deals are most attractive. Conceivably, acquirers might even be able to bid higher, since they are better prepared to capture the 10% to 15% cost savings that successful IT integrations deliver.

As companies begin to plan an acquisition, IT must have a seat at the due diligence table. The technology team can spot potential obstacles to integration in the acquisition target or identify potential liabilities. This is particularly important as companies review cost and revenue synergies. All too often, forecasts are driven by financial formulas or rules of thumb provided by the merger's advisers. In practice, however, many of these calculations depend on companies' ability to integrate IT operations — not just IT itself, but the wide range of functions that it enables, which include finance, HR, logistics and customer relationship management.

Companies that take a strategic approach to M&A build an information architecture well suited to acquisitions. They get their own IT house in the best possible order before initiating any deals. Many have already adopted service-oriented architectures that are generally more flexible and adaptive. These companies have also reduced the number of systems and developed a model that considers new data that may be gained in acquisitions.

With this capability in place, the CIO can be a strategic partner in identifying acquisition opportunities. The further upstream the CIO is involved, the more value can be added. Leaders who demonstrate IT's value in the integration effort to their colleagues in the C-suite can become key figures. CIOs who take on this role understand an acquisition's business goals as well as the steps necessary to achieve them.

● *Extracted with permission from "Understanding the strategic value of IT in M&A" by Hugo Sarrazin and Andy West,* McKinsey Quarterly, *January 2011. See the full article at tinyurl.com/39wseer*

"CIO'S NEED TO SYNCH UP WITH THE BUSINESS CYCLE, ALIGNING 'CAMPAIGNS' TO FISCAL PERIOD ENDS."

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All too often CIOs seem to have a "build it and they will come" attitude to the applications and services their organizations create and deliver. They believe that if the IT team does a good job then the rest of the company will realize it and their value to the company will increase. Sorry, guys, it doesn't work that way. What CIOs need to be doing is systematically promoting both themselves and their IT department in carefully orchestrated campaigns.

What a lot of organizations don't realize is that IT departments operate on a different "clock" to the rest of the business. Almost every other department is closely tied to the fiscal quarterly cycle. Quarter end is the point at which these departments make a song and dance about their achievements. But things tend to be a bit different in IT.

Almost everything is project-based and these projects may have little relationship with the rest of the enterprise's cycle. Implementing a major application, creating a new private cloud, or setting up a data warehouse are projects that have no clear relationship to the flow of the business calendar.

What this means is that IT people — and by extension the CIO — tend to either keep their heads down, staying focused on projects that are "in flight" until those projects are completed, or raising their heads at a random point when few colleagues will appreciate their achievements. To market the IT organization effectively, the CIO needs to synch up with the rest of the business and time positive messaging to coincide with financial period ends when everyone is looking at metrics of success.

But that is not the only tactic CIOs need to employ to address the situation:

● **Move away from the loner attitude** Within the world of IT, there is often an attitude of "I can do it all by myself." As a CIO, you need to stop thinking this way and start making as many allies as you can. A CIO is only as strong as his/her internal network and that means taking the time to develop real relationships with as many people as possible. When that network appreciates what IT brings to the table they can actually become Net Promoters of the IT department.

● **Ensure you know more about technology than your users** With the consumerization of IT, CIOs are in danger of being left behind in critical areas such as mobile and social. So it is more vital than ever that CIOs evangelise for technologies that have the potential to bring new value to the business.

● **Ensure the IT/business relationship management function extends to the marketing of IT activities** — promoting business success stories to the rest of the organization.

● **Enlist the wider organization's corporate communications department** to get the message out that IT is a business differentiator with customers (if you are an airline CIO that might be a mobile boarding pass; if you in logistics it may be a GPS-enabled package tracker).

So instead of the CIO only getting attention when things go wrong, IT achievements get recognized for their positive contribution when and in a away the CIO has actively planned.