



Realize a higher return on your technology investments

More ROI so the CEO will CYA

During this economic recession, there are some basic steps you can take to help maximize the use of limited resources and get more value from your existing assets. Implementing formal IT governance and conducting evaluations of your existing systems and applications will get you started down the road to survival and success.

Are the costs of your technology investments outweighing their benefits? With the squeeze the recession is putting on IT budgets, it's more important than ever for each of your projects, services, systems and applications to provide strategic business value. And also, that your superiors see and appreciate that value.

Right now, most CIOs are focused solely on efficiency and cost control. And, with all of the day-to-day challenges of leading an IT organization, there's little (if any) time left to focus on senior executives and strategic alignment. It's a painful irony that when it's of utmost importance to be in step with the executive team, IT leaders are often too busy being tactical to concentrate on overall strategy. Thus, the further misaligned they become.

This article will offer some practical advice for how to maximize the return on your existing technology investments and communicate IT's business value in a meaningful way that will build your credibility with senior leadership.

1. Implement formal IT governance

Are you spending money in the right places? Do you have a steering committee or a project office? This first piece of advice addresses governance, which blankets everything under the IT umbrella.

Whether public or private, implementing formal IT governance can benefit virtually every business. It's a powerful tool for putting structure around achieving strategic alignment, providing business value and measuring results (both quantitative and qualitative). Formal governance will provide the necessary information, oversight, accountability and management to keep your IT organization on top of its game and properly supporting the overall business objectives.

Beyond compliance and risk management benefits, formal IT governance will serve as a valuable link between the business and IT, enabling better communication and collaboration. The right hand will finally know what the left hand is doing. And, this constant dialogue will enable you to better prioritize what issues require the most immediate attention and start attacking them in strategic order. Success in this area will earn you credibility among your peers and with senior leadership.

Formal governance also greatly increases an IT executive's opportunity to succeed. Don't resist the transparency—embrace it. Steering committee meetings are an ideal venue to demonstrate to key stakeholders the return IT is giving back to the business for the money they're investing.

2. Review your systems

Conduct an evaluation of your existing systems to identify ways to drive better business value. These primary questions are a great place to start:

- Are your systems aligned with the strategic goals of the overall business?
- Are you getting the performance and return you anticipated?
- Does your current configuration support your business operations?
- Do your policies and procedures support your system's most effective use?

System misalignment can sneak up on even the best of us due to the natural evolution of business technology and fluid corporate strategies. The IT landscape may also look much different now versus when your systems were purchased. In addition, it's easy for systems to get ignored. Many managers tend to neglect reviewing system performance as often as they review other assets.

3. Evaluate your application portfolio

And, what about your application portfolio? Low value applications command attention. Whether they are inherited from mergers and acquisitions or organically grown, every organization inevitably accumulates under-performing, redundant and non-essential applications. Now is a great time to retire end-of-life applications and eliminate those with overlapping functionality. Remember, if the licensing fee and maintenance costs are higher than the benefits delivered, the application is no longer an asset—it's a liability and needs to go.

4. Conclusion

Managing the "business" of IT will maximize the value IT brings to your organization. In today's economy, this is now a mandatory skill set for an IT executive's career survival. It not only involves leveraging existing investments to their fullest potential, but also means focusing on senior management concerns and overall business strategy—even when you don't have the time or bandwidth.

Implementing formal IT governance is an effective way to gain helpful insight, make smart, informed decisions and provide worthwhile strategic support to your overall organization. Basic evaluation of your systems and applications may also bring to light areas where you can improve performance and return.

Effectively navigating your IT organization through this economic downturn is sure to be a test of your leadership, communication and business skills. It will likely force you out of your tactical comfort zone, if it hasn't already. But, if you shift your focus effectively and address these areas proactively, you'll emerge on the flip side stronger than ever.

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