ILLUSTRATION BY
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NEW TECHNOLOGIES ARE TRANSFORMING THE ROLE OF IT MANAGERS, BUT ARE MIDDLE EASTERN ORGANISATIONS READY TO MAKE THE MOST OF THE NEW CIO?

TEXT BY
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all it what you will – CIO, IT director or information manager – the expectations for the head of IT in many companies are fast changing. Talking in bits, bytes and back-ups has given way to the strategic IT visionary. True to the job title, the chief information officer is expected to understand every facet of the business, from accounts and logistics to marketing and customer assistance, and build integrated systems equally tailored to each department. This is particularly relevant with the growing use of cross-functional applications, such as ERP and CRM systems, over the past few years.

The new role requires someone who can not only understand all aspects of the business today, but can also predict the system requirements of the company in the future. Back in Houdini's day, this person would have been called a contortionist. Today the same role falls to the CIO.

"Previously, the role of the CIO was all about efficient automation," says John Kost, group VP for Gartner Research, an IT consulting firm. "Since more sophisticated applications have emerged, you can use the information to change the trajectory of the business.

"Today, CIOs are measured by the business results they bring to the company. CIOs are in the best position to see how technology will affect the future of the business. They need to project into the future what technologies will differentiate one company from another and even create new markets."

Bas Wijne, director of information services, OSN – Orbit Showtime Network, concurs: "Business intelligence for management decisions is expected to be far more analytical, with the option of different detailed reports. The CIO needs to produce a different view on the same set of data for different functions across the organisation.

"Another aspect is social media, which has completely changed the way that CIOs are required to manage their systems. Previously, you went to IT because you needed a laptop and email account. Now it's totally integrated – SMS, BlackBerry and the numerous other applications."

TECH TACTICS

In today's environment, the CIO's role is not simply technical. Many CEOs, for example, are brought in to turn firms around, not because they necessarily have a particular expertise within the industry, but because of their more strategic track record.

In an IT environment, staffing the department with technical know-how is one thing, but placing someone at the helm who asks the right questions is completely different. In some respects there might be merits in removing one's technical cap before heading to the discussion table. The CIO of one particular company felt his job was to

'unlearn' – to ask the question 'why', rather than accept or dismiss suggestions based on his own preconceptions.

Another challenge is the openness of companies towards change. There are without doubt plenty of innovators waiting to step up to the challenge of the new CIO role, but are companies clear on their own IT strategy and what they want their IT heads to achieve? Sam Alkharrat, MD, SAP Middle East and North Africa, is not convinced.

"The role is certainly evolving, but I don't think the CIO needs to be a generic business leader," he remarks. "The challenge for CIOs is that business requirements are not always drawn in a master plan fashion. Lack of planning on the business side results in a very reactive situation and puts the CIO in a very difficult situation. Due to this pressure, CIOs end up having to implement point [isolated] solutions that are difficult to integrate. Point solutions cause long-term problems, in terms of cost and lack of understanding of both the business and the customer. If you don't have integrated systems, you are also seen as a much more difficult company to do business with.

"I think CIOs are very aware of these issues, but the business needs to have a better understanding of the CIO. A business is there to make money and IT is seen as a cost, so sometimes CIOs don't have as much leverage as they should. CIOs need to align with the business, but the business also needs to plan ahead to allow the CIO to put together an integrated architecture to align everybody's needs."

At a recent Gartner conference held in Dubai, a major bugbear for many CIOs was the frustration that they often did not report directly to the CEO. "If the CEO considers IT as a strategic differential, they ought to be talking directly to the CIO," remarks Kost.

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In business school speak, the analogy of the new CIO can be compared to the transactional (operational) versus transformational (change) manager. There will always be room for both. For mature industries with a priority on efficiency and cost savings, the transactional paradigm may still come to the fore. For leading edge industries with a focus on finding new markets and increasing market share, the transformational CIO comes into play.

Yet, within the current climate, corporate boards are still not convinced about investing in IT. According to Gartner, global IT budgets are limited and will remain so for the next few years. The Middle East, however, is one of the areas where IT budgets are still growing, but only moderately. "The Middle East has more capital resources available," says Kost. "The environment for innovation exists in the region. It just depends on the organisation."

CHANGING DYNAMICS

Wijne believes that strategic relationships will be the most predominant trend, allowing CIOs to focus on their core business. In OSN's case, this has been through its own alliance with Orange Business Services, which handles all its networking requirements.

"Handling this function internally would double my department's costs," Wijne asserts. "Rolling out services in this way has given us more time to review our internal infrastructure and strategise for the future. There is certainly a trend towards optimisation and controlling costs."

Lionel Reina, VP Eastern Europe, Middle East and Africa, Orange Business Services, agrees: "Most companies in the GCC are modernising their network through external managed services. For CIOs, it means simplicity and flexibility. They know what they are getting and how much they have to pay for it. The investment trend is towards operational expenditure rather than capital expenditure. A big change for CIOs in choosing managed services is the need for proximity, simplicity and reliability."

Reina believes that the potential for the more transactional CIO is particularly relevant in the Middle East: "Ever since the global crisis, IT management has generally been about cost cutting. In the Middle East, the dynamic has been different. There is still much greater potential for investment in technology in the GCC than elsewhere, which is

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needed to support the huge amount of infrastructural investment here."

Kost believes that the future will also shape the CIO's role as a divisional manager, referring to what are becoming known as 'digital natives' – the computer-savvy younger generation. "In the workforce there will be some very different expectations about hierarchy," he predicts. "CIOs hiring young talent will have to think about managing them in a very different fashion. You can expect that new talent will solve problems in a much more unstructured way – through their own [social] networks rather than hierarchy.

"CIOs will need to foster rather than inhibit creativity. It will be a gradual generational change of organisational structure," Kost says, referring to the Google culture which revolves around sharing ideas and opinions over the more traditional reporting methods.

Intelligent systems increasingly have their place and provide firms with an indispensable source of information. Yet, as Wijne says: "Systems are systems, but it's people that make them work."

In the Middle East, there is an abundance of CIOs who can transfer their vision into knowledge. But, it remains to be seen how ready Middle East firms are to harness the potential of the new transformational CIO. As data feed and social media trends become more intricate, a more strategic approach to aligning IT with business needs may be the key to competitive advantage – both now and into the future. **GB**