Bringing IT into the Boardroom

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The Core of IT Budget Problems…

Do you feel like your company management is from Mars and the IT staff from ...?

Learn how to talk to the officers of your company in the language they understand. The usual IT talk doesn’t get your company where it needs to go. To succeed with your pitch in the boardroom, you need to know the language of the CxO. Learn how to bridge the barrier that keeps your company from fully leveraging IT productivity.
How Money Is Requested Today…

- IT Guy: “We need a new switch in the datacenter.”
- CFO: “Why is that?”
- IT Guy: “Our old switch is really slow and the new ones are really cool, they have 3 megaflop backplanes, support remote POOP with 768 bit encryption, blah, blah, blah….”
- CFO: “Uh, yeah… let me think about it. We are already over budget.”
You are in Executive Management...

- You do not understand or appreciate the reason for the budget requests from your IT personnel
- You feel your IT personnel are out of control
- You do not feel you are getting a good ROI from your Information Technology investments
- You feel like your IT guys are using your company and your budget to “build” their resume
- The IT guys are not working to help the company achieve its goals
- Your IT guys are not providing the right level of service for your internal customers
- You don’t understand what your IT guys are saying or what they are up to
- All of the above
You are an IT Person…

- You are having trouble getting your (IT) budgets approved
- You feel management is unresponsive to your needs
- Management is not happy with the outcomes of your projects
- Your are dissatisfied or under-stimulated with your work environment
- You are not certain what management wants and you are constantly cut out of the loop
- You are having trouble keeping users happy
- You don’t understand what your management wants
- All of the above
How Money Should BeRequested…

• IT Guy: “We need a new switch in the datacenter.”
• CFO: “Why is that?”
• IT Guy: “Our old switch is really slow. When Mary’s Accounts Receivable team in Chicago gets real busy at month end the switch gets overloaded. When this happens, it causes their Citrix session to terminate and they have to constantly log back in. It is slowing collections by about 50% at month end. That equates to about $57,000 per day and it is stretching our AR days from 27 to 34. At $5000 for the switch installed, we will make that up in under 30-days on our cost of money and lower Bad Debt Expense.
• CFO: “I have been getting beat up by the board over our growing AR and Bad Debt, go see Andy in purchasing and tell him to call me. I want this done by the end of the week.”
What is Management?

Management achieves organizational goals through the cooperation of people, assets and resources that are available to the business. These must exist in sufficient quantity for the manager and the people to capture enough of the market to pay the costs of operating the business. If the business is to grow, management must produce a surplus of profit over cost to invest in growth.
More Thoughts…

◊ **Management** is the process of getting activities completed efficiently and effectively with and through other people

◊ **Planning** is the management of the organization's future in an uncertain environment
Three Stories to Read

♦ http://www.technologymarketing.com/mc/content/article_display.jsp?vnu_content_id=1294035

In the Enterprise

Data from the U.S. Bureau of Economic Analysis shows that in 2000, for the very first time, business spending on IT was greater than spending in other major categories, including commercial buildings and non-IT equipment and machinery. In addition, data from the Gartner Group projected out to the end of the decade reveals that technology spending will comprise a whopping 70 percent of all U.S. capital spending by 2010, about double today's percentage.

By Bill Laberis

♦ http://www.cio.com/archive/040102/perspective.html

How to Get Your Budget Approved

CFOs look for certain things in a good IT budget. Here's what yours should—and shouldn't—include.

BY RAGHAVAN RAJAJI

♦ http://www.nwfusion.com/cgi-bin/mailto/x.cgi

Practical politics for IT players

Last week I concluded: "As IT becomes increasingly important in business, IT people have to become more politically adept. The sooner we start playing politics the sooner we will get the power we need to effectively do the job we love. “ The essence of politics is this: If you want to be a long-term player, choose your battles carefully. Don't fight a battle just because you can; fight it because it is a tactic that supports your overall strategy.

By Mark Gibbs
Alvaka Networks
NetPlan<sup>sm</sup> Network Management Process

**NetPlan<sup>sm</sup> The 6-Step Process**
1. Needs Analysis
2. Create IT Mission Statement
3. Set Goals and Objectives
4. Implement
5. Measure Results Against Goals
6. Manage and Improve

**Complimentary Services**

**e-Protect<sup>sm</sup>**
- Intrusion Detection
- e-Server Monitoring

**ManageNet<sup>sm</sup>**
- Lite
- NetWatch
- NetSupport
- NetCare
- FastFix

1) Needs Analysis
2) Establish Initial IT Mission Statement
3) Set Goals & Objectives
4) Implement
5) Measure Results Against Goals
6) Manage and Improve

IT Mission Statement

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Needs Analysis

♦ What is the current mission/core purpose of your organization?
♦ What are your company’s current goals and objectives?
♦ What changes do you expect to come in your organization?
♦ How do you expect this to impact your Information Technology/Software/Network?
♦ What primary issues and concerns are weighing on the mind of your Chief Executive?
♦ What other significant events are impacting your organization?
IT Mission Statement

- Based upon the information collected above, what is the role of IT and IT personnel within your company?

- What are the values the IT department holds? Are these congruent with the company values?

- What mission statement best describes the core purpose and enduring long term role of Information Technology, IT staff and contractors within your company?
Goals & Objectives - 1

- Based upon the current mission and needs of your company, what are some appropriate goals for IT to pursue?
- Take each one of these goals and further refine each goal into a series of objectives. Make sure each objective is measurable and has a timeframe in which to complete the task.
- Now each objective needs to be cost estimated. What is the expected benefit or return on each of these goals and objectives? Does it payoff? Is the Return On Investment in line with the IT Mission? Is the return On Investment in line with corporate objectives?
- What criteria are you going to use to prioritize each goal/objective?
Goals & Objectives - 2

♦ Who is going to perform on each of these objectives? Is that person capable, competent, experienced and motivated to execute on the task at hand? Does your firm have the staff required or are they available to you elsewhere?

♦ Did you adequately budget for staff time and human resource budget to achieve the goals and objectives? Can you adequately retain the personnel you need to execute on this plan?

♦ How will your firm deal with the other issues of running the other affairs of business as you work to achieve your IT goals and objectives? Are you adequately staffed to handle all the work at hand?
Think About This...

“A vision without action is a dream, action without vision is a nightmare”

- An old Japanese proverb
What to Do When You Get Back to Your Office?

1. Analyze the current situation of your company
2. Meet with management/IT and interview them
3. Develop your IT Mission Statement
4. Establish your goals
5. Figure out how to implement/execute on your plan
6. Get “buy in” from the boss
7. “Just Do It!”
Thank You

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