure and also discuss "Who" to measure.

What (and Who) to Measure

The five most important things to measure, and examples of metrics to use, are:

- 1. **Customer Service**. Measure customer satisfaction vs total cost of ownership and try to continuously improve satisfaction at a decreasing cost.
- 2. **Infrastructure**. Cyber resilience can be measured by time to detect a threat and time to remediate one. Service availability can be measured by uptime for critical services like email, networks, etc.
- 3. **Software Development and Maintenance**. Measure the percent of projects completed on time, within scope, and on budget. Measure the cost per story point or function point and strive to deliver more features at a continuously decreasing cost. Measure the timing of error detection in the software lifecycle. Most errors should be found in unit testing where

it's least expensive to fix. If we get all the way to deployment before we find an error, we spent a lot of money to get there, only to return to development. Finally, measure the reliability of production software based on availability and always drive to improve it.

- 4. **Project ROI**. Return on investment for business projects supported by IT is a critical measure and it forces us to hold business sponsors accountable for the results delivered after investing IT resources.
- 5. **Budget Compliance**. IT adherence to operating and capital budgets should be a natural for every organization.

Be sure to include these measures and the specific metrics in your IT strategic plan and track continuous improvement quarter after quarter and year after year.

"Who" to measure becomes apparent based on the "what" above. As the CIO, you have direct reports that are responsible for each of these measures. Each of your direct reports should own strategic objectives and goals associated with these measures. And their teams own the metrics as well.

Simply cascade performance objectives down the organization. That single exercise will create alignment that, itself, will improve some of these metrics.

People perform to what they are measured on and compensated on. Performance objectives, merit increases, and bonuses that are strictly tied to these measures and metrics will incentivize your entire team.

Note that there is nothing highly technical in any of this. Rather, it all relates to how IT creates value for the business.

These are metrics that can be shared across IT, throughout the company, and right up to the Board. You can present them in a way that tells a story of IT focus, continuous improvement, and value.

Conclusion

IT earns the right to play a transformational role by earning trust, credibility, and respect from the rest of the business. That comes from objective measures of the business value that IT creates.

Understanding and implementing these measures does not require a technical leader. And cascading these measures as performance objectives across IT will align the entire team.

Once we've established the IT vision and strategy, delegated responsibility, and established business-focused measures, it's time to help the team deliver. Coaching, and supporting the entire business with effective communication will be the final two chapters in this Handbook.

Coach



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You don't need to coach your team on technology. Rather, coach them on communication, strategy, the business, personal performance, teamwork, dealing with conflict, and leadership.

Coaching

I was blessed in my career to have leaders that were willing to invest their time to make me a better professional and a better person. I look back on these people with the deepest admiration and gratitude.

I often said that we observe others and often see what not to do. It's a rare and precious experience to see someone who we actually want to mimic.

We, as leaders, owe it to our team members to do everything possible to help them. The number one job of an executive is to build a strong team. The number one job of the human being in the executive role is to make each person on that team stronger.

Coaching IT Professionals

Irv Citrenbaum was my director of software development when I was a young programmer. Through Irv, I learned how to set clear expectations for my teams and how to show appreciation for their efforts. He also taught me the importance of trusting the team members and knowing how to recover from mistakes.

Mike Cole was the most loyal executive I ever worked for. He backed our team every minute of every day. We knew he had our backs, and we were willing to march into any battle for him. As a result, we developed an amazing team that achieved more than anyone thought possible.

And John McLane, a consultant that helped our team for a couple of years, taught me about leadership, the "right" way to break the rules, and tenacity.

Note that none of these have anything to do with technology. These are skills that universities don't necessarily teach computer science majors, like how dentists aren't taught to run a business, even though that's what most of them must do.

Some Do's and Don'ts

Today, the CIO role is about vision and leadership, much more than technical prowess. Nobody should be expecting the CIO to coach IT on technical issues. Rather, the CIO should be coaching individuals and teams on communication, strategy, the business, personal performance, teamwork, dealing with conflict, and leadership.

As I've written and spoken about numerous times, IT "earns" the opportunity to transform businesses by developing trust, credibility, and respect. It is imperative that the entire IT organization understand the business, be aligned around a common IT vision, and that every team member be able to articulate the IT strategy.

Similarly, it is important for IT to execute with complete transparency. Measure continuous improvement and share it with the rest of the business. Track project progress and ROI, and share those across the business.

Also, coach people on their performance plans that should always be aligned with the IT strategy and metrics. Help them with the inevitable conflict resolution. Teach them how to deal with their customers, external and internal, and how to show empathy and always be professional.

Be sure that your team can speak to these items. It's amazing how much trust, credibility, and respect emerge from water cooler conversations between IT staff and others across the business. But it only works when IT can communicate in terms that are meaningful to the business.

One of the most important and challenging roles of the CIO is to help each member of the IT team communicate topics that are critical to the business and to do so in language that everyone understands. These skills not only help IT, but they are crucial in the development of each individual team member. And isn't that what leadership is all about? Remember, these are not about technology. This is coaching that the non-technical CIO should, and must, excel at.

Conclusion

I've often been asked what I'm most proud of in my career. I'm able to quickly answer that I'm most proud of the dozens of my former team members that have grown into C-level positions. These are incredibly talented people. But I'd like to think that I've given them some guidance and coaching along the way that helped propel their careers. Just like Irv, Mike, and John dd for me. And that's what I hope you do for your teams.

The final topic of the Leadership Guide for the Non-Technical CIO will be supporting the entire business with effective communication.

Communicate



Communication skills are among the top factors determining whether the CIO will lead business transformation or be relegated to just keeping the lights on.

Communication is a Top Obstacle

When asked for the biggest strengths of the stereotypical CIO, would you quickly shout "communication?" How about the greatest weaknesses? Would communication pop into your mind then?

Communication skills have typically been a huge obstacle for the CIO and the IT organization. Business leaders are instantly turned off by techno-speak and acronyms. Using technical language outside of the IT organization is like speaking a foreign language that your audience doesn't understand. Sure, some people may follow you, but most will not. And they will not want to engage any further.

The non-technical CIO has a huge advantage – if he or she can communicate well.

"Business" is the language of businesspeople. "IT" is not their language. The non-technical CIO probably won't be tempted to use technical terms and IT acronyms when communicating with colleagues. And they are very unlikely to justify technology investments based on technical improvements but, rather, based on *measurable business impact*. Nobody cares that the storage device is 100 times faster. They care that the customer experience will improve because they can process transactions more quickly, and that translates to more revenue.

Businesspeople want to know what time it is, not how the watch was built.

And when we communicate effectively, IT earns trust, credibility, and respect – the fuel to navigate the <u>IT Value Journey</u>.

What to Communicate and with Whom

We share information with different audiences in different ways. The CIO can share project details with the IT team or project team but is likely to share, perhaps, the status of critical milestones and the budget with the executive team or Board. The conversations may be around the exact same project, but the information shared is relevant to the audience.

There are countless messages that the CIO must share. Project status, budget, human resource issues, and more will consume a large proportion of the CIO's communications. I'd like to focus on some of the less practiced but most valuable communications. We'll put these in a few buckets:

- IT Strategy
- IT Value
- Business Risk

IT Strategy

IT Strategy must be developed and communicated in support of the broader business strategy. There should be nothing in the IT strategy that doesn't support the broader business strategy. It's up to the CIO to make the connection and express the alignment in terms that can be understood by the IT team, across the business, and with the executive team and Board.

IT Strategy must also be expressed in terms of measurable goals. You must articulate, specifically, how your strategic objectives will increase revenue, reduce costs, improve the customer experience, or mitigate risk. The latter should be translated into revenue or costs.

IT Value

IT Value is a lagging extension of the IT Strategy communication. The CIO needs to demonstrate revenue gained and costs reduced as a result of work that IT has done. Perhaps most important, and most challenging for many, is to demonstrate the value created by major projects. That means the executive sponsor must commit to the revenue gain or cost savings prior to project initiation and IT must track the costs of delivering the project. Assuming amortization of capital resources (e.g., programmers and other staff as well as capital equipment) you should be able to work with the sponsor and Accounting to measure the ongoing value of the project. Quarter after quarter and year after year, is the project still delivering the value that was committed at the onset? The annual value minus the amortized cost equals the value that IT has created.

IT Value can also be measured by improvements in customer satisfaction at continuously reduced costs, and the risks mitigated by detecting and remediating cyber threats faster and faster as time goes on. A final measure of IT Value is the cost per feature delivered, and the time to deliver, which should both continuously improve.

IT Value may be the most important metric the CIO reports. It also creates accountability with project sponsors, which ultimately strengthens the partnership among IT and the rest of the business. And that's what earns IT the trust, credibility, and respect to play a transformational role in the business.

Business Risk

Priority One Incidents, while we hope are few and far between, provide a great opportunity for IT to earn trust, credibility, and respect. A Priority One Incident is anything that puts the business at risk. It may be CRM system crash, a major telecommunications outage, a natural disaster, or countless other events.

Priority One Incidents are your chance to shine. You can hide the event and that will spell disaster. You can address the incident and not say anything until it's resolved. That will cause people to make up their own stories — and they won't be good. Or you can *communicate* broadly and immediately. And communicate every hour with updates, even if there is no update. You may also hold a call with the executive team every couple of hours.

Lack of communication during a Priority One incident causes the rest of the business to lose confidence in IT. Effective communication creates trust, credibility, and respect.

A Story

I inherited the CIO role for a large division of a Global 500 company. IT had many challenges and was thought of across the business as the "helpless desk." We set out on our IT Value Journey and were rapidly fixing IT.

One day we had a major telecommunication outage – a Priority One Incident. We couldn't blast and email or voicemail across the company, so we had to send people door to door to advise the entire office of what was going on.

One of my team members walked into an executive office feeling like a boxer that needed to put his arms up in front of his face to protect himself from an incoming punch. He quickly and concisely explained the situation to the executive, waiting to get severely scolded. Instead, the executive said, "Thanks for letting me know. I trust IT to fix it and get us back in business."

Trust IT? He didn't believe his ears. He smiled and walked out of the office with a new sense of pride. And then promptly ran back to my office to relay the message.

We knew, right then, that IT had navigated along the IT Value Journey. We were no longer the helpless desk and were now trusted as a partner. Sure, we fixed a lot along the way. But it was our ability, and willingness, to communicate the good and the bad that earned us the trust, credibility, and respect from the rest of the business.

That IT team went on to play a truly transformational role for that business and our industry.

Conclusion

This is the final chapter in our Leadership Guide for the Non-Technical CIO. The six leadership skills that we emphasized include:

- 1. Rally the team around a vision
- 2. Develop and execute strategy
- 3. Delegate
- 4. Measure
- 5. Coach
- 6. Communicate

Throughout this Handbook we emphasized management principles rather than technology, but from the perspective of the IT leader. These are critical skills as more and more IT leaders emerge from other parts of the business rather than from internal or external IT organizations.

Final Thoughts

<u>The Authentic CIO Handbook</u> was the first in our Authentic Handbook series and the response was amazing. We followed with this publication, *The Authentic Leadership Guide for the Non-Technical CIO*, based on reader feedback and our hands-on observations of businesses and the IT industry.

Our next Handbook will be *The Authentic C-Suite Guide to Digital Transformation*, due in Summer 2021.

We value your feedback and encourage you to email your thoughts, and wishes for future topics to Emily@WolffStrategy.com.

I've had the pleasure of speaking with so many of our readers and encourage you to continue to reach out. Email <u>Emily</u> and she'll be happy to schedule a call with me.

About the Author



Larry Wolff is the founder & CEO of Wolff Strategy Partners, a boutique consulting firm specializing in Enterprise Strategy Management and Digital Transformation. Larry has served as CEO, COO, CIO, CTO, chief digital officer, and management consultant for public, private, international, and emerging growth companies. His specialties include technology led business transformation, corporate and IT strategic planning, business and IT

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