



FOSTERING
INNOVATION
HOW TO BUILD
AN AMAZING IT TEAM

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WILEY

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Fostering Innovation

How to Build an Amazing IT Team

Andrew Laudato

WILEY

Introduction

Are you a CIO? Then let's face it, nobody likes you. Not your team, not your boss, not your vendor partners, and, unfortunately, not your company's functional leaders. Because of the long hours you work, your family may not be too happy with you right now, and even your dog wonders where you've been all day.

How is that possible? You work around the clock; you are constantly juggling priorities and pulling off the impossible. You and your team have saved your company from disaster on more than one occasion.

IT leaders face many challenges. The first one is that IT can do more harm than good. When everything works perfectly, success is attributed to the functional leader. High sales result from desirable products and on-point marketing. When things go wrong, there's a good chance IT will take the blame. When the network is down, the registers aren't ringing, and the website is inaccessible, sales are impacted. When projects fail to deliver the expected value—IT again becomes the scapegoat.

Another challenge IT leaders face is that we accomplish only a small fraction of what is desired. How many initiatives did your team complete last year? How many were requested? The gap is usually large. It's easy to dream up an extra feature, capability, or report. But it takes time, effort, and money to deliver those things.

Another risk for IT leaders occurs when we don't understand or relate to our business. When we become enamored with solutions, we turn into hammers looking for nails. Trying to solve a technology problem with *business* is not the path to CIO stardom.

The good news is that there has never been a better time to be an IT leader. The world is on the fast track to *digital everything*, and technology is at the center of everything we do. I bet you bought this book on a computer. You may even be reading it on one. Not that long ago, we had to go to a bookstore to buy a book. As technologists drive this transformation, our standing as leaders and innovators will continue to improve. IT leaders' opportunities for career growth have never been better. More and more, IT leaders are part of the executive committee, and they have a seat at the executive table. IT leaders are being promoted to Chief Operating Officers (COO) and Chief Executive Officers (CEO). IT leaders are being tapped for corporate board seats, as the importance of technology has expanded in every type of business, big and small.

In this book, we explore several tools and techniques for improving the IT function in your business.

Why Did I Write This Book?

My grandmother had a saying: “If not me, then whom?” Like your grandmother, she'd be the one willing to tell you that your zipper was down, your breath smelled bad, or that dress did indeed make you look fat. She'd tell the hard truth because who else would?

Let's face it: IT does not have the best reputation. We've come a long way since Nicholas Carr published “IT Doesn't Matter” in the *Harvard Business Review* in 2003, but we still have a long way to go. In many companies, IT bashing and IT scapegoating continue to be an acceptable part of the corporate culture.

If you're a struggling CIO, I hope this book will help you turn things around. If you're a new CIO, you need to learn quickly because, in the digital age, you won't have the

runway that my generation did. If you're an aspiring CIO, don't let this introduction discourage you. Consider this book proof that there's a robust community of CIOs and IT leaders willing to exchange ideas and share lessons learned as you walk this path. CIO should no longer stand for *Career Is Over*. We're in the digital age, and the IT department can be an organization's most important asset.

About This Book

In this book, I provide detailed and prescriptive advice on how to best run an IT department. I do so with the understanding that there's more than one way to accomplish that goal. Your approach should vary based on the company's size, the company's plans, the CEO's style, and the team's strength. External factors, including the economy, the state of the market, customer demand, and advancements in technology all impact how you should lead.

Staying true to your values and beliefs is vital to being an open and honest leader. Don't read this book and then walk into the office on Monday morning a *new and improved you*. Continuous improvement concepts apply to our personal development as much as they do to our teams.

If your goal is to transform IT by pivoting to Agile and DevOps, you need to understand where your company is on its journey and adapt accordingly. IT leaders need to be *agile* with a little "a" before they can be *Agile* with a big "A." You will find the Agile and Lean principles woven throughout the text. Although I am a staunch Agile advocate, this is not an Agile book.

People who know me well will be shocked to see that the word *project* appears in this book over 100 times. Like George Carlin's *seven words you can't say on television*, I

have a list of words I dislike. These, in no particular order, are *project*, *user*, *phase*, and *resource*. My dislike for the word *project* came from my adoption of Agile and its association with Waterfall project management. However, I'm okay with the classic definition of a project: *an activity with a defined start and stop*. We all set out to do work, and hopefully, that work gets finished in the best way possible.

I wrote this book in plain language, making it accessible and hopefully enjoyable for non-technical readers. This book will provide insights for anyone in an IT leadership role and anyone who works closely with IT leaders. In today's digital age, that's just about everyone.

Reader Support for This Book

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I

Become an Empathetic Leader

1

Hey, What Do You Know?

When I got my first chief information officer (CIO) gig in August 2000, I had no clue what I was doing. The skills needed to get the job—charm and charisma—differed from the skills required to do the job.

Over the past 20-plus years as CIO, chief technology officer (CTO), and now chief operation officer (COO), I have learned many lessons, practices, and techniques that I have used to foster and develop three winning IT Departments. Most of these lessons didn't come easy; several came through failure, embarrassment, and trial and error.

We all know you learn terrific lessons from failure. You need to learn from your wins as well. What worked? Why did it work? Maybe you got lucky by hiring a hotshot project manager who muscled your initiative across the finish line. Perhaps you think you're winning, but you're destroying your team morale. Don't let the failure discourage you, and don't let the wins make you cocky. Remove emotions from your performance self-assessment. This isn't personal; it's business. You are not defined by your last project.

Build Your Skillset

An essential parenting skill is to remember when you were your kid's age. As much as the world has changed, remembering what you did, thought, and felt in middle school and high school will make you a more empathetic parent. This concept applies directly to leadership. I started as a programmer/analyst, an old term for developer. I

moved my way up to senior programmer analyst, manager, senior manager, director, and then VP of applications. In each of those roles, I paid close attention to my leaders and, frankly, judged their behavior. There were some behaviors I despised, some I loved, and some I didn't understand. By remembering what it's like to be in the trenches, you'll hopefully be a better General to your troops.

If you didn't work your way up to CIO and instead came through a different path, there's still hope for you. If your path was a boarding school, Harvard, McKinsey, and now CIO (congrats, that's impressive), you must put in extra time and energy to get honest input from the rank and file. If your path to CIO was from a business function, read *The Adventures of an IT Leader* by Robert D. Austin.¹ In that book, a functional leader complains so much about IT that the CEO puts him in charge of it. There are a lot of good insights in that book. The most important insight is understanding why the prior CIO got fired.

Technology is one part of the CIO role—albeit a small part. Five critical skills are needed to be a successful CIO:

1. People skills
2. Business expertise
3. Technical prowess
4. Project management
5. Administration

You're probably good at three or more of these, or you wouldn't have gotten the job. What's your weakest subject? Focus on rounding out your skillset in each of the areas. Put the most effort into the items you struggle with.

Grow Through Listening

As you look to improve, start by listening. Listen to your team. Listen to your peers. Seek out and listen to other CIOs. Read everything you can get your hands on. Build a network of IT leaders across your industry. Being a CIO is a lonely job. Although I use the word *peers* to describe the other executives in your company, they aren't peers in the sense that they can relate to your challenges. The first time I sat down and had a beer with a CIO from a similar-sized company in the same industry, I could feel the stress leave my body. I was not alone—CIOs in other companies have similar challenges. When I left retail and took a CIO role in senior living, the issues were remarkably similar.

Every company has challenges, and every CIO is struggling to balance the demands being placed on them. Seeking these conversations is not just imperative for your education; it's also good for your mental state.

I vividly remember an uncomfortable discussion with the chief supply chain officer. Let's call him Joe. Joe said to me, "Every day, we complete all of our work before we go home. If we get 10,000 orders, we stay until 10,000 orders are shipped. If we get 15,000 orders, then we work until they get shipped. IT only completes a small fraction of what I need. Imagine if we only shipped 100 orders and called it a day." An IT Department's unique challenge is that only a tiny percentage of what is requested ever gets completed. Keeping your business partners satisfied while rarely giving them what they want is a tricky business.

A Proactive Mindset

In January 2020, mere weeks before the coronavirus pandemic utterly disrupted our world, I was promoted from CTO to COO of The Vitamin Shoppe. While I still oversee

the IT Department, I am now one of its biggest customers. We're in the digital age, and all of my functions rely heavily on technology to be successful. Seeing IT from the outside changed my perspective.

As the COO, I consider every problem in our business to be my problem. When you accept that everything is your problem, you save a lot of time and energy not being defensive and pointing fingers. Can you develop this mindset without being a COO? A leader who focuses on fixing problems is a valuable asset to their organization.

We are in a changing field in changing times. A career in technology is a lifelong commitment to learning. Having the mindset and willingness to learn and adapt is vital to building and running a world-class IT Department. In the next chapter, we'll look at what sets an IT Department head and shoulders above the rest.

Note

- [1.](#) Robert Austin (Harvard Business Review Press, 2016), *The Adventures of an IT Leader*, Updated ed.

2

An Amazing IT Department? What's That?

Stacey Renfro, the award-winning CEO of mDesign Home Décor, understands the importance of a strong IT Department to any business's success—especially a digital-first company. Here is Stacey's advice to CIOs:

1. Speak our language, not yours. We don't need to know how you do your work.
2. Know the business. Don't sit behind your computer and expect to make a difference.
3. Communicate. Let your business partners know what you're doing. If you don't share, you may not know all the impacts of a change.

Amazing IT Departments are a competitive advantage for their company. Amazing IT Departments continually exceed expectations by providing reliable and secure systems. They have friendly, prompt, and competent support teams. Amazing IT Departments complete their projects on time, on budget, and with a high degree of customer satisfaction. Amazing IT Departments are agile, working in small iterations and adapting on the fly. Amazing IT Departments write things down and keep good records without being buried by needless paperwork and bureaucracy. Amazing IT Departments provide transparency by communicating status, honestly, and in plain language. Amazing IT Departments are a terrific value, providing cost-effective services while delivering high return-on-investment (ROI) capabilities. Amazing IT Departments openly learn from

their mistakes and successes, taking the time to look back on every initiative. Amazing IT Departments provide a fertile ground for innovation. They build flexible platforms, which allow for rapid prototyping. They have a culture that allows for innovation, and they inspire and reward creativity.

If you work in an Amazing IT Department, your work is aligned with the company's goals. You know you are making a difference. You also understand what you need to do to be successful. You have a clearly defined career path based on your personal goals. The work is rewarding because people are supportive and collaborative, and everyone on the team is pulling their weight. You can't imagine working anywhere else, and when the phone rings, you tell the recruiter you have no interest in exploring other opportunities.

Attributes of an Amazing IT Department

- Helps the company accomplish its goals
- Drives and inspires innovation
- Is an enabler, not a blocker
- Delivers cost-effective results
- Provides career growth opportunities for the team
- Is a fun and rewarding place to work

For the most part, these qualities are all attainable, although some require more awareness and commitment than others. In the next chapter, we'll examine some of the common problems that make it more difficult to build and sustain such a team.

3

Conventional Wisdom Is Wrong

If you're a sitting CIO right now, how are you doing? Use [Table 3.1](#) to assess yourself. Answer honestly; nobody's looking. By the way, you can write in this book. You bought it.

Table 3.1: CIO Self-Assessment

Question	Yes/No/Don't know
Are your systems reliable, with 99.9% uptime?	
Do you score over 90% on an internal customer satisfaction survey?	
Does your board of directors (board) consider IT a competitive advantage?	
Does IT provide value, continually delivering new capabilities?	
Do the CEO and CFO brag about IT in public presentations?	
Are you providing cost-effective services?	
Are you invited to informal executive conversations because the CEO values your input?	
Do your company employees find it easy to use their tools to get work done? Are their files in the cloud and easily accessible?	
Do other department heads treat you as an equal?	
Is IT turnover lower than the company average?	
Is your team fully engaged? Do they over-deliver?	
If I asked everyone on your team to list the top three IT priorities, would they all give the same answers?	

Question	Yes/No/Don't know
If I asked all the VPs in your company to list the top three IT priorities, would they all give the same answers?	
Is IT leading the way on innovation in your company?	

If you answered yes to most of these questions, call me—I'd like to feature you in my next book. The rest of us have some work to do.

Compared to our executive peers, our profession is still in its infancy and only recently gaining respectability. Two of the first people to have the CIO title were Al Zipf of Bank of America, and Max Hopper of Bank of America and American Airlines. “Management's Newest Star: Meet the Chief Information Officer,” declared *Business Week* magazine in a headline in 1986². Just 17 years later, *The Harvard Business Review* declared the profession dead, in the article “IT Doesn't Matter.”³

Showing our worth has been a tough sell. We don't bring in revenue, mistakes can be extremely harmful, and what we do seems to take forever. Have you ever taken an introductory programming class, and the goal at the end is to get the words “Hello World” to pop up on the screen? The amount of effort necessary to make this happen is incomprehensible to our non-technical peers. One of the biggest challenges is that what we do is esoteric and more challenging than it looks.

A Tale of Two Projects

Imagine the case where a company is doing well, so it adds hundreds of people to its staff. The company's growth has

created two problems: it needs a more robust people-management solution, and it needs additional parking. The decision is made to build a parking garage and implement new cloud-based human resources (HR) software. Both projects coincidentally cost around \$3 million to complete.

The company performs a rigorous ROI process before software projects are approved. The chief people officer (CPO) is adamant that she needs tools for talent acquisition, compensation management, payroll, and employee development. As we know, it's hard to associate a revenue increase with this software. Costs will go up compared to their current business processes using spreadsheets and email as their primary tools. The parking garage doesn't go through the ROI process. Nobody likes to park a mile away and ride a shuttle bus back and forth. It's clearly needed.

The CFO wants estimates. The parking garage estimate is detailed and easy to understand. It includes tangible tasks such as excavation, framing, concrete, and painting. The HR project documentation is riddled with obscure jargon. The CIO is reluctant to give an estimate or a completion date for the HR project, stating that he doesn't even know what the requirements are yet.

The decision is made to complete both the parking garage and the HR software projects. Both projects complete on the same day.

There is a ribbon-cutting for the parking garage, and the employees are thrilled. No training is required since they all know how to park.

The new HR software is having a few problems. It's slow, and some users can't log in. Nobody knows how to use the software. As part of the project, HR implemented new policies for vacation and paid time off (PTO). These new

policies frustrate the users, who blame the problems on the new system. The parking garage has a clear and immediate benefit. It will last for years. No doubt everyone thinks, “What a brilliant investment; we should build more of these.” The new HR software generates negativity, and the CEO struggles to understand what she got for her investment.

Is a parking garage more valuable to a company than advanced software to manage people? Of course not. What went wrong? In this example, the HR project was on time and within budget, but it was still considered a failure to some.

The Downward Spiral of Micromanagement

When things go wrong in IT, leaders tighten the screws and micromanage. [Table 3.2](#) provides a list of IT problems and the corresponding unfortunate responses that often follow.