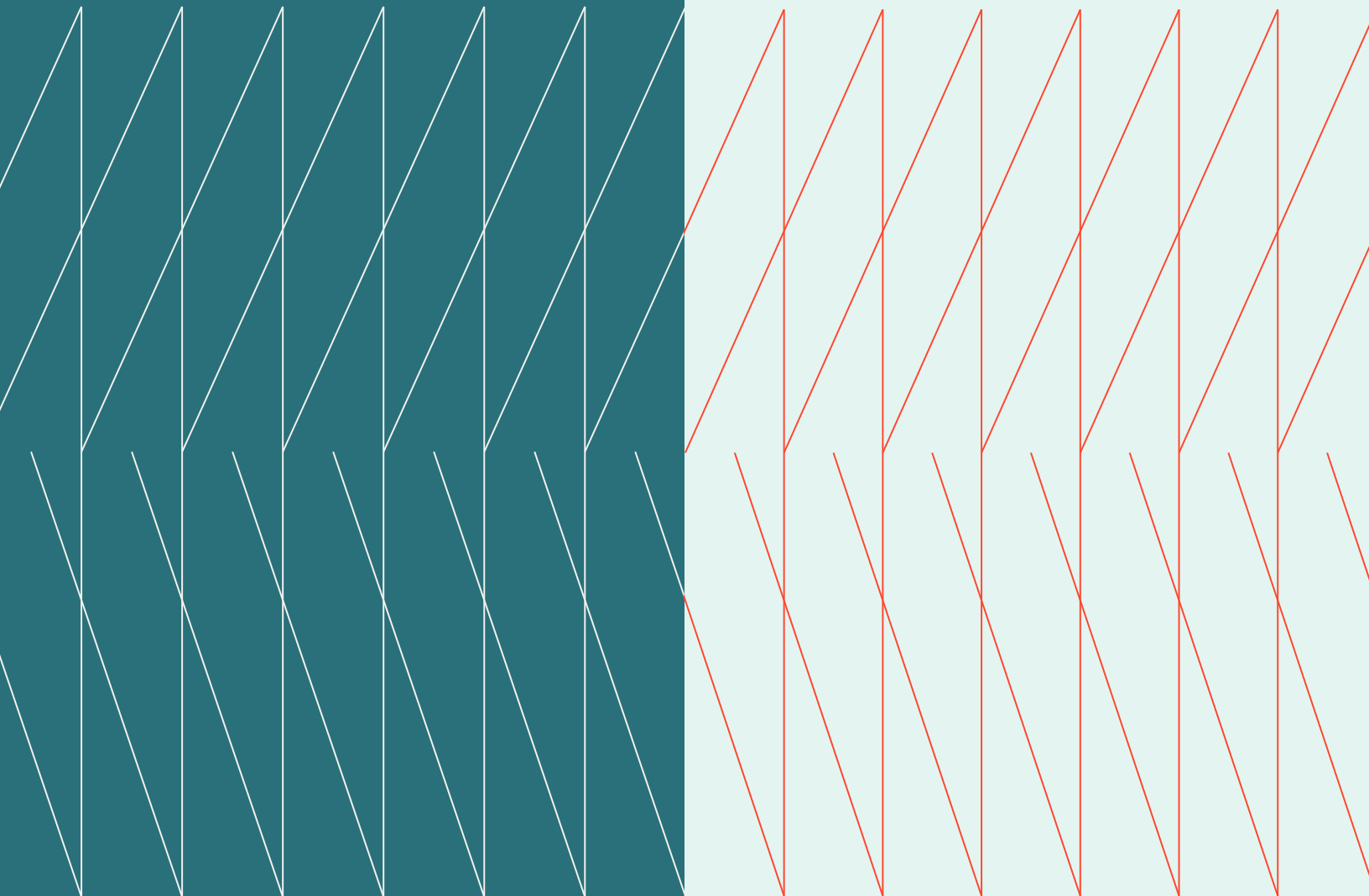


CIO
**Expert
Exchange**

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Executive Summary



Hosts:

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Overview

In this CIO peer exchange, industry leaders converged to tackle the pressing issues shaping today's IT landscape. The discourse traversed five pivotal themes: navigating the complexities of total cost of ownership (TCO) against the backdrop of delivering business value, addressing the challenges of legacy systems while embarking on application rationalization as well as optimizing vendor relationships alongside software tool consolidation, strategizing data management to enhance decision-making, and fortifying cybersecurity measures amidst escalating risks.

These discussions yielded actionable insights, emphasizing the need for strategic planning, efficient resource allocation and a proactive stance on emerging IT trends to drive organizational success.

Expert exchange themes

- Total cost of ownership (TCO) in IT and business value
- Legacy system challenges and application rationalization
- Data strategy as foundational to IT strategy
- Cybersecurity and risk management

"As a collective, we need to look at TCO in a different way—it's not just about IT. We need to understand what it will take to implement, what will the benefit be, and what are the costs over time? Otherwise, there will be dwindling benefits, and we will create "drift" outward in our costs—it's not simply about cost takeout."

Total cost of ownership and business value

- Participants discussed the challenge of delivering more value while managing or reducing costs, particularly in the context of rising technology costs.
- The conversation highlighted the need for long-term planning and the adoption of standards to manage TCO effectively.
- There was an emphasis on the importance of understanding the full implications of technology investments, including potential stranded costs when transitioning to new solutions.
- One of the members shared that they think of investments in terms of "front office" and "back office." In financial services, for example, investments are aimed to simplify the customer experience when they are trying to invest.

"It's a hard sell to make IT a revenue stream; but if you think in terms of cost avoidance, there is a business case tying downtime directly back to lost profits that the business will understand."

Legacy challenges and application rationalization

- The group addressed the complexities of dealing with underperforming legacy systems that still deliver business value.
- The need to continually patch and update systems was recognized as a pressing concern, often conflicting with the desire to invest in new technologies.
- Consolidation of tools and rationalization of applications were discussed as strategies to manage costs and improve efficiency. One member shared that tools purchased for one purpose five years ago can likely be replaced with one tool that will do multiple things.
- One member pointed out that many business stakeholders are excited by new tools vendors are promoting, but it is imperative to help them understand the business case for the tool, so it does not end up being "a tool looking for a problem to solve."
- Open-source tools and consumption-based models were mentioned as alternatives to traditional software procurement to control costs.

"The goal is to turn off the old stuff and move to a new model where merging the investment of building a new business capability with its cost brings integrated capability that adds business value."

"Selecting a tool that will be bought out and is going to double in price the next year is something that vendor lock-in capability is really leading to. People are consuming as-a-service capability that they can leverage to stay and pay for the outcome, not the license."

Data strategy and risk management

- The exchange underscored the importance of having a data strategy to support IT initiatives.
- Participants agreed that data ownership and accessibility are crucial for driving business outcomes and making informed decisions.
- The conversation suggested a trend towards greater openness and data sharing within organizations to leverage analytics and achieve proactive insights. This was deemed especially true in the sharing and collaboration between IT and business stakeholders.
- Executive-level involvement and accountability were also noted as essential for effective risk management, including aligning cybersecurity efforts with business objectives.
- Educating the wider organization on cybersecurity issues and fostering a culture of security awareness were highlighted as key components of a robust security posture.

“Without a data strategy, our IT strategy is destined to fail.”

To learn more about the Kyndryl Canada CIO/CTO Expert Exchange or to become a member of this community, please visit this [website](#).



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