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'HEADS-UP' FOR DIRECTORS IN THE CLOUD

There's much that can be said about the manner in which members of a board are 'wired', and it does not take much to recognise those directors who embrace technology and those who don't. Interestingly, as technology races well ahead of the predictions stated by Moore's Law in 1965 -- where the number of transistors would double on an integrated circuit every 18 months -- some have embraced this change, whilst many of the old school have 'run away' from it in fear. Considering its pace, technological change is a huge adrenaline rush especially for the techno-savvy youngsters, but for the majority of those people who are 'technologically challenged' and their comfort zones threatened, they will become increasingly scared and may even flee their positions as their confidence levels in this area steadily decline.

Turning our attention then to a typical boardroom of today, still dominated by many directors who may not have been 'nurtured with technological and computer gadgets'; understandably the older generation director will be seriously challenged when suggesting that the organisation's hardware, software and data should be managed by a complete stranger to the organisation, and worse so, somewhere in the world wide web! The reactions expected from these less accepting board members, who are presented with a computing service -- Cloud computing which was conceptualised by John McCarthy in the 1960s -- which implies non-ownership or control of essentially the organisation's computing backbone, however the shape or form, is predictably obvious. Remembering of course that this situation will be fuelled even further if any of the following circumstances prevail; for example the organisation regards IT as an 'intangible' asset and is averse to IT expenditure, or its market share is in decline, or it is facing aggressive new market entrants, and finally -- but not least -- the organisation is technologically challenged or deprived. Adding further pressure upon the existing directors who are reticent about Cloud computing, could also be the new and aggressive young executives rallying for the next position on the board, who themselves are ardent supporters of this new technology format. Again, one hardly needs to be reminded of the manner in which directors may be regarded by the techno-savvy newcomers if their thinking still rests in the adage, "don't fix what ain't broke" or continuing to "box things in specific departments" with the belief that silo mentalities *still* work in a modern and highly wired world. The results will simply be disastrous, as the two worlds of dinosaurs and virtual, electronically wired executives collide!

The expectations of a modern-day director is quite different to years gone by, and such is the case with a rapidly changing world of electronic business (e-business), where there are so many blurred lines between business and technology. Moreover, it is becoming increasingly difficult to singularly define the qualities and experienced required of an *exceptional director* to navigate the organisation through such times of change and turbulence.

Notwithstanding, what is quite obvious is the fact that in order for directors to thrive -- not only survive -- they need to be highly skilled, multi talented, have access to instant information (anytime, any place and anywhere) and also understand and deal with their massive liabilities when things go wrong. Considering the increasing manner in which director's are, on a universal basis, being held accountable for almost anything that can go wrong in the organisation they serve, they can ill afford to take a 'back seat' on any matter that materially affects the business, particularly if there are risks involved, such is the case when adopting a partial or full Cloud application.

And so when an IT (information technological) discussion is raised, and one such as Cloud computing which still has much controversy attached to its perceived benefits, directors really do need to proactively 'jump in' to understand its implications, and whether or not this relatively new wave of business, enabled by Cloud computing technology, will provide the strategic benefits to the organisation as is being stated by the experts? The tendency for the more traditional -- dare we say 'old fashioned' directors -- may be to adopt a "wait and see approach", or simply relegate Cloud computing as an IT discussion and decision to be taken outside the boardroom's mandate. Respectfully said, this approach may prove disastrous. Whilst the face of a Cloud computing discussion may appear related to IT only, one does need to seriously consider its strategic business implications in a globalised economy. According to Oracle's President, Mark Hurd, the top ten emerging economies will be bigger than the traditional seven economies by the turn of the decade, and up to 80% of growth will be in the emerging economies with more than 1 billion mobile workers in the world. Consider the view of Hurd, organisations will need to seriously re-think their go-to-market strategy, and access to these markets and mobile workers, if Hurd's views are correct.

To this end, CEOs are being placed under enormous pressure by their demanding shareholders to hold on to, or at best, improve their organisation's bottom lines. This is proving far more of a challenge than ever before, and the stress levels amongst CEOs to achieve these expectations is beginning to show as more CEOs -- and similarly board members -- are re-assessing the merits of staying, or departing from their offices as the case may be. It's not only the challenge of keeping abreast of the draconian legislative and regulatory requirements which is one of the principle reasons for these major cross-road decisions being considered; it's also because of the difficulties of keeping ahead of the technological treadmill which in itself has massive risks.

The younger, more techno-agile executives joining organisations today, are quite the opposite to their senior counter-parts of say ten years ago, and they operate very differently. These new breed of executives are constantly on the move and demand access to every piece of information, at any time, through any device and at any remote place they want it - true ubiquitous and scalable, user-driven computing. Failing to provide this highly networked computing power and business connectivity, says IT experts, will simply cripple those organisations not keeping up with the pace; with a certainty of failure as they lose their strategic edge of being able to operate with speed, scalability and up-to-date knowledge and information. In addition to these woes, if an organisation is not able to provide a working environment that meets the expectations of these techno savvy employees, and they claim not be able to meet their own targets, they too will not be incentivised to stay and organisations will undoubtedly battle to retain them.

While the more common debates of Cloud computing may hover around IT systems, business data protection, computing standards and the like; organisations will need to quickly wrap their minds around the manner in which they will re-position their products and services to meet the requirements of a highly mobilised customer, who is increasingly demanding of first class services, as well as the protection of their trusted and confidential information. Clearly, to satisfy these new customer requirements will take a lot of concentrated focus and effort on the part of the organisation, most particularly the CEO and his Chief Information Officer. Throwing more people in the form of additional service managers or advisors just won't do it. Frankly speaking -- and considering the economic downturn -- organisations are just not in a financial position to simply increase the number of customer-facing employees to provide this service. A combination of people (with a 'humanistic touch') and some serious strategic technological support will be required as a solution going forward. The organisation's IT delivery model is going to become a greater asset, and one that is even more relied on, if the organisation intends keeping

abreast of its market and its demands. Clearly cost will feature everywhere, and those who are accountable to ratify the organisation's strategy, namely the board; they will need to make informed decisions regarding the manner in which they embrace Cloud computing and the economics and or risks, which characterise and support internet-driven applications.

Rather interestingly, the concept of Cloud computing back dates to over sixty years; those few individuals back then must have really been viewed as seriously misguided individuals when they foresaw that "computation may someday be organised as a public utility." Almost all the modern-day characteristics of Cloud computing, namely the elastic provision of on-line IT services which would be provided as a utility, with an infinite supply of computing power, were thoroughly explored in Douglas Parkhill's 1966 book, called The Challenge of the Computer Utility. Interesting how times have changed; yet still, other humanistic oddities and resistances to change remain the same.

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