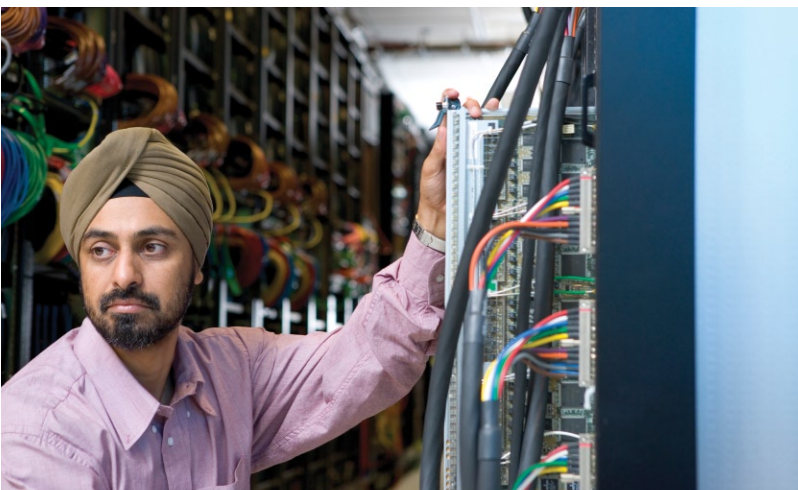


The CIO's Role in Enabling Innovation

IT leaders can fuel growth and innovation using three strategic levers.

By Rebecca Jacoby, Chief Information Officer, Cisco



Today, technology is broadly accepted in business as necessary to drive efficiency in operations. Leading organizations recognize that the strategic deployment of technology can be the critical enabler of virtually every business growth opportunity, especially those fueled by innovation.

The role of CIOs, and the organizations they lead, is to become the strategic “glue” between a company’s business strategy and the enabling technology architecture.

IT organizations that understand and communicate in terms of business strategy will propose and implement technical strategies that create unprecedented opportunities for innovation in processes, products, and services.

A host of new collaboration technologies, combined with the expanding capabilities of the network, make the possibilities endless for innovation on a global scale. Of course, every CIO still has the responsibility to improve productivity in operations and to ensure business resilience. All that, while operating and improving legacy systems.

Three strategic levers provide the framework for CIOs to enable innovation today:

- Lead with—don’t resist—new collaboration tools and processes that promote innovation within the company and with trusted partners.

- Create a flexible, secure, and scalable IT architecture that continuously improves “time to capability” for the business.
- Position IT to provide measurable value (beyond efficiency) at all levels: productivity, experience, and growth.

Embracing Collaboration

Collaboration technologies available today have initially gained broad acceptance outside the enterprise—but they are highly relevant for business use. These technologies enable innovation on a global scale that will fuel growth for the next decade.

For the CIO, collaboration technologies challenge our traditional views of governance. They invite broad participation in problem solving and idea generation. They are relatively simple to begin using. Rigid control will fail. On the other hand, taking full advantage of these tools within a business requires scalability and focus on results.

CIOs are uniquely positioned to *lead*, rather than *control*, the strategic implementation of emerging Web 2.0 collaboration technologies in the enterprise. This transformation will require changing more than technology, it will also drive change in cultures and leadership approaches. IT can lead by inviting broad participation in solving these challenges while providing the structure required for scale and focus.

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Designing the Architecture

Every CIO can feel the momentum as consumer use of Web 2.0 tools raises expectations for flexibility and personalization in the enterprise user community. Global trends of growth and talent availability in emerging markets amplify the urgency for enabling technology. However, requirements regarding scale, security, and ongoing regulation continue to increase, creating seemingly opposing forces in the business environment.

Successfully meeting all the needs of the enterprise requires a “planful” IT architecture that works seamlessly with the business architecture to drive productivity, growth, and innovation.

Today, and in the future, the network is the platform upon which we manage our companies’ core content and business processes. The network will enhance our ability to take advantage of a true services-oriented architecture, which will orchestrate those core services residing in our own network, as well as those we choose to access from partner enterprises, perhaps in a software-as-a-service business model.

The real power will come from collaboration technologies deployed at enterprise scale that allow user communities to work in the personalized fashion they desire.

Creating Company Value

Aligning technology architecture with business strategy and leading the way for collaboration technologies to enable growth and innovation will define IT as a value center for any corporation. Positioning IT as a value center as opposed to a traditional cost center in the minds of the executive suite, as well as the IT organization itself, is essential to encourage the investment that enables sustainable growth and innovation. IT must become the synchronizing force between technology roadmaps and the strategies they enable, and this means developing new communication skills for many organizations.

Enabling business strategies requires IT to function and communicate effectively in *all* aspects of running a business. First, IT must measure its success in terms of supporting the operational functionality of the business, while driving sustainable productivity and resilience into processes as fundamental as ordering, shipping, and billing. This continues to be the price of admission for a successful IT function, but it is not enough.

IT needs to consistently deliver business capabilities to support scale or new business models with shorter timelines and improved experiences. Ultimately, IT leaders need to prioritize work and communicate progress in terms of the company’s growth strategies. The technology available today makes this an opportune time for IT to drive a transformational shift from a budget focused primarily on operational efficiency, to a budget evenly allocated to operations, new capabilities, and investment in growth and innovation.

Company innovation, then, requires CIOs to utilize three strategic levers: Embrace and lead the enterprise transformation enabled by collaboration technologies; plan and implement a renewable architecture that enables both personalization and secure scalability in alignment with business strategy; and position IT as the value center it can be within your business. When it comes to innovation, these will be the hallmarks of successful CIOs for years to come.

