

Dancing or digging – should you be strategic or operational?

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Many CIOs – indeed, many executives with functional responsibility at all – face a dilemma in their jobs: Are they primarily managers of a function, with responsibility for running it as efficiently as possible, or members of a management team, with responsibility to contribute to the overall success of the team and the corporation?

Gresham's law states that daily routine drives out planning – that the operational gradually drives out the strategic. Many CIOs would like to get rid of the operational responsibility for the IS department or the IS service. Running IS is time-consuming, difficult, and a thankless task in the sense that you are only noticed when things break down. With e-business, globalization, and the re-emergence of business processes re-engineering, many CIOs would be only too glad if making sure the infrastructure was up to snuff was someone else's responsibility.

I don't think that is a good idea. In most organizations – no matter how flat and virtual they may be – managing a large budget is a prerequisite for a seat at the top management table – it gives access. Managing that budget well – often less a case of monitoring and delivering than unobtrusively fixing problems 10 minutes ahead of time – gives legitimacy. Only with access and legitimacy can you be strategic.

Secondly, having responsibility for a large budget provides flexibility. New ideas can be tested in a small scale, hidden away as a small percentage of a large sum. Secondly, but architecting technology and offering it within one organization, it is easier to manage the infrastructure evolution. One can phase out old technology when it is technically smart to do so, rather than when the internal customers finally get tired of it.

So how to avoid getting swamped with day-to-day crisis management. Establish the IS organization very much like a regular company – have someone responsible for operations, someone responsible for marketing and customer interaction, and someone in new product development. And get real managers for this position – the old word that "first-rate managers hire first-rate people, second-rate managers hire third-rate people" still holds true. That way, the CIO can be top management's representative into the IT organization rather than the IT organizations' representative in the executive suite.

Temptations to go strategic should be resisted, at least for long. As one IS executive put it: "If you just have your insight and your visions, you are flapping in the wind." You can flap for a few years. Then you need a large budget to build legitimacy again.