What Does a Strategic CIO's Role Really Look Like

IT is driven by and is also a driving force in business, and the business landscape is continually changing as it is reshaped by a variety of dynamic forces—including IT itself. Given the constantly changing landscape, is it possible to define a common strategic role for information systems (IS) leadership? According to Phil Weinzimer, a seasoned IS executive with 40 years of experience, a common role is not needed. Instead, he says that IS leadership should be exemplified through four key actions:

1. Understand the business and identify how information and technology enable business
2. Help the business understand the importance of leveraging information and technology
3. Develop the competencies of IT employees in a team-based culture
4. Partner with business executives on outcomes to improve the company’s competitive position.

Phil Weinzimer is currently President of Strategere Consulting and works with clients to develop business and IT strategies that focus on achieving business outcomes. Previously, he held a variety of executive roles in IT professional services. These roles have exposed him to IS leaders in industries and businesses of all sizes around the world. His work has grown into a passion for sharing with IS leaders the methods and solutions that have made former and current CIOs successful in developing and implementing IT strategies. The panel below provides additional details about his career.

The author interviewed Phil Weinzimer to capture his experience on the technology demands of business. The interview focused on the key leadership actions for enabling business success, leveraging IT, developing competencies and partnering for competitiveness that should be demonstrated by a strategic CIO.
Keeping Up with IT Strategy in a World of Constant Business Change

The Interview with Phil Weinzimer

MM: Today’s companies have multiple roles for leading and managing IT. For example there is the CIO, CTO, CSO and CDO, among others. What does a typical IT organizational hierarchy look like when all these positions are taken into account?

PW: Roles are evolving. Gartner talks about “taming the digital dragon,”¹ which impacts the role of the CIO.² The “nexus of forces” of the digital dragon are cloud computing, mobility, social media and information.³ These forces are making the CIO role more complex in terms of how IT departments enable their businesses to be more competitive. Within the IT department, the CIO has several CxOs—a chief technology officer, chief security officer, chief operating officer (or a chief of staff)—roles that are evolving because IT is very complex. In addition, of course, there are the directors reporting into these CxOs who are responsible for infrastructure, projects, data and so forth.

Let me give you an example of an evolving CxO role. Around 2012, Peter Hancock, CEO of AIG, hired a chief science officer to help make sense of all the data collected from 88 million customers in 90 countries. Hancock said that AIG had to manage down the cost of risk by heavily investing in IT and people, to really understand the data so AIG could predict with more accuracy.

The CIO role is becoming more strategic and CIOs are spending much of their time working with the top management team on information strategies, with the CTO and COO taking on the IT operational

About Phil Weinzimer

Phil Weinzimer, president of Strategere Consulting, works with clients to develop business and IT strategies that focus on achieving business outcomes. He also coaches IS leaders through workshops on new organizational skills, knowledge and teamwork in IT Strategy, process redesign and organizational change.

He has held defense and manufacturing industry executive positions in the areas of vendor management, materials management, operations and finance. Phil also has industry experience in healthcare, pharmaceutical and financial services. His consulting experience includes building and leading consulting practices, and selling professional services.

Mr. Weinzimer was previously the managing principal of professional services for IT business management at BMC Software. He also held managing principal positions in professional services at ITM Software, Computer Aid Incorporated, Sapient and Unisys.

Mr. Weinzimer has written two books. The most recent, The Strategic CIO: Changing The Dynamics of the Business Enterprise (Taylor & Francis, 2014) focuses on how strategic CIOs leverage information and technology to achieve competitive advantage using a four-phase methodology. His first book, Getting It Right: Creating Customer Value of Market Leadership (John Wiley 1998) focuses on how companies transform their organizations to create sustainable customer value.

He writes an ongoing column for Computer Aid’s Accelerating IT Success focusing on the strategic CIO, and hosts an interview series, “The Strategic CIO: Managing in the 21st Century.” These interviews explore the challenges and opportunities of leveraging information and technology for competitive advantage. He also writes an ongoing column for CIO.com titled Transforming IT For Business Success, has written articles for CIO Magazine on the subject of strategic CIOs and co-authored a case study for Harvard Business School. Mr. Weinzimer speaks regularly on the subject of IT strategy and works as a strategic advisor to coach and mentor CIOs and IT organizations to transform into a strategic asset for their companies.

He holds a BBA from Adelphi University in Business Management, an MBA from Adelphi University in Finance, and pursued post-graduate studies at New York University in international finance and computer science.

1 Taylor, P. “Taming the digital dragon,” Financial Times, January 16, 2014, available at http://www.ft.com/intl/cms/s/0/c9778c5c-7e00-11e3-a2a7-00144febd00.html#axzz3Vr8x1lpK.
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responsibilities. At Verisk Analytics, CIO Peter Perry Rotella is also responsible for a business unit. To handle day-to-day IT tasks he promoted two people in IT to be the CTO and COO, which freed him to be a strategic CIO.

IT roles are evolving because companies recognize that information and technology can provide competitive advantage. Companies also recognize they are in a technology-centric customer era and want to extend the reach of their IT to individual customers.

**MM:** Is the CIO focused equally on maintaining cost control for top management and on enabling the business with technology?

**PW:** It depends on the company’s strategy and the business acumen of the CIO. If a company is a cost competitor rather than an innovator, the CIO focuses on optimizing IT costs. Companies in industries with lots of competitors—like agricultural, paper products, office supplies—compete on cost. I’ve talked with CIOs from these types of companies during the research for my book, as well as working with them in my career. Their mission is clear: it’s all about optimizing costs.

However, innovator companies like Apple, Facebook or Uber have an aggressive marketing strategy and have to constantly develop new products and services. They have to extend their reach to the customer and they leverage IT to do that. These aggressive marketing companies absolutely need a CIO who understands how the business operates—all the business processes—and how IT can enable those processes so they can improve the services that support the business and its customers. Market disruptor companies not only have to align IT strategy to the business strategy, but the CIO must also take a very proactive role in developing business strategy.

Some companies sit in the middle. They do some innovation but they are also a follower. Their CIOs wear two hats: a primary focus on optimizing cost and some focus on enabling innovation.

**MM:** Functional managers are more aware of what technology can do for them than ever before. How is functional manager awareness affecting the CIO’s strategy role?

**PW:** Functional managers know more about technology than they did ten years ago, but a little knowledge can be very dangerous. Today, functional managers won’t think twice about contracting with a third-party IT service provider. Suddenly, you find the service they acquired conflicts with and doesn’t integrate well with in-house applications. I remember one CIO who recognized he hadn’t been involved in collaborating with the business as well as he should have been. He told me that one of the business managers acquired a software-as-a-service (SaaS) solution to support marketing efforts. This solution didn’t integrate with the ERP system and all hell broke loose. The CIO belatedly realized he needed to be involved in IT service provider decisions.

There are two reasons why functional managers think IT is simple and that they can just do whatever they want. First, there may not be a policy in place to prevent them from securing a third-party service before collaborating with IT. That’s a company obstacle that has to be overcome. Second, when managers go home and use their personal technology everything is “Apple simple.” The “millennials” (late teens to early 30s) are incredibly technology savvy on smart phones, tablets, different devices, and at work they can’t understand why business applications aren’t as simple. The role of the CIO is to help functional managers understand the complexity of corporate IT. It is not as simple as plugging in an Apple device and having it

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integrate seamlessly. Business technology infrastructure is very complex, and organizations with multiple technologies supporting the business need to ensure that they all integrate well. The more that the CIO helps functional managers understand the complexity of corporate IT the easier it will be to collaborate to achieve business outcomes.

The conclusion is that the CIO and IT department need to develop a collaborative dialogue with functional managers. Business departments need to understand what their business processes are and the applications that support those processes, while the CIO and the IT department need to help functional managers understand the complexities of IT. Today, CIOs and functional managers must collaborate because it isn't just the IT department performing the technology magic as in the past. One of the major roles of today's CIO is to inform and educate functional managers on how the enterprise's technology operates, how the role of technology is changing and how they need to work with the IT organization on new solutions and products.

IT is part of, or an extension of, other business functions such as manufacturing, distribution and marketing. One of the interesting changes I'm seeing is the evolution of the name for IT departments. A great example is Filippo Passerini, President of Global Business Services and CIO at Procter & Gamble. When he accepted the role of Global Business Services, he incorporated his role as CIO to change the culture of the organization and to recognize that IT is not a separate business unit. It was really there to help managers make well-informed business decisions. To change the culture he changed the name of the IT organization from Information Technology to Information Decision Solutions. He wanted to integrate IT into the business—and you're going to see more and more of that in the future.

**MM:** With multiple C-level positions in IT and more technology-aware functional managers, how are CIOs developing a shared leadership position for leveraging IT?

**PW:** My take is that CIOs recognize IT is a core strategy for every company and must be part of many business discussions. That said, the CIO needs to work with his or her top management colleagues and business unit managers on strategic and tactical ways to leverage information and technology. Working together, IT has got to be a core competency in the enterprise and culture. Realistically, though, the CIO can't be in all places at one time, so he or she is no longer the only person in the IT organization who works and interacts with business unit personnel. As I mentioned earlier, IT departments have CSOs, COOs, CTOs and even directors and business analysts who work with the business on leveraging and developing information-based strategies. The responsibility of the CIO is to develop a cadre of C-level executives in the IT department who understand the business, have business acumen, collaborate with the CIO and work with the business on developing information-based strategies. There's a well-known expression: "The best leader is the one who has the sense to surround himself with outstanding people."

**MM:** In publicly held companies, which top management executives partner the quickest with the CIO to recognize the potential of IT for addressing a business problem?

**PW:** Every business unit needs to develop an information-based strategy that aligns with the corporate strategy. As a result, the strategic CIO is spending much of his or her time collaborating with all the major business unit managers and the presidents of the different businesses, including the CFO—who has the purse strings—the CMO (or vice president of marketing), the VP of logistics, the VP of distribution, and so on.
Randy Spratt, CIO and CTO of McKesson, is an example of a collaborator. He spends a lot of his time with the heads of all the business units. He develops strategic partnerships with them on how to leverage information and technology to achieve McKesson's business objectives. Because of the time he spends with the business units, he has to have competent C-level executives in the IT department that handle the day-to-day technology operations.

**MM:** In light of the demand for technology in modern businesses, have the competencies of the IT department changed and if so how would you describe the competencies needed in today's business environment?

**PW:** For an IT organization to become strategic, IT personnel need to have a particular set of skills. As part of my latest research, I interviewed 156 CIOs, IT executives and business executives. From these discussions I developed a strategic IT organization competencies and skills framework (depicted in Figure 1). This framework comprises four competencies and the set of skills needed for each competency.

**Business Knowledge Competency.** The skills to support this competency start with understanding the business strategy and knowing what all of the business processes are in the value chain. The third skill is understanding what the value inputs or the business opportunities across the value chain are for the customer.

**Market Knowledge Competency.** The skills needed for the market knowledge competency are possessing product knowledge, having industry insights, and understanding the company's competitive landscape.

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**Figure 1: Strategic Competencies and Supporting Skills**

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<thead>
<tr>
<th>Competency 1: Business Knowledge</th>
<th>Competency 2: Market Knowledge</th>
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<tr>
<td>Competency skills:</td>
<td>Competency skills:</td>
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<tr>
<td>• Understanding the business</td>
<td>• Possessing product knowledge</td>
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<tr>
<td>strategy</td>
<td>• Having industry insights</td>
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<tr>
<td>• Knowing the company processes</td>
<td>• Understanding the company’s</td>
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<tr>
<td>• Understanding the business</td>
<td>competitive landscape</td>
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<td>opportunities across the</td>
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<td>value chain</td>
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<tr>
<th>Competency 3: Technology Prowess</th>
<th>Competency 4: Cross-dimensional Vision</th>
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<tr>
<td>Competency skills:</td>
<td>Competency skills:</td>
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<tr>
<td>• Designing an adaptable technology strategy</td>
<td>• Providing strategic IT leadership</td>
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<tr>
<td>• Possessing organizational agility</td>
<td>• Communicating strategy effectively</td>
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<tr>
<td>• Improving strategic project capability</td>
<td>within the IT department</td>
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<td></td>
<td>• Developing an IT department culture of</td>
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<td>strategic alignment</td>
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5 You can score your organization on a set of industry best practices for each of the competencies and their skills by downloading the “Competency and Skill Assessment” from www.strategere.com/downloads.html.

6 The organization’s value chain is the activities (inputs) that a business conducts to deliver value in products or services to their customers that is greater than the cost of creating the value. For more information on value chains see Porter’s Value Chain, available at http://www.ifm.eng.cam.ac.uk/research/dstools/value-chain-/.
landscape. This means you need to understand what the product and services are that your company offers, and you need to understand who your competitors are and your competitive environment.

**Technology Prowess Competency.** This competency requires industry knowledge so you can share insights about current industry trends. It’s not to do with tactical technology; it’s about how you leverage technology strategically to improve the efficiency of IT. There are three skills for this competency. The first is designing an adaptable technology strategy. With rapidly changing technology and new technologies emerging, companies need to have a technology strategy that allows for future technologies. For instance, having a flexible architecture design that integrates easily as opposed to rebuilding and redefining each time an infrastructure change is needed. A poorly designed technical architecture can really inhibit the efficiency of IT.

The second skill is possessing organizational agility. Businesses recognize the need to leverage information and technology more than ever before and they are requesting an increasing number of projects based on technology enhancements and new solutions from the IT department. The IT organization needs to figure out a way to address all these requests through teams. Often what happens is the IT department has only one person who understands, say, mobility, and that person has several big projects on the go. Then a business department comes along with another mobility project, which has to wait until the expert’s time frees up. Time is your enemy, and CIOs need to develop people who have a range of skills so the IT organization can form teams to rapidly address new business needs.

The third skill needed for the technology prowess competency is improving strategic project capability. This skill is the ability to improve the throughput of projects by reducing risk from project scope creep, change notices and quality issues, all of which impact the timeline and cost of projects.

**Cross-dimensional Vision Competency.** CIOs with this competency understand the enterprise vision and can create an IT vision that aligns with it. The skills needed for this competency are: (1) providing strategy focused leadership within the IT department; (2) effectively communicating within the IT department so that everybody’s on board; and (3) developing a culture in the IT department that aligns with the business and enables information and technology to be leveraged achieve significant business outcomes.

**MM:** Contracting for IT services, predominately as a result of cloud computing, is more common and easier for functional managers. How are CIOs leading the partnering effort to achieve competitiveness and to stay in front of business managers?

**PW:** Business units are bypassing the IT department and contracting directly with third-party providers—and that’s dangerous. There is opportunity for CIOs to collaborate with business unit managers and explain the complexity of IT. Then CIOs can help managers understand how cloud computing can be leveraged as part of the information-centric strategy, which is part of the larger corporate strategy.

Here are two examples. First, CIOs are outsourcing commodity services, including email support, telephony services and storage, to third-party providers. This frees up personnel from worrying about tactical IT tasks so they can work on strategic IT tasks.

Second, organizations are developing strategic alliances with third-party providers. One organization in the consumer goods industry has recognized the complexity of business today and the demands for IT. It has “enabling IT response speed” as one of its competencies and “developing requirements for IT...
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resources” as another. This company uses the typical third-party IT provider model. However, it is now looking for a new type of provider. It is identifying a set of third-party suppliers for consulting services such as IT design, development and programming, and is building strategic relationships with them. It assigns a strategic vendor to a specific business unit. For example, the merchandising department has a lot of requirements for IT services, which stretches the IT department’s resources to keep up. To address this issue, the IT department selected a strategic IT partner with merchandising know-how to work with the merchandizing department. The merchandising department managers learned how the partnership is intended to work, what provider competencies to expect, the skills the provider has and the industry insights it is proficient in. By enabling the relationship between the merchandising department and the provider, the CIO has prevented the department from going out and securing third-party services on its own.

The benefit of this approach is that the business recognizes the IT function is being led by a proactive strategic CIO who wants to develop strategic relationships with vendors that can provide a variety of IT services for addressing the complexities of the business. For this approach to work, CIOs need to be part of every activity that involves third-party providers. The way CIOs get involved is to work with each business unit manager on requirements and then form strategic partnerships with a set of providers.

**MM:** Global business, new regulation, anytime-anywhere computing, cloud computing and a dynamic workforce are changing the CIO’s view of the business landscape. What is becoming obsolete in a CIO’s portfolio of responsibilities, and what is being added?

**PW:** A lot of CIOs are outsourcing their tactical tasks to third-party providers and this achieves two objectives. First, it enables the IT department to focus on strategic solutions and work with the business to develop new products and services. Second, it optimizes costs because outsourcing to third-party providers reduces infrastructure costs. As a consequence, CIOs’ responsibilities for day-to-day management of tactical tasks are diminishing. What is being added are more responsibilities for cloud computing, mobile computing, social media and information management. The objectives here include: managing the cloud, addressing ongoing business changes with mobility solutions, learning how to use social media for business purposes and understanding how data and business analytics will work.

Certainly understanding the uses for data is a new responsibility. One IT role that has evolved over the past couple of years is that of data analyst or data scientist. Data analytics is now at the forefront of how companies leverage information and technology—i.e., using analytics to understand and predict consumer behavior. A simple personal experience illustrates the point. I was looking up available movies to rent from Redbox when I was interrupted by a phone call. When I went back to the computer I had an email from Redbox reminding me that I viewed some movie trailers and providing suggestions for a couple more. Redbox knew that I had not made a quick selection and sent me an email to help move the process along.

This is a simple example of how new technologies and solutions are extending businesses’ reach to the customer. Data analytics is a big trend and of course, raises another big issue—security. Exploiting new technologies for business advantage requires a lot of investment and IT personnel with relevant expertise. Technology is changing at a tremendous
rate and CIOs need to have personnel focused on these new areas.

**MM:** In closing, we have heard that technology is disruptive, that technology change is exponential and that a career as a technology leader comes with few plateaus. Is it fair to say that a CIO needs to grow his or her career or risk becoming part of someone else’s career growth?

**PW:** There are three types of CIOs (see Figure 2). First, there is the technical CIO who is very good at addressing IT service delivery issues. However, he or she may not have the business acumen to move up the strategy curve. These CIOs come into a “broken” IT department with poor service delivery. Turning this round is very complex and typically takes three to five years. After that time the technical CIO recognizes that he or she cannot move up the strategy curve and looks for another company that has an ineffective infrastructure with broken delivery services.

The second type is the transformational CIO who has business acumen and can transform the culture of the IT department. Transformational CIOs develop business skills in themselves and their staff while working with business unit managers to help them focus on initiatives that improve margins or reduce costs. The transformational CIO may be with a company for five to ten years before moving on to another company.

However, the transformational CIO is not yet like the third type—the strategic CIO. Examples include Filippo Passerini at Procter & Gamble, Rob Carter at FedEx, Randy Spratt at McKesson and Dave Finnegan at Build-A-Bear Workshop. These CIOs change the business model of a company and become long-term executives with the company. For example, Filippo Passerini, Rob Carter and Randy Spratt have been with their respective companies for dozens of years.

Certainly, CIOs who don’t grow their careers risk becoming part of someone else’s career growth and risk having to look for another opportunity. IT is a business disruptor and enables companies to develop new products and services. This means that a career in technology has a few plateaus. If the CIO has good business skills he or she can move up the business strategy curve. For example, Kevin Horner was CIO at Alcoa for three years. In his 11 years before becoming CIO he led the company to numerous

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**Figure 2: Three Types of CIO**

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<thead>
<tr>
<th>CIO Type</th>
<th>Duration</th>
<th>Description</th>
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<tr>
<td><strong>Strategic CIO</strong></td>
<td>10-plus year</td>
<td>Changes the business model</td>
</tr>
<tr>
<td><strong>Transformational CIO</strong></td>
<td>5-10 year</td>
<td>Develops business skills and drives business value</td>
</tr>
<tr>
<td><strong>Technical CIO</strong></td>
<td>3-5 year</td>
<td>Addresses IT service delivery issues</td>
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awards; he ran IT like a business. In October last year he was offered and accepted the CEO position at the IT staffing company Mastech. In July last year, the former Burger King CIO, Ras Rowell became the CEO of Fresh Diet, a small meal delivery service. Also around that time, the CIO of JP Morgan, Guy Chiarello, left to become president of First Data. And Rebecca Jacoby, the CIO of Cisco, is rumored to be one of five executives in line for the CEO position. So the answer to your question is that CIOs who become business people first and technology people second, have greater opportunities in their career paths.

Regardless of the type of CIO, every IT organization needs to transform into a strategic asset for his or her company. To do so requires discipline, insight, and a team of IT personnel that encompass the strategic IT competencies and skills discussed earlier. Thereafter, the key to success is following a common strategic IT transformation process, which is one of the key themes of my latest book.

Implications for IS Leadership

The interview with Phil Weinzimer uncovered the actions needed by CIOs to operate strategically. He described the four strategic competencies and their supporting skills. He also identified the three types of CIO who perform the actions of enabling business, leveraging IT, developing competencies and partnering for competitiveness. However, the interview did not shed any light on where a CIO's strategic knowledge comes from. Knowing what actions are necessary to become a strategic CIO is only the starting point. CIOs also need to acquire the knowledge that will enable them to operationalize those actions. From my interview with Phil Weinzimer's, I have identified three areas in which IS leaders who aspire to become strategic CIOs can acquire the required strategic knowledge.

1. Acquiring Strategic Knowledge from Knowledge Spillovers

With a team of knowledgeable and well-trained IT staff, the CIO can lead the effort to develop the IT strategy from within the organization. However, combining the CIO's knowledge with corresponding knowledge from outside resources enhances the ability to create a strategy for the innovative use of IT. Such additional learning may come from knowledge spillovers.

Knowledge spillovers are the inadvertent exchange of information from an initiator to a recipient without a financial exchange, with the information then being used to develop strategy. Both the initiator and recipient benefit from knowledge spillovers. Systematic knowledge development comes through public access to practitioner articles, technical publications, conferences, social networks and vendor sales materials available to all organizations out to gain spillover knowledge for use in strategy development. This form of knowledge gathering works in cooperative exchanges of knowledge, rather than contractual exchanges. Additionally, a knowledge spillover could develop into an alliance between recipient and initiator. Although knowledge spillovers may seem cost free, there is the cost of staff accessing public material to look for knowledge applicable to a strategy that creates competitive advantage.

2. Acquiring Strategic Knowledge from Alliances

A knowledge spillover recipient may create a contractual agreement with an initiator where the exchange is an agreed distribution of value (e.g., sharing, exchanging, co-developing). In the context of this discussion, an alliance is the provision of an agreed service in exchange for an agreed price. Agreements for providing services or products from third parties are common when operational value propositions and strategic innovations are needed. Third-party companies often spill systematic (codified) knowledge in an attempt to secure know-how (tactical) knowledge engagements. Weinzimer provided an example in his interview, citing a consulting firm with know-how knowledge of IT and merchandizing that was selected as a strategic IT partner.

9 ibid, which describes the types of ties, such as firm focus, geographic distance and technology influence of knowledge spillovers, that lead to alliances.
10 ibid.
Using third-party providers is appropriate when:
1. Contracting policies and procedures are in place
2. Staffing shortages can be supplemented or freed for strategic tasks
3. Budgeting for costs becomes more elastic
4. Integrating system processes and data
5. The technology know-how for a solution is lacking.

Even when the need for third-party support is driven by the lack of IT resources, the CIO can leverage third-party know-how knowledge opportunities in the future development of the IT strategy. Learning acquired in this way may be applicable to future work or complementary to other areas of the business. However, a fundamental requirement of outsourcing arrangements is to ensure the security of the business’s core knowledge that creates a competitive advantage (i.e., trade secrets, patents, etc.).

The comments from Weinzimer’s CIO interviewees made it clear that technology-aware functional managers are hiring third-party companies. The primary reason for this appears to be pent-up demand for IT resources, driven by rapid business and technology changes. Moreover, although technology-aware functional managers feel they are competent to contract with third-party IT providers, they do not understand the complexities of corporate systems. As a consequence, the know-how knowledge of third parties is not managed for the greater good of the organization, thus stifling this potential source of strategic knowledge.

3. Acquiring Strategic Knowledge from Cross-boundary Knowledge

According to academic literature, gaining knowledge by boundary spanning involves crossing many types of internal boundaries (e.g., business units, teams, individuals). Specifically, cross-boundary knowledge has been shown to be an important factor in the integration of business and IT strategies. Even so, cross-boundary knowledge, like other types of knowledge, has to be accessed, adapted and used for an intended effect to provide value. Generating a common new idea does not mean it can be implemented. Issues with boundary spanning to access diverse knowledge include semantic confusions, shared meaning problems and synchronization difficulties. These issues may originate from individuals not being located together, from shared knowledge being thought of as benefiting one unit at the expense of another, and a lack of trust, to name a few. Nevertheless, successful knowledge sharing is essential for stimulating strategy development.¹¹

Phil Weinzimer was clear about the need for CIOs to work with functional managers on new solutions and products. Specifically, he noted that working with functional managers was “one of the major roles of the CIO today ... [because] IT is part of, or an extension of, manufacturing, distribution and marketing.” He gave a specific example of where the organizational culture was changed by integrating back office business units with the IT department. However, changing the culture by combining departments is not always a viable option. As an alternative, strategic CIOs can acquire cross-boundary knowledge through a deliberate plan for creating ties with other business units. As with knowledge spillovers, time and effort of IT staff is needed. For example, the CIO may assign an IT business analyst as an ambassador to a business unit, perhaps even locating the analyst within the business unit. This arrangement will deliver the full benefits of an IT and business unit alliance and provide the opportunity to develop a common language, shared meaning and synchronized activities, all of which are necessary for strategy development.

In Conclusion

IS leadership action is needed to drive business strategy because spending alone on IT does not create a competitive advantage. IS leaders that combine technology knowledge and business knowledge have the fundamental

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¹¹ For more on cross-boundary knowledge and specifically Simmelian ties (the benefits of moving from a group of two when developing cross-boundary knowledge to a clique), see Tortoriello, M. and Krackhardt, D. “Activating cross-boundary knowledge: The role of Simmelian ties in the generation of innovations,” Academy of Management Journal (53:1), 2010, pp. 167-181.
competencies needed to create value from IT investments. The interview with Phil Weinzimer reinforced this perspective and described the actions needed to become a strategic CIO. His years of experience and continuing interaction with former and existing CIOs have provided insights into the actions of three types of CIOs: the technical CIO, the transformational CIO and the strategic CIO. He emphasized the need for aspiring strategic CIOs to acquire the skills that support the strategy competencies. He also highlighted the four key actions needed for IS strategy leadership, as listed at the start of this article.

The strategic CIO starts by meeting with business executives to understand the organization’s critical success factors. Next, the CIO works to determine how IT is going to enable value. He or she then acquires strategy knowledge through knowledge spillovers, alliances and cross-boundary knowledge.

When acquiring strategy knowledge, the CIO needs to ask:

- Are we assigning IT staff members to systematic knowledge spillovers based on the critical success factors of the organization?
- Are we contracting with the right third parties to address the day-to-day needs and to build know-how knowledge for strategies from our alliances?
- Are we spanning the business units to build cross-boundary knowledge through a deliberate plan for creating ties and strategies?

Put simply, the strategic CIO acquires strategy knowledge and acts on strategy competency.

The implications for IS leadership set out in this article may provide researchers with ideas for adding to a framework for how CIOs acquire strategy knowledge. For practitioners and researchers alike, new investigations into the continuing change in roles, responsibilities and actions of IS leadership may provide further insights into the changing role of CIOs.  

About the Author

Michael Milovich Jr. (Michael_Milovich@baylor.edu) is a doctoral candidate in information systems at Baylor University. He has over 30 years of technology experience in both small and large companies. His work has been performance focused in the areas of IT vision, convergent strategy and tactical foresight as a business champion. He has leadership expertise in cost controls, developing and managing teams, recruiting and retaining

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