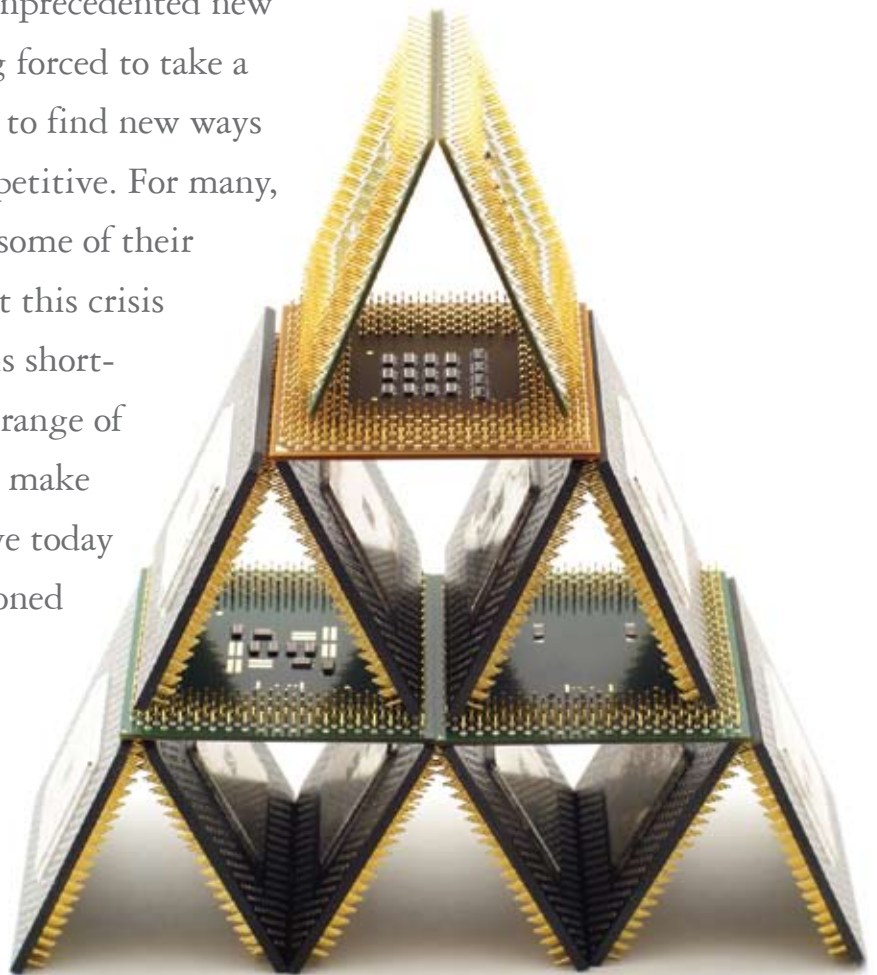


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Building strong business foundations: how CIOs can deliver more value in a volatile economic environment

With today's economic crisis creating unprecedented new pressures for companies, CIOs are being forced to take a hard look at their technology strategies to find new ways to help their organizations remain competitive. For many, this means suspending or even cutting some of their most important projects. But looking at this crisis solely through the lens of cost-cutting is short-sighted. CIOs need to be considering a range of strategies in addition to cost-cutting to make sure their companies remain competitive today – and to ensure that they're well-positioned once conditions improve.



Every technology group has its problems. Imperfect integrations. Vendor relationships that could be better. Investment allocations that are mismatched to the business strategy. When business is good, there's always more time to work on problems like these.

But in tough, volatile economic times like the ones we face today, it's time to hone in on foundational problems that can reverberate throughout the organization. CIOs have to be more vigilant than ever – not just in responding to unexpected problems on the fly, but in anticipating and preparing for new challenges the organization will face before they grow out of control. For years, CIOs have lobbied for technology to play a bigger role in business strategy – to have a seat at the strategy table alongside the company's uppermost executives. At a moment when nearly every company's strategy is being seriously tested, it's time for CIOs to deliver on their promises.

Here are eight practical strategies to consider as you look to deliver more value to your organization today.

1. Consider the alternatives

Most IT organizations have an overflowing to-do list, from major transformation initiatives to lower-level integrations and everything in between. It's time to reconsider which of those projects your teams actually need to be focused on – and which you can enlist alternative service providers to help with. This is one way to reduce fixed costs and gain flexibility that could be critically important in the coming months. Consider outside vendors as a way to avoid oversized investments in people or technology platforms and prepare for continued volatility in the business. And look beyond per-unit savings in the near term – well-executed alternative sourcing strategies often offer flexibility to help balance fluctuating resources and demand in the long term, generating value that often far exceeds immediate savings from such a strategy.

2. Think like a CFO (And a COO. And a CMO. And...)

As a CIO, your group's reach extends throughout the organization. And as the organization evolves to respond to new challenges, you need to consider the effects those changes have on the technology landscape. What programs are strategic, and deserve even more focus? What should you shut down so that you can focus on more important areas? Sooner or later, someone will be asking these questions and many more. It's best to anticipate them and demonstrate value well before that time. Be both objective and tough when considering the organization's overall priorities. Push back on ideas that aren't well aligned with pressing business needs – and if you're challenged on the value of current technology investments, defend programs that you know are business-critical.

3. Anticipate business needs

Your colleagues in the executive suite have probably never been more receptive to new thinking about how technology can help them than they are today. The problem is, they're so busy fighting fires that technology may not be at the top of their list of priorities. At times like these, major challenges like divestiture and M&A are always looming. That means it's your job to help them be even more effective with technology. Because nearly every major business process or transformation effort is heavily dependent on technology. Get close to their businesses – take the time to stop thinking about technology for the moment, and consider the business and its key success factors. Understand what their needs are, and how success will be measured. Identify new opportunities that your colleagues may have overlooked. And then be an advocate for change – start bringing them new ideas that can help.

4. Begin reshaping the talent map for the future

You've probably already begun moving underperformers out of your organization. But have you considered the enormous number of top-notch people who are looking for a job today? Economic volatility has landed many very talented people back on the market. One easy way to start planning for better times is to build out your talent acquisition strategy to make the best of opportunities that may not last long. The downturn won't last forever. Think carefully about your priorities coming out of this period, and start adding talent to strengthen your team today and support your strategy for the future.

5. Get more from your vendors

Your vendors are probably more nervous than ever about losing work with existing clients like you. There's never been a better time to get more out of the vendors who are ready to stand by your side for the long haul. And it's not necessarily about negotiating better deals. Can you get them to deliver and think more about how to help your business? Is this an opportunity to take advantage of new work arrangements? Should you be discussing new investments with them that they might not have considered before? How can they find new ways to deliver more value to your business? Vendors that are true partners should be prepared to show even more value during a crisis – the best ones will work together with you toward shared goals and look for ways to deepen your partnership.

6. Prepare for the upturn (It will probably be here sooner than you think)

This downturn isn't going to last forever. Still, it's hard to consider the future when working through extremely challenging times. But while today's challenges will occupy much of your time, don't let them overwhelm your strategic outlook – you don't want to be caught flatfooted when the economic environment begins to warm up. For instance, be careful not to shut down all your most innovative programs. Keep your teams focused on new approaches and technologies. Work with your partners and customers in new ways. While it may sound counterintuitive, lots of companies view times like these as an opportunity to refresh and recharge their strategies – preparing to accelerate past the competition when the upturn begins.

7. Rightsize the upgrades

In most cases, you probably don't need to make expensive hardware or software upgrades today. This is a relatively easy area in which you can choose your priorities and free up investment dollars that may be better spent in other areas. In a downturn, your internal stakeholders will recognize that the upgrades they were expecting will have to be delayed – and your CFO will recognize the positive impact the decision can have on the business. In the end, it's all about balance.

8. Don't give up on governance

Governance structures are established to guide your organization's decision making in good times and bad. But during bad times, it's far too easy to justify making decisions that run afoul of governance. If you've ever made a bad mistake under pressure, you know how this ends – badly. If your governance structure doesn't make sense for your organization in light of the challenges you're facing, modify it carefully so that it works for you. There's no need to be inflexible. But without following a structure, your organization's decision-making skills will quickly unravel.

Every part of every business is feeling the heat today. How the technology executives and teams respond to support the entire organization will almost undoubtedly shape its role in the future. We hope these ideas help you better support your business by delivering more from less.

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