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Technology Risk Management CIO Advisory Insight

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# Is your IT department providing your business a return on investment?

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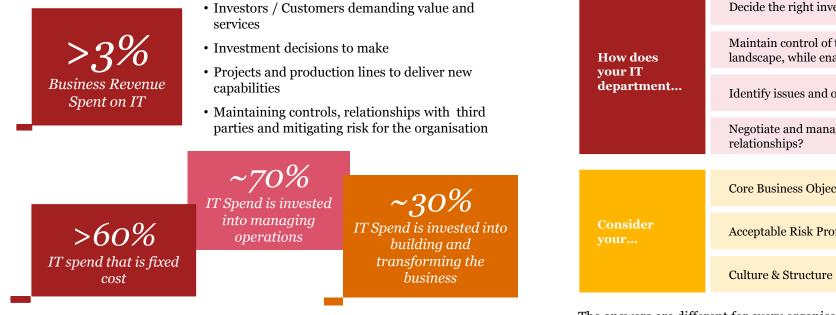
Issues and challenges in managing the relationship between IT and the business

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#### Challenge – Enabling IT with the tools to deliver a clear return on investment for the business.

The IT department is typically seen as a cost center and a roadblock to delivering enabling technologies. However, the IT department in itself is a business with challenges, stakeholders, vendors, and budgets:



With so many challenges and with the business providing such a significant investment it is imperative that the IT department is actively engaged with the business and demonstrates a clear return on investment.

### What are the issues?

The issues in demonstrating a clear return on investment stem from the imbalance between a number of factors:

- Relationship and culture between Global, Regional and Local IT departments
- The cost of investing in IT management and support functions
- Managing the **investment** between maintaining current services and ٠ development of new capabilities
- Maintaining the **balance** between managing risk and implementation of controls

Note: All statistics mentioned are industry averages. Figures vary based on industry and geography.

#### Key questions to ask yourself about how the IT department delivers to the business...

Below is a list of questions and considerations that should be asked of your IT department...

How does your IT department	Decide the right investment mix to maximise value from IT?
	Maintain control of the complex and changing IT landscape, while enabling the business to be agile?
	Identify issues and opportunities within the IT department?
	Negotiate and manage an increasing number of relationships?
Consider your	Core Business Objectives
	Acceptable Risk Profile
	Culture & Structure

The answers are different for every organisation. In order to enable the IT department to deliver a return on investment you need to take into account numerous variables.

## Toolsets and analysis that can help...

There are a number of toolsets and analysis that can be conducted in order to deliver improvements to the IT department and its relationship with the wider business.

- Target Operating Model (TOM)
- Enterprise architecture frameworks and tools
- Sourcing and procurement management approach and tools
- Investment and business case decision managing and analysis tools
- CIO reporting and business functional decomposition