RETHINKING IT STRATEGY FOR 2020
A VALOIR INSIGHT BRIEF
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As the first half of 2020 comes to a close, companies are rethinking their IT priorities. Changing market, economic, and working conditions create new challenges but also opportunities to rethink IT planning and budgeting. As we move beyond reacting to rebounding, and, ultimately, rising above and beyond the crisis, flexibility and agility are key. So are relationships with employees and vendors.

As we look forward to the second half of 2020, it is clear that the goals, markets, economy, and work environments that framed our initial 2020 planning have dramatically shifted. Effectively planning for the rest of 2020 requires a new look at IT strategy and spending through a lens adjusted for both short and long-term uncertainty.

As Valoir has talked to IT leaders over the past few months, we've found dramatically different situations, from those who are still putting out fires to those who are working out plans for reopening to those who are leading innovation in the new temporary normal. A few common themes we found in organizations that have been most successful in quickly transitioning to business-as-almost-usual include that they had:

- Moved to the cloud. Those who already had some cloud applications in place for key parts of their business didn't have to make special provisions to enable employees to work from home, were more rapidly able to adapt applications and processes with low-code or no-code tools, and were able to expand or contract applications flexibly as needed.
- Advanced beyond spreadsheets and manual processes to centralized tools and automated processes for planning and budgeting. Rather than spending critical time reviewing and

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validating actual spend and budget figures, they had a real-time, data-driven view of resources and spending on hand.
- Developed real relationships with IT partners. Beyond transactional or SLA-driven relationships, IT leaders had partnerships with vendors, peers, and service providers that enabled them to ask for help, collaborate in crisis, and rapidly resolve issues.

With those themes in mind, how do we rethink our plans for the second half of 2020? We need to think in terms of three main phases:

- React. Much of the react phase has happened in the last few months, as leaders and employees find fixes to immediate problems or new challenges, such as the rapid move to working from home. Basic steps include assessing and cutting costs and addressing basic business continuity needs.
- Rebound. As we look to moving beyond reacting to planning for the rest of the year, we need to put plans in place that have the flexibility and agility to be rapidly adjusted based on current events and new knowledge. This requires knowledge of actual costs and budgets and a realistic evaluation of critical and non-critical systems and applications.
- Rise. In addition to the flexibility and agility needed to rebound, we need to be rethinking 2021 budget planning and overall strategy so we are equipped not just to recover but to rise, leveraging our IT investments to our advantage and taking advantage of new opportunities to innovate and grow.

With these phases in mind, there are a few areas of opportunity that IT leaders should be exploring, regardless of their current situation.

Moving to cloud

Cloud has long made sense from an economic perspective. Lower initial and ongoing costs, less dependence on consultants and systems integrators, high usability and access, and greater agility have always been part of the cloud value proposition. However, inertia and concerns about the ability of cloud applications to meet complex requirements (in areas like ERP, for example) have slowed the move to cloud for some sectors.

The short-term advantage of a move to cloud in the react phase is the ability to plan, manage, and migrate to new applications and processes on a completely remote basis with existing staff resources. For those supporting broad and costly application footprints, a short-term move to cloud can be both a cost containment and a business continuity measure. IT leaders considering a move to cloud should take advantage of many vendors' current discounts and programs.

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We've spoken with many leaders who are putting "big" cloud migrations, like ERP, for example, on hold because they want to limit risk and disruption. Instead, they're moving core systems to operational maintenance and investing in cloud applications that can move the needle on their ability to manage big items, like employees (HCM), suppliers (SCM and logistics), and customers (CRM). This is a smart move that takes advantage of cloud while avoiding disruption and risk.

For those considering their rebound strategies, the second generation of cloud benefits comes from flexibility, both for business users to make changes in the application over time as needed without developer or consultant intervention, and for the company to scale up (or down) its users and locations more rapidly and easily. We're seeing companies that had already moved to cloud applications, particularly in key areas like customer service and supply chain, benefit. Their employees moved to remote work with relatively little disruption and their models, processes, and workflows can be more rapidly adapted based on business needs. They're now better able to focus on their opportunities to rise, looking at how they can support new business models, new channels (like completely virtual customer interactions), and new partnerships.

Rethinking IT relationships and projects

Many big projects were immediately sidelined or put on hold as we navigated the react phase. Now, many leaders are looking at how to shift projects and priorities as they move to rebound and rise. The bad news is that some worthwhile projects will have to be pushed off or canceled because of risk or resource constraints. The good news is this is an opportunity to rethink existing projects and relationships (and renegotiate contracts).

As we rebound, maintenance licenses for shelfware or underutilized applications can be minimized or cut entirely, and rationalization of service contracts across divisions can reduce shadow spending and enable better negotiation. For applications on maintenance where support isn't needed or delivering value, third-party support should be considered. Moving to third-party support isn't just a cost-cutting measure: it can accelerate issue resolution and provide greater resiliency, while ensuring tax and regulatory compliance without unnecessary (and often costly and disruptive) patches, fixes, and upgrades.

Beyond the tactical checklist, as we look beyond rebounding, now's the right time to examine key relationships. Are they solely transactional or SLA based? How did those vendors support you as you reacted and rebounded? Have they been in "sales" mode or "helping you" mode? Crises bring out the best and worst in people, and vendors, and to effectively rebound and rise you need partners you can depend on in uncertainty. Those hyping

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technology, using pandemic or economic concerns to market their own products, pushing refreshes for technology's sake or upgrades that don't have a clear benefit, forcing application migrations by ending application support windows, or simply being unpredictable in the quality of service and support they provide should give you pause. You now have a perfect justification to re-evaluate those relationships and adjust accordingly.

Rethinking the employee relationship

As we think about employees, we also need to move beyond reacting with videoconferencing and basic provisioning to rebounding. This includes:

- Data-driven scheduling
- The ability to rapidly ramp up new or existing workers for new roles and responsibilities, and to track, share, and manage furloughed workers
- Support and training for effective virtual communication and collaboration beyond Web conferencing
- The tools and processes to make the most of experts and consultants in a fully-distanced collaboration environment.

Enterprise decisions on real-time and asynchronous collaboration platforms (including Web conferencing and content management) should be taken to increase consistency and security and reduce shadow spending. As videoconferencing in particular becomes a core communication channel, it requires the same vetting and enterprise requirements that other communications, like e-mail, follow. Enterprise decisions – and training on – asynchronous collaboration tools (such as content and document sharing and chat or messaging) should be vetted and taken for the same reasons.

This is also a good time for organizations to reassess manual processes and how much artificial intelligence (AI) and robotic process automation (RPA) can help them to streamline workflows, automate processes, and reduce both rote work and dependence on individual or group bottlenecks in service delivery, supply chain, and other areas.

Beyond that, we also need to reevaluate the services that IT delivers, both for help-desk support and critical applications, and look to other ways IT can support collaboration, work-life balance, and the overall employee experience.

It's time to kick employee engagement to the curb, too: the old strategy of employee surveys was flawed anyway, and wellness checks launched and recorded in HR systems typically told us what we wanted to hear without telling us what we needed to know. Today's rebounding and rising focuses instead on employee empowerment, giving employees the tools and resources they need to work on their own and manage their own productivity, build their resumes and skills profiles, and enable them to check

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in with HR and their managers when they need to, within the context of their daily work. Beyond HR apps, One platform for enterprise-wide collaboration and the ability to mine and understand the data it generates (with appropriate privacy measures, of course) will give us much better insights about how employees really are as well as their motivators and distractions.

From a technology perspective, short-term initiatives to consider include supporting and driving the adoption of remote collaboration technologies to support ongoing work (not just in-person meeting replacements), providing support for remote collaboration and team building for non-work activities (such as employee interest groups, ESGs, and volunteering), and providing and promoting online and remote training and learning resources that can help them build skills.

Looking ahead

As we move from the reaction phase to rebounding and rising, our dependence on technology has never been more obvious – but so is our dependence on networks and relationships. As we look to the future, investing in technologies and initiatives that give us greater flexibility and agility will be key to successfully navigating the rebound and rise phases, as will ensuring our partners and employees are committed and contributing partners to our rise.

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