



The Harvey Nash CIO Survey seminar is one of a series of events and forums allowing key decision makers to meet and share ideas on the issues that matter to their business.

The event – now in its fifth year – was held over three dates during June 2004 and attracted over 200 IT Directors, CIOs and IS professionals from both FTSE 250 companies, public companies and small to medium sized organisations.

Simon La Fosse, Director of the Harvey Nash CIO Practice presented the key findings of Harvey Nash's annual CIO Survey (produced in association with PricewaterhouseCoopers and The Sunday Times) followed by Bart Smith and Andrew Holmes, Directors at PwC, who shared their own ideas and significant experience of helping building more effective IT departments.

The presentations were then followed by a panel debate discussing "What is the DNA of a successful CIO?".

Panel members

June 3rd

- Neil Cameron (Global CIO, Unilever)
- Tunde Coker (Technology Director, Egg plc)
- Judi Edwards (CIO Europe, Levi Strauss)

June 9th

- Adrian Bagg (former CIO of Amersham)
- Jem Eskenazi (CIO, iTouch plc)
- David Boulter (CIO, Corporate Centre, BP)

June 17th

- Keith Hopkinson – (Group IT Director, IMI Norgren)
- Jorg Koletzki (Head of Business Projects, National Grid Transco)
- Jora Gill (Head of IT, BNP Paribas)

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Key findings of the CIO Survey 2004

Trends in CIO reporting lines

- Between 2000–2003 the CIO Survey reported a continuing increase in reporting lines to the CEO away from the CFO. 2004 saw a (slight) reversal in this trend.
- This trend toward CFO reporting lines is a potential sticking point for many CIOs of which only 1% believed that the CFO should be the natural reporting line.
- That said, the survey did not detect any discernable difference in effectiveness when comparing CIOs who report to the CEO and CFO.

IT Budgets

- For the first time in three years the number of companies reporting budget increases was greater than those reporting a cut.
- For companies which reported a budget increase, the average spend was up by 18%.

Shutting down failing projects

- Only 25% of respondents identified and shut down all projects that were not adding value to the business.
- This left a worrying 75% of CIOs continuing to run at least some projects with no real business benefit in sight.

Business alignment of IT department

- Over the last year 83% of respondents felt their IT departments had become better aligned with the business.
- Clearly there is still some way to go as 56% still believed they could become better aligned.

Capabilities of the IT team

- The most important capability CIOs believe their team should possess is the ability to build business relationships.
- Whilst this was the most important, it was also one of the least highly rated when CIOs assessed their own team's abilities in this area.
- Surprisingly, given how much press coverage outsourcing has gained in

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recent years, managing outsourcing vendors was considered to be the least important of abilities required for the IT team.

Time spent on key activities

- On average, every year a CIO will spend one entire working month on operational activities which they believe should have been dedicated to business strategy activities.

Effective CIOs...

- Manage their time: They are twice as likely to match time they would like to spend on key activities against time actually spent.
- Gain competitive advantage: They spend 20% more of their budget on systems that give their company competitive advantage.
- Develop relationships: They are 40% more likely to have excellent relationships across the business and twice as likely to rate their relationships with vendors as excellent.
- Show clear leadership: They are four times more likely to shut down failing projects.

Panel discussion

About leadership

- “When I asked an MD recently about whether they had a job description for the new CIO role I was recruiting, they said their job description consisted of one word—leadership.”
- Clearly leadership matters, but there was some debate about exactly what ‘leadership’ entailed. Some participants considered leaders to be the ones ‘out front’, guiding the way. Others described leadership as a skill that everyone should have and the CIO’s role is to instil this in their team: “CIOs should be very clear about the strengths of their team and then ensure that their people focus their activities on these areas.”
- The DNA of successful leadership can also change over time: “The qualities required to be a successful leader are very much dependent on the business strategy. The traits needed to be a successful leader in an upturn are very different to those needed in a downturn.”
- It means “...you can hit the success ‘DNA’ one year, but the following year – without changing – you can miss.”

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- So CIOs should take note, success last year is no guarantee of success next year. The suggestion then is that the real trait for leadership success is 'adaptability'.
- Given that one of the primary concerns that the CIO Survey revealed was the need to build better ties with the business, it was not surprising that building effective relationships was considered an important quality in leadership: "The most important trait in building effective relationships is to listen and listen again. Good relationship builders are non-threatening."
- "Honesty and authenticity are absolutely key to building effective relationships. The biggest problem in the world right now is the problem of denial."
- "IT operates at three levels in a company; plumbing (i.e. infrastructure), cost reduction initiatives and revenue generation initiatives. Key to leadership is to understand these levels and manage the relationships accordingly."

Other subjects discussed

- The wide scoping nature of the survey meant that the panel discussion often led into other areas of interest. Offshore Development was a common theme:
 - "Offshoring works well for big projects, but tends to be less successful for smaller ones."
 - "Near-shoring (e.g. moving to Glasgow) can also be cost effective, particularly as it does not involve long haul travel and the associated costs."
- The discussion also moved on to discuss the role of the CIO itself, helped along by a little controversy by one of the panel members: "Is there a point where IT will become so ubiquitous that the need for a CIO will disappear?"
- Unsurprisingly, given the audience, 'No', was the resounding answer: "CIOs are in the very best position to manage change", "IT will always be evolving and there will always be a need to manage the impact of this into the business".

We would like to thank all of those who attended the seminar and who continue to make Harvey Nash events lively forums for knowledge sharing and debate. If you would like to be informed of future events or have any comments or suggestions please email info@harveynash.com.

If you would like to find out more about our Executive Search, IT Recruitment or Project Outsourcing services please email cedwards@harveynash.com. Comprehensive information can be found at www.harveynash.com.

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