How CIOs Transition into Their New Jobs

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Executive Summary

During their first year on the job, incoming CIOs use various approaches to establish their credibility and provide value to the organization. We interviewed 36 CIOs of large organizations across a variety of industries and categorized their transition approaches as either incremental or radical. Incremental means that during their first year, they initiated change in only one major area at a time—either IT human resources, IT processes, IT infrastructure, or IT’s relationship with the business. Radical means that within their first year, they simultaneously initiated change in at least three of the four major areas.

We found that their choice was closely associated with the “IT leader visibility” of their predecessor, which we named Keep-It-Running CIO (IT had little visibility), Value-Adding CIO (IT was visible in some business units), and Big-Bang CIO (IT was visible organization-wide). Depending on the situation the incoming CIOs inherited, we found patterns in the type of transition they typically took—either incremental or radical.

While our study involved only the first year of an incoming CIO’s tenure, the lessons are likely to prove useful to CIOs seeking long tenures in the same organization. They might need to manage from all three perspectives: as a Keep-It-Running CIO, as a Value-Adding CIO, and as a Big-Bang CIO.

THE IMPORTANCE OF STUDYING INCOMING CIOs

Whereas considerable interest has been shown over the years in CEO turnover and its impacts on the firm, research on CIO transitions has been relatively sparse. Two early-1990s studies did shed some insights on the causes of a seemingly short CIO tenure and the effects of CIO transitions on IT performance and strategy. And recent research indicates that new CIOs face major challenges in establishing their credibility in organizations that have been “burned” by their predecessors’ IT investments. But there has been little recent analysis of the actions incoming CIOs have taken to establish their credibility, both within the IT organization and with business leaders.

Our interest in this topic stems from a previous study of Fortune 500 CIOs, where we found that the average CIO tenure was slightly less than three years, even though the IT plans were for five years. This two-year discrepancy meant that incoming CIOs were often brought in to finish up the partially executed IT plans of their predecessors. These new CIOs had to decide whether or not to continue the applications under development or pursue another IT strategy—all the while attempting to establish their credibility during their first year.

1 Carol Brown was the accepting Senior Editor for this article; The authors are listed alphabetically
We also observed that some new CIOs followed highly successful predecessors who had initiated major change projects with strategic implications. But these predecessors had then departed to pursue other opportunities, leaving their successors with the dual challenge of adding further value and maintaining the positive momentum IT had enjoyed.

Our objective for this study has been to learn more about the nature and effects of these IT leadership transitions. We interviewed 6 CIOs of companies headquartered in the United States, across a variety of industries. About 75% of these companies are publicly traded, multinational firms with annual revenues exceeding $500M. At least six of the eight privately held companies achieved similar revenues. Figure 1 describes our sample, by industry. The interviews took place between late August and December 2005.

We therefore categorized the IT initiatives reported by the CIOs according to four specific capabilities: IT human resources, IT processes, the IT infrastructure, and business partnership. We asked the CIOs to describe the circumstances surrounding their appointment, including to whom they reported and to whom their predecessor reported; whether they were internally or externally hired; and, if internal, whether they had been “groomed” for the position. When necessary, we probed to discover their perceptions of the “state of IT” when they assumed their CIO position, including the role of IT in the organization and the perceptions of the value of IT held by the CEO and other top executives. We also asked the CIOs to describe the IT initiatives that they undertook during the first year of their tenure.

FOUR MAJOR AREAS INCOMING CIOs ADDRESS

The CIOs we interviewed believed they needed to both manage IT as a department and manage IT as a partner with the organization’s business leaders. This dual role, while identified in prior literature, is even more prevalent today. We therefore categorized the IT initiatives reported by the CIOs according to four specific capabilities: IT human resources, IT processes, the IT infrastructure, and business partnership.

IT Human Resources. Some incoming CIOs faced an IT human resource crisis. The most common was severe turnover. Others faced a shrinking IT budget, which forced them to reduce their IT workforce. CIOs faced with downsizing their organization had the added challenge of maintaining a positive attitude among the remaining IT staff.

IT Processes. Most incoming CIOs discover that the IT organization does not have a process for measuring the performance of itself or its IT personnel. They also uncover other process deficiencies because rule-of-thumb procedures have been used without reflection. One example is placing difficult IT support problems at the bottom of the queue, while providing immediate responses to the simple questions.

Figure 1: Industries Participating in the Study

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<tr>
<td>Aerospace &amp; Defense</td>
<td>2</td>
<td>Health Allied Services</td>
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<td>Automotive &amp; Transport</td>
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<td>Health Care</td>
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<td>Manufacturing - Navigation</td>
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<td>Computer Software</td>
<td>3</td>
<td>Non-Profit</td>
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<tr>
<td>Construction</td>
<td>2</td>
<td>Oil &amp; Gas</td>
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<tr>
<td>Consulting</td>
<td>1</td>
<td>Retail</td>
<td>6</td>
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<td>Consumer Products</td>
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<td>Transportation Services</td>
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<tr>
<td>Financial Services</td>
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5 We used a “snowball” approach to interviewing. That is, we began with new CIOs we met at professional meetings and then made additional contacts through these CIOs to others. We continued interviewing until we no longer heard new insights. Most of the companies are located in the southwestern United States.

6 We asked the CIOs to describe the circumstances surrounding their appointment, including to whom they reported and to whom their predecessor reported; whether they were internally or externally hired; and, if internal, whether they had been “groomed” for the position. When necessary, we probed to discover their perceptions of the “state of IT” when they assumed their CIO position, including the role of IT in the organization and the perceptions of the value of IT held by the CEO and other top executives. We also asked the CIOs to describe the IT initiatives that they undertook during the first year of their tenure.


8 For a discussion of IT human resources, IT infrastructure, and business partnership as three key “IT assets,” see Ross, J., Beath, C., and Goodhue, D. “Develop Long-Term Competitiveness through IT Assets,” Sloan Management Review, Fall 1996, pp. 31-42. In addition to these three assets, we found IT processes to be a fourth key area that incoming CIOs address.
IT Infrastructure. Many of the firms in our sample had experienced significant growth through acquisition, or the opposite: significant consolidation in a downsizing industry. So the incoming CIOs either faced the IT infrastructure challenge of enabling growth or, conversely, of choosing among multiple infrastructures (as in the case of a merger) and eliminating data centers and unnecessary IT assets.

Business Partnership. Whether internal or external, most of the incoming CIOs concentrated on understanding business-unit and organization-level strategic needs as part of their IT strategy formulation. They held personal meetings with key business leaders to determine their pain points. A few incoming CIOs set their sights on helping their organizations develop their business strategies around the potential provided by IT.

TWO TRANSITION APPROACHES USED BY INCOMING CIOs

While the new CIOs faced similar issues, we found a stark contrast in how much change they undertook in their transition periods—which we defined as their first year on the job. Some CIOs initiated projects that encompassed three or all four of the areas at once. Others took a slower approach, addressing only one of the four areas at a time. We refer to these two as either radical or incremental transition approaches.

The Radical Transition Approach

The radical transition approach involves rapidly and simultaneously addressing major changes in at least three of the four IT areas (IT human resources, IT processes, infrastructure, business partnership). For example, in one year’s time, one CIO implemented a major platform upgrade for the production systems; initiated major changes in project management, problem management, change management, and configuration management processes; and doubled his permanent staff and added a significant percentage of contract labor.

When CIOs take a radical transition approach, change becomes rapidly apparent. The IT staff can be galvanized by the energy created by the many major changes. Moreover, business leaders are likely to notice the change in IT quickly and see the value IT brings. However, undertaking multiple changes at once also entails high risk, as one CIO, who had undertaken a radical transition, notes:

“I had to let go of the divisional [IT] people, and I had to hire new people. At the same time, I had to show senior management that I could execute, so I had to make sure that I brought in all the in-process projects on schedule and delivered flawlessly. ... You have to show strategic leadership; you have to show operational leadership; then you have to show people leadership; and you have to do all three in parallel.”

The Incremental Transition Approach

The incremental transition approach spreads change over time, targeting one area after the other, rather than several at once. Some CIOs focused almost exclusively on improving relationships with business units, leaving the IT infrastructure, human resource, and process issues unchanged until they believed they had a strong grasp of the business leaders’ pain points. This approach was common in companies that had grown rapidly and IT had “reacted to a lot of things.”

Under incremental transition, change is less noticeable than in radical transition—but major resistance is also less likely. The CIO explicitly selects this ‘safer’ approach, as one who chose the incremental approach noted:

“There are only three legs that you can really work on. One is the IT organization itself; two is the infrastructure; three is the application or business base. If you’re going to create change within the perception of IT, you’re going to have to change all three of them. It just depends on which order. If you come in and try to change them all at the same time, you’re going to fail, so you have to pick your battles.”

Of the 36 CIOs interviewed, 19 chose the radical approach and 17 chose the incremental approach. Given this divergence, we wanted to know, “Why choose one over the other?”

CHOOSING BETWEEN THE RADICAL AND INCREMENTAL APPROACHES

We first considered three possible explanations for choosing one approach over the other. All three related to the CIO position itself:

1. Incoming CIOs who had been groomed for the position might transition differently than CIOs who had not been groomed.
2. Externally hired CIOs might transition differently than internally hired CIOs.

3. Incoming CIOs reporting to a CEO might transition differently than CIOs not reporting to the CEO.

**CIOs Internally “Groomed” for the Position**

We found two different approaches for “grooming” an incoming CIO—Heir Apparent and Horse Race. Both are consistent with succession research relating to CEOs. However, only 11 of the 36 CIOs interviewed had been groomed for their position (see Figure 2). Furthermore, among those 11, roughly one-half chose the radical approach, and the other half chose the incremental approach.

We therefore concluded that grooming does not predict the transition approach of an incoming CIO.

**External versus Internal CIOs**

On the issue of internal versus external hires, one might expect external hires to more likely use the radical approach because, when an organization wants to change the direction of its IT organization, it is more likely to hire externally. However, as shown in Figure 3, roughly equal numbers of the external and internal hires in our sample used the radical approach.

Thus, contrary to research conducted in the early 1990s, today’s internal CIO hires are just as likely to take a radical change approach as external hires.

**Reporting Structure of Incoming CIOs**

When considering the new CIO’s reporting relationship, perhaps CIOs who do not report to the CEO are less likely to undertake radical changes early in their tenure. Here we did discover a link with the transition approach: almost two-thirds of the CIOs who reported to the CEO did take a radical approach (see Figure 4). In contrast, less than half the CIOs not reporting to the CEO chose a radical transition.

However, contrary to our conclusions, the CIOs who did not report to their CEO told us that they did not consider their reporting structure to be a barrier. That is, they believed that their ability to foster change was greatest when they reported to someone who believed in the importance of IT, even if that meant reporting to a level below the CEO:

“I’m actually glad I report to the CFO because he and I have a lot of very similar philosophies. He’s not a technologist by any means, but he gets it.”

A CIO who reported to a COO reported a different reason:

“I’m dealing more with the operational stuff; the guy I need to talk to is the COO.”

While these CIOs who did not report to their CEO were quite optimistic about their ability to foster change, the data suggests that incoming CIOs who report to the CEO are more likely to take a radical
transition approach. To make definitive statements about the link between reporting structure and success in implementing radical change requires a larger study. It is possible, for example, that CIOs who do not report to their CEO might be rationalizing their reporting relationship and be unaware of its actual consequences on the level of change they can initiate during their first year. The transition period is critical to laying the foundation for their ultimate contribution.

THE IMPORTANCE OF THE PREDECESSOR’S IT LEADER VISIBILITY

While CIO reporting level provides some insights into an incoming CIO’s likely transition approach, our interview data suggested an even stronger correlation with the “IT leader visibility” of the CIO’s predecessor. IT leader visibility represents the degree to which the predecessor CIO kept IT at the forefront in providing major, visible contributions to the organization. It characterizes the “status of IT” at the time of the succession. We identified three categories:

- **Keep-It-Running CIO**—The predecessor CIO made IT largely invisible in the enterprise.

- **Value-Adding CIO**—The predecessor CIO made IT mainly visible to a subset of business units.

- **Big-Bang CIO**—The predecessor CIO made IT highly visible across the entire enterprise.

Fuller descriptions are in Figure 5. Even though one type is dominant at a given time, some overlap among the three occurs: a CIO does not necessarily focus exclusively on one type of IT leader visibility.

For the purposes of our analysis, the predecessor CIO was coded as Keep-It-Running (successful or unsuccessful), Value-Adding, or Big-Bang (successful or unsuccessful) based on what they were doing when the succession occurred. We found that the IT leader visibility inherited by the incoming CIO provides a strong explanation for why a new CIO chooses a radical or an incremental approach to transitioning. Specifically, we found the following patterns:

- **Keep-It-Running**: CIOs who follow a successful Keep-It-Running predecessor typically choose the radical approach, but

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11 We did not code for successful or unsuccessful Value-Adding CIO because with value-adding, success is nebulous. From the perspective of the business units who receive value-adding applications, the CIO is successful. But the same CIO might be viewed as unsuccessful by business units that do not receive such value-adding applications.
sometimes choose the incremental approach. Those who follow an *unsuccessful* predecessor overwhelmingly favor the radical transition.

- **Value-Adding**: CIOs who follow a Value-Adding predecessor typically choose the incremental approach.
- **Big-Bang**: CIOs who follow a *successful* Big-Bang predecessor typically choose the incremental approach. But those who follow an *unsuccessful* Big-Bang predecessor typically choose the radical approach.

Here is more discussion of these five situations, with typical case examples to highlight the types of actions taken by the incoming CIOs.

### Following a Keep-It-Running Predecessor

One-half the CIOs interviewed (18 of 36) had a Keep-It-Running predecessor—and about half of these predecessors were characterized as successful. As can be seen in Figure 6, more than two-thirds of the incoming CIOs undertook a radical transition. Their reporting relationship appeared to have some influence: 10 of the 13 radical transitions were chosen by CIOs who reported to CEOs. We also found that four of the five CIOs who undertook incremental transitions were in a newly created CIO position.

A major obstacle for CIOs entering an organization following a Keep-It-Running CIO is that IT visibility is very low and the value of IT, in the minds of senior management, is unclear. As one CIO stated:

### Figure 6: Transition Approaches Following Keep-It-Running Predecessors

<table>
<thead>
<tr>
<th>Predecessor Visibility</th>
<th>Radical Transition CIO Reported to:</th>
<th>Incremental Transition CIO Reported to:</th>
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<td></td>
<td>CEO</td>
<td>Other</td>
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<tr>
<td>Unsuccessful Keep-it-Running</td>
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### Case: Successful Keep-It-Running Predecessor—Radical Transition

One incoming CIO to a traditional retail organization came from the financial services industry and followed a predecessor who had the title of VP of Information Systems. Having his title upgraded to CIO was significant. The CEO wanted IT to do more than keep the systems running.

The incoming CIO understood this mandate and immersed himself in the “nuts and bolts” of the business. He spent time in numerous departments and in the field interacting with employees at various levels. His goal was to “establish some credibility and figure out the inner workings of the value chain … where I would see the opportunities for efficiency … what type of automation challenges were there in the business processes.”

To get out of the IT maintenance mode, he believed he had to improve IT’s partnership with the business: “I thought I could get more bang for the buck for what they’re spending if I could link this technology piece much, much closer to what the business needs.” But there was no agreed-upon IT strategy. And he faced a considerable challenge in motivating his IT workforce. They had been doing the same thing for 20 years, and although they were committed to the company, they had been relegated to “a sort of black box there in their room.” They were viewed as “real expensive and real slow.”

The new CIO opted to tackle all the major issues at once. He got involved in business planning and strategy; he set performance standards for his IT workforce and he initiated major projects to improve business processes; as well as eliminated unnecessary systems. He worked to improve vendor relationships and then began re-engineering and upgrading his IT organization to improve its cycle times, product-to-market processes, and fixed asset processes.

By the end of his first year, he had spurred the IT organization beyond its former placid maintenance mode to being an active, engaged, strategically oriented operation ready to launch a Big-Bang initiative.
Case: Unsuccessful Keep-It-Running Predecessor—Radical Transition
The new CIO of a large retailer inherited a Keep-It-Running environment where the IT group had overseen some minor “low risk, low reward” systems, but little else. In fact, IT had severe operational problems. Servers were frequently down. So IT was viewed skeptically, at best, and was not a player in corporate strategic planning meetings.

The CIO reported to the CFO and faced inter-related people, process and infrastructure problems. During the e-business boom, when the organization had scrambled to keep up, IT staff had been promoted to positions they were not qualified to hold. The IT infrastructure suffered, as did IT credibility.

Thus, for the new CIO, “Keep-It-Running” successfully was the first goal. “If e-mail is down, I’m not sitting in the executive meeting because they don’t want me there. They are like, ‘Go fix your stuff.’ Before we get to do anything else, we have to have rock-solid, always-up, reliable, fast systems, and when you hit ‘Print,’ it prints.”

After solving the operational issues, the new CIO then set out to remove costs from the existing infrastructure. But unlike his predecessors, he used the savings to fund value-adding IT initiatives. “One problem with my predecessors was that they were sometimes saving money that nobody asked them to save.” By removing costs, he established the credibility he needed to approach business units with propositions on how to implement IT solutions to reduce their costs.

He had entered an environment where the value of IT was nearly invisible. His radical transition eventually led him to help lead his company’s strategy—and he was promoted to report to the CEO.

“‘It’s during the period where you supply dial-tone, keep the lights on, the electrons are flowing doing the company’s business, that the ’What have you done for me this quarter?’ feelings start to creep in.”

Following a Successful Keep-It-Running Predecessor. Just because a predecessor successfully kept “IT running” does not imply that the organization needs to continue in a Keep-It-Running mode, as shown in the following case study.

Following an Unsuccessful Keep-It-Running Predecessor. CIOs following an unsuccessful Keep-It-Running predecessor face similar skepticism about the value of IT—plus the additional lack of confidence in the ability of IT to operate reliably. Senior managers and business units alike are unhappy with the quality of IT services and are anxious for the basic problems to be solved.

Thus the mandate for a radical transition is even stronger, and seven of the eight CIOs following an unsuccessful predecessor chose this approach—to quickly repair poor-performing systems, motivate an under-performing IT workforce, develop solid working relationships with the business, and establish confidence in the value of IT.

The incoming CIO might also face a low budget, particularly if the IT organization had been performing poorly for some time and had not been able to secure funding for new initiatives. The blame for a failed keep-it-running past is also likely to be felt by the entire IT organization. The next case illustrates the successful transition of a CIO following an unsuccessful keep-it-running predecessor.

Following a Value-Adding Predecessor
Ten of the CIOs in our sample followed a Value-Adding predecessor CIO, and all but one of them chose an incremental transition. As shown in Figure 7, the CIO reporting relationship does not appear to influence this choice.

For CIOs following a Value-Adding predecessor, the key challenges are to maintain relationships with business units while, at the same time, gaining visibility and credibility at the corporate level. While these CIOs do inherit a fairly stable IT environment with good visibility, they are well aware that they need to prepare the IT organization for future projects with enterprise-level impacts.

In addition, not all the Value-Adding predecessors had pleased all the business units equally. Consequently, the incoming CIOs had to be cognizant of the differing opinions of IT held by the various business unit leaders—and repair the soured relationships.

Following a Big-Bang Predecessor
Although only 8 of the 36 CIOs interviewed followed a Big-Bang predecessor, their transition approaches were clearly defined by their inherited situations (see
When their predecessor was viewed as successful, the incoming CIOs took the incremental approach. When their predecessor was not perceived as successful, the incoming CIOs took the radical approach. Again, the reporting relationships of these incoming CIOs did not appear to influence their transition choices.

Why would a successful Big-Bang predecessor leave? CIOs that effectively oversee a Big Bang have high credibility and most likely have highly effective communication skills and the ability to motivate others. In this study, some of them were promoted into other senior executive positions (e.g., COO or CEO), leaving the CIO vacancy. Others were hired away by an organization that needed a Big-Bang strategist.

An incoming CIO of a major consulting firm was hired with a “six-month overlap” with his predecessor so that he could be “groomed” for his new position. He inherited a stable IT situation with good visibility. “The strategy itself was pretty locked and aligned with the business, so there weren’t a lot of strategic things to change. There were some tactical things that you’d change in the implementation, but overall, we were pretty happy with direction… In fact, I actually came in and said, ‘O.K., let’s operate against that, to get us to that goal. Finish this stuff out and then we’ll figure out where we’re going’”

Expecting a smooth transition without surprises, the CIO did not undertake a strategy review. The next scheduled review was set to take place in a year and a half. Nor did he tackle people or partnership issues during his transition. Instead, he focused on completing the in-progress IT infrastructure update, which migrated all systems to a previously selected standard.

While his transition approach was incremental, it was by no means ineffective. In fact, his IT organization was subsequently rated as “best-in-class” by Gartner.

All three CIOs following successful Big-Bang predecessors adopted an incremental transition. As Big-Bang initiatives are absorbed into a firm, major cultural changes sometimes have to take place for the firm to get the full benefit from the systems. Thus, the CIOs entering this environment must maintain the positive credibility without depending upon the visibility of initiating their own Big-Bang projects.

One means of achieving continued credibility is to initially focus on small, high-value projects. One CIO claimed to have gained organization-wide credibility by “hitting little singles that turned into homeruns,” such as “equipping key people with BlackBerries, which is something that you’d think is a very, very simple thing. But during e-mail outages, during network outages, the executives now have a way to maintain business continuity with these devices. Those little things that they didn’t understand at the beginning why they’re important, have turned out...
How CIOs Transition

Case: Successful Big-Bang Predecessor—Incremental Transition

The new CIO of a healthcare firm followed a Big-Bang predecessor, who had a 10-year tenure and had been hired away by another organization. The enterprise-wide Big-Bang work had taken the healthcare organization from a labor-intensive document system to a paperless and chartless workplace. All orders were done online.

The incoming CIO had worked six to seven years at each of his previous jobs, always focusing on building a customer-responsive IT department. Although he realized that his new company had “extraordinary systems already in place,” he believed he could still “immediately make a difference.”

Thanks to the success of his predecessor, he enjoyed a high level of credibility both from top management and the physicians. Moreover, IT was already an integral aspect of the organization’s strategy. Realizing that the organization still needed time to absorb all the major changes introduced by his predecessor, this incoming CIO decided to spend time just listening—getting to know the key stakeholders, learning the organization’s culture, and observing the key processes. “The biggest mistake one can make is to come in and not understand the ways things are done here.”

Toward the second part of his first year, he began making suggestions for some value-adding applications for physicians, to help them embrace a new in-patient order-entry system. He established specialized teams, each focused on a different business unit, to identify value-adding projects. These teams created a list of desirable small projects that could be introduced incrementally, such as a pharmacy system, a rehab system, and a clinical documentation system. Each would add value to the existing paperless system and improve patient care. The projects were prioritized. Then the smaller and less expensive top-priority ones were immediately tackled. The not-so-critical ones were postponed until the following year.

This CIO entered an environment where IT was highly visible, the IT organization was well run, and the CIO position was highly regarded. By choosing an incremental transition—going slowly and learning about the organization first—he contributed value that maintained the strong relationship between IT and the business leaders.

Case: Unsuccessful Big Bang Predecessor—Radical Transition

A major retailer had experienced a series of CIOs who had all been unsuccessful at implementing large-scale systems. Management wanted a CIO with a positive track record, regardless of whether that CIO had experience in the retail industry or not.

The incoming CIO’s first major decision was whether or not to complete a $50-million enterprise project initiated by his predecessor. The CIO chose to inform the Board that the system, even if successful, would not accomplish what the organization needed. His assessment was supported by outside consultants. His challenge then became to partner with the business units to undertake a much-needed alignment and, “from a technical point of view, try to build some strategies of where we want to go.” He noted that he could not “pull out a deck and say, ‘here’s the IT strategy’….we’re just providing a tool kit to help them do their business.”

Within his transition year, this CIO not only halted the enterprise system project and brought IT operations and processes under control but he also established partnerships with business units and senior management and prepared the IT infrastructure for a different enterprise initiative – which he began the following year. His radical transition approach helped him begin to gain the respect and credibility that his predecessors lacked.
to be the things where they now say, ‘Wow, this has come in really, really handy.’”

Our case provides the example of a particularly successful CIO who followed a successful Big-Bang predecessor.

**Following an Unsuccessful Big-Bang Predecessor.** In contrast, CIOs who follow an unsuccessful Big-Bang CIO likely face cynical stakeholders. These CIOs need to establish (or reestablish) confidence in IT and in the role of CIO. All five CIOs who followed unsuccessful Big-Bang CIOs undertook radical transitions. They targeted people, infrastructure, and process initiatives all at once in the belief that their transition had to result in a turnaround the first year. Such speed would require the radical approach.

“[The company] needed help; they were in trouble; they had gone through three CIOs in a row; not a one had stayed more than six to seven months. They were rolling out major programs and continuing to fail at what they were doing. They needed help, and they needed it now.”

Having a rapid string of successes proved effective in rebuilding one IT organization’s credibility, which had been lost in the wake of the predecessor’s Big-Bang failure.

**SUMMARIZING THE LESSONS**

The cases highlight how 36 incoming CIOs adapted their transition to the situation left by their predecessors:

- Following a **successful** Keep-It-Running predecessor, the incoming CIOs tended to take a **radical** approach to transitioning. They generally started top-down, first learning about the organization and its needs to quickly position themselves to execute a strategically focused IT plan.

- Following an **unsuccessful** Keep-It-Running predecessor, the incoming CIOs also took a **radical** approach. But they were likely to begin bottom-up. Their audience had not seen IT deliver value in quite some time, so these CIOs improved IT service delivery while taking out costs.

- Following a **Value-Adding** predecessor, the incoming CIOs tended to take an **incremental** approach to transitioning. They generally focused first on evaluating infrastructure needs.

- Following a **successful** Big-Bang predecessor, the incoming CIOs tended to take an **incremental** approach to transitioning. They generally began by working on relationships with business units.

- Following an **unsuccessful** Big-Bang predecessor, though, the incoming CIOs tended to take a **radical** approach to transitioning. They generally began top-down in that they worked closely with senior managers to quickly repair the damages and develop a solution to the manifold problems unleashed by the Big-Bang failure.

Figure 9 summarizes the challenges facing transitioning CIOs and the key lessons for following one of the five different predecessor’s IT leader visibility types.

Our study focused on the transition period of incoming CIOs, which we found to be largely influenced by the level of IT leader visibility established by their predecessors. However, CIOs with a tenure of more than two or three years may need to vary their own IT leader visibility. With CIO tenures now averaging five years, it would be negligent to assume that the same IT leader visibility is the best focus for the full five years, or more.

Finally, whereas common wisdom might suggest that different types of CIOs are needed to oversee the different situations, we found that successful CIOs develop multiple skill sets, enabling them to handle the challenges of each situation. One CIO, who had been in his position for over 10 years and had experienced all three types of IT leader visibility, noted, “I’ve had to transition from being a dictator, to a democrat, to a statesman.” The lessons we uncovered in this study should therefore prove useful to incoming CIOs, as well as those seeking long tenures in a single organization.

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<tr>
<th>Type of Predecessor</th>
<th>Challenges Facing Transitioning CIO</th>
<th>Key Lessons</th>
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<td><strong>Successful</strong></td>
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| Keep-It-Running    | • Dealing with a “What have you done for me lately?” attitude among executives  
                         • Energizing a maintenance-model IT operation  
                         • Initiating systems in a company that has not had new systems for some time  
                         • Moving away from a purely support role to a more involved, possibly more strategic, role  
|                    | • Develop a keen understanding of the entire business by talking to people in many areas and positions  
                         • Put in place necessary performance evaluation and incentive schemes for the IT workforce  
                         • Re-evaluate existing IT processes and work to improve them  
                         • Evaluate the future needs of the organization and the current state of IT and develop a plan to help take the company forward |
| **Unsuccessful**   |                                   |             |
| Keep-It-Running    | • Building credibility fast—confidence in IT among stakeholders is very low and the CIO must start off running  
                         • Developing and nurturing an IT organization that has lost visibility and has been mismanaged  
                         • Securing funding for needed improvements  
                         • Solving IT operational issues  
                         • Demonstrating that IT can do more for the organization than simply keep systems running  
|                    | • With operations running successfully, target cutting the costs  
                         • Use the funds from IT cost cuts to initiate and fund small enhancements  
                         • Forge relationships with business units and senior management  
                         • Develop a strategic plan/vision for the next wave of applications—make sure the people, processes, infrastructure, and governance are in place to support a Big-Bang |
| **Value-Adding**   | • Completing the backlog of incremental requests without losing strategic relevance  
                         • Preparing the infrastructure for the future needs of the organization  
                         • Maintaining predecessor’s relationships with business units  
                         • Understanding the strategy needs and cultural readiness of the organization  
                         • Increasing IT visibility to senior managers, which may be low because of the lack of major initiatives  
                         • Establishing a vision and direction in an IT department that has been running on auto-pilot  
|                    | • Meet regularly with senior executives to forge close relationships  
                         • Develop a strategy/vision for the next wave of large projects  
                         • Show gradual leadership across the major areas—people, processes, infrastructure, and partnerships |
| **Successful**     |                                   |             |
| Big Bang           | • Maintaining IT credibility following a very successful predecessor  
                         • Continuing the relationships already fostered with executives and business units  
                         • Decreasing the IT budget  
                         • Searching for Value-Adding projects  
                         • Maintaining the IT department’s high morale  
                         • Working closely with business units to complete Value-Adding projects which had been put on hold  
|                    | • Spend time learning the business (if external)  
                         • Meet with business unit heads to determine their pain points and to develop closer relationships with them  
                         • Target Value-Adding projects to help business units and executives  
                         • Avoid rushing into the next Big-Bang until the firm has completely absorbed the current system |
| **Unsuccessful**   |                                   |             |
| Big Bang           | • Rebuilding confidence in the value of IT  
                         • Convincing executives that IT expenditures are still necessary and add value to the organization  
                         • Working with executives who may be disillusioned with IT  
                         • Creating a vision for how IT can help the firm  
                         • Building the morale of the IT organization  
                         • Rebuilding relationships between IT and business units  
|                    | • Consider stopping the Big-Bang if still going  
                         • Create a governance process accountable for IT people, processes, and leadership.  
                         • Target specific areas that hindered the Big-Bang effort  
                         • Meet with key stakeholders to get their perspective of what went wrong and why  
                         • Try to cut costs out of existing systems  
                         • Develop a Plan B strategy to accomplish what the Big-Bang was supposed to accomplish, but failed, and partially fund with saved funds |
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