

Dynamic investment for IT

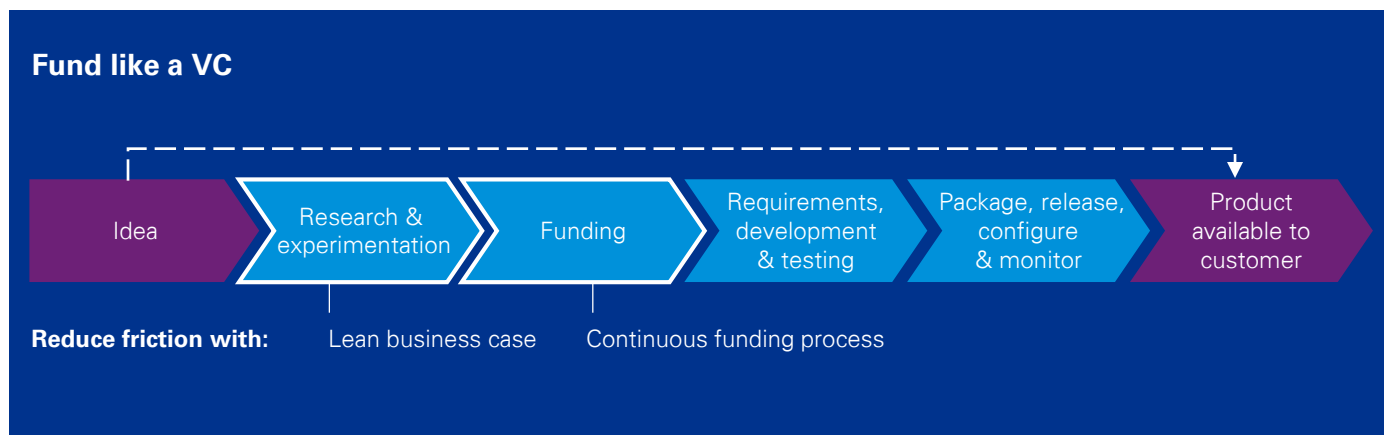
Funding technology at market speed

The inability to act on signals critical to the future of a business is an obstacle to innovation. Much of that results from old-school funding approaches that can't move fast enough to encompass the digital world.

Dynamic investing is needed

Traditional technology funding methods can no longer support the fast pivots of today's digital world. With long lead-time processes, the system does not allow businesses to capitalize on innovation opportunities at market speed. As a result, IT may see finance as a gatekeeper, while the business sees IT as slow, reactive and expensive.

For a market-speed approach to technology funding, dynamic investment is needed. Similar to venture capital (VC) investing, this new funding model incorporates a continual, flexible process that enables the enterprise to constantly shift its capital among technology projects.



Incorporating IT funding of the future means:

- Funding is not tied to an annual planning process
- Business cases have permission to experiment, fail fast, and redeploy capital
- Technology teams are organized around strategic value, and resources are funded for multiple years to pursue strategic objectives
- Funding is focused on products, not projects
- Measurement of success is based on leading indicators
- Companies recognize that the process can be successful even if a particular investment is unsuccessful

A new approach

Dynamic investment requires a new mind set, approach and involvement of finance, IT and business functions involved in the technology launch.

Key considerations include:

- Funding value instead of projects, and thinking like a venture capitalist
- Adopting lean funding to keep the technology portfolio current
- Embracing the decentralization of IT
- Catching bad ideas faster
- Communicating transparency and value

Be ready – now

To truly operate at market speed, companies must continually build, buy and integrate technology - even before the destination is fully understood - while keeping an ever watchful eye on the future. Indeed, when disruption is the status quo and new competitors are suddenly breaking into markets and stealing share, simply reacting to change is not an effective business plan.

How KPMG member firms can help

KPMG member firms recognize that CIOs and IT leaders face increasingly complex demands and challenges. Today, IT must advance the business, not just support it, with boards increasingly expecting returns on digital investments and the implementation of successful digital transformation strategies that will drive up agility, responsiveness and enhance the customer experience.

KPMG professionals can help CIOs, technology leaders and business executives to harness new technology and improve the strategic value of their technology investments. If your business is seeking ways to leverage technology as a source of innovation and competitive growth, KPMG member firms can help.

To learn more about the future of IT, please visit: kpmg.com/Future-IT

Contact us

For further information on how KPMG professionals can help your business, please contact us.

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