



FEATURE

## The latest in IT services? CIO hired guns

When interim CIOs ride into town, they might call the shots on everything from cloud migrations to app development. They'll even deliver bad news and take the bullets.



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By Cindy Waxer

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Computerworld | Nov 7, 2016 3:30 AM PT

Damon Neth hasn't had a full-time, salaried position with a company in nearly 20 years. And he wouldn't have it any other way.

That's because Neth has built a lucrative career as an interim CIO. Highly qualified and rich in experience, he and other IT guns-for-hire possess a unique blend of IT expertise, business smarts and boardroom savvy. Rather than commit to cubicle life, interim CIOs transition from one client to the next with contracts typically spanning three months to two years, and annual compensation of six figures.

Unlike IT consultants whose roles are "advisory in nature," interim CIOs play active roles in companies' operations and their responsibilities may include "hiring, firing and making decisions," says Robert Jordan, CEO of the [Association of Interim Executives](#). Calling the shots on cloud deployments, overhauling out-of-control IT infrastructures, negotiating new deals with vendors — interim CIOs are straight-talking, sharp-shooting agents of change.



Damon Neth

"I tell all of my clients that what you get with me is a guy who's going to take a bunch of bullets," says Neth, who works under the banner of [CXO Service Co.](#) "I have no problem selling unpopular messages if I believe that they're right for the organization or addressing the elephant in the room. It's important for me to be transparent and to be honest."

This pull-no-punches approach to IT is winning over an increasing number of companies as they try to salvage flailing IT projects or tackle sweeping IT transformations. Just ask Jeff Richards. A managing partner at consultancy [CIO Professional Services](#), Richards served as interim CIO for the YMCA of Silicon Valley. He estimates that there has been a 25% increase in demand for interim CIOs over the past five years. And Jordan predicts that U.S. spending on interim executives will reach nearly \$30 billion in five years.

## Why outsource?

The reasons for hiring an interim CIO vary from company to company. For midsize organizations, the high price of a full-time CIO often outweighs the benefits. "In the midmarket, companies don't need a full-time \$300,000-a-year CIO," says Richards. "They need somebody to set strategy, negotiate contracts and talk to the board for them. You could probably get that done in a day or two a week on an as-needed basis."

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For others, interim CIOs arrive with a breadth of experience seldom found in less transitory executives. "In the IT world, there are revolutions occurring, so if you don't have a team that's keeping on top of everything, sooner or later, everything grinds to a halt," warns Jordan. An interim CIO can change that, he says, by being "up on best practices" and equipped to handle a host of IT issues.

The growing popularity of interim CIOs is also a sign of the times. "This is exactly what the future is," says Dean Samuels, an interim CIO and CEO at [Silicon Valley CIO](#). "We've gone from an IT asset portfolio to an IT service portfolio. So if IT has transformed into a services portfolio, why wouldn't you get an IT service-oriented CIO as a service?"

Samuels would know. He recently completed an 18-month contract as an interim CIO for a biotech startup where he helped build an entire IT department from scratch. In fact, high-risk, all-consuming IT projects are par for the course for interim CIOs. While he was at the [YMCA](#), Richards replaced everything from payroll applications to website infrastructure over a breathless three-year period.

## What about job security?

Yet the question remains: Why pass up a steady salary, health insurance and stock options for a string of fast-paced, high-stakes projects? Interim CIOs choose to freelance because they like it, says Jordan. "It's not as if they are retired and so they're dabbling," he says. "It's not as if they're looking for a full-time job and until they find it, they'll take on an interim role. This is what they do."

For his part, Richards says interim CIO gigs are often more rewarding than full-time, salaried jobs in the C-suite. "It's hard being a [full-time] CIO," he says. "It's one of those thankless jobs."

In contrast to full-timers, interim CIOs enjoy a wide range of perks. Six-figure earnings and the freedom to cherry-pick projects rank among the top rewards. But that's not all. In a world where many CIOs are still struggling to secure a seat at the table, Samuels says interim CIOs are prized for their business acumen, razor-sharp IT skills and breadth of industry experience. "I always have the ear of the CFO, CEO and all of a company's business leads," he says.

## **Do you have what it takes?**

But not everyone is cut out for a career as an interim CIO. "It's an overwhelming characteristic among interim executives that they seek out challenge, are highly accomplished and want more of the same, so they're drawn to project-based roles where it's not the status quo," says Jordan.

All of which takes equal measures of intestinal fortitude and entrepreneurial spirit. There's no knowing how long a lapse will last in between gigs. As a result, interim CIOs must be willing to weather the feast-or-famine fluctuations that accompany self-employment.

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For this reason, Samuels recommends that interim CIOs perpetually sharpen their skills in anticipation of whatever technology trend will land them their next contract. "Because our industry changes so much, we have to be ready for the next new thing," he says. "In your spare time you have to get certified, you have to get up to speed, you have to learn the technology."

More dangerous than falling behind, though, is falling in too deep. While full-time CIOs are valued for their domain knowledge, an interim CIO's marketability hinges on breadth of experience. Dedicating too many years to a single engagement can compromise your market value. "Domain knowledge is useful and it's valuable, but we don't often see that as the go/no-go factor when considering candidates," says Richards.

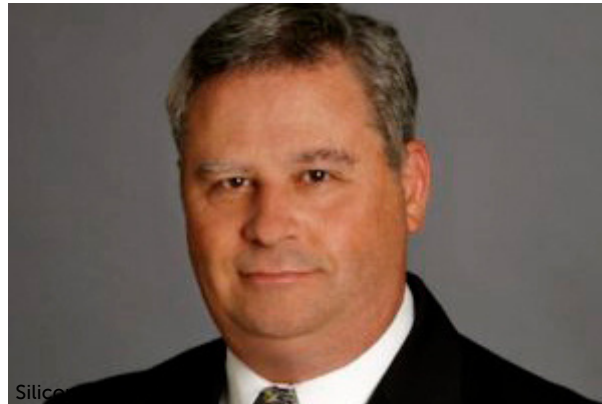
Samuels is a perfect example of an interim CIO whose years of leveraging IT to transform businesses have proved far more valuable than any industry experience. For example, despite being new to the pharmaceutical industry and its strict regulatory environment, Samuels says he was able to dramatically improve a biotech company's IT infrastructure in just 30 days.

## **Tough as nails**

Then there's the moxie — and mercilessness — required of interim CIOs to make tough decisions, regardless of who gets hurt. "You have to have mercenary skills," says Samuels. "An interim CIO will take on challenges that a sitting CIO will not. There's a different blood thirst — it's more canine. An interim CIO is a different animal."

"Lone wolves" is the term Jordan uses to describe interim CIOs. The solitary nature of the freelance life is one of the primary reasons he established the Association of Interim Executives in 2009 — to serve as a kind of "clubhouse" for self-employed executives.

But that's not to suggest that interim CIOs lack interpersonal skills. Many are adept at winning over in-house IT teams with a show of loyalty and a willingness to get their hands dirty. "I play golf with the CEO, but I eat lunch with my IT guys every day because I love this work," says Samuels.



*Dean Samuels*

In fact, Samuels says IT teams are often relieved when an interim CIO arrives on the scene. "IT employees are usually frustrated that they don't have the leadership," he says. "A lot of times they're working for the CFO. Talk to any IT guy that works for the CFO and ask if they're happy. IT people want to work for an IT guy."

Vendors also crave a meaningful IT connection. After all, companies that fail to make proper use of products and services are a major source of frustration for time-strapped vendors. Conversely, weak IT leadership can open the door to pushy vendors that peddle their wares, oblivious to a company's real IT needs.

Fortunately, with the right amount of diplomacy and objectivity, an interim CIO can easily restore employee and vendor relations. That's especially true if an interim CIO resolves issues without resorting to finger-pointing. "When people see that I'm ready to engage in a meaningful way, and I'm not willing to engage in politics or back-biting, they understand that these are problems that, if solved properly, benefit everybody," says Neth.

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Confidentiality is also critical to forging strong relationships as an interim CIO. Working for a variety of companies can help you develop a rich knowledge base, but it's critical for interim CIOs to keep their clients' business plans, trade secrets and other items of intellectual property to themselves as they travel from project to project.

"These items are protected by the agreement between the client and interim executive," says Neth. "This confidential information always has a stated duration of 12 to 36 months after the completion of the assignment where the specific information cannot be shared with any third party for any reason. Some very sensitive trade secrets might be confidential forever."

It's that combination of candor and kindness that Neth says is the true mark of an excellent interim CIO. "The mindset of the interim is they're not going to play politics, they're not going to entrench themselves into a bureaucracy," he says. "If they're truly great at being interim, they're going to go and tell the truth."

## Reducing career risks

So if the job of an interim CIO is to genuinely protect a company's IT interests, who's protecting the interests of an interim CIO? Oftentimes, no one.

The nature of interim CIO contracts is that they're "very easy for companies to get into and out of," says Jordan, adding that most interim CIO contracts can be canceled with only 30 days' notice — hardly enough time to land back on your feet.



*Robert Jordan*

To minimize this risk, Jordan says many "interims have multiple, parallel projects and assignments going on at the same time so they're protecting themselves far better than the traditional permanently employed class."

Richards agrees. "The mythical nirvana in this racket is having two or three clients that take three or four days a week so you have some long-term gigs across a few smaller organizations," he says.

However, securing a steady stream of assignments takes time — a precious commodity for harried interim CIOs. "You come out of the back of a six-month engagement having made a whole lot of money but you're burdened down while you're looking for your next gig," warns Richards.

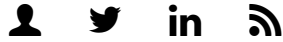
Dealing with challenges like that is where working with a staffing agency or consultancy can make a difference, he says. Strategic IT consulting firms, such as CIO Professional Services, that source and place interim CIOs can help hired guns find work they'd be too busy to discover on their own.

And because agencies tend to employ a steady roster of seasoned candidates, someone like Richards, who's both a managing partner of a staffing agency as well as an interim CIO, are provided with a secondary source of revenue. "I make much more money financially by the sales commissions," he says. "I'm the rainmaker — I make more money on other people's billable hours than I do on my own."

In a development that benefits both those who work as interim CIOs and those who help interim CIOs find work, this transitory role is finding a permanent place in IT. Welcome Jeff! ▼



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