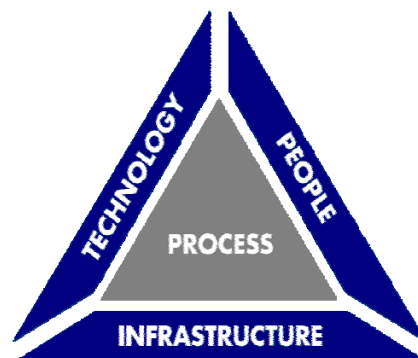**Presents**

IT Leadership
Startup to Maturity

Are the capabilities of your technology leadership well suited to your business needs?

Many business executives focus on day-to-day business issues and leave the technology matters to the IT Department. As a business grows from a successful startup through the ups and downs, and eventually into a mature organization, its technology needs change. You must adapt and/or refocus your technology to align with your needs. Since technology changes take time and resources to plan and execute. It is critical for you to anticipate, provide guidance and authorize these changes well in advance. As your business grows, your IT Department also will change in its capabilities, size, specialization and maturity. The question comes down to:

Here is a story of a typical business and how its technology grew…. At what stage of business evolution do you see your organization's current situation?

The beginning (DIY – Do IT yourself)

You are a successful entrepreneurial business owner who has started your company with a clear focus on: your core business, building up clients, minimizing costs and continuously reinvesting in your company. Almost immediately, you needed a computer and communications to: call potential and existing clients, fax them, invoice them, pay bills, store client information….. The list grows and grows, but there isn't anything you can't handle…

You are starting to grow and build (friends and favors)

You ask a friend or relative to set up the phones, fax, a computer system, printer, web site and an internet connection or you may have done some of this on your own. Slowly, over the next few years, helpful little software packages find their way into the business. They help the business to grow or become more effective by saving money. Some of these solutions are recommended by friends, employees, relatives, or through some research into a need. A friend who has an "extra copy" or a sales person with good timing has a solution that seems to fit your immediate need. Everything is going smoothly…

Bigger and Faster (technician)

A few years later, you find that your friend or relative has become less and less responsive to your requests for technical assistance and you realize that you need to bring in an inexpensive computer person to keep the workstations running. Maybe a computer failed and you find that your backup didn't work or was never made. The "computer guy" your hire fixes the critical things that you asked them to fix and they also notice a few other things that should be looked after. You agree to have some or all of them fixed. The computer guy has done a great job and you trust him as your computer expert. You begin to rely on them for recommending software, computers, phone systems, databases and even writing a little software for your business. Everything is fine….

My! You have grown! (IT Manager - 95% Tactical and 5% Strategic)

Today you find that the business is keeping you very busy! The economy is negatively impacting your growth; you are trying to cut costs. You need to increase sales and every time you turn around, somebody wants another $5000! You have a few IT people running around keeping things going. You are pretty certain that if you had a better web site, you would get more customers. Somebody thinks you should throw out the phone system (that doesn't seem that old) and change it out for something called VoIP with free long distance that will save you money. Will it really be worth it? Your email system was just blacklisted because somebody sent you a virus, hijacked your server, and you were sending out something called spam. This system doesn't talk to that system. The closet where you keep your server is getting pretty warm. The computer guy is saying that you need more internet bandwidth and you see people doing things manually that you know should be automated. So you find a software developer to get some of these problems fixed. You find yourself awake at 4am and wonder what that developer is developing. Is it going to work? Is it going to be what I need? Why is it taking so long? Why doesn't this guy understand what I want? This is getting expensive…. Why can't I just focus on my business? Time for an IT Manager to bring some order to this but what type of skills, experience and personality would best fit??

Acquiring your first subsidiary (IT is still firefighting the tactical battles)

You learn of a competitor that wants to sell and the deal might be good for your company. They have an interesting web site and a solid brand. They have some software that should be able to help solve some of our internal issues. Their client base is great and the combined revenue and the ability to scale down their back end processing should turn this into a good investment. The due diligence uncovers a couple of minor issues in the technology area but we aren't going to let that stop this deal which is already in the hands of finance and the lawyers. We will deal with the staffing changes and technology issues later. The deal has gotten its own inertia and is completed before the technology assessment and recommendations and budget is done. Oops, it turns out that there are some unforeseen costs; the databases of the two companies are going to take some real cleaning and effort to merge. A couple of security and software licensing issues have cropped up. You now have two lead IT "Managers"; your guy who has brought you this far and the acquired one who seems really smart (they promoted him to a VP title and gave him a 3 year employment contract just before the deal). They are not getting along. They are battling over what our standard of hardware is supposed to be because most of the workstations in the company we just bought are too old and need to be replaced. They also have some network security problems. The acquired company had just signed a 3 year telecom contract so we won't save telecom money if we consolidate some of those offices like we had planned. We will also have to merge email systems too. Lessons are learned for the future… Neither IT leader has had M&A or technical integration experience…. Time for an IT Director level person or a CIO. Should you promote your manager? Promote the manager from the acquisition? Should you bring in an outside person to manage this larger IT department and streamline it? Or could you use some outside perspective from some experienced folks who aren't needed full time but can keep things moving and on the right track?

Another substantial merger (What technology do you keep? Which IT Leader stays? Should you bring in someone new? Do the new economies of scale now lean the business case to an outsource or insource model?

You need to get that independent view for the good of the new organization. Leaving both sets of corporate baggage behind and capitalizing on both the best suited technology and business teams are critical for a successful merger and future of the combined business. Sometimes, during the heat of the deal, what seems like a clear technology answer that paves the way to making a merger work, may actually be a tactical decision that leads away from the optimum technology strategy for the new larger entity. You don't want any unexpected costs after the deal either.

A need to consolidate, increase profitability and streamline (IT Director – Mostly tactical, with a good level of strategic skills)

Things don't seem to be as clear as they used to be. Now you are having difficulty getting prompt, accurate information and reporting. Manual analysis that you've been doing on spreadsheets is taking too long, getting too complex, and doesn't allow new questions to be answered. Do you really know who your most profitable customers are? Do you really know which are your most profitable products and services? Your key customers or suppliers want you to transact all orders with them electronically. How will you do that? How long will it take? Customers are asking for online order status capability. You have built up a sales-force and customer service team. Are they collaborating properly internally and with customers?   Can you measure their productivity effectively? Your IT Director/VP has really done a great job with that last merger and the systems are all stable and secure. He/She is trying to respond to everyone, but seems overwhelmed and your business managers are complaining that they don't have the systems, support, response time, or information they need to run the business. Hmmm, you have the same problems. Is an ERP system needed? Which one would be best for now and into the future? Or are there some current systems that are no longer meeting your needs, should you outsource, develop, or buy "best of breed"? What is the "best of breed"?

Seems like there are many complex systems in the organization (CIO vs. CTO – The Strategic Technology Leader)

Why do you have so many different systems and different databases? These technology costs seem to have no limit. Why are there so many IT people around, They were supposed to consolidate the staff after that last acquisition. What happens if a critical system fails or a storm takes out your locations for several days or weeks? Can you continue your business? Should you hire a CIO or a CTO? What is the difference and what kind of department head do you need? Isn't there a cheaper alternative? You find a CIO who says that you need something called an ERP system to combine all of these separate systems into one compatible solution. He promises that; "it slices, it dices, its lightening fast" (only costs a few hundred thousand dollars and will take a year to put into place).

That ERP/Software project seems to be going on forever

For the third time now, you are being told that the project is running over and will take a little longer and a little more money. They tried to move to the new system that they developed but they discovered some "data and performance issues". The business managers are shaking their heads and don't think it will ever be done or think that if it does, it won't be any good and they are insisting on staffing up to keep the old system going and double entering the information into the old system. The computer people are saying that they aren't getting enough input and guidance from the business side…. The financial people are telling you that you can't afford to take the hit if you want to stop this monster. The entire company is not focused on the business but distracted by this software project. When did you become a software company anyway?

Can you save money if you outsource or insource? (Beyond the CIO/CTO – Objective Consultants)

Well… a few years goes by and that few hundred thousand dollars is now over a few million, The ERP system is in place but it takes weeks to close the books, Things are creeping along and it takes a week to get a product profitability report and you aren't sure you should believe the data. That 2nd CIO got it done thank goodness! She really cleaned up that mess! It is still not where you need it to be though and you are definitely unsatisfied with your technology costs.

You heard that one of your suppliers had outsourced their IT department and that it seems to work well for them and they saved a lot of money! However, a competitor was unhappy with their outsource vendor and just brought their IT back in house and they are happy with both the service and the cost!????

Where can you learn the truth about what is right for your company? The current team (whether internal or external want to be objective, but it is difficult since they have a vested interest in the outcome so there would be a conflict of interest). What would the transition involve and what would it cost? What are the risks and how can you minimize them?   What are the in between options? Does a split up IT department even make sense? How can you negotiate a good contract and get what you need from the outsource people? How can you rebuild your internal IT team and buy the hardware and software and get it all internal again?

What is your exit Strategy?

When you are ready to get out of the ownership role, who are you going to sell your company to and what should you do to maximize its value? Is it likely to be a hand off to a family member? Sold to a larger company? What about a merger and you still keep some of the reigns? Or is an IPO in the cards?
At this point, you are probably thinking about it and may need advice on how to position your technology to be the most value, make your technology interesting to the purchaser, gain an understanding of what would be compatible or non-standard and considered a possible obstacle to the integration of the two organizations. How good is your security and compliance and what is likely needed to clean up any potential due diligence technology issues before this exit process begins?

Finally! Straightforward IT guidance for Owners, CEOs, and CFOs

At many points along your business journey, it is wise to get some professional and objective advice. It is critical to know how well your technology leadership is matched to your business and to supplement their skills with our guidance…..

We are that independent team of senior technology leaders. We are available to take a look at where you are today, listen to where you want to be tomorrow, hear your pain points and give you a clear set of choices and the understandable reasoning behind it.

We have assembled a team that:
- can guide your technology staff to focus on business-critical solutions
- understands a broad range of technologies, their histories and the latest solutions
- has experience across a wide range of industries
- has time and time again, improved and streamlined both processes and technology
- has been owners and/or part of startups, small, medium and large organizations
- has managed small, medium and large technology teams
- has participated in M&A activity and the compliance associated with publicly-traded organizations
- understands how to make a business case that is impartial and objective
- doesn't have any agenda
- works for you and only you
- is available for short term engagements with fast results
- can mentor your existing IT team to the level that they need to get to

We are available to be your permanent technology advisor and provide you with on-going guidance or simply engage with you on a project-by–project basis. A few examples of our services:
- Study and provide recommendation to: Outsource, In-source, move to a hybrid solution, or leave it as is
- Requirements review, recommendation and implementation of ERP systems
- Keep your server room or move it to a hosted facility
- Your guide for Cloud, SaaS, PaaS, IaaS, DaaS, ASP, Hosting, Managed Services, service provider contract negotiations, and transition project management
- Application selections: Buy/Lease the software, build it from scratch, create an interface or integrate multiple systems
- Telecommunications Reviews, RFP preparation and response analysis, Contract negotiations, Project managed transitions and implementations
- Cost reduction engagements
- Business Process reviews and recommendations
- Technology platform and hardware selection and transition support
- Get your technology team to the next level of competency and capability
- Fractional CIO, CTO, Director - Project-specific engagements

If you need the services of experienced strategic technology specialists, call Business Technology Consulting Group, LLC (920)-836-3456 or   info@BTCGllc.com.