

# The CIO Director

## A Board's Insurance Policy for Global Transformation Initiatives

AS PART OF CELERA PARTNERS' EXECUTIVE SEARCH activities, we learn a lot about best practices. We perform on-going research into the Office of the CIO and the implications of IT strategy on corporate governance in a globalizing world. During the past twelve months we asked every Global 2000 CIO in our network the following question:

"Are the directors on your board sufficiently knowledgeable about technology to understand the long-term consequences of their strategic decisions or do they rely on you to provide that kind of insight?"

The answers surprised us. There is an alarmingly large deficit of boards with sufficient knowledge of IT best practices to ensure their companies' future viability. This IT knowledge-gap represents a fundamental misalignment of skill sets between the board and operating levels. We know—from hundreds of in-depth conversations with industry leaders, insiders and influencers—that the best boards frequently engage in IT strategy discussions.

We also found that CIOs are surprisingly underrepresented as directors on boards of Global 2000

companies. Worse, most CIOs get few occasions to interact with their board; their input is often confined to the Audit Committee, not the full board. Now that IT touches every aspect of a business, the best boards recognize that CIOs are indispensable advisors for exploiting global sourcing, manufacturing, distribution, and sales opportunities. ►



### Profile: #1

#### CIO of a Global Manufacturing Leader

**Title:** Group Vice President and Chief Information Officer

**Current Company:** One of the world's largest vehicle manufacturers; employs 250,000, distributes ~ 9 million vehicles/year, purchases over \$100 billion in materials and delivers them in real time to plants and distribution facilities in over 140 countries.

**Notable Achievements:** During his career, at last count 21 Fortune 100 CIOs have worked for him. He is an authority on outsourcing: 90% of his company's IT function is outsourced via an IT ecosystem comprised of ~30,000 people. This CIO created IT organizational structures that have eliminated more than \$12 billion of cost during his current role. Many of his CIO best practices are being replicated at some of the best-run companies in the world. He is widely recognized by the IT industry as a business and IT leader and has been cited numerous times as one of the top CIOs by prestigious and authoritative publications.

**Compelling Observations:** We know this CIO very well. When it comes to building and leading one of the most complex IT environments in the world, this CIO tops the list. This CIO is the prototype of the CIO as Chief Insight Officer and an outstanding board candidate for companies with global operations undergoing important modernization initiatives. At 60 years of age, this CIO has the gravitas, leadership and skill set to go toe-to-toe with the most formidable board members on the planet.

## “Are the directors on your board sufficiently knowledgeable about technology to understand the long-term consequences of their strategic decisions or do they rely on you to provide that kind of insight?”

We are seeing the role of progressive CIOs in our network rapidly evolving into a Chief Insight Officer playing instrumental roles, helping their companies completely rethink business models, reconfigure value chains and reinvent business processes. These CIOs are less technical and more business savvy than traditional CIOs, and are seen by their C-suite peers as strategic contributors and business partners.

Celera can help you identify and recruit a Chief Insight Officer to serve on your board. It is no longer enough just to question your CIO at quarterly meetings—your board needs tested, strategic and impartial expertise. A CIO director is an insurance policy against risky global IT transformations, integrations, and investments. The right CIO director can help your board navigate corporate governance issues surrounding technology and determine “where the hockey puck will be” 5-10 years from now.

To learn more about current best governance practices, please contact Celera’s CIO Board Practice.

**PROFILES OF BOARD-READY CHIEF INSIGHT OFFICERS:** The summary profiles represent highly-successful CIOs in our network that are interested in serving as board members. All of these CIOs are Board-ready. They have an extraordinary combination of leadership, gravitas and IT domain expertise, developed from building and running some of the world’s most efficient and innovative IT organizations. They have successfully led large-scale global business transformation and change management initiatives. Their valuable insights can have a positive impact on your board across a wide range of corporate initiatives and challenges stemming from globalization, global integrations, evolving business models and meeting the needs of expanding customer expectations.

### Profile: #2

**CIO of a Global Manufacturing Leader**

**Title:** Vice President and Chief Information Officer

**Current Company:** One of the largest and most diversified suppliers of automotive parts. From over 140 locations, the company designs and manufactures mobile electronics and transportation systems for every automotive market in the world.

**Notable Achievements:** This CIO has presided over a massive global transformation initiative. When it comes to efficiency (doing more with less), she is best in class. The company’s IT spend is roughly 2x better than the next 6 largest competitors. This CIO has created innovative organizational structures capable of delivering results under the most challenging environments. This CIO reduced 162 vendors to 3 strategic partners capable of executing globally delivering the same service everywhere. All of these things were accomplished by having the Office of the CIO focus on higher value added activities such as strategy, architecture and sourcing and everything else outsourced. This CIO has been recognized by numerous publications as one of America’s top CIOs and 100 Leading Women in the North American Automotive Industry.

**Compelling Observations:** This CIO is approximately 60 years old and at the pinnacle of a very successful career. She has been around the block 100 times and has seen it all: M&A, divestitures, integrations, “Footprint in A Box” (moving to new locations around the globe), achieving efficiency, etc. This CIO has the temperament to be an excellent partner for board members struggling with today’s new IT-centric world.

## Profile: #3

### CIO of a Beverage and Bottling Leader

**Title:** Senior Vice President and Chief Information Officer

**Current Company:** Marketer, producer and distributor of an iconic global beverage brand.

**Notable Achievements:** This CIO is one of the most sophisticated CIOs in the world today. There are less than a dozen companies in the world that can say they operate all of their global operations from a single instance of SAP. During his 10-year tenure at his previous company, one of the best run companies in the SAP ecosystem anywhere in the world, he played a central role getting that company on a single instance of SAP. As the CIO of a major manufacturer, he was responsible for building a world class IT organization that helped drive revenue from \$8 billion to \$19 billion. In his current role, this CIO is helping the board and the executive leadership team articulate and develop an IT vision that aligns with the company's strategic growth objectives for this +\$20 billion business.

**Compelling Observations:** We know this CIO very well. At 45 years of age he is a superstar of his generation. He is brilliant, charismatic and enthusiastic. We characterize him as visionary and results-driven. When it comes to achieving efficiency (operational excellence) and innovation, this CIO ranks at the top of our list of CIOs in the USA. As a measure of IT efficiency, his company spends less than 60% of the Hackett average of ~\$7,000/employee. This CIO knows what it takes to build global capabilities to support sales, marketing, logistics, manufacturing, finance, and more at large scale and complexity in order to sustain business over the long term. He is interested in serving on the board of a forward thinking multinational company that sees IT as key enabler of the company's objectives. Industry segments that would perhaps most readily make sense are manufacturing, consumer goods and pharmaceuticals. While he is younger than the other CIOs, he is board ready and we believe has the potential to have excellent impact and interaction at the board level.

## Profile: #4

### CIO of a Telecommunications Equipment Leader

**Title:** Senior Vice President and Chief Information Officer

**Current Company:** One of the world's largest and most recognized brands in the telecommunications equipment sector. This company conducts business in over 150 countries.

**Notable Achievements:** This CIO is also one of the most sophisticated CIOs in the world today, having been a very successful CIO in previous multinationals. In his current role he is responsible for leading his company's IT Business Transformation initiatives. He is not only responsible for managing one of the largest enterprise networks in the world; he is also accountable for the business process solutions that are critical to the company's operations with an emphasis on business simplification. A common theme throughout his career is a great deal of integration and acquisition work (he has integrated more than 40 acquisitions) and large scale modernization programs that entail building end-to-end business processes and understanding how to achieve efficiency and drive out costs. As the CIO of a global transportation company, he had a \$1.5 billion budget with over 5,000 employees supporting 150,000 employees in over 250 countries. As CIO of a global technology company he had responsibility for driving out \$750 million of cost and integrating business processes and systems. Because the integration was critical to his company's success he reported to the board every month.

**Compelling Observations:** We know this CIO very well. At 48 years of age he is a superstar of his generation. This CIO is brilliant, visionary and a high-impact player. One of the most articulate communicators we know, this CIO exemplifies the CIO as business partner/strategist. This CIO not only actively participates in setting business strategy, but also contributes to the corporate vision. His IT organization is on the front lines of his company's overall transformation. He has the knowledge and business acumen to be an important voice at the executive table. This CIO has demonstrated mastery achieving efficiencies and reducing costs by leveraging common processes, tools and resources. This CIO has a rare combination of business savvy, analytical skills required to understand end-to-end business processes and excellent IT domain expertise. In short, he is a business leader and has a great deal to contribute at the board level.