



CIO SNIPPETS FROM THE MASTERCLASS
**WHY IT SHOULD SUSTAIN
FAILURE**

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An aerial, high-angle photograph of a complex multi-level highway interchange at night. The roads are illuminated with warm yellow and orange lights, creating long, blurred light trails from moving vehicles. The interchange features several overpasses and ramps that curve and cross each other in a circular pattern. The overall scene is a dense network of concrete and asphalt, with some greenery visible in the gaps between the road levels.

The lights must always be on, the infrastructure must run optimally, and all data and apps must be accessible and performing to consumer expectations.



Failure is an uncomfortable topic, whether it's personal or professional. Too often in business we view failure as an unfortunate and unacceptable end state for projects and initiatives. IT in particular is an area where, traditionally, failure is not an option. The lights must always be on, the infrastructure must run optimally, and all data and apps must be accessible and performing to consumer expectations.

In his CXO Masterclass on Digital Transformation, Dr. Art Langer argues not for less failure in IT, but rather for determining an acceptable failure rate. To back up his stance, he points to functions like software and product development—drivers of the business—that have shown that failure rates can actually pay out. Not every software product runs optimally and bug-free; not every product finds traction in the market; and not every great idea bears the fruits of driving the business forward with increased market share and revenue. Software and product development teams are quite accustomed to working with an acceptable failure rate, as long as the benefits of successful projects and initiatives counterbalance and outweigh the negative effects of failed one.

Dr. Langer's real question to CIOs is, does your business culture allow for any failure rates within IT? If not, then CIOs who are wanting to shift their IT organizations away from the traditional supporting role and more into a business-driving role need to do something about it. It all starts with understanding how failure actually helps an organization, not hurts it.

The Distinction

In the Masterclass, Dr. Langer correlates achievement with the acceptance of risk. The more a business-driving group is able to function with an acceptable level of risk, the more able it is to set goals on ambitious projects and actually strive to achieve them. Being competitive means living with risk.

He uses the familiar parallels with sports to drive home his point: not every offensive play results in a touchdown, nor does every 3-point attempt on the basketball court drain pleasingly into the net. But if you don't at least try, meaning if you don't take the risk inherent in assuming the offensive posture, then you won't get the points. And if you don't get the points, you don't win. Ever.



You miss 100% of the shots you don't take.”

Wayne Gretzky - hockey player



A quote attributed to the great (greatest?) hockey player Wayne Gretzky sums this point up succinctly, “You miss 100% of the shots you don’t take.” Of course, you don’t want to take every shot either, but finding the right balance of risk acceptance and reward through skill and intelligence usually results in success more often than not, both in sports and in business.

That perfect balance is what we’ll call the acceptable failure rate. Your product teams probably keep very good records of their success and failure rates. What is their number? When they invest into four initiatives at the beginning of the year, do they expect one to yield a market success? Two? Only your product teams can answer that question. Why not ask them how they calculate their acceptable failure rate?

Why It Really Matters

For IT, it matters because the traditional role of IT as a supporting organization simply isn’t adding enough value to the corporate bottom line. Businesses are looking for every way possible to obtain competitive advantages through internal innovation, and IT is one of the greatest potential innovators within any company. Unfortunately, two things are going against IT—one, the traditional support role consumes much of the bandwidth and resources, leaving little time for meaningful innovation, and two,

most organizations don’t have a culture that allows IT to take enough risk to achieve the payouts that real innovation can garner.

So what’s a CIO to do? Well, to begin with, Dr. Langer points again and again in his Masterclass to the value of changing the organizational culture to embrace IT as a business driver rather than only a business supporter (for more information on these concepts, check out our other blog here). This starts with the senior leadership team and usually the board, too. Doing your homework to be able to articulate the ways in which your IT teams can provide real innovation for the business, driving new products and services through the similar processes that product development teams follow, is always the way to go about it. Showing how an agile IT team can quickly iterate on new ideas and concepts to delight consumers of that technology will go a long way toward ushering the conversation away from “might” and toward “probably should.” And if you don’t try? Well, don’t expect a miracle touchdown or 3-pointer.

Check out our [Masterclass](#) series if these types of concepts intrigue you. We would be glad to welcome you to one of our events and help you find ways to look at IT, and your career, from a different perspective.



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