

# TRANSFORMING THE CIO: THE RIGHT TECHNOLOGY LEADERSHIP TO DRIVE TRANSFORMATIONAL BUSINESS CHANGE

*White Paper*

## OVERVIEW

Technology has drastically altered the landscape for business and executive teams. From greatly reduced life cycles to increasingly tech savvy executives, this historic shift is transforming CIOs and demanding a new type of technology leadership.

The criteria for successful tech leadership has changed. Today's technology leader must be able to lead in a sea of technologists and an ocean of innovators. They must be visionary, innovative and transformative in order to lead against the critical success factors created by today's disruptive technologies.

This paper has been developed to aid boards and CEOs in their search for a different type of technology leader, one that can maneuver the evolving dynamics of the technology landscape while delivering high-quality, innovative operations. It has also been developed to help current technology leadership identify the characteristics that will deliver true business transformation in this rapidly changing environment, and outline the steps today's CIO must take to evolve into innovative leaders of the future.

## A SEA OF TECHNOLOGISTS AND AN OCEAN OF INNOVATORS

The convergence of disruptive trends in technology—think cloud, social, mobile and big data—coupled with the permeation of technology into every aspect of our lives has enabled a value density that was unimaginable even 10 years ago. Heightened value density—the ability to deliver value faster, through a richer, more integrated and less resource-heavy experience—is shrinking life cycles and setting the bar high for how and what technology should be capable of.

Today, we are all technologists. We are able to make a phone call, order a pair of shoes and watch TV, at the same time, from the same device. Our personal expectations for what technology should do—both professionally and personally—has been conditioned by this type of heightened value density delivered in our everyday life.

**“IT IS YOUR  
SWISS ARMY KNIFE  
AND YOUR MOST  
UNDERUTILIZED  
ASSET.”**

- Hollis “Terry” Bradwell III,  
AARP's Chief Enterprise Strategy  
& Innovation Officer

In the past, the CIO was likely a company's only tech-savvy executive, often faced with the task of having to encourage his or her peers to leverage technology. Today's executives are informed and capable, with high expectations for how technology should be applied at an enterprise level to improve their business areas. This new executive has a Technology Persona.

This Technology Persona is not only comfortable with the tools and techniques of technology, they see past the baseline functionality of the devices and software that they are using to understand their capabilities in a way that enables them to envision solutions that do not exist yet. They are both technologists and tech innovators, a dynamic that demands a different kind of technology leadership.

The new technology leadership must be able to serve as a strategic advisor, not an order taker or technology pusher, to create solutions that are flexible, integrated and high in value density. The CIO will need to add value to the executive team and company in new ways, bringing more vision, facilitating innovation, and enabling technology across the organization.

## THE TRANSFORMATIONAL CIO

While counterintuitive, many CIOs today do NOT possess the Technology Persona. They have become bogged down by the need to control and own technology, rather than seeking opportunities to innovate and enable. They were defined by an environment that encouraged an operational role that sought to limit change, constrain scope and enforce standards.

That environment has drastically evolved into one of fast-paced innovation, technology permeation and a growing community of technologists. That CIO of the past must adapt immediately to be the type of visionary, innovative and enabling leader organizations need to succeed. Today's CIO must deliver more than operational security. They must deliver transformation.

### TRANSFORMATIONAL CIO



#### TRANSFORMATIONAL

RESILIENT  
CHANGE AGENT  
HOLISTIC THINKER  
PARTNER  
ENGAGED



#### INNOVATIVE

AGILE  
OPEN-MINDED  
INQUISITIVE  
REALISTIC



#### VISIONARY

STRATEGIC THINKER  
OPEN  
ADAPTABLE



#### ENABLING

BALANCED  
SUPPORTIVE  
CONNECTED  
SERVICE-ORIENTED  
REASONED



## Transformative

Gone are the days when a CIO was rewarded for a static and controlled environment. The Transformational CIO must possess the ability to manage change effectively and the agility to support constant transformation.

Transformation implies a significant change. Historically, transformational changes occurred infrequently, prompted by small, incremental shifts. Today's rate of change requires constant transformation. Therefore, the Transformational CIO must be a strategic business partner with the insights and ability to deliver transformation holistically, ever seeking ways to better integrate business with technology.



## Visionary

The Transformational CIO must not only possess a Technology Persona, but also must be a tech visionary and futurist. He or she must be able to understand and filter the immature technologies on the horizon, enabling and inspiring the executive team to leverage their own Technology Persona to drive innovation for the business. Ultimately, this requires management of an R&D function to identify and qualify technologies that are constantly changing, all while remaining grounded in the realities of the business.



## Innovative

The Transformational CIO must have an innovative mindset, capable of leading all Technology Personas within an agile, cross-functional team with blurred roles. The Transformational CIO will bring agile expertise, technology know-how and an innovator's heart. He or she must be able to bring technology vision with a strong business context, backed by the agility and flexibility to work within the rapidly changing business environment, in a way that is open-minded, inquisitive and realistic.



## Enabling

Constant transformation cannot be achieved unless every member of the executive team is enabled to create the technology solutions necessary to drive and support business innovation.

The Transformational CIO will not own and control every aspect of technology, but instead provide the services, integration, capabilities, resources and operations to enable a broader group of technologists to move the business forward.

The Transformational CIO enables business-driven IT efforts while providing firm control of security, connectivity and other critical foundational services, enabling transformation by:

- Creating and maintaining foundational services
- Availing IT infrastructure and operational components
- Connecting skilled resources and quality vendors
- Supplying internal IT security, standards, frameworks and architectures
- Creating an IT community

The Transformational CIO will still need to be the IT leader, providing the foundational components to the business that IT is best situated to deliver. Enabling does not mean the “wild, wild west.” Reasonable and firm control is critical to providing the necessary connectivity, integration, data and operations. The Transformational CIO must provide balanced leadership to enable the proliferation of rapid development in the business with secure and operational IT services.

**THE CIO OF THE PAST HAS TOO OFTEN HAD TO CREATE THE DEPARTMENT OF “NO.” THE TRANSFORMATIONAL CIO MUST CREATE THE DEPARTMENT OF “YES.”**

## EARNING IT

To earn the right to have a strategic seat at the executive table, to be a visionary leader, and to have the opportunity to lead innovative transformation, the Transformational CIO must still deliver the core product: dependable, capable IT services.

The world is evolving to a cloud, mobile, social, digital world, but someone must still keep the lights on (KTLO). KTLO, whether internally supported, vendor supported or a hybrid, will require the Transformational CIO to ensure rock-solid operations, delivery and foundational tech health.

### Operational Excellence

Operational excellence is the barrier to entry. While the Transformative CIO will be more likely to delegate or outsource many of the operational functions, his or her credibility is directly tied to the consistent delivery of operational excellence.

The Transformational CIO will need to be comfortable leading while not being directly involved in day-to-day operations. The new model will require the Transformational CIO to be more forward- and executive-focused, leaving less time to directly run the operations. Whether by hiring and managing capable operational leadership or by partnering with a strong operational vendor, the Transformational CIO will have to manage through others to gain the time and space needed to drive value in the new model.

### Delivery Enablement

Maintaining quality delivery will be another constant for the Transformational CIO. However, the Technology Personas in the rest of the executive team will shift the delivery equation. Peer executives will drive technology projects of their own at an increasing rate. The Transformational CIO's organization must deliver enabling services that allow executive peers to build better solutions, while delivering the common core solutions that must be managed across the business. The Transformational CIO will need to deliver these enabling services alongside the core business services on time, on budget and at the highest level of quality.

## TRANSFORMATION IN ACTION: AARP TEK

AARP expanded the traditional role of IT with AARP TEK, an innovative service designed to increase digital literacy among people aged 50 years and older. This portfolio of in-person and online workshops, seminars and tutorials was inceptioned and incubated within the walls of AARP's IT department. Going beyond meeting traditional IT offerings, AARP TEK directly targets AARP's core mission of providing advocacy for its target audience. After a successful incubation period, AARP TEK was mainstreamed and transferred to a business unit that could focus on scaling the effort.

Like in operations, the Transformational CIO will need to lead delivery through others, hiring and managing strong delivery leadership or by sourcing quality delivery vendors.

## Technology Foundation

The core legacy solutions, including applications, infrastructure, operations and IT, will still be the responsibility of the CIO. Whether the CIO's organization provides these services or manages the vendors that do, the Transformational CIO must be a strong talent evaluator with a partner mindset that is dedicated to the technology that is reliable, consistent, quality focused and structured.

## BUILDING A TRANSFORMATIONAL TEAM

### Executive Scale

One great challenge all Transformational CIOs will face is the tug-of-war between the old and new. There is often a disproportionate amount of time spent focused on external business opportunities as opposed to internal operational matters. Yet the old, internal operational matters—the delivery of dependable, capable IT services—made those external business opportunities possible in the first place.

So how does one say yes to opportunities without saying no to current responsibilities?

At the top of the list of critical success factors in meeting this challenge is executive scalability or, more specifically, the ability to generate it. Executive scalability refers to an individual ability to generate seemingly endless bandwidth to take on new responsibilities without shedding or deprioritizing current duties. And doing it without adding to one's workload.

## TRANSFORMATION IN ACTION: AARP

Today's CIOs all face the challenge of executive scale. They must generate the bandwidth necessary to focus on these transformational results that extend the organization's core mission, while continuing to successfully deliver dependable, capable IT services. The transformational journey of AARP's IT organization provides insights to this challenge.

At the core of AARP's answer to the executive scale challenge was how it reorganized to meet the enterprise need for technology products and services. The overhaul was significant in its simplicity. It generated streamlined processes, generating bandwidth for transformational leadership to focus on innovative ways to advocate for those aged 50 years and older.

AARP centered its thinking around how to operate IT assets and future tech assets like a business, rather than an IT department. In that regard,

AARP centralized authority to make decisions in three main areas:

1. Customer Service – focused on generating value through the use of technology
2. Product Development – focused on building and maintaining technology assets
3. Business Operations – focused on running IT like a business and getting value for the investment

By organizing into these business-centric functions, AARP IT created a decision-based ecosystem that allowed for faster decision-making by staff while freeing IT executives to focus on the strategic intent of the investments AARP makes in technology. This in turn bred an IT culture laser-focused on AARP's greater mission of advocating for those aged 50 and older.

## The Team

Building the team to provide executive scale is as critical as it is challenging. A Transformational CIO needs a senior team he or she can trust and depend on to perform many of the traditional duties so the CIO can place focus in the transformational areas.

It is important that the team be able to work as a cohesive unit, supporting one another during the transformation and providing the foundation for executive scalability required in the new environment.

The team needs to be high performing, able to handle the operational needs of the organization in a seamless and professional manner. The team must provide the delivery and operational excellence that is required to earn the right to be innovative and transformative.

## FINDING THE TALENT

A new generation of IT leaders needs to be identified. These leaders can come from various areas within the business, but we believe that developing talent from within the ranks of the traditional corporate-based IT industry will yield the strongest candidates.

Bred in the tech sector and trained to understand various business models in a variety of industries, business savvy leaders are emerging from within the ranks of traditional IT shops. But take note, these are not traditional CIO candidates in the making, although one could argue that they can certainly do the job. Their talents are best utilized to spot the implications of innovation, to go beyond and identify the opportunities core to your firm's mission with the operational savvy to implement it.

One particularly strong source of emerging technology leaders is Enterprise Architecture (EA). The front end of EA, Business Architecture, is focused on infusing technology strategy and perspective to enable and support the business strategy. This innovative capability leaves Business Architects well positioned to take a lead role enabling innovation.

## TRANSFORMATION IN ACTION: ACHIEVING EXECUTIVE SCALABILITY

Shortly after transforming itself, AARP's IT leadership team doubled-down on the concept of a "first team," a term popularized by Patrick Lencioni's book "The Five Dysfunctions of a Team." They sought to develop a high performing, self-directed team that was diverse and complimentary.

The benefits a high performing team were self-evident to the IT senior staff—interpersonal squabbling, turf wars, inefficiencies of internal politics and hidden agendas were stomped as the goals of the team outweighed individual issues – but just as importantly it formed the cornerstone for executive scalability. Because individual leaders were invested in truly getting to know each other as people and working to establish pillars of immense trust, staff interactions became more strategic, more effective and less time consuming, freeing up the IT leadership team to focus on the business of making technology investments to serve AARP's core principles of advocacy. This is what executive scalability is all about.

## THE TRANSFORMATION HAS BEGUN

For the past 30 years corporations have leveraged technology to automate and optimize. The result of which has been an unprecedented peak in productivity. The benefits of productivity have been booked in the ledgers. This technology was driven and controlled by the traditional CIO. It's been a great run for the CIO of the past.

But that was the past.

Today, disruptive technology trends are changing expectations, lives, business, and in turn, the CIO and technology leaders. The rapidly changing environment, driven by technology permeation, increasing value density, shrinking life cycles, and executive technology personas, require a new type of technology leadership. Today's technology leadership must be visionary, innovative, transformative and enabling, all backed by a strong foundation of technology expertise, operational excellence and delivery quality.

In some cases, the CIO will be left standing in the dust, watching the rest of the organization transform without them. In others, the CIO will be straining at the bit to pull the rest of the organization kicking and screaming into the new world. But in the best scenario, the Transformational CIO will be an instrumental lead in helping propel strategic business initiatives through innovative tech solutions.

The one certainty is that the requirements for successful technology leadership have changed, and we all need to transform if we want to be part of this brave, new world.

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## ABOUT NORTH HIGHLAND

North Highland is a global management consulting firm that delivers unique value, relevant big ideas and strategic business capabilities to clients around the world. The firm solves complex business problems for clients in multiple industries through an integrated approach and offers specialty services via its Data and Analytics, Managed Services, and Sparks Grove divisions. North Highland is an employee-owned firm that has been named as a “Best Firm to Work For” every year since 2007 by Consulting Magazine. The firm is a member of Cordence Worldwide ([www.cordenceworldwide.com](http://www.cordenceworldwide.com)), a global management consulting alliance. For more information, visit [northhighland.com](http://northhighland.com) and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

## ABOUT AARP

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; [www.aarp.org](http://www.aarp.org); AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at [www.aarp.org](http://www.aarp.org).

For more information,  
please contact:

**Terry Brennan**

1-404-975-6992

Terry.Brennan@northhighland.com

**Jose L. Hernandez**

1-202-434-7931

jlhernandez@aarp.org