

## IT Innovation Service Overview

CIO's have to do more with less in today's challenging economic environment. Innovative CIO's are able to use information technology to develop competitive advantages and optimize business performance.

IT organizations have become increasingly more costly and many companies have the perception that they are not a very good investment. Much of IT spending is on day-to-day activities that do not really provide a company with any competitive advantages. The IT function is not always viewed as strategic. Instead, it often reports to the CFO who treats it as a cost center that needs to be closely managed.

It is very difficult to tear yourself away from the day-to-day challenges, especially in a fast-moving industry. IT is a service organization and responding to business requests can be very overwhelming. Many companies do not have well-articulated business plans and it can be very difficult to identify areas that technology can add value.

Innovative IT organizations enable their businesses to increase revenue, reduce costs, and improve customer satisfaction because they are able to focus on key initiatives. These IT organizations are viewed as a core competency for the business and included in development of the company's future business strategy. They have streamlined their day-to-day operations and provide these services seamlessly. Innovative IT organizations are very familiar with the company's future business strategy and provide creative ways of using technology as a competitive advantage.

CIO's must first have a stable and reliable operation which means operating the IT function like an electric utility – it just works. This will enable you to have the time necessary to identify key initiatives to transform the business using technology. You then need to shift the focus of your organization to a more strategic mindset to deliver competitive advantages to the company.

The StrataFusion Group has a long track record of working with CIO's to transform their organizations into highly innovation IT functions. Our partners have in-depth industry experience as CIO's and have successfully worked with our clients to maximize the value of their IT organizations.

## **IT Innovation Service Details**

Many IT organizations spend 60-80% of their time and resources on day-to-day activities. Our IT Innovation Practice assists our clients in identifying low value-added activities and redirecting these resources towards programs that increase revenue, improve customer satisfaction, and reduce costs. These services are ideal for CIO's and IT leaders who are:

- At a critical juncture in terms of business growth or significant change
- Recognizing the need to better align IT to the organization's needs
- In need of a comprehensive IT strategy and an aggressive implementation program
- Committed to taking their organization and performance to the next level of success

## **What you can expect to achieve when you implement an IT Innovation Program at your company:**

- Clear direction on IT strategy and alignment with future business objectives
- IT programs that have direct impact on the bottom line success of your company
- Improved morale and increased productivity within your organization

## **Additional Benefits of Program:**

- Effective programs that can be implemented in 90 days or less
- Ability to identify cost savings that can be re-invested in high value-added areas
- Proven methodology that has been implemented at leading companies in the Silicon Valley

## **A summary of our offerings in this area include the following:**

- IT Organization Assessments and Benchmarking with Peer Companies
- IT Strategy and Alignment with Business Objectives
- Organization Design and Implementation
- Showcasing Internal Use of Company Products
- IT Marketing and PR Programs

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Mark Egan, partner at The StrataFusion Group, teaches these principles in his course, “Building Business Value through IT Innovation” at U.C. Berkeley Haas School of Business. [Success Stories](#) provide more information on companies that we have worked with in this area.

## IT Innovation Success Stories

### Business Problem:

- Software company had a significant business opportunity in the enterprise security market that was not being realized

### Challenges:

- Company was perceived as consumer Anti-Virus vendor and not suitable for enterprise organizations
- Majority of \$600M in revenue was generated by single product
- Business processes and systems were designed for simple consumer business

### Results

- Company became the leading enterprise security supplier with \$2.5B in annual revenue

### Improvement Process:

- Scaled business systems and processes to support enterprise business
- Completed systems integration for 28 acquisitions and 2 divestures and met goal of completing integration within 90 days and reducing acquired company's IT costs by 50%
- Established program to become first users of company's products and provided showcase on best practices of security program for prospective customers

Mark Egan manages our IT Innovation Practice and has worked with leading Bay Area companies to implement effective programs in this area. Mark served as CIO for 3 companies over the past 10 years, including 6 years at Symantec. For more information on our IT Innovation services, he can be reached at [mark.egan@stratafusion.com](mailto:mark.egan@stratafusion.com), or visit our [Partners Page](#) for his background information.

## **IT Innovation Success Stories**

### Business Problem:

- High technology client was committed to growing faster than the rest of their industry peers in a highly competitive market

### Challenges:

- IT programs to support revenue-generating initiatives for the Sales and Marketing organizations were behind schedule
- Company was experiencing a large number of system outages that were affecting their customers' ability to communicate with them
- Increased IT staff expenses due to heavy use of outside consultants

### Results:

- Company increased revenue over 15% with support from major IT programs
- Offshore staff was able to address 70% of the routine tasks and outside contractor expense was reduced by 20%
- System outages were reduced by 50% and morale of IT staff was improved

### Improvement Process:

- Rapid realignment of IT organization with business solutions focus
- Documented known solutions to IT issues and moved routine tasks to offshore staff
- Established continuous process improvement program to prevent future system outages

## **IT Innovation Success Stories**

### Business Problem:

- Financial services client was losing market share and missing out on expanded market opportunities

### Challenges:

- Company was only able to offer one product due to systems limitations
- Systems enhancement project was over 2 years behind schedule and considerably over budget
- Customers were impacted by instability of existing system and started moving their business to competitors

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## Results:

- Company was able to offer two new products within first year and expand their customer base
- Customer satisfaction improved with systems stability
- Ongoing IT costs was reduced by 20%

## Improvement Process:

- Recruited new IT leader and management team
- Implemented strategy to migrate from in-house software development to third party services
- Established and implemented program to improve IT Program Management capability

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