

IBM business strategies

Business



Leadership, Change and Growth: CIO as a driver of business at IBM Company

Profile: IBM is one of the largest globally integrated enterprise in the world and since 2000, the company has spent over \$70 Billion on research and development to implement innovation technology that supports Big Data, cloud, mobile and social computing. The company boasts the world's largest cloud for analytics and allows over 200, 000 employees access to perform analytics on multitude of business functions (sales forecasting, skills evaluation etc.) while significantly improving upon project delivery time.

The company has seen a sharp change in direction in the previous decade from rearward production to Services and Software units now taking the driving seat for revenue generation. Services and Software are now responsible for 41% and 44% of profit respectively (201 5 IBM Road Map, 2012) The company's new focus according to Its Vision 2015 statement is to become a Smart Enterprise, which can align its IT and Business unit strategies to provide solutions to its clients which would increase business processes and supply chain efficiencies along with a focus on going " Green" by curtailing excessive energy consumption and waste.

It is with this vision that the role of CIO has to evolve to provide leadership and create linkages within the organization and between partners to deliver the new IT led growth for MOM. The Role of CIO: The role of CIO has been transformed from that of an IT specialist working in the background focused on " keeping the lights on" to a more integrated partner at the business level becoming a catalyst and an enabler for the company to move towards an integrated enterprise.

The CIO of today performs a wide range of nontraditional tasks ranging from identifying emerging technologies, providing IT support to ensure there is no disruption of service, acting as key strategic partner to the CEO (Chief Executive Officer). According to a research conducted by IBM, the modern CIO spends approximately 55% of his/her time on activities which spur innovation, these activities growth for the business.

IBM prides itself as an early adopter and considers its organizational structure flexible enough to identify and implement changes quicker than its competitors to enable it to maintain its competitive advantage. The figure below (Today's challenges, Tomorrow's CIO, 2008) illustrates the changing role of the CIO and provides a contrast between the roles and responsibilities of today with those of tomorrow. Ambitious CIOs have an opportunity to form and drive business wide transformation rather than be confined to IT centered change (Today's challenges, Tomorrow's CIO, 2008).

Experience gained in other areas of business before becoming CIO, combined with a deep understanding of the power of technology to transform operating models, will position the CIO as a driving force in business model innovation (Today's challenges, Tomorrow's CIO, 2008).

Challenges for CIO at IBM: The CIO at IBM is faced with multiple challenges as the company surges forward to attain the goals outlined in its 2015 Road Map. The shift in strategy and emerging Web 2.0 technologies require a proactive approach to identify processes and tasks which can lead to revenue growth and also increase employee productivity. The need to embrace mobile technology for business computing will allow the employees, business partners and clients more connectivity and flexibility to access work

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email, calendar and collaboration applications and information on Vim's vast intranet and lead to better productivity, flexibility to balance work and personal life (IBM Global Technology Services, 2012).

More and more employees report working away from the traditional office space according to a survey conducted by Forrester Research Inc in 2011 and roughly 55% report using more than 1 device to access secure enterprise data. While this ensures greater productivity, for a CIO this creates a headache which can lead to embarrassing outcomes since IT is still held responsible for providing security for enterprise data regardless of the devices being used.

The recent trend at IBM has seen employees shift away from the traditional more secure Blackberry enterprise services and the end to end security and support provided by the company. The challenge faced by the CIO is to bring standards and securities up to speed to cater to the increasing BOYD (bring your own device) shift being experienced organization wide in a bid to improve productivity and the need for smart work to improve the agility of enterprise business processes and the ability of the company to enhance the expertise and creativity of its people (The smarter planet, 2009).

One of the greatest challenges linked to BOYD and greater work place flexibility along with IT securities is the ever increasing budgetary constraints placed on the CIO and the onus of risk is placed squarely on the head of the CIO in case there is a disruption of services caused due to a lapse in security even though it springs from a lack of investment in IT infrastructure. The importance of actively communicating the business value of IT investment at

board level is one of the key tasks facing a modern CIO at MOM. In short, the 2 key challenges facing the CIO at IBM are as follows: 1. Access to enterprise information over 3rd party devices. 2. Communication and leadership skills required to bring other business units on board with the vision to integrate IT processes to make a smarter and globally integrated company to deal with future growth and emerging technologies (the Coo's evolved role). Key Recommendations: In order to deal with BOYD, the Coo's office should aggressively pursue security solutions which enable non-Blackberry devices and operating systems such as Apple iOS (phone, pad etc) and Android devices same access and security coverage through the IT department.

The key IBM services such as Lotus Notes Travelers which enable employees to access their company enterprise notes and emails will need to be supported on these devices. The solution will center on an open, security rich environment that supports employees using a variety of consumer technologies for business purposes will lead to increased employee productivity and satisfaction, faster response to client needs and rapid return on investment overall (IBM Global Technology Services, 2012).

The recommended approach to secure these third party devices include installing agent software to identify each device as it makes contact with the IBM enterprise server, protecting device access through alphanumeric passwords which will be unique for each user/employee and generated through a secure systematic process to ensure it cannot be compromised.

For data which is sensitive, the IT department under the guidance of the CIO should enforce stricter policies to monitor who is accessing the information

at any given time and provide the managers the ability to remotely terminate the connection as well as wipe data off devices in case of a breach of security or a lost/stolen device. The leadership of the CIO to enforce these security processes will depend upon the state of maturity of the IT department and its relationship with other business units. The role of CIO thin IBM will have to evolve from one centered on IT fundamentals to one more focused on business development.

The Coo's in the future will come not from finance or marketing but individuals grounded in IT fundamentals, who view technology as a key component of their everyday life. As mentioned above, communication with board and CEO will determine how successful future IT investment and policy will be to drive business. The CIO has to bring board members and key stakeholders on board with the vision to form a common future goal driven by IT and investment in key emerging technologies such as Web 2. (given the new focus IBM has on software and services as part of their 2015 vision statement).