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## What Can IT Do for You: New Demands Give IT the Respect It Deserves

As 2009 approaches and companies are preparing strategic plans for the coming year, the economic downturn is front and center. Many companies are facing declining revenue and difficult credit markets. The scarcity of capital leaves them examining expenditures more closely, and looking for new strategies to reposition themselves for survival and, as market conditions improve, long-term growth. This represents an opportunity for IT professionals to take a seat at the management table and engage in decision-making at the highest levels. However, they have to be ready.

IT professionals are coming into their own and gaining a new level of respect. Research firm Gartner predicts no widespread IT spending cuts, as there were during the post dot-com era. In the report "The Impact of the Economic Downturn on 2009 IT Budgets," the firm finds that enterprises see IT as a means to cut costs by transforming their businesses and streamlining operations through technology. Many companies are finding that IT plays an integral role in most aspects of the business, from accounting to customer service and more. It's becoming a bigger part of the overall business strategy, which has the dual effect of garnering the IT profession more respect from the echelons of upper management and making new demands on the department.

That means it is more important than ever for senior technology professionals to be strategically focused. *InformationWeek's* Tomorrow's CIO survey from earlier this year asked 720 senior business technology experts to pick the main opportunities for CIOs today. The responses were very strategic in nature. However, when the same executives were asked to choose ways in which IT contributes to the overall success of the company, *InformationWeek* found that their top responses were mainly tactical.



That kind of disconnect damages the credibility of IT professionals among leaders in the c-suite, and calls into question the big-picture approach that they need to take vs. the day-to-day reality of their roles. If senior IT professionals don't contribute to the serious and strategic decisions that could mean the very survival of the company in these economic times, they will be marginalized to a role of accepting whatever decisions are dictated to them. The question then becomes: How can IT professionals become more strategically focused? There are three key areas on which to focus:

1. Identify Opportunity
2. Transform Costs
3. Manage Talent

### Identify Opportunity

Think about what keeps your CEO up at night. What are the most important issues facing your company today? Hint: It's not the new software roll-out or some amorphous measurement of quality. Pay attention to the key challenges facing your company, as defined by the senior management and the board of directors, and look for the ways that your department can make a difference. For example, if the competition is winning business because their response times are faster, look for ways that IT can contribute to shortening the response cycle. If clients are dissatisfied because their statements are difficult to read and riddled with errors, it's the IT department that can develop fixes to the situation, from constructing a new flow of information across departments to instituting technological error checks to ensure the integrity of data being distributed to customers. The key to success lies in marrying information, processes, and relationships to create value. And CEOs are waiting for that to happen: A 2006 Gartner/Forbes survey found that 60 percent of CEOs intend to make the chief information officers responsible for using information as a strategic asset. Forty percent intend to hand over business innovation to them.

Failure to think of business alignment from a strategic perspective leaves senior IT professionals in a perpetual game of catch-up. Directives about what goals are important may change or be interpreted in different ways by managers in various sectors of the company, leaving your team scrambling to implement a new series of tactics to address the problem *du jour*. However, the game changes when the IT department takes a leadership role in identifying a problem facing the business and building the plan and process to solve it. Suddenly, the team is calling the shots, using its technological know-how to tell others where the solution lies. A positive byproduct of this realignment is a happy and engaged team actively invested in the firm's well-being.



## Transform Costs

The good news about IT budgets in general is that there isn't much left to cut. Since the IT backlash of the early 2000's, IT departments have been streamlined and cost control has been a priority for many. However, to safeguard what remains and to get future budgets approved during cash-scarce times, senior IT managers must clearly communicate how their plans are going to directly solve a business problem or return on investment for the company. You'll be far more successful getting your budgets approved if you tie your proposed spending to business objectives with clear metrics to evaluate successful programs.

At the same time, it's unrealistic to think that IT budgets will go completely unscathed during difficult economic times. More departments and managers are being asked to do more with fewer resources because of the downturn. To produce the results necessary to remain relevant in the organization, IT departments need to continually evaluate their offerings and how they are being deployed. Don't continue to do the same old thing because it's always been done that way. Instead, look for opportunities to retire tired or redundant applications for cost savings. Look for investments that will reduce costs – predicting IT demand and having the necessary resources available, finding applications that can be combined to reduce labor and mistakes.

All of these activities and decisions come down to management. Successful IT leaders are the ones who manage to maximize resources and ensure that stretched budgets still maintain the infrastructure necessary to grow along with the business when economic factors turn more favorable.

## Manage Talent

No management discussion would be complete without the discussion of talent management. Senior IT professionals routinely cite the "talent gap," or "finding talented workers" among their key concerns. Careful evaluation needs to be brought to this decision, again aligning with the larger, long-term imperatives of the business. As layoffs mount, both contract and permanent IT talent is more readily available than any time in recent years. That gives senior IT professionals a new pool of resources to tap for their plans.



While it may be necessary to hire full-time employees for the day-to-day IT function, strategic plans often have flurries of high-volume periods that ultimately stabilize. For example, when IT is making strategic adjustments to enterprise architecture within the company, it may need to staff up to handle the workload. However, once the new system has been completed, staffing needs may be reduced. In cases like these, finding talented, professional consultants can be the best possible solution. Such workers allow senior IT managers access to skilled professionals who are dedicated to a project, but do not come with long-term employment contracts or benefits packages. Appropriate staffing also increases the quality of the work because it allows hiring for the specific initiative, ensuring that strategic IT applications will be successful and meet their goals.

Making appropriate decisions about staffing can also improve employee retention, resulting in significant organizational cost savings. When employees are overwhelmed by their jobs and stretched too thin, their level of engagement is reduced. They may begin looking for new opportunities that seem more appealing. Strategic staffing support and decisions can help employees feel more in control and satisfied in their jobs, increasing retention rates.

### **The Boardroom vs. the Computer Room**

Overall, senior IT executives need to pay attention to what's happening in the boardroom and proving that they can contribute value to the conversation. Resetting priorities to reflect overall business direction and getting away from the catch-up mindset of aligning IT in a tactical manner are essential shifts to ensure that the IT function in your company is taken as seriously as it should be. A new level of business acumen is necessary to keep up with the people who are conceptualizing the company's offerings, direction, and priorities on one-year, five-year, and 10-year timelines.

Mastery of thought leadership, cost transformation, and talent development can collectively grant senior IT professionals a greater role overall and will command the respect of management. No longer tactical in approach, strategic IT players can have more influence in the company, which has a direct impact on their departments and their ability to perform. It's time for a shift in thinking, which will have far-reaching benefits on your department and on your career prospects.