

# MAKING INVESTMENTS IN IT -- WHAT IS RIGHT FOR YOUR ORGANIZATION?

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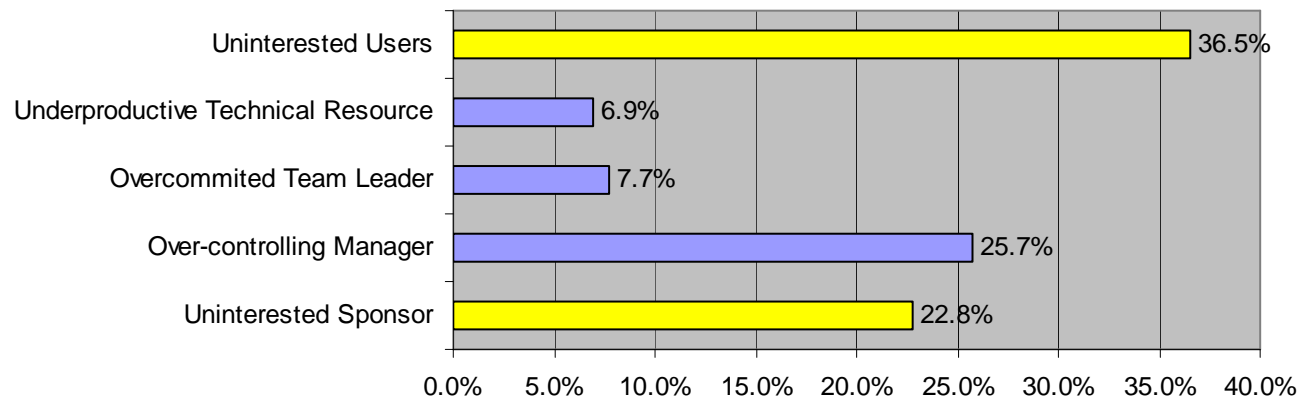
Eight out of ten dollars  
That companies spend on  
IT is **'dead money'**

Gartner

52% said organization struggles to track assets  
74% avoided asking individual departments to try  
to predict what server or storage capacity they might  
need in the next few months

**You're either a contributor to the  
business, or you're an expense to be cut.**

### Who is likely to torpedo a major IT project?



## Five Tips:

1. Follow the Business
2. Lead the Business
3. Know the Stack
4. Get a Roadmap
5. Measure, Measure, Measure

## ...Follow the Business

- Know and understand the direction of the business
  - IT is an enabler of the business and a driver of shareholder value
- Align to the business
  - Technology Perspective
  - *'What is the impact to Technology'*
  - Needs Assessment

Companies that align IT investments with their value drivers and have a lesser percentage of their budget as Non-discretionary outperform companies that have the opposite.

Accenture Study

# Needs Assessment



## Lead the Business...

- **Strategic Planning ~ Get Involved**
  - Technology gets a seat at the table
  - IT is a Strategic Partner
  - Goal for companies is not IT spending, it's business effectiveness
  - 60% of CIO responsible for using information as a strategic asset
- **Innovation ~ IT's Middle Name**
  - Creatively applying technology
- **'Know the Business Better Than the Business'**

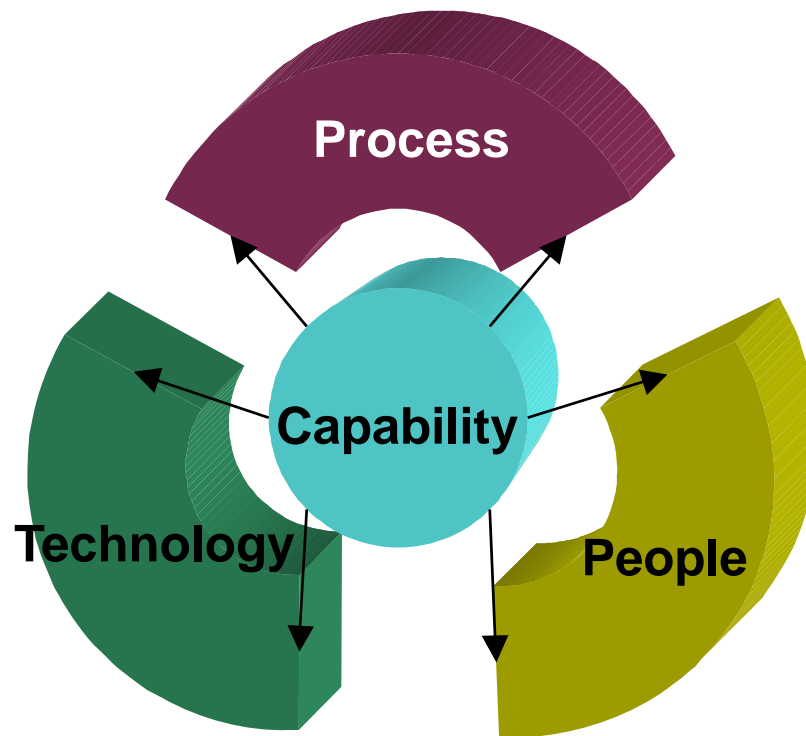
Within five years 40% of CEOs will make their CIOs responsible for business model innovation.

Gartner 2007

## Know Your Portfolio

- Portfolio ~ collection of the company's IT assets or investments
- Portfolio Management
- 'If I only...'
- Keep an Inventory and Keep it up to date
- Understand Your IT Capability
  - Be honest

# Your Business' Capability



## Know Your Portfolio

- Portfolio ~ collection of the company's IT assets or investments
- Keep an Inventory and Keep it up to date
- Understand Your IT Capability
  - Fully utilized, under utilized, optimized???
  - Be honest

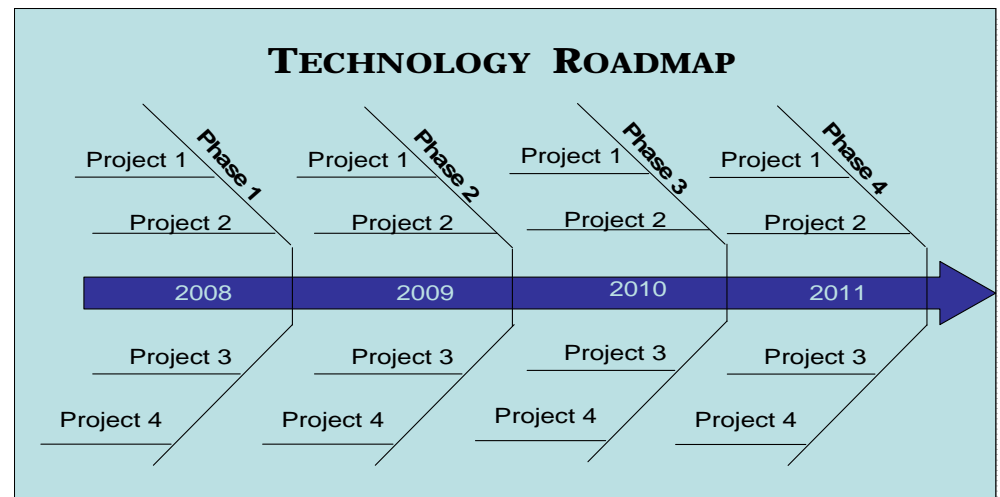
## Lets Quickly Review

To make better IT investment decisions....

1. Follow the Business
2. Lead the Business
3. Know Your Portfolio
4. Get a Roadmap
5. Measure, Measure, Measure

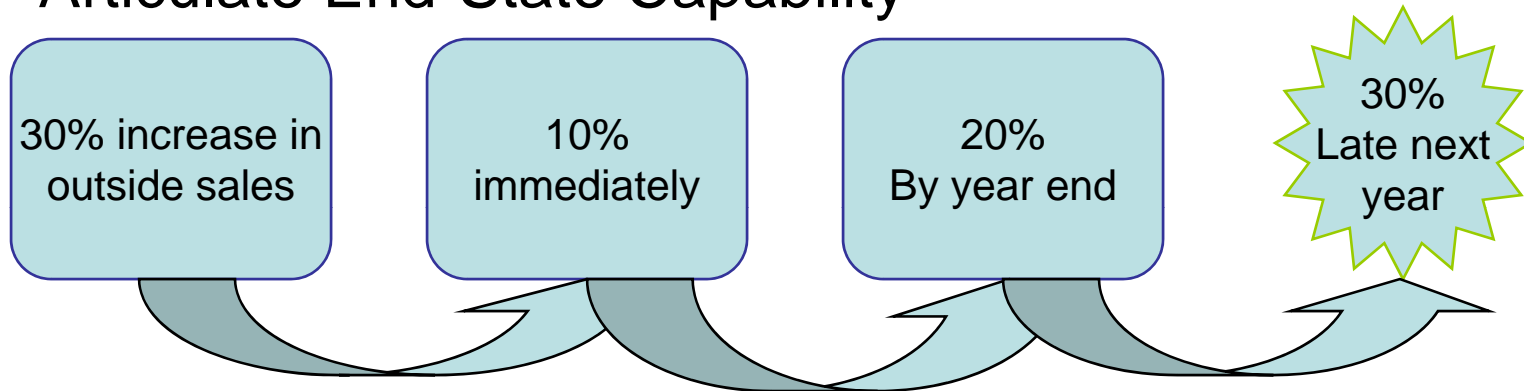
# Get a Roadmap

- Organize collectively along timeline
- Recognize technology dependencies
- Plan and Implement holistically
- Don't let the 4P's cost the price of another investment



### Measure, Measure, Measure

- Articulate End-State Capability



- Each investment should have measurable benefits
- Educate the business
  - Measurement facilitates discussion
  - Link technological past, present and future to business
- Best practice organizations specifically measure the value created by the IT function and hold IT accountable just like any other business unit (APQC Consortium Benchmarking Study)

**‘That which can not be measured can not be managed’**

## Q&A

- Any Questions ?
- Contact Methods
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- Thank You !!

