



IT in the Era of the Network

Now that everything is connected, CIOs must make creating a great customer experience their top priority.

By Peter Hinssen

We live in the era of the network. Over the years, I have come to believe in the power of networks as the most fundamental driver of progress. Everything is connected, and information flows through networks with ever greater intensity. This interconnectedness changes everything, both inside and outside of companies. In turn, it means more challenges for the CIO, and also more opportunities.

What are some examples of these changes? Traditional markets are disappearing, and they are morphing into networks of information with the customer at the epicenter. As the outside world becomes more interconnected, companies have to create their own ecosystems as well. Enterprises that don't evolve in this manner won't match the speed, intensity and impact of the forces outside their company walls.

Three-Month Strategies: Tents, Not Pyramids

Let's not forget, we live in a world where volatility, uncertainty, complexity and ambiguity (VUCA) reign. As the pace of this world accelerates, it becomes nearly impossible to plan for the long term. As a CEO recently told me, "We have a new five-year strategy every three months."

The same rapid-fire pace applies to the IT department. The CIO has to rev up to the clock speeds of the rest of the company and of the outside world. As a result, the CIO focus will shift, and there will be only one primary goal for the company: offering customers the best possible experience. The entire organization will be geared toward this aim, and the CIO will have to act more swiftly — building tents that can be deployed or taken down quickly, not pyramids that require lots of planning and work. The CIO will have to lead innovation, help redefine the company's strategy and product set, and provide guidance for business expansion. In short, the role will become much more strategic and less operational.

Redefining Corporate Hierarchies

At the same time, the IT department will be set up as a network, too. Hierarchy will no longer be the accepted organizational mode. The team will function as a connected set of individual specialists — each responsible for his or her project in a larger mesh of interrelated projects that all support the flow of the business.

Terms such as employee retention will need reexamination, too.



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Employers in a networked world will no longer be interested in keeping people on board for life. A couple of months ago, I spoke to managers of a company that encouraged people to have friends and relatives join the company. The idea was that having a family network inside the company would keep them on the job. But going forward, employees will no longer seek lifelong employment, and this company will definitely need to change its HR policy.

Employees — an “old normal” term — will switch from one project to another, from one company to another. Long-term loyalty is out. Even family loyalty, illustrated in the example above, will not tie professionals to a company for life. One of the most important functions inside the new IT department will be that of the recruiter, who will attract top talent for short-term engagements.

Taking an Outside-in Approach

The evolved work environment will require a completely new mindset by the CIO. The most important challenge will be to connect the outside world to the inner workings of the department. Trends and technologies — such as social networks, the cloud and the consumerization of IT — will have to be incorporated inside the IT department, too. The speed of change taking place in the outside world must be mirrored by the speed of change in IT.

I have long urged CIOs to get out of their ivory towers; staying inside is no longer an option. I strongly advise you, as IT leaders, to spend lots of time looking out of your window. Observe how networks are pushing innovation, and then make that connected disruption your own. ■

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