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CIO Dinner Sound Bites

Technology in super achieving businesses

The place of IT in the 'recipe' for creating top performing companies was the theme of the winter 2014 series of Deloitte's CIO dinners. This document is a summary of the sound bites gathered from those events.

The discussions were based on a study by Deloitte that analysed the financial performance of around 5,000 companies, highlighting the 200 firms with the highest results - the super achievers.

The purpose of the sessions was to determine whether and how technology can help a business become a super achiever.

Key points

- The analysis of the top performing companies identified three success factors that characterised super achievers, each of which has different implications for IT.
- Delivering value to customers: super achievers chose to add value rather than cut prices, with the value added often being around customer experience and brand experience.
- IT implication: delivering value can be facilitated by a system that can help better understand customers through customer segments, customer behaviour and analytics.
- Growth: as they sought to create value both for the company and shareholders, super achievers put more emphasis on increasing revenue than decreasing costs.
- IT implication: systems management offers scope for decreasing costs, while growth raises integration issues.
- Innovation and agility: super achievers prioritised fast-moving experimentation with customers, rather than building long-term business plans which would inevitably become obsolete.
- IT implication: there are challenges in building and maintaining an infrastructure with the flexibility required to support a very agile and growing organisation.

Delivering value

Providing customer value is very important but this does not always mean following the trend towards giving away products for free, or continually adding new features or attributes. Customers will pay if they understand the extra value they are receiving, such as good customer experience or brand value.

"Customers are willing to pay a premium for added value.

Managing growth

Integration of all activities is a key component for the successful use of technology in a business. Firms must decide whether to invest centrally or allow each department or subsidiary to make its own decisions, while balancing the needs of different stakeholders.

In today's digital world there is a need for automation and standardisation, which demands a good understanding of the business. However, there is often a gap between those who understand the business and those who understand the technology.

"The new generation expects technology to be free, fast, efficient and with no failure. They are much less tolerant of outages.

Often seen as a cost, IT departments face competition from external service providers, with lower costs and higher competences. IT departments need to build credibility within the business, positioning themselves as innovators.

Innovation and agility

It is not enough to be innovative and agile; firms also need to get there first. This demands that IT is very close to the business, recruiting the right people and having proper governance while also controlling costs. Rigidity has to be avoided. Companies must be open to new ideas, from both internal and external sources. Understanding customers is crucial to innovation, but because customers generally don't know what they want, understanding requires observation and analysis, in a feedback process.
The cloud allows more flexibility and although it still has risks, these are less now than in the past.

"Businesses need not only a culture of accepting failure but a culture of expecting failure.

For more information, please contact:
Christian Combes
Partner
+ 32 497 59 63 58
ccombes@deloitte.com