



Change and Innovation; and the role of today's CIO

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Agenda

- Leading & managing change, the formula for success
- Tomorrow's agents of change
- Innovation through collaboration
- Questions

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Leading & managing change
Question?

**What's driving successful
transformation?**

Leading & managing change

Formula for success

- Less than 40% of transformations are successful
- 40% failed to meet their targets
- Success rates increase when leaders are focused on
 1. Raising employee expectations
 2. Actively changing behaviour
 3. Engaging individuals at all levels
- It's critical that leaders understand the key factors that deliver the right change

% of extremely / very successful transformations

(n=2,994)

Offensive;
•Improving on what you have
•Performance improvement

Defensive:
•Reducing costs
•Turning around a crisis situation



Reactive
•External shock (eg change in regulatory environment)
•Responses to market pressure or poor performance

Proactive
•Outcomes of annual strategic planning process
•Bottom Up realisation that benefits can be achieved

(*) McKinsey & Company Survey 2008.

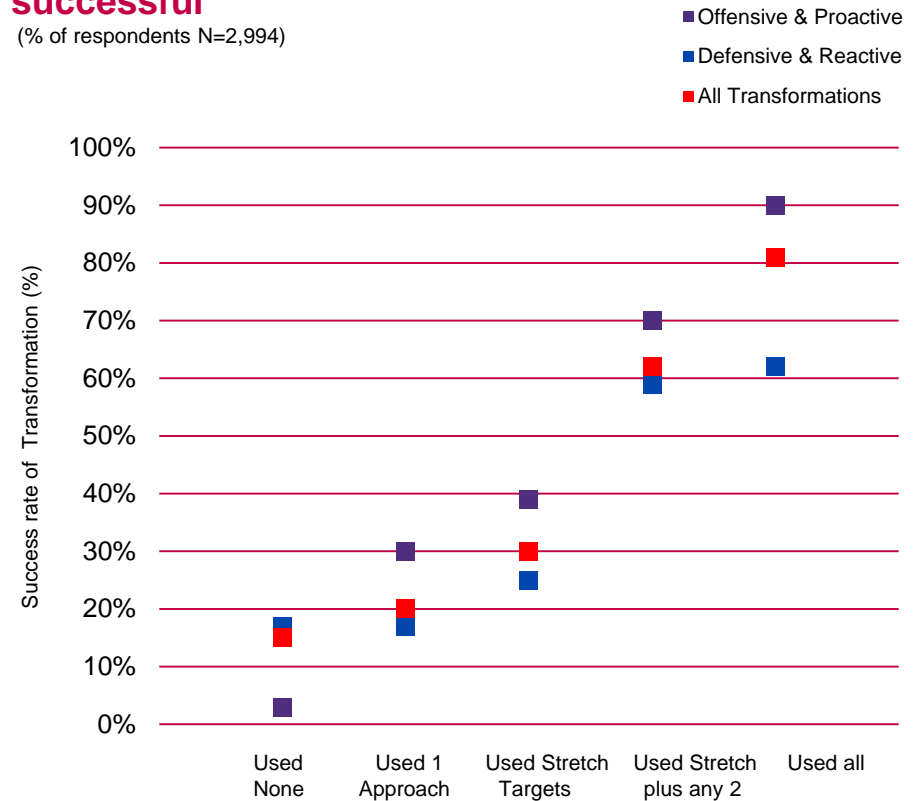
Leading & managing change

Success factors

- Key successful factors:
 - Clear structure, targets & milestones
 - Clear roles and responsibilities & accountabilities
 - Frontline ownership for the change
 - Energised through communication and involvement
 - The right information at the right time
- 90 % of transformations lack targets fail

Transformations described as extremely successful

(% of respondents N=2,994)



Tomorrow's agents of change

Question?

**What defines a successful
agent of change?**

Tomorrow's agents of change

How do we rate?

Business Strategist

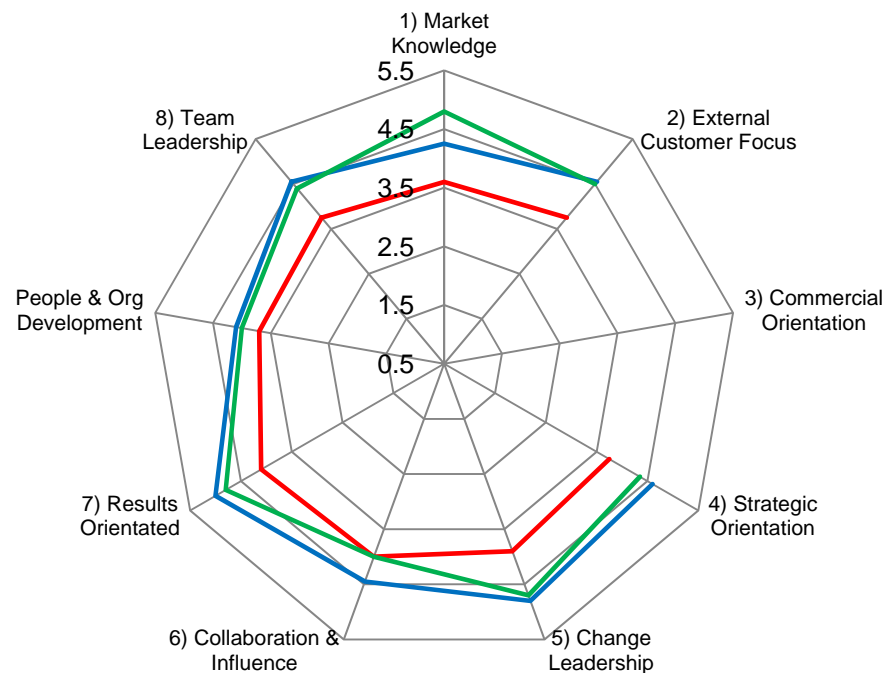
1. Market knowledge
2. External customer focus
3. Commercial orientation

Transformational Leader

4. Strategic orientation
5. Change leadership
6. Collaboration & Influence
7. Results orientated

Functional Head

8. People & org development
9. Team leadership

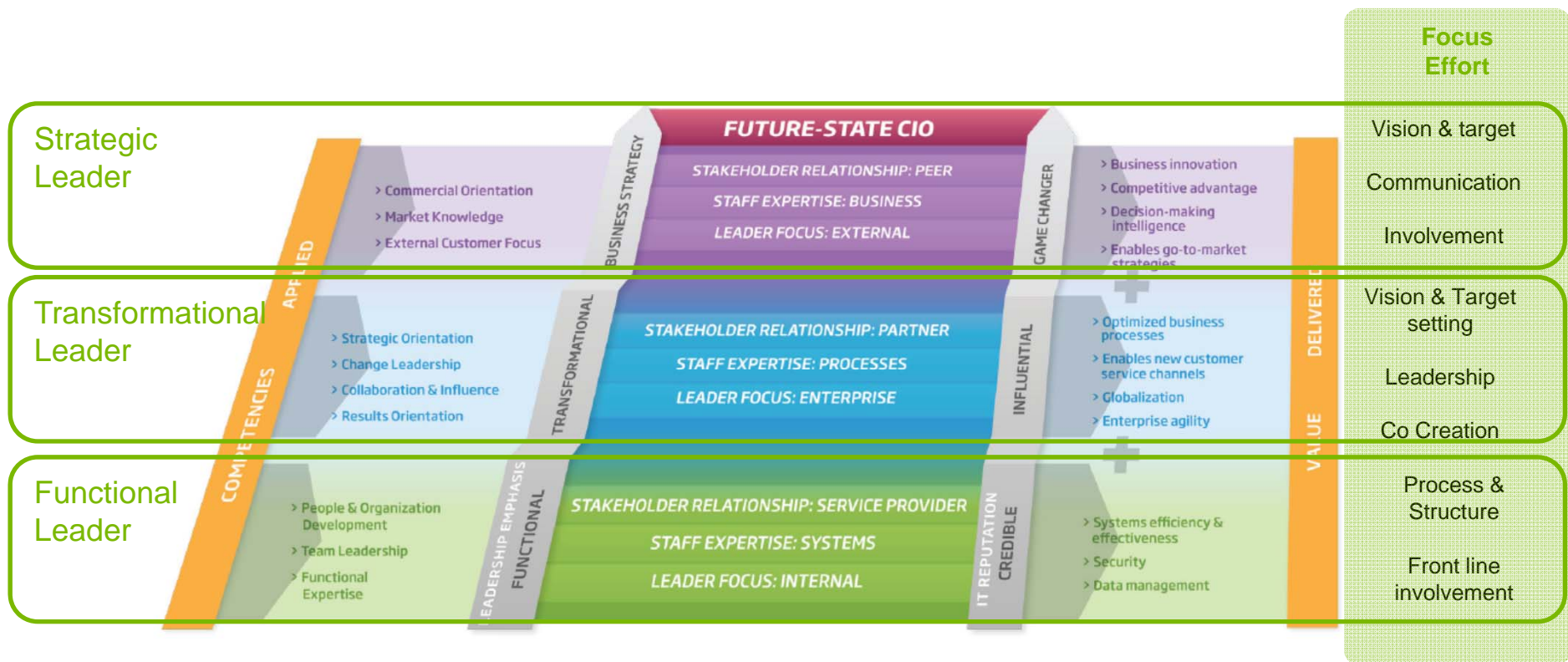


— Outstanding CIOs (Top 15 percentile)
— Average CIOs (Top 50th percentile)
— Good CEOs (50th-85th percentile)

*Note: Per Egon Zehnder, there are not yet enough evaluations of the Commercial Orientation competency to plot its scores on this graph (N= 25,000)

Tomorrow's agents of change

Building tomorrow's leaders – focus on what matters



Tomorrow's agents of change

CIO Priorities

Change agent priorities

Align the strategy, vision and goals by creating a shared vision for the future

Focus on what needs to change and visualize the "journey" ahead

Create a coalition of the willing & a sense of urgency

Communicate the goals / targets regularly broadly and simply

Establish two way dialog by involving the whole organisation.

Align performance management processes to desired outcomes and behaviours

Identify & measure successes early and often

Deal proactively with resistance

CIO opportunities

Know how you and your team can support the alignment of organisational strategy, goals and vision

Be clear knowing what needs to change and how you and your people can do to support the change

Make sure you're on the "right team" and help create that sense of urgency

Support the change efforts by identifying quick and effective ways of "connecting the dots"

Identify ways to facilitate cross collaboration & communication "top to bottom" & "side to side"

Look for way to close the gap between the ways the organisation manages performance and the impact these process have on behaviour.

Identify ways to support the organisation share success stories and quick wins easily and often using technology.

Identify and eliminate technological or process barriers to changes.

Tomorrow's agents of change

Moving beyond asset management

- Ensuring the "IT house is in order"
- Acknowledging behavioural transformation is difficult
- Ensure success factors are entrenched in the organisation before spearheading change initiatives
- Leverage your unique position and understanding to create business insight & opportunities
- Becoming an expert on your industry's value chain and competitive dynamics
- Support the CEO and executive create a climate of change
- Mandate - take on a business-centric transformational roles

Innovation through collaboration

Question?

Innovation v Productivity

What's the trade-off?

Innovation through collaboration

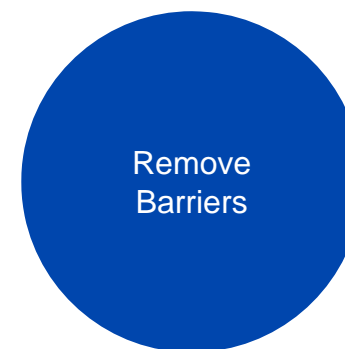
Telling it as it is?

- Successful organisations need to shift their priorities from being highly efficient to becoming highly innovative - through their people
- Abandon “industrial-age” obsession with processes and move towards “augmenting human interaction”
- Develop virtualised environments where people interact effortlessly through seamless communication mediums and social collaboration.
- Support employees and customers by becoming “educators of new and virtual ways of working” – role model the change you want to see
- CIO’s have the skills and expertise to make it happen

Innovation through collaboration

Focus on what matters

- Innovation & collaboration are significant barriers to effective change
- CIO's are uniquely positioned to help overcome these barriers by:
 - Breaking down the technological and behavioural barriers that prevent groups collaborating (virtual teams & social networking)
 - Creating open and transparent knowledge sharing solutions
 - Give people "permission" to collaborate and co-design solutions (tone from the top)
 - Building a culture of innovation by adopting alternative approaches to problem solving (eg open source)



Acknowledgements

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