

the Technology Doesn't Matter

Prioritizing
the People in
IT Business
Alignment



Rachel
Lockett

WILEY

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Alignment**

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This book is dedicated to everyone who has taught, inspired, and mentored me throughout my career, to everyone mentioned herein for being a part of the story, and to my family—the reason behind everything I do.

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Preface

Throughout my career, I have observed a few concerning trends that are endemic to the IT industry. I've tried to understand them so that I can help find solutions. When approaching problem solving, I prefer to start by understanding the root cause of the problem, which is why I have spent a great deal of time trying to understand the root cause of three problems that plague the technology field.

The first is a trend that has been discussed and analyzed extensively—the gender gap in IT. No doubt you've heard statistics about the gender gap from the highest levels of technology leadership all the way down to entry-level roles, as well as in college and high school. Despite modest improvements, most IT departments are predominantly staffed and led by men. College classrooms are also improving, but the majority of students in technology programs are also male.

I often have the opportunity to speak to, coach, and mentor young women and girls who have an interest in technology careers. I enjoy those opportunities immensely. But I have continued to search for the root cause behind the phenomenon.

The second trend is not discussed as often but will be familiar to those in technology management. It is the high turnover rate in IT, which is far higher than that of other fields. Even

careers that are equally high in demand and highly skilled do not have turnover rates as high as information technology roles.

Conventional wisdom assures us that people don't leave their jobs; they leave managers. So one possible (over-simplified) explanation is that technology leaders are poor managers. There may be some truth to that theory if we accept that technology leaders are sometimes promoted for their technical competence rather than their leadership skills. But I believe there is something more behind this trend.

The third trend is something that is not often noticed or discussed. I've spent 25 years mentoring technology leaders. Unsurprisingly, most of the leaders have been men, owing to the aforementioned gender gap in IT. What I've noticed is that technology leaders, regardless of gender, race, or age, struggle to be fully included in the executive leadership of their company. Some companies have a C-suite of executives but do not have a chief information officer. Instead, they have an IT manager or IT director reporting to the CFO or other business leader. I also know many technology leaders who have the title of CIO, but they are not a full-fledged member of the executive leadership team. They strive in vain to obtain the proverbial "seat at the table" and inclusion in the boardroom.

I've noticed this phenomenon so often throughout my career that I've dubbed it *techism*. I have observed techism, the marginalization of technology professionals and exclusion of IT leaders from the executive level of the company, far more often than I have experienced or witnessed sexism in my career. As a woman in the technology field, having worked in several male-dominated industries, I feel it is important to point this out. Many of the technology leaders I've worked with and mentored have experienced a form of prejudice, not because of their gender but because of the field they represent.

After years of observation and pondering these trends, I am convinced there is a correlation between them. I believe techism is a contributing factor to the high turnover rate in IT. When business leaders fail to develop a strong, trusting, effective relationship with their IT leader and the rest of the technology team it negatively impacts the morale and engagement of the team. The two sides will struggle to understand each other, communicate effectively, and work together to achieve IT business alignment.

I have written this book to bring awareness to the problem and in an attempt to offer some solutions. My goal is to educate business leaders about their responsibility to elevate the role of IT within their business and to repair the broken relationships. I'm also offering actionable advice to business and technology leaders on how they can bridge the divide and align the technology function with the business strategy.

In addition, I recently came across academic research that helps to explain the gender gap in IT as well as the root cause of techism. In this book, I'll share the findings of that research and explore the practical applications that can be gleaned from it.

With contributions from several successful and experienced CIOs, this book aims to impart wisdom based on many years of experience and serves as a practical guide to technology leaders and business leaders on how to collaborate effectively to achieve true IT business alignment.

Acknowledgments

I have been overwhelmed by the outpouring of support from my peers in the IT community when I shared that I was writing a book. I am grateful to everyone who contributed to this book.

I also owe credit to so many colleagues and friends, not just for the stories and lessons contained within the book but also for being a part of the story of my career and for everything you've taught me.

I'm grateful to the team at Wiley Publishing for guiding me through this process and also to my fellow authors who shared their wisdom and experience.

Finally, thank you to my family for their patience, support, and encouragement, and especially to my beloved husband. Somehow I am lucky enough to have married a man who actually enjoys listening to the sound of my voice for hours on end as I read each chapter out loud to him on countless road trips, while he provided insightful feedback and suggestions.

About the Author

Rachel Lockett has been in information technology leadership for more than 25 years. She is currently the chief information officer at Pohlad Companies, providing strategic technology leadership to all the operating businesses within the organization.

Rachel is passionate about developing leaders and serving as a mentor to IT professionals both internally and externally. Rachel joined Pohlad Companies in 2014 as its first CIO. She developed enterprise standards for information security and disaster recovery and guided the Pohlad operating companies through implementation and compliance. She led cloud migrations at the parent company and multiple operating companies. Most recently, she has been focused on digital transformations at each of the operating companies.

Rachel was selected as the 2020 Twin Cities Enterprise CIO of the Year and was a finalist for the National CIO of the Year in 2022. As a mentor for the Minnesota Twins Innovation Accelerator by TechStars, Rachel is able to employ her passion for developing leaders. She also serves on the Technology Advisory Board for Stratacor, the parent company of Delta Dental.

Rachel serves on the board of directors for Goodwill–Easter Seals of Minnesota, supporting its mission to help everyone experience the power of work. She is currently the board chair

and a member of the GESM Foundation Board. She enjoys volunteering with other local organizations that help encourage young women and girls pursuing careers in technology.

She has a degree in computer information systems from Illinois State University and is a certified information systems security professional. Rachel is an avid painter and enjoys home improvement projects and traveling with her husband and children.

PART



IT Business Alignment

Chapter 1: The Problem
Chapter 2: The Solution

CHAPTER

1

The Problem

Sitting across the desk from this accomplished business leader, I could sense his frustration. Matt is the senior executive overseeing a group of relatively diverse businesses, while also managing mergers and acquisitions for the stakeholders. He is a seasoned financial leader who has led the successful turnaround of struggling companies. This guy is a problem solver, and he knows what he's doing when it comes to business management. But he is at a loss for how solve this problem.

“I've got a bunch of business leaders who don't understand technology, and a bunch of IT leaders who don't understand business. So they don't talk to each other. And that means I don't have a clear picture of what risks and opportunities we have relative to technology. I also don't know if we are investing in the

right things and getting the value we expect out of our investments in technology.”

Matt knows that technology is a critical factor for the success of any business today—and not just the practical application of leading-edge technology solutions. He understands that technology could be, no, *must* be, a strategic asset to each of the companies in his portfolio. But despite his success in other areas, he doesn't know how to align the business and technology strategies. That's what he hired me to do.

This wasn't the first time I'd walked into such a situation. In fact, every new role I've taken on for the past 25 years has been a turnaround project. In the beginning, I was the new IT leader, hired to replace a beleaguered IT manager who had finally reached the end of their rope. Then, I was the consultant brought in to assess and advise, providing a documented recommendation and some coaching along the way. Since 2014, I've been the chief information officer at the Pohlads Companies, providing strategic leadership to divisional CIOs and IT leaders at a diverse group of operating companies, helping them to develop and implement IT strategies to support their businesses while developing themselves at the same time.

Evidence of Contention

Over the years, I've seen IT departments that were a complete train wreck and others that were mildly dysfunctional. The relationship between IT and the rest of the business has always been contentious. The problem usually manifests in one or more of the following ways: dissatisfied internal customers, unengaged IT staff, and lack of trust from management. Let's take a look at each of these symptoms in more detail.

Dissatisfied Internal Customers

The first thing I do when assessing a company's IT function is to conduct an internal customer satisfaction survey to find out how the business users feel about their IT support. The format varies, depending on the organization, but should follow current conventional wisdom around satisfaction surveys. You can even leverage the popular and proven methodology of the "net promoter score" when appropriate. Quantifiable ratings are a great way to get a clear idea of how bad (or good) the situation is and will also give you a benchmark to compare against after a year of changes and process improvements. But it is critical to include at least one free-form text box asking users to explain their ratings or share their comments. How else would you get gems like these?

Our IT department puts the "no" in "InNOvation."

Yes, I rebooted.

I don't send requests to the IT support email. It's just a black hole where technology problems go to die.

I don't like calling IT. Those guys just make me feel stupid.

I've been using the same computer since Reagan was president.

Can I please get something from this century?

Look, I know the answer is going to be "no," but would you at least like to hear my question first?

We have a help desk? I had no idea.

When you see these kinds of responses, the logical conclusion is that things couldn't get much worse. But that's not true. These kinds of responses at least indicate that you have the opportunity to fix the issues. There's hope. The worst situation is

when you get no responses at all. Users have lost hope and given up on their IT department completely.

Lack of response is also an indication of an even deeper and more sinister problem. It may mean that executive management is perceived as being supportive of the IT department, despite the terrible support and ineffective technology services they provide. The users may fear reprisal if they complain, so they just deal with the frustrations and keep their mouths shut.

Either way, shadow IT abounds; risky behaviors run rampant; customer needs are left unmet; and the success of the business itself is limited, at best. The purpose of this book is to help business and IT leaders understand how to recognize and resolve this problem so that satisfaction can be restored, customer needs can be met, risks can be mitigated, and the business can leverage technology as a strategic advantage to ensure long-term success.

Unengaged IT Staff

An unengaged IT staff is often difficult to recognize and will usually accompany dissatisfied internal customers. When the problem gets dire, it will manifest as high turnover and an inability to fill key positions. The IT market is generally tight and people move around often. According to LinkedIn in 2020, “The computer game (15.5%), Internet (14.9%), and computer software industries (13.3%) had the highest turnover in tech—but those rates pale in comparison to the churn you see within particular occupations. User experience designers had extremely high turnover at 23.3 percent (they’re also extremely in-demand), with both data analysts and embedded software engineers at 21.7 percent.”

Despite these statistics, I have seen good leaders with a sound strategy in a company with a good culture achieve much lower turnover rates, even in a technology department full of rising

stars in highly in-demand roles. In contrast, a toxic culture within the IT department and lack of alignment with business strategy will result in higher than average turnover. Soon, word will get around, and good people will not even apply. I know one company that lost three application development managers within a single year and struggled to fill every role from developers to help desk. The difference was leadership and business alignment.

IT jobs consistently have the highest turnover rates in any job market, even though other industries and professions also have high demand. Looking at C-level executives, the average tenure for a CIO is currently 4.3 years, while other C-suite executives have an average tenure of 5.3 years.

Knowing that the alignment between the IT department and the business strategy is a common challenge at most companies, I suspect there may be a correlation. In study after study on the topic, the top reasons employees become disengaged include a loss of trust and confidence in management, feeling under valued and unrecognized, receiving insufficient coaching and feedback from their bosses, and finding that the role is different from what they expected when hired. These leadership deficiencies are especially challenging in IT, where senior management may find it harder to connect and relate to their technical staff than other areas of the business.

According to Forbes, roughly 30 percent of CEOs in North America began their careers in finance roles, while about 20 percent started out in sales and marketing roles. Furthermore, approximately half of all CEOs were promoted from the role of chief operating officer. Many gained experience in multiple disciplines—for example, starting out in finance and then moving into the COO role before becoming the CEO. Robert Half publishes an annual report tracking statistics on 100 CEOs, which indicates that the number of CEOs with a technology background is increasing but is still minuscule compared to those

with sales, operations, and finance experience. This reinforces the assertion that most CEOs (and other executives) may not have the same comfort and confidence discussing technology as they do with other core areas of the business.

That discomfort and lack of confidence may sometimes lead to detachment, mistrust, diminished support, and lack of alignment that will become apparent to IT staff and decrease morale. This may be a contributing factor behind the high turnover rates in technology roles across the board, and it certainly impacts employee engagement. Unengaged IT staff will stop recommending process improvements. They will not use their discretionary time to benefit the company. They will put forth only the bare minimum effort. Customer service suffers. Turnover rates climb above average. Ultimately, business performance suffers.

Lack of Trust from Management

The most extreme manifestation of this problem is when a new IT leader is brought in and the previous IT leader is set free to pursue better opportunities. It's a situation you hate to see. Things have gotten really bad and have likely been bad for years, but the person responsible for solving the problem refuses to acknowledge there is a problem. Instead, they point the finger everywhere else. Executive management has decided a change needs to be made, but clearly they are afraid. Maybe they've allowed the problem to go on too long because the IT leader "is the only one who knows how to keep <insert legacy system name> running" or "they've been here so long, they know where all the bodies are buried" or some other excuse that has allowed the issues to persist, unchecked, for far too long. And now, they've resorted to the nuclear option—running a covert search for a

replacement; making HR do the dirty work on Monday morning, including the long, supervised walk to the door; sending out a vaguely worded email to the organization on Monday afternoon; and welcoming the new IT leader on Tuesday.

It's traumatic for everyone involved. And it's avoidable. My goal is to help IT leaders avoid finding themselves caught off guard by a last-minute meeting invitation from HR, and to help business leaders prevent their situation from getting to this point.

A less extreme manifestation of a lack of trust from management is when the IT leader is simply excluded from the executive team. In those situations, they usually report to the CFO, and the CFO represents technology in the corporate board room. (Bonus points if the CFO has some technology experience that makes them especially qualified for the role, such as "IT reported directly to me at my last job" or "I previously worked for a technology company" or "I installed my own Wi-Fi network at my house.") Technology decisions are made and handed down to the IT leader without asking for their input, ideas, or feedback. Status updates are requested and then communicated upward, often after being pared down and translated into business terms.

Don't get me wrong: I'm not picking on the CFOs. I've worked with and for some great ones, and there is a benefit to having IT report to the CFO. But in my experience, often the CEOs who delegate that responsibility down to their CFO seem to be intimidated by technology. Or maybe they are intimidated by their IT leader. Either way, the relationship is likely not ideal or conducive to the kind of collaboration that would benefit the organization.

This book can help the IT leader and the business leader build the trusting relationship they need to be successful.

Four Types of Business Leaders

Over the course of my career in technology, I have worked with executives of every kind. I've encountered hundreds of CEOs, CFOs, company presidents, general managers, managing directors, sales executives, marketing executives, operations executives, and even a few with titles that they made up to sound cool. (I'm talking to you, chief experience officers and chief visionary officers. In fact, did you know that LinkedIn now has dozens of listings for chief metaverse officers?)

I've noticed that business leaders tend to fall into certain categories based upon two factors—their understanding of technology and their trust in the IT department. Like a Gartner Magic Quadrant, let's map these two characteristics on a basic four-box diagram. The first trait—understanding of technology—is the vertical axis. The more tech-savvy the business leader is, the higher they are on the axis. But this isn't just about their ability to use and adapt to new technology; it also includes their understanding of the role technology plays within their business and the potential impact technology can have on driving business growth and transformation. Individuals on the upper end of the axis are always looking for opportunities to leverage technology to increase efficiency, improve the customer experience, and open up new revenue streams, while those on the bottom of the axis are resistant to change and skeptical of new technology.

The second trait, mapped on the horizontal axis, indicates how the business leader thinks about and interacts with the IT department. Those on the far right of the axis are the most collaborative and view other departments as partners in achieving the company's objectives. They naturally have a high degree of trust in their colleagues. Those on the left end of the axis have a competitive relationship with other departments. They may view

them as a threat, especially when vying for budget allocation and competing for resources. They are cynical and do not extend trust easily.

The four business leader types are the Agitators, Underdogs, Showboats, and Champions, as shown in Figure 1.1.

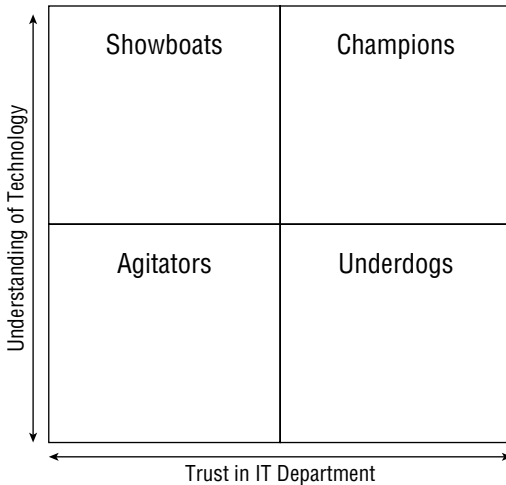


FIGURE 1.1 Four business leader types

The Agitators

The most challenging business partners to work with fall in the bottom-left quadrant. I call them “Agitators” because they often find fault and criticize the efforts of the IT department, with little to no constructive quality to their feedback. Their aim is to prove that the technology team is failing to support the business and is a waste of money. They genuinely believe that much of the software and technology tools in use at their organization are unnecessary and make their jobs harder. I’m not talking about the people who are always complaining about network speed, system performance, or application functionality with an interest in making things better and faster. Those individuals want the technology to do a better job supporting them. Agitators at the

bottom half of their quadrant generally want the technology to go away.

In the early 2000s, I was engaged to help with the due diligence and integration of a printing company in Portland, Oregon. The leadership team was a small group of bright, capable, ambitious leaders who took pride in their ability to get things done quickly and serve their customers effectively. Their technology systems were a bit outdated, and there was a lot of opportunity for improvement, but I felt confident that we would be able to invest in some “low-hanging fruit” upgrades and make a big impact in a short amount of time, that is, until I had dinner with the chief operating officer. I had already heard that he was decidedly opposed to CRM platforms, and I was more interested in building the relationship at that point in the process, so I had no intention of getting into any technology-focused debates with him. But clearly he had an agenda for our dinner. Before we even ordered drinks, he told me that he did not believe in email. I laughed. He didn't laugh. Over the next hour and a half, this business leader laid out his arguments for abandoning email entirely and relying only on phone calls, letters, and in-person communications.

To be clear, this guy did not want to replace email with instant messaging, text messaging, or any of the collaboration platforms that would become popular in the following years. He genuinely felt that electronic communication tools were a huge waste of money, were a detriment to effective communication, and made everyone less efficient. OK, I would venture to guess that we've all been frustrated by email before and can relate in some small way to his feelings. But a quick reality check is all it takes to remember that the economic engine of the world now runs on a platform of digital communications.

I know what you're thinking. That was 20 years ago. Surely that guy has either caught on and changed his tune or retired by

now, along with anyone like him. But there are more recent examples. At the beginning of the COVID-19 pandemic, I witnessed several people who made the decision to retire early rather than adapt to the technology-based requirements of remote work. I also witnessed many who stayed, despite their unwillingness to adapt.

There is a subset of the Agitator group near the middle line of the vertical axis who do see some value in certain technologies, but they want to keep it within their control. These are your biggest shadow IT proliferators. They may want better tools for their team to do their jobs, but they don't want IT to be involved in the decision making, implementation, or ongoing support and administration. They would prefer that the budget dollars spent on IT systems and personnel instead be allocated to their department. But the tools they want are tightly limited in scope, and they are not interested in integration with any other systems or data sets. They lack the foundational understanding of the value that integrated technology can bring to their business.

How can technology leaders work more effectively with the Agitators? One option is to strategically redirect every conversation with them to talk about their hobbies and favorite vacation destinations, thereby subliminally hastening their retirement. If waiting them out does not seem like a realistic option, then you have some work to do. The first step is to understand why Agitators feel the way they do about technology. Most of the time, they have developed an animosity toward IT departments over many years and have had some really bad experiences. At some point in their career, they were likely involved in a large technology implementation project that was an abject failure and a huge waste of time and money. Knowing that three-quarters of IT projects fail, statistical probability says that most business leaders have participated in or at least closely observed one, and some carry more scar tissue and emotional trauma from those experiences than

others. Their horrible past experiences may not have been with you, your team, or your current company. They could have developed ITPTSD (information technology post-traumatic stress disorder) long before you met them.

If that's the case, you must start by not taking their comments and behaviors personally. You might begin building the bridge by asking them about their prior experiences with IT. Maybe venting their frustrations with technology and the people they've been disappointed by in the past will help them begin to realize that you and your team are different people in a different environment at a different time and deserve a chance to earn their trust.

Or, maybe it was you. Maybe their negative attitude and unwillingness to work cooperatively with the IT department is based on their perception of your department's failures to meet their needs. Maybe they have experienced constant, repeated, unresolved issues and a lack of responsiveness from the tech support team. In that case, I still recommend talking to them about their prior experiences. Allow them to vent anyway, and still try to avoid taking their comments personally. In these conversations, it's important to listen more than you talk, show empathy and understanding of the frustration they've experienced, and avoid the temptation to defend, justify, and explain.

Then, you must embark on the most formidable task: rebuilding their trust. This will take time and can be done only by showing results. You can reassure them that you are changing things and that their experience will be different, but they won't believe you until they see it happen consistently. If they have years of bad experience that has caused them to build a wall, it may take years to tear it down, one good experience at a time. But it can be done. You may also need to take a two-pronged approach of rebuilding their trust in technology *and* their trust in you and your team. I'll talk more about building trust in Chapter 3, "Managing Yourself."