



Know Your Audience:

Providing Insights that Create Value to Stakeholders

Executive Summary

Key Issues:

- **Transparency alone isn't enough** – transparency is a means to an end, and it must be properly leveraged to have any value.
- **Stakeholder needs are often murky** – IT Finance wants to deliver insight but isn't always sure where to find what stakeholders care about.
- **The human element adds more complication** – differing personalities and communication styles make it even harder to maintain a healthy dialogue.

After this session, you'll be able to:

- Understand the needs and motivations of your core stakeholder groups
- Deliver insights tailored to stakeholder needs to position IT Finance as a trusted advisor
- Go beyond basic transparency to glean actionable data that drives value
- Understand the various personalities in your organization and leverage them in your favor



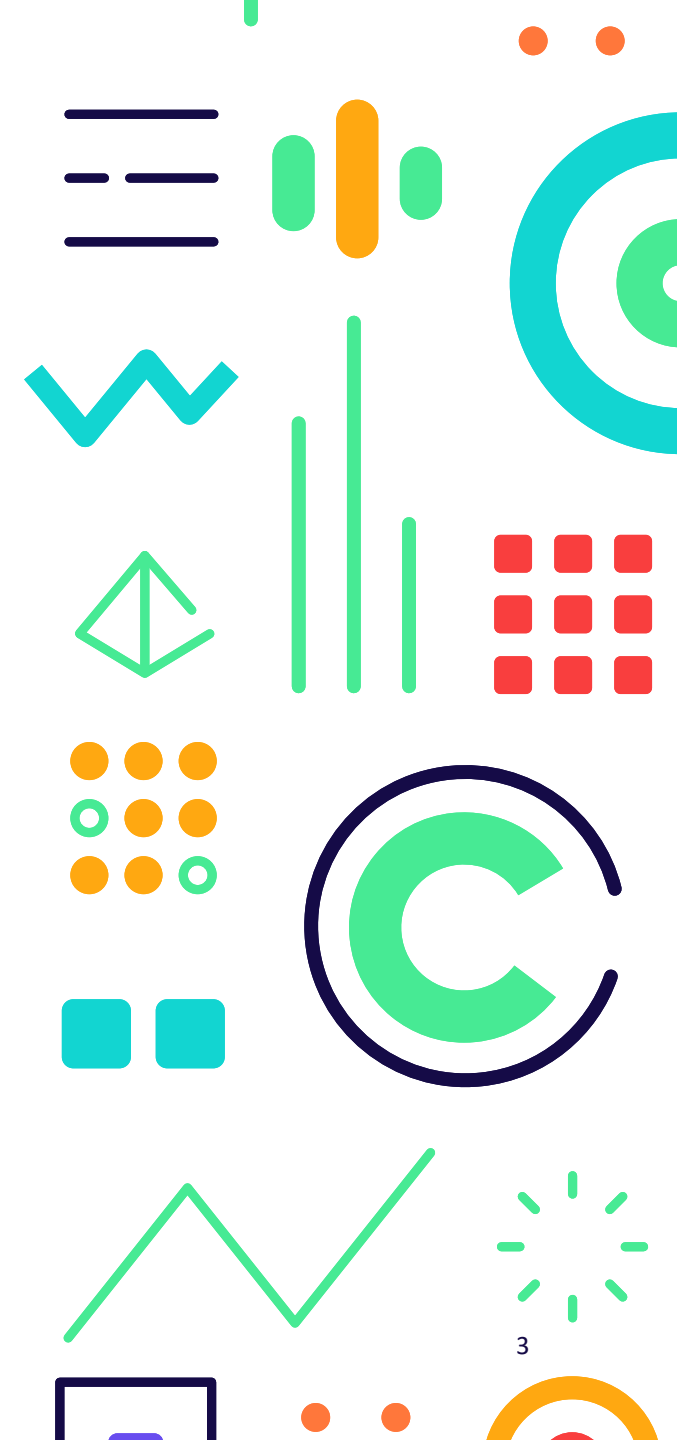
Defining Transparency

transparent adjective

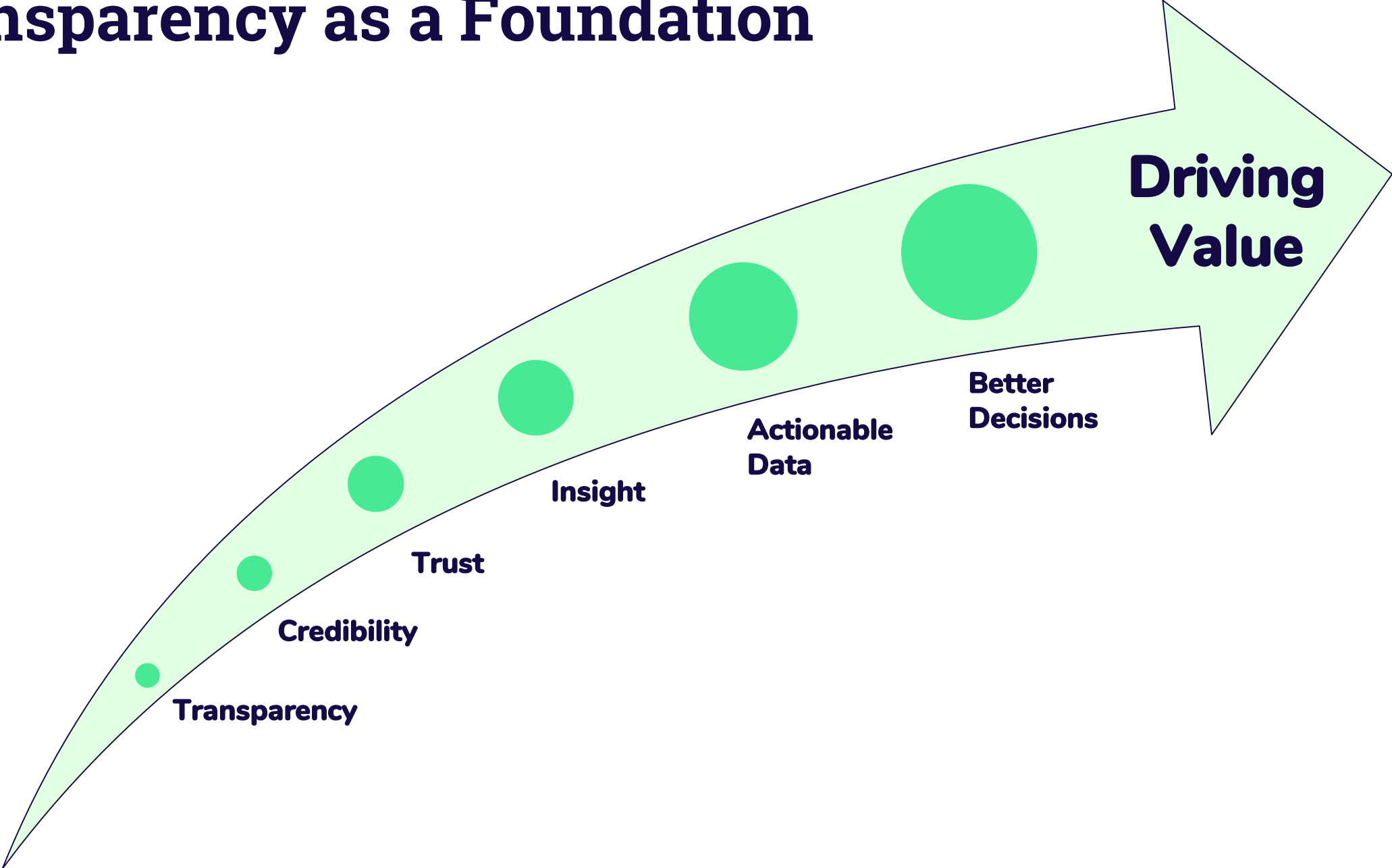
trans·par·ent | \tran(t)s-'per-ənt  \

Definition of *transparent*

- c** : readily understood
- d** : characterized by visibility or accessibility of information especially concerning business practices



Transparency as a Foundation



Transparency + Insight = Your Value

- Creating transparency and providing visibility
- Translating and delivering insight
- Continually teach and educate stakeholders
- Value = Stakeholders make informed decisions = Optimized costs



Stakeholder Value Matrix



Stakeholder	Planning	Services View	Consumer View	Application TCO	Business Capabilities View
CIO		<ul style="list-style-type: none"> • Drive down unit rates • Benchmarking 	<ul style="list-style-type: none"> • Demonstrates value of IT 		<ul style="list-style-type: none"> • Aligns IT spend to business value
CFO	<ul style="list-style-type: none"> • Faster and more detailed analysis • Better control 				
Business Leader			<ul style="list-style-type: none"> • Understands value of IT • Gains control of consumption 		<ul style="list-style-type: none"> • Aligns IT spend to business value
Service Owner		<ul style="list-style-type: none"> • Drive down unit rates • Benchmarking 			
Application Owner				<ul style="list-style-type: none"> • Application rationalization 	



Insights to Drive Cost Optimization

Software

- Identify functional duplication
- Identify underutilized licenses
- Restructure/Change licenses

Hardware

- Maximize utilization of the asset
- Decommission/Re-purpose unused assets
- Adjust equipment refresh schedules
- Identify unused or expensive HW maintenance

Labor

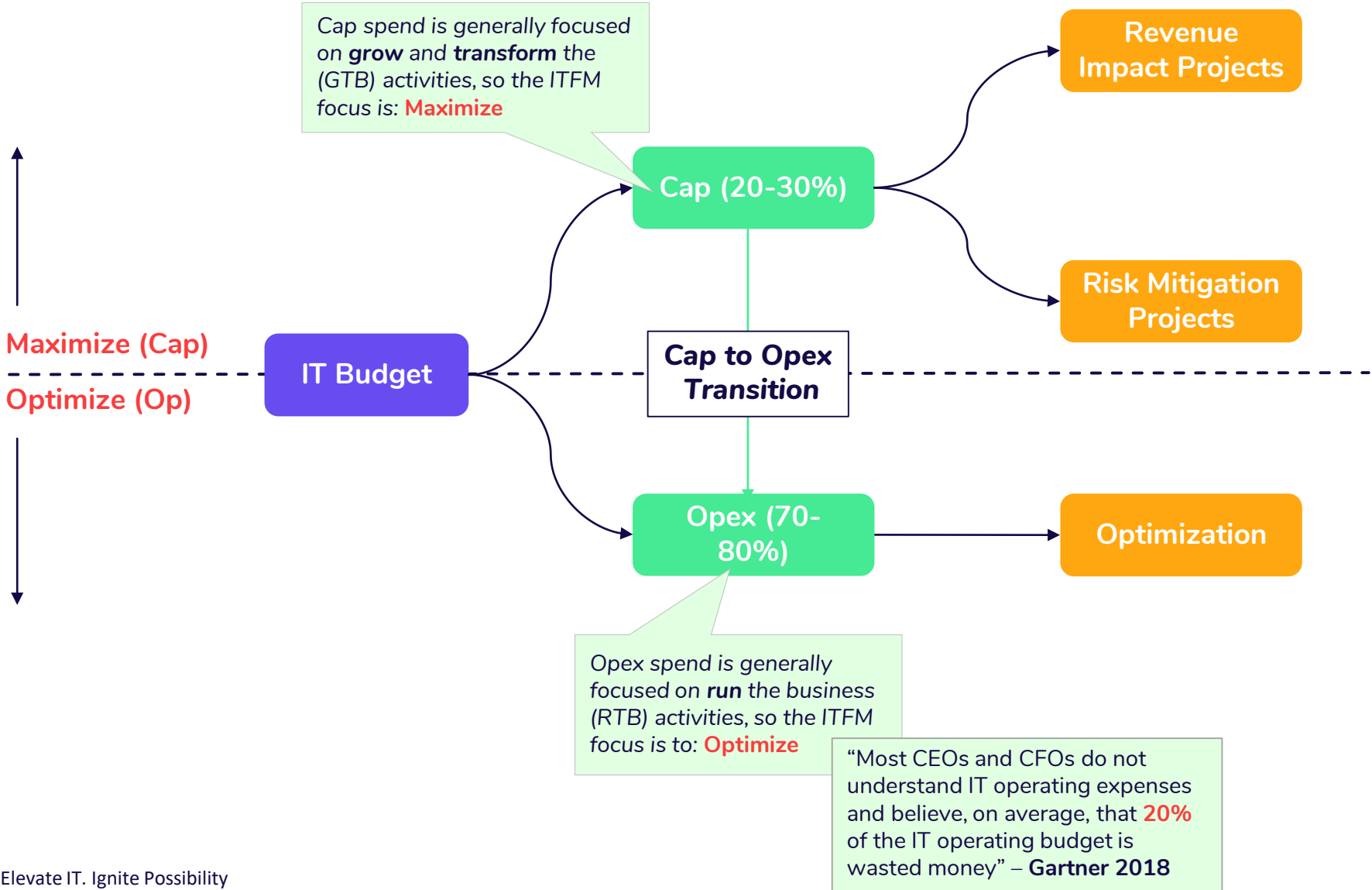
- Focus on making resources more productive
- Prioritize projects

Applications

- Application rationalization – Identify under valued applications
- Identify highest unused capacity



How IT Dollars Are Spent: *Optimize & Maximize*



Application Owner Annie



What does she care about?

- Her application cost and the drivers behind it
- The business value her application provides
- End user satisfaction with her application

What analysis is required?

- Total cost of ownership for application (TCO)
- Compute and storage consumption
- Application development costs
- Break-fix vs. enhancement costs
- TCO changes over time and why
- Mapping to business capabilities
- Levers for customers to control their bill

What does this enable?

- App improvements to reduce maintenance and enhance user experience



Service Owner Sam



What does he care about?

- Total cost of the service he provides
- Whether or not he's getting more efficient
- Driving down unit costs

What analysis is required?

- Total cost of service
- Breakdown of service cost components (labor, licenses, infrastructure, etc.)

What does this enable?

- Show the business that total costs are increasing, but unit costs are decreasing
- Benchmark unit rates to drive continuous improvement



CIO Sarah



What does she care about?

- Demonstrating IT's value to the business
- Proactively driving growth
- Budget flexibility for fast deployment of resources to fund innovation

What analysis is required?

- Amount of budget spent on run vs. grow or transform
- Map high-level allocations to business capabilities
- Looking for stranded capacity
- Identifying all funds available for new projects
- Total IT costs as % of revenue or per employee

What does this enable?

- Transparency – elevates the conversation with the business
- Shared accountability for costs between IT and the business



Cost Center Manager Carl



What does he care about?

- Staying within his budget
- Effectively serving customers
- Informing spend decisions based on changing business priorities

What analysis is required?

- Finding ways to cut or redistribute forecast dollars
- Identifying fixed vs. variable costs (e.g. amortization or depreciation)
- How much of the budget is committed (e.g. contracts in place)?

What does this enable?

- Exit software not under contract to invest in other resources to meet increasing demand
- Confidence to lower forecast to help fund innovation



BU Leader Barry



What does he care about?

- Understanding exactly what he's getting from his IT spend
- Finding innovative solutions to drive growth for his business unit
- Seeing real costs for lines of business to appropriately price products
- Having levers to control IT spend

What analysis is required?

- Detailed bill of IT that shows consumption of each service
- View of IT spend by business capability, plus the applications and costs supporting each

What does this enable?

- Business control over IT expenditures
- Elevated conversations with IT – less questioning of cost allocations



Differing Personalities Require Strategic Communication

- Knowing **what** to give stakeholders is only half the equation.
- **How** you deliver information and interact is just as crucial.
- 4 common personality archetypes you'll encounter:
 - The Detractor
 - The Ally
 - The Incumbent
 - The Dreamer



The Detractor

Key Traits:

- Always criticizing
- Relishes “gotcha moments”
- Focuses on what’s wrong vs. how to fix it

How to manage the relationship:

- **Challenge them** – when they criticize, ask if they have a different solution.
- **Kill em’ with kindness** – if they point out a mistake, give a genuine “thank you.”
- **Flatter them a little** – praise their critical eye and how nothing gets past them.
- **Ask for their input** –embrace feedback to reduce the gratification of “recreational criticism.”



The Ally

Key Traits:

- Fully supportive of IT Finance
- Speaks highly of your efforts
- Trustworthy and reliable

How to manage the relationship:

- **Test ideas on them** – they won't scrutinize as harshly, so don't hold back.
- **Tell them your biggest wins** – they're more likely than anyone to spread the word.
- **Confide in them** – they're a safe sounding board to help analyze areas of struggle.



The Champion

Key Traits:

- An empowered ally with a vision
- Can articulate value and drive change
- Does not see risk as an obstacle

How to manage the relationship:

- **Partner with them** – embrace their vision and utilize their help for execution.
- **Leverage their charisma** – enable them to represent and lead on your behalf.
- **Express your gratitude** – be sure they know how much you appreciate their support.



The Incumbent

Key Traits:

- Many years in company/industry
- Defensive of the status quo
- More wary of potential risks than benefits

How to manage the relationship:

- **Respect their experience** - emphasize the importance of their institutional knowledge.
- **Seek their advice** – lean on them for guidance; they have a valuable perspective.
- **Be ready for their objections** – your reputation could suffer if they catch you without an answer.



The Dreamer



Key Traits:

- Excited by what you are trying to do
- Wants to boil the ocean
- Has a healthy skepticism for status quo

How to manage the relationship:

- **Make sure they feel heard** – their ideas are a resource, but they might stop sharing if you don't listen.
- **Document their suggestions** – even if you can't act now, keep track of any potentially useful nuggets they give you.
- **Don't stifle their creativity** – not everything they say will be gold, but don't react too strongly.



Keys to Success



Keys to Success

- Know & analyze your audience
- Have a plan for every persona
- Control the narrative



Staff Assessment

- Quality Staff
 - Analysts +
 - Critical thinkers
 - Data and process expertise
 - Advanced communication skills
 - Engage leadership (in the business & IT)
 - Be analysts and educators...
- Self Assessment
- Quality Process, Policy, Tools, and Data



Words of Wisdom

Stay Aligned with Value – Success of your program will be based on the value you provide to your stakeholders. The more aligned with value you are, the more support you will get.

Educate & Enable – Educate and enable everyone on the IT Finance mission, and what you produce. Expose your roadmap and explain your impact.

Constant Proactive Improvement - Make incremental improvements – stay aligned with value – with value you gain support to take the next step – technology and innovation never stop and neither does change for IT Finance.

Answer the Questions, Gain Trust – be fast, be accurate, be detailed, be insightful – these are all key to becoming a trusted partner.

Be Friendly – be nice – be the confident, calming influence in the process – diffuse stressful conversation with facts, analysis, transparency, and insights.



Thank You

