

# **The Tao of IT Leaders: On IT Leadership, Management and Alignment**

By George Lin in conjunction with Harris Kern's Enterprise Computing Institute

Leadership and management are central to the CIO role. In this article, George Lin notes that nothing affects the success of a CIO and the strategic value of the IT organization more profoundly than the CIO's ability to lead and manage. For a fortunate few, this is a gift. Others develop this ability through careful observations of successful leaders while making leadership and management the highest priority.

“Tao” means “the enlightened way.” The Tao of IT Leaders, or the Enlightened Way of IT Leaders is the way for CIOs to enable business success through wisdom rather than brute force. Mr. Lin developed the concept of the Tao of IT Leaders to deal with challenging leadership, management, and alignment issues surrounding IT.

The Tao of IT Leaders is comprised of five fundamentals of “leading by example”, five strategies for “uniting the forces” and two practices in “sustaining success.”

The five fundamentals lead to alignment within IT and alignment between IT and the business creating an environment for IT to be an effective service provider and a valuable business enabler. The five strategies enable alignment within the business leveraging IT's role as a business partner. The two practices enable a sustainable upward success spiral for the CIO.

In this article Mr. Lin discusses:

- Why IT leaders should “think deep” and “plan well”;
- Why IT organizations should be business-focused, not technology-focused
- The importance of leading by example;
- How to become a trusted advisor to your business counterparts; and
- Why the CIOs top priorities should be leadership, management and high-level IT strategies.

### **The Tao Perspective**

The Tao of IT Leaders is heavily influenced by the philosophy of Lao-Tzu who lived some 2,500 years ago in Ancient China. Lao-Tzu wrote in Tao-Te Ching that, "When the best leader's work is done and the goal accomplished, the people say, 'We did it ourselves.'" Indeed, this form of "doing without doing" leadership is the ultimate expression of leadership.

Lao-Tzu's Tao-Te Ching conveys a sense of harmony and the natural order of the world. The power of the physical nature and the human nature is limitless. Power belongs to the leader who can understand nature and leverage nature to his own advantage. Once nature is on his side, he can then lead the world with little or no effort to achieve his goals, as if by magic.

I developed the Tao of IT Leaders to encourage a similar approach of understanding and leveraging, but focused on the business nature and the human nature in relation to IT. Use wisdom instead of brute force. CIOs can apply the Tao of IT Leaders like a tool to effortlessly create extraordinary value for the business and to ensure the success of IT.

The Tao of IT Leaders is by no means a complete leadership and management toolbox. It is also not a substitute for leadership and management experience. It is, however, a set of leadership and management concepts and suggestions, if applied properly by practicing CIOs, can effectively break the 18-month "Career Is Over" syndrome turning ordinary CIOs into extraordinary IT leaders and managers for the long haul.

### **An Indirect but Fundamental Approach**

Often, as CIOs, we may try to attack conflicts and problems head on and to have a tight control on things thinking that by doing so; we can better achieve our goals. More often than not, we yield the exact opposite result while expending a huge amount of effort. Even if we are successful in some situations, our position and credibility may become weakened over time.

Newton's Third Law tells us that whenever a force is exerted, it will experience an equal and opposite force in return. I think Sir Isaac Newton is right on. Not only his Third Law applies to physical nature, I think it often applies to human nature as well.

So why not take an indirect approach? If we don't employ force head on, we won't experience an opposition force in return. Let us change the paradigm. Instead of using brute force to attack conflicts and problems head on - those are often symptoms anyway, the Tao of IT Leaders encourages CIOs to focus on observing and understanding the most fundamental of things and leverage that wisdom into creating subtle but powerful influences. In the hands of a skilled practitioner, conflicts and problems can be seen effortlessly resolved without the use of brute force. This method often cures the root cause because it encourages us to think deep and plan well.

### **CIO Challenges**

To appreciate the power and simplicity of the Tao of IT Leaders, we must first understand challenges faced by CIOs today.

The CIO role is inherently a very challenging role because it is constantly filled with conflicts and problems. A CIO has to wear multiple, often-conflicting hats: service provider's, business enabler's, business partner's, strategic visionary's, company executive's.

Unlike his other executive peers, a CIO not only has to resolve issues internal to his own functional unit, but as a service provider and a business enabler, he has to resolve issues between IT and other functional and business units. As a business partner, he has to facilitate and resolve issues among various functional and business units. Throwing in the uncertain and fast changing pace of technology and the relationships that he has to build and maintain with his vendors, suppliers, and service providers, it is no wonder the acronym CIO stands for "Career Is Over." But this is only the beginning. The CIO is supposed to add strategic value to an enterprise as a strategic visionary and a company executive.

Only after a CIO has done the seemingly impossible task - creating alignment among his constituents with different and often-conflicting agendas and requirements, will he be able to succeed in wearing his first three hats: service provider's, business enabler's, and business partner's. The Tao of IT Leaders shows CIOs the enlightened way to succeed in wearing those three hats so that CIOs will have a chance to properly wear the other two hats: strategic visionary's and company executive's.

### **Creating a Business-Focused IT Organization<sup>1</sup>**

The root cause of most of the challenges confronting IT organizations today is the CIO's inability to lead and manage alignment, starting with IT/business alignment. Not only does the CIO have to be strategic and well-aligned to the business, his entire IT organization, from top to bottom, needs to be firstly well-aligned internally, and secondly, well-aligned to the business.

Misalignment causes a multitude of symptoms such as IT project delays and cost overruns, poor and unresponsive IT service, runaway IT spending, frequent infrastructure outages, a general business perception of low IT value and a sense of definite problems with IT but not sure how to deal with it.

It is not surprising that IT and the business that it supports can easily become misaligned. IT staffers often attracted to the IT profession because of their love of technology. IT managers tend to employ the most technically-oriented and experienced IT specialists to cope with the increasing complexity of information technology and the accelerating pace of change. Combining the two phenomena, we frequently find IT organizations staffed with "propeller heads" at all levels. Such IT organizations are technology-centric IT organizations.

However, IT is not about technology. IT is about applying information technology to create a competitive advantage for a business. A technology-centric IT organization is likely to be inundated with technical details and be distracted from the ultimate goal of IT, which is to

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<sup>1</sup> For the rest of this article, my focus will be on for-profit public companies. This is for simplicity and readability. The concept discussed can easily be applied to public sectors such as non-profit organizations and government agencies.

improve shareholder value. IT organizations, which lose such focus, may find themselves doing IT for the sake of IT.

A technology-centric IT organization becomes absurd in this analogy: a packaged software vendor staffed only with software developers. There are no marketing, sales, professional services, and customer support people. As CIOs, would we buy packaged software from this vendor? Of course not because this vendor is not equipped to make us or the business that we support successful! Then why would a CEO want to buy IT solutions and services from his CIO if the IT organization is staffed only with “propeller heads”?

A business-focused IT organization, on the other hand, focus first on the business. IT staffers in such an organization are more interested in understanding the business and the people, process, and organization that make up the business. These IT staffers possess a balanced set of soft skills, business acumen as well as analytical and technical skills. They think about business process first and technology second. The solutions that they propose tend to be more complete, often involving people, process, and organization. Technology is simply employed as a tool. Interacting with such an organization yields an experience similar to the big consulting firms' but with the added intimacy and insights only an internal organization can provide.

More importantly, IT/business alignment becomes a non-issue because IT/business alignment is natural to a business-focused IT organization - it is in the DNA of its IT staffers. No effort is needed to spend specifically on IT/business alignment since a business-focused IT organization thinks and acts like the business that it serves - it is an integral part of the business.

Applying the concept of the Tao of IT Leaders, we would want to build a business-focused IT organization because by doing so, we confront the root cause and not the symptom of IT/business alignment issues. Once we have a business-focused IT organization, IT and the business are naturally aligned. IT/business alignment issues become effortlessly resolved; doing without doing.

Very few of us have the luxury of building an entire IT organization from scratch. Most probably, we need to transform a traditional technology-centric IT organization into a business-focused one. One practice that I used very successfully is by actively filling key IT positions and openings with appropriate employees from other functional/business units within the company. This is not stealing employees from my executive peers. As a matter of fact, my company encourages internal transfers because this practice is beneficial to the business at large. It is especially beneficial to IT because these transferees bring to IT a wealth of knowledge about the business.

Here is an example: since I work for an enterprise software business, I recruited my Director of IT Services from Product Development who used to be a Director of Product Development. Also, my IT business analyst team is made up of internal transferees. These IT recruits are naturally aligned to the business since they came from the business.

While some IT positions can be filled with appropriate internal transfers or by hiring technology-inclined business people from outside the company, most IT staffers have to go

through a transformation to become business-savvy technologists. Although the term, business-savvy technologist feels like an oxymoron, in the next section, I will share how it can be accomplished effortlessly.

### **Lead by Example - Five Fundamentals to Better IT/Business Alignment**

If a CIO can convince his IT staffers to internalize his beliefs and priorities, in essence, sharing the CIO's DNA, the CIO can lead his IT organization with little or no effort, doing without doing, like the ideal depicted by Lao-Tzu. In such an IT organization, everyone believes in the same vision and acts accordingly.

How does a CIO create such an internally aligned IT organization? Through the CIO's own actions! Lead by example. But note that leading by example is not acting. Acting backfires. Successful leaders are simply being themselves and they become a magnet. Leading by example is an especially useful change management tool for a CIO leading change in an IT organization.

A CIO can focus on different aspects of his IT organization through leading by example. However, I think there are five especially important fundamentals that a CIO needs to be cognizant of. These five fundamentals, if internalized by IT staffers, can dramatically transform a technology-centric IT organization into a business-focused one, almost effortlessly.

These five fundamentals are:

- Passion
- Humility
- Openness
- Clarity
- Agility

Each of these five fundamentals reinforces the effect of others.

As I said earlier, leading by example is not acting. If we look at ourselves in the mirror and can't convince ourselves that we truly believe in these five fundamentals, my best advice is that we leave the responsibility of leading and managing in IT to somebody who truly believes in them.

- **Passion**  
There is no substitute for a CIO's passion for the industry and the business that he is in. Executives are hired not only for their professional qualifications but also for their experience in a particular industry. Their experience enriches the collective wisdom of the senior management team. But often, CIOs are hired for their professional qualifications alone regardless of their experience in a particular industry. This is not a desirable practice.

I remember attending an executive panel discussion in which CEOs frankly shared what they think about IT and CIOs in general. One CEO said something that struck me, "I

feel CIOs work for the IT industry and not for my business.” So CIOs are merely internal sales reps for IT vendors? What a revelation! I think CEOs, CFOs, and COOs have some responsibilities too. They need to hire the right CIOs to begin with.

If a CIO is only interested in IT, I would question his potential value add to the business. Without developing a passion for the industry and the business that the CIO is in, it will be difficult for the CIO to develop the necessary insights, acumen, and the big picture mindset in order for him to help the business to achieve its goals. If a CIO’s only value is running IT like a utility, then there is little reason to keep that IT organization in house. Many IT outsourcing vendors can probably do better in running IT like a utility through the economy of scale.

IT is about creating a competitive advantage for the business. That starts with a CIO who has passion well beyond IT.

- **Humility**

In the not too distant past, there was a huge gap between the haves and the have-nots, i.e. between MIS professionals and business users. MIS professionals were some all-knowing people who wield the power of mysterious machines in the basement. Then the revolution of the personal computer and VisiCalc came. For the first time, business managers could perform rudimentary forecasts without the help of MIS. Some might argue that it was all downhill for IT from there.

On the contrary, I think that event actually set the stage for IT professionals to leave the basement for good. IT is not about control, as in the old mainframe days. IT is about empowerment - empowering IT customers to unleash their potential to succeed in whatever they set out to do. The more technically inclined IT customers are, the easier is to empower them. The less time IT spends on technology, the greater the effort IT can devote to the business and the more business value IT can generate.

Hence, as CIOs, not only we should not feel challenged by technically inclined customers; we should try to learn from them. Seek first to understand is the key in creating alignment. We should learn from all of our constituents - IT staffers, executive peers, internal IT customers, our business’ customers and partners, vendors, industry peers, analysts, everyone. Understand their goals, vision, concerns, fears, likes, dislikes, and even their own technical solutions, everything that we can possibly learn. We learn from people’s successes. At other times, we learn from people’s mistakes...and that is extremely valuable too.

CIOs should stop talking and start listening with humility. Only by understanding our constituents, can we have the possibility of becoming a trusted partner. IT overall will become more aligned to the business that way.

- **Openness**

Most of us would agree that the only constant in IT is change. Some of us may also believe that being a change agent is an important part of a CIO’s role.

But sometimes, the actions that IT takes can often lead our constituents to believe that IT is probably the most conservative functional unit in a company. We do three-month-, six-month-long Phase Zero analysis. We do endless discoveries looking for that perfect technology path. We test applications to death. At the end of the day (or after a couple of year's worth of development efforts), what we deliver may turn out not to be what our constituents are looking for after all.

No doubt, CIOs are all very successful and smart people. Over the years, we build up certain beliefs and certain rituals. Things have got to be done in a certain way or else they will fail because we have tried all alternatives. We have our battle scars to prove our point. But my challenge to CIOs is this: if we keep doing what we were doing yesterday, how can we possibly create a competitive advantage for our business when our competitors are moving forward? Is it time to leave our baggage behind?

For example, I start every day as a new day. It is like starting with a blank sheet of paper. Clearing my mind and any prejudice that I may have helps me to make the right decisions. My job is not to come up with solutions. My job is to make the right decision at the right time. The only way to ensure that I can do my job consistently well is to have an open mind in making decisions. Having an open mind allows me to embrace outside-the-box thinking, to take calculated risks, which are often critical to the success of all my constituents.

If a CIO encourages a sense of openness throughout his IT organization, IT staffers will be more inclined to be creative, think outside the box, take risks, and at the end of the day, perform often needed "miracles."

- **Clarity**

Clarity is the ability to see the fundamentals, be able to turn complex, muddy issues into simple, clear concepts and solutions. Clarity is a necessary skill of leaders. Successful leaders need clarity in order to direct.

An IT organization, armed with its knowledge and tools, can add great value to the business by providing relevant and timely information so that business leaders can have clarity. IT is previously known as Management Information Systems. Providing clarity and providing information so that others can have clarity is, in fact, IT's root.

We, as CIOs should stay true to our roots. Not only we should provide clarity in every interaction with our constituents, we should inspire all our constituents, especially IT staffers to do the same.

Sometimes IT can be perceived by our customers as providing the exact opposite to clarity. IT always seems to make everything more complex than necessary. It conveys a sense that IT is doing IT for the sake of IT. IT becomes a runaway freight train. This problem is especially prevalent among technology-centric IT organizations. It is a very dangerous problem to have. Whether the CIO is at fault or not, he may quickly lose his credibility.

As both IT and the business become more complex, CIOs should seize the opportunity to be true leaders. Instead of getting entangled in complexities, CIOs should practice simplicity. Simplicity is the best antidote to complexities. Ask simple, insightful questions to seek practical solutions. Consider everything at its most basic fundamentals. Very soon the CIO would become a leader of clarity revered for his uncommon wisdom.

- **Agility**

Agility can be thought as the result of applying passion, humility, openness, and clarity. Passion gives us insight to the business that we support. Humility encourages us to listen to and understand all our constituents. Openness enables us to embrace new ideas and to make the right decisions. Clarity allows us be wise and be able to direct proper actions. These four fundamentals, if combined and used, should almost always produce a competitive advantage in the form of an increased speed for the business such as quicker time to market, increased inventory turns. This should not come as a surprise. IT can supposedly make a business more agile.

I want to make one clarification. Some may say that technology can make a business more agile. I think it is misleading. Technology by itself can never make a business more agile. The right IT people applying the right technology at the right time can make a business more agile.

Agility can also be considered separately. It can support the other four fundamentals. Think agile! Be proactive! Get something done! Treating agility as a separate fundamental is especially important to IT. While IT is helping the business to become more agile, IT needs to become more agile itself. I am sure that some of us have the experience at one point or another that the business perceived IT as an obstacle to the business' agility.

To achieve better agility within IT, the CIO needs to put passion, humility, openness, and clarity into action and encourage IT staffers to think and act agile.

In today's hyper competitive but cost conscious environment, not only agility is a much sought-after virtue, it could mean the difference between success and failure for the business that we support.

### **Unite the Forces - Five Strategies to Align the Business**

By Practicing the Tao of IT Leaders concepts and techniques that I discussed so far, i.e. using an indirect but fundamental approach, aligning IT to the business, and leading by example, we will find the CIO job suddenly requires less effort than before. We will find ourselves spending significantly less time in dealing with symptoms and more success in stomping out root causes.

At this stage, the IT organization is both better aligned internally and better aligned to the business. The business' perception of this well-aligned IT organization is that IT has become a more valuable service provider. IT can also be counted on delivering additional tactical value to enable business success as a business enabler. But this is only the beginning.



By leveraging and building on the success, we can elevate IT to the next level: being a true business partner.

While IT may now be better aligned to the business, we need to ponder whether the business is well aligned with itself in order to reach its goals. All of us may have experienced the common “islands of information” phenomenon in one-way or another. The phenomenon may be mistaken as a system problem and the blame conveniently placed on IT. But if a business system is merely a representation of the business itself, then the “islands of information” phenomenon reflects how an enterprise really operates: business and functional units work in silos and not in a cross-functional, collaborative way.

This is when the CIO role becomes strategic and why CIOs should step up to deliver strategic value as a business partner. A CIO, regardless of whom he reports to and whether it is an enterprise or a divisional role, is often a central touch point behind the scenes. Being a central touch point is strategic because it can profoundly shape the business in a cross-functional way. The flip side is that playing the role well is critically important.

Most business projects require some form of IT support. These projects inevitably have IT components, whether they are application, infrastructure, or service-related. Sadly, we know that business/functional units don’t always collaborate well with one another. They are the silos of an enterprise. But even silos would need something from IT in order to get their projects accomplished. So by necessity, they work with IT. This of course, assumes that IT is well-aligned to the business and that IT is being viewed as an effective service provider and a valuable business enabler. IT then becomes a central touch point that everyone works with. As CIOs, we can passively support these projects or we can take on an active role. By leveraging IT’s cross-functional role, a CIO can create a subtle but powerful influence to help the forces in various business and functional units to unite and focus on common goals.

I discussed earlier how effective an IT organization can become if it is well aligned internally. This holds true at a larger, enterprise level. If all business and functional units within an enterprise are well aligned, works collaboratively and in support of one another, the enterprise can achieve far greater success than it otherwise could.

For the rest of this section, I will discuss how a CIO can play a business partner role to entice forces in various business and functional units to unite. Not only can the CIO add strategic value to the business in a cross-functional way, but also he will find problems and challenges commonly associated with large IT projects disappear as if by magic.

- **Start with Business Processes**

IT organizations are traditionally responsible for implementing business systems and rolling out major applications. IT staffers are usually experts at the technology aspect of the project such as programming. Today, it’s more about packaged software solutions. So we find IT doing configurations, customizations, tuning, upgrades, and system management.

Setting the technology aside, all these systems and applications are really tools to help automate business processes. No system or application can help a business process if

the business process is broken to begin with. As a matter of fact, automate a bad business process can worsen the business quicker. It is better not to automate it in the first place. This reminds me of the dot COM economy. Every widget sold made certain e-tailer loose a few dollars. The more widgets that the e-tailer sold, the quicker it went bankrupt.

CIOs need to help both IT and the business to focus first on business processes. Figure out the current process. Understand the goals and how we want the right process to look like. Do a gap analysis so that we can devise a realistic strategy to migrate the business from its current state to its goals.

Focusing everyone on the business process gives IT the obvious benefit of business insights so that IT can deliver the right systems and applications. But going through the business process exercise yields two other significant side benefits which are beneficial to the business:

1. The business may discover that incremental improvements do not necessarily require an additional investment in technology. Sometimes, even improving certain manual processes can yield immediate and significant benefits without a huge capital investment in technology;
2. Understanding the business process helps the business to understand hand-off points and inter-dependencies. This is the key to start meaningful cross-functional collaborative work.

- **Be a Diplomat: Empower all Constituents to Seek Win-Win**

Some of us may wonder why IT should be facilitating business process work and not hire some outside consultants? I think there are a lot of good reasons to hire consultants. For one, consultants are not in the forest and presumably, they can see well. But if IT can fulfill the objective role of a consultant, I believe that the business should know what is best for itself.

The business has to come up with its own solutions to solve its own problems. To me, there is no other way around it. What the business needs in business process work are facilitation, methodology, objectivity, encouragement, and common sense. IT can certainly act like a consultant and provide the business with those value-adds. Unlike an outside consultant, IT possesses insights only available to an internal organization such as an intimate knowledge of people, organization, culture, and history.

Obviously, IT has an ulterior motive to facilitate business process work. A clear and efficient business process is the prerequisite for IT to deliver a successful business system implementation. Adding up these reasons, it does make sense for IT to engage.

There is little doubt when IT delves deeper into business processes, disconnects within organizations and between organizations will surface. Even in the best-run companies, opportunity for improvement is plenty.

My experience is that if we put motivated people in a room and tell them where disconnects are, 9 times out of 10, they will figure out a workable solution, often a good one too. The problem has always been that people assume others know. People often don't. I am oversimplifying this but that is the essence.

The CIO role is inherently a cross-functional role. CIOs already possess the cross-functional know-how. It requires only minor effort to extend the CIO role into a more strategic role as a business partner. To that end, CIOs should learn to become effective diplomats to help various parts of the business to be better aligned with one another. An aligned business is always a more profitable business. I have a mentor who once said, "We may not be right but we are not confused." That is alignment in the business.

How do we learn to become effective diplomats? Learn from our favorite statesmen. A quicker alternative is to use the Tao of IT Leaders. Religiously practice the five fundamentals discussed earlier: passion, humility, openness, clarity, and agility. They will give us a better "read" of our constituents. Once we have the insight on everyone, becoming a great diplomat would not be difficult. All we need to do is to "herd" our constituents towards common goals. Common goals create alignment. Alignment sparks win-win opportunities.

- **Cultivate Business Partnership**

If IT is to become a business partner, CIOs need to actively cultivate business partnerships internally. As CIOs, we already know how to cultivate strong partnerships with vendors and suppliers. Why does it always seem difficult for us to have the same level of relationships internally?

A successful and sustainable business partnership requires all partners to benefit. A partnership is a symbiotic relationship. If one partner loses, the partnership will not last long. With our vendors and suppliers, we typically put effort into building and maintaining the relationship and they do the same in return. The partnership requires clearly understood benefits to all partners. Each partner is incented to maintain the partnership and typically partners know what incentive can keep the partnership strong.

Cultivating similar business partnerships internally encourages the mentality to always ensure the success of our partners because we benefit in return from the continuation of the partnership. Applying that mentality to day-to-day cross-functional collaborative work is very powerful. It encourages everyone to think "what's in it for me" and "what's in it for him?" Understanding everyone's "what's in it's" solidifies relationships and generates the oomph behind whatever the partnership is set out to accomplish, say a major IT enhancement project involving IT a few other business and functional units. Interactions done in partnership build stronger relationship among partners, paving the way for future partnerships and successes.

- **Mandate Customer Participation in IT Projects**

Generally, IT projects have an unusually low success rate when compared to non-IT projects in an enterprise. IT projects fail because of many reasons but they seldom fail because of pure technical reasons. Most IT projects fail ultimately as a result of people,

process, and organizational issues. In post-mortem analysis, undoubtedly, we hear reasons like the business had unreasonable requirements, the project scope crept, the timeline was too compressed, IT wasn't given enough money and resource, and so on.

How can a CIO improve the odds? It is actually deceptively simple: hold the business accountable for IT projects!

One root cause for the high failure rate of IT projects is that there are too many unnecessary IT projects. Unnecessary IT projects are those projects with dubious benefits, unclear business ownership, and questionable business commitment. A large percentage of all IT projects is unnecessary. Unnecessary IT projects are doomed to fail.

A CIO can significantly reduce the number of unnecessary IT projects by encouraging the business to work on business processes, playing diplomat to align conflicting business and functional units and their requirements, and being a trusted business partner - the three "uniting the forces" strategies that I discussed so far.

The remaining IT projects, by definition, are necessary, must-do projects that the business can agree on and see a compelling value in doing. The CIO still has to ensure proper prioritization and implementation of these projects.

One strategy that I have employed very successfully is to mandate customer participation in IT projects. Participation is not simply that we have a business sponsor and IT gives him weekly updates. Participation means that the business and IT are working together on the project, at all levels and across all functions, from the business sponsor to users, from project financials to project management.

If an IT project is truly necessary, must-do, obtaining that level of business commitment is easy. The business wants IT to succeed because the business has a vested interest. IT and the business are in the same boat. In such a situation, everyone is motivated to make the project successful in order to reap benefits from it.

At my company, if I don't have that high level of business commitment, I will simply veto the project because it will be a waste of IT's time and the business' money - although this hasn't happened yet since IT and the business are very well-aligned at my shop. Issues are resolved well before I need to use the stick.

Another mechanism that we have employed very effectively to ensure that all IT investments are well linked to business goals and attainable ROIs is our funding and approval process for capital expenditure. We use a "business-funded" model to encourage responsible IT investments (and for that matter, all capital investments). The burden to justify capital spending falls with the beneficiary business/functional VP. All capital funding requests, both IT and non-IT related, go to a Capital Approval Board, which consists of three members: the CFO, the Corporate Controller, and me. Successful funding approval requires the consensus of all three members.

- **Provide Thought Leadership**

Providing the right thought leadership is important because it can compel people to think. It can also potentially change people's behavior and organizational structure in a fundamental way. Such thoughts would tend to be simple so that a large population can easily identify with them.

Providing thought leadership can be the hardest thing for a CIO to do...or it can be the easiest. Unfortunately, I don't have a theory developed on how CIOs can better provide thought leadership other than keep practicing the Tao of IT Leaders. I will provide a couple of examples for illustrative purpose below.

Maintaining a high customer satisfaction level and keeping our product quality high are top priorities at my company. So IT champions the internal use of our products as a means to improve customer success and product quality goals. Our internal slogan reads, "Documentum IT is Documentum's first and best customer." Indeed we are. IT has tremendous cross-functional support in this effort. Our experience with our products and our experience as a customer are being leveraged daily for the rest of the company to continually enhance our products and service offerings for our customers.

Since we are one of the leading enterprise software companies and IT is about enterprise software, the challenge that I put forward to my own organization is this, "Can we afford not being an IT leader when the company is a leader in enterprise software?" Now IT has a mission. IT staffers are compelled to thinking outside the box, often one up on what is considered industry best practices. Major IT projects are completed in unheard of record time. The business benefited immensely from such a highly motivated and effective IT organization.

### **Sustain Success - Two Practices**

I have discussed how a CIO can apply the Tao of IT Leaders concepts and techniques to enable IT to become an effective service provider, a valuable business enabler, and a trusted business partner. In this section, I will propose two practices for CIOs to use to maintain and further their success.

- **Hire Complementary IT Leaders**

A CIO, like other executives, is probably a specialist in a limited number of areas and a generalist in most others. Unlike other functional units, IT is broad and deep plus the added dimension of change. In order for a CIO to manage a very successful IT organization, he must have a staff of top notch IT leaders who can complement his strengths and make up for his weaknesses. These senior IT staff members should also be able to complement each other's skills and personality well.

I want to share with the reader a personal "if I can do it, anybody can do it" story as an inspiration and a concrete illustration to what I discussed in this article.

My IT career path is atypical. I don't have some twenty plus years of IT experience. I graduated from UC Berkeley with a liberal arts degree. I am probably the least technical person among senior management staff at my company. I am 32 years old. Yet I run a

very successful IT organization at one of the leading enterprise software companies - the job is probably an order of magnitude more difficult than a regular CIO's since all my internal customers are IT pros...I have to always stay ahead of the game.

I took on IT not because it is easy but because it is hard. I was on a mission to prove that with the proper focus on leadership and management; perhaps the most unwieldy organization can be tamed. Before leading IT, I used the same focus to successfully manage two other unrelated functions which I also had zero previous experience.

In IT, I provide the vision and high-level strategies. I devote full time to leading and managing using the Tao of IT Leaders that I developed. Since I only need to focus on this limited number of tasks, I do them very well. Also because I only focus on these tasks, I need to hire and retain the most talented IT staff that I can find to implement my vision and strategies.

I learned the golden rule of hiring very early in my career. I always hire people who not only can do what they are hired to do but they also should have the potential to do my job someday. My ulterior motive is that I don't want to get stuck in a position - I want to move on and move up. Hiring capable employees ensures that I can reach my own personal career goals. Over time, the organizations that I built tend to have very capable employees from top to bottom. This brings a tremendous value to the business.

- **Improve People, Processes, and Organization Continually**

Improve people, process, and organization continually is a simple concept but it is often difficult to implement. A typical IT organization is probably already inundated with issues. How can a CIO afford to devote precious time, effort, and resource on soft issues? My question is how can he afford not to?

Continually invest in people, fine tune processes, and align the IT organization internally are like investments that can offer many times the return on investment. If an IT organization is in bad shape, make such investments to stop the downward death spiral. If an IT organization is in good shape, make such investments to create an upward success spiral.

I think the most effective way is not to make a limited number of big bang course changes but to make frequent incremental course corrections over time. Big bang course changes have the potential to create more harm than good especially if a wrong turn is made. The benefits of frequent incremental course corrections made over time can add up substantially.

Making frequent incremental course corrections require the CIO to have a keen sense of his IT organization and its relationship with other organizations. The CIO has to be a good coach. He must have a good "read" on IT staffers, understanding their goals, grow them effectively, and ultimately matching them to the right roles at the right time. If the match is done right, work can be accomplished twice as better with half the effort.

As CIOs, we need to understand that work ultimately has to be done by the people that we lead and manage. Our success depends on them. The only thing that we can effectively control to improve our own success is to make leadership and management our highest priority day in and day out.