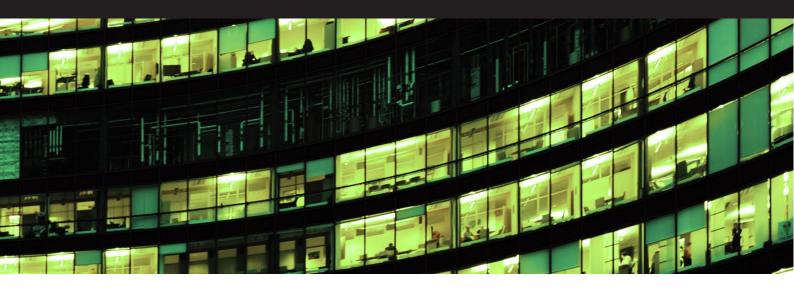# BCS Elite White Paper
THE DIGITAL CIO: COMMUNICATIONS
AND THE REPORTING LINES

As part of its mission to assist personal development and improve the effectiveness of membership, BCS ELITE, the Computing Leadership Forum, is commissioning a series of digital leadership white papers to facilitate knowledge sharing for digital leadership. This first white paper focusses on CIO communication through interviews with three C-level panelists, each of whom works within different reporting structures, in order to compare and contrast their role and influence in their respective organisations.

The interviews surfaced some important realities:

•   For a non-digital 'pure play', the digital/non-digital boundary – the digital divide – is tangible. The boundary can exist within the business, in the supply chain, and/or with customers, but must be bridged for digital to succeed;
•   It is an encompassing digital strategy, not just digital technology, that drives change;
•   Communications within and without the digital business must be carefully crafted in order to be effective; successful communications are conducted through multiple channels, including board level stakeholders, broader business leadership and customers;
•   Shadow IT often results from people being left behind in digital transformation

Highlights of interviews with Dominic Aslan, VP of IT, ShipServ, Ben Booth interim CIO, currently at Arup, and Sean Sadler, CIO of CTIL (joint infrastructure venture between Vodafone and Telefonica) follow.

All panelists were asked the following questions:

1. What is the CIO role in the digital enterprise?
2. What reporting structure does your organisation use?
3. What communication strategy and styles do you employ?
4. What part does transparency play in digital transformation?

There is a survey associated with this report - **www.surveymonkey.co.uk/r/ V7MX82D** - through which BCS ELITE aims to capture your responses to these questions, so as to broaden this debate.

There is additional commentary from the ELITE Committee including their conclusions and strategic outcomes that they recommend as a result of this knowledge sharing.

ShipServ Sails from Start-up to Scale-out

As an online procurement portal for the global shipping industry, ShipServ is digital to its core and employs Dominic Aslan, VP of IT, to run this critical function. While a transparent and innovative culture is the enviable default position of this B2B player, ShipServ has its own challenges: evolving a communications and a digital strategy to support a maturing, scalable organisation into the future are current concerns, explains Dominic Aslan.

Q: What is the CIO role in the digital enterprise?

A: My role is very hands-on in day to day operations and primarily how to marshal enthusiasm and resources into an infrastructure that is flexible and future-proof. Like other pure play digital companies, ShipServ is small in terms of personnel - 150 staff - but has a far reach with a presence in every nation with a sea boundary. In a relatively small company that retains a nimble mindset after 17 years of trading, happily everyone "gets" digital and that makes my job a lot easier.

I've been in role for six months and joined during a period of transition of business culture and ambitions for rapid growth. The company wishes to stay nimble and close to customers but evolve into a larger organisation at the same time. The mission entails augmenting an unrelenting focus on product excellence

with concerns of sound governance and a cyber security proposition that it can pass on to its customers.

Now, with seven offices and a spread of staff and customers, it presents a greater challenge in communication. What are our processes? How do we do things? If we want to get certification for regulatory compliance, we must ensure an auditable history of transactions, the right level of access and communication with the correct bodies, and that we're responding to client needs.

Q: What reporting structure does your organisation use?

A: I reported initially to the COO – who has just been made CEO, and for the moment that line of reporting remains the same. As you might expect in a small company with an entrepreneurial culture, the reporting structure is more relaxed and people are not hung up on job titles or procedures. Communication at ShipServ is direct and everyone gets stuck in where necessary. I don't have to jump through hoops in order to present to the CFO – if I need money I can just walk over and ask for it. We have the discussion, of course, and then make the decision, but there isn't a lot of bureaucracy or procedure.

In a previous CIO role at a financial services company, I reported to the CFO. It was a very established and traditional, company with 7k staff and 50 offices and the challenge there was to convince peers of the value of digital. Reporting to the CFO was not an impediment in itself; they were a tech and gadget enthusiast and would often burst into my office and talk about the latest Apple keynote. But this personal interest didn't extend to using digital IT as a strategic tool to transform the business.

Q: What communication strategy and styles do you deploy?

A: I've had to adapt my communications quite dramatically. The previous job was about presentation and reports, and making sure I had all the financials and reports before I walked into a meeting. Now everyone is happy to talk about digital and swap ideas without needing to know up front the cost, timescale, problems or getting buy-in.

One of our challenges is how to educate

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> – Dominic Aslan,
>   VP of IT,
>   ShipServ

our industry, which is behind the curve on technology adoption and digital business. Ship owners and managers are not all fully embracing digital models yet. Even though we have good penetration of our solutions, our challenge is to work with the remainder of the market to show the benefits and work through their implementation concerns. In this regard, it's not about our technology and innovation, it's about working with our customers and potential customers.

Q: What part does transparency play in digital transformation?
A: Transparency is not a problem at ShipServ; everyone is open and communicative and no one is precious about their area. But managing the impacts of transparency does take some thinking about and managing: this is something our Chief Product Officer is driving at ShipServ. We are creating a new structure of 'pods' to enable autonomous teams to work in a cross disciplinary way. Developers, QA and support, and account management are put into pods that each focus on one aspect of the business, such as a buyer solution. The pod has a lot of autonomy, can have its own great ideas and action them without the need for buy in from managers of each of those teams.

The new structure was implemented just months ago and it's a little early to report on tangible outcomes. But we're

expecting innovation to be better aligned to business need and to be executed more swiftly, because pods will have all the necessary resources from account management support. The Chief Product Officer used to work at Expedia, and the pod model is used in all pure play digital companies such as Netflix and Amazon.

Q: How can the CIO keep the flexible enterprise on course?
A: A key advantage of our new pod structure is better and more tailored and targeted reporting of project activity; reports on the same pods from different managers allow the various accounts to be tested against each other. Those reports are consolidated and then reported to the CIO and other board members.

Being end-to-end digital is also a powerful means of communication in itself because it enables real-time reporting, which tells us what everyone else is thinking and doing. Compared with my previous role in financial services, where all data was held in silos on a variety of platforms at ShipServ I can report quickly and easily on everything I'm asked to. One of my CFOs needs is dashboards, so he gets real time information on sales and costs etc. at the press of a button.

DIVERSE SPONSORSHIP AND COMMUNICATION IS THE HALLMARK OF A DIGITAL CIO

Ben Booth, Interim CIO has worked for multiple blue chips and public services, including engineering giant Arup, global opinion pollster Ipsos Mori, and the Ministry of Justice. To optimise communications for a digital, fast moving and flexible business, Ben advocates communication with boardroom sponsors from the business, and broader leadership within the business.

Q: What is the CIO role in the digital enterprise?
A: As an interim I have a head start: usually I'm brought in to fix a problem that the client has identified, or to keep an initiative going. Often I go into an organisation when a CIO has just left for one reason or another. Often - quite unfairly - the CIO has been viewed as the problem. In past times when IT was a background resource and not a strategic driver, a CIO was appointed to be a competent technician. The transition to the modern digital era needs someone different. But it's a human failing to typecast people and often the incumbent CIO is seen as only capable of one trick.

INTERVIEW HIGHLIGHTS:

- It is critical for a digital CIO to maintain a number of key relationships with the board, the broader business leadership and customers
- Peers in traditional IT director roles, who report to the CFO or finance chief, should proactively seek out and influence the instructions they receive
- IT management needs to be open and supportive while providing a framework to provide the business with structure

In the interim role, communication becomes very important. One needs to assess a situation rapidly and then report back to the board with some kind of recommendation, usually within 10 days of starting an assignment. Having pitched to the board at the outset, there is usually a degree of confidence from top management. But to maintain that, I have to keep communication fluid; I tell them what is going on and I tell them straight. There may be some uncomfortable things to communicate – but that doesn't matter. I have to get the team on side and connect with customers, both internal and external.

Q: What reporting structure does your organisation use?
A: The typical old fashioned report was to the CFO, often indicating that the CEO doesn't see the relevance of technology, and has cast IT as a supporting, cost centre function. In the modern organisation that aspires to be digital, the reporting line isn't critical; what is more crucial, I've found, is an ability to maintain a number of key relationships.

At Arup, for example, my formal reporting line is to the director of corporate services. I also have a direct line and meet regularly with the Deputy Chairman who as COO is the person with the remit to oversee strategy delivery for the business. I also work regularly with the chairman of the European Business who chairs the IT strategy board; he's tasked with ensuring on a daily basis that IT is linked into business. Sponsorship by such senior personnel is critical.

When I did an assignment at the Ministry of Justice (MOJ), I reported to the Director General of what is now HM Prisons and Probation, and also worked at ministerial level with politicians and with two other Director Generals. On another assignment, I reported to the COO for normal day-to-day activities and the CEO on strategic matters. There's always a reporting line because you have to have pay and rations; but in the digital world, you've got to have variety of sponsorship and communications in order to create the necessary connections. Working with customers around the

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- Ben Booth,
  Interim CIO

business is of course very important.

Even in the traditional business, where the IT director is working in a "command and control" environment, the business doesn't always know what it wants – and then the IT chief must start the conversation. Technical people are sometimes guilty of saying: 'I don't know what my instructions are'. But you have to go out, find out what's required and reflect this back to your sponsors.

Q: What communication strategy and styles do you deploy?
A: There's a difference between management and leadership. Management is about doing things efficiently in a professional way. With leadership you can inject more of your personality and hopefully people will follow you. Authenticity counts here – an openness to ideas and a recognition that you don't know all the questions or answers. Most CIOs surround themselves with a team of experts in different fields to achieve the all-round vision and capability; it's a bit like being a conductor rather than principal violin.

It can complicate things if the businesses appoints a CDO and this can result in some tension. There was talk of a bi-modal IT strategy a couple of years ago, which pigeon holed the CIO/CDO activities neatly – but most organisations are not big enough for a dual strategy IT. Maybe a CDO is needed to kick start the digital agenda where the IT Director does not have the necessary aptitude, but there's the risk that however bright and inventive, the CDO doesn't have the technical discipline around security and availability and other dull things. I see the rationale for twin-track IT but today's IT leader should encompass the roles of CDO and CTO.

Q: What part does transparency play in digital transformation?
A: If you're going to have trust, you need transparency. Underpinning Ove Arup are the founders' 6 key principles, setting out an ethical model for business. It's very clear, everyone signs up to these and in practice people follow them pretty well. Other businesses may have similar statements, but often in global business, the countries or regions tend to get on in business in their own way. Increasingly, clients and customers are demanding a global approach.

At Ipsos I supported a global initiative to make services transparent and standard, as clients demanded consistent service across countries and the business changed its operating model to support client demands.

Q: How can the CIO keep the flexible enterprise on course?
A: Partly it's to do with the plumbing and engineering: having a solid and robust infrastructure that facilitates digital activities, including cloud-enabled applications, connectivity to cloud providers, big bandwidth on networks, reliability that innovators can plug into.

Secondly, IT needs to be open and supportive while providing a framework so that the business is not chaotic; it's a balancing act between avoiding vulnerability to data breaches and being positive and supportive rather than a blocker – otherwise it becomes a recipe for shadow IT. You also need to keep an eye on the future. You can achieve this through your networks, and I recommend reading McKinsey, who provide an information service aimed at business leadership and technology leaders in particular.

ENCOURAGING TWO-WAY CONVERSATION BETWEEN IT AND BUSINESS

Sean Sadler is Head of IT for Cornerstone Telecommunications Infrastructure Limited (CTIL), founded in 2012 as a joint venture between Vodafone and Telefónica, in order to manage the network sites for the mobile operator partners. His priorities are to grow and upskill his IT team and the business, and to ensure the conversation between IT and the business is two-way.

Q: What is the CIO role in the digital enterprise?
A: My role is two-fold. First, to execute the IT strategy to enable the business to become more efficient and realise its ambitions. Second, to understand the requirements and priorities of shareholders and to develop the necessary systems and reporting to meet them. In my two years in office, this has involved streamlining the IT services and processes to better meet the needs of all stakeholders.

Another priority is to mentor and grow my IT team and to help facilitate the digital effectiveness of the rest of the organisation. One reason for obtaining corporate membership of the BCS was to ensure the personal development and upskilling of the IT team.

Q: What reporting structure does your organisation use?
A: I report to the Finance Director, but I make my own presentations to the board, as I felt this was a responsibility I needed to take on. I could have sat back, and just provided my boss with all the information, but I think it's important to be there to take the necessary questions and ensure I get the message across. I have learnt to advise upfront exactly why I am there, and get straight to the point in a language the Board understands. My team has grown in size, having tripled in size from eight to around 30.

Q: What communication strategy and styles do you deploy?
A: I try to be more communicative than I naturally have been in the past. The job is no longer about keeping the lights on – it's important that business understands the value IT brings. Communication is more of a two-way thing.

I take inspiration from Stephen Covey's 7 Habits of Highly Effective People. "Seek to first understand, and then be understood". When talking to the board, I present the benefits, the costs and impact on the bottom line and dumb down the IT-speak. If I'm not understood by a business leader then I know that I have obviously not been clear enough, and rethink how better to get my message across. This is where stakeholder management really comes to the fore.

Q: What part does transparency play in digital transformation?
A: It is incredibly important. I have an IT roadmap that I share with the business. They can see all the great things happening in IT – it becomes part of a PR exercise. We hold regular forums and knowledge shares with the business and business intelligence reporting has been transformed: now it's a centralised service that stakeholders can utilise and create their own dashboards. It is something the business is really starting to wake up to.

Q: How can the CIO keep the flexible enterprise on course?
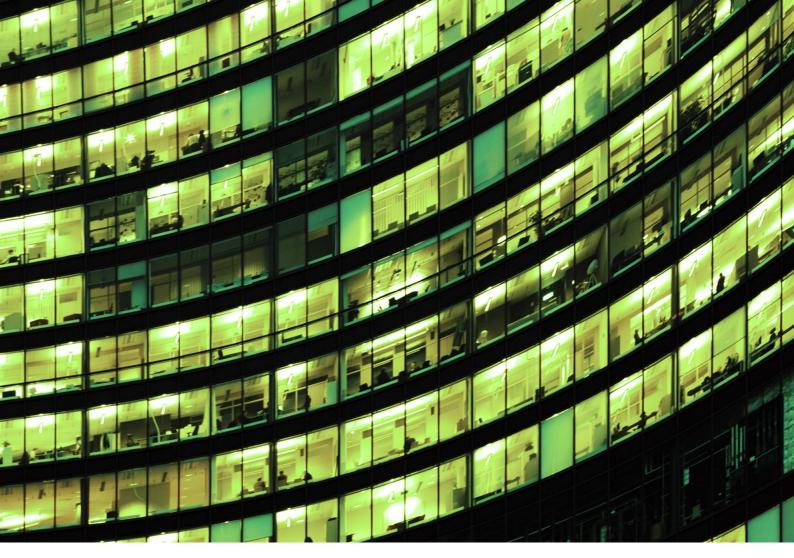**A:** I encourage contributions and suggestions about how to improve the business from my team – it shouldn't be just down to me. Whether using Microsoft Teams (this is in pilot by my team), or other ways of making a real difference in the business, I realise the importance of collaboration. In addition, if we don't give business customers the tools they want then we'll see an increase in Shadow IT, and be less likely to control IT.

I am also vice chairman of the Extended Leadership Team, which was set up to enable better cross-functional working and to bridge the gap between the Board and the rest of the business. This takes up quite a bit of my time, but enables us to make a real difference in helping to take the business forward

INTERVIEW HIGHLIGHTS:

• Bridging the divide between the digital enterprise and the board is critical for success, supported by regular knowledge shareing and an IT roadmap
• Communication is two-way across the hierarchy
• An Extended Leadership Team enables better cross-functional working and bridges any gap between Board and the rest of the business

"I encourage contributions and suggestions about how to improve the business from my team - it shouldn't be just down to me"

"One reason for obtaining corporate membership of BCS was to ensure the personal development and upskilling of the IT team"

– Sean Sadler, Head of IT, CTIL

BCS ELITE Commentary

The scope of digital is expanding rapidly to encompass the enterprise, the supply chain and customers. But it's not there yet and there are risks both in underachieving and in overreaching.

Firstly, transformation in the digital enterprise requires C-level digital leadership which, in turn, requires a digitally enabled board. In organisations without a digitally enabled board, the CIO must have excellent bridge building skills and to maintain key relationships with the board. CIOs in traditional IT director roles who report to the CFO, for instance, should proactively seek to influence upwards the instructions they receive; the resulting extended leadership team permits better cross-functional working and makes the CIO the bridge across the gap between the board and the rest of the business.

Secondly, where the board goes the organisation must follow: bringing the whole organisation to digital is facilitated by two-way communication across the organisational hierarchy – be aware, however, that unsympathetic communication strategies risk turf wars and Shadow IT. Thus, digital CIO must also maintain key relationships with the broader business leadership. In this regard, novel reporting structures can deliver innovation faster.

Thirdly, the expectations of customers are the third leg in any digital transformation in terms of technology, communications, usability and structures. So, another key priority for the digital CIO is to maintain key relationships with customers, augmenting an unrelenting focus on product excellence with other digital concerns, such as sound governance, cyber security, and a global approach, while getting the customer facing team digitally on side to connect and communicate.

CONCLUSION:

In conclusion, the digital CIO must be a communicator par excellence, both within and outside the organisation. Of course, communication stands or falls on the right communication infrastructure being in place; what works and what doesn't is currently the subject of many organisational experiments across the globe.

The smart digital CIO will simply tune into the results of those experiments through their network, and BCS ELITE is at the heart of the smart CIO's network.