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DISCUSSION SUMMARY

HOW TO LEAD IN AN UNCERTAIN WORLD: WHAT ARE THE LESSONS FOR THE CIO?

This article was written by Roger Camrass, director of CIONET UK and is based on the conversations led by Neil Berkett, Chair of the Guardian Media Group, during the second 2018 CIONET UK discussion dinner with 25 senior business and IT executives that took place in London this November.

Much is spoken today about the increase in business uncertainty, or what is commonly called the VUCA World. At few points in history have we seen such profound change occurring in every aspect of our lives, from political upheavals (Trump and Brexit) and social change (rise of Millennials) to technology-driven innovation (Cloud, Mobile, Blockchain and AI) and economic disruption (FAANG dominance).

It is at such times that leadership takes on a premium.

What is leadership about in periods of great uncertainty?

According to Neil Berkett, leadership in a Volatile, Uncertain, Complex and Ambiguous (VUCA) world is no longer just about getting the strategy right. His advice was to dispense with five-year strategic plans. Instead he had four points to make about being an effective leader:

1. Deliver a compelling vision of where the organisation needs to end up, focusing on clear value and purpose. He likened this to shining a torch into the gloom.
2. Implement new business operating models (people, processes and systems) that can deliver continuous innovation and operational agility appropriate to a VUCA world.
3. Align organisational assets such as people and technology to what needs to be done, with attention to strengthening the management team and adopting agile structures.
4. Engage the entire organisation with your vision, putting your staff before customers or shareholders in order of importance for the future. Customer delight and increasing shareholder value are a consequence of empowering your own people.

Focus on agile operating models

In a VUCA world strategy needs to be constantly adaptive to changing external conditions. The often quoted saying 'The Art of Strategy is in the Execution' is more relevant today than in any other time. Neil's view was that strategy formulation should be a rapid exercise of no more than a few weeks or months (go light on those costly consultants) and should aim towards simplicity – eliminate 90% of your team's 'good' ideas.

As in the era of Business Reengineering in the nineties, strategy should aim to set stretching goals that will cause the organisation to re-examine itself at all levels. As Hammer and Champy said in their book Reengineering the Corporation, 'it is not about the 5% but the 500% that business should aim for'. In this respect the UK pension service recently reduced the time to collect first payment from 60 days to ten minutes – and saved 60% of its staff.

Much will depend on the chosen operating model for the business and its supporting organisation. The digital natives such as Google and Amazon have achieved global leadership due to their ability to 'sense and respond' external customer preferences in near real-time. Their operating models are based on product managers (facing the customer), small autonomous teams (driving profitability) and supporting micro-services and platforms (the core business infrastructure).

Many incumbents are beset with legacy skills, processes and systems. To achieve organisational agility such impediments need to be dealt with as a matter of urgency. Digital techniques can help to streamline traditional processes and improve efficiencies. Platforms can enable new ways of working that accelerate innovation and change.

What are the necessary leadership qualities in a VUCA world?

First and foremost, according to Neil, strong leaders need to be self-aware. They must understand how other people see them and show strong empathy to peers and subordinates. In discussion many CIOs around the table confessed to a lack of Emotional Intelligence (EQ) compared to a surfeit of Intellectual abilities (IQ). It was apparent that some did not take the necessary time to socialise with members of the 'C' Suite to uncover personal agendas and biases.

The second important quality is tenacity – the ability to never give up however challenging a situation becomes. Several executives exchanged their experiences of tough turn-arounds and failing M&A situations where organisations sail close to the wind. In such extreme circumstances’ leaders are required to maintain a sense of calm and purpose that reassures those around them.

Finally, leaders may be required to ‘leave the ball in the air as long as possible’ when faced with uncertainty. During the famous turn-around of IBM in the nineties when the company declared the largest financial loss in history, the newly appointed CEO, Louis Gerstner, held off any strategic decision for over six months after joining the company.

What does all this mean for the CIO?

Compared to other key functions such as sales and operations, relatively few CIOs have progressed to CEO positions. This is perplexing at a time when digital technology is one of the principle drivers of corporate strategy and transformation. This might be explained by the fact that senior executives prefer to leave the CIO in role due to their unique technical knowledge and skills. It might also reflect on personal aspirations and chemistry.

Cathy Holley of Savannah Group who places many of the top FTSE100 CIOs commented that CIOs need to engage more closely with members of the ‘C’ suite to gauge individual dispositions and influence agendas. This requires a high level of EQ alongside IQ – something that can be gained through mentoring and coaching. An attendee from Silicon Valley spoke of the call for a ‘Renaissance CIO’ who would possess a wide range of skills and abilities, well outside the narrow confines of technology.

What were the take-aways?

Four points arose that could help shape leadership patterns:

1. Leadership style needs to adjust to the VUCA environment. Traditional management approaches will not be enough to deal with increasing uncertainty.
2. The key attributes of modern leadership include clear vision and purpose, as well as the ability to stand back and let others get on with the job.

3. Focus on introducing operating models that are aligned with a VUCA world, especially those that constantly 'sense and respond' external conditions.
4. For the CIO, the lesson is simple. Concentrate on people rather than technology. Engage with peers at multiple levels and develop your emotional skills (EQ).



About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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