



June 2009

Featured Links

Analysis: [Managing IT in Tough Times](#)

Results: [2009 Customer Reference Survey](#)


[Join Our Mailing List!](#)

Dear Valued Partner:

Welcome back. In this issue we ask the timely question: How do you manage IT in tough times? Sure, many organizations are cutting back, but is that all there is to it? How can technology executives continue to deliver IT's value in the midst of shrinking resources and ramped-up pressure to perform?

To find out, Mainstay Partner's talked to four thought leaders in the world of business and technology. Read on for highlights from our conversations, or listen to our podcast [here](#).

James Cash Professor Emeritus, Harvard Business School


 By any measure, this recession is a deep one. But tough times shouldn't be an excuse for underperformance, Cash says. "There is an expectation today that the evolution of IT and management science should permit companies on a regular basis to become more efficient and productive," he told Mainstay. "The market assumes you'll do it as part of a well run company. If that's not part of your culture, you're not going to exist for very long into the future."

In a downturn, Cash says that IT leaders should resist the temptation to blindly slash costs across the board. "Don't do dumb things like setting reduction targets that are independent of the relative strategic importance of the business function," he says. Rather, technology executives should strike a balance between the short term need for savings and the preservation of key strategic investments that will ensure the long-term success of the company.

"Don't do dumb things like setting reduction targets that are independent of the relative strategic importance of the business function."

James Cash,
Professor, Harvard
Business School

Patty Morrison Former CIO, Motorola

 These days, companies are striving to shave the burden of running IT by embracing all kinds of streamlining initiatives, from hardware consolidation to grid computing to applications and infrastructure

"Cost cutting is part of the normal responsibility of every

outsourcing. But it shouldn't take a global economic meltdown to spur CIOs into action, says Morrison, who has served as CIO for Motorola, Quaker Oats and Office Depot. "Cost cutting is part of the normal responsibility of every CIO. Most CIOs experience the phenomenon of troubled times all the time."

Morrison says recessions are the right time to start demanding more from your technology partners and IT service providers. To stay competitive, technology providers will need to come up with more ways to help clients save money. "Good partners need to think bigger and longer term," she says. "They need to put aside sales quotas and look at what their customers need for cost reduction." Initiatives also are likely to be smaller during economic slumps, she says, so partners should be prepared to deliver services in smaller increments and "do all the little things that need to be done."

CIO. Most CIOs experience the phenomenon of troubled times all the time."

Patty Morrison,
Former CIO, Motorola

Jeff Womack Vice President of Product Marketing, EDS



As the pressure builds to take action, Womack says more companies are taking a new look at strategies like outsourcing and software-as-a-service that convert fixed costs to variable while freeing up capital to invest in new development and innovation. He urges companies to "get back to basics" by taking a hard look at what they're spending in support of IT. Typically enterprises will find that they are wasting a lot of money maintaining older systems that may be redundant. "You might even want to turn some of them off and see what happens," he says.

Womack actually sees a silver lining in all the gloom. "Times are tough for everybody," he says. But companies that have girded themselves with efficient cost structures and operational strength can weather the storm better and take market share from weaker players. When the economic window opens again, Womack told us, these companies will emerge even stronger than before.

"If you are smarter with IT, you can actually spend less money."

Jeff Womack, Vice
President of Product
Marketing, EDS

Stewart Campbell CIO, KPMG

When your company's going through a difficult period, it's only natural for IT executives to want to share in the pain. "You have to participate with the business in tough times," says Campbell, who heads IT for KPMG's global operations. "If your business is laying off, to just stick your head in the sand and say 'I'm not cutting anyone in IT' shows that you're disconnected, that you're not understanding."

To make the right decisions about managing resources and investments in a downturn, Campbell says it's imperative to

"If we allowed a disconnect to emerge between IT and business, we'd have a very serious problem."

Stewart Campbell, Global
CIO, KPMG

strengthen your relationships with the lines of business you serve.
"If we aren't fully aware of what is happening out in the marketplace in each of our businesses, we risk making decisions that don't pass the common sense test."

Campbell says these are the days when it's vital to validate the direction of the organization, to recalibrate strategies, and to revisit projects to make sure they still makes sense. "From replacing laptops to expanding networks to building new enabling applications, what we have to ask more than ever is, can we help the business by looking at alternatives to the original direction we were taking?"

Mainstay Partners is the leader in quantifying and communicating the value of enterprise solutions. We are an independent advisor to some of the most admired companies in the world and help both buyers and providers of technology solutions measure the impact of business investments. [Find out more](#)

Email Marketing by

