How can the CIO become the next CEO in the organization? This book holds key information in improving a CIO’s role, which would then improve his or her chances of moving up into a CEO role. Thus, readers may find this book to be a good tool for those interested in moving up the corporate ladder.

However, this book does not have information involving the “how” and the “who,” nuts-and-bolts details that CIOs need to have to perform well in a competitive environment. Rather, this book is written in an academic style where research literature from various sources are presented to illustrate issues that are relevant for an aspiring CIO who wants to be CEO some day.

The CIO position emerged in the 1970s as a result of increased importance placed on IT. In the early 1980s, the CIO was often portrayed as the corporate savior who was to align the worlds of business and technology. In the 1990s, it was postulated that the CIO would become the next CEO, as information became a firm’s critical resource.

Many predictions about CIO roles went wrong, and many CIOs have failed. The traditional discrepancy between technology management and business management in role perception still exists. More importantly, new challenges have emerged that have to be solved to make the CIO a success. This is the topic of this book.

So many organizations fail in their applications of modern information technology, and so many chief information officers fail in organizations. The objective of this book is to learn from the past to develop a revised understanding of successful CIO leadership for the future. The mission is to reduce the gap and bridge it between technology and business management through IT strategy and IT governance.

Value configuration, strategic thinking, management roles, and technology management are some of the scholarly values of this book. It makes a significant contribution to the discipline by presenting and discussing the role of the person in charge of information technology in business and public organizations.
This book holds key information in improving a CIO’s role, which will then improve their chances of moving up into a CEO role. Thus, readers may find this book to be a good tool for those interested in moving up the corporate ladder.

The CIO position depends on IT maturity, IT management maturity, value configuration, and so forth. For example, a less mature organization might need a CIO who is able to organize the infrastructure and architecture, while a more mature organization might need a CIO who is able to apply modern information technology in emerging business models. Therefore, this book applies the contingent approach to the role of the CIO. The contingent approach is dependent on the situation at a specific point in time as well as organizational evolution. What seems smart to do in one organization might be unwise in another organization because they are not in the same situation. According to the contingent approach, changing roles from CIO to CEO depends on the situation.

The CIO is already thinking like a CEO when developing strategy. As we shall see in the Y model for strategic IT planning, the CIO applies the same techniques to analyze the current and desired business situation as does the CEO.

CEO succession is perhaps one of the most crucial events in the life of any firm because of the substantive and symbolic importance of the CEO position. CEO succession has been commonly viewed as an important mechanism for organizational learning and adaptation. A change in CEO can fundamentally alter the knowledge, skills, and interaction processes at the top of a company, and these alterations can in turn significantly influence post-succession firm performance.

A distinction can be made between two types of CEO succession — inside and outside. Some have emphasized the role of outside successions in organizational learning and adaptation. Others argue that research evidence indicates that outside, new CEOs rarely succeed in their efforts to improve firm performance. It is plausible that although outside successions bring in new competencies and skills, they are disruptive to firms from a process standpoint, and thus the enhanced cognitive repertoire may not get translated into improved firm performance. Further, the simple distinction between inside and outside succession does not recognize crucial differences between relay and non-relay inside successions, which may have different implications for organizational learning and adaptation.

The CIO belongs to the set of internal candidates for a firm’s CEO position, which includes senior executives. Such executives have opportunities to participate in major strategic decisions. Their titles (typically, they have the title of executive or senior vice president) reflect strategically important positions in their organization’s hierarchies with significant responsibility for overall organizational performance.

In addition to the pool of candidates in the intra-firm market, there is a pool of candidates in the intra-industry market. Potentially, a pool of industry candidates for succession to a particular CEO position is quite large, depending on the number of firms within the focal firm’s industry and the number of senior executives within these firms.
Both the CIO and the CEO are practicing leadership. One of the defining characteristics of leadership is the ability to develop and implement appropriate responses to a variety of problem situations. Leaders must solve an array of problems including resource allocation, interdepartmental coordination, interpersonal conflict, and subordinate morale, to name a few.

This book discusses many important management topics such as strategy, governance, planning, and leadership. It covers a wide range of MIS topics and management research: from leadership and strategy to theory of firms, IT outsourcing, IT governance, and knowledge management.

This book is mainly written for academics and students, as it is full of theories, models, hypotheses, and a lot of common sense. At the same time, this book avoids prescriptions that some practitioners find useful. Prescriptions are dangerous and often misleading, as they are dependent on the situation. Therefore, this book applies the contingent approach to management, where different situations require different management skills and different approaches for the CIO to become the next CEO.

Although this book is not a how-to guide for aspiring CIOs who want to be CEOs, it highlights issues from research studies that should enable practicing CIOs to reflect on similarities and differences between the two positions as well as paths from one position to the other. Therefore, this book is also written for practicing CIOs.

This book should fit many MIS courses, where the leadership focus is present. For example, this book would fit a “strategic IT issues” course, as it links information technology to strategic management. Such a course would be more appropriate at the graduate, rather than the undergraduate level, in universities and colleges.

This is a textbook that will be useful to all business schools where MIS courses are taught. Probably, the book will be most useful to graduate students. In addition, practicing CIOs and persons recruiting CIOs will find this book most helpful.

I did the move from CIO to CEO myself once. I was CIO at ABB Norway, managing an IT staff of 80. Higher level ABB management thought I did a good job, and I was still up-and-coming at the age of 37. I was offered the job of CEO at ABB Datacables, one of many ABB companies, with two cable-manufacturing plants and with a staff of 400 people. I accepted the job and ran into quite a surprising situation. Being a CEO was completely different from being a CIO. And, becoming a CEO and having a local CIO in the organization was quite confusing. Yes, I still believed in the potential of IT. But no, I did not spend much time dealing with IT issues together with the CIO. I spent much time dealing with the unions to prevent strikes, I visited many customers, and I traveled a lot for coordination purposes within the global ABB family. Strange, but it went well in the end. My CEO successor was not the CIO. That’s my story.
Overview of Book Chapters

This book is concerned with the changing role of CIO to CEO. How can the CIO become the next CEO in the organization? To understand this question — and to answer it — we need to understand the CEO role and the CIO role. Therefore, Chapter I of this book presents the CEO role, while Chapter II presents the CIO role. The focus in Chapter I is CEO successions, as the CIO might be a potential successor CEO of an incumbent CEO. The focus in Chapter II is CIO work, as the CIO is waiting for an opportunity for promotion and, in the meantime, is trying to qualify him or herself.

The CIO is further explored in terms of leadership roles in Chapter III. Leadership roles can be defined for both CIOs and CEOs, enabling a comparison for the change from CIO to CEO. Generally, CEOs have been found to be more externally oriented than CIOs. CEOs have external relationships with stakeholders such as shareholders, banks, major customers, joint venture partners, and supply chain partners. CIOs also have external activities, such as vendor contacts and computer society meetings. In the internal management, the CIO is mainly focused on personnel leadership and resource allocations, which is similar to the internal management of the CEO.

In Chapter IV, a theoretical basis is provided for further discussions of strategy and management. The chapter focuses on resource-based theory of the firm as well as the value configuration of a value shop. A value configuration describes the firm in terms of its primary and secondary activities that create value for its customers. The traditional value configuration is a value chain that produces goods from inbound to outbound logistics. Alternative value configurations are value shop and value chain. The value shop creates value by solving client problems by means of primary activities such as problem finding and acquisition, solutions to the problem, and implementation of the best solution to client problem.

The contingent approach to moving the CIO to the CEO position implies that the CEO candidacy of a CIO is dependent on the situation. One important situational factor is the value configuration of the organization. The main purpose of information systems in the value chain is to make production more efficient. The CIO must focus on systems such as enterprise resource planning (ERP) to make a significant contribution to firm performance. The CIO becomes an expert at the operational level, including supply chain management. Unfortunately for the CIO, operational expertise will seldom be the critical qualification for the next CEO.

The main purpose of information systems in the value shop is to add value to the knowledge work. The CIO in the value shop is close to the knowledge work of professionals by providing support through knowledge management systems. In contrast to CIOs in the value chain, CIOs in the value shop are closer to the people in the organization. The CIO must relate to professionals and executives in their
knowledge work. In contrast, CIOs in value chains relate to topics such as logistics, production, supply chains, and projects, which are less person-focused and more task-focused.

Resource-based theory is applied in Chapter V to identify strategic IT resources. Corporate strategic management, in general, and strategic planning, in particular, are presented in Chapter VI. The Y model for strategic planning is introduced to illustrate the commonalities of corporate strategy and IS/IT strategy. Not only is there mutual influence and interaction between corporate and IS/IT planning, the procedures and methods are similar as well.

When the CEO and the top management team develop corporate strategy, they apply methods such as SWOT analysis (strengths, weaknesses, opportunities, and threats), value configuration analysis, competitive forces analysis, marketing analysis, and product portfolio analysis. Similarly, the CIO applies the same kind of methods when developing IS/IT strategy.

At the level of strategic management, the positions of CEO and CIO have more similarities than at the level of operational management. In strategic management, competitive forces are just as important to the CEO as they are to the CIO when developing strategy. While the CEO may want to form alliances with customers to reduce customer power, the CIO may want to form supply chains with customers to improve the relative power of the firm even more.

Challenging tasks for the CIO are discussed, such as the CIO developing e-business in Chapter VII, the CIO sourcing IT services in Chapter VIII, and the CIO enabling IT governance in Chapter IX. IT governance comes after e-business and outsourcing, as the governance structure is dependent on business model as well as sourcing decisions for IT services.

To expand his or her power base, the CIO might take and include the position of the chief knowledge officer (CKO) as presented in Chapter X. The CKO is an important role for both operational and symbolic reasons. Operationally, CKOs perform a variety of key roles, including serving as the chief designer of the knowledge architecture, the top of the reporting relationship for knowledge professionals, the head technologist for knowledge technologies, and the primary procurement officer for external knowledge content. Symbolically, the presence of a CKO serves as an important indicator that a firm views knowledge and its management as critical to its success.

Finally, in Chapter XI, the demand side and the supply side are presented to discuss the CIO as a potential candidate to become the next CEO. From the demand side, there is a need for a new CEO. The question we raise is whether or not the CIO is a candidate for the job. Promoting the CIO to the post of CEO represents an inside succession. It can either be a relay or non-relay succession. If the CIO is selected and crowned as an heir apparent it is a relay succession. An incumbent CEO works with the CIO as an heir apparent and passes the baton of leadership to the heir.
Taking a supply-side perspective, the CIO must represent attractive executive capital for the firm. Examples of tasks CIOs should perform — or attempt to perform — to develop their executive capital and potential are presented throughout this book. Important general tasks include mobilizing strategic IT resources, applying IT resources to the value configuration, and participating in corporate strategic management. More specific tasks include developing e-business, sourcing IT services, supporting IT governance, and linking information management and knowledge management.

Chapters dealing with the chief executive officer and CEO successions, CIO leadership roles, and theories of the firm manifest the background information for this book. These are handled within the context of modern business competition and globalization.

From the CIO perspective, there is nothing more critical than strategic management of IT or developing e-businesses or enabling e-governance in the modern corporate setting. Each of these items is addressed in this book in a practical manner, yet still well grounded in the academics.

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June 2006