

*Effectively communicating IT's business value is a combination of both science and art. If you want to successfully compete for budget dollars, your budget proposal should contain a clear view of IT's value proposition that requires no technical knowledge to understand.*

We can all agree that IT is *much* more than a mere cost center. With the current state of our economy and increasing internal competition for tightening budget dollars, it's more important than ever for IT to clearly articulate its value proposition within the organization. Easier said than done, right?

Since value is ultimately shaped by perception, measuring it continues to elude many IT organizations. The potential benefits of most IT initiatives don't translate well into strictly financial terms. You need to provide something more to accurately portray the whole story. Effectively communicating IT's business value involves a thoughtful combination of both objective and subjective considerations—science + art.

Selling your IT value proposition internally is never more important than at budget time. Here are some tips to help you as you prepare, craft your budget proposal and make your presentation.

### 1. Preparation:

Prior to any budget planning, make sure you're on the same page with the strategic direction of the CEO and CFO. Plan a face-to-face meeting where you can have a conversation about their short- and long-term goals and what projects are needed to support them. Most importantly, listen and take notes. Share your insight and discuss what capital and expense requirements may be involved. You need to know where they stand on each initiative.

Strategy discussions from other company players may or may not reflect a corresponding message. So, be sure you know what's considered a priority on the C-level agenda first and foremost, and make sure you're on board.

All of your hard work in running an efficient and transparent IT organization is moot unless your beneficiaries understand your value. Launch your own internal marketing campaign to share your successes. Your staff and successes must be visible in order to communicate value.

Take a systematic, proactive approach to engaging all of your business units. You need their buy-in, so adopt a customer-service mentality. Listen carefully to their needs and explain everything in layman's terms. Non-technical employees don't always grasp the full complexity of a "simple IT request" without a good explanation of what it entails. Effective communication is key to properly setting expectations, which in turn will determine their perceived satisfaction and value of your services.

After all, IT and the business units all share the common goal of maximizing services to deliver the greatest company value. If you have their complete buy-in, they may be willing to share some budget responsibility for key projects.

## 2. Proposal:

It's hard enough to find time to pull together a mediocre budget proposal in the midst of everyday responsibilities without the added pressure of it needing to be "great." But in this economic climate, you would be wise to carve out some additional time for crafting a winning budget that effectively demonstrates the strategic business value of your IT organization.

You'll need to make a strong case in support of your existing "run-the-business" services, as well as new initiatives to evolve those services. Be sure to include thorough details concerning cost, performance metrics and the benefits each provide. Clearly define the purpose and sponsor for each new project you propose. In order to show value beyond the cost of delivery, demonstrate both objective and subjective measures in your explanations.

Many CFOs will tell you that the majority of IT budget proposals they receive include financial metrics to back up their requests, but neglect to explain in layman's terms how each investment would actually benefit the organization. Give senior leadership a clear view that requires no technical knowledge to understand. If you're not sure how to best present this type of information, ask your CFO or someone in a financial leadership position for their opinion.

With all the focus on aligning IT with business goals, it's surprising how often budget proposals lack consistency and proper strategic alignment. The budget process is where this strategic alignment culminates—line it up! Don't propose something on the low-end of the priority totem pole. It will make you look out of touch and only frustrate the executive team.

## 3. Presentation:

Once your data is collected and your budget proposal is complete, take some additional time to gather your thoughts for the presentation. Whether your organization has a formal or informal process, display confidence and be prepared. Anticipate questions that will likely be asked surrounding your initiatives and contemplate your responses to each, keeping in mind your audience may not be fluent in tech-speak. Know your hot-buttons and be prepared to handle any "heat" that may come your way. If you get frazzled under pressure, learn to breathe deeply and control your demeanor.

## 4. Conclusion:

In this market downturn, "selling" your IT value proposition internally is crucial to your success in the competition for limited budget dollars. To be effective, your IT budget proposal should go the extra mile to demonstrate the value of each service and initiative using *both* objective and subjective measures.

Using these tips to guide you through the budget process will help your IT organization to earn a better reputation within the enterprise. Your ultimate reward will be more trust for budget resources and more opportunities to drive innovation. Time well spent.

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