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The Challenge Facing IT Leaders

HOW IT MANAGERS CAN IMPROVE JOB SATISFACTION WITH ONE SIMPLE STRATEGIC CHANGE

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The Challenge Facing CTOs

Maybe this situation sounds familiar: a company says it wants its tech leaders thinking about **strategy** and determining how to use technology to spur **business efficiencies**, driving **innovation** and deliver **growth**.

But then they downsize their tech department and assign the remaining head count the responsibility to keep infrastructure up and running, patched, and secure—while also tracking emerging technologies and devising the overall IT business strategy.

So is it any surprise that the average tech leader's tenure is only 4.4 years?

Here's the thing: the high tech turnover rate is terrible NOT because the IT manager is doing a **bad** job; it's because most IT managers are doing the **wrong** job.

In this paper, we use the terms CTO, IT Leader, and IT Manager interchangeably. Organizations with a CTO position signal that their technology leader is a strategic asset, making the challenges highlighted more acute. Whereas other senior IT leaders may need to earn a seat at the business strategy table.

>

The Problem

IT leaders are getting bogged down in day-to-day maintenance and support, leaving them with little to no bandwidth to focus on the strategy of digital transformation.

57% of CIO/CTOs say **they now play a role** in actively defining corporate strategy, and **35%** influence that strategy.

So it makes sense that a CTO who's asked to participate in innovation initiatives and manage daily IT business operations is not going to have the capacity for both.

Top CTO grievances leading to high turnover:

- Undefined roles
- Unclear priorities
- Low job satisfaction

So how can an IT manager stop spending their valuable time on the repetitive "right now" tasks, and instead devote their energy to the company's big picture?

57%

PLAY A ROLE IN DEFINING CORPORATE STRATEGY

35%

INFLUENCE CORPORATE STRATEGY
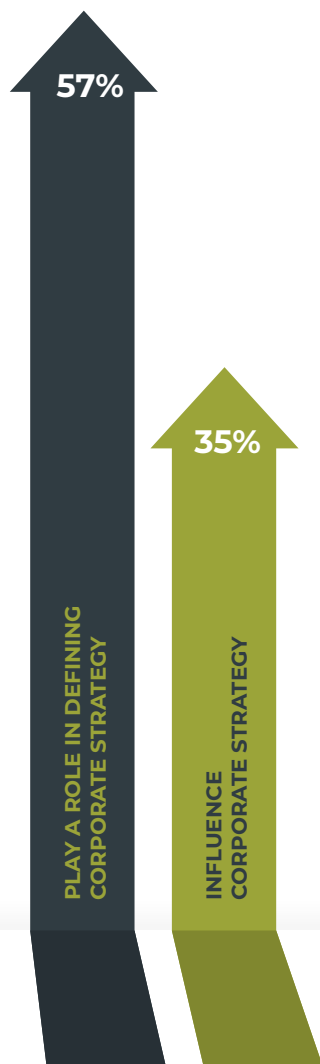
CTO: Define your role

A company's CTO is often forced into the role of hockey goalie: waiting in net, ready to catch any slapshot at a moment's notice. But an IT leader shouldn't be in such a reactive position; they need to be in a planning position. Think less hockey goalie, more team general manager.

"CTO" is a relatively new C-suite position, and its parameters aren't necessarily clearly defined. Instead of this being an obstacle, this flexibility should be used to **create the role you want**, leading to higher job satisfaction, longer tenure, and more corporate resiliency.

> "Technology strategy should be intertwined with business strategy."
>
> Randeep Sekhon, CTO of Airtel

What a CTO *Should* Be Doing:
Fundamental CTO Responsibilities

- › **Innovation Strategy**
  Applying a business mindset combined with technology expertise to develop tech-focused goals with the objective of increasing productivity, revenue, and growth.

- › **Technology Advancement & Development**
  Remaining on top of emerging technologies and identifying which new tools could be used to drive digital transformation and differentiation for the company.

- › **IT Operations**
  Creating and maintaining a secure workflow using technical expertise to oversee the IT infrastructure.

What a CTO Too Often Is *Stuck* Doing
CTO Responsibilities to Delegate

- › **Break-fix**
  Resolving individual glitches, user mistakes, and other tech-related problems on a case-by-case basis.

- › **Cybersecurity Management**
  Managing security stack, threat-hunting, responding to a potential cyberattack.

- › **Infrastructure Maintenance**
  Keeping systems updated, patched, and maintaining the company's backoffice technologies.

The CTO Balancing Act

CTOs are increasingly being asked to sit at the C-suite table, making big-picture decisions, and envisioning a tech-fueled, business-savvy future for the company—but they're still expected to use their IT expertise to ensure anything that has a microchip is consistently up and running.

"On the one hand, CTOs must understand how technology contributes to—and can remediate—operational challenges, while on the other hand, they need to see how technology innovation can seed new opportunities," IBM reported in their global CTO study, "The CTO Revelation."

"The CTO must be a person with in-depth insight into both the industry and corporate governance. What technology can do is to enlarge human efficiency and realize the exponential amplification of growth."

Hua Zhu, CTO of Hywin Holdings

Urgent vs Important

The ultimate struggle that complicates matters for in-house IT leaders is the tension between the urgent (right now) and the important (big picture).

Urgent

- Server goes down
- Phishing attempt
- Networking break-fixes

Important

- IT infrastructure design at new location
- Business technology investments
- New technology implementation

So, What's the Solution?

This is where a managed service provider (MSP) comes in. The MSP fills the goalie position so that the IT leader can focus on big picture strategy and planning. In fact, the best MSPs are not only goalies—they can also be centres, wingers, and defenders.

Stellar IT professionals offload their backend operations to an MSP for numerous reasons. Ultimately, outsourcing of day-to-day IT functions reduces staff turnover and increases job satisfaction for the entire IT department.

What is an MSP?

As a "managed service provider," an MSP is your greatest ally. An MSP's entire MO is to provide core technology and cybersecurity services and support so that IT leaders can focus on initiatives that drive growth and generate differentiation.

An MSP can:

Take responsibility for your company's cybersecurity

Develop and support your disaster recovery plan

Oversee and run daily IT operations

Deliver IT support including deskside assistance

Case Studies:
How an MSP can redefine your day-to-day

1. Optimizing Your Headcount

Rick David is the IT Manager at the Friesen Group of Companies in Abbotsford, B.C. He's had decades of experiencing outsourcing day-to-day operations to MSPs to allow him to focus on big picture items. For example, in a former position at his previous employer, an economic downturn prompted a round of cost-cutting, forcing David to reduce his headcount from four to just one. Then, when things improved,

David opted to use his increased budget not to build up his headcount, but rather to outsource such functions as systems administration, programming, and help desk.

Soon, David found himself leading the design and execution of IT infrastructure for a new factory. Finally, he was able to concentrate on that task "instead of worrying about whether my backups in Chilliwack were still happening."

The Win

✓ Ticket resolution times at the newly outsourced help desk dropped from the old average of three days to just 11 minutes.

✓ Complaints also decreased—and when they did happen, the MSP dealt with them.

✓ Soon, David received a promotion to the senior management and strategic planning team—and his job satisfaction went way up.

The Takeaway

"Outsourcing just makes sense," David observed. "We should focus on our core competencies, while we let the experts deal with day-to-day IT operations."

2. Getting the Most from Your Budget

Rheisa Campbell, CFO of B.C.'s VantageOne Credit Union, was for decades her company's sole IT manager. She made the decision long ago to transition VantageOne from internal IT management to partnering with an MSP.

"Because we're in the financial industry, we're heavily regulated. We have a lot of IT security audits," Campbell said. "So we needed to have that expertise to rely on."

At any given company, an internal IT manager responsible for cybersecurity is likely also juggling other priorities. In contrast, an MSP often has an entire team devoted to cybersecurity, which means they stay more informed about the latest threats and patches.

The Win

✓ By outsourcing to an MSP, VantageOne gained an elite cybersecurity IT team that worked with dozens of companies across the country, with greater experience fending off the latest threats.

✓ The move also decreased costs.

✓ Campbell crunched the numbers and found her competitors were spending 50-60% more on their IT-supporting costs than VantageOne.

The Takeaway

"Our MSP contacts keep an open ear so they know what's going on, and can keep me up to date," says Campbell. "With technology changing so quickly, we rely on their expertise because they're the ones that know it the best."

3. Scaling the Smart Way

Urban Life Solutions (ULS) is a Calgary-based professional outdoor services company that is rapidly expanding all over the country, with six mergers or acquisitions in two years, increasing headcount from 150 to 1,000. More expansion to come means ULS will soon be in 11 different cities, from B.C. to Ontario.

The growth created challenges for Tim Wilson, ULS' national IT manager. He considered hiring an IT lead in each of the cities where ULS has a location. But even if he was able to find someone reliable, they'd likely be lacking in key capabilities. A network specialist has a different skill set from a cybersecurity expert, for example.

Ultimately, Wilson opted to partner with an MSP in each city where ULS has a significant base of operations. "The nice thing about an MSP is that they have more people to focus on the weeds," said Wilson. "Don't bother me about fixing someone's keyboard or mouse. The MSP handles all of that."

Now, Wilson has the bandwidth to manage the IT demands of his company's expansion goals. "For me, the real key is, listening to the higher ups, working with them, understanding their goals, what they want to achieve—and then I adapt the IT policies and procedures based on those visions."

The Win

✓ Outsourcing to MSP partners liberated Wilson to focus on what was important to his employer: Streamlining further expansion with IT policies and procedures that ease the integration of new companies, potentially accelerating M&A activities in the near term.

The Takeaway

"Now that our MSP partner takes care of routine functions, I'm excited for our next M&A, because I'll be able to work with the decision-makers on the IT assessments that should be done throughout the lifecycle of a merger or acquisition."

The Wrap Up

Many IT leaders' roles have structural issues that can affect job satisfaction, reduce engagement, and decrease tenure. The ultimate struggle that complicates matters is the tension between the urgent and the important.

An MSP has a team of specialists and greater bench strength to take on the urgent tasks, freeing up the in-house IT leader to concentrate on what's important.

> "Being able to focus on big things, to look at the one- and two-year horizon, rather than putting out the little fires burning right now, has been a big win."
>
> Rick David, IT Manager, Friesen Group

MSPs support the company in driving revenue and margins

Outsourcing makes good business sense: IBM reported that companies with superior technology metrics, such as tech maturity, effectiveness, and ROI, performed better than their peers—**sometimes up to 48% higher**. The dichotomy is clear: internal IT managers set the priorities, while MSPs provide the operations that attain those goals.

MSPs provide cost-saving benefits

Look at budgetary considerations: if you factor in headcount costs, including vacation time and benefits, then dissolving an internal IT team can more than pay for the transition to MSP partnering.

Outsourcing also has accounting advantages. Compared to the IT leader's employer, the MSP is buying more hardware, and licensing more software, and can pass on volume-related cost-savings to clients. Using an MSP also translates IT infrastructure from a sunk cost to a monthly operating expense—especially true if you opt for a per-user billing model that incorporates the cost of hardware and software, keeping such line items on the MSP's balance sheet.

The Bottom Line

If a server goes down, business might stop. If a database experiences a critical error, sales staff can be paralyzed. The same thing can happen if a key piece of network infrastructure suddenly burns out. Yet, it really shouldn't be the in-house IT manager's responsibility to fix any of these issues.

Partnering with an MSP just makes sense. A reported 53% of executives say their companies are **investing in digital transformation**. Do you have the time to manage that investment if you're constantly advising people to try turning their computer off and then on again?

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Do you have internal IT responsibilities that would be better handled by a managed services provider? Contact F12 to discuss options.

✉ sales@f12.net   📞 1-886-F12-8782   ⤷ f12.net

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