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## Square Off: Most CIOs Deliver Business Value, Even If Housekeeping Is A Bear

Toromont Industries CIO Mike Cuddy doesn't buy the claim that IT departments aren't generating new ideas.

By Mike Cuddy, Toromont Industries, [InformationWeek](#)

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The claim that CEOs are looking for new ideas but many just don't see them coming from the IT department leaves me puzzled. A recent Gartner report stated that CIOs and their IT teams are no longer innovative and generating new ideas. But this doesn't hold up.

Do CEOs think they can lay out an innovation plan for their companies simply by reading the latest issue of Technology-In-Action magazine? Or, more frightening, do they buy into some exciting, expensive new proposal for the "latest technique in mind-melding" from a consulting organization?



Mike Cuddy  
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Most CIOs strive to get the housekeeping--the running of IT--done in the mornings so they can spend their afternoons pursuing innovative business uses of technology. But for some IT organizations, the morning work may take all day, leaving little time for new-value creation. Gartner contends that CIOs who aren't constantly innovating are simply holding back. I counter that these executives may simply be overchallenged with housekeeping.

To free up more time for idea creation, many companies have tried outsourcing some of their operational tasks, such as network operations and help desk support, only to replace them with new burdens like contract negotiations, service-level agreement stewardship, and service-credit arguments, which come on top of user complaints that still won't go away.

This focus on daily operations doesn't mean that CIOs are waiting for someone else to come up with the next great idea.

Some CIOs are conquering the operations challenge by bringing automation technologies to the data center, as Toyota Financial Services CIO Shaun Coyne recently noted in connection with Optimize's survey on the CIO's evolving role ([optimizemag.com/issue/068/bl.htm](http://optimizemag.com/issue/068/bl.htm)). In fact, 56% of the survey respondents see CIO influence growing, suggesting that more CIOs are indeed taking care of operational

business.

Gartner claims that companies--that is, CIOs--are "waiting to be spoon-fed a prepackaged solution ... like CRM or business intelligence." Huh? Does Gartner have any idea how disruptive a change initiative such as CRM can be?

Successful CIOs clearly understand the business results needed and continually seek opportunities to improve performance through technology. What analysts often misunderstand is that practical implementation considerations weigh heavily in the assessment of innovation opportunities. Because CIOs are accountable for delivering the end result and not just the technical solution, striking a balance between innovation and pragmatism becomes a key aspect of IT management.

I agree that risk aversion poses a huge barrier to innovation at many large organizations. Risk occurs at two levels: costs and speed. Costs tend to climb because companies usually require more investment as they grow. The need for speed intensifies as well, because the larger the company, the longer it can take for new ideas to make their way through the internal approval system. A business could lose its competitive advantage, or the technology may grow stale before the new ideas are ever implemented.

These risks must be mitigated, but the domain for IT innovation still rests comfortably with the CIO. More than three-quarters of the Optimize survey respondents say the CIO is becoming more of a business leader. I believe leadership through innovation is the reason.

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Read the contrasting opinion:

**[IT Leaders Know Innovation Matters, They Just Can't Execute](#)**