The singer/songwriter John Fogerty put it best when he sang, "Put me in coach, I'm ready to play." Fogerty was singing about a centerfielder, but he could have been talking about insurance carrier CIOs. They've been on the team for a while, but after some earlier missteps, they have earned their spot at the top of the lineup, and CEOs can no longer deny them. "CIOs lost a lot of credibility because they oversold what technology could do for the company back in the late '90s—jump on the Web, buy all this stuff," says James Watson, CEO of Doculabs, a research consulting service with a focus in the insurance industry. But CIOs have regained that trust, and their seat at the table has been assured, if for no other reason than the fact they oversee huge budgets. "Because the level of investment in technology has been growing so significantly in insurance firms, the person who's managing that staff has to be a part of the executive team," he says.

Craig Lowenthal, vice president and CIO of Hartford Financial Products, says the trust placed in the CIO goes back to the CEO and the CEO's vision of where technology fits into the overall strategy of the company. "I don't think you can create an effective technology plan unless the CIO is part of the senior management team and fully understands the strategy of the company," he says. Establishing balance with a good CFO is an important part of the equation as well, not only in terms of managing a budget, but also in pushing back when the CIO gets carried away. "Typically, CIOs want to buy everything," Lowenthal says. "You really need a business-savvy CIO, and the makeup of the CIO is going to assist in where the CIO is going to fit into the organization."
Business people have been forced to learn more about technology, but technology people who don't learn more about the business side are shortchanging themselves and their future. As a senior vice president for John Hancock, running the retail implementation office, Bill Ball is the life insurance carrier's go-between for the technology and the business sides, making sure each side holds up its end of the bargain in the development of information technology. In the past, the two sides never met up until the issue got to the executive team, and by that time it was often too late.
"There's an evolution around what's the most effective way to design and deliver technology," Ball says. "The business side would say, 'That's technology. I don't know anything about that. It's your job.'" Today, there is a bigger understanding of the business/IT alignment. "How do you come together to use IT effectively?" he asks. "The business side no longer can take the stance it is IT's problem and they don't need to know anything about it. What you need are business-savvy IT people and IT-savvy business people." Sounds simple enough. But are there people who actually fall under that description in the insurance industry? "No," he responds.
Lowenthal agrees mistakes were made in the past, but he believes enough time has passed so that top executives need to get over it. "I don't know if that is the reason CIOs wouldn't be at the top level," he says. "I think it would be more about the effectiveness of the person, how he or she has

been doing the job, and how that person runs the shop."

The amount of money being spent today in technology is evidence of the value of a good CIO, he believes. "IT expenditures and investments are significant, even if you are just doing maintenance on systems," Lowenthal says. "There are large dollars being spent. You would think the management team wants to be aware of where those dollars are being spent, how they are being spent, and make sure the spending is aligned with the goals and strategies of the company."

Lowenthal doesn't believe today's CIOs should be painted with the same brush used on CIOs of the dot-com era. "Throughout history, there are a lot of projects that failed, but those [failures] need to be measured by the performance of that CIO or technology team," he says.

Insiders or Outsiders

In his work with insurance carriers, Watson says between 60 and 70 percent of his clients treat the CIO as a respected peer, similar to a VP of sales or the top operations people. "Not quite on the same status of the CFO but moving up," he says. The other 30 to 40 percent of the companies Doculabs deals with are struggling with the CIO position. "They might have a signpost that says the CIO is a part of the executive committee, but he or she is really not," says Watson. "They are outsiders, either because that position has turned over three times in the last 10 years or because there's just so much frustration in the insurance firms that the individual has a real credibility challenge."

Such non-tech carriers, by necessity, feel they are sufficiently covered if they have tech-savvy CFOs and CEOs in place—but wanting to be tech savvy and actually being it can be two different things. The top positions in a company carry a lot of responsibility, and it is difficult to keep up with the technology side along with the other demands of their posts. It also doesn't help that many CEOs and CFOs don't have technology in their blood, as many CIOs do. CFOs and CEOs "tend to be in their early 60s or late 50s, and they say, 'Yeah, I want to be tech savvy,' but they think of that as using their PC, their laptop, or doing work on e-mail," says Watson. "The reality of the situation is they are too far into their careers with so little time [remaining] that they can't really learn all this [technology] stuff. What they basically need to know is whom they can trust."

Many of today's CIOs might wish their bosses were a little more knowledgeable about technology, but the day will come soon enough when the CEO will likely know plenty about the workings of the IT department. "As time goes by, the CEOs continue to get more tech savvy," says Lowenthal. "I think we all do. Technology has become ubiquitous in everything we do. Some people fight it, but as you see the next generations come into the business world, technology just keeps getting more ingrained."

Lowenthal knows there are companies that have failed to embrace technology, even in the 21st century. "Those companies that don't embrace it, I imagine, are companies where you would find the CIOs who are not reporting to the CEO or the president of the company," he says. "They are much lower down the management line."

To the Top

So, does the path to the big office run through the CIO? Watson doesn't bel-ieve so. "A lot of people are saying yes, but I'm going to say no," he says. There always will be exceptions, but Watson feels to reach the top level of corporate management that person needs to possess a significant amount of charisma. Some CIOs may have that quality, but there also is the matter of strong management skills and the ability to communicate with customers. "Whoever is going to become the CEO needs to enchant the company's employees and customers, and that takes real charisma," he says. "That is where you see executives who have rotated through a lot of

different posts to acquire their skills."

CIOs need to broaden their horizon if they expect to rise to the top level, **Lowenthal** agrees, asserting it is possible for a CIO to move up to the top spot but believes it is more a matter of who the individual is rather than the title. "I certainly can't say that if you are a CIO the odds are one day you are going to make it to CEO," he says. "I doubt that very much. But you do have some [technology] folks who have served in business capacities—whether it be marketing, sales, underwriting, finance—who take on a CIO role and grow into a CEO. So it is possible, but I don't think it has anything to do with the position itself but more with the person who is in that position."

Watson also says CIOs who have gone through business rotations stand a much better chance of advancement, but most of the CIOs his firm has dealt with have not undergone such training. "They don't have the prerequisite skills on the human side, in my opinion, to go out there and keep the customers thinking this is a leader-ship organization," he asserts. "That's a sales job. These guys are managers, but they're also tacticians and engineers who have grown to become managers."

There is a different mindset between the business side and the technology side, Ball believes. "In general, technology people have sort of an engineering mindset," he says. "Whereas on the business side it's more of an artistic mindset." As someone who has come through the technology side, Ball explains he needs to understand a project fully "before I pick up the hammer." He finds the attitude from the business side is more on the line of, "Let's start building. We'll know when we get there." Not surprisingly, those two mindsets rarely truly see the other side. "In reality, you need to be somewhere in the middle," he says.

Lowenthal doesn't feel he is well rounded enough in the insurance industry to move into a CEO office just yet, even though his résumé shows he's a CPA and has done auditing work. He is a believer in IT broadening its scope and endorses the practice of having IT personnel move into the business unit. He feels it is beneficial to the worker as well as being "good IT practice."

Business analysts and programmers at Hartford Financial Products have shadowed company underwriters to observe how the systems are used and how the business people make their contacts and process business. "That's been an eye-opener," **Lowenthal** says. "It allows us to create a lot of efficiencies in the way the business people do their job and their work flow. That's just from an IT perspective. Now, if you actually can have someone do a rotation and become an underwriter trainee, that will not only prepare that person for other opportunities, it will create a much stronger alignment between the business and IT."

Strike the Balance

John Hancock is hoping Ball can strike a balance between the technology side and the business side with its latest effort. He believes the problems that existed in the past came from an inability to clearly define the problem the company was trying to solve. Too many companies race after a solution like it's a slippery frog, never fully realizing what it is they are trying to improve. "I talk a lot about drawing boxes," says Ball. "We draw a box around a problem and say, 'This is what we're trying to do. Regardless of how we are going to implement it, or what system or process is used, this is the objective.' When everyone agrees what the objective is, then you go out and figure what the solution is. The problem's definition and agreement are the important things because you can go through reams of studies around projects that failed, and 90 to 95 percent of the root cause is a lack of definition and misunderstanding around what the objective is."

One of the reasons for some failures has been the perception of what is success and what is failure. "There's a tendency to oversimplify implementation issues," says Ball. He points to the emphasis on dollars

spent. "You have to find a means to avoid a dollar amount early in the process because that dollar amount, regardless of what you say in terms of accuracy of the estimate, that's the number people remember."

The mistake some executive teams make is in equating the success of a project with managing that number. Being under budget doesn't do much good if the problem is not solved. "If [whatever] you do for that number doesn't solve the business problem, nobody's happy," Ball says.

As with any team, trust is a given. With the high cost of technology, the CEO has to know he or she is being given the best information possible. That is one reason consultants are in business, according to Watson. "We are in existence because so much has been oversold and so few senior executives can take the time and energy to get down and dirty with a project," he says. "They depend on organizations like ours to do that, or they establish internal organizations that do the due diligence with the technology before spending millions of dollars."

Those price tags have forced the CEO and CFO to become savvier, but Watson believes there is a limit to how much they can learn about technology. "Most of them are savvy to the extent they can ask the tough questions," he says. "They are depending on people they can trust. Most of them don't trust one single person. They triangulate by talking to [consulting] firms." They aren't likely to find any help in the boardroom, either. "Today's boards don't have that kind of experience," he says.

Lowenthal says it is important for CIOs to know what they are getting from the CEO. "You want a CEO who understands the value of technology," he says. "That's an obvious one." He advises to be careful of the CEO who is focused strictly on underwriting and how much premium dollar is coming in. "You want the CEO to rally everyone—you are all part of this, you all play a role," he says. "I don't think technology should be thought of any higher than any other piece of the business because every piece is vital. I don't get into personalities—hopefully you all can get along—but to me the most important thing on my list is how the CEO views all the parts of the organization."

For today's CIO, management skills and business acumen are just as important as an understanding of the technology being used. Dealing with suppliers and members of the technology team is important, but the job doesn't end there. "Every other function of the business has to go out and talk to customers," Watson says. "They need to go out to partners and sit down with customers, listen to their needs, and say, 'We can deliver that solution.' A lot of people aren't comfortable with that role, though."

Those interpersonal skills are in-creasing in value, but Lowenthal believes the real challenges for a CIO today comes in the wake of a difficult economy and the edict of doing more with less. "It's amazing what you can do in an environment like this by being creative," he says. "It's certainly opened my eyes. It's always an exciting time to be a CIO, and today it's definitely a challenging time."

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