Boosting IT Credibility with the CEO

CIO Leadership Event

May 4, 2010
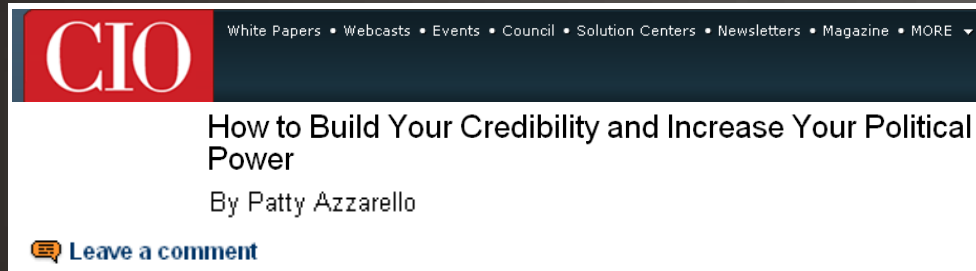
www.AzzarelloGroup.com

THE CIO LEADERSHIP EVENT

MAY 2-4, 2010
The Broadmoor
Colorado Springs, CO

IT Credibility Challenges

- Understanding

- Money

- Business Amnesia

Do you believe you need to build Credibility?

White Papers • Webcasts • Events • Council • Solution Centers • Newsletters • Magazine • MORE ▾

How to Build Your Credibility and Increase Your Political Power

By Patty Azzarello

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"This is just another example of the hijacking of the IT world by business people masquerading as IT people."

"True IT departments don't really care who gets the credit for a project, we take pride in doing our jobs correctly."

DO Better

Results and Business Impact

Deliver Results…. and…

- Keep the lights on

- Strategic Projects

- Quality, On time

- User support

- Proven ROI

Think Like a General Manager

- Understand top overall business initiatives

- Educate your organization on the P&L

- Make the business goals the basis for the IT budget

LOOK Better

Credibility and Relevance

Be a Translator – be Relevant

- Business First

- Don't "Educate"

- Talk in their language

- Keep IT Jargon in IT

Magic Communication Tool

IT Success Measures

Business Initiative	IT Results
Decrease DSO in North America	
Improve Profit Margin on wholesale	
Improve Post-season inventory Reduction	
Expand Market in Eastern Europe	

Magic Communication Tool

IT Success Measures

Business Initiative	IT Results
Decrease DSO in North America	Completed SAP Rollout
Improve Profit Margin on wholesale	Completed Implementation of partner data management system
Improve Post-season inventory Reduction	Increased ease and speed of transition to sale pricing
Expand Market in Eastern Europe	Completed prototype for sales forecasting and order entry

Business Priorities: 2009

Top 10 Business Priorities for the CEO & Board

1. Business Process Improvement

2. Reducing Enterprise costs

3. Improving workforce effectiveness

4. Attracting & retaining new customers

5. Increase usage of analytics

6. Creating new products & services

7. Targeting customers & markets more effectively

8. Managing change

9. Expanding current customer relationships

10. Expand into new markets

Source Gartner: 2009

IT Priorities - 2009

Top 10 Technology Priorities for the CIO & IT

1. BI (Business intelligence)
2. ERP and Enterprise applications
3. Virtualization
4. Modernizing legacy applications
5. Collaboration technologies
6. Networking, Voice & Data communications
7. Technical Infrastructure
8. Security
9. SOA (Service Oriented Architecture)
10. Document Management

Source Gartner: 2009

Business & IT Priorities - Mismatch

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Source Gartner: 2009

IT Priorities - Aligned

TOP IT Priorities

Efficiency & Cost Reduction

1. Business Process Improvement
   - ERP and Enterprise applications
   - Modernizing legacy applications
   - Security
2. Reducing Enterprise costs
   - Virtualization
   - Networking, Voice & Data communications
3. Improving workforce effectiveness
   - Virtualization
   - Document Management
   - Collaboration technologies

TOP IT Priorities

Revenue Growth

1. Increase usage of analytics
   - BI (Business intelligence)
2. Targeting customers & markets more effectively
   - Technical Infrastructure
   - Collaboration technologies
3. Expanding current customer relationships
   - Collaboration technologies
4. Expand into new markets
   - SOA (Service Oriented Architecture)
5. Attracting & retaining new customers
   - SOA (Service Oriented Architecture)

Source Gartner: 2009

LOOK Better

IT Budget Makeover

Typical IT Budget

IT FYXX Budget								
	Dept #	Baseline	Annualized Effect	New Additions	Project	Total FY02 Budget		
Hardware Depreciation Total		4,396,194	22,750	-		4,418,944	8.2%	
Hardware New Purchase Total		-	-	704,978		704,978	1.3%	
Hardware Support Total		1,552,000	64,000	38,500		1,654,500	3.1%	
Hardware Other Total		1,193,100	-	203,500		1,396,600	2.6%	
R&D Amortization Total		1,887,392	200,000	1,948,419		4,035,811	7.5%	
Software License Depreciation Total		2,596,680	114,000	-		2,710,680	5.1%	
Software Support Total		4,015,300	548,000	10,200		4,573,500	8.5%	
Software New Purchase Total		-	-	362,492		362,492	0.7%	
Software Other Total		-	-	10,500		10,500	0.0%	
Development Personnel Total		5,588,494	1,311,276	1,213,666		8,113,436	15.1%	
Production/Operations Personnel Total		6,701,454	898,756	1,511,152		9,111,362	17.0%	
Admin/IT Mgmt/Other Personnel Total		4,426,470	246,776	534,723		5,207,969	9.7%	
Voice Communications Total		763,660	-	16,000		779,660	1.5%	
Data Communications Total		2,000,000	400,000	107,200		2,507,200	4.7%	
Consulting Total		12,000	-	2,397,466		2,409,466	4.5%	
Contract to Supplement Staff Total		272,000	-	100,000		372,000	0.7%	
Other Services Total		764,500	59,800	15,500		839,800	1.6%	
Other Facilities Total		468,662	22,000	79,900		570,562	1.1%	
GO Facility Total		688,000	-	-		688,000	1.3%	
All Other - Supplies Total		705,268	-	280,500		985,768	1.8%	
All Other - Education Total		585,220	-	213,000		798,220	1.5%	
All Other - Travel, Sub, Etc Total		1,270,420	-	140,900		1,411,320	2.6%	
Grand Total		39,886,814	3,887,358	9,888,596		53,662,768	100%	

The Attack

IT FYXX Budget

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				140,900		1,411,320	2.6%
				,88,596		53,662,768	100%

17%

Production/Operations Personnel Total

Financial	
revenue growth	HC $$
Cost Reduction	HC $$
Channel Rationalization	HC $$
Customer	
Customer Relationship Mgmt	HC $$
Loyalty and Retention	HC $$
Online Marketing	HC $$
Process Improvements	
Cycle Time Reduction	HC $$
Supply chain management	HC $$
Employee Services	HC $$
Strategic Business Initiatives	
Gerographic Expansion	HC $$
_M&A_	HC $$
Shared Infrastructure	
Network Engineering	HC $$
Voice	HC $$

Left Column Makeover

Make the business
initiatives the basis for the
IT budget

LOOK Better

IT's Brand

Your Personal Brand and the Brand of IT

Your Language

Your Behaviors

Your Team

Your Help Desk

True story

Email Message from IT:

SUBJECT: New IT Service Agreement

In order to serve you better the IT department is no longer accepting phone calls.

Please submit tickets via the email and web interface.

Your Help Desk is 90% of your Brand

- Do a shift on your help desk regularly

- Be a user of your help desk regularly

- Make sure your systems let your people serve users

Let the Business Create the Services

- "Submit a ticket" – UGH!

- Understand Business Peaks

- Let them define the service

- Let them choose the names
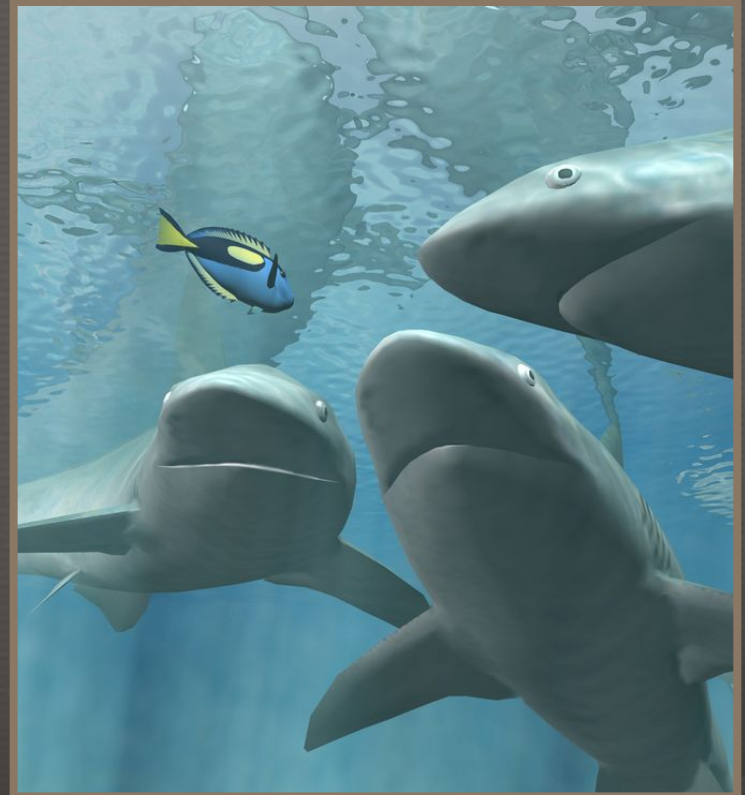
- Let them choose the measures
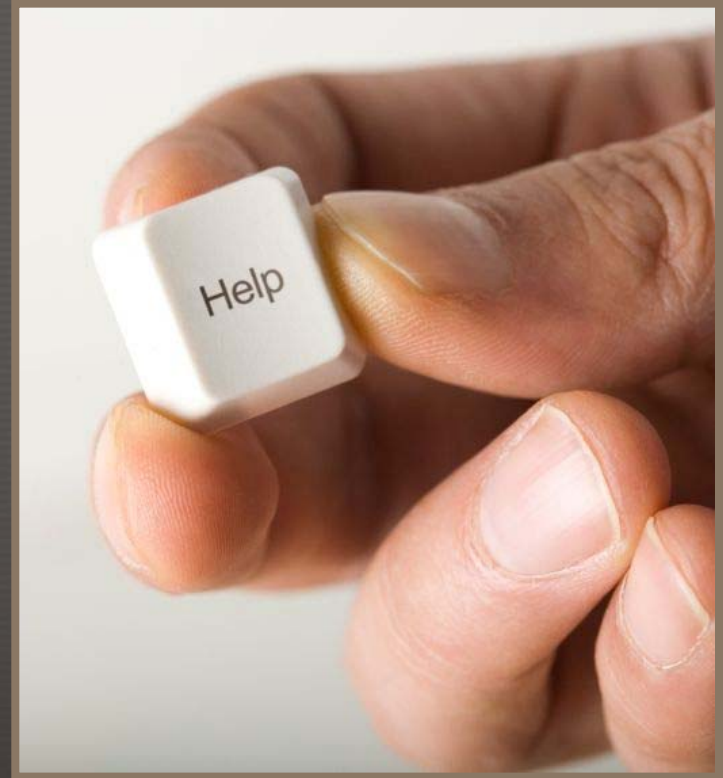
CONNECT Better

Relationships & Support

Build Relationships

- No Technology Required

- Know your stakeholders

- What keeps them up at night

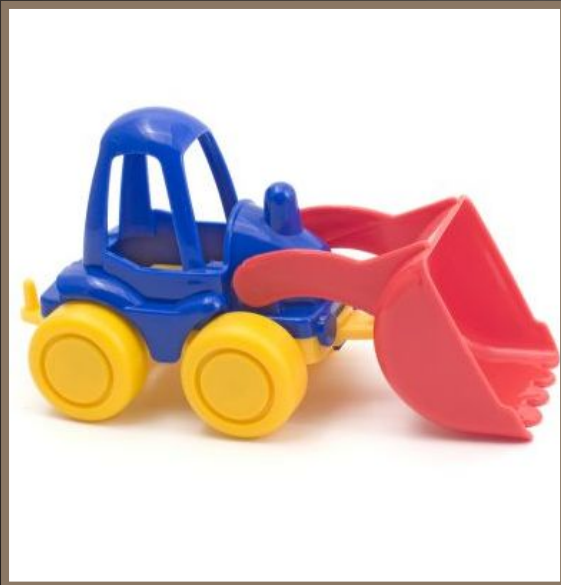- Communicate/translate

- Eat and Drink

Stakeholders: LOB Leaders

- Pitted against them by definition.

  - Never enough money to go around

- Stiff-armed?

  - Don't get pushed out.

- Set IT priorities together tied to their business

  - Get them ratified

Key Internal Stakeholders – THE CEO

Understand

- Pet Issue(s) (email!)
- Wall Street
- Revenue Growth
- Profit
- Industry Changing/Leading
- Expectations of IT

DO

- Simple messages
- BRIEF communications
- Clear value props
- Budget aligned with business

Key Internal Stakeholders – THE CFO

Understand
- Friend or Foe?
- Effectiveness "opinions"

DO
- Show efficiencies
- Good Stories for wall street
- Build a personal relationship

Execute – Reduce Risk & Go Faster

Do Better
- Translate big goals into specific actions
- Get the highest impact stuff DONE!
- Get everyone focused on the same stuff

LOOK Better
- Communicate well with key stakeholders
- Relate services & costs to business outcomes

Connect Better
- Connect: Strategy, Executives, Employees
- Understand Obstacles
- Deal with stalls and disagreements
- Get your employees motivated and engaged

Summary: Credibility Actions

Do Better
- Think like a General Manager
- Execute better on what counts most

LOOK Better
- Be a translator
- Use the language of business initiatives
- Build IT's Brand
- Improve your help desk

Connect Better
- Let the business create & name the services
- Build Relationships

Azzarello Group Resources

CIO Survival Guide:
    Building Credibility for IT

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BLOG: AzzarelloGroup.com