

TECHNOPHOBES? FEAR NOT

TECHNOLOGY HAS BROKEN FREE OF THE BACK OFFICE TO DRIVE CUSTOMER SERVICE, STRATEGY AND SALES. BUT IF YOU'RE A NON-TECH CEO, HOW CAN YOU MAKE SURE YOU'RE NOT LEFT BEHIND?

WORDS • DOMINI STUART

For years, technology has been integral to the day-to-day operations of our organisations. Now, it's shaping their future.

"Emerging technologies are driving different lines of profitability, greater efficiencies, lower costs and increased customer satisfaction," says Andrew Tucker, CEO of ITonCloud. "The digital world and business are becoming inextricably intertwined. No CEO can afford to ignore that."

Albert Ma, CIO and Vice-President at Toyota Financial Services in the US, believes that IT is now as much part of the organisation as any other business unit.

"We have seen a shift from back-office activities, like process improvement and optimised efficiencies, to more customer-facing, revenue-generating capabilities," he told the magazine *CIO UK*.

Yet, according to a recent global survey carried out by Gartner, only 20 per cent of CEOs are taking a digital-first approach to business change.

"There's still a disturbing lack of awareness," says Tucker. "I often talk to CEOs at conferences and events

and they have little idea of what technology is available, what it can do or how little it can cost. These days, most services can be outsourced so there's no need for the hefty lump-sum investments that were once barriers to progress."

So how much do non-tech CEOs need to know about technology to lead effectively in the new, digital environment?

"You certainly don't need to be an IT expert to apply technology successfully," says David Roper, Managing Partner of CIO Partners. "What you do need is access to experts you can trust to fill the gaps in your own knowledge and experience. You also need a healthy degree of scepticism and the ability to ask the right questions, which generally comes down to common sense. The starting point is understanding what your competitors are achieving with technology. You must know what you're competing with."

UNDERSTAND THE POTENTIAL

Two of the most-talked-about emerging technologies are the Internet of Things (IoT), which uses sensors to connect devices to the internet and each other, and artificial intelligence (AI), which simulates intelligent human behaviour. The bottom line is knowing enough to gauge their potential.

"Take the example of a fleet of delivery trucks," says Tucker. "When IoT sensors alert you to the first signs of a mechanical problem you can save on maintenance costs and your trucks will spend less time off the road. That enables you to provide a more reliable service to your customers."

AI can then analyse the masses of data collected by IoT devices, sifting out trends, highlighting notable changes, and presenting this information in a usable format.

"As AI becomes more sophisticated, these systems are increasingly able to make predictions and suggest the most-effective course of action," says Tucker.

He recommends that CEOs see for themselves how other companies are applying technology.

"Where possible, go overseas," he says. "You'll get a broader view, and if companies in your own industry aren't in direct competition with you, they're more likely to share their information. I know a CEO of an Australian kitchen company who travelled the world looking at how AI is being applied in his field. He's now using that knowledge to transform and differentiate his operation."

CONTINUING SECURITY

Some of the most important questions concern security.

"As technology evolves, we find that many CEOs and boards are still uncertain about the nature of the threats they're responsible for managing," says Andrew Constantine, a private adviser specialising in preventing cyberattacks, and author of *The CIO Solution*. "Every organisation should have an IT strategy in place and CEOs should ask to see it on a regular

CEOs don't need to code but they do need to envisage how the company can use technology to remain competitive.

According to Gartner, 47 per cent of CEOs are being challenged by the board to make progress in digital business. And 56 per cent said that their digital improvements have already improved profits.

basis. They must feel confident that there are appropriate responses in place for everything from a data breach or system disruption to a bomb threat."

In terms of trusted experts, the changing role of technology is giving rise to a new breed of CIO. No longer restricted to the world of servers and software, they have business in their background, think strategically and understand that customer-centricity is critical to achieving growth.

They are also proving to be valuable allies. Target Corp's CEO Brian Cornell, for example, works closely with CIO Mike McNamara.

"We meet weekly to discuss the technology implications of everything from capital spending allocations to how best to enhance customer loyalty," Cornell told the *Wall Street Journal*.

Today's CIOs can also explain and market their department's capabilities throughout the organisation.

"They're unlikely to do their job effectively if they can't communicate or lead people well at all levels, including the executive, mid-level managers and other technologists," says Roper. "This includes educating the CEO on emerging technologies and how to extract full value from the technology they already have."

Perhaps the most important thing a CEO needs to know about technology is how to choose the right CIO. ■



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