



THE CEO'S GUIDE TO HIRING A CIO



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The CEO's Guide to Hiring a CIO:

Everything a CEO Needs to Know Before Hiring a CIO

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Part 1: CIO Overview

What is a CIO?

The Chief Information Officer (CIO) is an organization's most senior technology executive who reports to a non-technology executive. A CIO usually reports to the CEO but may also report to the CFO, COO, or another executive. The CIO is responsible for creating and implementing a technology strategy, executing it with people and investment, and aligning it with the CEO's and organization's vision and goals. The CIO is a strategic advisor, a thought leader, and a trusted confidante who is ultimately responsible for the entire organization's technology.

What is a CIO's role within the C-Suite?

Beyond those immediate benefits, adept CIOs continue to add value by utilizing their understanding of the current technology landscape and trends **to lead the technology initiatives that will support business objectives**. They'll spend wisely, invest in initiatives that grow revenue and decrease costs, and assist in addressing tech-driven problems that may affect the business.

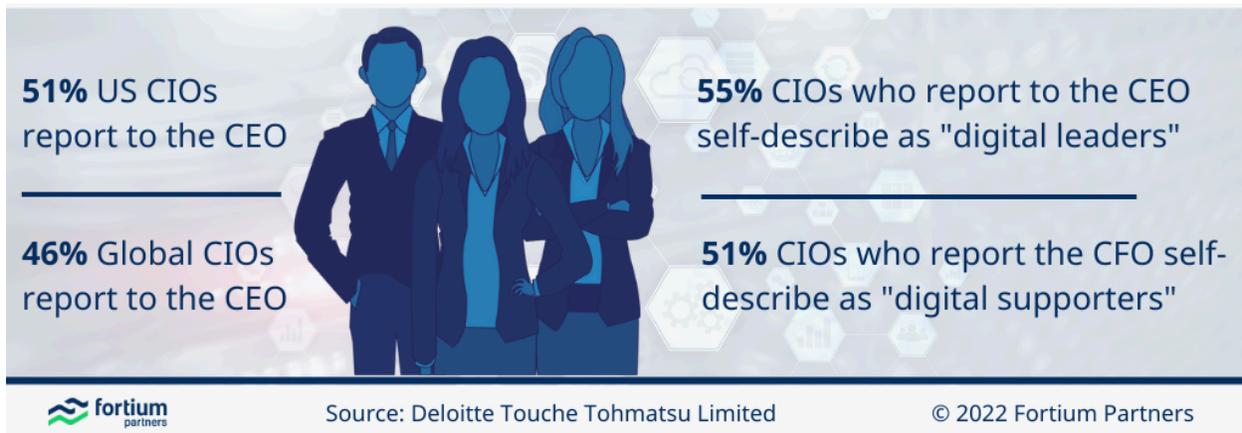
Experience makes a difference. The right CIO will capitalize on their knowledge of key business processes to be agile and responsive to the organization's needs. Encouraging innovation, they'll also mindfully mitigate risk within a well-crafted governance framework and source and manage the talent, vendors, and providers needed to carry out the work.

An experienced CIO will also connect with leaders across the organization - gathering insights and building relationships. These cross-enterprise perspectives will help them understand developing needs and persuasively represent to stakeholders the right technology initiatives that support business objectives. They'll architect technology strategies within "what's possible" in tandem with crucial business areas. Then, effectively working alongside their peers, they'll conceptualize and lead organizational change. They're also empowered to manage "what's now" and propose a roadmap needed for "what's next."

As a key influencer on the leadership team, the CIO will develop an innovative mindset across the organization and cultivate workflows and processes with innovation at its center.

Who does a CIO report to?

A recent [study](#) by Deloitte's US CIO program found that over half (51%) of US CIOs report to the CEO, with just under half (46%) of global CIOs reporting to the CEO. More importantly, the same study found that the majority (55%) of CIOs who report to the CEO are self-described "digital leaders" compared with a majority (51%) of CIOs reporting to the CFO describing themselves as "digital supporters." Finally, the study demonstrates organizations that purport to have a digital strategy, as well as those in industries experiencing "profound technology-driven transformation or disruption," are in the majority, with CIOs reporting to the CEO.



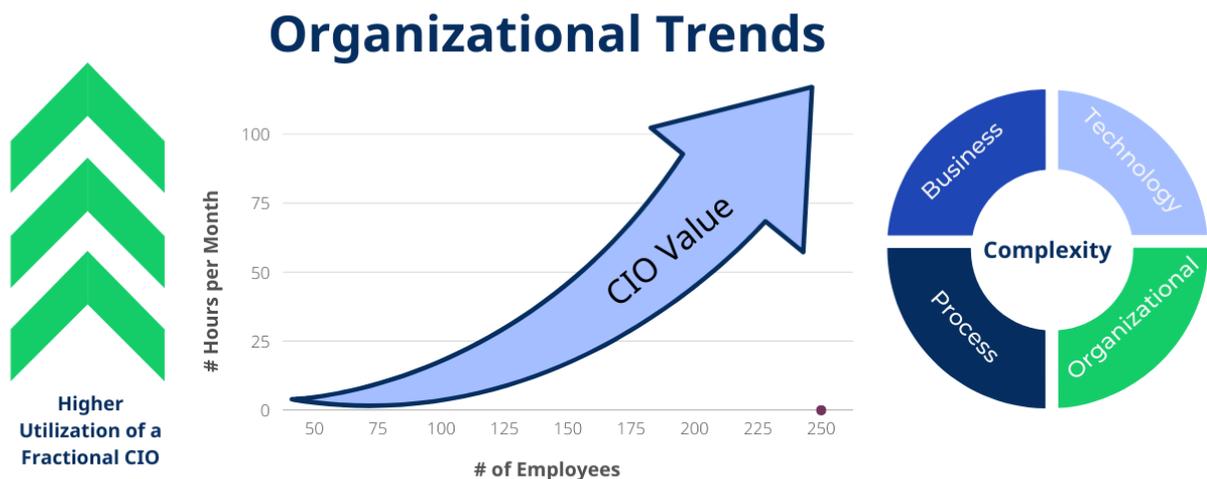
Whether the CIO is a direct report of the CEO or some other role is a statement about the importance of technology to the organization. When the CIO reports to the CEO, it is both an indication of the organization's awareness and commitment to technology's impact on strategy and a statement about the type of CIO the organization hopes to attract or retain. Organizations are free to determine their reporting relationships concerning the CIO but should be aware of its impact on achieving their goals.

How does a CEO know if they need a CIO?

All but the very smallest of organizations can benefit from the advice and insight of a CIO. What varies most is how much of a CIO's time is needed to impact the organization and whether it has adopted a technology leadership model that can scale from a few hours per week to full-time without sacrificing leadership experience.

Organizations with 10 to 150 employees primarily solve their technology needs through an outsourced relationship with a Managed Services Provider (MSP) to manage employee devices (laptop/desktop/phones), cloud productivity solutions (email, Microsoft Office 365/Google Workspace), technical support/help desk,

internet/networking, backup and recovery, and security. For these organizations, a fractional (part-time) CIO should participate in selecting the MSP, overseeing the MSP relationship to ensure quality and consistency of service, and addressing the strategic use of data and applications where MSPs don't typically excel. A fractional CIO can add value with as few as 1-4 hours per week and expand to 1-2 or 2-3 days per week as the organization grows, encounters strategic needs such as software implementations or M&A activity, or is burdened with security incidents involving significant legal, financial, and reputational risk. Significantly, the utilization of a fractional CIO can also decrease as the needs of the organization change.



 As complexity increases, organizations benefit from a CIO's value to **foster agility, increase innovation, and minimize risk.** © 2022 Fortium Partners

As the number of employees grows, the complexity of the technology and the opportunity to use technology for innovation grows, and the cost/benefit of using an MSP begins to decline. Most organizations will transition from a purely outsourced relationship with an MSP to a co-managed technology model as early as 50-150 employees and progress to a mostly internal technology model by the time they reach 150-250+ employees. As the organization adds employees, contractors, and financial resources dedicated to managing technology, the need for a CIO to oversee the growing technology organization increases proportionately. These organizations will move to higher utilization of a fractional CIO from 1-2 days per week to 2-3 days per week or to their first full-time CIO.

There are situations, however, where the need for a CIO is based on other factors driving the importance of technology in an organization rather than the number of employees:



A rapidly growing, technology-enabled business with complex technology requirements or dependencies where a significant security incident or technology outage would have an outsized impact on the organization's revenue or reputation (e.g., eCommerce, fintech, banking, etc.),



An organization with significant data security and compliance concerns, such as those in healthcare or financial services or whose customers are required to hold their vendors to these higher standards,



An organization whose customers rely on its technology to facilitate their own business (e.g., a software company, computer hardware/IoT manufacturer, cloud provider, etc.),

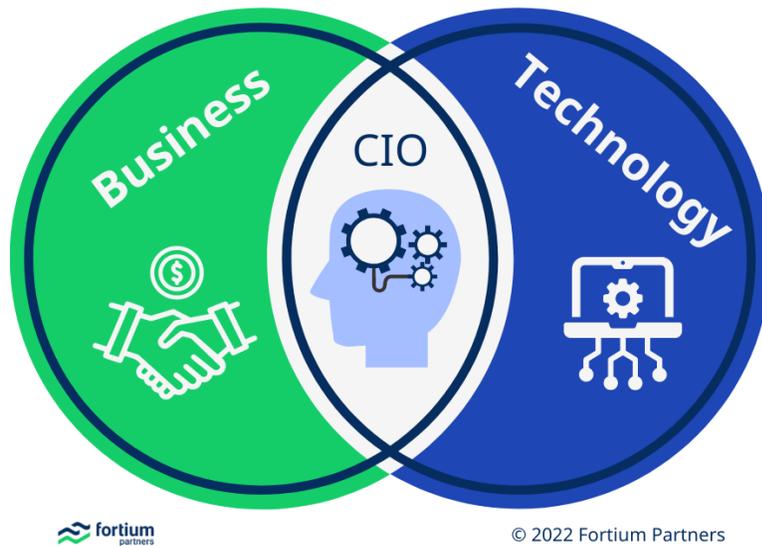


Any organization whose industry is experiencing rapid disruption from technology innovation or new competitors who are using technology to disrupt the status quo, as has been observed with Uber in transportation and food delivery, Airbnb in hospitality, or Amazon in retail.

What are the key attributes of a CIO?

CEOs naturally expect CIOs to be technology experts. Still, **the best CIOs have a deep knowledge of business** that is as important as their technical expertise. As part of their role, CIOs must understand the core business processes, competencies, and skills needed for their organization to succeed. They need to know what drives the organization's value proposition and brand, its capabilities, market opportunities, and what it takes to win in the marketplace. As a result, they can play a vital role in designing and implementing strategies that drive innovation and growth.

CIOs must also be able to influence others and build strong relationships across the organization that allow them to lead change effectively. They must communicate strategy and its benefits so that their peers and the CEO will understand and support them. Failing to build these relationships and effectively lead change will downgrade the CIO role from "digital leader" to "digital supporter" and negatively impact the strategic use of technology.



Reaching the suitable security and compliance posture for an organization's industry or customers, directly or via collaboration with the Chief Information Security Officer (CISO), is critical to protect the organization's assets and reputation. Though security and compliance programs are vital, they add constraints and compete with financial and human resources used to increase revenue or profitability or expand into new markets. A keen understanding of how to achieve this balance of security and compliance, on the one hand, and innovation and agility, on the other, is another key attribute of the CIO. Failure to do so can result in intolerable risk or a stifling lack of innovation.

Finally, the CIO plays a crucial role in helping companies make sense of disruptive technologies like cloud computing, data analytics, web and mobile applications, blockchain-based technologies, and artificial intelligence/machine learning. Not only does the CIO help maintain organizational awareness of disruptive technologies, but the CIO also assists in determining how best to use these technologies to enhance existing processes and create new ones that deliver value.

What other titles are used for the CIO role?

As technology leadership becomes increasingly important and pervasive in business, the terminology used to describe the role and the need for clarity about it becomes more critical. This section discusses other titles used synonymously with the CIO title and some that seek to focus on specific aspects of the CIO role.

Chief Technology Officer

The most common title used interchangeably with CIO is the Chief Technology Officer or CTO. With a primary focus on technology, many assume the titles are synonymous. What they do have in common is that CIO and CTO both refer to the most senior technology-specific leader in an organization. The CTO, however, is mainly used for the senior technology role in an organization that derives most of its revenue from creating technology (a technology maker) and selling it to its customers: mostly commonly software companies. Since the CIO is often the senior technology leader in an organization that derives most of its revenue from something other than selling technology, the CIO tends to be primarily a buyer (a technology buyer) of the CTO's products for use within their organizations. Such a definition might not be universally shared but bringing clarity to a topic poorly understood outside of the technology domain is a helpful contribution.

Director of Information Technology

The Director of Information Technology, or the Information Technology Director (IT Director), is another title commonly used to describe an organization's more senior technology-specific leader. The IT Director is substantially similar to the CIO role and usually serves an organization that is primarily a technology buyer rather than a technology maker. The difference is that the IT Director usually leads technology in a smaller organization, typically has less business and leadership experience than a CIO, and reports to someone other than the CEO (often the CFO). The result is that the IT Director has a more operational and tactical focus than a strategic focus. The IT Director typically aspires to the CIO role as they gain more business and leadership experience.

Chief Digital Officer

The Chief Digital Officer, or CDO, is a relatively new title used for technology leadership. Its use is part of a trend that includes additional, similar titles, including:

- Chief Data Officer (also CDO)
- Chief Innovation Officer (another CIO)
- Chief Digital and Technology Officer (CDTO)
- Chief Information Technology Officer (CITO)
- Chief Information and Digital Officer (CIDO) or the
- Chief Technology and Operating Officer (CTOO)

At the heart of the trend is an attempt to separate and elevate the innovation component of the CIO role (the "digital leader" mentioned earlier) from the often less-strategic, more

operational part of the CIO role (the "digital supporter" discussed above). But elevating innovation within an organization is a complex undertaking that extends well beyond the title of the technology leader. A more straightforward explanation is that the CIO role has a strategic/innovation component and an operational/tactical component. Both must be well-executed and represented on the executive team.

Part 2: How Does a CIO Add Value?

What is the biggest challenge hiring a CIO solves?

The biggest challenge hiring a CIO solves is finding someone to take responsibility and accountability for all technology decisions within an organization. More than a simplistic observation, this transfer of responsibility for technology to a highly competent CIO is one of the most liberating and impactful decisions a CEO will make. From that point forward, the CIO sets out to understand the goals and challenges of the organization, the impact and success of past investments in technology products, services, and people, and how to best leverage technology to enable even greater organizational success.

What are the key responsibilities of a CIO?

Enumerating the responsibilities of the CIO role has been the subject of countless books and articles - each becoming quickly obsolete as the role evolves with increasing organizational dependence on technology and the technology leadership needed to harness its power. Many of these writings focus on the technology leader's growing need to focus on leadership qualities like teamwork, collaboration, and empathy. While these leadership attributes never go out of style, most organizations still need the basics of technology leadership: responsibility and accountability for making solid investments in technology products, services, and people to further the goals of their organizations.

There are four key responsibilities of the CIO role from which all other responsibilities flow:

1. Understand the organization's basic needs and aspirational desires within the context of financials (revenue and profitability), complexity (people and physical locations), industry, appetite for risk, and innovation posture.
2. Develop a recommended level of technology spend based on:
 - a. Typical levels of technology spend for organizations of similar context.
 - b. An organization's realistic technology spend considering its economic outlook.

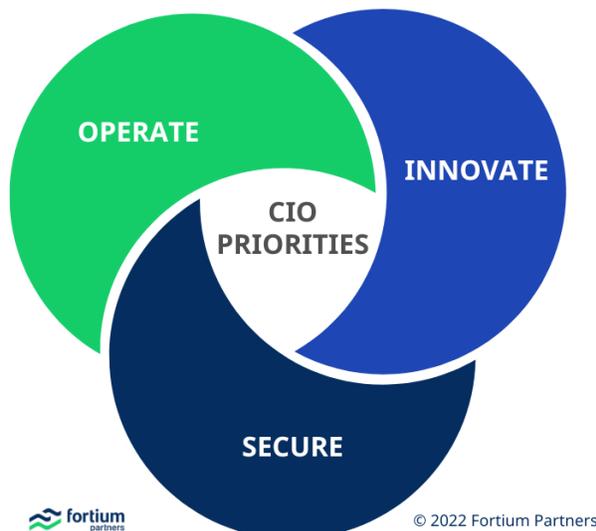
- c. A candid analysis of the differences between typical and realistic technology spend levels and the resulting risk and innovation tradeoffs.
3. Maintain the organization's desired state by continuously iterating through the following methodology:
 - a. **Assess** the current portfolio of, and investment in, products, services, and people/roles,
 - b. **Align** against leading solutions and recommended spend in these categories within the organization's context to create the desired state,
 - c. **Remediate** differences between current state and desired state and recommended spend through managed initiatives at a pace the organization can sustain,
 - d. **Operate** and stabilize the technology portfolio and spend between iterations.
4. Lead, influence, communicate to, collaborate with, and provide executive presence to critical stakeholder groups, including:
 - a. Divisional leadership, CEO, Board, Investors (Above)
 - b. Peers in Finance, Marketing, Sales, People, Legal, and Operations and their colleagues (Across)
 - c. Colleagues in the technology organization (Below)
 - d. Customers, vendors, auditors, analysts, media, industry organizations, technology organizations, and the broader technology leadership community (Outside)



What are the Top 3 priorities for a CIO?

Technology changes much faster than any organization can realistically adopt those changes. And the business climate in which the organization operates varies

considerably across industries and from one year to the next. The top 3 CIO priorities below remain consistent through changes in technology and business climate across time:



- 1. Operate** the technology organization successfully. Every organization, including the technology organization, has a steady state, or "run" state, in which it operates. Operating successfully in a steady state means meeting service levels and accommodating requests for regular,

recurring events and periodic interruptions during day-to-day operations.

2. **Innovate** within the organization and its industry. An organization that stands still is an organization that is deteriorating over time. Especially within technology, a failure to innovate and change leads to mountains of technical debt that weighs down the organization and threatens its existence. Successful innovation requires that the CIO put a process in place to make it regular and recurring. In most technology organizations, the method described above (Assess, Align, Remediate, Operate) is sufficient. Within technology companies (e.g., commercial software/SaaS), the innovation process is core to the business. It involves proactive and sustained interplay between Product Management, Product Development, and the other business functions to operate as an innovator for their customers. The CIO often relies on implementing and maintaining products from technology companies for much of its innovation.
3. **Secure** the organization by protecting its assets and reputation and remaining compliant with required standards. All organizations face threats from bad actors intent on extorting money, secrets, and protected information while inflicting reputational damage. Many security frameworks, policies, and controls are designed to mitigate these risks. The CIO typically addresses this priority through a partnership with the CISO role and relationships with auditors and security vendors to identify, protect, detect, respond, and recover from risks.

Part 3: How Does a CEO Select a CIO?

Given a solid overview of the CIO role and an informed understanding of the CIO's enduring key responsibilities and top priorities, how does a CEO select a CIO for their organization? Executive search is often the starting point but may prematurely assume the answers to a few key questions. Let's work through the most essential of these.

What is driving the need for a CIO?

Some common situations driving the need for a new CIO include:

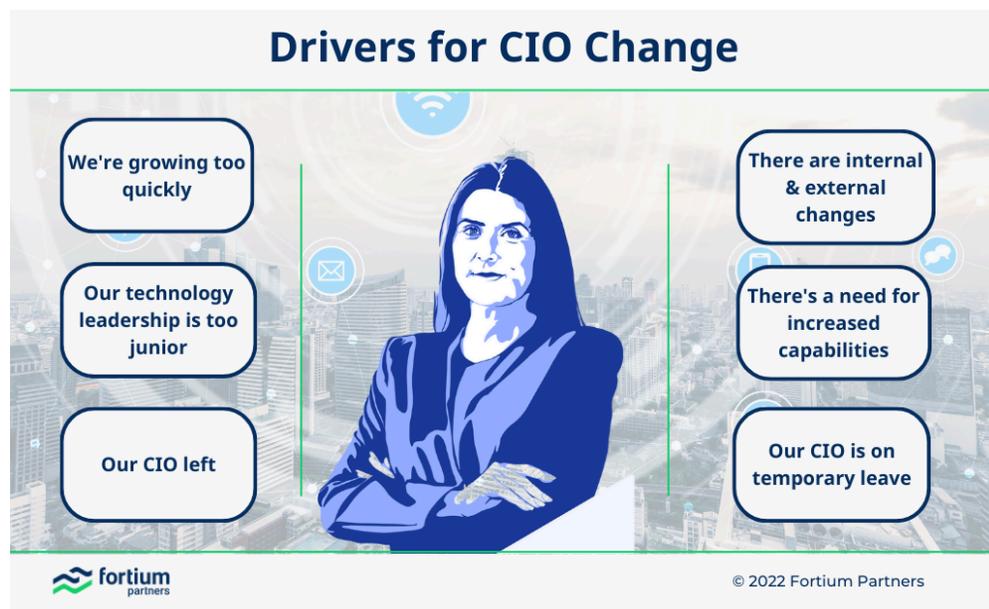
- An organization may be quickly growing such that manual processes, junior/outsourced IT help, and borrowed effort from non-technology leaders are no longer sufficient. It is time for its **first CIO**.
- Existing technology leadership, whether holding the CIO title or not, is **too junior or overly technical** in their focus. The organization isn't benefiting from a

technology leader with a broad background in business and executive presence to participate with other senior leaders.

- The existing CIO has left through **voluntary or involuntary separation**, and the organization needs to fill the vacancy.
- The existing CIO is on **temporary leave**, and the organization needs to maintain momentum and provide leadership to the technology organization in its absence.
- Changes within the organization or changes impacting the organization from the outside may drive the need for a new or different CIO. Examples of changes that can expose gaps in an existing CIO's capabilities or simply signal a need to increase capabilities not required in the past:
 - Sudden security incidents,
 - Gaining a significant new customer,
 - New competitive threats,
 - New regulatory requirements,
 - Innovation imperatives, or
 - Unexpected shifts in the business

The drivers for hiring a new CIO can lead to pursuing very different technology leaders, in different life stages, with varying amounts of experience and a range of career goals. The CEO must consider:

- How much it will cost to fill the role,
- How much time they have to make the decision,
- Whether the organization is ready to support the role,
- If the role needs to be full-time or part-time, short-term or long-term, and
- Whether they have the necessary knowledge to evaluate candidates for the role.



What experience, spend, and availability is required?

With an understanding of what is driving the need for a new CIO, a CEO must then consider:

- What CIO experience the organization requires,
- What the organization can afford to spend for that experience,
- What the organization can afford to spend for the technology function as a Whole, and
- What type of candidate availability is required.

Experience

For an executive role like a CIO, there are three dimensions of relevant experience. The quality and quantity needed for each type of experience will vary between organizations and are at least partially dependent on what is driving the need for a new CIO.

- **Overall Work Experience** includes the total number of years of relevant work experience, the type of work experience, the scope of roles served, and the amount and extent of executive and Board level interaction. Significant for the CIO role is the number, duration, and scope of CIO roles, including the size of the organization (revenue and people), size of the technology organization (people), amount of technology spend responsibility, time in the role, and the reporting relationship for the role. Referencing the definition of the CIO role above, the CIO is generally the most senior technology executive reporting to a non-technology executive. If the CIO reports to another technology leader, it may be a divisional CIO role or a direct report of the CIO and not considered a CIO role. Consulting roles that serve or advise CIOs or advise CEOs about the CIO's effectiveness are generally not considered time *in* the CIO role.
- **Industry Experience** includes relevant work experience for organizations in a particular industry. Industry experience while in the CIO role is notable but may also include experience while in non-CIO and consulting roles. While time in an organization's industry is almost always positive (especially regarding innovation opportunities), one should not overvalue industry experience in a CIO role. As much as 80% of the knowledge and experience a CIO needs to succeed is not specific to a given industry and, when required, can be learned relatively quickly. Since the nature of the CIO role is often not well-known to non-technology executives, industry experience can be overused when screening candidates and may unnecessarily narrow the field of possible candidates. The CIO role's drivers are significant in determining the importance of industry experience for an organization at a given point in the technology/innovation cycle.

- **Functional Experience** includes relevant work experience within several areas:
 - *Technology domains* like applications, infrastructure, security, software development, etc.,
 - *Technology initiatives* like software implementation, data center consolidation, technology spend reduction, etc.),
 - *Technology products* from specific vendors (e.g., SAP ERP, Salesforce CRM, etc.).

As with industry experience, functional experience relevant to a given organization is almost always positive but can be overused. CEOs may be tempted to screen for CIO candidates with specific functional experience but may overly restrict the candidate pool when that experience may be more appropriate for the CIO's direct reports (or an outsourced relationship). Functional experience may also be more relevant to another point along the technology innovation/stability cycle or simply a case where generalized experience (e.g., a different vendor's ERP or CRM) is sufficient considering other capabilities of the candidate.

Spend

The discussion of *spend* regarding the CIO role has two components: how much an organization spends for the CIO role (*technology leadership spend*) and how much the CIO spends on products, services, and people within the technology organization as a whole (*technology spend*). It is too simplistic to assume that *more spend* is always better or required, and there are nuances to *spend* that play a role in selecting a CIO.

- **Technology Leadership Spend** - What an organization can afford or is willing to pay for the CIO role can significantly impact the CIO they can attract. It can also signal how the organization perceives the CIO role. While it is instinctive for most organizations to default to full-time employment, CEOs should be aware of alternative approaches to solving for technology leadership that offer on-demand, as-a-service models providing full-time, part-time, short-term, and long-term engagement that maximize experience within the three dimensions discussed above. The right amount of technology leadership spend is that amount of money that will attract the most experienced leader the organization can afford - including through fractional and interim assignments.
- **Technology Spend** - The spend level available to the CIO is perhaps their most important lever in achieving what is required to succeed in the role. It is not, however, always *more spend* that is the right amount of spend to allow a CIO to be successful. The right amount of technology spend is **the least amount of money possible to achieve an objective measure of success within the**

context of financials (revenue and profitability), **complexity** (people and physical locations), **industry, appetite for risk, and innovation posture**.

One of the hallmark capabilities of a world-class CIO is helping an organization align its expectations of technology outcomes with its capacity to invest in, support, and assimilate those outcomes. Similarly, unrealistic expectations of technology outcomes in this regard contribute to higher failure and turnover in the CIO role. Often, an assessment by a highly qualified technology leader can help set realistic expectations in preparation for hiring a CIO.

Availability

An organization's needs driving the hiring of a CIO may impact the number of possible candidates based on their availability in two areas:

- **Availability to start** - Most searches at the executive level can take 6-9 months. If the organization has strong secondary leadership in place or engineers an orderly transition with the existing technology leader, a 6–9-month search may not be an issue. However, if a prolonged CIO vacancy will disrupt the organization, put the continuity of technology initiatives at risk, or prevent the organization from pursuing impactful new technology initiatives, a 6- to 9-month search may pose a big problem. An interim (full-time) or fractional (part-time) CIO is the best option when near-immediate availability is needed. An added benefit of the interim and fractional CIO relationship with no long-term commitment is that there is often less resistance to getting started quickly. In contrast, the perceived need for greater due diligence for a "permanent" role will cause the organization, and the candidate, to move more slowly.
- **Availability to engage in a variety of ways** - In addition to the immediacy of availability, the organization may need the availability for a candidate to engage in ways beyond traditional full-time employment. Not every CIO is interested in, comfortable with, or qualified for fractional or interim roles. CIO candidates with more experience, greater financial stability, higher risk tolerance, and an entrepreneurial spirit may be more appropriate for interim or fractional roles.

CIO Requirements



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What are the hiring approach options?

The previous two sections encouraged CEOs to think holistically about the organizational need driving the selection of a new CIO and reflect on the required experience, spend, and availability before selecting a hiring approach. While executive search remains the most familiar hiring approach, knowing all options empowers CEOs to make the best choice for their organization's short- and longer-term needs. This section reviews the Executive Search and Leadership-as-a-Service approaches to finding a CIO.

Executive Search - Search to Own

Retained executive search firms take a consultative approach to understand an organization considering a search to fill an executive role. The consulting process ensures that each client receives their full attention to craft search priorities and a search strategy that considers their unique needs for the role and the leader. A reputable firm will often understand the organization's culture, explore the reasons for the vacancy or new role, and become aware of any HR guidelines for the candidate. They may also develop insight into the personalities, work styles, and preferences of the CEO and the intended role's peers and spend time crafting a detailed job description and candidate profile specific to the client's organization. Successive interviews and feedback lead to selecting a preferred candidate who, hopefully, accepts the offer and transitions into the new role as a full-time employee.

Larger search firms have specialized practices for specific roles, and some search firms specialize entirely in roles within a particular domain such as Finance, Technology, Human Resources, etc. Fees for retained executive search services typically amount to one-third (33%) of the candidate's first-year cash compensation, including the base

salary, signing bonus, and any other projected bonuses. The fee is paid in equal installments upon the start of the search, 60 days into the search, and following the acceptance of an offer by a candidate. For a CIO, this acquisition cost amounts to approximately 7% of cash compensation over the average tenure of 4.6 years (as of 2019). It does not include the cost of equity compensation, benefits, severance, and ongoing employment costs. The time to conduct a search varies but averages between 3 to 9 months from the start of the search to the candidate's start date, during which the client is usually without leadership in the role.

Leadership-as-a-Service - Access over Ownership

Leadership-as-a-Service (LaaS) is a managed service that allows an organization to engage vetted, world-class executive leaders in as little as a few days to 2 weeks. Technology Leadership-as-a-Service (TLaaS) is the LaaS concept applied exclusively to the CIO, CTO, and CISO roles. In most cases, executives of firms offering Leadership-as-a-Service have decades of experience *in* the role they are offering. Combined with the tens or hundreds of executives serving their clients in those roles, they are also experts *on* the role. Role-based expertise and a ready supply of available executives can dramatically reduce the time needed to fill a vacancy or apply senior talent to an important initiative. Technology leaders in a TLaaS model enjoy association with tens or hundreds of other technology leaders incentivized to help one another serve clients in ways that no single technology leader can achieve alone - employed or not.

TLaaS may be appropriate when an objective review of the organizational needs, required experience, spend, and availability allow for a CIO in an interim or fractional role. TLaaS may also offer a CIO in a situational leadership capacity to facilitate an important initiative such as an assessment, transformation, or consolidation for a specific outcome.

Fractional CIOs engage for 1-2, 2-3, or 3-4 days/week and the relationship is generally open-ended - continuing as long as the arrangement works for both the client and the leader. Interim CIO roles are full-time and generally assumed to end when a full-time, employed CIO is found - usually through executive search. Hybrid models allow a fractional or interim leader to be an employee of the client without requiring a long-term commitment while remaining connected to the larger community of technology leaders. Finally, most Leadership-as-a-Service firms offer a path to becoming a full-time employee of the client for a placement fee.

In contrast to up-front fees for executive search, Leadership-as-a-Service embeds fees for the leader in the monthly cost. Fees only last as long as the leader provides the needed value and can increase or decrease in response to the natural rhythm of

innovation and stability over time. Models vary, but a general rule of thumb is that Leadership-as-a-Service costs, on average, about 20% more than the base salary of an equivalent leader in a full-time role. However, the cost of a CIO for 2-3 days per week with more experience across all three dimensions without hiring risk may be similar to, or less than, the combined acquisition, ongoing, and severance cost of a full-time, employed, possibly less-experienced, CIO with the associated hiring risk.



Executive Search- Search to Own

-  Conduct an exhaustive search for 6-9 months
-  Pay a lot up-front
-  Make a long-term commitment
-  Hope you made the right decision

Leadership-as-a-Service- Access over Ownership

-  Hire fractional leadership for days to weeks
-  No upfront costs-pay as you go
-  No long-term commitment required
-  Minimize risk, maximize return



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Executive search offers a custom approach to finding a perceived perfect fit for an expected long-term role. In contrast, Leadership-as-a-Service provides a ready pool of experienced leaders for immediate engagement under flexible terms.

How does a CEO make the final CIO selection?

After considering the organizational need driving the selection of a new CIO, reflecting on the required experience, spend, and availability, and reviewing the two approaches to hiring a CIO, the CEO will need to choose a hiring approach and make a final selection of a CIO. The good news is that either approach can produce equally qualified and effective CIOs. The right choice for a given organization, in a particular

situation, at a given time will influence the hiring approach and final CIO selection. The Executive Search and Leadership-as-a-Service options are covered below.

Choosing Executive Search

The retained executive search model may be the obvious choice if the organization:

- feels most comfortable with a traditional search,
- the assessment of the needs, required experience, spend, and availability suggest a full-time, employed CIO is best, and
- there is confidence in the organization's ability to match a candidate's capabilities with the organization's needs

Select a Search Firm

There are over 5,000 search firms in the United States and 20,000 or more worldwide, so there is no shortage of choices. The more specialized the firm, or a practice within a firm, is toward the CIO role and possibly even the CIO role within a given industry, the more likely the firm will be familiar with qualified CIOs when the firm reaches out to discuss the role. Demonstrated experience completing CIO searches with references to satisfied clients is a must. The search process is long, involving many hours of discussing the role, the profile, candidates, and offer strategy. Finding senior leaders and associates of the firm that match the organization's values and are enjoyable to work with can make the entire process more pleasant.

Frame up the Role –

The search process emphasizes crafting a specific profile that will be most successful in the role at a given organization. Great care is taken to get input from multiple sources to arrive at a composite profile representing the perfect candidate. Finding the ideal candidate is a great goal, but the CIO role is relatively static across organizations and industries at any given time. Don't get creative in defining the role. A great CIO knows how to be a CIO and is a living profile. Value candidate experience and tenure most.

Evaluate Candidates

The highest predictor of success in a CIO role is past success in a CIO role and is likely not unique to the organization. When evaluating CIO candidates, consider the following observations:

- Success in the CIO role is best reflected by the number and duration of CIO roles served. There is no substitute for experience "in the seat", and change teaches lessons. More CIO role experience is better than less CIO role experience. Place the most value on candidate experience.

- Assume leadership in prior organizations acted rationally, keeping successful CIOs longer and exiting unsuccessful CIOs sooner. Also, assume CIOs acted rationally, staying longer in circumstances where they could be successful and leaving those where they could not. There are exceptions, of course, but assuming rational behavior is a good start.
- The success of a CIO of any given organization is highly dependent on factors outside of their control. What worked in one organization, at a specific time, with certain people, under particular circumstances, may not work in another where all of those factors are different. Adaptability is necessary to succeed anywhere, but some organizations contribute more to the failure of the CIO role than the CIO themselves. Not all such claims by candidates are excuses.

Make the Selection

The average tenure of a CIO in 2019 was 4.6 years, so the pool of available and interested candidates will be different on the next CIO search. Organizations cannot eliminate all hiring risk. Select the most experienced candidate available at the time and emphasize being an organization that can contribute to CIO success and commit to early detection of, and fast response to, a poor fit (e.g., fail fast).

Choosing Executive Search



Choosing Technology Leadership-as-a-Service

If the analysis above fails to suggest a definite choice between Executive Search or Leadership-as-a-Service, or the potential to immediately engage a world-class, full- or part-time CIO with little hiring risk is attractive, Leadership-as-a-Service is a compelling choice.

Selecting a Technology Leadership-as-a-Service Provider

There are far fewer individuals and Leadership-as-a-Service firms offering fractional and interim CIO services than there are search firms, so finding one may prove more challenging than engaging one.

- A CEO's personal network is a good source of referrals, including other CEOs, Board members, Private Equity and Venture Capital investors, past colleagues,

trusted advisors such as attorneys, CPAs, bankers, consultants, executive peer group chairs and members, and other leadership-as-a-service providers offering finance, marketing, legal, human resources, and operations leaders. Another option is to check the major search engines for relevant terms such as "interim CIO", "fractional CIO", or "virtual CIO" (a highly fractional advisory CIO role).

- Among the referrals or search results, value the number and breadth of individuals available to provide CIO services. A single individual can be an excellent choice if they are available and interested in the work. A larger firm with tens or hundreds of resources will provide more choice, is more likely to have experience specific to a given industry or situation, can more readily offer additional or different resources as needed, and increases the effectiveness of any given CIO through a vibrant community of fellow technology leaders. A firm with many resources indicates that its business model is attractive to the CIO and that there are enough clients to keep them as busy as they want.
- With a short list of individuals or providers, visit their website, check LinkedIn, and reach out to their leaders via chat or email to start the conversation. Get a feel for their experience, connections, and the quality of their online presence. A successful provider will offer education online, respond quickly, and be ready and willing to help solve the need for a CIO or advise on alternative solutions.

Getting Started with Technology Leadership-as-a-Service.

Most fractional and interim CIO providers will be able to get started very quickly, often providing viable candidates within hours to days and beginning within one to two weeks if speed is essential.

- An initial discussion with a leader having extensive experience helping organizations evaluate and select fractional and interim CIOs will uncover specific requirements and prompt deeper dialog about the factors that will produce the best fit among available resources.
- Based on the organization's preferences and the number of resources fitting the request, the provider presents one to three technology leaders with associated biographies and experience. Some situations may prompt a proposal covering the understanding of the situation, the approach to solving the need, and a discussion of the proposed people.
- If a proposed CIO is acceptable, an agreement between the organizations is signed. The new CIO may start as soon as the CIO and client can arrange a mutually agreeable date.

Leadership-as-a-Service in Action.

Once the fractional or interim CIO starts, they start doing what CIOs do - assuming responsibility and accountability to support the organization. Generally, they operate

like any CIO - attending leadership and Board meetings, providing status updates, managing the technology organization, interacting with customers and vendors, and carrying out the responsibilities and priorities of the CIO role. Interim roles are full-time and expected to be available just as any executive would be. Fractional roles are part-time and expected to be available on a regular, agreed-upon schedule and as-needed on a best-efforts basis. Fees are usually invoiced monthly or twice monthly. Larger firms have sufficient resources for ongoing contact with the firm's leaders as necessary and administrative support for resolving issues and smooth operation. Fractional and interim roles can be short-term or extended for years when there is a good fit and the organization believes the value proposition meets its needs.



As mentioned above, even if the organization has chosen Technology Leadership-as-a-Service to solve their technology leadership needs for a particular time or situation, Executive Search is often used to find a full-time employee. Most providers have good relationships with search firms and can make a referral when needed.

Combining Technology Leadership-as-a-Service and Executive Search

Executive Search and Leadership-as-a-Service are not entirely mutually exclusive. Executive search is almost always part of the interim CIO process and can be a part of the fractional CIO relationship when it's time to transition to a full-time employee. The fractional or interim CIO can be one of the most objective and qualified participants in the search:

- Having spent ample time with the CEO, Board, and peer executives, they understand what it will take for the new CIO to be successful and what the organization must do to contribute to that success.
- Based on a deep personal understanding and working knowledge of the organization's needs, they can help evaluate candidates to determine the best fit.

They can also be an informed and technically adept voice to the potential candidate to help them understand the opportunity, give insight into the organization and its people, and describe any specific capabilities or approaches needed to succeed.

- If all parties agree, the fractional or interim CIO can continue to provide services through the transition to give the new CIO extra time to focus on the most critical issues or even act as a force multiplier to augment the new CIO's capabilities to tackle some important initiatives.

Even if the organization has started an executive search and has not engaged a fractional or interim CIO from a Leadership-as-a-Service provider, it's not too late! Doing so will take some pressure off the organization to make a quick decision, provide reassuring coverage for the role while the search is ongoing, and, as explained above, can contribute positively to the search and transition after selection.

We **are** Technology Leadership

Fortium's technology leadership-as-a-service platform quickly delivers leadership to fill a role, produce an outcome, or offer an expert opinion through the largest group of world-class, operating technology leaders in the world.

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