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Making a Successful Transition from Technology Leader to Board Director

Advice from Those Who've Made It

The dizzying pace of technological innovation and change is as disruptive as it is promising for companies across industries. The danger of exposure to new risks needs to be balanced with the potential for new competitive advantages and opportunities for growth, making technology a leading influencer of business strategy for nearly every organization.

In this context, we have observed a meaningful increase in demand for real technology expertise — be it CIO, CTO or CISO — in the boardroom to help ask the right questions of management in order to navigate this range these opportunities and risks effectively. The reality, however, is that the number of functional technology leaders who have successfully made the transition to the board of directors of the largest 250 companies in the United States remains surprisingly small.
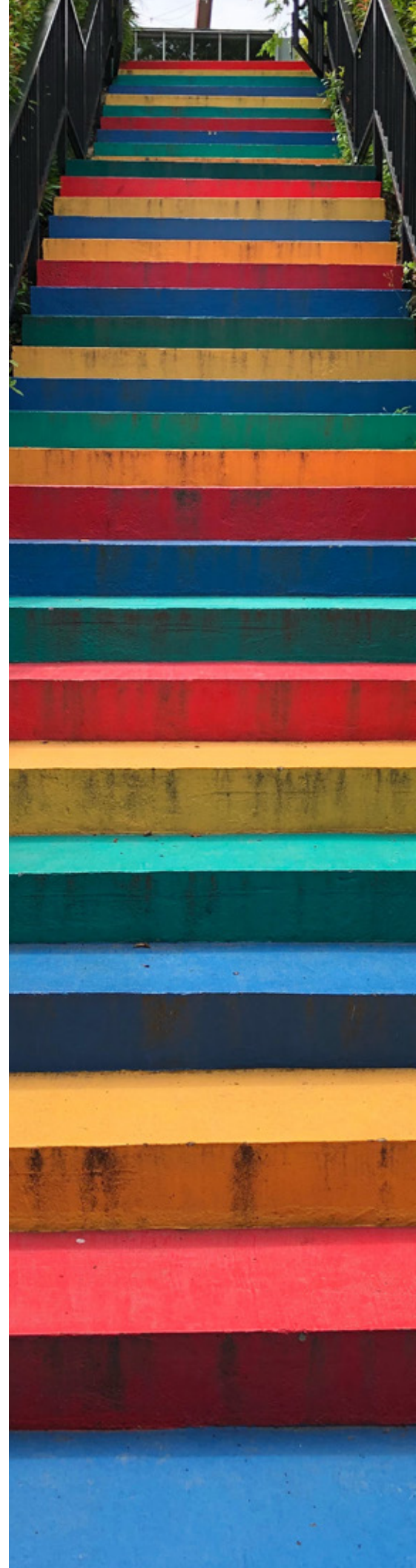
Depending on how you define it, only 13 to 15 C-level technology executives currently serve as board directors in large, public U.S. companies today — a number that has in fact barely moved in recent years. This is in spite of increased pressure on boards to appoint directors with real technology leadership experience either for "defensive" purposes like cyber security or to harness the potential of a more digital and data-enabled future.

To explore this imbalance between CIO "demand and supply" in the boardroom, we spoke with a group of experienced current or former technology executives who have successfully made the transition to large public company board directorship. Here they share what they learned along the way.

DECIDING WHICH BOARD IS RIGHT FOR YOU

Our panel was unanimous in agreeing that the single most important consideration for CIOs when choosing a board is to determine where opportunities for development and growth are abundant.

"When I decided to join a board, there were a few companies I was talking to," one director said. "I wanted to pick the right one and went to mentors to get guidance. The best coaching I received was to make sure — especially for my first board role — to pick the board where I would learn the most."

Whether you see board service as complementing your current work as a technology leader or as a transition into a meaningful new experience after your executive service, the directors on our panel found it to be a significant professional accomplishment and a fulfilling role — when the company is the right fit.

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At the onset of a board career, consider more mature boards providing broad exposure to corporate governance structures and best practices. Some of our panelists found that joining the boards of mature companies gave them a good opportunity to cut their teeth as a new board member and learn how boards operate. Others found it rewarding for their first board experience to be on the board of a private equity portfolio company. "I'd advise CIOs to consider starting out on a private company board — they tend to be 70% strategy and 30% governance and that can be a good grounding for public board directorship," said one technology leader.

Take some time to think about why you are interested in a corporate board seat. What are your interests at this stage of your career? What motivates you and gives you a sense of purpose? This will help you narrow down which boards are right for you and help you articulate the valuable perspective and experience you can offer when you interview with a nominating/governance committee.

SPOTLIGHT

INCREASING YOUR CHANCES FOR GETTING ON A BOARD

Here are some tips on increasing your chances of being considered for a board:

» **Think long term.** View getting on a large public company board as the culmination of a longer-term journey that typically begins relatively early in life. Being able to demonstrate a broad range of interests, personal network and history of community engagement or other purposeful time spent outside work will build perspective and with it your value proposition for a public board.

» **Do your homework.** Research the business, strategies and key issue to determine what is really interesting and worth pursuing.

» **Commit to serve.** Make it clear that you have the time, commitment and ability to dedicate to more than 250 hours a year for at least 10 years.

» **Get some experience.** Serving on the board of a smaller company or nonprofit can improve your odds and raise your profile.

» **Activate your network.** Since you can't apply for the job, you need connections to speak on your behalf.

» **Be realistic.** Align your expectations with your experience and aim for a board where you can add practical value.

Beyond thinking about what types of boards you find attractive, you should also consider why those particular boards would be interested in you. As mentioned earlier, technology has a much higher, broader profile as of late in terms of business strategy. Your background as a proven CIO, CTO or CISO may open up more opportunities, allowing you to branch out and consider organizations that are not necessarily in your industry sector.

"I would advocate gaining experience across industries," one director said. "When I was initially thinking about boards where I could leverage my tech and finance background, I knew I wanted to have a foot in each. As I thought about the potential for another opportunity, I decided I wanted diversity and did not want to do either of the two. Having diversity of experience is important to bring unique perspectives to the board."

POSITIONING YOURSELF TO GET APPOINTED

The advice from those who have been there: Be prepared to tell a good story. As a CIO or other technology executive, you need to effectively communicate who you are as a leader and how you can contribute to creating a competitive advantage for the board and the company. Our panel's advice is to emphasize strategic benefits — talk about how your well-developed technology perspective will advance the overall strategic direction of the board.

Crafting that narrative so that it connects with people who have varying degrees of understanding technology presents its own challenges. It means striking a balance between selling your technological expertise and convincing an interviewing committee that your unique perspective will add value to the board.

"As you interview for a board the art of storytelling is critical. It is all about why your experience matters, why it is relevant to that board and that company. Being able to work through that is important to your personal pitch," said one director. "That was a skill I had when I was interviewing for my board position. They said they liked the way I could take the problem, put it in their terms and talk in a language they can understand."

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Just as it takes time to develop the range of skills required to be an effective technology leader, you have to build knowledge and capabilities for a board role. While there's no guaranteed path to board membership, several directors said an effective trajectory can begin with executive experience and non-profit or private board experience and then corporate board experience. Seeking a board seat is something that takes preparation, persistence and patience.

"Getting on a board does not happen overnight. Every component helps you mature," said one director. "When you are building up that resume of capabilities, it's so important to articulate exactly what you have done and accomplished."

MAKING AN IMPACT ON THE BOARD

The most effective CIO/board members are those who are broad business thinkers able to influence and educate other board members on the impact of technology on the business. They refrain from using complicated technical jargon and instead speak the language of the C-suite to clearly communicate the ways that technological and digital advancements affect business strategy. As one director put it, "If you use jargon and the rest of the board doesn't understand you, they might say no just to see what happens."

Relating to your audience is essential. Our panel stressed that, to be effective and have an impact, CIOs and other technology executives must study, understand and respect their audience when presenting to the board. Remember, you have undoubtedly spent much of your career translating complicated technological concepts into compelling stories. You know how important clear communication can be to getting buy-in for innovation. Now you're getting buy-in for your opinions.

Our contributing directors said it's okay to be the IT person in the board-room as long as you don't "nerd out," as one put it. "Senior technology leaders cannot speak in acronyms or deeply technical terms with the board. Rather, you need to be able to communicate in business terms that will resonate across your fellow board members."

CIOs must remain confident and clear in their technical vision when presenting to the board. Beyond just interpreting the technical strategy to make it high-level, you must have a distinct ask — clearly communicate what actions the board or company should take as a result of your interaction with them.

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"Effective board members need to be clear why the rest of the board should listen to them. Develop an elevator pitch. Technology leaders often don't develop these communication skills as well as they should."

Unfortunately, clear communication remains one of the biggest issues to address for up-and-coming CIOs with a desire to be board directors.

While there are certainly tech leaders today who have strong business acumen and interpersonal skills, they can be few and far between, and chances are they already sit on a board. Moving forward, our directors encourage technology executives to focus on their presentation skills. "One of the biggest gaps I see is that boards say they want a technologist. Then once they get a technologist, they don't understand them and they quickly lose favor," one director said. If anyone is going to talk about tech at a board meeting, there's no one better than a CIO to present the issues to the board.

"Effective board members need to be clear why the rest of the board should listen to them. Develop an elevator pitch," one director advised. "Technology leaders often don't develop these communication skills as well as they should."

Our panel described a great CIO/director as someone who has priorities, knows where to allocate resources and can articulate a clear strategic direction. You are no longer line management when you are on a board. You're not in charge, but you are representing the shareholders. Ask yourself, "Why does this matter to our three-year strategy? Why does this matter to our shareholders?" Then make it clear to the board why they need to understand it.

PARTICIPATING DIRECTORS

Diane Scheuneman, board director of Barclays and former technology executive at Merrill Lynch

Moira Kilcoyne, board director of Citrix, and former co-chief information officer for Morgan Stanley

Shelley Liebowitz, board director of E*Trade and former chief information officer of World Bank Group

Jim Scholefield, board director of Stanley Black & Decker and chief information and digital officer of Merck

Myrna Soto, board director of Spirit Airlines and former chief information security officer at Comcast

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