CIO/CTO'S GUIDE TO IT PERFORMANCE AND STRATEGY

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Every business is a technology company. No matter your industry, vertical, area of expertise, location, or age of the company, every business must have technology, not only to operate but also to achieve success.

When an organization grows in size or complexity, a chief technology officer (CTO) or chief information officer (CIO) needs to be put in place. Now, depending on the organization, there are variances in the functions of each of these roles, and every company has its own specific reasons for choosing one title/role over the other. For example, some consider a CTO to be more focused on innovation, whereas a CIO is more focused on operational priorities. But in the end, their core functions are the same.

To keep things simple in this article, we'll use "CTO," but the role may be titled "CIO" in your organization.

A CTO is uniquely positioned to maximize an organization's IT performance and strategy in five key areas, listed in order of importance:

- Risk management
- Operational success
- Culture
- Strategic priorities
- Innovation

Risk Management

The first thing a CTO needs to focus on is managing the environment's risk. Every organization has intellectual property (IP) that may include data necessary to keep the business running, core applications people rely on to do their jobs, customer lists, accounts receivable, and much more. A CTO who fails to protect the environment properly isn't much of a CTO. Failure can result in disaster. In fact, over 65% of businesses that have a major data loss are out of business within two years.

For this reason, a CTO should develop a full business continuity plan that is aligned and approved by the ownership or board of directors. (Find our *article* on how to design a business continuity plan document here.) The plan should account for normal business issues like user error in data deletion, natural disasters, etc. And it must also include cyber security threat mitigation plans and immutability solutions to ensure the business can recover from any type of event.

In addition, the full leadership team should be involved in the various types of mitigation plans to be sure everyone agrees with the contingency plans and timelines. In addition, outside assessments should be performed annually to ensure there is third-party verification of the plans.

Risk management should also include an evaluation of the IT team. Certainly, the infrastructure needs to be solid, but so do the people. If the IT team is not operating with a servant mentality, has a negative attitude about end users, or is simply arrogant, adjustments should be made. It usually falls to the CTO to provide good leadership and management of these people.

Operational Success

While it may be tempting to tackle operations right away because of frustrations or productivity issues, risk mitigation should always be executed first. Then, once any risk is identified and mitigated, you can focus on the operational success of the business.

Operational success starts with gaining insights into all areas of the organization. Customer-facing technologies are often a first priority to ensure revenue attrition is not caused by technology frustrations. This is usually followed by taking care of revenue producers and/or sales team(s). From there, it is a matter of prioritizing all the applications and functions within the business. There should be a full list of applications developed and prioritized.

When reviewing these functions, a benchmark should be established so improvements can be measured. Benchmarks should focus on the user experience—how long it takes to perform key functions, run necessary reports, make the queries that are performed, etc. Once you develop an understanding of these functions, you can design an improvement plan based on what will make the biggest business impact.

Improvement plans should extend for five years. They should include every piece of technology in the environment and necessary support agreements, along with application evaluations, upgrade plans, and local resources vs. cloud solutions vs. hybrid solutions. The goal is to support and empower the people of the business.

The CTO should also develop a plan for measuring IT departmental success. This measurement should include tracking the number of issues they deal with on a daily, weekly, monthly, and quarterly basis, trended over time. Resolution times, project success/failure, and CSAT results should all be a part of this evaluation.

Another major area of focus should be standardization. When an environment has a standard set of technologies, it becomes much more stable, allowing repeatable processes to be developed and resolution times to improve. To get started, it's helpful to understand the business of IT vs. the operations of IT. Both must be performed well for operational success. Learn more *here*.

Culture

Improving culture is the CTO's next area of focus. Obviously, this project must include leaders from other departments in the organization, such as human resources, comms teams, etc. The goal is to bring people together, helping them work with their peers from anywhere easily and effectively, and to standardize workflows and data management.

Because communication is almost always on the list of items to improve, communication tools are typically the first to be planned, managed, and optimized. These include email, video conferencing, chat, and collaboration tools such as Workplace from Meta or Microsoft Teams (two JMARK favorites).

IT can help make sure people have the right information in the right places at the right time. IT should support users through standard documentation, consistent processes, and ensuring that the environment functions at peak performance.

In today's world, IT is also heavily involved in remote user management and support. It is evident from the last couple of years that many people prefer to work at home some or all of the time. Because of this, IT must facilitate a plan to incorporate remote users' needs safely and effectively into the long-term strategy.

Strategic Priorities

IT is not often viewed as a profit center, but it certainly should be. Once the above items are working as planned, IT should be focused on the strategic priorities of the business. (See this *article* and this *one* for a more detailed perspective on how this is accomplished.)

If there are initiatives to improve the employee experience, IT should be 100% involved. Expansions, acquisitions, faster customer response times, and improved gross margin as a percentage of revenue are areas where IT can have a massive impact. Smart CTOs put IT in charge of making improvements in each of these areas over time.

Innovation

After all of the above priorities are in place and functioning properly, a CTO should focus on innovation. If you try to innovate in an environment that is not stable and performing well, you'll just be adding chaos to chaos, which never ends well. Only turn your focus to innovation when CSAT (customer satisfaction) results show that the organization is safe, secure, high-performing, and managing strategic priorities.

The only exception to this is if there is a major disruption in the industry that requires an immediate response. Even then, you should still put risk management first. It doesn't do any good to bring in new innovations if the environment is vulnerable to being compromised.

A good CTO plays a crucial role in an organization's success. While not comprehensive, these five areas of focus offer a framework you can build on to reach your organization's goals. If you'd like to learn how JMARK can help, please *click here*.