

## Business Leaders' Five Myths of IS Leadership

**Business leaders demand excellent IS leadership as creative, flexible IT deployment begins to differentiate “connected economy” enterprises. Learn to avoid the myths business leaders believe about IS leadership.**

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### Core Topic

Business Management of IT: Organization and Governance

### Key Issue

What are appropriate IS organizational roles and processes?

### Key Facts:

- The roles of the CIO and other IS leaders are critical to enterprise survival in economic stress and to enterprise success in the connected economy.
- The core value contribution of the CIO's role centers on strategy, insight, high-level planning and resource control.
- IS leaders and business leaders must work in partnership, not just as supplier/customer, to achieve enterprise success.

At times of economic stress, enterprises demand cost savings from IT, while also seeking business efficiency gains that need IT support. In a strong economy, enterprises demand vision and strategic direction from IS leaders because IT is vital to connected economy competitiveness. IS leaders must deliver cost efficiencies and strategic vision, often simultaneously. Unfortunately, many business leaders have inappropriate expectations about the roles and styles their IS leadership colleagues need for success. Here are five of the most-common myths. They often appear as contradictions between what people say and what they do. In “IS Leaders' Five Myths of IS Leadership” (TU-15-0043), we look at five common myths that IS leaders should avoid about their own roles. These myths are not wrong in every situation, but they are unsuited to most situations. Challenge and evaluate these myths before you or your enterprise make any of them your own reality.

### Myth: IS Leadership Is Mainly About Technology

IS organizations will increasingly concentrate on five key roles: strategy and planning, managing change, relationship management with internal clients, delivery of the corporate IT infrastructure, and selecting and managing external suppliers. Although it will remain essential for IS leaders to understand technology capabilities and limitations, their chief accountability will be to ensure the delivery of business advantage by managing the relationship between technology and the enterprise, rather than an accountability for managing the technology itself.

*Action: CEOs and CIOs should ensure that IS leadership competencies and actions include people, business and supplier relationship issues. They should recognize that senior IS leaders should spend only a small part of their time on technology issues.*

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## **Myth: It Is Not Appropriate to Appoint the CIO to the Executive Board**

Many enterprises, in most economic sectors, have seen IT as a cost, rather than a value. IT is now expected to be an agent of competitive differentiation and enterprise transformation. The most senior person directly responsible for IT must be on the executive board of such enterprises. This enables the enterprise to receive the benefit of the CIO's unique insight about the drivers of the connected economy and the information-driven synergies available to the enterprise, internally and externally. Not all CIOs will be comfortable or credible in a board role. It is, therefore, essential to select a CIO who has the necessary personal credibility, competencies and attitude.

*Action: CEOs and other business leaders should evaluate the need for the CIO to be a member of the executive board in relation to the perceived strategic importance of IT to the enterprise. They should ensure that the CIO and other executive board members recognize the nature and value of the CIO's role and how it has changed in recent times.*

## **Myth: IS Leaders Should Never Run Business Change Projects**

Many enterprises take an "us and them" attitude to the IS organization and the rest of the business that prevents IS leaders running business projects. This is damaging and inappropriate because IS leaders often have the ability to add value as corporate "honest brokers," as well as bringing experience of managing complex changes. IS leaders who take on such roles must, however, ensure that they act as business leaders. They should not allow technology factors to drive the business change. They should not lead business change if that merely allows business leaders to avoid responsibility for it.

*Action: CEOs should take each project on its merits and recognize the potential of IS leaders to act on behalf of the enterprise leadership team, rather than just on behalf of the IS organization. Leaders from other functions, such as HR, marketing and finance, already act this way.*

## **Myth: Successful CIOs Focus On Cost Containment**

Cost containment is a necessary and important task, particularly in times of economic stress. It is not a sufficient activity for CIO success, however. A focus on the contribution of IT to business value and competitiveness is also essential.

*Action: CEOs and CIOs should ensure that they focus on the value contribution of IT, as well as cost containment.*

#### Related Research

Clever, Modest, Misunderstood? Use CIO's Unique Insight (COM-12-4340)

Enabling Business Creativity (SPA-10-7825)

Didn't We Learn Anything From This Project? (COM-13-2595)

Seven Steps to CIO Heaven (TG-13-0998)

IS Organization Strategic Outlook for 2002 to 2005 (COM-14-2761)

"Lite" and Flexible... IS for Business (Gartner EXP)

Using Governance to Stabilize Organizational Change (COM-14-0414)

The Office of the CIO: What Is It and Why Do You Need One? (TU-13-2996)

## Myth: IS Leaders Understand Their Enterprise's Total IT Spend

In most enterprises, substantial IT spending occurs outside the IS organization. This is necessary and appropriate to ensure business responsiveness and control. Not all of it is recorded as IT budget, however. There is the risk that fragmented local IT spending may become inefficient or unconnected. Although it is usually inappropriate to centralize all IT spending, a top-level overview remains necessary to identify risks of poor corporate synergy and to find opportunities for corporate efficiency.

*Action: CEOs and CIOs should ensure that all IT spending is visible and that it meets enterprise goals for business control, corporate synergy and economy of scale.*

**Bottom Line:** CEOs and other enterprise leaders, and CIOs and other IS leaders, should challenge and avoid these myths of IS leadership. Leaders who continue to act as if the myths were true will damage enterprise performance and their own reputations and careers.