

A SMARTSHEET REPORT:

# 5 New Imperatives for Successful IT Leaders

PRODUCT

IT

SALES

Today's businesses depend like never before on technology as a driver of achievement. To succeed, top IT leaders know they must transform their organizations and drive innovation. Yet in this world of rapid change, many IT organizations are not set up to succeed.

The nature of work has changed, creating a new dynamic. The explosion of new technologies in the past 30 years has enabled companies to compete at a speed and on a scale never before possible. In response, new ways of working have emerged, as the old, monolithic approach to work, in which most employees are engaged in large, company-wide initiatives, no longer works. Work needs to be broken down into parallel streams handled by multi-disciplinary teams. In the new work dynamic, everything is a project and everyone is a project manager.

To meet this new dynamic requires IT leaders to provision more than new tools, it demands them to enable a dynamic workforce: one that's more deeply connected, engaged, informed, and empowered in every way to achieve more. It's no longer enough to provide the latest and greatest technology; IT must do so with the demands of this engaged new workforce fully in mind.

And thanks to the consumerization of IT, an empowered constituent base requires IT organizations to play catch up, as business users increasingly bring forward a barrage of new apps — and expectations — to manage. This takes time away from other critical priorities, such as keeping up with cutting-edge technologies and key tech investments that meet the needs of the business and business users.

And as IT leaders are well aware, the challenges they face are two-fold. IT leaders must also gain a seat at the table to contribute to — and often lead — strategic business decisions regarding the future of their organizations. Their place there is crucial: Through strategic technology investments, IT leaders can enable organizational growth, drive innovation, and ultimately lead their companies to succeed in the modern business landscape and beyond.

IT leaders who significantly and speedily transform the way their organizations work will reach new levels of success. IT departments must work more closely with business users to make sure they're getting the most out of technology, while also lending technical expertise, maintaining secure systems, and keeping portfolios optimized. And while many IT leaders are aware of the need for change, and even moving toward transformation, others are struggling to figure out how to address these new critical business needs so they can be successful.

Here are five new imperatives for IT leaders who want to grow their success — and their influence on the success of their businesses.

## Run IT as a business

One of the top challenges IT leaders face is convincing business leaders to [prioritize IT projects](#).<sup>1</sup> To secure funding for critical projects, and be seen as strategic contributors that drive change, IT leaders must adopt a business mindset and make a business case for IT initiatives, using terms business leaders understand.

This means IT leaders must truly understand what business leaders are trying to accomplish, and speak the language of business to move their own initiatives forward. “IT leaders must anchor their work in the strategic mission and goals of the companies they work for,” says Mark Peterson, Vice President of IT at Smartsheet. “Once they’ve internalized what the business seeks to achieve, they can understand how to speak – and how not to speak – with business leaders to drive the business forward.”

For example, when Peterson is looking to purchase software for the business, he builds his case around the impact to the business. This means showing what improvements, investments, and innovation would mean for the bottom line, not just for the IT organization itself. And Peterson encourages his team to practice the same kind of thinking.

“I like to have the business solutions analysts on my team sit in my meetings with execs, and actively contribute to or drive the meeting,” says Peterson. “Not only does connecting high-performers with execs in meetings provide my team with valuable business perspectives; it gives our execs a view of what’s happening on the front lines.”

IT leaders would do well to train everyone in their organization to think and act like business leaders, Peterson says. Not every IT function interfaces with the business in the same way; how teams work with stakeholders takes different forms depending on a person’s role and expertise. Yet everyone in the IT organization should possess a comprehensive understanding of the company’s market, external customers, and other business drivers, in order to understand how best to add value to business and IT initiatives.

For instance, innovative ideas can come from brainstorming with business leaders about how IT systems data could be used to maximize business impact – what Peterson calls “getting data out of jail.” When they truly understand the business needs, IT practitioners can analyze operational data to provide resources to help those in the business make better decisions. (Examples of this might include surfacing high-level CRM data to provide insights to sales leaders or marketing departments, or parsing usage data to help a product team optimize their road map.) Proactive and effective use of data can help maximize IT’s direct impact on the bottom line.



**IT leaders must truly understand what business leaders are trying to accomplish, and speak the language of business to move their own initiatives forward.**

1. *The 2020 State of IT: The Annual Report on IT Budgets and Tech Trends*. Spiceworks. Dec. 4, 2019.

## Update, automate, innovate

Increasingly, IT organizations must continuously assess and optimize their operating models and systems to stay competitive and make the most of limited resources. Those that take advantage of automation can gain a significant competitive edge, because they free up resources for innovation, both within the IT organization and across the business.

Keeping the lights on continues to be a challenge for IT: Spiceworks' [The 2020 State of IT](#)<sup>2</sup> found that the top challenges IT leaders identify include keeping IT infrastructure up to date (50%), balancing IT tasks and improvements (49%), and upgrading outdated software (46%). And while every IT organization has to find the right balance between effective management and innovation, evidence suggests that those who lead the pack focus more on innovation and less on keeping current operations running.

Top IT departments are already making a point to invest more in innovation, [according to Deloitte](#).<sup>3</sup> The average IT department invests 56% of its technology budget on monitoring business operations, and only 18% on building new business capabilities; whereas top IT departments spend only 47% on ops and allocate 26% of their [budget to innovation](#).<sup>4</sup>

While every IT organization faces its own specific set of challenges, IT leaders who want to lead and succeed must prioritize efficiency, setting up effective systems and processes so they can shift their focus to innovations that drive more value to the business.

"Resetting passwords and fixing broken meeting room technology doesn't drive value for the business," says Peterson. "A neverending break/fix cycle of work keeps IT teams from focusing on more critical initiatives, like project-based work, automating workflows, and delivering more to the end user." And while it's certainly important to business users to be able to log in to their computers, IT teams can empower their end users by working to make password resets and other similar tasks as easy as possible, so they can focus on broader initiatives.

The good news is that cloud budget allocations for online productivity tools are increasing from 10% in 2019 to 14% in 2020, while budgets for on-premises [productivity software is projected to remain flat](#)<sup>6</sup> — so IT leaders are investing in cloud-based productivity software to benefit their organizations and the business as a whole. But many technology solutions only bury IT deeper under the weight of support and maintenance tasks. Others create more silos in the organization. IT leaders must find the balance between their investments, new systems, and the burden on their teams to manage them.



**The average IT department invests 56% of its technology budget on monitoring business operations, and only 18% on building new business capabilities; whereas top IT departments spend only 47% on ops and allocate 26% of their budget to innovation.**<sup>4</sup>

2, 6. [The 2020 State of IT: The Annual Report on IT Budgets and Tech Trends](#). Spiceworks. Dec. 4, 2019.

3, 4, 5. Kark, Khalid, Bill Brigs, Atilla Terzioglu, Minu Puranik. [The future of work in technology](#). Deloitte Insights. June 10, 2019.

One way to do this is through [automation](#), both for IT organizations as well as for the rest of the business. Automation and AI are anticipated to have big impacts on business in the coming years. When McKinsey asked which technology trends they expected to have the biggest impact on the business, 42% of [IT leaders and decision makers said automation and 32% said AI](#).<sup>7</sup> And a Spiceworks survey found that 42% of IT leaders and decision makers anticipate that among technology trends, automation will have the biggest impact on business.<sup>8</sup>

And automation doesn't just have the potential to free up time for technical innovation. "These opportunities map to the business skills IT people need to work with business stakeholders and have a huge potential to increase efficiency," says Peterson. "If IT automation and AI continue to make an impact, then IT workers could have more time to improve their soft skills — such as their leadership skills or innovative problem-solving abilities — and collaborate more effectively with internal customers."



**Forty-two percent of IT leaders and decision makers anticipate that among technology trends, automation will have the biggest impact on business.<sup>8</sup>**

### 3.

## Align people with technology

Too much time has been spent thinking about people versus technology, such as whether automation will take away jobs or increase unemployment. Leaders have not spent enough time thinking about people and technology, like how people can augment their jobs with technology, or upskill to make the most from technological advances. IT leaders must begin to think about how the right alignment between people and technology can help organizations spike productivity and achieve more.

As technology touches on the work of many business functions, those in IT leadership "are in a unique position to observe these activities at their organizations and serve as a central architect to help manage the technology-enabled innovations and capabilities," according to [McKinsey Digital research](#).<sup>9</sup>

"Integrating technology is a big part of what our IT organization does," says Peterson. "One system alone just isn't going to cut it across the enterprise, so it's critical that the systems IT organizations do invest in can connect to each other to tell the entire story of the business."

This means connecting your CRM or sales system and your expense management system to your finance system and your [collaborative work management platform](#) to get a full picture of the business. And this isn't just data integration for integration's sake: Having a clear picture of the entire business through its systems helps reinforce IT as a key business partner and innovation driver.

7, 8. *The 2020 State of IT: The Annual Report on IT Budgets and Tech Trends*. Spiceworks. Dec. 4, 2019.

9. *IT's future value proposition*, McKinsey Digital survey, July 2017.

But it's not enough for IT organizations to integrate technologies, as critical as that may be for organizational alignment. IT must also connect business users to enterprise technologies. One way to better align people across the organization with the technology they use is to keep user experience at the fore of any technology purchases. When this is done well, it enables so-called "practical" or "bottoms-up" innovation — in which new ideas are brought to life by employees who are empowered with intuitive, connected tools, rather than strategic business leaders.

When it comes to software deployments that originate at the business leadership level and are delivered by IT, ensuring widespread [adoption can be a challenge](#). IT organizations would do well to look for tools that seamlessly integrate with the ones various business units are already using, and that offer flexible access and sharing across teams, business lines, and with both internal and external partners. Enlisting champions at the business unit level can help support pilots and onboarding, and can also help engage users across the organization.

Ultimately, CIOs will need to "connect more closely with committed business partners who understand the long-term journey of transformation via technology and are willing to help navigate the organization through potential disruptions," finds [McKinsey Digital research](#).

As IT organizations partner with other parts of the business to drive achievement, they can better tell the story of how — together — people and technology will be able to achieve more than ever before.



**One system alone just isn't going to cut it across the enterprise, so it's critical that the systems IT organizations do invest in can connect to each other to tell the entire story of the business."**

– Mark Peterson,  
VP of IT, Smartsheet

## 4.

# Go beyond cybersecurity to mitigate business risks

IT leaders face increased scrutiny around security, governance, and compliance, and [enterprise security](#) continues to be a growing concern for IT leaders. "Increased security concerns" tied for the second-highest factor leading to IT budget increases in 2020 according to a survey of [IT leaders and decision makers](#).<sup>10</sup> IT leaders also listed security among the top challenges they expect their organization to face in the coming year: following security best practices (39%) and providing security training (29%) both made the top ten list of challenges IT will face.

10. *The 2020 State of IT: The Annual Report on IT Budgets and Tech Trends*. Spiceworks. Dec. 4, 2019.

As collaboration becomes easier as data becomes more accessible, IT organizations face additional governance and [security challenges](#). IT leaders must [balance security and governance with the necessary access to enterprise data](#) so that business units can easily access the information they need to move work forward. These business needs create competing forces in an organization, says Ignacio Martinez, VP of risk and compliance at Smartsheet: “People need visibility into and access to the data and information they need to get their work done, without compromising data security or regulatory compliance.”

There’s no doubt that finding this balance is critical to business success; yet when it comes to mitigating risk, IT leaders must look beyond data security and give attention to “business resilience and risks and disruptions inherent to having a combined business-technology strategy,” according to Deloitte Insights on [the future of work in technology](#).<sup>11</sup>

Business risk — and even IT risk — now extends beyond traditional IT environments “into factories and other workspaces, products, and even [customer locations](#).”<sup>12</sup> As customers become more and more digitally connected, they have access to data through multiple channels — including wearables, voice-activated smart speakers, and even smart appliances — that must all remain secure and functional. To address this, IT must work with other parts of the business to integrate security into [product design and development](#).<sup>13</sup>

## 5.

# Attract and retain top talent — and grow them into leaders

In a tight labor market, talent is top-of-mind for all organizations, but perhaps most critical for IT. A [McKinsey Global Survey](#) on business technology found that difficulties finding and retaining the right talent to support a changing landscape has grown as a root cause of [IT’s ineffectiveness in an organization](#).<sup>14</sup> McKinsey experts advise that the “search for top IT talent must include new approaches to workforce planning, attraction, evaluation, and development, as well as the culture of the [IT organization](#).”<sup>15</sup>

A wide range of skills are needed to build an effective IT team for the enterprise, including experience designers and engineers, Scrum masters and agility coaches, product owners, full-stack architects, next-gen machine-learning engineers, and “DevOps” engineers, according to an analysis by [McKinsey Digital](#).<sup>16</sup>



**In addition to technical skills, IT leaders should look for candidates who demonstrate the ability to think critically, communicate complex ideas, be creative, collaborate, be flexible and adaptable, and who are accountable and deliver on time.**

11, 12, 13. Kark, Khalid, Bill Brigs, Atilla Terzioglu, Minu Puranik. [The future of work in technology](#). Deloitte Insights. June 10, 2019.

14, 15. [IT’s future value proposition](#), McKinsey Digital survey, July 2017.

16. Bhens, Satty, Ling Lau, and Hugo Sarrazin. [The new tech talent you need to succeed in digital](#), McKinsey Digital, Sept. 2016.

While it is important for IT leaders to think strategically about their technical hires, they must think bigger when building out a team. Technical skills are easy to focus on when hiring – they are concrete, easy to measure, and familiar. But a [job skills study by LinkedIn](#) found that 57% of business leaders say soft skills are more important than hard skills.

In addition to technical skills, IT leaders should look for candidates who demonstrate the ability to think critically, communicate complex ideas, be creative, collaborate, be flexible and adaptable, and who are accountable and deliver on time.

This is especially true for [IT leaders seeking to build an organization of people with soft skills](#) that enable them to tackle new tasks and work with teams throughout the organization. Without workers who possess the ability to solve problems, get things done, and collaborate effectively with others, managing change at scale can become a risky undertaking.

But it's not enough to attract and recruit talent with the right technical skills and business savvy; it's also important for leaders to focus on retaining these employees by providing career and leadership development. To [build and sustain successful teams](#), IT leaders must prioritize listening, coaching, and collective decision-making – and help those aspiring to grow into leaders do the same.

For starters, this means giving their team an environment in which they can be successful and grow their careers. But what does a good work environment look like? Why do employees go to work for a company, and why do they stay? Hint: [It's not the foosball table or the snacks](#).

“It comes down to who they work for, who they work with, and what they work on,” says Peterson. “I find IT workers typically do want to feel a connection to business goals. But there has to be value placed on and investment made in IT to create those environments in which individuals and teams can grow.” In high-growth industries, there may be a focus on IT and ample investment in growing teams; other industries transitioning to more digital operations may need to put more effort into creating an attractive environment to attract and retain stellar IT candidates.

It also helps to have a strong people leader in the IT organization — not something IT is typically known for. “As much as IT can over-invest in technical skills, there hasn’t historically been a huge focus on people,” says Peterson. “IT has historically over-indexed on IQ versus EQ when building teams. It’s critical for our organization’s success that we hire people who can do the work, be flexible, think creatively, and work with people.”

IT leaders who invest in a team that demonstrates business as well as technical skills will not only find themselves with the right people to grow into leaders, but also a skilled team that will be seen as relevant and critical to the success of the business.

## Build an IT organization that will thrive in today’s environment

IT leaders — along with everyone else in their organizations — are under pressure to deliver more for the business while ensuring that current operations continue to run smoothly. Yet overloaded IT departments must transform if they are to drive success and achieve more for themselves and the broader business.

A comprehensive strategy for transformation includes running IT as a business, updating and automating systems and operations to focus on innovation, aligning people with technology to maximize impact, mitigating business risk, and growing the next generation of IT leaders. This will lay the groundwork for IT organizations seeking to evolve — and ultimately drive career success for IT leaders and their teams who make significant strides toward transformation.

### About Smartsheet

Smartsheet is a cloud-based platform that enables organizations of all sizes to plan, capture, manage, automate, and report on work across the business, empowering you to move faster, drive innovation, and achieve more.

Consolidate and optimize your IT portfolio with the platform that allows you to connect and extend your tech investments. Automate mission-critical data by using embedded integrations and partner-built solutions — or build your own with our open API. Learn more at [smartsheet.com](https://smartsheet.com).



**IT has historically over-indexed on IQ versus EQ when building teams. It’s critical for our organization’s success that we hire people who can do the work, be flexible, think creatively, and work with people.**

– Mark Peterson,  
VP of IT, Smartsheet

