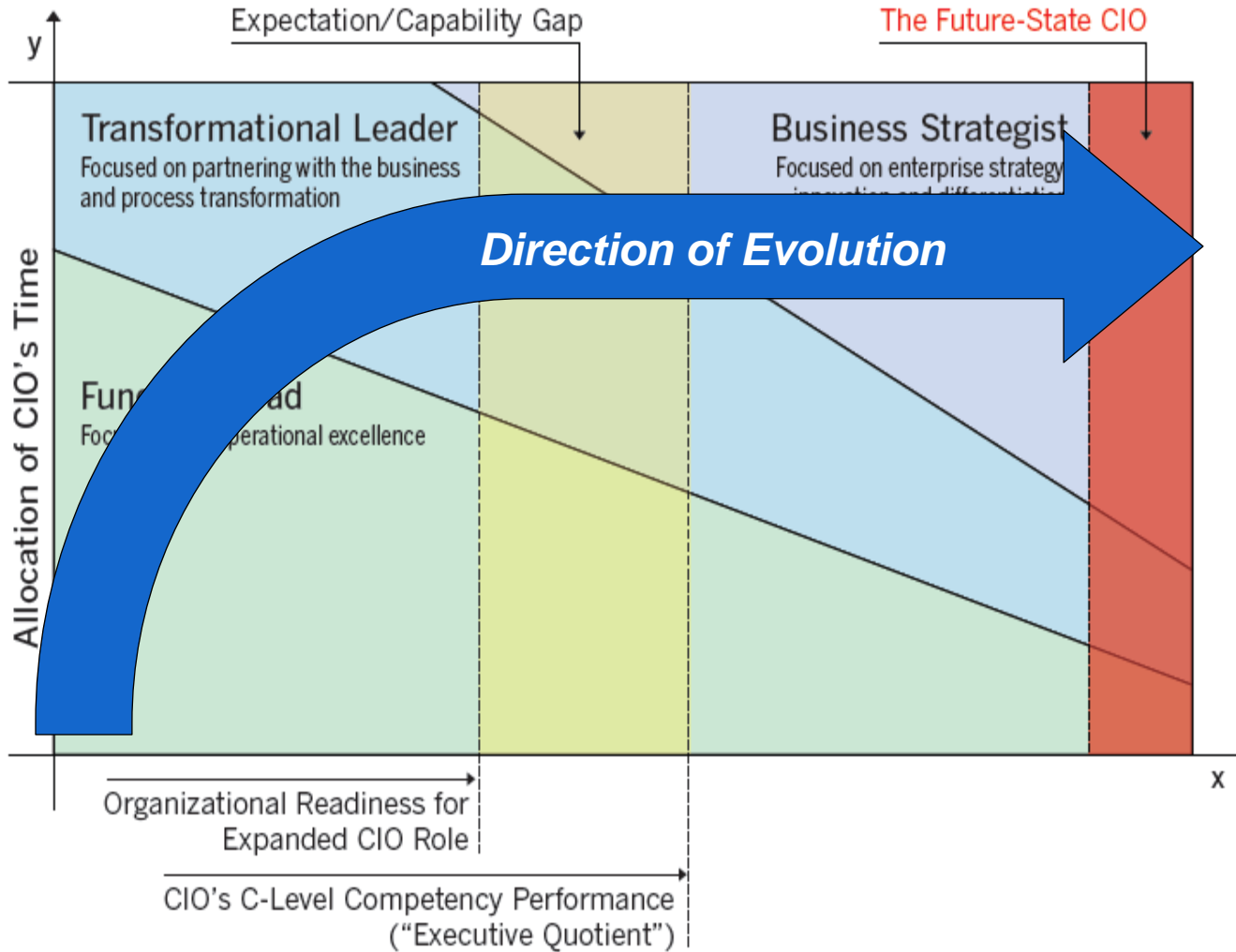


Rounding Out Your C-Level Skills Portfolio

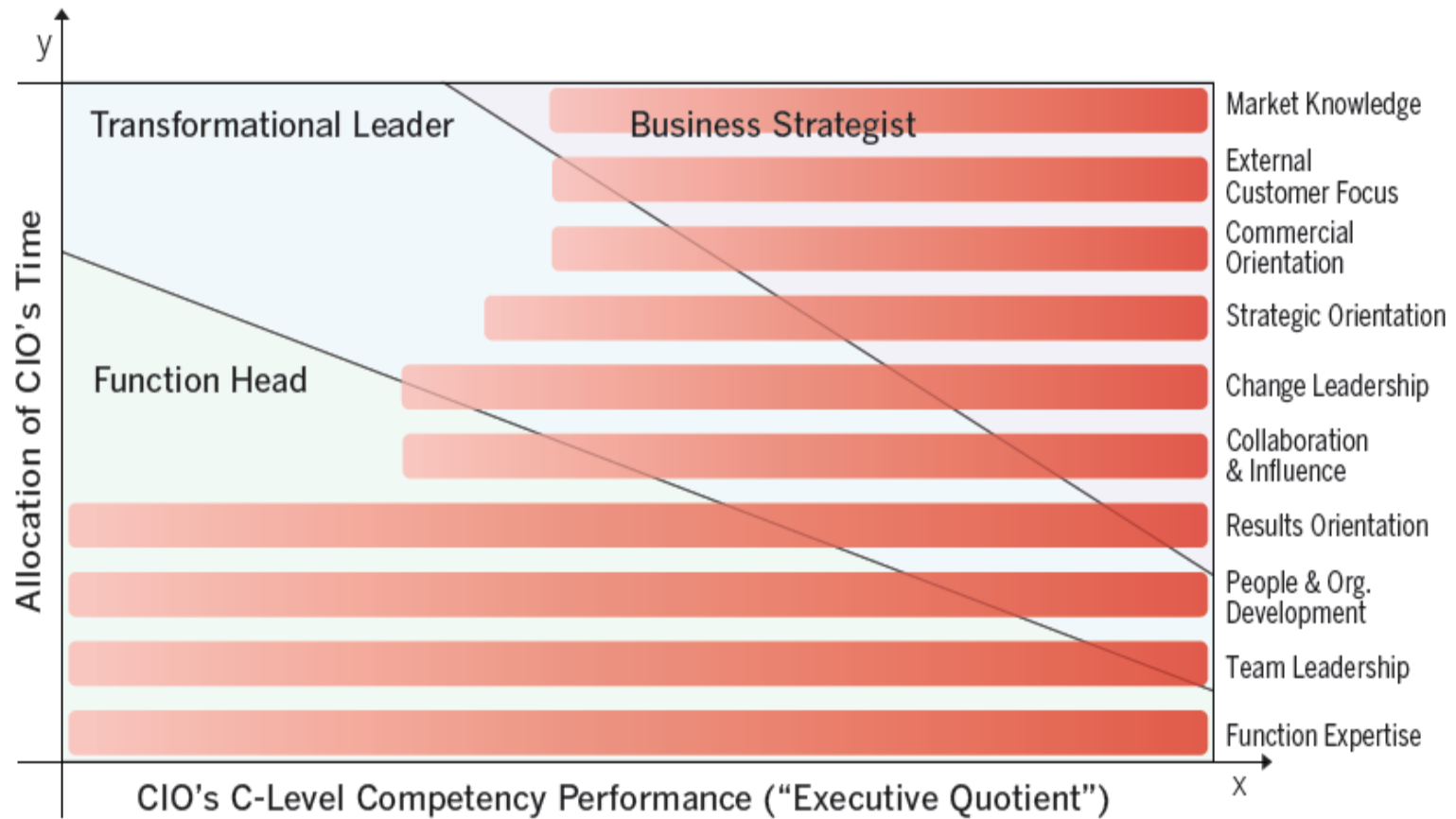
Steve Kelner & Chris Patrick
Partners

Egon Zehnder International

Context: The Evolving CIO and the Future-State CIO

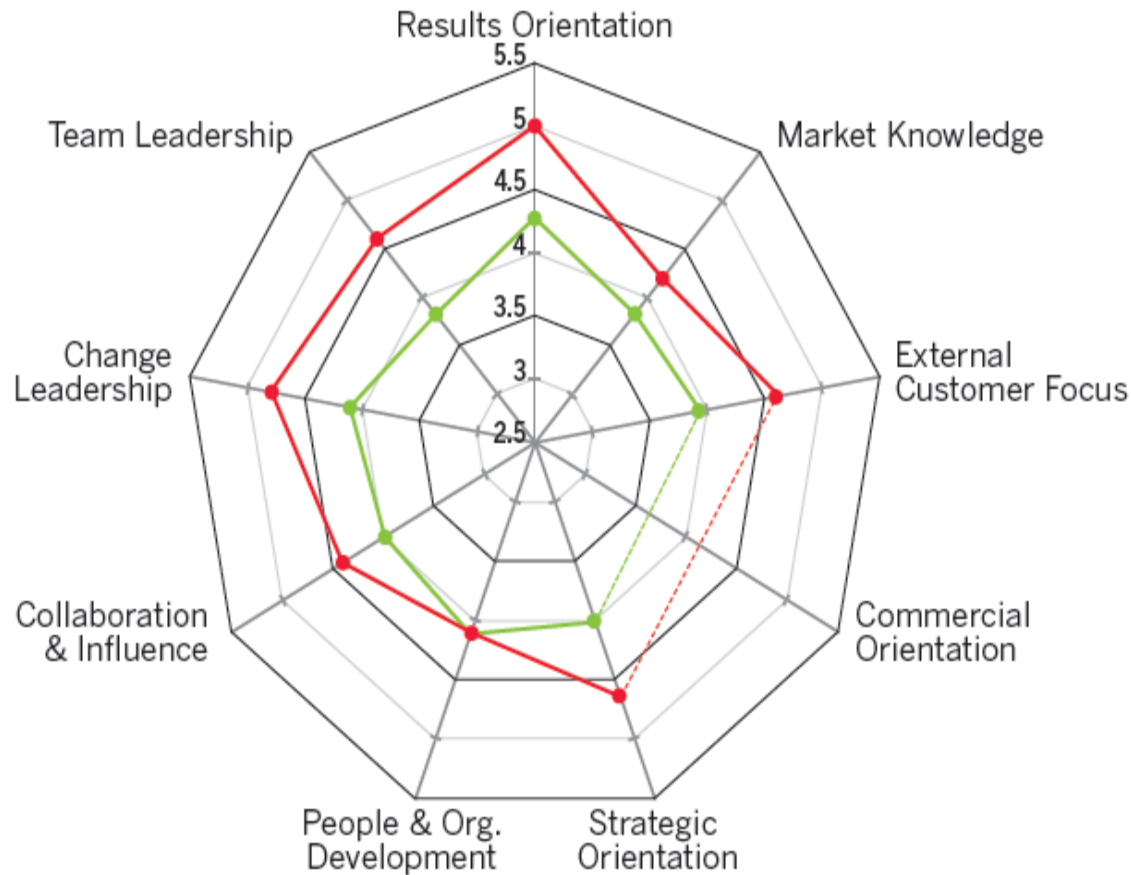


The Future-State CIO: Competencies



What You've Seen Before (We Hope!): From the EZI Database

Good CIOs vs. Outstanding CIOs



Key Points

- **Significant differences** between good and great CIOs
- **Focus:** Strategic Change Leadership
- **Development Speed:** ~1 level on only one competency *total* per year.
- **Total good to great:** 4.5 levels across all competencies;
- **Time to develop:** 5 years minimum

What You've Seen Before (We Hope!): From the EZI Database

Outstanding CIOs vs. Outstanding CEOs



Key Points

- **Significant differences** between great CIO and great CEO
- **Focus:** Commercial and external market/customer
- **One Full Point** on Market Knowledge AND Commercial Orientation, 0.5 External Customer Focus.
- **Notes on Development:** All require external-focusing experience

What Do the CEOs and Boards Say About CIOs?

“Most CIOs are unable to articulate technology strategy and investments in a way that non IT leaders understand”

59% of senior executives don't view IT's contribution to innovation as important

“Too often, technology has remained as a cost of doing business instead of a strategic weapon”

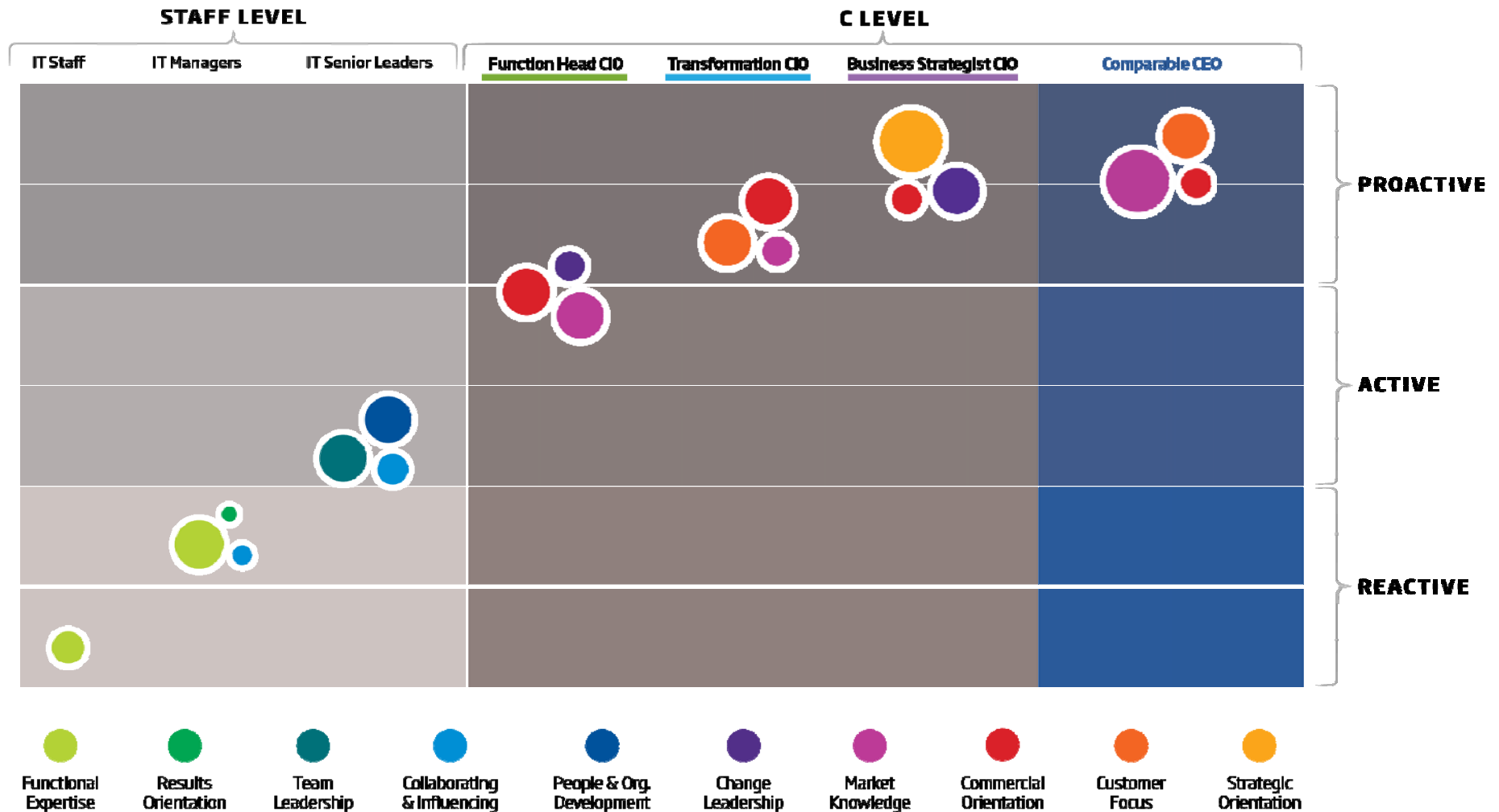
“I had no idea what kind of value had been created from a multi-billion-dollar ERP investment”

“Why do I need a plumber on the management board?”

“Directors listening to CIOs is like dogs watching TV...they hear but don't understand”

Source: *Bridging the Gap Between the CIO and the Board*, study conducted by Mainstay Partners, October 2009

Today: The Journey to the Future-State CIO



- Functional Expertise
- Results Orientation
- Team Leadership
- Collaborating & Influencing
- People & Org. Development
- Change Leadership
- Market Knowledge
- Commercial Orientation
- Customer Focus
- Strategic Orientation

EZI has defined a set of core competencies that can be used as a starting point for tailoring the client-specific competency set

Competency Appraisal

Core Competencies

Thought Leadership

- Strategic Orientation
- Market Knowledge

Business Leadership

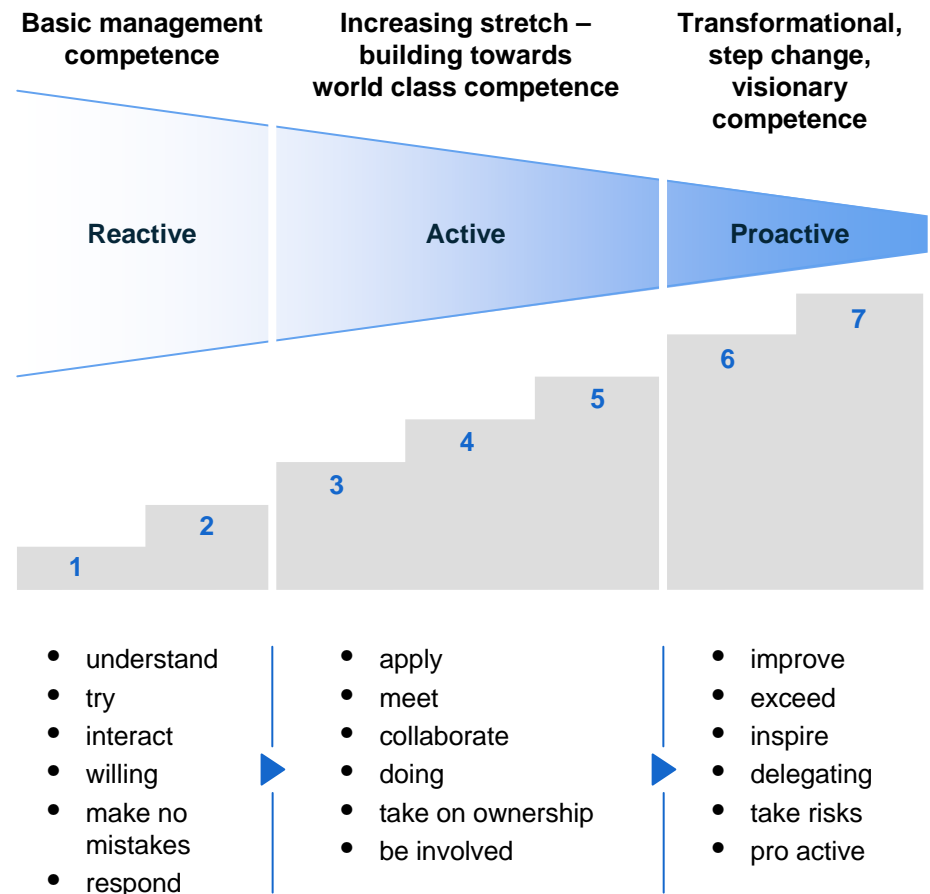
- Results Orientation
- Commercial Orientation
- Customer Focus

People & Organization Leadership

- Collaboration
- People Development
- Team Leadership
- Change Leadership

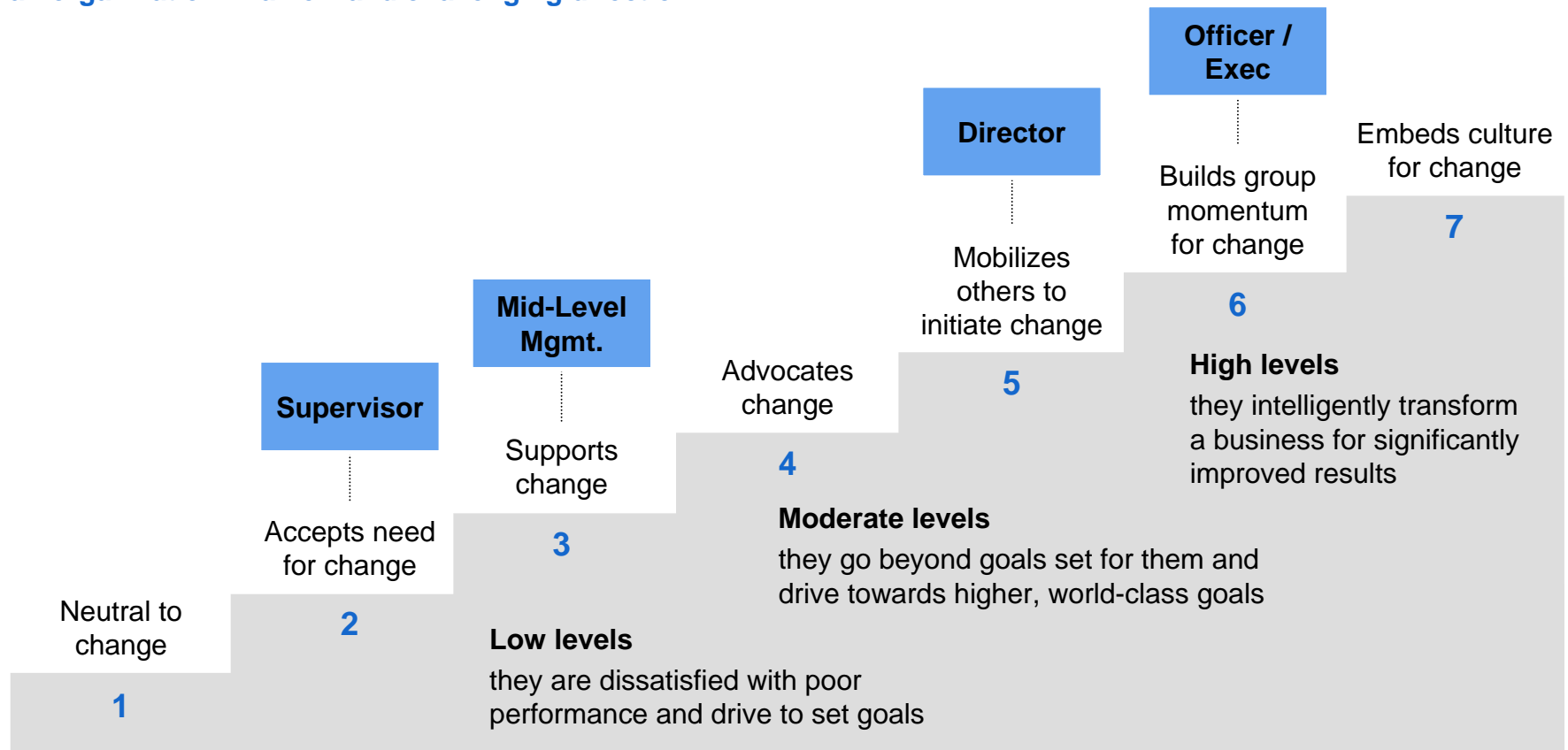


Logic of the Competency Scales



Example: Change Leadership

People demonstrating this competency drive for improvement through people, transforming and aligning an organization in a new and challenging direction



Red Flag Behaviors:

- Doesn't care about getting the job done or doing it well
- Actively resists improvement

Critical Points to Address

Biggest differentiators of the Future-State are strategic, commercial, market-focused competencies

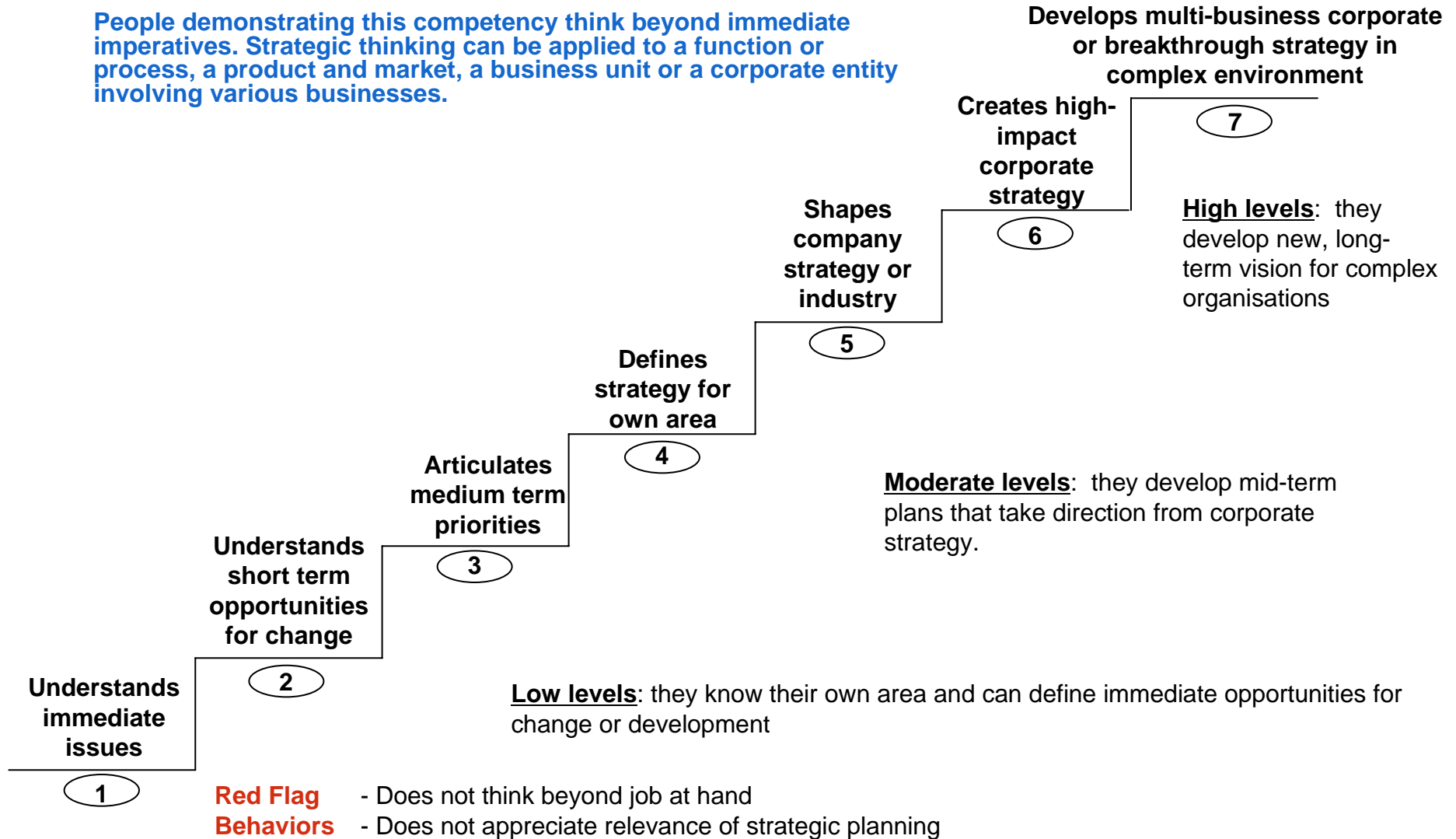
We're going to focus on two closely linked competencies:

Strategic Orientation

Market Knowledge

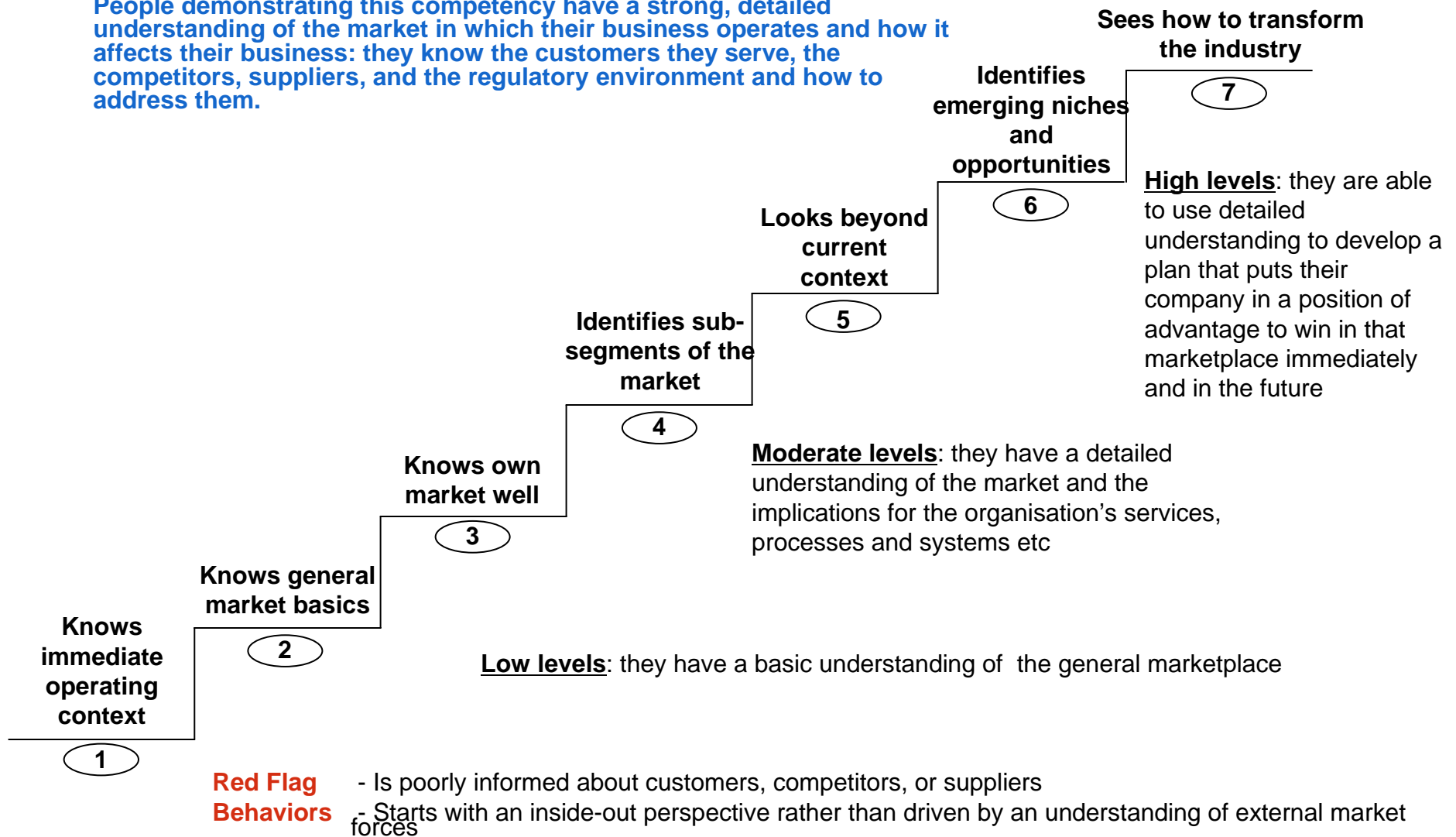
Strategic Orientation

People demonstrating this competency think beyond immediate imperatives. Strategic thinking can be applied to a function or process, a product and market, a business unit or a corporate entity involving various businesses.



Market Knowledge

People demonstrating this competency have a strong, detailed understanding of the market in which their business operates and how it affects their business: they know the customers they serve, the competitors, suppliers, and the regulatory environment and how to address them.



Strategic Orientation: Which of these looks like you?

LEVEL	BRIEF DESCRIPTION	THREAD	INDICATORS
4)	Defines strategy for own area	Business Awareness	<ul style="list-style-type: none"> Articulates evolving priorities for the business within 3-5 year horizon and incorporates understanding of other relevant industries
		Critical integration of information	<ul style="list-style-type: none"> Integrates a variety of information or translates corporate strategy into the definition of a business unit/ product/ functional strategy
		Action-oriented plan	<ul style="list-style-type: none"> Asks questions which open up new ways of seeing the company or its industry
5)	Shapes company strategy or industry	Business Awareness	<ul style="list-style-type: none"> Has a clear view of where the company needs to go beyond five-year timeframe Able to spot previously unidentified business opportunities
		Critical integration of information	<ul style="list-style-type: none"> Sets long-term agenda for own area of responsibility Frames strategic options for the business Implements a successful strategy that challenges other parts of the company or other players in the industry

Market Knowledge: Which of these looks like you?

LEVEL	BRIEF DESCRIPTION	THREAD	INDICATORS
3)	Knows own market well		<ul style="list-style-type: none">• Develops detailed fact-based understanding of the needs and critical issues of own immediate customer base and understands how to develop a profitable business accordingly• Knows local/ regional competitors and suppliers generally though not their competitive strengths in detail• Knows general regulatory issues, rules and regulations affecting daily business practice
4)	Identifies sub-segments of the market		<ul style="list-style-type: none">• Identifies customer segments, with differences in needs, approaches, and understands variances in profitability and value creation potential• Understands how competitors vary in ability to serve different segments and where opportunities lie
5)	Looks beyond current context		<ul style="list-style-type: none">• Identifies emerging customer segments and trends• Identifies emerging shifts in suppliers and their offerings• Anticipates and monitors regulatory changes and how they will affect the way business is carried out in the industry• Tracks competitor developments and can identify how they will affect industry dynamics• Sees emerging competitors and implications for existing customer portfolio

Brainstorm and Discussion: Moving Up the Chart
