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# Long-term CIO Strategy

Frank Petersmark | March 22, 2011

CIOs must be more like the ant, rather than the grasshopper

In Aesop's fable, "The Ant and the Grasshopper," the frugal ant laid up food for winter and survived when it got cold. The grasshopper didn't and died when the food ran out. Today's CIOs must be more like the ant, but they need a bit of the grasshopper in them too. They must balance the need their organizations have for immediate and impactful value from IT, while at the same time building the business technology foundation that will insure long-term business value and capabilities.

In today's hypercompetitive marketplaces, CEOs, CFOs and CIOs have to be convinced that their business technology investments and environments will produce real business advantages for them, over the short and long term. These leaders increasingly recognize the value in employing a well-conceived and constructed enterprise architecture as a necessary prerequisite for the success of any major investment or project. In the same way that no builder worth his salt would erect a building without an architectural blueprint, no CIO should put their organization or themselves at risk without an architectural technology blueprint to serve as a guiding light. CIOs are under increasing pressure to manage the IT spend as an investment that will drive a business value return for the enterprise.

**Early decisions important**

As a result, the astute CIO is focusing more and more on making the right decisions and recommendations early in the program and project life cycle by employing sound architectural principles and governance as a basis for such decisions. The consequences for not doing so can be burdensome and perhaps even career-constricting. With such high stake risks in play it seems curious that many CIOs and the organizations they work in often give short shrift to their enterprise architecture for business technology.

Perhaps it has something to do with the theoretical nature and characteristics of enterprise architecture, rather than the practical application of it to the benefit of the organization. Or perhaps it is a consequence of building architectural teams that prefer to stay in the ivory tower rather than descend from it and tour the landscape they have created but others have tilled.

In any event it remains the case that organizations continue to invest many millions into business technology efforts, and a still-too-large percentage of those investments become write offs for wounded or failed initiatives. It is also certainly the case that CIOs face the pressures of critical decision making on a daily basis, and the factors that weigh on those decisions are not strictly related to technology issues. Such things as market pressures, internal politics, limited time and budget, shortage of technical resources, business partnering, etc. are all relative constants for today's CIOs. Given that, it makes good business and career sense that many CIOs choose to reduce the risk and complexities of what they do in as many areas of control as possible - including, and increasingly, in the enterprise architecture realm. The benefits of such an approach are many and manifest, and arguably, the most substantial benefits reach far beyond the shores of the IT department.

**Enterprise risk management**

Considering the proper architectural approach up front for substantial IT investments is in effect an exercise in enterprise risk management. An extra dollar spent insuring that a new platform integrates well into the current and to-be architectural states, or identifying that it does not and being prepared for that, will be repaid many times over as the project rogresses. That said, the reality at many insurance carriers is that an over arching architectural strategy and approach is something that evolves as a result of decisions made on products and platforms, rather than on business and technology strategic and operational needs. That more often than not happens as a result of competitive and market pressures, technological obsolescence, and point-in-time tactical decisions that address a specific pain point or need. That does not mean, though, that all is lost and the CIO finds him or herself essentially along for the ride. There are ways to get a handle on one's architectural direction, while at the same time building C-suite credibility and trust.

**Answer These Questions First**

As with most things the first step is to take stock of the current architecture and application and platform portfolio. Is it linked to the organization's strategic direction? Is it consistent with the business technology aspirations of the organization? Will it be a flexible and scalable architecture for the future aspirations of the organization? Does it even meet the current needs of the organization? Based upon the answers to these questions the next step is to make the necessary course corrections. More often than not those course corrections begin with an assessment of what currently exists from an architecture and applications portfolio perspective, what projects and initiatives are in flight, and a reassessment (if such as assessment was done initially) of the value and benefits any and all in flight initiatives will deliver to the organization.

These activities can lead to some very difficult and politically sensitive questions being asked either of or by the CIO, and of or by executive business sponsors. While difficult, done constructively such an exercise can provide a great foundation for the CIO from both a business value and executive trust and credibility perspective. These exercises can also lead to a recalibration of the relationship and the expectations between CIOs and their business peers.

Like Aesop's ant, the future-focused CIO can use this approach to establish the business-technology value proposition for the organization for years to come, while at the same time insuring that the IT investments at the organization will pay dividends for years to come.

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