

Today's CIO Needs to Be the Chief Innovation Officer

Enterprise IT as we have known it is rapidly becoming obsolete, and the traditional role of the CIO is increasingly irrelevant. As game-changing technologies transform every business process, they also give us the ability to create new products and services that were impossible just a few years ago. Therefore, the CIO's role must shift from protecting and defending the status quo to embracing and extending new innovative capabilities.

The old way was about technology-centricity; the new way is about technology-empowered business strategies. The old way was information management; the new way is information intelligence. The old way was IT systems management; the new way is platforms that enable new value chains and integrated ecosystems. The old way was cost management; the new way is driving business transformation and accelerating growth.

Today's world of business is not just changing — it's transforming. What's the difference? Change is doing something in an incrementally different way. Transformation is doing something so drastically different that it becomes a qualitative shift, not just quantitative. The move from wax cylinders, to acetate discs, to LPs, to CDs — these were all change. CDs to MP3s? Suddenly I can carry my entire music library in my shirt pocket, and my digital music player (which also happens to be my smart phone containing GPS, videos, and so much more) has no moving parts, unless you count electrons. That's a transformation.

In the early 1990s, Barnes & Noble superstores changed how we shop for books. By the mid-1990s, Amazon was transforming how we shop for books, which then transformed how we shop for everything. As we all know, technology made this transformation possible.

Transformation Drivers

Today, technology-driven transformation is happening all around us. A few weeks ago, I was a keynote speaker at a large international technology conference and one of the demonstrations to illustrate game-changing technology involved using an iPad and a high-speed connection to fully control three of the most powerful workstations engineers have access to. All were located in different parts of the country, yet with only the iPad wirelessly streaming to a large screen, thousands of people could see what the engineers were seeing and the user could control each workstation as if he was there. Doing all of this from an iPad was impossible just a few months ago.

I was in China two months ago consulting with CIOs who were not only using software as a service (SaaS), but several were also in the process of implementing hardware as a service, connectivity as a service, collaboration as a service, and security as a service. And the real excitement was around implementing everything as a service (XaaS). Clearly, IT is quickly

becoming an integrated collection of intelligent services that are on demand, on the move, and on any device.

The visual, social, virtual, and mobile transformations that are already happening are creating a new golden era of technology-enabled innovation, and the CIO needs to be leading the charge.

So what has enabled the business environment to go from merely changing to transforming? It's all thanks to three change accelerators: the exponential advances in processing power, bandwidth, and storage. I have been tracking their trajectory for the past thirty years and they have now entered a predictable new phase due to their exponential growth — a phase that will transform every business process. Think of it this way: Based on the technology-enabled hard trends that are already in place, over the next five short years we will transform how we sell, market, communicate, collaborate, innovate, train, and educate. And if you don't do it, someone else will. In fact, with all the business processes technology is transforming, nothing is transforming more than the role of the CIO.

The New Role

The CIO's traditional role, which is one of managing information, IT systems, and cost, has itself transformed to creating new competitive advantage, new products, and new services. Traditionally, the CEO was the innovator, but many of today's CEOs — as well as the rest of the C-suite — are unaware of what is technologically possible now or in the future. However, the CIO does have interest, access, and the understanding of that type of information and knowledge, which is why the CIO position needs to transform into the Chief Innovation Officer.

Of course, not all CIOs will embrace their new role. As our environment transforms, human nature is to hunker down because we want to find comfort. Many will be far too busy doing what they have always done. Many will spend a lot of time protecting and defending the status quo. Why? Quite simply, because we're familiar with it. We know how it works. We have an investment in it. It has made a lot of money for us. It got us to where we are today. Therefore, the mindset is that we have to protect and defend it any way we can.

An additional burden the CIO has is the nature of their work itself. They have to maintain the existing system to make sure it's working, that there are no breaches, that it's being upgraded, etc. After all, you have to keep the organization running smoothly during the transforming time. But if that's all you're doing — maintaining what's already there — then your role is tied to the past and your relevance is decreasing every day. So while you do have to maintain your current and past systems, your new most important role is to drive internal and external innovation. And because innovation is increasingly technology-driven, the CIO is in a perfect position to lead this evolutionary revolution.

The fact is that the ability to innovate has never been more possible and has never happened faster. In transformational game changing times such as what we're experiencing now, the key rule is this: If it can be done it will be done ... and if you don't do it, someone else will. Likewise, if you don't change the focus of your CIO role, someone else will.



About the Author:

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