Transformation Under Fire:
How CIO Strategies Changed During COVID-19 Crisis

by Myles Suer

Looking back at the crisis of COVID-19, we recall many heroes. After first recognizing the healthcare workers and others on the front lines of the pandemic, other heroes began to emerge — like the CIOs who kept our organizations afloat in uncharted waters. However, it is clear from the record that CIOs were not all that clairvoyant. For months, they did not realize all the changes their organizations would need to make, or even that the crisis would result in more than a few weeks away from the office. Only much later, as we reflect on in this *Executive Update*, did they understand that they were on a different space-time continuum and would never return to the goals they planned for 2020. With lessons learned from one crisis, we can prepare better for the next.

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December 2019

Let's begin before the pandemic. As the facilitator of CIOChat, I ask CIOs about their goals annually as they prep for a new year. At the close of 2019, COVID-19 was not on their radar, even as it spread quietly in Wuhan, China. The items CIOs had at the top of their agenda for the new decade included:

- Improving cybersecurity

- Achieving speed of change and delivery

- Delivering value from expensive and time-consuming initiatives like customer relationship management (CRM)

- Acquiring and retaining the talent needed to support technology change

- Creating a digital-friendly IT and business culture

March 2020

By March, the impact of the coronavirus was top of mind. CIOs stressed to each other the need for calm, capable leadership and suggested it was important to remain solution-oriented and demonstrate patience in the face of coming adversity. They acknowledged openly that expectations would change for them and their IT organizations.

For IT to deliver in crisis, communications channels needed to be open internally and externally. Some CIOs claimed this

was the time to accelerate digital strategy to beat the competition. The rules of the game were clearly changing. For this reason, CIOs asked for more funding to develop better digital capabilities. CIOs also needed to evaluate existing technology partners and determine whether their partners were still a good fit and would help them succeed.

CIOs believed that enterprises that utilized data-driven models and placed bigger bets on digital revenue sources would come out of the crisis stronger. This included prioritizing ease of use for customers. Along this vein, CIOs shared some wisdom from the pandemic's early days:

- Ben Haines, former CIO, Verizon Media: "We already had technology in place to work remote. The requirements coming to me are: can you ship me a chair, monitor, and standing desk? CIOs need to ensure they have a consistent answer."

- Les Ottolenghi, former CIO, Caesars Entertainment: "At the moment, my top two concerns are coronavirus and the possibility of economic downturn because of the virus."

- David Seidl, CIO, Miami University of Ohio: "I am thinking about what we do differently afterwards. There are services and processes we are adopting right now that we need to either choose to keep or try get rid of completely."

- Brian Carberry, former CIO, UPMC Whitfield Hospital, Ireland: "The current situation has focused the conversations on cloud as a business risk mitigation tool and not just a 'nice to have' technology for technology's sake. It has made cloud tangible."

- Jonathan Feldman, CIO, City of Asheville, North Carolina, USA: "CIOs should get into a time machine and go back 12 months and deploy scalable and remote productivity software. I can confirm that this has saved our bacon. We are stronger for this during this coronavirus situation. It's really been a positive force for us."

April 2020

At this point, COVID-19 was making a CIO's life seem like a repeating Groundhog Day. Former financial services CIO Tim McBreen said, "This one is so different than 9/11. That had a finite ending and limited scope — for me, only one 345-person location. This is going to go on for months with entire corporations being impacted. I have been reviewing what I would do different now because of this."

CIOs found systems were clearly stressed from the need to expand capacity and capability for large-scale work at home. This often required IT heroics. For the first time, models of redundancy and resiliency needed to consider new ways of working, organizational structures, and employee experience with new business models.

The crisis accelerated digital transformation for many. The mass adoption of telecommuting resulted in explosive business change. The only good news was how the crisis helped fully display the value of IT and digital transformation. Prior to the pandemic, remote work was growing, but now CIOs expected it to accelerate. For this reason, CIOs suggested IT teams assess what they learned, what worked, and what did not work. With this knowledge, they could move forward.

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May 2020

By this point, I remember personally needing human connection. CIOs said they were also facing personal pain from the transition, but they stressed the need for technology and infrastructure to continue holding up. Clearly, the greatest strain and adjustment were people and management. A new phrase emerged and became commonplace: "Zoom fatigue." CIOs shared that copying the physical workplace into the virtual workplace had not been proven effective. And to their

surprise, they needed to become coaches and psychologists, too.

Some CIOs shared that they continued to struggle getting laptops to client service representatives so they could work from home. Moreover, working from home posed a challenge for many who lacked reasonable home Internet connections. This not only affected productivity; it required workers to make support calls to help desks to try and fix whatever problems they faced at home.

At the same time, CIOs began to ponder the issue and impacts of the security of working from home. Most companies did not have a broad-enough definition, or a strategy in place, or adequate tools. Given this, Art and Wellness Enterprises CIO Paige Francis said, "Work from home has actually reinforced known business weaknesses."

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Limited phone system capabilities and the inability to influence the quality of home networks hurt many organizations. The truth is, prior to the pandemic, only a small percentage of companies had emergency contingency plans that considered working from home. Raechelle Clemmons, a CIO who worked in higher education at the time, said, "I would have doubled investment in cloud resources and accelerated migration to all cloud. It was always in the plan. Additionally, I should have pushed harder on digital workplace initiative."

By now, it had become clear that organizations needed to embrace and utilize collaboration tools more fully. Stephen diFilipo, Jr., a higher education CTO, said, "We now need to reimagine learning. In the virtual world, learning takes place better in bite-sized chunks. Just-enough, just-in-time learning will mitigate the need for monolithic platforms like Blackboard." As the fragile edges of technology became exposed, CIOs considered the human dimension of business continuity and sustainability. Technology analyst Jack Gold was already assessing the winners and losers: "Companies

which gave their employees additional freedoms, rather than regimented work positions, fared better with work from home."

June 2020

By this time, it was clear that many organizations were left flat-footed by the crisis and were now trying to adapt. Yet winning organizations proved nimbler and faster to respond to change. Seidl said, "We're learning to engage more personally in some cases; and, at the same time, learning to do it with technology."

The need to transform clarified the fact that legacy technology needed to be replaced. And as waves of COVID became reality, there was a rush to reconsider business continuity planning through the lens of the fragilities that had been discovered. Process inefficiency became illuminated and received immediate dollars and attention. Many learned that technology cannot compensate for poor business processes.

Former higher education CIO Joanna Young said, "As remote work settled in, projects that were stopped at the beginning of the crisis were restarted. About 80% of projects moved forward while 20% were stopped, deferred, or thrown out in favor of new investments. Meanwhile, training really mattered, including use of online collaboration and webinar software."

September 2020

While everyone had hoped to be back in the office by September, it didn't happen. Seidl said, "We are all used to handling outages and emergencies. This one is different. It required encouragement and flexibility. It required finding ways to connect and recharge. It required making sure people

take breaks. When there is an outage today, you need to make sure to rotate people."

Without question, CIOs needed personal resilience. They had to be calm and confident at the same time as they were inventing a new tomorrow, which required them to consciously avoid rebuilding yesterday. VA Midwest Health Care Network CIO Stan Bush said, "CIOs needed to be flexible, be able to execute rapid innovation when needed. They need to put in place robust tiered contingency plans for technology, staffing, and processes." In this moment, CIOs found that the business was looking for them to make important decisions. And inaction was viewed — maybe for the first time — as bad as or worse than the wrong decision. In this environment, CIOs needed to overcommunicate to reduce rumors and misinformation.

Meanwhile, the difference between a vendor and a partner became clear to CIOs. Vendors continued to push transactional relationships. They said, "Send us money; we will let you use our product, and here is your increase for this year," while partners listened and found solutions for their CIOs.

October 2020

By this point, CIOs started considering the crisis's impact on the social contract. Prior to COVID, almost none of their employees were remote with any regularity. After COVID took hold, most employees were remote, and a significant slice were moving to permanent remote status. Even higher education started attracting people that were completely remote. This meant developing some policies around remote work for the first time.

Many companies were even deciding to become completely or almost completely remote. CIOs started suggesting the number of people working in the office long-term would be smaller. It was becoming clear that millions of people would

never return to a pre-COVID schedule. People might return to an office, but not every day.

For this reason, CIOs suggested that flexibility needed to be the new norm. Part of this included CIOs' need to humanize IT. A key ingredient was making sure technology positively impacted jobs, and CIOs suggested that more frictionless technologies were needed. However, they needed help from chief HR officers (CHROs) to deliver on this vision. Employee experience clearly needed to be more digital; CIOs claimed that fixing employee onboarding was the place to start.

December 2020

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I asked CIOs whether this was a moment to get back to the original 2020 plan. CIOs said "no" and suggested 2020 was about working through disruption, with smart CIOs not waiting for things to calm down before acting. It was time to *learn to lead* in the new normal.

CIOs believed this new leadership model started with reimaging a workplace built on flexibility, inclusiveness, and the lessons from the crisis. It was time to refocus on the customers as well. This meant fixing the things that prevent great customer experience (CX). To do this, CIOs needed to reconnect with customers and discover their needs and how they changed during the crisis. To succeed, Young stated, "CIOs need to be more knowledgeable and more forceful with colleagues about focusing investment dollars. CIOs know what the capacity is and what priorities are. CIOs should stop planning and start doing top things that matter." Not surprisingly, the priorities were the following:

- Enabling a hybrid work environment

- Improving CX

- Modernizing IT

- Enabling real digital transformation

April 2021

CIOs shared candidly that the sustaining impact of COVID-19 was not considered probabilistic in continuity planning. University of Delaware CIO Sharon Pitt said, "We never really thought of keeping the business going as more than a few weeks or so. It took forever for my team, including me, to realize that we were, in fact, going to be at our dining room tables, kitchen counters, or laundry rooms doing work for a while."

COVID-19 expanded the definition of a disaster and how people think about business continuity. Keeping the business going was not just about technology. Francis said, "The technology was sufficient. Process, people, and support was less so but more easily buildable than technology." CIOs felt organizational learning from the crisis mattered. CIOs did not want to lose track of the lessons. Technology analyst Dion Hinchcliffe said, "Most organizations — especially those with low cloud investment — were not as prepared as they may have wished. It is safe to say COVID-19 has done more to propel the laggards into the cloud than anything before."

June 2021

By June, businesses really saw how technology supports them. Francis said, "COVID-19 taught our organizations, technology is everything. As well, it showed that IT risk is not your standard business risk. And it is a top priority now." CIOs shared that they and their business partners found the gaps fast! University of Michigan CIO Carrie Shumaker added, "On the positive side, the pandemic year tested IT resilience and, overall, we showed strength. Our entire IT staff was in quarantine for two weeks starting on March 10 and we were able to shift to remote support and pivot the university to remote. I would not have been able to model this outcome."

August 2021

Life became much more interesting for CIOs by end of summer. By this point, the workload was catching up with them, if it hadn't earlier. Former manufacturing CIO Wayne Sadin said, "CIOs are doing everything from before; they are just doing it 25% faster, from home." Staffing changes and post-COVID job changes drove more workflow and automation. There was broad acceptance of hybrid and remote meetings and events.

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Organizations were also learning from the first round of COVID-19. They were paying more attention to the human elements. The pandemic had unearthed disparities among employees' ability to comprehend and adapt to the requirements of digital business capabilities. Meanwhile, mental health, life balance, and personal choices started driving how IT managed initiatives.

Net Health CIO Jason James proclaimed, "We have now proven that productivity is not tied to offices. This gives more options to protect the workforce in areas that may have been [once] considered higher risk." However, to continue to work, CIOs and business leaders needed to embrace values of compassion and flexibility as they invested in technology and tools that would support the way people work now. CIOs shared that the social contract absolutely had to change. It was no longer about whether someone can drive to the office or live in a certain geographical area so we could see what they were doing. Now, it is more about how leaders foster a culture where employees are trusted to work from anywhere, feel empowered to drive innovation, and make tangible changes to the business from any location.

December 2021

As they prepared to enter 2022, CIOs claimed they had a clear sense of direction, though many started the year still dealing with 2021's barriers to agility, flexibility, customer centricity, and employee centricity. They felt that 2022 should be about diminishing these barriers to pace, quality, and effectiveness. For example, Young said, "CIOs need to continue to look into and embrace a hybrid approach to work and whatever this means tactically and strategically for their organizations."

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CIOs were candid that 2022 would involve more change as they strived to make the new normal better. Many were clear that they are still working on digital transformation. However, with leaders increasingly having a "digital mindset," IT plans were tied more closely to the corporate strategic plan. This included greater business involvement. Strategic objectives were added related to supporting remote work, collaborative work with distributed IT, and hiring and retaining IT staff.

CIOs also stressed the importance of delighting customers and delivering great CX while reducing legacy technology and process debt. Digital transformation was seen as an ongoing process. For this reason, CIOs want to be ready for the next wave of digital disruption.

Subsequent CIO Discussions and Parting Thoughts

In discussions this year, CIOs showed that they have adapted to the changes that COVID-19 brought and continues to bring. They see a world where the IT department is more about innovation than operations and stress that inaction is no longer a path forward. Part of this involves creating a work-from-home-friendly workplace and improving the customer journey. To do this, CIOs are driving their organizations' data agendas with a

chief data officer. And, finally, they are helping their organizations build a digital mindset.

Without question, CIOs seized on COVID-19 not just as a crisis, but as a watershed moment for driving digital experience to their businesses. They realized that *digital transformation is a continuous process, not a destination*. Today, it involves everything that an enterprise does — including how it provides value to its stakeholders.

About the Author

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