Hewlett Packard Enterprise

IT investment strategies that position you for success in a digital world

HPE Financial Services can help customers find new ways to plan for, acquire, consume and adapt the technology systems needed for business transformation.

Who's driving technology innovation in your company? If you automatically answered IT, you may want to reconsider your answer. Right now that may be the case, but times are changing and so are those leading innovation.

If you step back and look at the situation, what you'll see is that 47% of CEOs are experiencing pressure from their board of directors to make progress in digital business.[1] Sixty-three percent of business leaders believe the enterprise is too slow to respond to technology opportunities.[2] With this mounting pressure across all aspects of the business to innovate and drive change, line of business leaders are stepping in to a new role: technology innovators. This change is enabled by easier access to technology and 'at your fingertips' access to the latest and greatest applications. This is a very real shift. Gartner projects that by 2020, in large enterprises undergoing digital transformation, they "expect the amounts spent on technology within and outside IT's budget to be roughly equal."[3] Through that same time frame, IDC projects non-IT business units spending will grow at a rate of 5.9% vs. 2.3% in IT.[4]

Like their IT partners, line of business leaders are focused on propelling the business forward but they do it in a much different way. Their focus is on business outcomes. How do I drive faster time to market? How do I enable my business to respond faster to competitive pressures? How do I mitigate risk?

Who's in control?

This shift in approach means more projects, often line of business-led, will dominate your IT roadmap. These will be smaller, more iterative projects. To keep up with competition and the pace of change, these projects won't allow for the same multiyear planning cycles or extended return on investment models. It also means more risk. Some of these projects will be very successful and others will fail. When they succeed they'll need to scale quickly. When they fail, the business will need to adjust equally as fast.

Investment Strategy Consideration

Understand the business outcomes to give clarity on goals

- Business objectives
- Measurable success criteria and targets
- Decision points and milestones
- Projects scope and timescales

Define the investment parameters to expose opportunity

- Operating and capital budgets, cycles and phasing
- Charging mechanisms and payment cycles
- Cost, revenue and cash flows and requirements
- Internal and external funding sources

Create new financial architecture to secure results

- Align financial parameters, risk profile and mitigations to business outcomes
- Create flexibility, agility and the ability to respond to different outcomes with asset based solutions
- Build in technology refresh
- Create "cloud" like simplicity and predictability in payment models

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Yes, technology has gotten easier and the advancements are incredible, but what you have to manage is getting increasingly more complex. Not only are you managing more technology related projects, but you're doing it in a world where those leading and driving IT may not even be a part of your organization. As an IT leader, you're at risk of losing control.

What the business expects from you has changed.

Embracing a new approach

Specific outcomes and the value of those goals are different for each business. Being able to understand, articulate and quantify specific outcomes, and then focusing on them in a measurable, tangible and time bounded way, will allow IT to provide greater value to the business as a whole. For example, the requirements for implementing a new procurement or backend HR system are vastly different than those of a competitive customer web infrastructure that is revenue generating, needs to run the most advanced applications and meet speed and performance metric. By knowing the characteristics of what you're trying to achieve, you will have greater flexibly to plan for increased risk, deployment considerations, scalability needs and a host of other requirements that may not be immediately known.

And understanding outcomes isn't limited to a single situation or project. Situations may vary from one project to the next. As more companies make the transition to the multiple iterative project approach to IT, it will be important to embrace an adaptive mindset—one that allows you the ability to pick an approach aligned to the situation at hand. With this approach, you can shorten cycles, simplify decision making, and speed up implementation and rollout of technology.

A new way of thinking

An outcomes-based approach is not limited to technology but also includes how you acquire, pay for and invest in it. This approach means moving away from constraints that are traditionally associated with IT, such as focusing on TCO as your central metric for success. Gartner's 2017 CEO Survey highlights that "CEOs often see digital initiatives as self-funding because their primary purpose is to win revenue rather than to save costs."[1] Knowing that what you're trying to implement is about earning revenue, a decision based too heavily on TCO rather than time to market, pace of change and ability to scale could have the appearance of being outdated, ineffective and misaligned to the company's goals.

Take the next step and create the strategies you need

To help you create the investment strategy you need with more agility and less pain, please reach out to your account representative to schedule an IT Investment Workshop with us. In the half-day workshop, we'll help you

- Understand your business outcomes and gain clarity on your goals
- Define the investment parameters to expose new opportunity
- Create a new financial architecture to deliver business results

Additionally, your account representative can work with you to define the tailored IT Investment program that is right for your business and the goals it is trying to achieve.

Learn more at
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