

Ten top challenges for CIOs in 2010

Tough growth, tough decisions

Top challenges for CIOs

In 2009 we focused on helping CIOs emerge as winners in what have certainly proved to be very challenging times. Cost and cash pressures dominated 2009, and successful CIOs managed to drive down spending while making the most of existing assets through balancing business demand.

We are now presented with not just a new year, but a new decade. Our approach to supporting clients through what will be another challenging year, and beyond, is to focus on doing the right things to eliminate unnecessary expenditure and maximise opportunities for growth and building business value. This decade will be shaped by disruptive technologies which act as catalysts for change in the way IT departments deliver service.

For many CIOs there is now an opportunity to help nurture growth where there is genuine business value to be gained. For those organisations able to grow in 2010, tight control of IT spending is still required to facilitate and justify investment. For those whose primary focus is on cost control and cost reduction, it is critical to recognise that focusing only on short term measures may not deliver the magnitude of savings required; and has the potential to damage business value in the long term. Doing the right thing is going to mean more tough decisions, but decisions that will lay the foundations for future growth.



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Tough love for a new decade

Successful CIOs are balancing delivery to meet business demand while actively managing costs. They recognise that this approach is essential to developing the right environment for growth and creating business value.

- 1. Take control** – Working in partnership with suppliers requires fostering a positive relationship but also means controlling costs and focusing on business value. CIOs should be actively managing service delivery, reviewing long-running deals and enforcing favourable rates where possible, without impairing service delivery to the business.
- 2. Transform your costs** – CIOs should be exploring the benefits of migrating business services into the cloud; particularly in areas such as email and office productivity tools where proven alternatives are available. Cloud-based services offer the ability to flex service capacity and replace capital expenditure with operating expenditure.
- 3. A virtual reality** – A focus on controlling spending should include examination of service delivery transformation by exploring innovative methods. Virtualising desktop and server assets can offer greater control over service delivery without limiting accessibility for business users.
- 4. Streamlining talent** – Now is the time to identify and address talent gaps to optimise delivery capability. Where possible, consolidate and centralise teams while seeking additional ways to supplement capabilities by taking advantage of alternative delivery options. Actively managing retention will be critical to maintaining key skills within the core team.
- 5. Recognise your value** – CIOs who have successfully reduced the cost of IT while continuing to deliver business value through these tough times will have demonstrated credibility with their business colleagues and are well-positioned to play a greater role in advising and deciding on project and programme investments. Successful portfolio management means direct engagement with senior business stakeholders to align delivery with business strategy.
- 6. Power in your hands** – Opportunities to generate competitive advantage exist in mobile service delivery to both business customers and consumers. Applications delivered to mobile devices not only improve accessibility but also positively impact business agility and responsiveness.
- 7. Spring clean and benefit from green** – Many organisations retain an IT legacy which is expensive to maintain and support. With out-of-support application and energy costs rising, now is the time to review, rationalise and refresh the legacy in order to reduce overhead and maximise value for money.
- 8. Managing Change** – While IT organisations have embraced methods such as the IT Infrastructure Library (ITIL) for service delivery and realised improvements as a result, there is not the same level of maturity around programme and project delivery. CIOs should lead IT in delivering training on – and consistent use of – robust methodologies, enabling change delivery to meet the high standards achieved within service delivery.
- 9. Keep in touch** – The rise of social networking has been dramatic and is now making inroads into the corporate environment. CIOs should be helping their organisations benefit from social networking's ability to deliver direct participation through feedback and collaboration, while implementing controls to manage data security risks.
- 10. Be prepared** – CIOs should be prepared for a broad range of business challenges, ranging from natural disasters through increased regulation and market volatility. CIOs have a responsibility to build resilience into the foundation of IT operations, and be prepared to demonstrate this resilience to the Board, shareholders and markets.

To discuss these resolutions and to share your own, please contact us.

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