

Chapter 1

Build a Great Team

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Executive Summary

As the manager of an indispensable organization within a larger business, some of your primary responsibilities are attracting, nurturing, promoting, motivating, and preserving talent. The responsibilities to find and manage talent extend well beyond the traditional boundaries of the company to include vendors, consultants, business partners, and all the various outsourcers that IT depends upon. A deep pool of talent is a great asset and the best hedge against the uncertainties of a rough economy.

My Role Model

I grew up in Brazil, where the big game is soccer. I didn't start following basketball until recently. Now I'm a huge fan. I especially like Duke University. Okay, by now you're asking: What's this got to do with IT? Bear with me for a few more sentences, please.

About ten years ago I changed jobs, which required a move from New York to Florida. Naturally, my family and I needed to sell our house. So we listed it with a broker and pretty soon prospective buyers were traipsing through the house. Adding to the general excitement, my son had just been accepted at Duke. Whenever the Blue Devils were on TV, he had to watch.

One Saturday afternoon, a husband and wife showed up to look at the house. My son was watching Duke play either Clemson or Maryland, I forget which. The husband was a basketball fan, and he sat down to watch the game with my son.

The next thing I know, I'm watching too. I didn't understand much about the game back then, but I was struck by the

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demeanor of Duke's coach, Mike Krzyzewski. It seemed to me that Coach K was radiating strength, intelligence, authority, knowledge, and confidence all at the same time. What a great leader, I remember thinking.

From that day on, Coach K has been my role model. I always begin my presentations with an appropriate quote from the coach, and it usually does a good job of framing the points I'm trying to make.

I've included several quotes from Coach K in this chapter, and I hope you find them helpful and inspiring. Now that you've been adequately forewarned, here's a good one to get us started on the topic of team building:

When you first assemble a group, it's not a team right off the bat. It's only a collection of individuals.

—Coach K

Creating a great team is not the job of human resources (HR)—it's yours. HR can help you hire the bodies, but it's up to you to weld those bodies into an effective team. Turning a collection of individuals into a team takes time and effort—your time and effort, specifically. Team building, for the most part, is a hands-on management function. You can delegate some of the tasks required to build the team, but most of them will require your personal unwavering attention.

You start by creating an environment that values transparency and trust. Then you add talent. From these three basic ingredients you build your team.

All right, I can hear you saying: Oh, he's going all touchy-feely. Here's my response: If you can't handle the full 360 degrees of personal involvement required to lead IT in today's wild and crazy economy, maybe now isn't the right time for you to be an IT executive. Maybe you should wait for things to calm down, or maybe you should look for a job with less responsibility and less pressure.

Focus on Talent

Seasoned IT executives have been around the track enough times to understand the value of a good team in good times and bad. Many of the decisions you make about staffing your IT team will be essentially the same, whether you are building up or building down. Either way, you will be prone to making mistakes.

For example, when you are building up, there is a tendency to pick someone for a particular job because that person is available and you figure, "What the heck, how badly can that person do?" That is what happens when you become fixated with the idea of "filling seats" instead of focusing on acquiring the skills you need to accomplish your team's objectives. You really need to take the time necessary to define (or redefine) exactly what you need in terms of skills before you start thinking about an actual person to fill the seat.

In my experience, hiring people in a hurry is a classic management mistake and almost always leads to unpleasant results. You cannot hire in a hurry. When I hired talent,

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I would be thinking about the available job *and* the next position that would open up.

In a down economy, you will be facing the opposite problem: You need to eliminate positions. Too often, as one of my colleagues likes to say, people are eliminated “because they are sitting in the wrong chair.” As managers hurry to meet corporate downsizing objectives, they often make the same mistakes they make when they hurry to meet hiring objectives.

Unfairness aside, eliminating the wrong people will severely restrict your ability to create an IT function that is smaller, leaner, and more efficient. I suggest that you start with a clean sheet of paper. Make a list of the skills, talent, and experience IT will need to survive for the next 36 months.

You can be relatively certain that you will have less money and fewer projects. The projects you do have will be smaller in scope. What will not change is this: The enterprise will still depend, to a large extent, on IT’s ability to deliver a wide range of critical services at critical times.

So I urge you to think through your staffing needs very carefully. Resist the urge to eliminate positions for the purpose of achieving short-term goals. Equally important is retaining good talent. In a time of crisis, the best performers tend to leave. But you need good people to help you survive a crisis. It will take all of your executive skills to ensure that good talent does not go out the door.

Focus on skills and competencies, not job titles. If you are facing a choice between hiring an expert and hiring

someone with proven abilities in a wide range of areas, hire the generalist. Look for multi-taskers, fast learners, and good communicators.

Key IT Competencies

At this point you're probably screaming, "You keep talking about skills and competencies. But which skills and competencies are required to manage IT successfully in a rapidly changing economy?"

My short answer is this: The same skills and competencies that would be required in *any* kind of economy. As a group, your IT team should be capable of:

- Understanding the industry and the competitive landscape
- Formulating strategy
- Prioritizing and managing the IT portfolio
- Defining solutions and architecture
- Estimating project costs
- Preparing business cases
- Defining and managing requirements
- Managing programs and projects
- Managing program and project costs
- Managing run costs

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If you begin with these key competencies, it is not difficult to come up with a list of essential skills that your team will need. Naturally, some people will have many or several of the skills you need and some people will have fewer. It is your job to balance the needs of the team with the skills and abilities of the individual players.

And by the way, it is also your job to make sure that the team, as a group, and the players, as individuals, are properly trained. The list of essential skills and competencies is not static—it will change as the market changes.

You cannot reasonably expect people to absorb new skills by osmosis. Sometimes you can teach them new skills directly by just talking with them, explaining what they need to know and letting them figure out the rest by themselves. Other times you can hand them a book to read.

But most of the time, you will need to arrange structured, formal training to make sure that your people acquire the new skills they will need to help you manage through difficult times. Keep in mind that 70 percent of what people learn, they learn by doing. So, don't be afraid to promote young, motivated talent. Talented people can achieve miracles, particularly when they are supported by a good team.

HR can help you find the appropriate training resources. Do not wait for HR to ask you if your people need training. Make sure that HR knows that training is one of your priorities. Be the squeaky wheel and get what you need from HR.

Send Sacred Cows to Pasture

From the IT perspective, the recent economic meltdown provided at least one benefit—there’s no place for the sacred cows to hide anymore.

You know which ones I’m talking about. They’re easy to spot because when you ask about why they haven’t been eliminated, the usual replies sound something like, “We’ve always used this system and everyone is comfortable with it,” or “Our requirements are unusual,” or “This application addresses the unique needs of a special niche of important customers.”

Some sacred cows fall into the legacy category. Others fall into the “that’s not the way we do things around here” category. For example, some IT organizations will resist doing a process analysis because they’ve never done it before. The standard response is often something like, “We know where we want to go, so why should we spend the time and money to document where we are?”

I personally know of an IT organization that had no idea how many PCs they owned. They resisted performing an internal audit—mainly because they had never done one before.

All of these types of excuses are usually offered to cover up for past sins of laziness, arrogance, or sheer ignorance. In any event, it’s time to herd up the sacred cows and send them out to pasture.

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After the sacred cows have met their fate, you need to replace them with systems or processes that deliver more value at less cost. This is one of the primary ways in which you fulfill your role as an agent of change.

Never Forget, You Are an Agent of Change

I have never met a CIO who was hired to enforce the status quo. I have never interviewed for a job and been told, “We like things just the way they are, so please don’t change anything. Just keep the lights on and the printers running.”

Companies hire new CIOs the same way that baseball teams hire new managers. CIOs are hired to shake things up, to upset apple carts, to breathe new life into organizations that, rightly or wrongly, are perceived as underperforming or not living up to their potential.

CIOs deliver value through disruption and innovation. Any competent manager can keep the lights on and the printers running. We earned that “C” in our job title because we are considered capable of challenging the norm and replacing it with something better.

A couple of years ago, everyone was talking about the CIO’s role as an enabler of transformational change. Well, it was easy to talk about transformational change when there was no compelling reason to actually accomplish it. Now there is a compelling reason. Traditional IT has become unaffordable. It’s like a big old rambling house that you’ve got to sell so you can move into a smaller, more efficient house.

But making the move will be painful and difficult. People will have to pull their own weight, and more. That is why you need a great team—people you can trust to do the heavy lifting and not drop the boxes filled with fine china.

You are going to need people who are willing to make sacrifices, who are not afraid of change, who will not cave under pressure. They don't have to be the smartest, the most talented, or the most aggressive. They have to be people who can work together in tough situations, people with enough experience to improvise, people who are OK with the idea that the survival of the organization depends on them.

It won't be enough to have two or three people who think like this. You'll need a whole organization full of like-minded colleagues. You'll need a real team to make it through the difficult times ahead. As Coach K says, "You develop a team to achieve what one person cannot accomplish alone. All of us alone are weaker, by far, than if all of us are together."

Start at the Top

How do you encourage and reward the behaviors that will enable you to succeed as the CIO? How do you set the standards?

I've always believed that the best place to start is at the top. So one of my first tasks as CIO is establishing what I call the "IT Board."

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Exhibit 1.1 The IT Board

IT	Business IT	IT Support
Operations	Sales and Marketing	Finance
Planning, Strategy, PMO, Contracts	Engineering (Product Development)	Purchasing
Architecture and Standards (Application and Infrastructure)	Manufacturing	Legal
	Logistics (Supply Chain)	HR
	Finance and HR	

Essentially, the IT Board serves as the CIO's cabinet. I select members of the board from two main constituencies: my direct reports within IT and managers from key functional areas such as finance, purchasing, HR, and legal. I then divide my direct reports into two groups: IT and Business IT. That makes a total of three groups within the board: IT, Business IT and IT Support. (See Exhibit 1.1.)

Once the board is established, I regard it as the primary representation of the company's IT management function. We hold regularly scheduled meetings (at least once a month, but sometimes more frequently depending on the circumstances) at which attendance is mandatory. There is always a formal agenda. We circulate detailed minutes of the meetings to all members of the board.

A substantial amount of time is dedicated in each meeting to organizational planning. Each member of the board presents a detailed overview of the organization that he or she manages or represents. The entire board reviews these presentations so we all know at all times where we are strong and where we need help. This is absolutely critical.

Each member of the board is required to make suggestions for improving the organizational make-up of the various components that comprise the IT function. We then discuss these suggestions as a group, and take action when necessary. This really helps us avoid nasty surprises and the ensuing panic that invariably leads to poor decisions.

Another key focus of the board is continuous improvement. Particular attention is paid to reviewing and learning from incidents and system outages. More about that later. Again, all members of the board are required to report on the status of their organizations and update the board on their activities in this area.

Cost reduction is another standing item on the board's agenda. Keeping cost reduction on the agenda means we can't avoid discussing it, reviewing it, arguing about it, and refining our strategies. It forces us to deal with new information as it surfaces and to work through issues and opportunities in a formal setting in which everyone has a voice and is expected to contribute.

Sharing information on a regular, communal basis enables everyone on the board to learn something from everyone

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else. It formalizes the knowledge transfer process and creates a stage on which everyone gets the opportunity to play a starring role.

Overall, however, the main difference between the IT Board and an informal group of advisors is the sense of shared responsibility. I make it very clear to everyone on the board that we alone are responsible for all the decisions affecting IT or IT-related processes.

As mentioned in the Introduction, I define IT much more broadly than many CIOs do. Remember the mantra: *If it looks like IT, feels like IT, and smells like IT, then it is IT.* So the IT Board covers a lot of territory and shoulders a lot of responsibility. Once you have joined the IT Board, there is no turning back.

When the board makes a decision, it is a group decision based on shared information, careful review, and open discussion among peers and colleagues. We do nothing in the dark or behind closed doors. We are transparent. Every important IT decision goes through the IT Board.

That means that no one can say that he or she did not know about a new system or a modification or a new operating process that affects his or her area. More importantly, it means that implementations are likely to go more smoothly (resulting in faster, better return on investment [ROI]) since the board will have already identified and dealt with many of the potential problems.

That is the real advantage of the board. It creates partnerships across the enterprise. When people feel they are partners with their peers and colleagues, they are more likely to speak up when they see a potential problem and flag it before it becomes a serious issue.

When managers stop thinking in terms of “we–them” and start thinking in terms of “us,” they become much less timid and more proactive. They are less likely to run away from problems and much more willing to confront them head-on. This is the kind of support you need from your staff if you’re going to succeed as the CIO in hard times.

Another advantage of the board is that it really helps you prepare for the senior management meetings that you attend as CIO. I always felt confident bringing a matter to the company’s board of directors after the matter had been thoroughly reviewed and discussed by the IT Board. I knew there would be no surprises, because I knew the IT Board had already thought through every possible scenario, and I knew that the IT Board would stand behind the recommendation that I brought forward.

Find a Friend in Human Resources

It is imperative for the CIO to work closely with HR. That is why you want an HR person on your IT Board. Staffing needs are fluid, to say the least, and you want someone in HR who understands precisely what you need when you need it.

When I was the CIO at GM Europe, I was fortunate to work with Robin Watson, one of the company's best HR managers. Technically speaking, Robin worked for HR and IT, which meant she had one foot in each world. This arrangement was occasionally difficult for Robin, but it worked out great for the company.

Robin felt personally responsible to make certain that IT was staffed with top performers. Because she was a member of the IT Board, she understood the specific needs of IT. Her years of experience in HR enabled her to find the best possible candidates and to optimize the hiring process.

"HR brings certain skills to the table that can help the CIO build a great team," she says. "For example, we know how to ask questions that will reveal whether a candidate is a good learner and can adapt quickly to new situations. Since we 'get' IT, we can keep our eyes out for good candidates as they become available and bring them in sooner. We try to follow Ross Perot's advice. When he was running EDS, he said he would rather hire a musician than a technician because he knew the musician would be capable of learning."

HR can also coach the CIO on the best methods for building a successful team, says Robin. "First of all, you need to establish the goals and objectives of the team, and then build the team around those specific goals and objectives. So the key questions are: What is the team trying to accomplish? What is the team's mission? What is the team's charter? Which specific skills and competencies will you need on the team to make it successful?"

Once you've specified the team's purpose and listed the skills you need, then you can start building the team itself. "Many executives make the mistake of building their teams around people instead of around needs," says Robin. "That can be a recipe for disaster."

For example, when we're building a senior IT team, we look for experienced managers with proven track records in operational management and financial management. We also want them to have strong critical thinking skills. And they have to be good people managers, since managing people is a critical skill for IT leaders. The ability to manage people does not come easily to many IT executives, but it is an ability that you must cultivate in order to succeed.

Good communication skills—both verbal and written—are also critical skills for senior IT managers. Since IT touches every part of the enterprise, IT leaders must be ready to communicate fluently at multiple levels with multiple audiences. It's not unusual to find yourself talking to the board of directors in the morning, a committee of internal customers in the afternoon, and a group of vendors in the evening. And of course you'll be on your BlackBerry™ all day, trading e-mails with people you know, people you don't know, and people you don't want to know!

The point is that IT no longer dwells in a dark basement or behind a glass plate. IT is everywhere, which means that IT managers need to be comfortable in any kind of milieu or environment. Come to think of it, we should probably add

diplomacy to the list of critical IT management skills required for a high performance team.

The High Performance Team

My friend and former colleague, Alejandro Martinez, uses the phrase “high performance team” to describe his ideal IT organization. Alejandro is the current CIO of General Motors Europe, recently promoted from managing Latin America, Africa, and the Middle East. You would think from reading the headlines that GM is suffering all over the world, but the company is still very competitive in Asia, Latin America, and Eastern Europe. That is a big chunk of the world to compete in, and that is why I believe that Alejandro’s advice is worth listening to.

In any event, it is fair to ask: What exactly is a high performance team and how do I build one?

“In a high performance team, everyone knows what the team is trying to accomplish. Everyone knows the rules of engagement. Everyone is motivated. Everyone is empowered to act in ways that will ensure the success of the team’s mission,” says Alejandro. “The CIO’s job is communicating all of this to everyone on the team.”

A high performance team moves fast, excels in execution, and delivers more value to the business than a traditional IT organization. A high performance team also requires hands-on, highly visible leadership.

“No matter how technically brilliant you are, you cannot be a successful CIO in today’s environment if you stay behind your desk,” says Alejandro. “You need to be out in the field, you need to be seen, and you need to be available when people want to speak with you. You need to invest your time in managing your people—because your success rests on their ability to accomplish the mission.”

I asked Alejandro to give me some examples in which a high performance team accomplished missions or achieved goals that would be considered beyond the reach of most traditional IT organizations. He told me two great stories, and I want to share them with you.

A Quick Start in Russia

About two years ago, GM began implementing a plan to establish a significant presence in Russia. The plan required us to move quickly and aggressively. We had a very aggressive go-to-market strategy.

This represented a huge challenge for IT because we rely largely on outsourcers and we expect them to conform to standard systems. But there were no traditional IT suppliers in Russia at this time. So we had to build the capabilities of our global suppliers from scratch.

When we selected our team, we made sure that we included people who knew how to identify and develop local resources, develop recruiting strategies, choose the right vendors, make sure the contracts were properly written, work with project managers on the vendor side, and train new suppliers and integrate them smoothly into our IT organization.

The team also drew on expertise throughout our existing IT organization; we leveraged our strengths and capabilities. For example, if the best project manager for a financial application was in the United Kingdom, he or she would take the lead on that project and work with the team until the project was completed.

This was an entirely new approach for us and it really was a tremendous stretch. Our goal was to create an IT infrastructure that would enable GM to start building cars in Russia, and there were challenges on every front.

But after 24 months, we had deployed an IT infrastructure that included financial, HR, manufacturing, supply chain management, quality, operations, purchasing, contracting, project management, and incident management—all the best practices of a traditional IT organization.

Best of all, we were able to replicate our global standardized model. So if you go into our IT shop in Russia today, it looks just like our IT shop in Canada, Brazil, or China. It was really a remarkable achievement, and it would have been impossible to accomplish without a high performance team.

Profiting from a Unique Opportunity in Brazil

About seven years ago, a change in the Brazilian tax code created an opportunity for local car buyers to legally avoid a fairly significant state sales tax when they purchased cars directly over the Internet. We were reasonably certain the tax code would be revised in the future, so if we wanted to take advantage of the opportunity, we needed to act quickly.

Avoiding the tax would shave two to three percent off the buyer's cost of a car, which amounted to a true competitive edge in some of our more cost-sensitive markets.

The problem was that we didn't have a car that we could sell effectively over the Internet without disrupting our existing distribution network. So we had to invent a new car, the Celta.

We created a new business model for building and marketing the Celta, literally from the ground up. IT was just one piece of the program. But we were a major player since IT was essential to every part of the program from design to engineering to manufacturing. And of course, we had to invent new business processes and unique business-to-consumer capabilities.

The program, which started before I became CIO of Latin America, pushed IT to the limit. Because we already had a high performance team in place, we were able to handle the additional strain and deliver the IT services necessary to make the program work.

Naturally, when our competitors discovered what we were doing, they tried to build up their Web presence and start selling cars over the Internet. But we had such a head start that they never caught up, giving GM a unique competitive advantage.

To make a long story short, we were the only car manufacturer in South America that successfully sold cars over the Internet during this period of time. We designed, built, launched, marketed, and sold the Celta before anyone could figure out what we were doing.

The Celta program was a major business success. It remains a great example of how the partnership between IT and the enterprise can accomplish magnificent results in a short span of time.

Global Team for a Global Effort

Harvey Koeppel, the former CIO of Citigroup's Global Consumer Group, told me a great story about his efforts to establish a truly global customer relationship management (CRM) system to support the bank's rapid expansion into new markets. The technical challenges were staggering. The bank had 180 million customers in 54 countries. The goal of the project was to provide customer profiles to customer representatives on demand, within 200 milliseconds. Here is how Harvey described the project:

We called it "customering," and it went beyond the classic CRM implementation. We wanted to create a comprehensive repository of customer information—one place where we would collect, store, and process institutional knowledge about the full relationship we had with each of our customers. The system included business intelligence and analytics. It was automated and context-sensitive so the reps didn't have to scroll through all kinds of irrelevant data to find the specific information they needed to deal with an individual customer's question or problem.

The scope of the project was huge, much of the technology was relatively new and the expectations were sky high. Well, if you've ever met Harvey, you know that he is a big guy with broad shoulders. But they're not *that* broad. Nobody has shoulders broad enough for all of that responsibility.

So the first thing Harvey did was create a special team. The team had to have the right combination of technical knowledge and local knowledge, since privacy laws and business

customs varied from country to country. For example, storing some specific kinds of customer information might be legal in one country, but illegal in another country.

We pulled together a team of hard-core technologists—application and process experts, as well as infrastructure and architecture experts—and some very savvy business people. We knew that we were breaking new ground, both from a technology perspective and a business perspective. Nobody had ever attempted anything like this before on such a grand scale.

The fact that we had executive sponsorship from the top was a major critical factor in our success. But the team had to get the job done.

The team was aligned around the vision and the goals of the project. The team represented the appropriate distribution of skills. There was a lot of transparency and accountability around specific aspects of the project and everyone understood that he or she had a particular role to play as a member of the team. The focus wasn't on individuals and their creative artistry—the focus was on the goal and mission that we needed to accomplish.

At its peak, there were 80 people on the team, including consultants, vendors, and other third-party suppliers. The initial deliverable was accomplished in nine months. There was a series of follow-on projects that went on for another four to five months.

Frankly, we got it done so quickly and so completely because we had put together a great team. That was the “secret” of our success.

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I hope you found these stories interesting and useful. While we understand on a gut level why focusing on the team is important, it is often difficult to translate our gut feelings into practical strategies and tactics. That is why we need to dig a little deeper and really look closely at the way in which good teams are assembled.

For example, when Harvey was putting together his team at Citigroup, he looked first for people with very strong program management skills. He wanted people who could grasp the vision, decompose the business problems into a series of technical challenges, staff accordingly to address each challenge, and then orchestrate the development and implementation of practical solutions.

Within the team we had several sub-teams working on different aspects of the architecture. There was a business intelligence sub-team, a middleware sub-team and a SOA (service-oriented architecture), sub-team. There were sub-teams for data privacy and information security. We also had people from legal, finance, HR, operations, sales, marketing, and customer service. The team had tentacles into every department of the bank.

In a very real sense, the team operated as a mini-department of the bank. Maybe it should have been called the Department of Transformation since it played a crucial role in the bank's evolution from a product-centric organization to a customer-centric organization.

When the team's work was complete, it was disbanded. I would like to think that at least some of the lessons learned

were retained in the bank's institutional memory. This is actually an important point to remember.

When you do something terrific, write it down and let everybody know about it. That way you are sharing your knowledge and making it easier for the next generation. This is something that we tend to forget in today's hypercompetitive world. After all, if a tree falls in the forest and nobody hears it . . .

Remember, Communication Holds the Team Together

My friend Alejandro is a strong believer in the hands-on management style. But for Alejandro, the term "hands-on management" means something very different from "micro-management."

Micromanagers tell people how to do things. Hands-on managers explain the mission and then let the people working for them figure out how to get it done. Any idiot can be a micromanager. I'm sure that you've met your fair share of them.

A successful hands-on manager takes the time to understand the business vision so thoroughly that he can share it easily and fluently with others. Then the hands-on manager makes the time in his or her schedule to communicate—personally and directly—with all the members of his or her team.

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So if you are the CIO, you will be spending a lot of time on the phone, on the plane, on the train, in the car—you get the picture. As Alejandro said earlier, you cannot manage IT from behind your desk. Get out there in the field and talk to your people. It won't be easy, but your success will depend upon it.

Earlier I mentioned that it is important to look for senior IT managers with good communication skills. These same skills are absolutely indispensable for CIOs managing complex IT organizations in a down economy. You simply cannot afford to have members of your team behaving unproductively—and believe me, that is exactly what will happen if you aren't out there serving as a role model.

“Communication does not always occur naturally, even among a tight-knit group of individuals,” says Coach K. “Communication must be taught and practiced in order to bring everyone together as one.”