

Need a new CIO? Why firms are opting to try before they buy

Headhunter's notebook: Plentiful CIO candidates and restructuring are changing the rules...

By Tim Cook on 9 November 2011 11:12

This is an interesting time for the CIO function, which is under pressure as never before, says headhunter Tim Cook.

IT restructuring is happening across all sectors. Every day we receive CVs from IT directors, and their reports, who are being restructured out of a role or who are looking to move from their sector to another one.

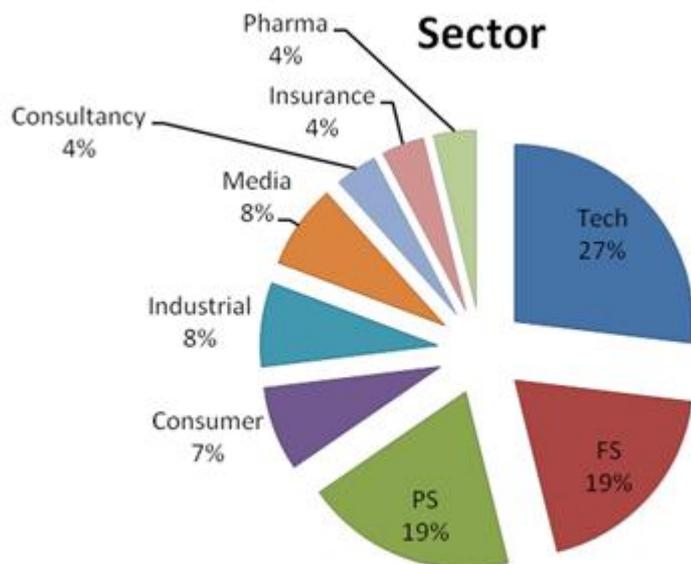
There are some good people out there looking for work. But there are also a lot of mediocre candidates, and IT is often regarded by its business colleagues as being a low-turnover place staffed by poor communicators.

The writing is on the wall for these people, as difficult economic conditions force companies to focus on retaining only those who make a difference. As a result, there is a broad supply of candidates in the market, among whom are, of course, some gems.

This level of supply is encouraging companies to try before they buy. Organisations are bringing in IT leaders on short-term contracts, with a view to converting them to permanent roles once each side is satisfied with the other.

This approach works well for candidates, too, including internal applicants who are now more likely to be benchmarked against external talent when a new role is being filled.

The graphic below shows a breakdown of the sector origins of the candidates who have sent us their CV in the past few months.



The industry background of CIO candidates submitting CVs to Russell Reynolds Associates in Q3 2011

Image: Russell Reynolds Associates

It is interesting to note that there is more movement in the IT function in the technology sector than in financial services. However, 65 per cent of CVs we are receiving at the moment are from technology, financial services and professional services firms.

It is also a good time to reorganise the function and to give greater breadth and visibility to those CIOs who are capable of doing more. Natural areas to be added to the CIO's remit include shared services, the supply chain and broader operations.

In our most recent issue of IOPener - a quarterly review of senior European moves in the IT function, and an overview of underlying themes - there are some good examples of where innovation in the IT role is happening in Germany and Spain, prompting the question about whether the CIO function in the UK is innovating enough.

Are the Germans leading the way in recognising how the CIO role can be shaped to maximum effect, giving it both visibility, breadth and seniority?

For example, Carl Zeiss has created a new board position for IT. At securities-processing operation dwpbank, a former CIO has been appointed CEO. At retailer Edeka, the CIO is now also responsible for logistics. And at KfW Bank, former Boston Consulting Group consultant Dr Edeltraud Leibrock has been appointed to a newly created role of CIO and COO.

Elsewhere, we have seen Spanish online and catalogue retailer Venca appointing a new IT director who is also given responsibility for the online strategy of the company.

I believe we will continue to see this trend, with companies realising that the core capabilities of the IT function will be less about running infrastructure and data systems well, and more about IT procurement, vendor management, business-process change and information security.

Indeed, I heard only a few days ago that one tactic being deployed by cloud providers in their client pitches is to suggest that moving everything to the cloud would enable an organisation to get rid of most of its IT function.

The call to action for IT directors and CIOs is to ensure they can present a business case to the board for how a strategic IT plan can put organisations on the front foot in the rapidly-evolving digital environment.

Tim Cook co-leads the Information Officers Practice at global executive search and assessment firm Russell Reynolds Associates. Cook conducts senior-level assignments in the technology sector, with a particular focus on CIO roles. He has 10 years' executive search experience and joined Russell Reynolds Associates in 2008.

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