

### READINGS IN GLOBAL ORGANIZATION DESIGN

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# LEVEL 5 CIO'S: FLYING PIGS OR BLACK SWANS?

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# **Anatomy of Agile Enterprise**

# **Three Breeds of CIOs**



# Janne J. Korhonen

Janne J. Korhonen is an independent business and IT consultant, specializing in enterprise architecture, business process management, service-oriented architecture and pertinent governance models. He has over ten years of experience as an architect and consultant in a variety of extensive and mission-critical IT projects. With strong theoretical underpinnings, his consulting encompasses systemic co-development of business, organization and information technology.

I have <u>earlier suggested</u> that Enterprise Architecture be designed and built around organizational accountability levels and be divided vertically into three distinct yet interlinked architectures. It can be further argued that all IT work in organizations falls in respective "IT realms" (not all of which may be manifested in any given organization):

- 1. **Technical Realm**, with an operational focus and geared to present-day value realization;
- 2. **Socio-Technical Realm**, in which IT enables enterprise flexibility and capability to change; and
- 3. **Ecosystemic Realm**, in which IT drives value innovation and enables sustainable co-evolution within the business ecosystem.

These three IT realms also call for distinctively different managerial roles and respective capabilities. In the following, three breeds of Chief Information Officers (CIOs) are outlined, respectively: Implementer, Coordinator, and Strategist. The characteristics of the role and requirements for the capability of each type of CIO are summarized in Table 1.

Table 1: Three breeds of CIOs.		
	Role Characteristics	<b>Capability Requirements</b>
Strategist	Corporate role	Shapes new contexts
	Strategic intent	Uses power of vision and participation
	510 years time horizon	Multiple frames of reference
	Ensures long-term resilience and	
	viability	
Coordinator	Demand-side	Capacity for envisioning future
	Tactical portfolio	possibilities
	25 years time horizon	Holds opposing ideas in mind
	Ensures business responsiveness	Applies conceptual frameworks
Implementer	Supply-side	Focus on functional and technical tasks
	Operational excellence	Either-or mind-set
	12 years time horizon	Analytical problem-solving
	Ensures efficient and reliable IT system	

# Implementer CIO

Implementers are on the supply side: delivering to the goals and requirements of business and being measured on the results expected from IT. They are responsible for implementing and maintaining an organization's IT solutions and technology infrastructure, which they aim to make happen in the most cost-effective and efficient manner. They are also the sensors of the organization, reporting operational issues and problems upwards. The time horizon of Implementer would be less than two years.

The focus of Implementer CIO is on operational excellence: making sure that the IT systems, processes and solutions create value in the present and can be developed to meet the likely needs of the near future. This calls for some degree of conceptualization: connecting things to develop a systematic response, taking into account factors such as risk, cost, and time to completion. Implementers know how to get things done and are great at devising systems, policies, guidelines, instructions and procedures that ensure smooth, reliable and stable operations. They are good in analytical problem-solving, yet typically limited by an either-or mindset.

# **Coordinator CIO**

Coordinators oversee the organization's IT strategy and, working together with business on the demand side, develop policies and goals for the IT department. They also manage the portfolio of IT investments and make investment and divestment proposals pertaining to strategic information systems, technology platforms and standards, etc., even though higher approval may still be needed before the investment can proceed. The time horizon of Coordinator would go two to five years out to the future. The focus of Coordinator CIO is on ensuring business responsiveness: developing a functioning set of systems that addresses comprehensive business needs now and in the future. The objective of his/her activities is often to introduce innovative new systems or solutions, or to decommission the obsolete ones. This demands integrative, cross-disciplinary thinking. Coordinators must also be capable of assessing, prioritizing and revising goals as well as reorienting towards new goals. In comparison to Implementers, they have higher capacity for envisioning future possibilities and are better able to hold opposing ideas in mind. Their thinking is more systemic and often employs conceptual frameworks and other thinking tools.

## Strategist CIO

Strategists craft the organization's strategic intent pertaining to IT, co-create IT-driven business models with senior business executives and envision and enforce strategic IT capabilities. This breed of CIOs is very rare, often transcending the mere IT function, and likely to be found only in large information-intensive corporations. Strategist's time horizon would go beyond five years.

The focus of Strategist CIO is on shaping the organization's information technology and information systems landscape to ensure long-term business

continuity within the organization's environment. This requires long-term visionary insight into the developments in technology innovation, the industry structure and the society at large, as well as into the co-causal interrelationships and higher-order consequences of these developments. Strategists are the creators of the future: with the ability to take on multiple frames of reference, they harness the power of people and shape new contexts that enable the vision to come into being.

Categories: <u>IT Management</u>

Tags: CIO, capability, chief information officer, information

technology, manager, role, type

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# Level 5 CIOs – Flying Pigs, or Black Swans?

Janne J. Korhonen





# Levels of Work 7. Corporate prescience 6. Corporate Citizenship 7. Strategic Intent 7. Corporate Value Systems 7. Corporate Value Systems 7. Corporate Value Systems 7. Corporate Value Forte Future Value for the Future Value for the Future 7. Strategic Development Value for the Present 7. Quality

# Realms of IT "Business follows IT" Customer-centric IT enables business models Value innovation **Ecosystemic Realm** Inter-organizational scope "IT enables business" Business-centric IT catalyzes business change Socio-Technical Realm Engineering of future value Business scope "IT follows business" Techno-centric **Technical Realm** IT provides resources and services Present day value realization Departmental scope Korhonen & Poutanen (2013); Korhonen & Hiekkanen (2013)

### Corporate role "Weaving" Shapes new contexts Strategic intent Level 5 CIO: Uses power of vision and 5–10 years time horizon **Strategist** Ensures long-term participation resilience and viability Multiple frames of reference "Modeling" Capacity for envisioning future Demand-side Level 4 CIO: Tactical portfolio possibilities Coordinator 2–5 years time horizon Holds opposing ideas in mind **Ensures business** Applies conceptual frameworks responsiveness "Connecting" Supply-side Focus on functional and technical Operational excellence Level 3 CIO: tasks 1–2 years time horizon **Implementer** Either-or mind-set Ensures efficient and Analytical problem-solving reliable IT system

# Level 3 CIO: Implementer

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Level 4: Strategic Development

- Delivers to specified goals and requirements
- Responsible for implementing and maintaining an organization's IT solutions and technology infrastructure
- Sensors of the organization, reporting operational issues and problems upwards.
- Focus on the systems, processes and solutions that create value in the present and can be developed to meet the likely needs of the near future.
- Able to conceptualize a systematic response, taking into account factors such as risk, cost, and time to completion
- Tends to consider issues are isolated
- Myopic to other frames of reference
- Difficulty in discerning relationships between opposites or occurrences in time

# Level 4 CIO: Coordinator

Level 5: Strategic Intent

### **Level 4: Strategic Development**

Level 3: Practice

- IT strategy
- Policies and goals for Enterprise IT
- Manages the portfolio of IT investments
- Makes investment and divestment proposals, e.g.
  - strategic information systems
  - technology platforms
- Ensures a functioning set of systems that addresses comprehensive business needs
- Introduces innovative new systems or solutions
- The CIO must be capable of assessing, prioritizing and revising goals as well as reorienting towards new goals
- Requires conceptual, integrative, and crossdisciplinary thinking.

# Level 5 CIO: Strategist

Level 6: Corporate Citizenship

### **Level 5: Strategic Intent**

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Level 4: Strategic Development

- Crafts the organization's strategic intent as for IT
- Co-creates IT-driven business models with senior business executives
- Envisions and enforces strategic IT capabilities.
- Ensures that these capabilities support longterm business continuity
- The CIO requires long-term visionary insight into the developments in technology innovation, the industry structure and the society at large, as well as into the cocausal interrelationships and higher-order consequences of these developments



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To support the organizing of work in a responsible, fair and healthy manner in which people are led in a way that enables them to exercise their capabilities.

The Society believes this requires applying a systems framework\* emerging from reflective inquiry in which levels of work and capability are the initial paradigm and growth in human awareness is the essential process.

The benefits are organizational effectiveness, fulfilled people and organizations designed for value-creation, sustainability and social well-

Note: inspired by the work of Wilfred Brown and Elliott Jaques

The Global Organization Design Society was founded in 2004 to establish and operate a worldwide association of business users, consultants, and academics interested in science-based management to improve organizational effectiveness.

The GO Society fulfills its purpose by:

- Promoting among existing users increased awareness, understanding and skilled knowledge in applying concepts of Levels of Work Complexity, Levels of Human Capability, Accountability, and other concepts included in Requisite Organization and/or Stratified Systems Theory.
- Promoting among potential users of the methods, appreciation of the variety of uses and benefits of science-based management, and access to resources. The GO Society supports the learning and development of current and future practitioners by holding world conferences and professional development workshops, publishing books and a journal, and maintaining a resource-rich web site with related articles, monographs, books, videos, blogs, discussion groups, and surveys.

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