CIO

Expert Exchange

December 7, 2022

Executive Summary
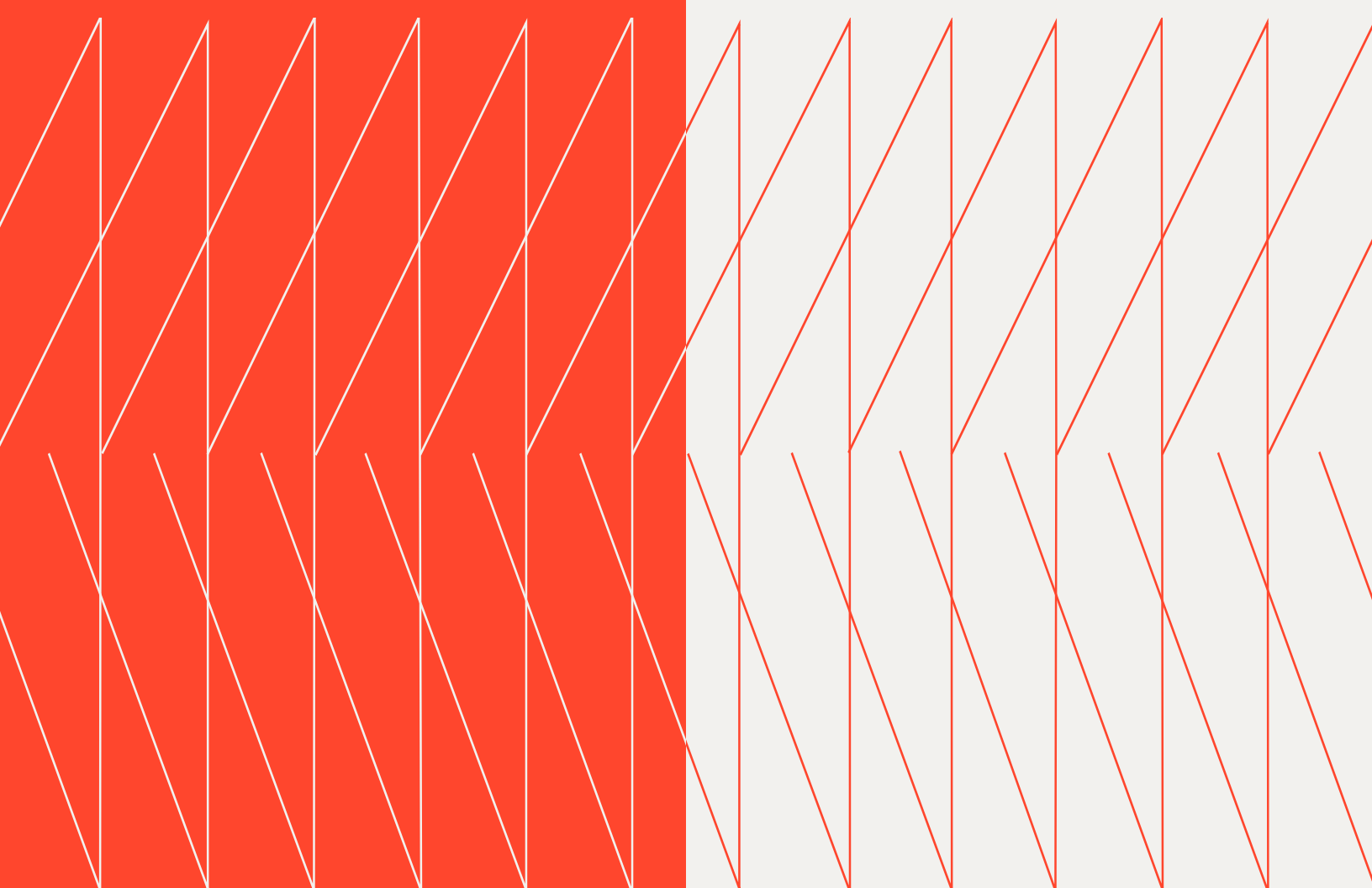
kyndryl

Overview

In this Expert Exchange session, several CIOs from across industries convened to discuss the below topics. The agenda was created based on areas of mutual interest, determined through advance interviews with participants.

Board Engagement

– Board engagement is key to positioning IT as a strategic partner and making security a priority for the broader organization. CIOs play a key role in educating boards on security matters since expertise can vary widely—some directors have technical understanding while others only have a general view—and boards may be getting information from elsewhere that isn't always relevant to the specific organization.

– Generic training can benefit the board of directors by getting everyone on the same page. Even though more security savvy board members may not learn anything, there is a benefit to having all members using the same vocabulary.

– Regular conversations with the board around security can continue the focus on investing in risk mitigation in the IT space. Many boards have a technology committee which is also sometimes a subcommittee of the risk committee. Such groups can be leveraged to go into more detail with transformation, migration to the cloud, and cybersecurity.

– *"[Regarding big data and the technology architecture], the IT function is almost the end of that conversation. It's not the starting point. You really have to have it from our perspective at the business level first. We found that taking our technical folks and having them trained on the consultative side of that conversation—almost the storytelling side—has helped us greatly in being able to convey those messages to boards."*

Process Design and IT Implementation

– When developing IT strategies, it's healthy to have a focus on capacity and the business need. Strategy decisions should sequence initiatives based on the IT organization's ability to complete projects. If the business units pinpoint the same capacity and the same team, the projects will not be feasible, underscoring the need to plan projects through a governance body.

– There is almost always a greater demand for IT projects than capacity to execute. Prioritization should depend not only on IT team availability, but also profit and loss considerations of projects. Analysis based on financial metrics can often be the deciding factor when weighing different initiatives.

– *"We identified a team that was constantly being bounced around on projects. We were able to measure the productivity and the flow of that specific team, then I was able to go back to the business and say, 'The constant change of prioritization costs you X amount...' Over time it compounds and will cost you way more. It's a balance that they need to figure out. We have to explain it to them with dollar amounts—how much it costs them."*

Inflation, Budgets, and Investments

– As high inflation shapes budget decisions and project prioritization, IT can often escape cuts when it is viewed as a solution to cost pressures. However, while senior leaders may hold the line on technology investments, personnel—both internal workers and external contractors—may be impacted by budget cuts. A close working relationship with the CFO can help leaders understand how inflationary pressures will impact individual companies and department budgets.

– There are inevitably new projects and investment ideas that arise between budgetary planning cycles. While some flexibility is often baked into budgets to account for new initiatives, there is also a recognition that flipping resources between projects can be inefficient and costly. Conversations with business units can help them understand that new projects cannot continuously be spun up without old ones being sidelined.

– *"Budgeting is every 60 days. If one business line says, 'I really need to do this because it's revenue generating,' then my argument to them is, 'Yes, take something out of your portfolio so that it makes room for that one,' so it's contained within each one of them, and there's no going back and asking for more money. If you have overrun in the budget and within your portfolio, well, too bad. You need to finance it by cutting something from your past."*

The Expert Exchange is hosted by Kyndryl, Inc. Please contact Shruti Ojha, Claire Gony, or Jose George any questions about Kyndryl or this Exchange.

kyndryl