THE MAKING OF AN EXECUTIVE

by Joan Indiana Rigdon

It was 2002. Saffer, who had worked his way up through the IT departments of NA Philips, Estee Lauder Inc. and Federated Department Stores Inc.'s Macy's East division, had attended plenty of meetings with top management before. At Federated, he met regularly with the chairman and vice chairman, and occasionally with some board members.

But now, as CIO at discount shoe retailer Footstar Corp., a major industry player with $1 billion in annual sales, Saffer was top management. In addition to running the IT department, he was expected to function as a full-fledged member of Footstar's executive committee. Here was his opportunity to work with the chief executive, the chief operating officer, the chief financial officer and other top executives to help Footstar set corporate strategy.

It was a high honor, but there was one problem. Like many midmarket CIOs who suddenly find themselves thrust into upper management, Saffer didn't know he was supposed to do anything other than run IT. So in his first executive committee meetings, as the group sat in high-backed leather chairs around a hardwood table, Saffer did what he figured he should: He kept mum, except when it was time to discuss technology. He didn't think he was qualified to talk about broader business issues. In general, "If I had any comment outside of technology, I would keep my mouth shut," he says.

After several months, Saffer realized that although he had one of a dozen seats at the table, he and a few others were actually second-tier members. He didn't have the influence that the core members of the group enjoyed. He wasn't in the know. When senior executives were hired or resigned, Saffer found out along with everyone else from the companywide announcement. "I was kind of seen as a service provider and not one of the decision makers," Saffer says in hindsight. "I knew I wasn't in the loop, but I wasn't sure why."

Upward Mobility

Four years later, Saffer has taken his career to the next level. He has learned to help set business strategy with fellow senior executives, parlaying this skill into a CIO position at a higher profile midmarket company, the $1 billion entertainment distributor Columbia House Co. This largely can be credited to one move: He hired an executive coach.

Saffer's initial lack of boardroom savvy isn't unusual. To-day, companies are looking for CIOs who deeply understand technology yet are as capable of helping to set business strategy as they are at running the IT department. The problem is, most trained technologists have little or no training in finance, marketing, operations, negotiation, or that most basic of executive-level skills, corporate politics, industry watchers say.

The challenge is even greater for CIOs at midsized companies, which are nimbler and have fewer layers of specialists. That means IT executives often find themselves in the inner sanctum of upper management faster than they would at a larger company. But because they don't have large staffs, they're usually bogged down in day-to-day IT details.

An executive coach can help with these strategic and tactical responsibilities. If a coach can teach a CIO to expand his purview to business and industry without abandoning his IT responsibilities, the CIO can improve all aspects of the business, from product development, sales and quality control to market research or investor relations.

To free clients up to pursue that work, coaches teach them how to delegate responsibility and groom potential successors. Saffer's executive coach, Windy Warner, says this is a big part of the coaching job with all her clients. "We talk about how to delegate effectively so that things get done, and how to let go of control so that things don't have to be done exactly as we would do them," Warner says.

Although there are no statistics for the number of IT executives who work with coaches, there is clearly a need for professionals who can improve communication between IT and the executive suite. The CIO turnover rate currently stands above 20% per year, according to author and former CIO Paul Strassmann. Karen Rubenstrunk, a senior partner at executive search firm Korn/Ferry International who has spent most of her career working with CIOs, says turnover is high partly because "we still have a significant misalignment between what executives expect [from their IT departments] and what is being delivered." CIOs who receive coaching "are more likely to hear what is being said and are more likely to say what needs to be heard," Rubenstrunk says.

Cruising Toward Success

Saffer met his coach in May of 2001 at a CIO conference aboard a cruise ship off the New Jersey shore. As part of the event, each attendee received 40 minutes with an executive coach. Saffer was paired with Warner, a former IBM Corp. marketing executive. At the time, Saffer had been at Footstar for less than a year. Hired as a senior vice president of IT, he was already running into communication hurdles with his boss and other top managers.

During the 40-minute meeting, Warner got Saffer to go into detail about how these other managers talked. As it turned out, they used a lot of sports metaphors. They were always "moving the ball downfield," or "in the red zone."

Saffer dislikes sports and had never used these turns of phrase, but on Warner's advice he decided to try. He directed his first effort at a particular senior vice president with whom he had never clicked. Saffer used the same metaphors he'd heard his fellow executives use. He remembers telling the man after one meeting, "If we're really going to move this ball downfield ..." and the executive suddenly became engaged in the conversation. "It worked brilliantly," Saffer recalls. He figured if he could get that much out of just 40 minutes of coaching, he could get a lot more out of two hours a month.

When he first met with Warner, Saffer thought of himself primarily as a technologist. He had been working in IT for 22 years. During those decades, he had some major accomplishments, such as helping to upgrade a point-of-sale system at Macy's and assisting with integrating Macy's IT systems into Federated's. "My modus operandi had always been to be the most technical person and prove I had the technological answers," he says. And why not? Saffer had been trained that way. "In senior meetings, I felt that just my being the chief technologist was enough to cement my position in senior management," he says.

Warner gave him an entirely different view of his job, which helped Saffer greatly after he was promoted to CIO at Footstar. Of course he should focus on IT, she counseled, but not exclusively. By devoting himself to his department, he had missed the big picture for his company and his industry. He didn't have a good grasp of Footstar's problems or its opportunities.

Warner also questioned Saffer's assumption that playing up his technological skills increased his stature among his fellow senior executives. In fact, by emphasizing his differences, he was separating himself from them. "I was pigeon-holing myself as a pure technologist," Saffer says. Instead, "I needed to focus on the entire business and just be a steward of IT." Besides staying on top of IT as he always had, Saffer started commenting on nontechnology business issues during executive meetings.

From Warner's perspective, Saffer is one of her more responsive clients. In addition to being able to solicit, hear and accept criticism, "he makes changes faster" than most others, Warner says. Over the years, she has worked with a few clients who were forced into coaching by their bosses and weren't interested in changing. These individuals would listen, but wouldn't try to implement her advice. She says now she can spot these types pretty quickly and ends the relationship right away, noting that it's not worth her time or their money.

Stand and Deliver

Saffer made his first effort to expand beyond IT in 2001 after Footstar acquired the footwear licensing agreements of apparel maker J. Baker. He was already working with Warner, and because of her coaching, Saffer says, "I was much more involved than I would have been otherwise." When the senior executives were trying to consolidate staff through layoffs, Saffer volunteered to work with the departmental executives to see which distribution and warehouse workers were the right ones to let go. He got that job because he raised his hand. When top management was discussing what needed to be done, "I just said, 'Hey, I can take care of that.' "

But Saffer didn't really feel like he stepped out of the IT box until an executive committee meeting in the spring of 2002, a few months into his new role as CIO. At the time, Footstar was facing serious trouble, though the extent of its woes would not be known for some time. Its biggest customer, Kmart (now owned by Sears Holding Corp.), had just filed for bankruptcy. Footstar had an opportunity to sell its Thom McAn line of shoes through rival Wal-Mart but the cost of entry seemed steep. There were other concerns, too. How would the deal affect Footstar's relationship with Kmart? The committee members debated the issues.

This time, Saffer decided to weigh in. Back at Estee Lauder, he had learned to read and understand financial statements; by the time he reached Footstar, he knew enough about finance to understand the business risks and costs associated with a deal with Wal-Mart. What's more, Saffer had shopped at Wal-Mart, and thought Thom McAn could add a lot.

So he took the plunge. "I put my opinion out there in a very strong way," he recalls. He exhorted his fellow executives to do a deal with Wal-Mart because they couldn't afford not to. "Listen, they're the biggest retailer in the world," Saffer recalls saying. "We've got to find a way to get our shoes in there. We'd be crazy not to do this.' "

When he was done, Saffer waited for someone to wonder aloud why the IT guy was talking about branding. But no such comment emerged. There were no stares, no raised eyebrows, no sideways looks. "Nobody stood up and said, 'Oh my God, he opened his mouth,' " Saffer says. "For everyone else but me, it was a nonevent."

Saffer didn't single-handedly sway the group's decision that day (although they did ultimately decide to go with Wal-Mart). But the simple act of speaking out changed his view of himself and his career. His peers had accepted his authority to extemporize on subjects outside his techie niche. "I thought, if they were accepting of that comment, why am I holding back all the time?" Saffer says.

As he expanded his role, Saffer also used Warner's advice to turn around his relationship with his boss. Prior to coaching, Saffer didn't like his boss because he constantly interrupted. With Warner's help, Saffer realized that his boss wanted just the facts, not the narrative style Saffer prefers. Warner told Saffer to drop the chit-chat, skip the build-up and get to the point fast. His boss obviously wanted the last chapter first. If he wanted any of the previous chapters, he'd ask.

By getting to the point, "you'll say less, but he'll hear more and think more highly of you," Warner told him. And it was true. After Saffer switched to bullet points, his boss suddenly became not only bearable but likeable. He never commented on Saffer's new style specifically, but he stopped interrupting and spent more time with him.

Warner's coaching had breathed new life into Saffer's career at Footstar, but the future of the company itself was murky. In the first half of 2002, the company reported lower sales related to Kmart's bankruptcy. That fall, it announced it had to restate two years worth of earnings, then five. Profits would be restated as losses. By the fall of 2003, the company would fire its chief executive.

Making It in the Midmarket

As these events were unfolding, Saffer got a call from Cook & Co., a boutique executive recruiting firm based in Bronxville, N.Y. The firm dangled an intriguing possibility. One of its clients, New York-based Columbia House, was looking for someone to turn around its IT department. Columbia, which has used club memberships to become the leading direct-to-consumer seller of DVDs, posts annual revenues in the $1 billion range. (In May, BMG Direct, a unit of DirectGroup Bertelsmann, agreed to acquire Columbia House for undisclosed terms.)

If Saffer got the job, he would receive a sizeable equity stake in the privately held company as part of his compensation. Saffer began interviewing in May of 2003. On Warner's advice, he emphasized that in addition to turning around IT, he wanted to play a significant role in helping Columbia set strategy. Warner helped him through the interview process in other ways, too, reminding him, for instance, to tailor his message to his audience. That is, he should emphasize cost cutting with the chief financial officer, execution with the chief operating officer and strategy with the chief executive.

After a five-month process that included extensive psychological testing and about 10 interviews, Columbia offered Saffer the job. Saffer credits his work with Warner as contributing to his high marks. On strategic thinking, he was ranked above the 98th percentile. He also ranked high in thought, focus, vision and interpersonal skills, all of which he had worked on with Warner.

Throughout the interview process, Warner helped him see the big picture. What did he want his career and life to look like in three to five years? In 20 years?

What did he want to be known for? If Saffer could answer those questions, Warner advised, he would know whether joining Columbia would put him closer to those goals. "Don't make this decision in a vacuum," she urged.

At the time, Saffer was 45 years old with two sons in college and one just out. He wanted to work in New York again and buy a large apartment in the city. He also wanted to own a beach house and learn to scuba dive and fly. To reach these goals, Saffer figured he should seek out a high-profile company in Manhattan where he could bolster his reputation as someone who could turn around a troubled IT department. The ideal employer would be a midmarket company, one big enough to be a force in its industry yet nimble enough to quickly change its business processes for the better. In other words, it needed to be a place where a CIO could wield considerable power. Columbia measured up on all counts.

When he arrived there, the IT department was "overspending, underdelivering, not well organized and lacking [a] process of governance," Saffer says. Instead of being seen as a strategic part of the business, it was often the business side's excuse for failing to execute on certain projects. Workflow was a mess. The IT department tried to respond fastest to whoever screamed loudest, but often had to drop those projects to respond to new and louder screams from other quarters. Saffer calls this process "management by screaming."

Using his own business experience complemented by Warner's advice, Saffer says he tried to change the mood of his department "from one of apathy and victim mentality to one of motivation and partnership." First, he mapped out and executed some early wins, including stabilizing the Web site. Along the way, Warner helped him communicate better with his boss and direct reports. Saffer had assumed that if he asked them to complete tasks, they would comply. But Warner helped him see that some of his workers were used to more complete instructions and detailed feedback. By taking her advice, and also getting Warner to work directly with three people in his department, Saffer says he was able to turn around the department without simply firing people.

At Columbia, Saffer has made a point of having regular meetings, either in the office or over cocktails, with several of his fellow executives. He tells them he doesn't want to talk about IT; he wants to hear about their business. They are glad to comply. And sometimes the conversations give him ideas for how IT can help the business.

For instance, about six months after he joined Columbia, Saffer met with an executive in charge of online marketing. The two began discussing how great it would be if Columbia, which runs separate membership clubs for music and DVD buyers, could sell music to its DVD club members, even though they aren't members of the music club. This cross-selling could produce a lucrative new revenue stream.

Columbia had mulled the possibility before but gave up on the idea because each club is on a different IT system. Columbia had figured it would have to merge the computer systems or buy a whole new one. "There was a conventional wisdom that this thing was way too difficult," Saffer says.

Saffer thought about the problem and realized there was an easier solution: He could fool the DVD system into thinking that music CDs were DVDs. This would require some changes, but not a new computer system. He figured that he could make the changes in three months. Columbia was scheduled to begin offering music to DVD club members in July.

If Saffer hadn't gone out of his way to talk to his fellow executives about their business, cross-selling "would have remained a difficult thing to do, and we never would have done it until years later, when we converted the systems." Now in Columbia's executive meetings, Saffer has no fear of contributing to discussions about any part of the business. When he doesn't understand something, he asks. "Excuse me, may-be I'm just having a brain fart here. I didn't get that," Saffer will say. "Half the time, half the people in the room will smile and say, 'I didn't know what she was talking about, either.'"

In his 17th floor corner office overlooking the Avenue of the Americas and 48th St., Saffer continues to stake his claim as a full member of the executive council. "Why shouldn't I give my organization the benefit of [all] my knowledge?" Saffer asks. "Limiting my expertise is really not doing my company justice." As for his personal goals, Saffer is on the way. He's getting certified for scuba diving, bought a modest apartment in the city, and, if he sells his house in the suburbs, may trade up to the large city condo he's long wanted. He credits much of his success to having worked with Warner. "I certainly know it would have been more difficult to get here" without coaching, he says, adding, "a lot more difficult, and a lot less certain."

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