

Leadership Development Series: Hone Your Business Acumen to Deliver Value



Christie Struckman

VP Analyst, KI Leader



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“Work On Your Business Acumen”

“Trabaja en tu visión para los negocios”

Learn about our **enterprise's strategy** and apply those learnings to your daily work ...

Interpretar las fuerzas del mercado con precisión y guie la estrategia del equipo en consecuencia...

Understand the little “**p**” (**politics**) to influence more effectively ...

Utilice un lenguaje más amigable para los negocios al presentar materiales...

Do a better job of managing the **finances** in your department for enterprise benefit ...

Conozca la estrategia de la empresa y aplique esos aprendizajes a su trabajo diario...

Interpret **market forces** accurately and guide team's strategy accordingly ...

Entendia la “p” (política) para influir más eficazmente...

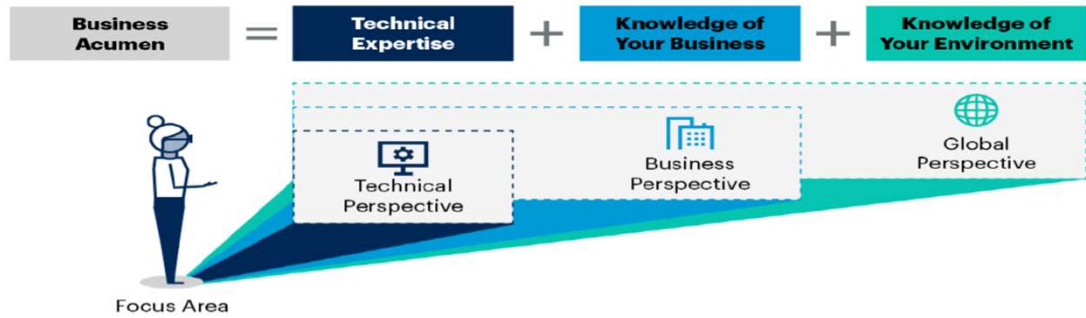
Use more **business-friendly language** when presenting materials ...

Haga un mejor trabajo en la gestión de las finanzas de su departamento para beneficio de la empresa...

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Components of Business Acumen

Business Acumen Defined



General and organization-specific knowledge about how things get done and why.

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To Improve Your
Business Acumen,
Understand Your
Business Model

My Communication Tool

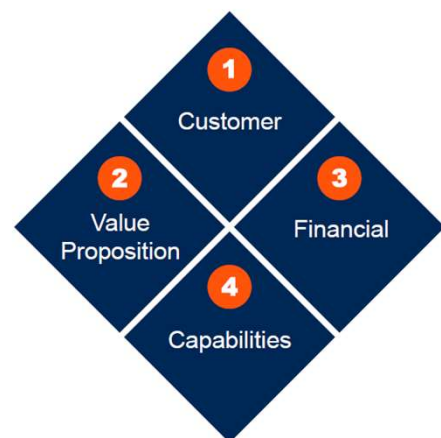


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Know Your Business Model

Business Model Components

- 1 Customer**
The individuals and segments that purchase or use your products and services.
- 2 Value Proposition**
The implied promise a company makes to its customers regarding the value of products or services.
- 3 Financial**
The system for capturing value and turning excess value into profit and funding that can be reinvested into the business.
- 4 Capabilities**
The resources combined across the organization to deliver customer-perceived value.



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Key Takeaway: the better you understand your customers, the better your solutions will be for the enterprise.

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Value Propositions

If we



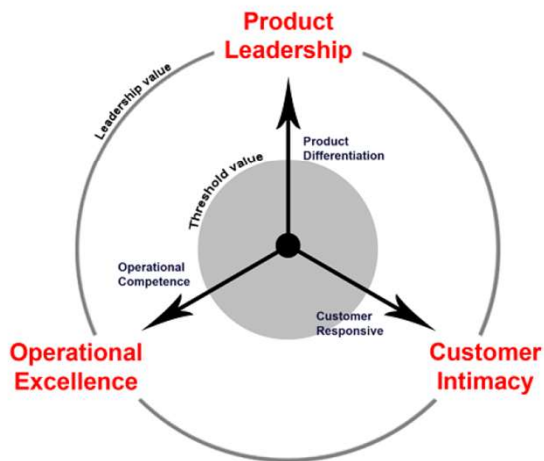
Then

We can create and deliver products and services that are a great fit for our customer's needs

And differentiate our value from our competitors

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Treacy and Wiersema Still Applies!



Value Discipline	Basic Philosophy
Operational Excellence	Customer proposition is simple: low or lowest price and hassle-free service
Product Leadership	Offer products that push performance boundaries
Customer Intimacy	Delivering what specific customers want

Most organizations strive for one; only a few companies deliver on two.

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Money Spent Has Impact on Financials (of course!)



CapEx

V.







OpEx

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All Four Views Have Value

Build and Maintain Four Views of IT Finance for Effective Financial Transparency

				
Key Stakeholder	CFO, Finance and IT Budget Owners	IT Teams and Procurement	Business Leaders, IT PLMs, Sourcing	Business Executives (C-Suite)
Common Questions	What does IT spend by cost category?	What are the total cost of IT by technology stack?	What is the total cost of business-valued services?	What is the strategic value of the IT spend?
Objective/Need	Evaluate spend at the GL level: <ul style="list-style-type: none"> ▪ Labor vs. physical assets? ▪ Facilities as a percent of total IT spend? ▪ Capex vs. opex? 	Optimize technology investments: <ul style="list-style-type: none"> ▪ Physical vs. virtual? ▪ Cloud vs. on-premises? ▪ DASD or solid state? ▪ Benchmarking spend ▪ Rate-volume analysis 	Provided services-based costing by unit of transaction: <ul style="list-style-type: none"> ▪ Demand management ▪ Value/cost of IT ▪ Showback 	Optimize strategic and operational spend. <ul style="list-style-type: none"> ▪ Reduce run-the-business spend ▪ Fund innovation ▪ Who is consuming how much?
Outcome	Annual budget estimates based on GL structure	The cost of technologies and IT services provided to technology consumers	The total cost of ownership (TCO) of services and/or applications	Allocation of IT funds to Innovation enablement and more strategic deliverables

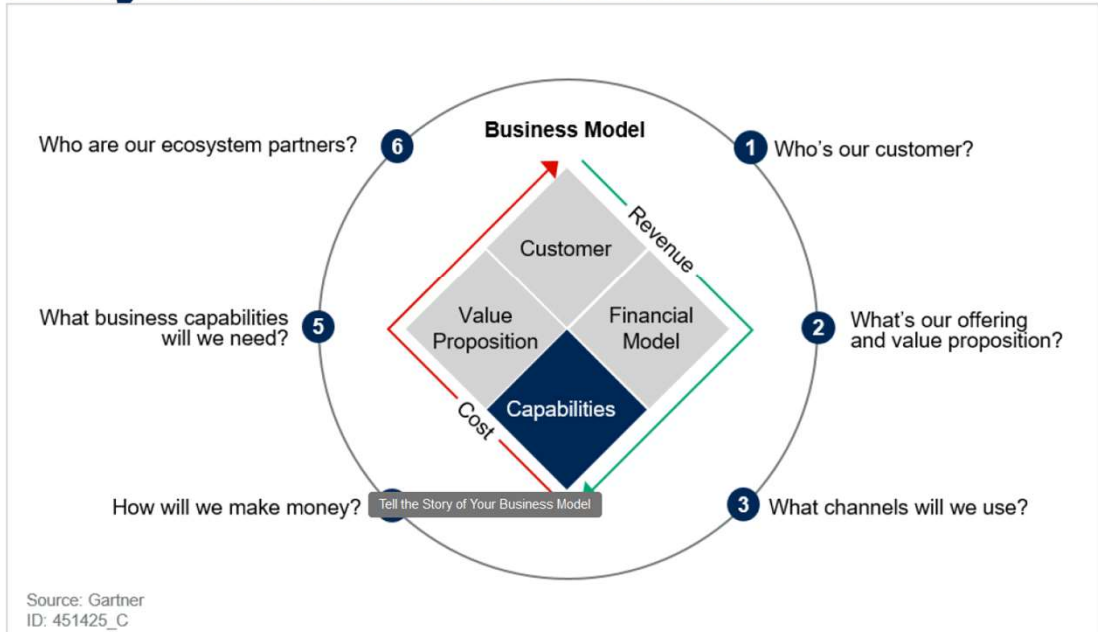
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Business capabilities are what we must be able to do to support the business model.

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The Story of Your Business Model



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Learning Plan

Build Acumen Using the Business Model Framework				
	Financial	Customers	Value Proposition	Business Capabilities
LEARN this	<ul style="list-style-type: none"> Total cost of IT Spending Analysis Business impact of IT Spend 	<ul style="list-style-type: none"> Customer Segmentation Customer Experience Sales Strategy 	<ul style="list-style-type: none"> Business priorities Leadership mandates IT's impact on priorities and mandates 	<ul style="list-style-type: none"> Business Processes Culture/Values Supplier and Partners
APPLY by	<ul style="list-style-type: none"> Using an Invest View & Applications View Engaging stakeholders in application-based spending 	<ul style="list-style-type: none"> Using customer journey maps Sharing customer pain points and learnings regularly 	<ul style="list-style-type: none"> Reading the company annual report creating a business value map Evaluating a competitor's value proposition and comparing to your own 	<ul style="list-style-type: none"> Identifying one process automation opportunity Linking workforce behavioral competencies with team performance objectives; Creating an ecosystem partner engagement platform
DON'T do this	<ul style="list-style-type: none"> Get lost in technical spend detail Prioritize perfect over good enough 	<ul style="list-style-type: none"> Call internal partners customers Think the CX is static 	<ul style="list-style-type: none"> Focus value on the work and tactics Prioritize based on IT lens, but on business lens 	<ul style="list-style-type: none"> Focus on point solutions Start with a problem that is too big and complex to fail

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