

Big fish, little pond: Some IT execs go small, and love it

It's a small company, with an even smaller IT department, and it's all yours. Tech execs share the pros and cons of SMB leadership.

By Beth Stackpole

December 1, 2011 06:00 AM ET

As a CIO with an IT staff of exactly four, Steven Porter understands full well what it takes to do more with less.

His team at Touchstone Behavioral Health is tasked with stretching a shoestring IT budget to cover big enterprise initiatives like virtualization and VLANs while providing hands-on support to more than 200 users scattered across the state of Arizona.

"Some days I wonder what the hell I am doing here," jokes Porter, 60, who's been on board with the provider of behavioral services to at-risk children in the state's Medicare program for more than five years.

After a successful run as a television producer of live auto racing events and motorsports news programming, Porter leveraged his burgeoning interest in the Internet to land a job with an e-commerce developer in 1995. After a couple of subsequent dot-com stints, Touchstone Behavioral sought him out for the IT director's spot.

Porter sees the role as a challenge. "I'm being asked to do the same things as my enterprise counterparts ... but the headcount of our entire IT organization is smaller than one of their development teams," he says.



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Steven Porter, Touchstone Behavioral Health

Even with budget shortfalls and resource constraints, Porter says he wouldn't have it any other way. "I'm IT director, chief technology officer, truck driver, window washer, and at the end of the day, hands-on technologist," he says. "I have the opportunity to make a difference and the flexibility to be hands on when I want to be. That's a pro for me."

It's an upside for plenty of IT professionals, who like Porter, see value in being a big technology fish in a small pond. They view the requirement that they roll up their

sleeves and get their hands dirty with technology as a bonus, not a burden. For them, a tight budget means getting more creative with project choices. And their take on a small shop's flatter organizational structure: It's not a door closing on opportunity, but rather an opening to exert more control over initiatives that can have meaningful impact on the business.

On the other hand, working within the constraints of a smaller IT organization isn't always a bed of roses. Beyond budget and resource restrictions, some small companies aren't ready culturally to take on state-of-the-art technology. And oftentimes IT can be pulled in conflicting directions, experts and small-shop CIOs say, with politics and personality trumping business value as the gauge for getting buy-in on certain tech initiatives.

Wise career choice? Mmmaybe...

Those downsides don't deter Porter, who says his propensity to buck bureaucracy and his desire to make a difference make him a good fit for a smaller organization. That was certainly what prompted him to take the IT director spot at Touchstone Behavioral - and stick around long enough to grow it into a full CIO role.

"The company's mission appealed to the old hippie in me," Porter explains. "With technology, we deliver tools that help with some of the business processes and documentation. If that gives [therapists] another 15 minutes a day to work with the kids, then we've achieved something."

With less bureaucracy and smaller leadership teams, Porter says his group is more nimble, implementing sophisticated initiatives around mobility, security, virtualization and Voice over IP (VoIP) in months rather than the years it takes larger organizations to close the books on similar projects.

"Governance becomes a matter of two or three business units getting together, sometimes literally in the hallway or over a cup of coffee, and making the decision to go in a certain direction or to have this particular project's needs supersede anything else going on."

Porter and SMB tech execs like him may find that agility appealing and the challenges enjoyable, but is a stint in a small organization good for their career trajectory?

Some industry watchers say small-ponders are in a position to cultivate skills that differentiate them from their peers. "While you're a leader in a small department, you gain a lot of experience you'll never get in a large organization," says John Reed, executive director at Robert Half Technology, a staffing company specializing in IT.



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John Reed, Robert Half Technology

"Because they have an all-hands-on-deck mentality and there are often no defined career descriptions, [small-company tech execs] learn a lot of additional skills and how to do more with less. It lets them build out their resume in a robust way and makes them more marketable to their next employer," Reed asserts.

IT staffers in larger organizations might only be able to gain cursory management experience by a given point in their careers, for example, or be focused on just one specific technology area like virtualization.

In comparison, tech professionals working their way up the ladder in a smaller firm with fewer specialists are often required to do hands-on problem solving across numerous technologies. They also have the potential for deeper management experience -- working with budgets and interfacing with other business functions, for example.

The downside is that lingering too long on the small shop path puts a tech exec at risk of being pigeonholed "as someone who ... won't translate well to a large organization," Reed cautions. "If you start exceeding the five-year mark, you need to stop and think from a career perspective, 'Am I happy staying in this type of setting from now on?'"

Smaller organization, less red tape

With management tenure in both small and large municipal IT departments, Paul Haugan believes the difference between the two relates primarily to the amount of red tape attached to a given tech project.

During a previous role at the City of Fresno where Haugan, 54, helped oversee a group of 75 in IT, it took about 15 months to push both a business intelligence project and a time and attendance system through the proper channels to get funding. In his current role as chief technology officer of the City of Lynnwood, in Washington State, the same projects took around three months, all told.

"In a big operation like Fresno, by the time it takes to go through the bureaucratic administrative steps just to get a project done, the technology is obsolete," says Haugan, who now has responsibility for about 10 people supporting close to 500 end users and overseeing an IT budget of between \$2 million and \$2.9 million. "I'm a firm believer in technology's opportunity to enact significant change. I'm one of those guys who can't wait for the bureaucratic wheels to turn, because there is too much value being lost."

Haugan cites aging phone systems as another example of a time when he was able to enact technology change much faster in Lynnwood than in the larger Fresno IT infrastructure.

When he first got to Lynnwood five years ago, the city's 25-year old PBX phone system was failing on a daily basis. In a matter of months, Haugan made a successful case to implement VoIP, including a network overhaul that encompassed the integration of voice and email.

Back in Fresno, a similarly aging phone system never ended up being replaced, just perennially fixed, because management considered it too disruptive to replace a system that served 60 sites and more than 5,000 employees, he recalls.



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Paul Haugan, City of Lynnwood (WA)

"[At Lynnwood], I didn't have all these hurdles to jump," he explains. "I didn't have to go to each director and say, 'I want to put VoIP in and here's why.' I could go straight to the mayor and make it happen. There was much less red tape, and I was in a position to make the decision and work within the municipal code in the most effective way possible."

While Haugan is generally happy with the flexibility of leading a smaller IT organization, he admits to concern over the inevitable salary hit. (*Computerworld's 2011 Salary Survey* shows that CIOs and VPs of IT at companies with fewer than 100 employees earn on average 44% less than the average compensation across all company sizes.)

Beyond that, he's worried that he may not be fully developing the sophisticated political awareness that's required to make things happen in a larger organization.

Still, Haugan believes the skills he has honed can directly translate to a larger organization if he so chooses to travel that path. "Everything I have learned at a big city, I have used in the small one. Everything I learned in the nonprofit world, I have used at both the big and smaller cities," he points out.

"My greatest strengths are in relationship building and innovation. These are skills that translate across the board."

Making a difference, fulfilling a mission

As CIO of a nonprofit organization, the Make-A-Wish Foundation of America's Jim Toy, 43, finds fulfillment not just in his organization's charter (to grant the wishes of children with life-threatening medical conditions), but also in orchestrating leading-edge technology deployments with an eye towards maximizing limited budgetary resources.

On Toy's watch, the foundation has implemented a professional-grade data center with advanced technologies like blade servers, storage area networks (SANs), virtualization and disaster recovery -- working within an annual budget of well under \$1 million, which includes salaries for himself and his 11 staffers, who are charged with supporting 1,500 users nationwide.

Toy, who's been onboard for 16 years, was introduced to Make-A-Wish while helping out a fellow IT contract worker do a network upgrade there. With that project successfully off the ground, Toy was tapped as the organization's first IT manager and was eventually promoted to IT director in 1999 and CIO in 2008.

During his tenure, Toy has gotten quite good at leveraging the vendor community to drum up hardware and software donations -- a unique situation due to Make-A-Wish's nonprofit status, yet one that helps mitigate budgetary bottlenecks.

"In a large organization, you have to work within these guardrails where this is the technology and this is the budget," he says. "Because you can't go over budget, you propose new things and they get shot down. I'm not limited by that. I can go out and acquire new technology and get deep discounts because I'm a nonprofit."

Toy admits he may have less opportunity to grow technologically than a large-company CIO, but he feels that limitation is offset by his ability to take on additional responsibilities in the areas of finance and operations. The lower pay scale of smaller firms and nonprofits in general might be a deterrent for some, Toy admits, but it's a sacrifice he's willing to make.

"You just need to find tradeoffs to the lower salary of working for a nonprofit," he says. "With Make-A-Wish, it's the mission of the organization that's so rewarding."

Daring to go where large firms won't -- yet

Same goes for Edward Ricks, CIO and vice president of information services at Beaufort Memorial Hospital, a community hospital where he leads an IT staff of 23.

Sure, financial resources may be less than what's available at larger organizations, and his IT group is often pulled in a lot of different directions, depending on personalities and who can grab his ear. But even with these tradeoffs, Ricks, 49, doesn't see himself in a larger entity. From what he's heard from colleagues, he'd be out of his comfort

zone. "In those situations, so many other folks have control over what's going on with you, you can feel like a widget, not an individual," he says.



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Edward Ricks, Beaufort Memorial Hospital

As far as missing out on an opportunity to do big things with technology at a larger firm, Ricks doesn't see it that way. In fact, his smaller hospital has put a number of cutting-edge healthcare systems in place, including single sign-on solutions, an RFID employee identification system, and a provider order-entry system into which physicians can enter orders directly.

"Ironically, one of the larger hospital systems just came down here to visit and see what we've done," Ricks says. "They're interested in doing it, but they just haven't been able to get to that point."

Ricks is equally unconcerned that his organization's smaller size might limit the scope of his management skill set. "The ability to build consensus, foster teamwork and effect change at all levels of an organization are skills that are in demand at every organization," he asserts. "I believe future employers will measure my abilities by my successes, not necessarily the size of the organizations I have worked in."

Touchstone Behavioral's Porter agrees with that take, envisioning any number of future career opportunities, whether it's pursuing another CIO role at a slightly larger company or branching out on a big-company track as an IT lead in a business unit reporting up to a division head or CIO or taking ownership of a focused enterprise team in applications or infrastructure.

"I think the opportunities are there," Porter says. "It's fairly obvious I'm not going to get the call to take over HP, but I wouldn't want that call. It's a whole different set of headaches."

Stackpole, a frequent Computerworld contributor, has reported on business and technology for more than 20 years.