

LEADING IN A CLOUD COMPUTING WORLD

AN INTERVIEW WITH GARTNER CEO EUGENE A. HALL



Eugene A. Hall

As CEO of Gartner, Eugene A. Hall heads the world's leading information technology (IT) research and advisory company. He joined Gartner as chief executive in 2004 after serving at Automatic Data Processing (ADP) as president of financial and technology services and then president of major accounts. Hall began his career with 16 years at McKinsey & Company, where he structured and conducted high-impact turnaround and growth programs for a variety of electronics, telecommunications and financial services clients.

Since becoming CEO at Gartner, Hall has led the company to great success in a period of decreased corporate IT spending. His focus on improved client satisfaction and operational effectiveness, as well as acquisitions such as the purchase of META Group and AMR Research, have spurred a more than 250 percent increase in profits and a notable rise in the company's stock price. Hall recently spoke with Spencer Stuart to offer his perspectives on talent management, the role of research analysts and how the revolution brought about by cloud computing and the consumerization of technology is impacting both his company and the business world it serves.

GARTNER AT A GLANCE

- > Founded in 1979 and headquartered in Stamford, Connecticut, Gartner has 4,500 employees and serves 60,000 clients in 85 countries.
- > Gartner's product and service offerings include a comprehensive collection of analysis and advice for users and vendors of technology, as well as services such as contract review, IT key metrics data (benchmarking) and peer networking.
- > According to Gartner, 70 percent of the Fortune 1000 and 80 percent of the Global 500 use the company's research and advisory services to support their key technology initiatives.

Spencer Stuart: What role do you feel analyst companies such as Gartner should play in influencing CIOs and the IT industry as a whole?

Gene Hall: IT is critical to supporting increased productivity, services and revenue across all industries and organizations, ranging from small, independent companies to the largest businesses — and its importance is growing daily. Gartner serves as an independent and objective resource. We don't do implementation work; we advise chief information officers (CIOs), their direct reports and other IT professionals, in addition to supply chain leaders, on how to use IT most effectively. We also advise technology and service providers on the areas in which they should be driving technology advancements and improvements — based on the insights we receive from IT end users.

With 775 analysts and 470 consultants serving 60,000 clients in 11,500 organizations globally, no one has more interactions with the leaders of the IT world than Gartner, and we're growing rapidly. As a result, we're able to offer the world's best insight on IT issues for less than one would pay elsewhere.

What do you see as the keys to successfully navigating the complexities of operating both a research firm and an IT consulting business?

Clients gain access to our insight and advice in various ways, from reading published research to speaking directly to an analyst; from attending one of the 50-plus conferences we host each year to engaging a team of consultants on a specific project. The complexity of successfully managing each channel may vary considerably for us as a business, but what remains constant is our focus on ensuring that each one directly meets the specific needs of our clients.

Gartner says that cloud computing heralds an evolution of business no less influential than the era of e-business. In what ways do you expect cloud computing to fundamentally change the nature of business?

Cloud computing represents enormous opportunities for line-of-business leaders who want to use technology to enable their business without the constraints of traditional IT. For example, if a business wants to automate its sales force, the head of sales can now open her Web browser and sign up today at a vendor that will do it all. Or if the head of HR wants to automate his HR department, he can go to one of a growing number of providers and simply click "join" to start. Line-of-business leaders now have the ability to bypass IT departments to get applications from the cloud (also known as software as a service, or SaaS) and pay for them like they would a magazine subscription. And when the service is no longer required, they can cancel that subscription, too, with no expensive equipment left unused to deal with or employment issues to resolve. This results in unprecedented change within every level of the organization, and it requires business and IT leaders to develop additional skills, knowledge and experience to be successful.

In your view, how will these changes alter the required talent profile for future IT and business leaders?

The skills that leaders need will be very different, as cloud computing represents a fundamental change in how businesses and consumers operate. Decision making will be decentralized out of IT into the business. The business challenge will be integration, and the leadership challenge will be making sure the different business units are

integrated successfully. The “data center in the sky” will be small compared to the business processes that will be required.

The big areas of focus will include security and disaster recovery because of security breaches in the IT world. It’s sort of like today’s version of the Wild West. People need confidence that the world of the cloud is secure and that if there is an issue, it can be resolved quickly without damaging the business.

What is your organization doing to successfully attract and develop the talent it needs for the future?

Gartner is the leading source of independent research and advice on cloud computing today. We attract and retain high-caliber individuals within all areas of our business, and if you are interested in IT, there is no better place to work than Gartner. In our research business, for example, our turnover is in the low single digits because our analysts work alongside more than 700 colleagues every day who represent the very best talent that exists within our industry. CIOs and technology company CEOs actively seek them out for recommendations and advice. Being an analyst at Gartner is a high-impact position.

Another example is our sales force. Sales professionals also love it here because the Gartner brand grants them access to senior decision makers within the largest companies in the world.

We have a huge untapped market opportunity and a strategy that is enabling us to capture it. As a rapidly growing company, we provide a fun, rewarding and exciting place to work. All of these factors really help us when it comes to recruiting.

In your own career, how has your operational background at ADP and your strategic training as a senior partner at McKinsey helped enable your success as a broad-based manager at Gartner?

McKinsey gave me great preparation for the Gartner role. I worked mostly with technology companies at a senior level. I got to see how leading companies use technology and how they think, and I got a chance to work with some truly great CEOs.

ADP is one of the best-run companies in the world; I ran two high-performing businesses there. I also benefited from great mentors who were very strong leaders with strategic sales and operational skills. Through them, I learned how to run and motivate a sales force. I learned how to run operations. And I worked with CFOs who taught me about the economics of a recurring-revenue business.

What do you feel has been your greatest accomplishment at Gartner?

My greatest accomplishment has been putting together a world-class senior team. They are smart, driven, analytical and fun. They’re also global: American, Danish, Japanese, Korean, Swedish and British. It’s important, as a global business, to have a global team that truly understands the local needs of our clients so that we can continually serve them better.

About the interviewer

Jason Hancock co-leads Spencer Stuart’s Cloud Computing area of expertise and is the global technology sector leader for Spencer Stuart’s Technology, Communications & Media Practice.

About Spencer Stuart

Spencer Stuart is one of the world's leading executive search consulting firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients — ranging from major multinationals to emerging companies to nonprofit organizations — and address their leadership requirements. Through 51 offices in 27 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments.

Technology, Communications & Media Practice

Spencer Stuart's global Technology, Communications & Media Practice, founded in 1982, has helped build the leadership teams and boards of some of the world's pre-eminent companies. From major multinationals to medium-sized companies to startups to venture capital firms, our clients rely on us not only to deliver outstanding results, but also to operate with the flexibility needed to navigate in rapidly changing market conditions. Each year the practice conducts more than 1,000 senior-level executive search and board director assignments worldwide.

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