

Helping Business Executives Leverage The Value Of IT

John Stelzer
Director, Retail Industry Marketing
Sterling Commerce
an AT&T Company

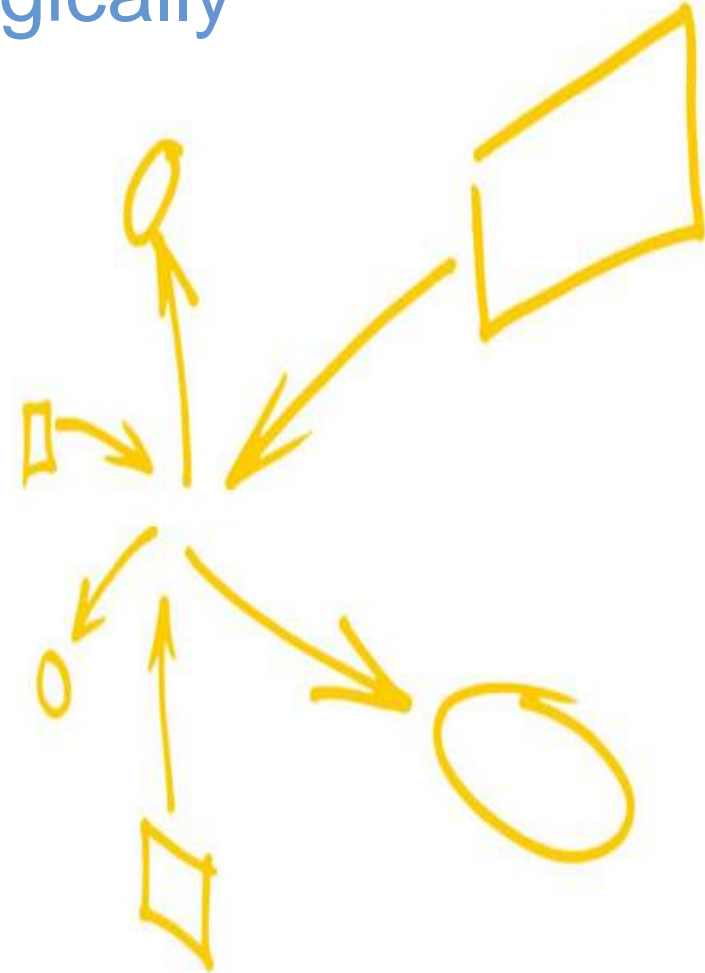


Topics

- ⤵ IT: misunderstood, underappreciated, strategically underutilized
- ⤵ Source of the cure: IT or business?
- ⤵ Top 10 assumptions undermining business' perception of IT
- ⤵ Remolding IT's image: The Barriers
- ⤵ Remolding IT's image: The Strategy

IT: Misunderstood, Underappreciated, and Strategically Underutilized

The Communication Gap Between
IT And Business



Misunderstood: Technology Portrayal

- To business executives, IT can seem to be:
 - Complex
 - Obtuse
 - Too detailed
 - Constantly changing
 - Daunting

Misunderstood: IT Portrayal

- ◉ IT professionals are caricaturized as:
 - Brainiacs/Overly intellectual
 - Introverts/Loners
 - Computer geeks
 - Cerebral “scientist” types
 - Lost in another world
 -

Misunderstood: Business/Executive Portrayal

- ◉ Business executives are portrayed as:
 - Leaders
 - Visionaries
 - Winners
 - Pathfinders
 - Competitive
 - Climbing the ladder of success
 -

Misunderstood: Portrayal Of Business Using Technology

- ◉ When business and technology are portrayed together, we often see:
 - Complications
 - Frustration
 - Confusion
 - Anger
 -



How the customer explained it



What the customer really needed

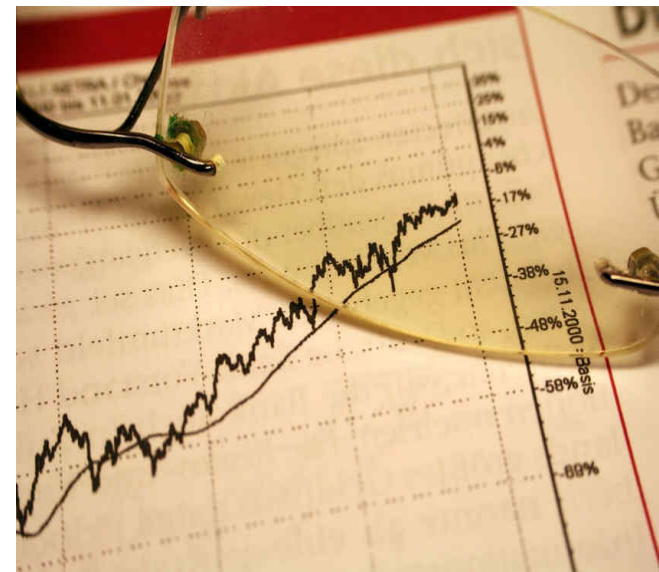
Underappreciated: How IT's Accomplishments Are Often Portrayed

- › Projects completed
- › Systems installed
- › Partners implemented
- › Documents exchanged
- › Tools used



Misunderstood: How Business/Executives Track Progress

- › Growth
- › Revenue
- › Profit
- › Stock performance
- › Customer satisfaction/loyalty
- › Competitive position



In Too Many Companies, IT Is Often Strategically Underutilized

- › Lack of:
 - Integration
 - Automation
- › Tactical application of technology
- › Information not being used as a strategic asset



The Source Of The Cure

IT Or Business?



Business Is Not Likely To Invest The Effort To Understand Technology In Depth

- › Advanced business acumen does not necessarily lend itself to technical aptitude
- › Technology continues to change
 - Requires ongoing effort to remain current
- › Understanding the nuances of technology doesn't necessarily contribute to attaining business objectives
- › Time-constrained executives are unlikely to have the bandwidth to invest the ongoing effort to stay current with technology



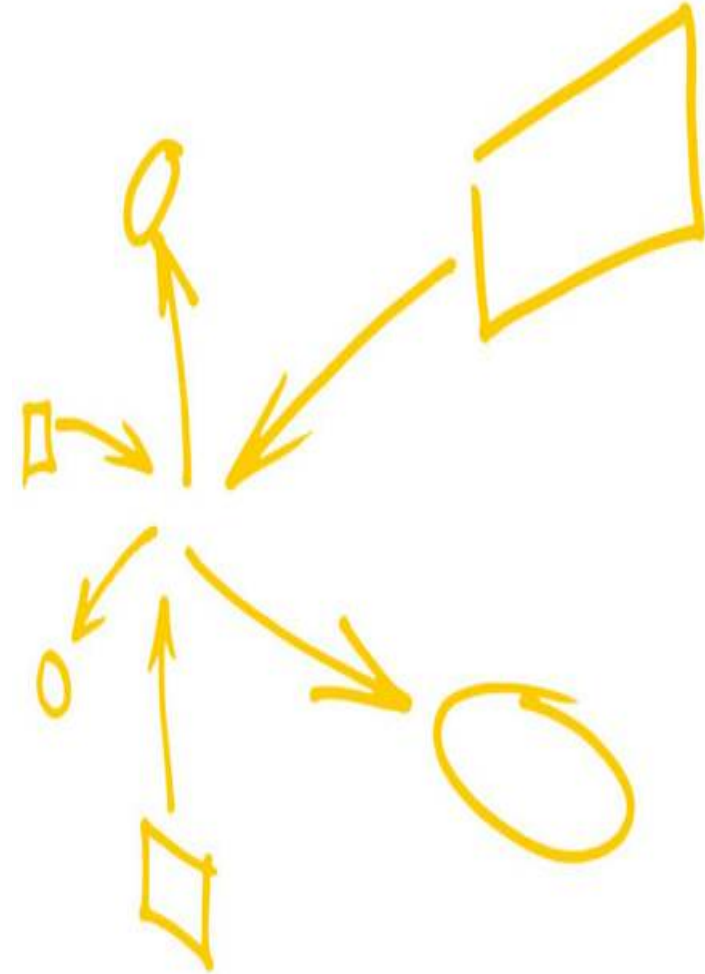
IT Must Be The Flexible Variable In The Equation

- ⦿ A technical aptitude lends itself well to grasping the mathematics of business success metrics
- ⦿ Business KPI's rarely change radically over time
- ⦿ Understanding the nuances of the targeted business objectives helps IT better advise business on where/how to apply technology to achieve those objectives
- ⦿ By investing the time to understand the link between technology and business' KPI's the IT professional can better explain the value of what they produce for the business
- ⦿ By clarifying each project's business value, IT better positions itself to be seen as a strategic asset to the company

* KPIs = Key performance indicators (measurements used by executives to monitor the health of the business)

Top 10 Assumptions Undermining Business' Perception Of IT

IT Professional Help Thyself



Top 10 Assumptions That Undermine IT's Image In The Eyes Of Business

1. TLAs* don't alienate business counterparts
2. On-time, accurate project completion is the primary measure of success
3. There's no need to draw a correlation between IT projects and business performance improvement
4. Business can draw the correlation between IT projects and business performance improvement
5. Business cares about the latest technologies and appreciates technology for technology sake

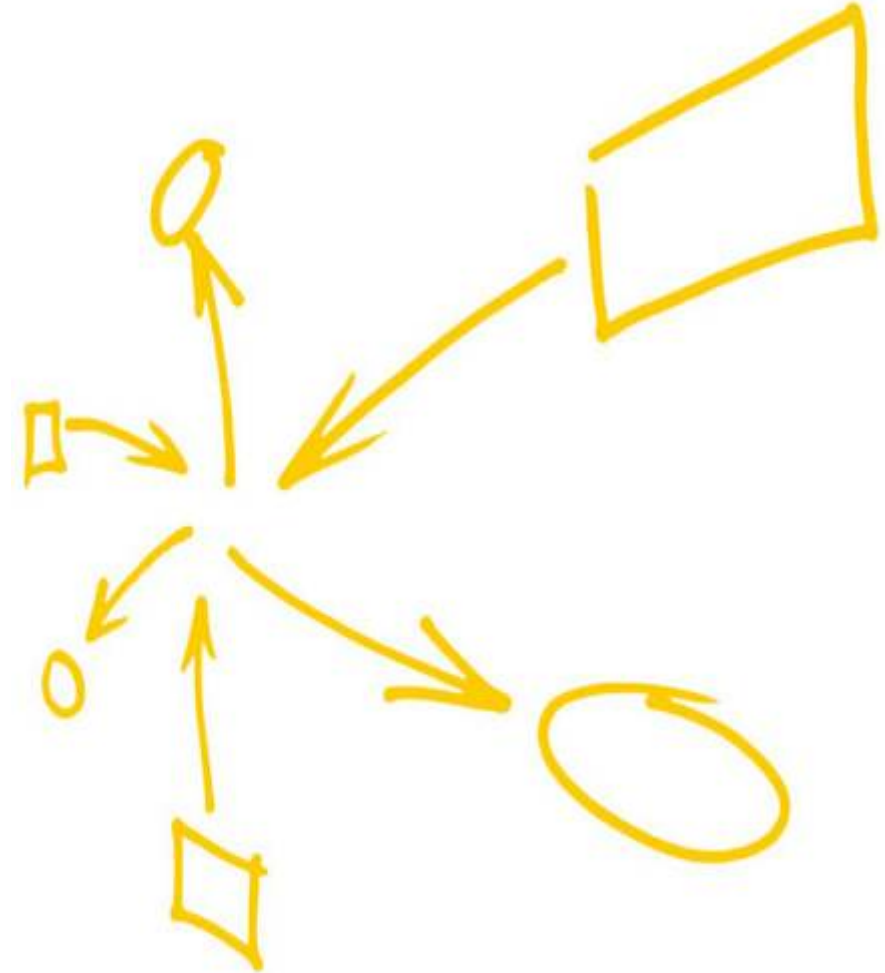
* TLA = three-letter acronym

Top 10 Assumptions That Undermine IT's Image In The Eyes Of Business

6. It doesn't matter if business doesn't understand IT
7. Business will invest the effort to understand IT
8. Business could keep up with technology's evolution if they tried
9. Business recognizes IT as a vehicle for creating competitive advantage
10. Business knows best how/where to most advantageously utilize technology to improve the business

Remolding IT's Image

The Barriers



You May Be Pigeon-Holed By Your IT “Headband”

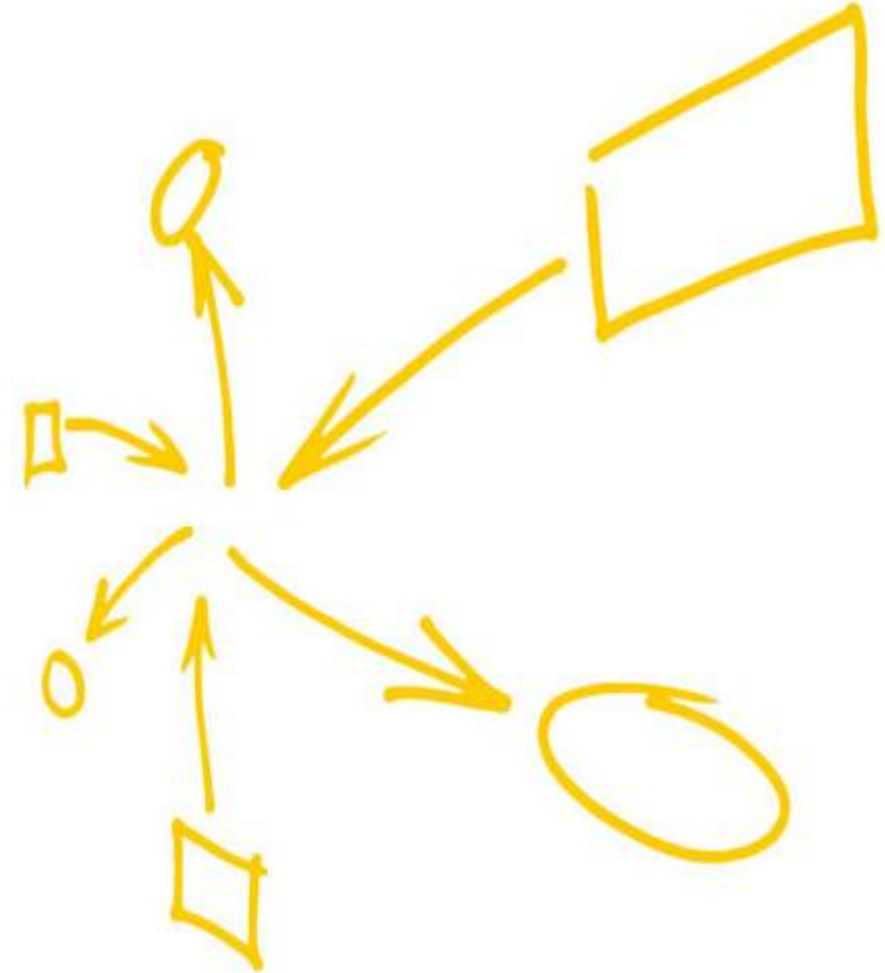
- ◁ Others perception of IT may be limiting their understanding and appreciation of IT:
 - Associated with systems and technological tools
 - Not associated with business results
 - No clear tie to customer satisfaction or competitive advantage
 - Not seen as strategic to the company

There May Be Resistance To IT Changing It's Image

- ◉ Resistance to IT taking a more prominent role:
 - Concerns about sharing power
 - Intimidated by IT's mental acuity
 - Fear of the unknown
- ◉ Resistance by those who are unknowing and unwilling to change their perceptions of IT:
 - Change is threatening for some
 - First impressions die hard
 - The status quo may appear to be the easier path

Remolding IT's Image

The Strategy



Reinvent IT As A Corporate Asset

- ⤵ Practice “newspeak”; talk in terms of business process and business impact rather than technical how to
- ⤵ Respond to business needs, but also look for additional/alternative opportunities to leverage technology for the desired business benefit
 - Start with the business results they want to produce
- ⤵ Save discussions about tools and technology for your IT brethren
- ⤵ Translate the technical “how” into “what changed” in the business processes
- ⤵ Translate “what changed” into the business results produced

If There's Resistance, Recognize The Motivation For That Resistance

People will pursue a course of action that they perceive to be in their personal best interest.

Socrates (attr.), 470-399 BC

Reposition IT In Terms Of The WIIFM* Of The Target Audience

- ☑ **Find out how they're measured**
- ☑ **Find a way to affect that measurement**

Peter Korda

* WIIFM = What's in it for me?

Turn Resistance Into Support

If the projects you're completing deliver the results that matter to key decision makers, then those who make it a success will receive the support they need and the respect they deserve.

Secure Your Business Champion



Educate Them On Technology's Business Potential

Educate

Educate

Educate

Educate

Educate

But, Be Sure To Set The Proper Expectations About
Technology...It's Not A Silver Bullet

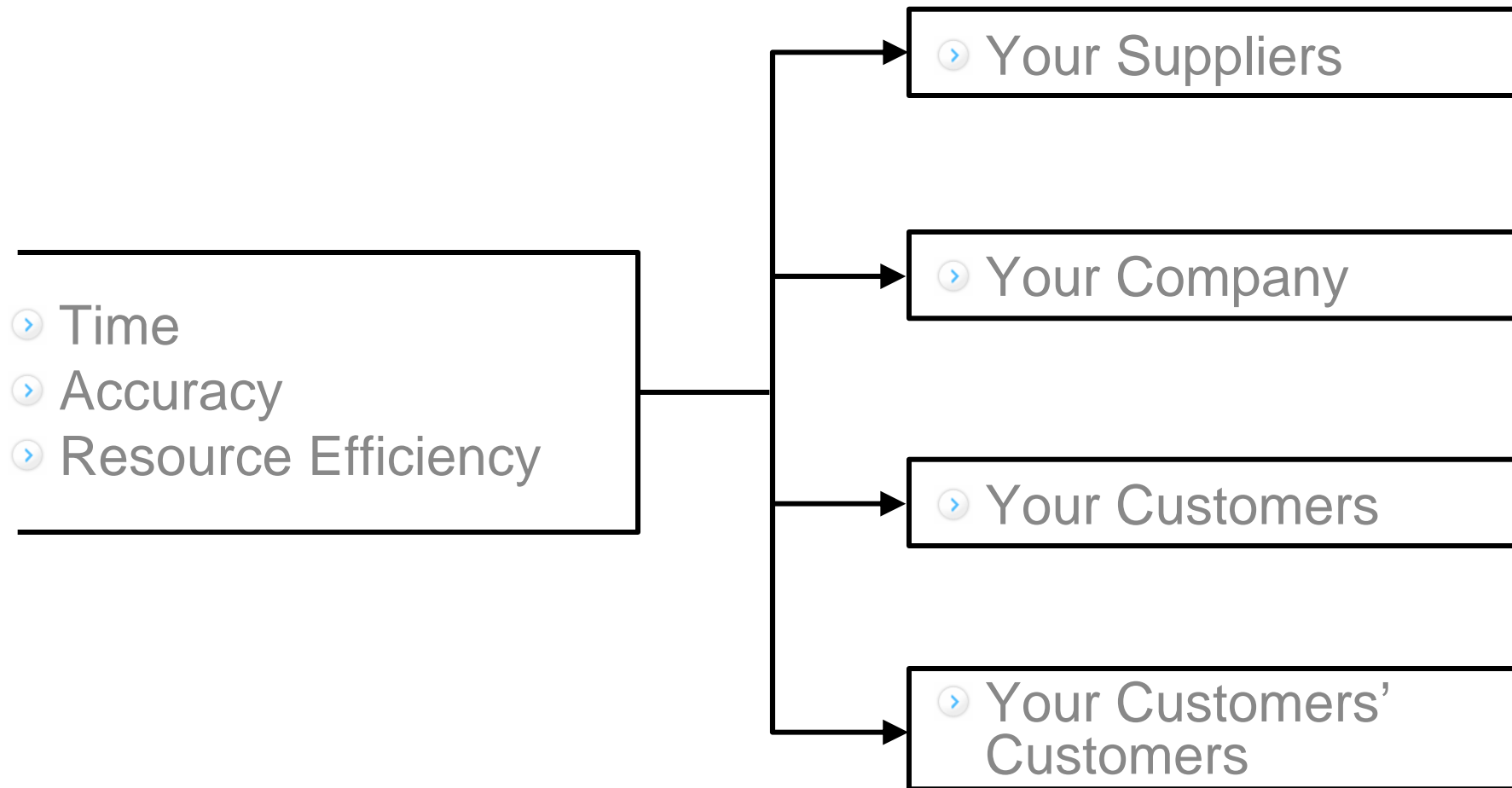
*“Warning:
Cape does not
allow user to fly”*

Warning on a Batman costume label.

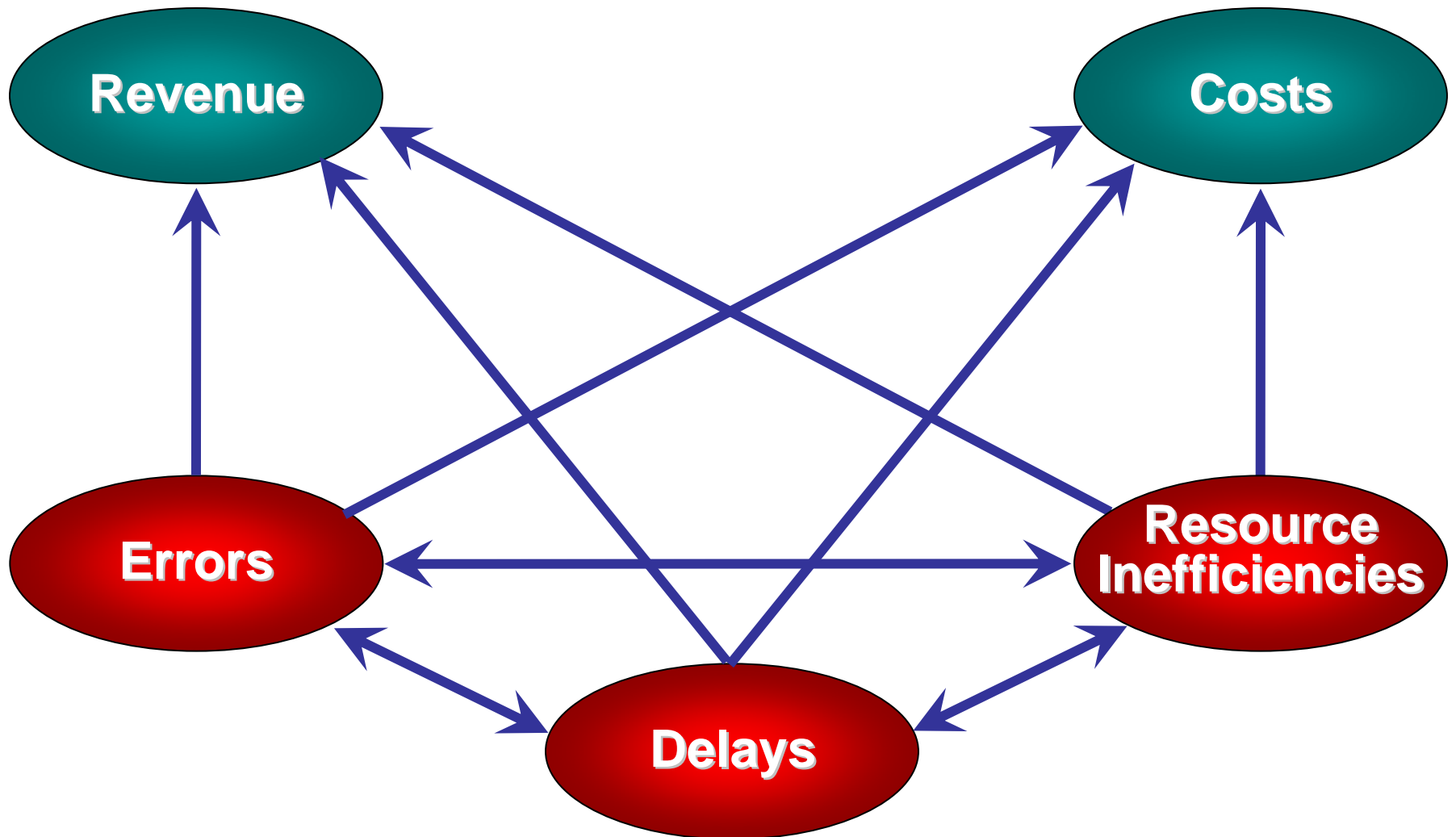
Translate Change Into Business Impact



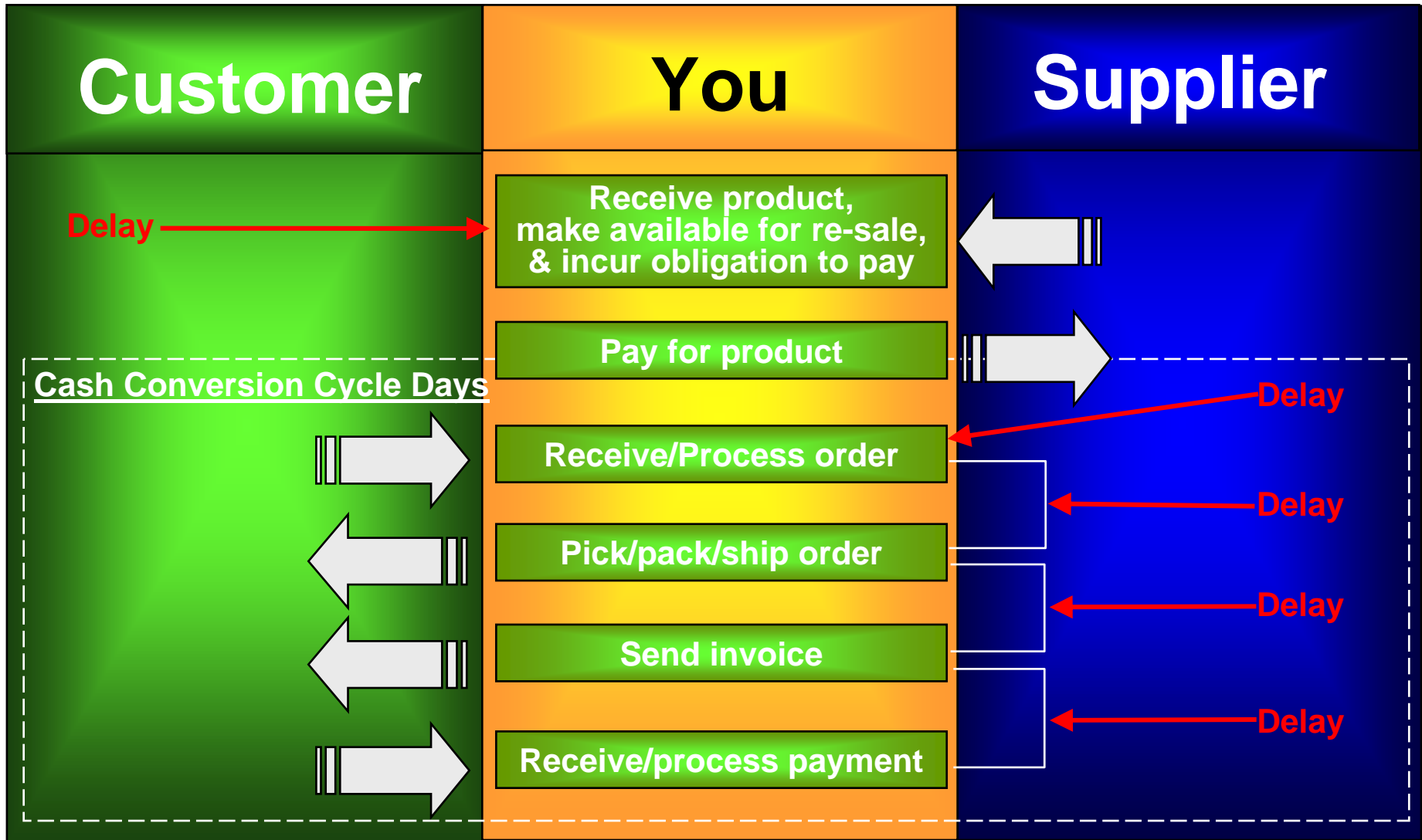
Time, accuracy, and efficiency drive business impact



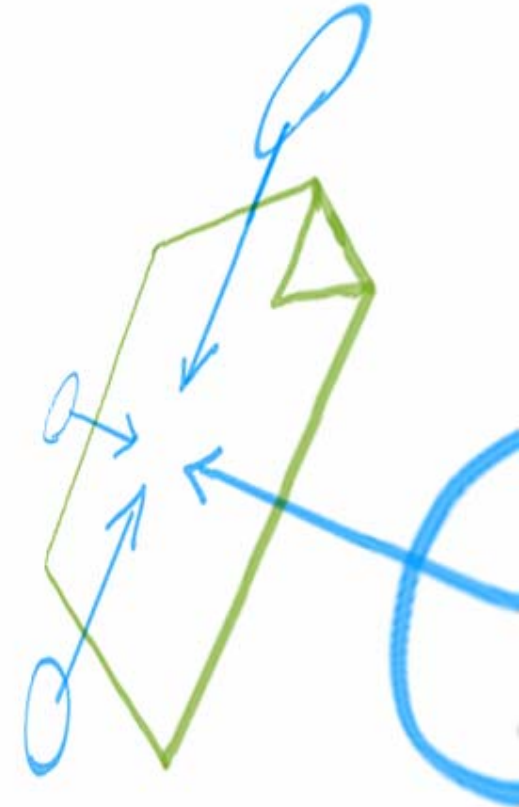
Recognize the exponential effect of delays, errors, and resource inefficiencies



Business Impact Example: Cash Conversion Cycle Days [Time Is Money]



In Summary



In Summary

- ⦿ Differences in focus can create gaps between IT and business
- ⦿ IT is best positioned to bridge those gaps
- ⦿ But, IT must practice “newspeak” when talking to business counterparts
- ⦿ Restating IT in terms of business impact defines IT in terms that business can readily understand

In Summary

➤ Define business impact as reduction in:

- Delays

- Errors

- Resource inefficiencies

- ▶ People

- ▶ Equipment

- ▶ Facilities

- ▶ Capital



In Summary

- ◉ Bridging the IT/Business gap is critical:
 - IT is leveraged as a strategy weapon for improved:
 - ▶ Operational efficiency
 - ▶ Competitive advantage
 - ▶ Quality customer experience
 - Information becomes a strategic asset for improved:
 - ▶ Decision-making
 - ▶ Business execution
 - IT's true value is understood and recognized by senior business leadership

Thank You!

Join me at my follow-on session:
Tuesday, 9/16/08; 1:00-1:50 p.m.
**“An Executive’s Guide For Leveraging
Information As A Strategic Asset”**

John L. Stelzer
Director Retail Industry Marketing
Sterling Commerce
john_stelzer@stercomm.com

