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The **CEO/IT SERVICES**
Leadership Initiative

**into the Cloud and Beyond;
Building Integrated Technology Partnerships**

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Technology On the Grid | The CEO/IT Leadership Relationship:

Executive Summary

As the role of IT is evolving rapidly and increasing in importance for small and medium organizations, the relationship between the CEO and the head of technology takes on greater significance. CEOs and company leadership need to understand how that relationship impacts broader organizational issues involving IT including whether to maintain the function in-house.

Much has been written about the challenges and frustrations associated with information technology. Not surprisingly it's a topic that stimulates strong opinions among CEOs. Some leaders advocate the benefits of an internal approach in which resources are devoted to in-house staff and equipment. Others take the opposite approach and outsource the entire function. Still others adopt a hybrid approach.

There is not a one size fits all solution

Interestingly, The Launch Pad has discovered, after 20 years of advising CEOs on how to strategically manage IT services, that the best solution depends largely upon the CEO's relationship with technology. There should be a focus on the unique relationship that often exists between the CEO and IT leadership because this relationship usually has an enormous impact on whether IT services are used effectively or wastefully.

Some initial perspective

For the CEO, IT often represents somewhat of a black box. On the one hand it has enormous potential for helping companies maximize their potential. Unfortunately, the function is often shrouded in a sometimes-incomprehensible cloak of terminology and confusion. These conflicting feelings are highly understandable. After all who wouldn't be frustrated with systems upon which one depends, yet doesn't fully understand?

However as a practical matter, IT is ubiquitous. Virtually all business functions and operations now have an IT component. While this increases an organizations ability to more efficiently serve more customers, it also escalates the downside potential. Now when systems fail, the results are not minor irritants but often mission-critical meltdowns.

Improved Efficiency

"The improved efficiency and cost savings we've experienced by integrating RevITup Business Care Tech Series has definitely given us a competitive advantage in the marketplace. Because of The Launch Pad's Citrix-enabled hosting services, Anesthesia Associates will be as technologically advanced in five years as it is today."

- *Paula Baird,*
Chief Financial Officer
Anesthesia Associates

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Challenge:

Levy Awards & Promotional Products uses Profit Pro as their business management software. "Prior to this implementation we had no way to centrally manage stock, manufacturing or the order cycle. We risked missed production deadlines on time sensitive trophies and awards. We had no way to access our orders and product information easily," explained Jody Bone, Levy's CFO. "Also, the company's information could only be accessed by connecting to the network from within the office, which proved to be problematic for the company's mobile workforce. However, now more than ever Levy needed a company to manage their technology needs every day.

Solution:

With The Launch Pad's RevITup Business Care Managed Services solution "Employees can be assured uptime, support and have 24/7 access to applications and files from any location, enabling them to conduct face-to-face business deals and also allowing us to work in larger geographic areas." said Bone. "We also experienced improved application performance without increasing IT costs. "The services are billed on a monthly set-fee basis, which simplifies the accounting process," said Bone. "Application performance is optimal regardless of connection speeds, and the system's reliable uptime has eliminated the time spent restoring lost files."

An Interesting Question

As a technology management firm that works exclusively with small and mid-sized corporations, The Launch Pad had an interest in what sort of relationship exists between the CEO and the organization's technology. The result was interesting, when CEOs were asked whether their IT head or outsourcing company is a person with whom they routinely discuss broader strategic business issues, the answer is usually "No". That common answer was very revealing because it indicated that the relationship between IT and the CEO is more similar to that of a vendor than it is of a true business partner.

The lack of a broad based business perspective comes up quite often when discussing with CEOs about the relationship they have with their technology resources, internal or external. The problem is at times exacerbated since few CEOs have a strong background in technology. Finance and marketing still prove to be the functional training grounds for most general managers so aside from technology companies, most CEOs don't come up through the IT ranks.

The lack of grounding in the "nuts and bolts" of technology has interesting implications. While virtually all CEOs are comfortable with spreadsheets and marketing plans, most don't have an equally in-depth knowledge about technology systems. Thus, CEOs tend to be over-reliant upon the recommendations of the IT leadership and often don't subject the IT recommendations to the same level of scrutiny that they would to other business functions. The lack of understanding appears to be why many IT initiatives fail to serve the broader business objectives of the organization.

What can be done to make IT a more effective component of the business mix?

How can businesses make sure IT is not the ugly red-headed step child? Certainly for organizations that are committed to keeping IT in-house the answer revolves around recruiting IT leadership that has both technical competence and a broad based business perspective. But, as virtually every CEO knows, recruiting that caliber of employee is not an easy objective. So, the next questions become; does it make economic sense to keep the IT in-house? Is there a strategic advantage for doing so? As an increasing number of companies are concluding, the answer is, "No". That answer then leads to the other alternative to get out of the IT business altogether. In this model IT is viewed as a strategic service deployed to meet specific business objectives that are set by senior management. Aside from the obvious cost savings, this option eliminates turf issues and allows IT to be used as a utility on demand.

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The **IT Model**
for the Future

Much has been written about "outsourcing" and its pros and cons. Suffice it to say for many small and mid-sized organizations, even those with a former IT staff this model makes increasing sense. What should be discussed is "In-Sourcing" which speaks to a different attitude toward technology and its relationship to the organization.

Letting Go of Old Models | INSOURCING: Leveraging Solutions & Getting On the Grid

As an increasing number of companies are realizing the Managed Services Model offers an option in which they can avail themselves of world-class technology solutions that are fully integrated with their overall business strategy. On a psychological level, CEOs have reported that this model enables them to feel in greater control of their IT investment. Managed Services Models come with a variety of service offerings. What model is best for an organization will naturally depend upon their unique needs. The Launch Pads' 5 part process described below is designed specifically to address the unique technology challenges faced by mid-sized corporations.

- Deborah Scott,

ANALYSIS:
With client, The Launch Pad completes a comprehensive survey and interview in which their strategic business goals are discussed. Many companies find this initial step stimulates them to think about IT solutions in a new and compelling manner.

At this step a thorough discovery of the client's environment is conducted. This includes but is not limited to, a systematic review of all current hardware and software. At this time, The Launch Pad will review all technology costs, unique and challenging aspects of the business, support methods and future growth plans.

:DISCOVERY

STRATEGY/ DESIGN:
After analyzing a company's objectives and current environment The Launch Pad creates a strategy in line with the client's goals and identifies solutions that are customized to the financial resources, business needs and scheduling demands of the client.

The Launch Pad marshals all of the resources for the project and completes the work to the customer's satisfaction — from project roll out and status tracking to change control.

:DEPLOY

REVIEW:
The Launch Pad reviews the completed technology solutions to rate its alignment to all client goals and to maximize the value and utility of a solution after it is turned over to the client.

The Launch Pad' believes the focus shouldn't be to just "keep the lights on" and is committed to a high level of system performance and client satisfaction. Technology planning, quarterly road mapping and continual goal alignment help keep companies in charge of their technology and resources.

:MANAGE

Focusing on What You Do Best

Elizabeth Wertz, co-owner of Wertz York Capital, says that the financial services firm has been using The Launch Pad for close to a decade. She believes that trusting the experts makes good financial sense, the same philosophy she imparts to her own clients.

"With how rapidly technology was changing and issues of compliance for our industry, I was constantly worrying the firm might not be able to keep up. I envisioned a future of me spending a significant amount of time and money just trying to keep the firm up-to-date. I decided it was time to hand the effort off to the professionals" recounts Wertz. "Working with The Launch Pad just takes the headache of maintaining our technology systems completely out of our business picture," said Wertz. According to Elizabeth, The Launch Pad's removes one whole component of the business operation so she can focus on the business of what Wertz York Capital does best. "And that is invaluable to a business owner."

Final Thoughts from the CEO

Naturally what is best for one organization can be disaster for another. And as identified, there are no simplistic solutions. However, the challenges facing the CEO of small & mid-sized corporations are unique. The Launch Pad has the flexibility to be cutting edge but we must make big decisions with laser precision. We don't have deep pockets to recover from sweeping mistakes. Paying attention to technology choices is critical to survival. It is only by carefully examining all of the available options that the best course of action can be decided upon.

The Launch Pad would welcome the opportunity to talk with you about your IT goals and determine if our services can be of benefit to you. Please call 888-920-3450 or email revITup@launchpadonline.com for a free technology assessment.

~Ilene Rosoff, CEO

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