

and IT interests, according to the survey, is a failure to communicate: 45 percent cite difficulty in defining business goals, and 42 percent say poor communication between IT and business is a roadblock.

Most IT managers already understand the infrastructure requirements necessary to support business initiatives. Now they need to communicate that to the business decision makers in a language they understand.

Making the Case

Business and IT challenges tend to be universal, regardless of industry. These include but are certainly not limited to cost reduction, business continuity/disaster recovery, faster time to market and investment protection. These are real, identifiable challenges that are and understood by business leaders, and they can only be overcome through the application of technology.

IT therefore needs to speak the language of business. That means working with a technology provider that understands real business problems and processes, helps frame and articulate the benefits of specific solutions, and possesses the technology and expertise to implement and support them.

And customers are looking to vendors for help. In the survey, technology providers ranked among the top three resources for helping customers apply IT to improve their business. Nearly 80 percent of respondents said a commitment to innovation was important or very important. But what characterizes an innovative technology company today? According to the survey, it's not necessarily technology—70 percent said a firm understanding of their business needs is what makes a company innovative. That suggests that CIOs are as much interested in using IT to solve business problems as they are in the technology itself.

For the vice president of IT at an insurance company, it's all about aligning with the business to deliver services and capabilities that drive the business. "You have to be joined at the hip," he says. "I've worked at companies where the IT organization is completely disconnected from the business, off doing technology things that really don't matter to the business. We have an IT governance board that meets monthly with the senior management of the company. They set the high level priorities so there is never a question about what our priority is and what we should be working on. We always know."

For high-growth like Saladino's, a food service distributor, planning for the long term—including scalable systems that integrate

with existing infrastructure—is crucial. The company grew out of its old ERP system in three years. "Scalability is very important to growth," says CIO Craig Urrizola.

Technology providers can help their customers grow revenue, improve efficiency, and

cut costs with an infrastructure that accelerates time to market, reduces costs, protects existing IT investments and ensures service availability.

Indeed, in survey results and in-depth interviews, CIOs cited revenue and profit growth, disaster recovery/contingency planning, cost reduction and compliance as the primary drivers of IT investments.

One CIO of a midsize health care company is deploying virtualization solutions to cut costs, with the added benefit of using the freed-up cash to grow the business.

"Virtualization reduces my staff requirements, and that's money that can be spent on projects related to the business's performance or profitability," he says.

Virtualization is not simply a means to consolidate servers and save money. It's increasingly used as a strategic tool to bring business continuity, improved service

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levels, application availability and better responsiveness to the entire IT infrastructure.

Where Technology Providers Come In

The role of the technology provider cannot be understated when it comes to helping enterprise customers reach business goals. Sun Microsystems, for example, is incorporating virtualization technologies across a broad portfolio of products, including its servers, storage and software. Customers are looking for global, stable companies like Sun to supply and support the technology that helps them improve their business.

One Chicago-based systems administrator at a fast-growing \$50 million communications company looks to technology providers for help in assessing its infrastructure and selling projects to management.

"The effort in the IT department is to change the minds that IT can be a means to greater productivity, greater tools and greater products," says the administrator. "We are starting to deal more and more with outside vendors to tell us of some particular areas that need some real attention, and that has caught the attention of the upper management."

But business leaders and other decision makers aren't interested in ones and zeroes. They want to know how a particular technology is going to bring some value to the business. For example:

Tech Talk: breakthrough application performance/high-performance systems

Translation: we can process more orders, faster, than competitors; scalable systems mean we're prepared for growth and unexpected spikes in business/Web traffic

Tech Talk: server clusters with monitoring, high availability and automated recovery

Translation: business continuity; our systems and our business will not go down

Tech Talk: business application integration, SOA, Web services

Translation: provides a unified view of customers, protects business investments

Tech Talk: automation, server consolidation, virtualization, managed services

Translation: reduces the cost of acquisition, management and ownership of technology

Technology providers can help IT make the business case for technology investments because they have the products and expertise to help their customers frame and articulate the business problem and assess ROI, risks and benefits.

Nearly two-thirds of respondents say best practices and implementation guidelines—the type proffered by technology providers—would be most useful in building a business case for IT investments. Other related resources include project cost estimators, ROI information and

customer reference/success stories.

Companies are looking to trusted, global technology providers to supply the whole portfolio—expertise, products, support—when implementing technology to serve business needs. Indeed, the sentiment of a CIO of a very large financial services firm may be indicative of broader marketplace perceptions when he says that his company is "not going to get involved with any brand I'm not familiar with."

The CIO of a \$250 million health care company was more succinct: "I'll turn away vendors that I feel won't be in this marketplace for long."

Conclusion

CIOs have had a seat at the boardroom table since only about the mid-1990s, after it became clear that some progressive companies were using IT to gain a strategic advantage over their competitors. Business-minded

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technology executives and staff now know better, after the dot-com bust, than to pursue IT initiatives that have no impact on business value.

Every piece of technology is an opportunity to improve business performance and processes. A server is a means to process huge quantities of customer transactions at lightning speed; software is a means to scale your infrastructure to quickly support more customers, partners and suppliers; virtualization is a means to make more efficient use of existing IT assets, and

business continuity solutions ensure that applications and systems never slow down.

These are generally accepted principles, yet the alignment of business and IT interests, goals and initiatives is in its infancy in many companies. That's likely due to the fact that, outside the senior executive ranks, most technologists don't speak the language of business. But technology providers can help IT managers take initiatives to implement strategic solutions to improve business performance.

Business Performance: CIOs Speak Out

IDG Research Services asked CIOs for advice and strategy for optimizing business performance. Their responses are highlighted below.

Maintain discipline throughout the process.

- Conduct due diligence up front.
- Listen and set appropriate expectations then follow through.
- Good planning yields best results.

"It's always been the bane of our existence in IT to articulate the ROI. Sometimes it's difficult to establish the ROI, but you can put in quantitative measures. Also, you need alignment with the business. We try not to do projects for technology's sake. What is the business value of this project we're going to do?"

Larry Pritchard, CIO,
Schaeffler Group North America

Communicate with all levels of the business to articulate value.

"We need to slow the pace down and become a little bit more aware and understanding of the various cultures that exist outside our own....The more face time, the better the relationship and the better the overall result."

Bob Jackson,
Treasury Consultant, MetLife

Compliance is not that big a driver.

"I would have to agree with most of the other people who didn't rate compliance as a top business driver because we are not really doing anything specifically for compliance."

Craig Urrizola, CIO, Saladino's

Build a business case and define quantitative business measures.

"You need to do a business case and have some discipline in terms of what you are going to do."

Tim Farnham, CIO, Berry College

"You put together a business case on the front end, and it's part of the discipline to get people to buy in and be able to tie everything back."

Larry Pritchard, CIO,
Schaeffler Group North America

Work proactively with vendors.

- Minimize customization.

Get joined at the hip with the business.

Accept that change takes time.

Continue to look for opportunities.