CIOS MUST MASTER THE SKILLS OF SERVING ON A BOARD

BOARDS NEED TECHNOLOGISTS AS BUSINESS OPERATIONS DIGITIZE, A UNIQUE OPPORTUNITY FOR BUSINESS TECHNOLOGY LEADERS

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Executive leadership boards need a greater depth of technology skills on them.

H owever, CIOs and CTOs continue to struggle to get a seat at the top table. Serving on an executive board requires communications skills, business acumen, and, perhaps most importantly, technical excellence. Getting these ingredients into the right mix is the key to boards recruiting and retaining the technology talent they require, and for CIOs to win this coveted position.

"Technology is a strategic imperative of every organization, regardless of sector or geography, and few companies are immune to the impact of technology," says Dr. Art Langer, Vice Chair of Faculty and Executive Advisor to the Dean at Columbia University. "During the Covid-19 pandemic, we pivoted incredibly fast one by one, company by company, country by country, and we pivoted because of technology," adds Nicholas Donofrio, IBM

Emeritus Fellow. Recent events have led boards to fully understand the value of technology, and this is why CIOs need to be working towards a seat on the board, and a deeper relationship with other members of the senior leadership team. "Increased interaction between the CIO and CEO leads to more balanced conversations about risk and strategic operations," Dr. Langer says. However, Dr. Langer believes executive boards need to transform to reflect the changes in today's economy and society: "The configuration of boards is not where it needs to be," he says. Donofrio agrees and says technology leaders have a vital role to play in enabling organizations to adapt to the skills shortage that is driving up inflation. "Technology talent is at a premium, and people will be attracted to places and spaces where they are welcome and where you make and enable them to be their best."
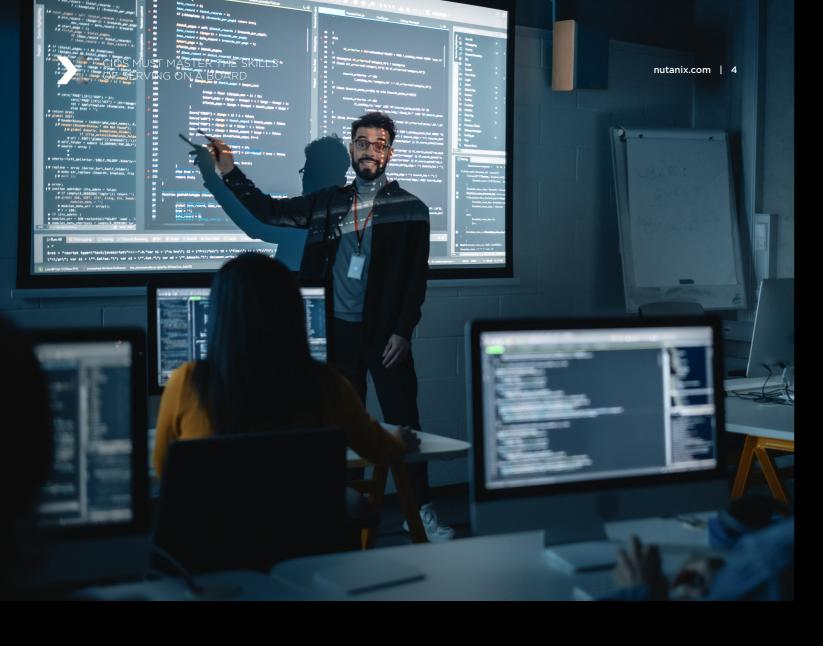
> ## CEOs want people on the board that they can learn from, and if the CIO is operational, then they don't see that as valuable

Against this backdrop, you'd be forgiven for thinking that there is a rising number of CIOs serving on boards. "CIOs are only 5% of the board seats of Global 500 businesses. Less than 10% of S&P 500 businesses have a technology sub-committee, and most digital, and IT budgets are too low," reports Dr. Langer. "Few CEOs see you as someone that can impress outsiders because 60% of CIOs still report to the CFO or COO, and this suggests that technology is seen as an operational responsibility," he says.

Because organizations still see technology leadership as an operational remit, it doesn't fit with executive board requirements. "CEOs want people on the board that they can learn from, and if the CIO is operational, then they don't see that as valuable," Dr. Langer says. Donofrio says that CIOs have to be both operational and strategic.

> ## Establish yourself as being a driver for bringing digital and digital people into the business

Donofrio and Dr. Langer believe all of this is connected by the digitization of the enterprise. A new digital operations middle layer in the pyramid of business structure, where IT infrastructure is the base of the pyramid, and sales and productivity is the tip is coming about. The digitization of the operating layer will have the greatest impact. "Technology people have the

opportunity to capture the middle as businesses become more digital," Dr. Langer says, which will also impact the culture of the organization. "Establish yourself as being a driver for bringing digital and digital people into the business," Dr. Langer says.

Communicating effectively

With boards feeling the impact of technology, CIOs have an opportunity to move into that strategic position and then board membership through effective communication. "You have to become great at simplification," Donofrio says of how executive boards need someone who can translate the threats and opportunities of technology at their meetings. "That is how you will distinguish yourself, as simplifying is not a sign of weakness; it is a sign of strength. A strength that shows you can take technical issues, digest them and simplify them and help people understand them," he says. Dr. Langer agrees and adds that this is the strength that all business leaders on a board need. "The BP CEO was not capable of simplifying the message to the public," Dr. Langer says of Tony Hayward's poor handling of the Gulf of Mexico oil disaster of 2010 following an explosion at the Deepwater Horizon oil well.

Board role and how to serve

CIOs need not necessarily be board members to be called upon to simplify and explain the technology; therefore, business technology leaders need to understand the role of the executive board and ensure they have the skills to gain a position.

The executive board has three key roles: to drive business performance, manage risk and create and execute a strategy to keep the organization moving forwards. These three areas encompass the many threads that make an organization successful; business performance is defined not only by the financial results but also the efficiency of operations and access to talent. Risk covers the regulatory environment the business operates within, disruptions to the sector, such as the supply chain issues impacting the world, or political decisions that can harm a business, such as Brexit in the UK. Cybersecurity has become a major risk vector for organizations too. Customer experience, growth, the role of data, and innovation have all become strategic pillars for organizations. Across all three of these, it is clear to see that there is an important role for business technology leaders.

Dr. Langer says this is leading to executive boards requiring members that bring current and vital skills, whereas in the past, there was a tendency for board membership to reflect tenure. For CIOs looking to join a board, this means ensuring you have the skills that boards require. "You have to plan how you match up to these boards," Dr. Langer says. As a result, the application process is different to applying for a new CIO or CTO role. "You have to highlight who you are and what you offer," he says.

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Applying to be a board member of an organization other than the one you are CIO or CTO for has to have the permission of your existing employer. Donofrio recommends CIOs and CTOs consider becoming a board member of a startup business as a first step. Both agree that CIOs have a good value proposition to offer organizations, as CIOs are experienced in digital transformation, innovation, experimentation, and business alignment. If CIOs want to be on the executive board, they will also need to demonstrate experience in increasing the diversity and inclusivity of the business to meet environmental, social, and governance (ESG) targets. "There is more demand coming down the line on this issue," Donofrio says.

On top of a great application, CIOs need to be well-placed to be invited to be on a board. "CIOs need a better network and spend more time at business socials," Dr. Langer says. In addition: "You must show that you can transform a business challenge."

Having secured a place on an executive board, a CIO needs to learn how to make the most of the opportunity and benefit the business they are serving on the board for. "You don't want to go into a board meeting without already knowing the answer to your request. A board meeting is about finalizing things, so avoiding contested conversations," Dr. Langer advises. "You are working your board all the time before meetings. Have meetings with the board off the record so that you can understand their mindset."

Once again, communication is vital to being effective in a board meeting. "Have multiple pitches or elevator speeches, as the schedule may change, so you need multiple methods with succinct points that allow people to get the point quickly, so avoid technical jargon. When people get nervous, they get technical, and they do this unconsciously," Dr. Langer says. "Nobody really cares what you know; what they care about is what you do with what you know, the results, the how, the why, and the when," Donofrio says of how CIOs need to turn their technical abilities into the language of the board.

Dr. Langer advises board members to have an acceptable failure rate that they can

communicate to the board, which Donofrio agrees with: "As you are advising them, they are sizing you up as to whether you are believable and credible. So we are encouraging you to be self-assured. As a leader, you have to have your own opinion, and it has got to be an opinion that drives you as you put yourself out there."

As technology infrastructure becomes a cloud-enabled service, the operational layer of the organization is where the business requires real leadership. Leadership that will require technology expertise, this is an opportunity for CIOs and the reason why organizations will need CIOs to be board members.

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