

How to get enterprise-level IT on your small business budget

Today, more than any time in history, effective and business-centric IT is critical to success in a competitive, customer-centric market — no matter the industry.

Small and midmarket firms need to keep pace with their larger competitors to stay relevant. The challenge for many organizations is budget, with leaders contemplating if they have the resources — budget, time, and talent — for innovation or digitalization.

Technology is never inexpensive, but when ineffectively performed, incorrectly utilized or not focused on achieving desirable business outcomes, it can become prohibitively expensive for growing businesses.

For small and midmarket executives wondering if their organization can achieve enterprise-level IT performance, the answer is yes. Focus on these five critical tips to ensure that IT is positioned to be a strategic asset.

1. Implement and operationalize an effective governance and investment process. Our experience advising organizations about their IT strategies shows that midmarket and small business IT leaders often struggle when it comes to prioritization and governance of IT initiatives.

They have a hard time prioritizing and adjusting resources to meet changing business needs, as well as with deciding which initiatives and efforts deserve their focus. Many of our CEO clients say their IT leaders say yes to everything only to fall short of expectations. Or they say no to everything and fail to offer business justification for why they can't do something.

Establishing a business-focused governance process and technology investment committee can improve communications between business and technology leaders. Doing so can also help IT leaders effectively prioritize requirements and resource appropriately.

2. Prioritize customer and employee satisfaction investments over back office and IT operating investments. While strong networks and IT systems form a critical baseline for organi-



zational effectiveness, the real value in technology investments comes when companies focus on customer and employee-centric capabilities and efficiency. Network systems are like electrical systems — they are critical to business functionality, but you shouldn't spend any more time than required to keep them running.

Therefore, it's critical to prioritize spending on initiatives that will differentiate you in the marketplace, create real business value for customers, and make it easier for employees to take care of those customers.

3. Develop an effective digitalization strategy. Some industries, such as banking, are ahead of others when it comes to embracing digital options as a strategy for attracting and retaining their most desirable customers. Are your customers ready to embrace a digital or hybrid strategy in lieu of the traditional storefront or sales representative?

Every business collects and stores information about their customers, former customers, and even those who never became customers for one reason or another. But how can an organization turn that extremely valuable data into intelligence gold?

Small and midsize companies that know how to safely utilize, manipulate, and monetize data and other digital assets will gain significant competitive advantage in the next decade.

4. Incorporate enterprise cyber and IT security best practices into everything you do.

There is no way to completely prevent against becoming a victim of a cyberattack, but developing a strategy that incorporates

cyber and digital best practices into everything you do as an organization will protect your assets far more effectively than if you were to do nothing. It is also very likely to save you money in the long run.

5. Hire an IT leader who understands and embraces these best practices

As companies and organizations grow and evolve, they tend to hire strong sales, operational and financial leaders to lead and optimize their growth opportunities. In our experience, the senior IT leader is often the last to be hired.

That creates a critical but uncomfortable imbalance between business leaders who are looking to innovatively and aggressively grow market share (but who often say they "don't know what they don't know" when it comes to technology) and their more junior and tech-centric IT colleagues who often don't know how to develop a business-focused IT strategy.

Today's IT leaders need to be more than network watchdogs. They need to understand the importance of happy and engaged employees and raving customers and, most importantly, the role IT should play in both. In other words, they need to be business leaders first and foremost.

If your company or organization is growing, consider investing in a proven Chief Information Officer (CIO) to lead your IT strategy. If your organization cannot afford the expense of a full-time, salaried CIO, consider engaging an independent, outsourced Chief Information Officer.

The outsourced option gives smaller and growing companies access to a strategy-minded CIO, typically at a fraction of the cost. An outsourced CIO can also be an effective mentor and coach to junior IT staff that want to grow into those more strategic roles.

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