Bill Butcher

# Hitting the ground running as a new CIO:

## An interview with Barclaycard's Ian Buchanan

**In a career as CIO or COO spanning more than 20 years and five diverse financial institutions, Ian Buchanan has developed an approach for the first 100 days that has served him well regardless of the corporate environment.**

**Michael Bloch and Paul Willmott**

It wasn't always smooth sailing. After rising through the ranks at Nomura to become the investment bank's CIO, Ian Buchanan confesses that he didn't realize he was stepping into a very different role "that was all about relationships and credibility," where execution wasn't all that counted. Buchanan eventually progressed to take a seat at Nomura's executive table and won a reputation as a transformational leader. However, wizened by the experience, he took a more proactive tack when he later walked through the door at Alliance & Leicester, Santander, Société Générale Corporate and Investment Banking, and, in October 2011, Barclaycard, where he is now COO.

In a recent interview, Buchanan revealed his key insights. Among them: start before you start; listen, listen, listen; and get to the heart of the issues quickly.

*McKinsey on Business Technology: It's often said that the first 100 days are critical for a new CEO. Are they important for a new CIO as well?*

**Ian Buchanan:** I think probably more so in a way because everybody knows the new CEO is coming. They expect him or her to come out with a vision for the business and to quickly demonstrate leadership. Everything is almost set up for that process. The new CIO's role is

### Takeaways

The learning curve was steep for Ian Buchanan when he stepped into the CIO role for the first time, but focusing on relationships and credibility helped him in those crucial first 100 days.

He has since applied the lessons he learned at Nomura to other financial institutions where he's served at the executive table; now COO of Barclaycard, Buchanan emphasizes the importance of making things happen quickly and formulating a compelling vision to establish yourself as a leader.

Preparing well, getting to the heart of key issues, and listening a lot early on, he says, are essential to making the transition—and these translate well across company cultures and different types of businesses.

not always so apparent, and the expectations vary depending on where you're coming from and whose shoes you're filling.

***McKinsey on Business Technology:***
*What was the situation when you got your first job as CIO at Nomura?*

**Ian Buchanan:** I was already working within the business, having been the director of application development. I had delivered a major transformation of the company's IT systems, but I was stepping into the shoes of a very charismatic CIO. When he left, it wasn't obvious that senior executives wanted an internal candidate, but they gave me a chance. I had a reputation as a great executor in a supporting role, but there were some doubts about whether I was the right leader to take the company's technology to another level. This was a situation that in some ways was harder than joining the firm from outside.

I spent a lot of those first 100 days trying to reset relationships with senior business leaders, with a very conscious mind-set about having to be different and appear different in order to build credibility as a person who deserves a seat at the executive table.

***McKinsey on Business Technology:***
*How did you go about changing this perception—that you were an executor but maybe not a leader—in the eyes of people who knew you well?*

**Ian Buchanan:** This was my first experience of being a CIO, and I didn't have a mentor around to help. When I look back on that period, I realize that I didn't plan it as well as I could have. I made some mistakes and it

felt rather lonely at times without a peer group that understood the challenges of the role.

At the end of the day, I reverted to some core capabilities: to be myself, to do what I think is right, and to be transparent when I communicate with people. I also leveraged my execution skills to build credibility, ensuring that key projects got delivered and service levels improved.

Being the CIO is all about the quality of the relationships you form and the credibility you have with key stakeholders. I learned quickly in those 100 days that execution wasn't enough in gaining the confidence to get a seat at the senior executive table.

***McKinsey on Business Technology:***
*You mentioned that you made some mistakes— was the main mistake not realizing that you were stepping into a very different role?*

**Ian Buchanan:** Exactly. I was thinking, "Oh, well, I can do this. It's just natural progression," but that clearly wasn't the case. It was a challenging learning curve, but you learn quickly in that situation. Had my thinking about the transition been more proactive, maybe the experience wouldn't have been quite so difficult. I know now that I should have stepped back more, analyzed the context, and worked out a more robust plan.

***McKinsey on Business Technology:***
*You must have made a comeback, though, since you rose to also become head of operations and technology. What happened?*

**Ian Buchanan:** There were several factors. I took on the role just as market conditions became more challenging. We had to move

**Vital statistics**
Married, with 3 children
Lives in Cambridge,
United Kingdom

**Education**
Graduated with a degree
in physics from Durham
University

**Career highlights**
**Barclaycard**
(October 2011–present)
COO

**Société Générale**
(2009–11)
CIO, corporate and
investment banking

**Santander–Alliance
& Leicester**
(2005–09)
Executive director
and group CIO

**Nomura**
(1994–2005)
CIO and head of opera-
tions and technology

**Credit Suisse**
(1990–94)
Vice president, systems
development

**Fast facts**
Selected by peers as one
of the United Kingdom's
10 most influential and
innovative CIOs in 2007
(silicon.com); included in
the CIO50 in 2008, 2010,
and 2011

Spent his early career
at BP and Diageo

# Ian Buchanan

quickly to adjust our cost base. Technology was
on the front line for this, and I was running a
large amount of the cost base, so there was an
appetite for my ideas. To some extent, it was a
case of being in the right place at the right time.
After I had built some credibility around delivery
and demonstrated thought leadership, I found
people were asking for my opinion, not just my
functional expertise; they were interested in my
views on the business. It was fascinating how
quickly I went from not being seen and under-
stood to being respected around the table.

*McKinsey on Business Technology:*
*What lessons did you learn the hard way*
*at Nomura about how to make the first*
*100 days as CIO a success?*

**Ian Buchanan:** I do think that building
credible, authentic relationships is at the
very heart of being successful. It's also about

speed—making something happen quite
quickly. In the first 100 days you have to make
your mark. In that period, you also need to
formulate a compelling vision because if you
want to lead, as opposed to executing the
visions of others, you do need to tell a story
that everybody can align around. This will
also give you a very good narrative for con-
versations with stakeholders whose support
you'll need to get anything done. For me, a
key learning from that period was also that
you have to do a lot of listening, even if you
already think you know the company. You
discover things that you've assumed actually
were not the case.

*McKinsey on Business Technology:*
*Your next job as CIO was at Alliance & Leicester*
*(A&L), which was later acquired by Santander.*
*How different were those first 100 days at A&L*
*from your start at Nomura?*

**Ian Buchanan:** One reason for making the move was that I felt I needed to prove to myself that I could do this somewhere else without the natural progression I had in my previous role. A&L was a midsize retail bank; I didn't know much about retail banking, only that the business and culture were very different from global investment banking. I'd never worked with anybody at A&L before, so I would have to prove myself without having any previous track record in the company.

As I walked in the door, I soon found we had a burning platform—facing strong competitive forces and needing to bring down costs. After just four weeks on the job, I was asked to attend my first board meeting and give my view on our strategy. So forget about the importance of the first 100 days; this was about the first 30 days.

***McKinsey on Business Technology:***
*How did you prepare for the job?*

**Ian Buchanan:** This time I did a lot of due diligence before joining. I talked with some of the consultancy firms that I'd been working with, as well as systems integrators that had been working with the bank, and asked for their views on the challenges.

I also met a number of the nonexecutive directors to get a better sense of the company's challenges. So when I accepted the job, I hit the ground running, having already formed some relationships, gained insights, and had the intuitive makings of a hypothesis about what the company needed to do with its technology strategy.

If you as a CIO are being asked to drive big change, you need to understand the dynamics, the constraints, and the bottlenecks. By investing early on, you can work out where you are going to put your energies in the first few months.

***McKinsey on Business Technology:***
*So in a sense you start before you start. What happened next at A&L?*

**Ian Buchanan:** I listened a lot. It was fascinating how quickly you can form a hypothesis in those early conversations with senior business leaders and others around the bank. The organization knew what it needed to do but did not have the self-confidence to do it. I set out to listen to these views, join up the dots, and become a catalyst for building consensus and transmitting confidence, for example, by going to the board and saying, "OK, we will do these things," rather than "We could do these things."

***McKinsey on Business Technology:***
*What steps did you take in your first 100 days to understand this organization—its talent, IT platforms, technologies, and providers?*

If you as a CIO are being asked to drive big change, you need to understand the dynamics, the constraints, and the bottlenecks. By investing early on, you can work out where you are going to put your energies in the first few months.

**Ian Buchanan:** It was a learning process that quickly went beyond the IT function. I was hired as the CIO, but in reality, I came to lead a lot of the transformation of the operating model. This wasn't in the job description, but this was how I started to behave when it became clear that in order to address the IT challenges, it was necessary to change many of the ways in which the business was set up. So I went out and spent time with managers and other colleagues, sat in contact centers, and listened to calls. I went out to branches and watched what went on with customers. I also reached out to other stakeholders, such as major consultancies and vendors, to get their views.

*McKinsey on Business Technology:*
*Do you remember how you felt during these first few months?*

**Ian Buchanan:** Unlike my previous 100-day period as a CIO, I was feeling quite confident,

partly because I was getting quick affirmations that I was on the right track. I used my intuition probably more than the data in those early days. I made sure to find the right people to check in with—peers, some external experts, and some people I trusted that I'd worked with in the past. One of the things I started to develop toward the end of my tenure at Nomura was a CIO network. The CIO role is a lonely one. But many of the problems you face in a new CIO role are ones that other CIOs have been through before, and you can learn from their experiences.

*McKinsey on Business Technology:*
*How important is it to understand the company's culture?*

**Ian Buchanan:** Part of the role of a change leader is to adapt the way you communicate to the organization's culture. By finding the right frequency, others are more likely to see you as a partner and open up in ways they wouldn't otherwise have done. In those preliminary meetings, it's therefore important to hold back from saying "I think"—at that stage it's all about listening and soaking up not only the data but also the deep-seated cultural elements that are at the heart of how the firm's people think and work. By first learning about the culture, you can later, when the time is ripe, put the case forward in a way that will resonate better.

In my view, how to put the case forward is probably far more important than what the case is. Making any decision is often better than making no decision. When you start moving forward, you can learn from your mistakes. Actually, another lesson I've learned about the first 100 days or first six months is that you usually get freedom to make some

Most of us in the CIO role these days are there to drive change and only stay for three or four years, until the mission is accomplished. If you're going to be able to leave behind a sustainable legacy, you need to be investing in building that continuity.

mistakes. Being willing to take a few risks early and then back up and adjust course is a luxury you never get after that initial period.

**McKinsey on Business Technology:**
*You later took on CIO or broader C-level roles at Société Générale and Barclays. Did these experiences change your model for your first 100 days?*

**Ian Buchanan:** When I joined Société Générale, I leveraged all of my experiences from A&L, adapting them to a different context. When I joined Barclaycard as COO, even though I had never run a cards and payments business before, and despite Barclaycard being a part of Barclays—a large, complex, and very dynamic organization—it was the easiest of any transition so far in my career. I joined Barclaycard in October 2011, and while my new role includes both technology and operations, I have found my experiences of the first 100 days in previous positions apply equally well in a new sector

and for a different scope. Maybe I've been lucky, but what I have learned is that the core approach of doing the right due diligence, of quickly getting to the heart of the issues, and above all of really listening a lot early on translates very effectively across company cultures, different types of businesses, and different nationalities.

**McKinsey on Business Technology:**
*Any final words of advice?*

**Ian Buchanan:** You have to be thinking about your successor from day one on the job—or even before day one. It takes a long time to grow a CIO or to get one in place. Most of us in the CIO role these days are there to drive change and only stay for three or four years, until the mission is accomplished. If you're going to be able to leave behind a sustainable legacy, you need to be investing in building that continuity. Personally, I'm not somebody who comes in, fixes things, and couldn't care less about what happens when I'm gone. ○