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# How IT can extend its influence at the top table

Earning the trust of top execs starts with transforming how IT spends to deliver exponentially greater business value.

Although IT leaders have fought for—and earned—a seat at the table with other C-level executives, it's often not in the boardroom. In many organizations, the CFO relies on IT to implement new business process solutions but does not involve IT in up-front decision-making or ideating.

This brief discusses the CIO's struggle to be seen as value producer, and how IT and the CIO can gain the CFO and other executives' trust. By delivering technology solutions that add business value quickly, the CIO can accelerate the enterprise's digital transformation, and help control costs on a continuous basis, starting with the IT department.

## The IT Dilemma

CIOs are under intense pressure from their CEOs and boards to deliver technology solutions that add business value quickly, accelerate digital transformation, and control continuous costs. So, why is there still doubt that CIOs will deliver?

First, there are relationship challenges between the CIO and other business leaders. Often IT is viewed as just a service bureau within the organization. Demands on IT from LOB leadership are constant, and, business leaders expect IT to deliver on requests rather than collaborate on new ways to add value.

Secondly, CIOs often suffer from a lack of financial credibility. Although they are technology leaders, other executives may doubt their enterprise finance and business acumen. As a result, discussions among IT and lines of business (LOB) are typically not about sourcing new capabilities that can deliver bottom-line value to the enterprise as a whole. They are usually limited to the cost of implementing LOB requests.

## Crossing the Credibility Gap

Since business leaders believe that the CIO—and IT as a whole—is not finance-savvy, CIOs must take a new approach to business discussions with their peers. IT should approach LOB leaders from a business-first, technology-second point of view, looking at financial and business implications before worrying about how to implement a solution. For many IT leaders, this is out of their comfort zone, but not impossible.

## PERFORMANCE CHECK

Key performance indicators that IT should consider for its own departmental spending:

- ▶ What percentage of IT spending is 'on contract' with sourcing and procurement?
- ▶ Is purchasing done through enterprise catalogs, much the same way users deploy software from enterprise app stores?
- ▶ How much savings have been realized by IT's procurement policies, in dollars or percentage of spend?
- ▶ Are purchase orders sent and invoices received electronically to speed processing and facilitate reconciliation?

These are the most basic indicators that should be incorporated for IT, if not across the enterprise.

### First Step to Creating Business Value

How should the CIO tackle this perception problem? A good approach is to look inward first to gain a basic financial education. Achieving visibility into the IT department's spending—where spend goes, to whom, and when—will give the CIO a footing to extrapolate that understanding enterprisewide. By taking the responsibility of tracking and managing IT costs, the CIO demonstrates the financial responsibility and knowledge that will engender respect from other executives.

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### Elevating the Conversation

By demonstrating a comprehensive understanding of business spend management and bottom-line value, IT eases its transition into the boardroom. CIOs can take the lessons learned from their own procurement journey and apply them throughout the enterprise, extending cost-cutting and business-value creation company-wide.

Executive team discussions with the CIO will shift from cost categorization to business outcomes. In this way, the CIO gains greater involvement in business transformation discussions, climbing the corporate trust ladder to a more strategic role and advocating for innovative technology deployments.

### Getting Started

IT leaders don't have to head back to school to gain these insights. Fortunately, there are software tools available to help gain insight into sourcing, procurement, and spending for IT and across the enterprise. The challenge is finding the right tool for the job.

With enterprises increasingly relying on hybrid environments, it is important to select a cloud-based tool that can integrate with existing financial applications and data wherever it resides. Business Spend Management (BSM) software should be intelligent—gathering and utilizing the 'tribal learnings' from its community of users to constantly better itself.

To be effective, BSM software should be user-centric with role-based interfaces. Front-line users across the enterprise must be able to enter and access data at the source, rather than relegating BSM entirely to back-office users with little relationship to the assets that the data represents. Adoption is key—if users find the interface difficult or confusing, they will work around the system, turning to online or local retailers and potentially losing valuable discounts built into contracts. End-to-end adoption—and tools for every BSM task—will enable all departments to demonstrate real savings and ROI for the BSM software investment.

An effective BSM deployment will facilitate the elevation of the CIO to the boardroom, and position CIO as value producer rather than code implementer. The results can be dramatic not only in IT but also throughout the enterprise.

## ABOUT COUPA

Coupa Software (NASDAQ:COUP) is the cloud platform for business spend management. We deliver "Value as a Service" by helping our customers maximize their spend under management, achieve significant cost savings, and drive profitability. Coupa provides a unified, cloud-based spend management platform that connects hundreds of organizations representing the Americas, EMEA, and APAC with millions of suppliers globally.

The Coupa platform provides greater visibility into and control over how companies spend money. Customers—small, medium, and large—have used the Coupa platform to bring billions of dollars in cumulative spend under management.

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