

Next Generation CIO

Four radical changes in
the future role of CIOs



Study: NEXT GENERATION CIO

Summary

From Chief Information Officer to Chief Integration Officer

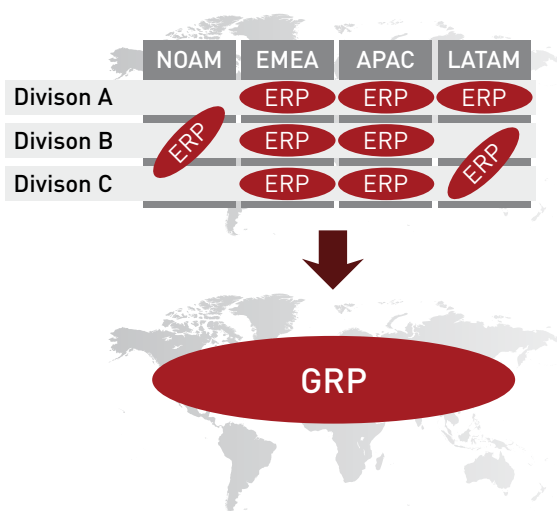
Leaps in technology have always had a drastic effect on the role of the CIO. During the mainframe era, from the end of the 1970s to the beginning of the 1990s, the CIO was purely and simply a data centre manager, but with the advent of client/server technology this changed abruptly. The focus was on the introduction of integrated ERP systems. However, much has happened since. The Chief Information Officer has had his day. Current and future innovations require a Chief Integration Manager, who deals with the interaction between highly flexible architectures, multiple platforms, network-oriented organisations and collaborative process structures. Four developments will redefine the new profile of the CIO.

Development 1

From ERP to GRP –

Multiple Enterprise Resource Planning becomes Global Resource Planning

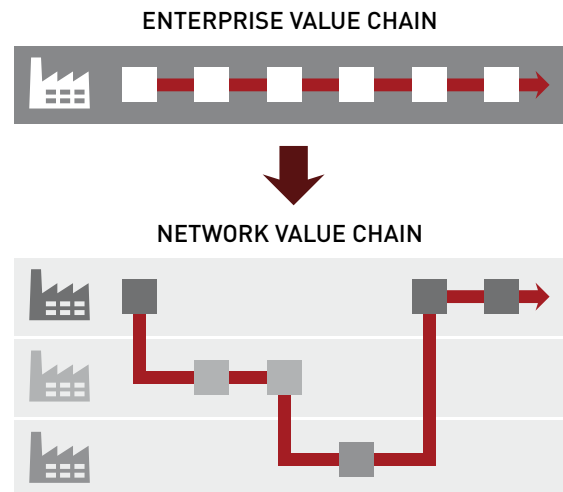
Even today the majority of IT projects consist of the harmonisation of ERP system landscapes; most multinational companies will in the near future be using fewer than five ERP systems. In this regard CIOs must deal increasingly with the associated process integration across the different regions and divisions in order to achieve further cost advantages.



Development 2

From EVC to NVC –

Network responsible for the value contribution of IT



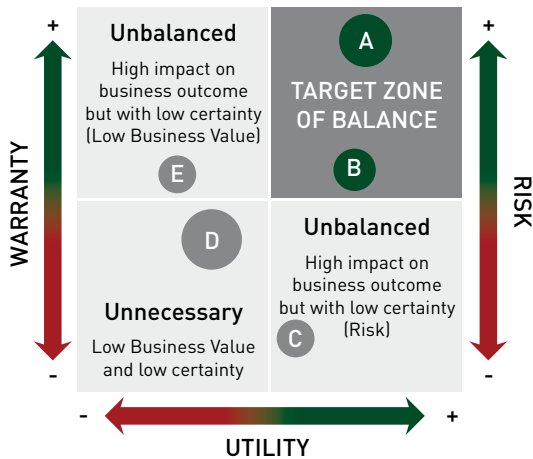
The classic value creation chain (Enterprise Value Chain) is increasingly turning into a global network (Network Value Chain). Entire areas of operation are being outsourced, suppliers and business partners worldwide are more heavily involved in core processes – all this in order to increase the value and quality of services, products and processes. In future, customers, suppliers and business partners will be taken into account when measuring the value contribution of IT. The consequence: outsourcing will increase – and CIOs will be more involved in the integration of external applications and infrastructures.

Development 3

From project to portfolio –

The evaluation and management of complex, global IT portfolios will supersede the consideration of individual projects

The complexity of new technologies is increasing drastically. More than 50 new technologies and trends have to be assessed. Portfolio management is the new catch phrase because various highly complex architectures and infrastructures and their processes must be clearly evaluated and managed. The contribution of portfolio projects to the enterprise value and IT strategy becomes a key indicator for avoiding unprofitable projects.



Development 4

From secondary to primary –

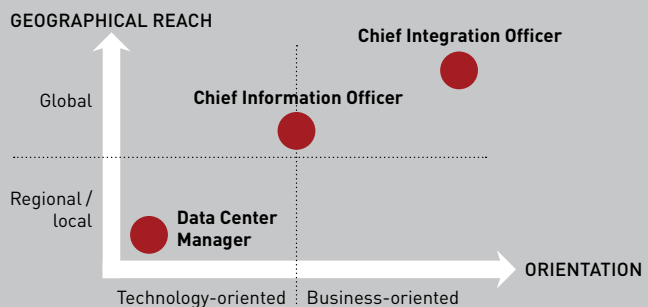
Value contribution shifts IT from support function to core function

In future every core process in the value chain will to a great extent depend on IT. The degree of penetration of IT will increase to the extent that IT will no longer have merely a supporting function, but will itself become part of, and will optimise, the core business processes. This means that the customer (acquisition, satisfaction) will shift more into the focus of the CIO. From this point of view the CIO reports as a member of the executive board directly to the CEO because it is no longer the costs, but rather the strategic benefits, value contribution and role as innovative driving force that are the priority.



Four radical changes define the next generation CIO

Numerous challenges await the next generation of CIOs; these changes will redefine the role of the CIO. In the years to come, it will be necessary for this role to increase in importance within companies. For a future CIO to be successful, this position must report directly to the executive board. This is the only way the CIO can take on more economic responsibility and make a greater value contribution to the company than before with a network-oriented IT strategy.





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Detailed information about the “Next generation CIO” study can be obtained from:

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