BUILD A SMARTER

By Martin Rabkin

We recently asked 14 leading industry figures for their opinions concerning the four following questions. How would you define a smarter enterprise, post-9/11, from a C-level perspective? What do you believe are the three most critical requirements in building a smarter enterprise? What will limit implementation of a smarter enterprise? And what should resonate louder to C-level executives in building a smarter enterprise: business-driven or technology-driven issues? Their responses are intelligent, insightful and rather revealing, a must-see blueprint for C-level and senior management.

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Platform Computing
Tony Bishop
Managing Director, Financial Services Group

SunGard Data Systems
Mack Gill
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Intel Corporation
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Microsoft
Kenny McBride
Global Industry Manager, Capital Markets

Netik
M. K. O'Leary
CEO

ING

Enterprise Post 9/11

TowerGroup
Lawrence Tabb

Larry, being one of the industry's leading analysts, we're eager for your point of view. How do you define a smarter enterprise in a post 9/11 world?

It's really about trying to understand the business metrics guiding your organization. This includes understanding essential pressure points, all the metrics that define those pressure points plus the ability to track, monitor and react as things change. Focusing on initiatives, such as electronic trading, STP, T+1, for example, once you fully understand all of the key drivers and metrics that define "what are the best practices," "how efficient is your organization" and "how well do your processes compare to best practices," you can create ways to monitor and change those things that need to be changed. But it becomes very difficult to manage in this turbulent environment.

That's a perfect lead-in to our next question, three build requirements….

Sure. Metrics first, followed by the need for an enterprise way of capturing metrics and reporting on them. Last, benchmarks and defining what the appropriate levels should be for these benchmarks.

And on the flip side, the limiting factors?

The problem with trying to automate the smarter enterprise is in getting the technology resources to create the infrastructure.

Meaning?

To capture and drive and populate this information – because it's essential to capture all sorts of disparate data. There are three additional points. It's critical to create metrics in virtually every part of the organization. You need some sort of goals and guidelines to determine what are the best practices and where you should be. And third, you need the management resources to monitor all of this, managing that process going forward. None of that comes easy.

Thomson Financial
Sharon Rowlands
COO

TowerGroup
Lawrence Tabb
Vice President
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Centerprise Services, Inc.
Reto Tuffli
CEO

Avanade
Adam Warby
Americas General Manager

KPMG Consulting
Ralph Welborn
Senior Vice President, Solutions Engineering

Compaq
Andrew Westcott
Capital Markets Segment Manager
North America Financial Markets Group

StraightThrough, Inc.
John Wherry
CEO

You're referring to cost?
Yes, it doesn't come cheap.

But what's driving, business or technology issues?
I'm going to have to say that it's business-driven. Some of the problems in the late 1990s were that tech initiatives got out of control, as many firms did tech initiatives for the sake of technology – and not necessarily for the sake of their business. In times of tight economies, it's more important to insure that a firm's technology initiatives are aligned by the business – not vice versa.

Netik
M. K. O'Leary

Mike, we're interested in your bi-coastal point-of-view, with your offices in New York and London at Netik. How do you define a smart enterprise?
Smart enterprises, especially in today's post 9/11 environment, are those that keep abreast of a customer's needs and deliver it. That's an answer very much in sync with how we think and act at Netik.

Drawing on your experience and industry background, what do you believe are the three most critical requirements in smarter enterprise builds for 2002 into 2003?
I believe that the most important requirement is having an understanding of your customers. You have to know what people want and why, you have to be realistic about what you can actually deliver and third, you really do have to execute well.

There's a flip side to what's required and that deals with what can limit implementation.
There has to be a question of recovery of confidence for investment. We've seen a pretty tough economy for the last little while, which was clearly damaged by 9/11. People reviewed very severely how they were going to invest going forward, and there's no question investment is required if you're going to be putting into practice some of the things that will make you particularly efficient, or will improve your competitive position. So there's a question of the whole temperature of the economy to worry about. But for me to comment on what will really differentiate the winners from the losers, I believe it is those who best understand the customer's needs.

Meaning?
They've got to understand where they're going to add value, they have to execute well and they have to understand how to differentiate from other people and benefit their client. It is really so simple….

SunGard Data Systems
Mack Gill

From your point of view at SunGuard, Mack, how do you define a smarter enterprise?
A smarter enterprise has a strategy in place that builds value from technology. More than ever, and 9/11's an influential factor, management needs to fully understand their infrastructure requirements and ensure operational efficiency and information availability. Leveraging technology to improve customer service is a key management issue in an era of greater competition, convergence and cross selling. And in many industry segments, margins have become razor thin, so firms need to specialize on their core competencies, scale those businesses – and understand how to outsource the rest.

Pinpoint, then, what you believe are three critical build requirements?
Fierce competition, economic pressures and changing business processes are clearly driving the need for improved operational efficiency. IT budgets are currently contracting year-on-year, yet the industry will spend $19 billion on STP solutions over the next 36 months – and developing STP solutions, both within the firm and externally with trading partners and industry utilities, is becoming a prerequisite to compete. Second, the need for business continuity is at an all-time high. More people require more access to more information faster than ever before. It's critical to develop resilient infrastructure, supporting your firm's entire range of activities. Third, with the emergence of the mass affluent and retirement of the baby boomers, firms are fighting for customer acquisition and retention. Service is key to becoming the trusted advisor of the high net-worth individual, and better CRM and multi-channel delivery strategies require integrated technology that enables a smart enterprise to focus on client needs.

But what will severely limit implementation of smarter enterprise builds?
In a difficult economic environment, the challenge is to make the necessary investments today to deliver longer term ROI, but firms positioning themselves to develop greater operational efficiency, information availability and customer service – they'll be the winners.

Let's talk resonance. What drives, business or technology?
Business models and technology are intrinsically linked at the hip. What's necessary is a clear strategy building value from technology through greater operational efficiency and integration. The rise of the CIO is evidence that the line of distinction has blurred.

Centerprise Services, Inc.
Reto Tuffli

Reto, you've spent the past two years developing an enterprise management system. What's your up close and personal definition?
In a post 9/11 world, the focus has to be on efficiency and resiliency. In a post-bull market world, where revenue growth rates aren't expected to be what they were, a smarter enterprise is one that keeps a laser focus on executing its core strategy in the most operationally efficient way possible. Required is a more functionally integrated, lower-cost systems infrastructure. And functional integration of CRM, HR, financial and risk reporting and other key disciplines will be a necessary condition to remain cost-competitive and at the same time have requisite level of controls.

And the three most critical requirements to building a smarter enterprise?
To pinpoint only three, first, as always there's the need for high quality, decisive management fluent with and embracing technology. Next, a deep understanding that your core processes, as well as risks and costs I might add, flow horizontally across the organization, and have little to do with vertical functional

domain silos represented by your typical org chart. Third, there's the realization that the next generation of significant gains in cost efficiency, risk control, resiliency and flexibility will come only to those with more integrated enterprise infrastructure.

On the flip side, what in your opinion will severely limit its implementation?

The obstacles will be the corollary to the three points I just made: management timid about technology; an organization that tries to execute while their thinking remains in traditional functional silos; and, third, as a result, have a predisposed mindset which leads them to achieve only incremental gains.

What should resonate louder to C-level executives: being business- or technology-driven?

In my opinion, you do need a balanced attention to both, as many of the fundamental, longer-term strategic issues faced today by CEOs are a consequence of market changes and opportunities created by technology. And yet migrations to newer technologies and business models have to be well conceived, for a CEO has to deal realistically with the current legacy environment and define a clear path for moving to the new model. That's probably the hardest challenge the C-level team faces today.

Compaq
Andrew Westcott

Andrew, how does Compaq define a smarter enterprise?

September 11th proved the need for flexible IT infrastructures based on industry standards to allow firms to react quickly to changes in the business environment. A smarter enterprise is one that's capable of being both proactive and reactive in a non-linear manner because that's the nature of the markets. Required are industry-standard applications, platforms, common databases and business processes.

What's critical to build it?

The foundation must be a robust, proper infrastructure – without it, all the other bells and whistles of technology do nothing. To be more specific, the enterprise has to be built on a process-oriented infrastructure, as the enterprise is like an assembly line, continuous from one end of the operation to the other. Add human break points and you lose control. However, it also needs tools and facilities enabling management of the business process.

Are there limitations?

Yes, clinging to old technology for the sake of technology is one. Sadly, many people built up their careers on what's familiar, rarely taking the bigger view of where the enterprise needs to go, or having a willingness to make the jump to the next technology paradigm. A big barrier also clearly exists when the CEO delegates responsibility for operations and infrastructure down the chain instead of driving it himself, so you have fiefdoms, stovepipes, a protectionist mentality – not the end-to-end view and the ability to think at an enterprise level.

What drives then?

It's still business driven, but executives at the C-level must become more familiar with and develop an appreciation for the available tools to understand what's capable of being done – and what they can do for them. We've noticed that CIOs have become much more business savvy. Unfortunately, given how big a chunk of their operating expense goes to these tools, CEOs are still less tech savvy than we'd have expected, but we're seeing signs of change here too.

And the change agent?

Whatever success criteria drive the enterprise: EPS, growth, revenue, the pleasure or displeasure of the board, shareholder pressures. Where senior management looks at IT as an investment instead of as an expense, these are the enterprises you're going to see succeed, and it'll be reflected in their earnings per share. Ultimately that will be the driver.

Microsoft Corporation
Kenny McBride

Kenny, from a C-level perspective, how do you at Microsoft define a smarter enterprise?

Capital markets is the most dynamic, innovative area of the financial arena, driven by the need to be one if not many steps ahead of the competition. Adoption of standards, XML, exploiting the speed and reach of the Internet are core to delivering smart solutions in a timely and efficient manner. But the focus must be on security, automation, innovation, collaboration and customer service. The smart enterprise is pervasively connected across all markets, protocols and real-time data feeds. Its rapidly adaptable systems are continually and dynamically adapted to enable a nerve-twitch level of instant response.

Three critical requirements in building this enterprise?

First, by automating and integrating legacy and new systems, pre- to post-trade cycle costs can be reduced. Delivering a clear, concise single channel of reporting to clients in real time also reduces fragmentation, improves customer service and gives you the ability to focus on business areas delivering greater margin, i.e. arbitrage, M&A and complex, multi-product deals. Second, innovation – it's key to differentiation, allowing you to exploit greater margins from a speed-to-market perspective. Owning the ability to add improvements and refinements fast maintains your edge and opportunity to retain margin while fending off copycat systems. Third, collaboration with consortium-style offerings or portals provides access to non-traditional clients, providing the opportunity to increase commoditized revenue from automation.

Limiting factors?

Integration. meaning connectivity between disparate systems written in different languages, is critical. Then, complexity, as the main cost of enterprise solutions is not in hardware or code but in deployment, and the highest portion there is services. Next, internal resources. Unfortunately, most cap market solutions are proprietarily built, limiting the ability to utilize current technological advances without the need to retrain, employ or contract new programming staff to enhance efficiencies and time to market. Tools like Visual Studio and .NET can help. Last, there's culture, the desire to cling to old but profitable ways rather than profiting by being the first to drive change. While change may inevitably reduce spreads, commissions and fees, the key is to sustainably be the firm changing the rules, continually moving up the functionality stack – ahead of its competitors.

So what drives, business or tech issues?
Business drives! C-level executives are not employed for their ability to decipher technological advances, but they should be assessing how technology will help achieve their business goal and then tailor technology accordingly to achieve the desired business results.

Thomson Financial
Sharon Rowlands

Sharon, from your position at Thomson, one COO to another, how do you define a smarter, post 9/11 enterprise?
At the heart of a smarter enterprise is resource allocation. Two aspects immediately come into play. Is resource being allocated to those aspects of delivering a customer-centric service-oriented solution that the customer values and is prepared to pay for? What matters is how your organization become smarter, ensuring it is customer-intimate and spending capital resources only on what a customer values. Second, I'm keen on resource allocation in terms of its expense base across the organization, ensuring it's as efficient as possible, from back office functions, to its sales organization, the product management group and use of technology. It's a key issue at Thomson and it's what our customers are focused on – Are resources being applied to the right things that can make a difference to their own customers?

Take it a step further to three critical build points.
Workflow is number one. So much time is wasted on routine types of activity, but by focusing on workflow, then leveraging technology, you can eliminate all the manual repetitive processes, freeing up knowledge workers and relationship workers to be more productive and effective. It's absolutely critical. Second, outsourcing. It's essential to understand what differentiates your firm competitively in the marketplace. Similarly, this includes understanding the activities that deliver no competitive differentiation, that your firm can't bring a unique insight to. Then outsource to a third-party supplier that has the capability and scale to do it cost effectively. Last, be ruthless in seeking alternative partners and vendors that can deliver cost efficiency into your organization.

Limiting factors?
Legacy systems, first. Then corporate culture, because when you do something radically different, like workflow, you'll encounter resistance, a real barrier. And last, if you don't have senior thought leaders reinforcing the message across the organization, it will prove to be very difficult to counter that negativity, that resistance.

What drives?
Business drives, because you make a successful business by understanding your customers and delivering solutions addressing their needs. Technology's an asset you use to deliver these solutions, not something you build or buy and then look for problems to solve. Those days are over….

KPMG Consulting
Ralph Welborn

From a consultant's perspective, Ralph, define a smarter enterprise, if you will.
A smarter enterprise responds quickly, decisively to changes in the economic environment. We characterize this as having "speed-with-purpose." Accelerating towards a real-time economy, we need to respond quickly and, not facetiously, even anticipate what we will need to respond to. The issue here is not merely responding quickly, but in a manner that is consistent, relevant, focused and secure. Complementing this, it is critical to manage the "creative tension" between what needs to be done today, yet ensuring the organization will be well-positioned competitively 18 to 24 months out. This tension has and will always exist, yet it is dramatically come to the fore with our globally difficult economic environment, the lessons learned from e-business experiments and the tragedy of 9/11. These massive disruptions, all coming to a head in near proximity, are forcing or providing the opportunities for organizations to confront difficult questions, such as, what are we really good at, what are our core strengths and how do we take advantage of them? Second, you need to seek emerging competitive trends and operational tactics to exploit them. These trends include what we call the "collaborative necessity." As companies get clearer about what their core strengths are, they are increasingly recognizing the benefits and necessity of collaborating. Emerging technologies make collaboration easier. Internet protocols, XML, web services and the ever prevalent and multiple flavors of managed services/hosting are all key enablers of this collaborative necessity. Essentially, companies are becoming increasingly intertwined, or integral participants, in each other's value chains. And last, you must relentlessly focus on ensuring the tangible and visceral value of projects, initiatives and investments.

Limiting factors?
Conducting business the way it is and has always been. There are changes afoot – in structure, governance models, how to identify and reuse assets created and exploited, business processes dependencies, the nature of partnerships and collaborative ventures – that require first, understanding, then second, aggressively exploiting to take advantage of them. Not doing so will be a significantly limiting factor and put one in the unenviable position like the Red Queen in "Alice in Wonderland" who was forced to always run faster and faster and faster, merely to keep up.

What should resonate louder, being business- or technology-driven?
Business driven. Businesses are comprised of people who create processes to support specific business objectives. Technology needs to remain the means to those objectives. Assets, capital, energy and focus – they all need to support the wide range of activities that will drive and enable those business objectives. It is that simple.

Platform Computing
Tony Bishop

Tony, how would you define and describe a smarter post 9/11 enterprise?
From a post 9/11 perspective, enterprises need to be nimble and in full control of their processes and the assets supporting those processes, as these organizations must draw on and utilize all the sound fundamentals of leveraging its people, processes and structure to drive predictable and sustainable

results. This requires an informed and holistic approach to one organization, one team, meaning not business vs. IT, and one team's assets, not silos or separate units or products.

What do you believe are the three most critical requirements?

First, asset intelligence. It's critical to both know and use the enterprise's financial, capital and IT assets based on the enterprise's business drivers. Second, integrated processes and applications. This refers to simple, clean connections of processes and applications supporting business operations. Third, automation is essential, as too many processes and functions today unfortunately are still manual, or require manual intervention. It results in inefficiency and ineffective operations.

On the flip side, what will severely limit implementation?

Culture, as a mindset that's resistant to change, building a consensus or a "not built here" mentality of 'we can do it better' than the outside experts" is damaging. There also needs to be a readiness to counter the lack of people, focus or mindset to implement necessary changes. And last, a legacy infrastructure - the processes and technology that continue to be protected instead of migrated.

Then what do you think should resonate louder, business- or technology-driven issues?

Both, actually. Business-driven issues are a top-down perspective necessary to create new opportunities and protect current revenues and assets. However, technology-driven issues are critical to create a flexible and scalable foundation to address the changing business requirements. An excellent case in point is BCP/DR. Here, the business issue is the requirement to have the persistent ability to deliver service to customers and conduct business. The technology issue is the requirement of a technology infrastructure that's ready and available to be utilized in such extreme circumstances. Both issues have priorities and drivers that will create a smarter, more prepared, more efficient enterprise.

Intel Corporation
Raj Kapur

Raj, how do you perceive a smarter enterprise, post 9/11?

I believe that it's essential to build an organization that can collect information once for distribution when and where necessary across the organization, allowing access to that information for an ad hoc modeling type of analysis.

Then, the three critical build points management should focus on?

First, disaster recover planning. It has been impacted by September 11th on a daily basis. We're now seeing firms relocate their data centers, duplicating and, in some cases, triplicating them. Second, there's data transfer security to track funds and enable their movement in the right direction, and this brings in the concept of authentication. Third, as you'd expect, enterprises need to be self-learning. This involves technologies like neural networks.

And three limiting factors, in your opinion?

The first problem is multiple sources of data allowed to function as islands of information, with one department or group unaware of the other's datasets. This drives the functional need for CRM and customer experience management, CXM, to counter new customer acquisition costs that are three to four times the cost of cross selling to an existing customer base. Second, the industry's typically been RISC- and Unix-centric, dependent on internal systems development. If we were able to base the entire infrastructure on common building blocks and open-source architecture, it'd be easier to integrate the various required functions. Third, protocols. In the case of capital markets, for example, we have FIX on the front end and SWIFT on the back, and the two haven't necessarily previously spoken to each other. With T+1 coming down the pike, there's going to be a need for seamless front to back office communication, hence the emergence of standards like ISO15022.

Then what drives, business or tech issues?

Technology is an important enabler to attain the business vision and the value proposition that the business fundamentally believes in, but it's business that drives the need for technology. In some instances though, technology like the Internet and XML will change business models. It's a symbiotic relationship and in the financial services sector, 80% to 90% of a business solution is technology based.

Reuters
Mark Hunt

Mark, how would you define a smarter enterprise?

Smarter enterprises today are all about the ability to handle change, particularly change in business models, processes and technology. The ability to adapt to new environments is a fundamental property of any smarter, post 9/11 enterprise. In more practical terms, this means having the ability to leverage standard technology, and data standards in particular, coupled with an enterprise view of technology architectures and business process. An open-systems stance to integration and technology coupling, plus relationships with key technology partners, are also very important for senior management consideration. Further, the ability to present services in context-sensitive and customizable ways adds value and differentiation, as this enables the leveraging of technology investment throughout the firm and outside, whether business-to-business or direct-to-consumers.

What do you believe are the three most critical build requirements?

A service-based culture that puts the customer at the center of an organization is a critical build requirement in addition to the ability to innovate and try new initiatives. Also, a flexible, open stance to standards-based technology I just spoke of.

What will severely limit implementation of smarter enterprise builds?

Clearly, a lack of innovation, change and differentiation are key limiting factors, followed by simply not understanding the core competencies and drivers within an organization. Last, disputes over technology adoption, strategy and standards will need to be addressed.

Then, all things considered, what should resonate louder to C-level executives, business- or technology-driven issues?

The obvious answer is that both are important. But business issues are the most critical. Understanding change and the

needs of customers are paramount, but the ability to innovate is most often driven from technology change, which can enable, or realize, new opportunities that the business has yet to think of. The close harmony of the two is what is most important.

StraightThrough, Inc.
John Wherry

John, we're uncovering an interesting range of responses. How do you, at StraightThrough, define the building of a smarter enterprise?

Maximizing value is key. A smarter enterprise that learns, decides and acts faster can maximize its value dynamically. In an accelerating world of change, problems and opportunities must be identified and dealt with faster. This necessitates business process automation accomplished through the integration of smart applications and by-exception monitoring, aiding management in acting optimally, quickly. It also requires telemetry growth to generate data utilized by smart applications. To enable fast, future replacement of applications when new, smarter applications are available, integrations must be designed to minimize the number of interfaces and interface complexity. Automation can enable globalization of a common workflow model, allowing offices to back up each other during a disaster. It can enable accelerated learning, deciding and acting, and the last two begin with knowing relevant facts not always available to management at any level of the organization. Last, automation frees up users from mundane tasks resulting in improved productivity to enhance earnings and job satisfaction and to create competitive advantage.

Then, John, supporting your definition, three critical build requirements?

Business leadership with vision and commitment. Second, technology leadership with business expertise and extensive system-integration project experience from requirements definition through production and support. Third, business users committed to automation and continuous improvement.

And on the flip side, the limiting factors?

Availability of "smart" people who understand the details. Second, the difficulty getting off legacy systems, including unraveling the Gordian knot created by years of piecemeal integrations, which also includes the difficulty of dealing with legacy users severely threatened by their skills no longer being needed. Last, management timidity due to cost and staff alienation concerns caused by the introduction of automation.

Let's talk resonation: business-driven or technology-driven issues?

Both. The enterprise has product-driven, business process automation created by the partnership of smart business and technology leadership and users. It often learns fastest at its functional periphery, thus smart has to do with "fast learners" influencing evolution of enterprise logic. C-level executives should be listening to these fast learners.

Avanade
Adam Warby

Adam, what's your perspective at Avanade?

What you do and how fast you do it can make or break your business. I think that's become more pronounced since 9/11 so, for that reason, I'd define a smart enterprise as one that's agile and uses technology to rapidly respond to changing business conditions. Companies need to contain or cut costs by building infrastructures that focus on flexibility and reusability. By adopting low-cost, high-productivity development platforms and methodologies, such as .NET and Visual Studio, and establishing enterprise-class operational architectures, they can gain significant savings in new development. I also think that smart enterprises are ones that value the information that already exists within their systems. The temptation is to embrace emerging trends and rush to meet requirements. The real winners will be those that take inventory of the data they have and build the appropriate infrastructure to enable analysis and use of this data, whether it's to measure profitability of customers and business, manage risk across business lines and asset classes, improve customer service or respond to regulatory requirements.

Three critical build requirements?

Build a smart, unified infrastructure that facilitates communications between employees, clients and suppliers. Establish more effective customer response capability, by creating vehicles for the delivery of value-added services to clients. Empower your employees to exploit existing data and utilize the right tools to do so. These tools exist; they're often reasonably priced, and the more you empower your people to rely on them, the more effective and efficient your organization will be.

Limiting factors?

By maintaining the status quo of having "silo" legacy systems that don't connect, enterprises will severely limit cross selling of products and services, measurement of risk and assessment of economic performance across the enterprise. Another mistake is failing to recognize the value of the company's data – getting that data out of existing systems is often easier and more cost-effective than creating new data collection methods. Finally, implementing an inappropriate operational architecture and development environment can impact overall costs, reliability and customer experience.

What should resonate louder, business- or tech-driven issues?

Business issues are ultimately technology-related, which is why CEOs should focus on business issues, such as delivering new functionality like mobile transactions and services while listening intently to their CIOs. Making a good technology decision is just good business.

CommVault Systems
Bob Hammer

And last, Bob, how do you define a smarter enterprise?

A smarter enterprise from a storage perspective means a simpler, more productive IT infrastructure because budgets are static or down and organizations are dealing with increasingly complex computing environments. The concepts of simplification and productivity especially apply to data and storage management, which are fundamental to ensuring access, availability, protection and monitoring of an organization's vital data. Today, collaboration, content and knowledge management applications are key productivity drivers in many organizations – and advanced data and storage management capabilities are

vital to assuring continuous access and availability. In addition, 9/11 has complicated the issue, as enterprises set more stringent rules for uninterrupted data access.

Three critical build requirements?

Integration of critical functions of a storage and data management system lays the groundwork for storage automation, key to achieving high ROI payback. Policy-based storage and data management helps automate fast, reliable access, availability and protection of critical information, while minimizing physical storage consumption and decreasing costly manual intervention. Finally, tight integration with strategic applications ensures information is available to end-users when and where they need it. Only vendors who can integrate and automate key storage and data management functions can simplify an open system's heterogeneous complexity and deliver real financial, operational and business benefit.

Limitations?

Senior management, especially CIOs, must tie a comprehensive IT strategic plan to core business goals, so that IT solutions actively help achieve them. The alternative is to employ disconnected point-level solutions that may not align nor support a business' core objectives. From a strategic IT perspective, long-term investment priorities can be set and balanced against the need to resolve short-term operational issues. This prioritization directs investment in applications versus infrastructure, and departmental versus corporate needs. Lack of a true plan limits the ability to prove the financial, operational and productivity benefits of IT spending and makes it difficult to identify vendors who can truly contribute to an organization's core business goals.

Then what drives?

Business goals should always drive decision-making, with technology complementing business goals to achieve high impact business results. Knowledge and data are strategic elements to most business goals. That's how successful businesses are managed today. Businesses that don't manage through strategic knowledge are at a major competitive disadvantage. At the end of the day, a CIO has to work with the CEO and CFO to ensure those points are clearly understood and what the business payback is for IT investments.

MARTIN RABKIN

Martin Rabkin is a marketing/corporate communications consultant to the financial industry. In 1996 he created, launched and published MaRKETS magazine at Dow Jones & Company, where from 1992 to 1998 he also held management positions in marketing and corporate communications for Dow Jones Telerate. He reopened his consulting practice, martinrabkin, inc., in August 2001 and is currently global PR agency of record for Centerprise Services and Visualize, Inc.