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According to Korn Ferry unpublished data, there has been a 74% increase in the number of CIOs serving on Fortune 100 boards in the past two years.

It's no wonder CIOs are the fastest-growing addition to the boardroom: They can help address a host of issues of crucial importance to boards, including using technologies to create operational efficiencies and competitive advantage; identifying opportunities related to cloud computing, digitization, and data; addressing threats and risks associated with information security; and using their experience and judgment to oversee, question, and provide input on technology budgets.

But there's room for growth. Only 31% of Fortune 100 boards currently have a director who is a CIO, even though technology is at the core of every business today. As Sheila Jordan, CIO at Symantec and director at FactSet, put it, "All companies are technology companies today. Technology is a lever to run the business, but also to change and grow."

How should boards incorporate a CIO director? What role should a CIO play on the board, and what's the profile of a CIO who can add real value? Based on our experience in recruiting CIO directors for Fortune 100 companies, here are a few guiding principles.

Update your mindset about the role of technology on the board. CEOs and boards still generally view technology as a cost. But "more boards are waking up to the power of leveraging technology as a competitive weapon," according to Tim Theriault, former CIO of Walgreens Boots Alliance and current board member of Alliance Data, The Vitamin Shoppe, and Wellmark Blue Cross and Blue Shield.

While boards may define their need for a technology director somewhat differently, "every board should have access to someone who knows what technology can do for the business and what the trends are," says Theriault. "Boards need to gain an appreciation for what the possibilities are, including how technology can help established successful companies with needed transformation. To do that, they should surround themselves with people who can be helpful. Some CEOs are still in denial, and time is against them — the longer it takes, the more dramatic the needed transformation and the higher the risk."

"Most companies measure their technology spend as a percentage of revenue," says Frank Modruson, former CIO of Accenture and currently on the boards of Zebra Technologies, First Midwest Bancorp, and Forsythe Technology, so "having someone on the board with the relevant expertise and an understanding of what's needed can be invaluable." Often, says Modruson, that sophisticated expertise comes down to one fundamental skill, which is to ask the right questions of the internal CIO: *Are we spending enough? Are we aligned on the critical business priorities? Did we get the desired results? How old are the core systems or platforms?* The latter question is crucial and can easily be overlooked by directors who lack a technology background, because once technology starts working, it generally keeps working, although it may be far from optimal.

Define the role as an interface between the board and the internal CIO. The CIO on the board is often a valuable translator between the board, the internal CIO, and other technology-related functions. In this regard, a CIO director can play a pivotal role in educating other board members and the CEO, giving them the ability to knowledgeably probe on technology matters. Based on the demands of budget dollars, an experienced, informed board member should be able to ensure priorities are identified to address issues related to digital transformation. "Companies that don't recognize that they need to invest in new technology end up with more and more legacy systems," says Jordan, "which are a breeding ground for risk."

This engagement between directors and management starts with the permission and knowledge of the CEO. "The savvier CEO wants someone on the board who can connect appropriately with management on technology-related issues and make recommendations," says Charlie Feld, founder of The Feld Group Institute, which works with global corporations to develop next-generation business and IT leaders, and former CIO at Frito-Lay, BNSF Railway, and Delta Air Lines. "Traditionally, boards have tended to stay out of operational functions, but technology is so pervasive that the best practice is to have direct board engagement in technology through active committees, just as they would with audit, compensation, and other key areas."

"On the FactSet board, I've been encouraged to meet with the management team and to give advice to the CEO and the CIO," says Jordan. "It's important that the board understand the management team, and that interaction helps. I'm constantly asking myself, what experience can I bring to the board and the management team that they can leverage? I can guide them by saying, let's look at this trend or here's a new technology to consider. It's not about managing the day-to-day, but about the experience and knowledge I can share to open their eyes to the future."

Look for hybrids and cast a wide net. CIO directors should be capable of straddling business and technical worlds at the highest levels and acting as a connecting rod between the board and internal technical functions. "I would push for someone who has deep technical skills and who is business-savvy and a good storyteller," says Feld. "But every business leader has to speak the language of business: P&L."

CIOs who can bring this hybrid combination of skills to the board are invaluable, says Feld: "No one sees all the functions except the CEO and the CIO. The CIO is a system integrator, so he or she envisions all the critical connections."

Generally speaking, CIO director prospects will have served as a CIO or CTO of a large organization whose market sector is relevant to the company of the board doing the recruiting. Ideal candidates will have faced similar systems and technology challenges to those the board is facing and be able to provide valuable insights. He or she will also have achieved sufficient professional stature to be able to interact on a peer-to-peer level with those already on the board.

In addition to assessing the skills and experience CIOs bring as hybrid experts, there can be a cultural hurdle to clear. "Boards can initially be hesitant about less-traditional directors," says Theriault. "They want to make sure any new directors will be a good fit with the rest of the board and that they will be able to participate and contribute value to board discussions beyond their functional area. There is a fallacy that CIOs are tech geeks; successful CIOs understand people, technology, and business strategy."

Boards should not fall into the trap of adhering to rigid criteria that may unnecessarily screen out CIO director candidates and impede chances of recruiting a CIO to the board. In particular, requiring previous board experience will severely narrow the universe of potential candidates, eliminating

many CIOs who could make effective directors. There are reliable methods of assessing candidates' fit for the board, including intensive referencing of those who have worked closely with the candidate and have a keen sense of competencies and behavior-related traits that speak to the individual's desirability, or not, as a team member. Moreover, there are ways of compensating for experience gaps, if all else looks favorable, in the onboarding process. They may include an external director education program, if the person is a novice board member, and mentoring by a senior director.

From Korn Ferry's perspective, in recruiting directors for a wide range of industry and functional areas, CIOs are the most sought-after directors. With many CIOs able to serve on only one external board, if any, with the consent of their CEO, demand should soon outstrip supply. And because technology is now of strategic importance, we are beginning to see boards create technology committees, further accelerating demand for CIO directors. Much like now-required audit and compensation committees, technology committees comprise directors with specific expertise, who meet as a group and then make recommendations to the board.

Even with access to the best CIO directors, there are no guarantees that a company will not face unforeseen challenges arising from technology-related risk. But having an accomplished CIO director is the most effective way to make sure the board identifies the most-pressing technology priorities, establishes greater importance for the technology functions, and plays an active role in attracting top technology leaders. Perhaps most important of all, the CIO director can constructively challenge plans for the technology functions, which are the backbone of every successful enterprise today.

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