

The Predictive CIO

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March 18, 2008: CIOs are using their own form of mashups to become purveyors of the future.

When CIOs made the jump from back office support to boardroom elite, many felt they had truly arrived. Celebrations may be a bit premature, however, since there is a marked difference between getting there and staying put. Keeping a seat at the boardroom table often boils down to a renewed focus on information management but with a new twist: an emphasis on predicting the future. But, it isn't just technology that some CIOs are expected to predict these days.

"In the IT area, one of our strategies has been to anticipate the future – so that we stay ahead of the change," says household product and pharmaceutical giant Proctor & Gamble's CIO, Filippo Passerini. "Concretely, this means tracking emerging business trends and working to manage them proactively."

CIO to CEO?

The CIOs' newly found prowess in seeing and linking future trends, does not mean that the role of CIO may one day supersede the role of CEO.

"In this context CIOs do not have a responsibility to take over from the rest of top management," says Dugaard. "The IS/IT business plan is always a reflection of the corporate business plan. The CIO should never initiate any activities within his area of responsibility unless it is

Case in point: the Port of San Diego's new bent on CRM usage. The Port was a first adopter of CRM on the government level; it implemented SAP five years ago. Originally, the concept was to track constituent transactions to add efficiencies to overworked departments reeling from continuous budget cuts. Port management reasoned that CRM could handle the lion's share of repetitive questions and requests lobbed at the various departments by its many constituents on any given day. It was a perception gleaned by its private sector peers many years earlier.

As CRM began to take root throughout the Port's systems, management began to realize it was not only disseminating information to its public; it was gathering information by the truckloads. "As we got deeper into it, we began to see greater use for the technology and information," says Jerine Rosato, Port of San Diego's Program Manager of Strategic Management Services and Manager of Customer Relations.

In a nutshell, Rosato says "we no longer operate in a vacuum; we cast ourselves forward to avoid pitfalls and find opportunities." Rather than sitting on bits and bytes of disjointed information, they began to analyze it in order to see and predict emerging trends early on; avoid snares in the court of public opinion; and even to predict issues before the board of commissioners could think to ask about them.

"We find forecasts invaluable. Times may not be as great as we think; the political and economic environment could be moving for or against our plans; or, things could be brewing at the grass roots level that could stall progress," says Rosato, who is charged with the care and feeding of all SAP modules, among her other duties at the Port.

On a broader front, this type of forecasting allows an organization to change course or tweak its business plan so the rate of success outpaces the rate of ugly, unforeseen surprises.

From Knowledge Management to Best Guess

In the current business environment, technology is the best method of widespread intel gathering. That means the CIO is often better positioned than other chiefs in the organization to see the connections between point A and point Q.

directly supporting the corporate business plan."

That does not, however, relieve the CIO of the burden of predicting the future.

"It is important for all IT professionals to look at things from not only a technical perspective but also from a business perspective, to look at the 'big picture' and see how their role fits into the company's overall mission," says Shields.

Despite the added pressures heaped upon the evolving CIO role, the new power is unquestionably heady as is the new respect that colors the perception of IT.

"Thank God CIO's are no longer technology freaks and business case producers," exclaims Daugaard. "Thank God IS/IT is no longer just a department using money, left in a corner to jump when everyone else says 'jump!'"

The transition from "order taker" to "trusted advisor" is "both a rewarding and challenging experience" says insurance giant Aflac's CIO, Gerald Shields.

Emerging technology trends are often tightly coupled with emerging business trends so the CIO and CTO roles have "inherently become much more tightly coupled with the core business operations," explains Karl Garrison, chief technology officer of Intelligent Fusion, a consulting firm specializing in integrated information management solutions.

In one example Proctor and Gamble interpreted the new trend for personalization as a new business operation strategy which Passerini says "led us to build personalized decision tools called 'cockpits.'" He reports the move has cut down the production of over 20,000 individually made reports and "increased accuracy as all data feeds off a consistent data set." The association between personalization and the decision-making tool is not one any other boardroom seat occupant could have made.

Passerini made another leadership leap from the advent of virtualization to the problem of the increasing pace of taking innovation to market. Now P&G uses modeling and virtualization technologies to bring brands to market "better and faster."

"There are many examples of how IT can create value with new business-building capabilities that count," he says. "It's business driven innovation ... matching what's needed with what's possible."