

THE STRATEGIC ROLE OF TECHNOLOGY IN PHILANTHROPY

How To Hire Strategic IT Leaders

Published on November 9, 2020

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TECHNOLOGY
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OVERVIEW

Philanthropy, shaken into action by the events of 2020, has turned to technology as a newly discovered hero, saving the day with business continuity and rapid grantmaking. Like their private-sector counterparts, grantmakers are increasingly calling upon technology leaders to solve their most urgent challenges and strategic goals. Bolstered by recent successes, executive directors and CEOs are cautiously envisioning an expanded role for technology as a driver of efficiency, mission, and strategy in an increasingly dynamic context. Taking technology to these new heights will require a rethink about the role of IT in philanthropy and the type of leaders recruited to lead.

This guide by the Technology Association of Grantmakers (TAG) aims to serve as a resource for those foundation executives aspiring to bring more strategic IT talent into their organizations. The advice offered is gleaned from a variety of sources including interviews with some of our sector's most dynamic IT leaders (and those who hire them).

MOVING BEYOND TACTICAL TECH LEADERSHIP

While many foundations lag in their own digital maturity when compared to the private sector¹, grantmakers have perhaps unwittingly established a mold for IT leaders that emphasizes the *tactical* over the *strategic*. 'Keep the lights on and the trains on schedule' is the charge for many a foundation IT leader. From grants management platforms to WiFi networks, keeping systems running and users productive is IT's stated mission, and no-news-is-good-news is the aspiration of many technologists. To meet this goal, grantmaking organizations often hire leaders whose backgrounds and competencies lend themselves to just such a role. Such leaders thrive in hands-on tech management and often prefer flexing their *technical* acumen over their business acumen. They are more comfortable configuring systems and building servers than envisioning how technology might contribute to the organization's theory of change and long-term mission.

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To be clear, there is nothing wrong with this model, those competencies, or these leaders. Most organizations will continue to value the hands-on IT leader who is adept at solving today's problems and keeping users happy and productive. But for organizations looking to leverage the *strategic* potential of technology, there is a new type of IT leader with different competencies and experiences to consider: **The Strategic Tech Leader**.

¹ The [Roadmap for Funders: Investing in Digital Infrastructure report](#) states that "Private sector spending on technology, regardless of industry, is likely to be at least four times that of the social sector."

Strategic IT leaders tend to step out of the day-to-day routine of operations and focus more on synthesizing the goals of the organization with technology and data. They strive to learn the business of philanthropy and engage with department leads to understand their pain points and aspirations. They come from diverse backgrounds, sometimes wholly outside of IT. And they tend to excel at communicating, envisioning, innovating, and ideating.

Tech strategists bring a different set of competencies to the table, such as planning, facilitation, and design thinking. Strategic IT leaders are willing to reinvent themselves to become fluent in the business of philanthropy, meeting users where they are and learning the nuances of their work and their many challenges. These competencies set the stage for a different type of IT leader within the sector.

A NEW TYPE OF LEADER FOR AN EVOLVING SECTOR

Recasting the role of technology to become more strategic hinges upon finding the right CIO or IT Director. To be sure, this is a challenging prospect for hiring managers on several levels. As philanthropy is just beginning to embrace the idea of leveraging technology in more strategic ways, the sector is not yet a destination for CIOs looking for their next opportunity. And, because many foundations have established an environment where tech is viewed through a somewhat tactical lens, many current IT leaders have not focused on building strategic competencies. So what's the best approach for a hiring manager looking to go in this new direction?

For starters, embrace the idea that CIOs don't have to be career-long technologists. In corporate settings, for example, CIOs often come from diverse lines of business. A recent McKinsey article titled "[The CIO challenge: Modern business needs a new kind of tech leader](#)" describes five traits that reflect a new type of IT leader with new competencies. According to McKinsey, the modern CIO must be a 1) business leader; 2) change agent; 3) talent scout; 4) culture revolutionary; and 5) tech translator. These roles rely on competencies that are sharpened by processes and experiences often found outside IT.

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Two modern IT leaders in the philanthropic sector come to mind who fit this description. Katie Niemann, IT Director at the Houston Endowment; and Lucas Cherry, COO at the Signatry Foundation.

Katie arrived at the Houston Endowment 18 months ago, taking the reins of IT and methodically leading the organization to develop a robust IT strategy and roadmap of tech improvements. Before joining the Houston Endowment, Katie served as IT Director at the Houston Zoo, and before that she spent a career in marketing. While at the Houston Zoo, Katie was asked to take on an IT leadership role where her competencies as a big-picture thinker and skilled communicator were valued beyond her limited knowledge and experience within technology. Having just five years in technology hasn't limited Katie, conversely, the experiences and competencies she gained *outside* of IT are what make her a more strategic IT leader.

"IT often misunderstands the needs of the business, and has a hard time translating how tech can really help. My experiences as a marketer helped me with that type of communication. The communication

skills I gained in my marketing background help me easily translate tech speak to non-technologists," says Katie. "This enables me to build relationships and truly understand the needs of my many stakeholders. This translates to everyone coming together around a technology strategy." Learning the tech side of the business is a challenge, but Katie states that "You can build your IT chops and get the technical experience under your belt. I hired practitioners and outside services to help bridge my own gap in technical knowledge." It turns out that Katie's strategic competencies are more important than her lack of hands-on IT experience, which can be supplemented through hiring and outsourcing.

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Katie Niemann, IT Director at the Houston Endowment

Similarly, at The Signatry Community Foundation (\$1B+ in assets under management), the role of IT leader is held by a strategic thinker with an outside-the-box background well-aligned with the core business of the organization. When Lucas Cherry joined as the Vice President of Finance & Operations in 2016 the role quickly expanded to include CIO duties. Trained as a CPA, Lucas has a keen understanding of a community foundation's complex financial processes spanning from donor engagement to reporting to account reconciliation to grants management. Understanding the nuances of how the business operates created a natural bridge to the tools, technology, and data required to enable the organization's work. Lucas quickly recognized there was a mismatch between the foundation's tech and business needs and established a vision for how technology should bolster The Signatry's fundamental processes. He developed a comprehensive IT vision, strategy, and roadmap that includes building a new tech platform to meet The Signatry's complex needs. Lucas didn't fit the mold of a traditional IT leader, however, his competencies as business leader, communicator, and strategist enabled him to take on the CIO role and add value through competencies he developed in other leadership roles.

"If you think of technology as a hub and spoke, many think of IT as a spoke," says Lucas. "But I think of it as the hub. IT is a key driver and catalyst of business strategy and vision. I think what helped me transition into the role of a technology leader is communicating the value of technology with all levels of the organization – from the board to the executives to the staff. I'm not a CTO and don't have an engineering background, but I'm comfortable outsourcing those needs. In my view, IT leadership is very much a people-focused practice and the ability to understand people and their needs is invaluable for any strategic IT leader."

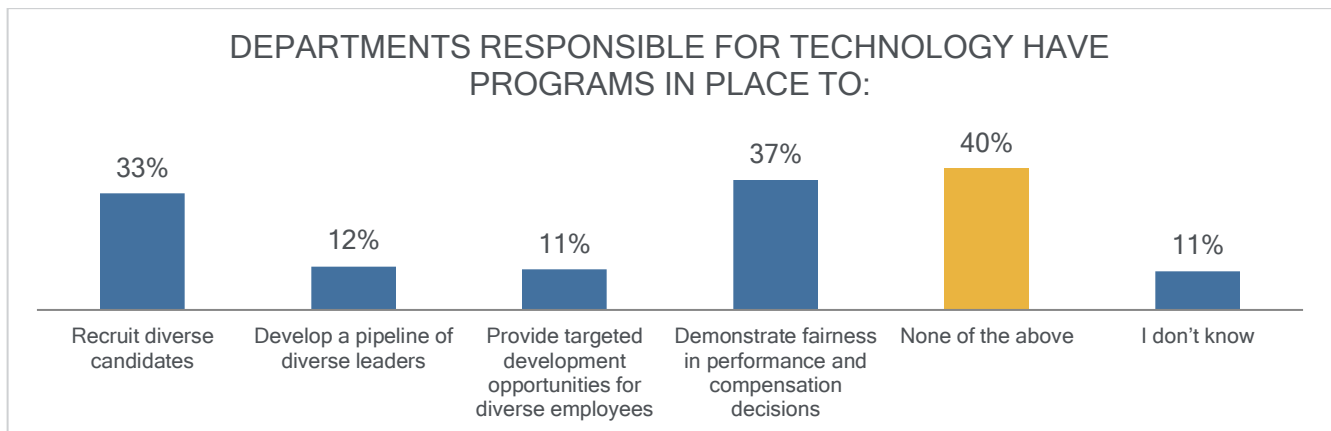
It's important to note, when hiring for a more strategic technology leader, that such capabilities can also be found within the walls of the foundation, from IT as well as other departments. Some IT leaders who identify more as CTOs and practitioners may be capable of developing into more strategy-focused leaders given the opportunity to take on new work or develop new skills. Or, your next CIO may emerge from the foundation's digital or communications practice. The key to establishing IT as a strategic enabler within your foundation is to find the right person with the right competencies and experiences – and those may or may not come in the form of a career technologist.

DIVERSITY IS THE GATEWAY TO STRATEGY

Foundations looking to shift the role of IT must proactively invite new communities and voices into the CIO role. Technology's homogeneity of practice and perspective is flatly a result of IT leaders that come from similar backgrounds with similar capabilities and perspectives. As foundations look to hire leaders with strategic competencies, it is imperative to recruit marginalized groups and individuals. Doing so will bring diverse and innovative approaches to our challenges and opportunities.

"One of my challenges in IT has simply been that I'm a woman," says Katie Niemann in describing the exclusion she faced upon joining the ranks of IT leaders in the sector. "Technology can be a discriminating place for a female. IT can eat you alive if you're a girl. That really shocked me. Everyone I met assumed I was a salesperson. There's a real bias there, but it's driven me to become more outspoken."

Grantmaking organizations have an imperative to seek out diversity, build inclusive practices, provide leadership support, and ensure equity in the workplace. However, data from the [TAG 2020 State of Philanthropy Tech survey](#) of 233 foundations show there's still considerable room for grantmaking organizations to better recruit diverse candidates, develop diverse leaders, and provide development opportunities to diverse employees. The 2020 survey included several questions related to diversity, equity, and inclusion (DEI) training and programs provided specifically for technology teams in philanthropy. Shown below is one such question with sobering results indicating that 40% of respondents reportedly do not have any DEI programs in place for IT teams.



Source: the 2020 State of Philanthropy Tech survey. Learn more at <https://www.tagtech.org/philanthropytech2020>.

Amending recruiting practices is a starting point, but foundations are called to do more. Establishing a pipeline of emerging leaders followed by development and support, is an imperative step towards ensuring strong candidates are ready for consideration when opportunities arise.

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THE CHANGING ROLE OF TECHNOLOGY

Foundations aiming to hire a strategy-oriented CIO may have a difficult time recruiting without also a commitment to change technology's role within the organization. Strategic IT leaders are typically more open to joining organizations that are committed to understanding the strategic potential of technology and structuring the role of a technology leader beyond day-to-day operations. For example, organizations with a strategic lens on the role of technology in realizing their mission typically:

1. Position the CIO role as a member of the executive leadership team with the same reporting structure as other C-suite peers.
2. Include the CIO in key decisions and discussions
3. Incorporate technology into the foundation's strategies and long-term aspirations
4. Commit budget and resources to achieve digital transformation
5. Commit to diversity, equity, and inclusion in hiring and developing leadership pipelines
6. Provide digital skills-building for the entire organization

Transforming the role and perception of IT within a grantmaking organization is a critical component for attracting new technology leaders to the sector. Removing those barriers that often dissuade top talent is key to establishing an environment where strategic CIOs feel welcomed and encouraged. And, making cultural changes such as organization-wide IT capacity building will set the tone that IT must take on a more engaged and strategic role within the organization.

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Linh Nguyen, Vice President at Nonprofit Professionals Advisory Group (and former COO at the W.K. Kellogg Foundation and senior executive at Accenture), notes that this strategic lens on the role of IT is a new mindset for some foundation executives. "I can't think of another sector where mission strategy isn't considered through the lens of technology, but there are still pockets of philanthropy where this occurs. I don't think people are resistant to the idea of a strategic technologist, but they may not know what technologies exist and how solutions can enable not only mission impact but also values-centered experiences for all involved in the ecosystem. Hiring executives must look for someone whose background is tied to mission delivery and strategy, not just operations. If the executive doing the hiring doesn't understand that distinction, then the first step might be to gain some foundational understanding of the technology landscape. They must understand the connection between technology that gets your work done and technology that gets the mission accomplished."

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Linh Nguyen, Vice President at Nonprofit Professionals Advisory Group

And so to Linh's point, leveraging the strategic potential of technology is an opportunity for foundation executives to set the tone from the top. CEOs who envision a mission accelerated through the innovative and equitable use of technology set the tone for a more strategic IT leader to build a roadmap aligned fully with the organization's core values and purpose.

Philanthropy is evolving quickly and purposefully, with technology taking center stage as an enabler of people, process, and mission. Grantmaking organizations reimagining the promise and role of technology must seek-out CIOs that bring strategic competencies and diverse experiences to IT departments. Hiring executives must reconsider the CIO's role and broaden the definition to match this expansive new vision for technology.

4 MUST-DO ACTIONS TO HIRE A STRATEGIC CIO

To recap the recommendations made here, foundation executives are encouraged to start with the following:

- 1. EVOLVE THE ORGANIZATION'S PERCEPTION OF TECHNOLOGY.**
Foundations that continue to position IT as operational and oriented towards support will struggle to attract strategy-minded technology leaders. This shift begins with the CEO and existing leadership team.
- 2. UPDATE THE JOB ROLE AND DESCRIPTION.** CIOs in other sectors expect to be on equal footing with colleagues in similar leadership roles. Reporting to the CEO, commensurate compensation, and a seat on the leadership team will demonstrate a foundation's commitment to establishing technology as a driver of strategy and mission.
- 3. LOOK FOR STRATEGIC COMPETENCIES AMONG A VARIETY OF CANDIDATES, INCLUDING NON-TRADITIONAL TECHNOLOGISTS.**
Business leadership, communication, big-picture thinking, innovation, and building trusted relationships are key characteristics of a strategic leader. Don't be afraid to broaden the job search to candidates from areas like marketing, digital, and finance. And, don't hesitate to consider candidates within IT that come from non-coding backgrounds like project management and business analysis.
- 4. SEEK OUT DIVERSITY.** One of IT's longstanding detriments is its lack of diversity among its practitioners and leaders. Cisgender white males have long dominated the discipline, resulting in a homogenous environment sometimes lacking in fresh ideas, approaches, and insights. Open the doors of the organization to those voices who have been marginalized and excluded from IT. And then, once leaders have walked through the door, continue to support their development.

ABOUT THIS SERIES

The Strategic Role of IT in Philanthropy series is provided by the Technology Association of Grantmakers (TAG) in consultation with member organizations and private sector advisors.

View the full series at: tagtech.org/strategicphilanthropy

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FUNDING FOR THIS SERIES

This series is funded in part through an award from the [Robert Wood Johnson Foundation](#) President's Grant Fund at the [Princeton Area Community Foundation](#).