



Adopting an IT Leadership Mindset in Tough Times

If you act like a leader in good times, it pays off when things get tight. Here's how.



Introduction

Articles with advice about how to cut IT costs in down business cycles are common enough to have become their own literary subgenre. The answers are usually the same: examine cloud costs, scrutinize software licenses, automate processes, cut wasteful projects, reduce staff, hire more consultants, hire fewer consultants, vacuum up spare change in the couches.

None of that advice is wrong, and it's all useful up to a point. However, it doesn't really get to the nub of the problem. You should never **not** be looking for places to economize. You shouldn't waste money just because your CFO is feeling flush this year and is an easy touch.

Here's the key: If IT is a strategic asset (which we know it is), IT leadership needs to be relentlessly strategic too. That means thinking like a leader whether times are good or bad. After all, if you can't defend your budget and your priorities during times of cutbacks, whatever were you thinking during the good times?

It's harder to do it than to say it. But experienced IT execs know lessons can be learned from every down cycle. Here are some tips that your peers—who have been around this particular block a few times—have found useful.

Is this a downturn? Who knows?

Gartner is calling our present situation **economic turbulence**, rather than using more ominous terms. However, even if the analyst firm predicts that [worldwide IT spending will grow 5.5% in 2023](#), other industries are not on steady ground. According to a February 2023 report from the National Association of Business Economics (NABE), 58% of economic forecasters say there's [more than a 50% chance of a downturn](#) in the next 12 months.

When forecasters are that unsure whether it's going to rain, listen to what your mother said: Bring an umbrella.



Align with corporate priorities – fanatically

Although IT's job is to support corporate priorities, the best IT execs don't necessarily follow those priorities in lockstep. Instead, they find strategic ways to address problems that top executives might not know they have.

When the hammer comes down, be prepared to show how you are supporting core priorities or moving the company forward.

"I think that's the job of every CIO: to say, 'How can I use whatever funds I get to make the organization better?'" says Jonathan Feldman, CIO of Wake County, North Carolina. "Sometimes it's making the organization better, but then you have to kind of connect the dots for people. Does endpoint protection make the organization better? No. But it sure does keep the hospitals running. So there's value there."

"Keep the focus on long-term objectives, especially in times of economic hardship," says Ben Richardson, director of the UK-based software and management training firm Acuity Training. "I've seen IT leaders take

advantage of downtime to create a more agile IT structure that can respond quickly and effectively to changing market conditions."

"It is important to have a clear vision and strategy," says Kelvin Wira, founder of the Singapore-based animation agency Superpixel. "Take the initiative to identify potential challenges and opportunities and develop contingency plans and solutions. This may involve re-prioritizing projects, optimizing budgets, or finding new revenue streams. The business landscape can change rapidly during tough times, so IT leaders must be agile and adaptable."

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Prioritize ruthlessly

It's always important to know in advance what you may need to cut. But you also need to know what you have to spend no matter what—and how to talk your way into getting the money.

Hardware that's gotten so old that the vendor isn't issuing security updates becomes a corporate priority when the alternative is a security breach. But you should always have a Plan B that's less expensive but effective enough to get the job done. Advises Feldman, "Putting choices on the table instead of saying, 'Give me what I want or we're facing Armageddon' is also a credibility-building exercise that you can do throughout the years."

Prioritization also applies to staffing. Feldman sometimes brings in a more expensive agency for short-term work rather than hiring a cheaper employee. But over time, as the consultants steadily get more hours, adding employees eventually becomes more economical.

"That's how you have to respond to these," Feldman says. "You have to find a third way and sometimes play the long game. It's Stone Soup, at some level."

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Worry only about the things you can control

There are lots of things you can't control, like the weather and global monetary policy. And although you should make contingency plans in case things break down, worry most about the things you **can** control or influence.

Put things into buckets: what you can control, and what you can't control. You can't control the economy or trends outside your industry. Focus instead on the things that are in your hands as a business.

It's like cooking: Figure out what ingredients you have. Make adjustments, accommodations, and substitutions to fill in for what else you may need. If something is out of your control, you may wind up with a meal that's different than what you started with but is perfectly acceptable. Adapt. Do the possible.

Sometimes that is a hard lesson for command-and-control-type executives. In difficult times, you may discover that you actually don't control the assets or projects that you thought were squared away. It may sound a little Zen, but it's true: If you suddenly find that you either don't have the ingredients you thought you had, or if you find that some burners on your oven are busted, the smart move is to nimbly figure out what you really can realistically get on the table, accept it, and move on from there.



Unearth efficiencies and technologies

The time to start worrying about efficiencies is when you don't have to. Look at your processes and never stop investigating new technologies that can help.

"One thing we've focused on during down times is improving our internal processes and systems," says Rahul Vij, CEO of WebSpero Solutions, a digital marketing agency based in Punjab, India. "This has allowed us to become more efficient and streamlined in our work, which has translated into better results for our clients. For example, we've implemented new project management software that has helped us to stay organized and on top of deadlines, even when working remotely."

When you find those efficiencies, don't keep them secret. "if you're not constantly thinking about how to reduce costs," says Wake County's Feldman, "then you're constantly going to budget with your hat in hand and saying, 'I need new money.' And they get really tired of that." He suggests telling management about the money you've already saved with a new technology and letting them know how you'll redeploy it.

"If you're really transparent, and you show them how you have reengineered and taken dollars from X and put it to Y, you have a lot more credibility and you have a better chance of being taken seriously, which then translates into funding," Feldman says.



Invest in technology that saves money

"Many budgets may see decreases in funding, but with technology being viewed as a way to combat economic downturns, most IT departments will see their budgets increase, and CIOs are taking steps to optimize 2023."

— [C-Suite Tech Plans for 2023 Recession Budgets](#), IDC

Think creatively to add value and build loyalty

When the pandemic hit in 2020, nearly every company had to reevaluate how it did business – and even what business they were in. Distribution was a particular problem. Even if customers were willing to come into stores (and lots weren't), there wasn't the staff to serve them.

That might not look like an IT problem, but it had some IT-based solutions.

E-commerce and curbside pickup helped solve staffing and personal-contact problems. The smartest IT execs quickly created systems that allowed low-contact shopping and kept the business running. Those new

services did more than that, though; they built customer loyalty during some pretty dark hours. The new systems were an IT answer to a non-IT problem. Even today, with the worst pandemic fears largely in the past, the convenience of curbside pickup is a popular differentiator.

Similarly, high-touch businesses [pivoted their community outreach](#). They used social media to stay in contact with customers and even gather and respond to user suggestions. Smart IT managers deployed technical resources quickly to solve marketing and distribution problems that may not have looked like IT issues at the start.

When no one was face-to-face, Ulta Beauty used tech to remake its business model

Retailers needed to reinvent themselves drastically during the pandemic, which created momentous changes in operating models and shopper preferences, with consumers driven to online shopping during the lockdown period. Despite the disruption, at a time when e-commerce, consumer packaged goods, and logistics supply chains were experiencing tremendous upheaval, Ulta Beauty thrived, growing 2021 revenue by about 40%.

The retailer took the opportunity to [rethink its old ways of doing business](#). It transitioned from an old retail model, based on legacy applications and on-premises information systems, to a more sustainable IT infrastructure that is quickly migrating to the cloud. By leveraging the power and scalability of Redis Enterprise Cloud, it is meeting ambitious business goals such as curbside pickup, same-day delivery, and a new service that allows shoppers to order products online and pick them up in an Ulta store just two hours later.

How Redis can help

Simplicity and consistency count. Today's pilot program can turn into tomorrow's widely deployed strategic application. Getting from Here to There shouldn't force you to step back and reengineer when you should be scaling. And Redis is great at scaling.

The best way to start is to open a free account in Redis Enterprise Cloud; you can even start in the free tier to prototype and develop your next pilot project. Use Redis Stack which bundles the best technology to extend Redis Open Source core capabilities to build something fast and powerful. Hence, developers are productive in a shorter period of time – which leaves them free to focus on the innovative project rather than fuss with troublesome tools.

When your needs change you can switch to a higher tier for performance, scalability, and other enterprise-ready capabilities. Your developers can continue to be productive without interruption or new learning curves. Best of all, as a tech exec, you can keep your attention on strategic matters. And you can tout the oh-wow software you're building – software that users love and that benefits your business.

Application speed is important, too. Redis' speed lets you sync up database instances in far-flung locations in near real time. If you're a national retailer, for instance, that means you always know exactly what you have in stock and where, so you can reduce customer disappointment for popular products when traffic is heavy.

Everyone gets nervous in
a tight economy. Focus on
creating customer loyalty
so that yours is the business
that survives ... and thrives.

It's always time to lead

If you do everything we outlined here, does that mean that you'll never have to go through another cutback? Of course not. Down cycles happen to every company and industry, and they are generally accompanied by pain.

No matter how good an IT leader you are, no matter how much you contribute to the bottom line, no matter how strategic your thinking, the CFO will eventually come calling.

But how you respond is up to you.

Will you reflexively audit your operations, lay people off, and squeeze your vendors? You may well have to do all those things, but if you've been thinking like a leader throughout, there won't be anything reflexive about it. You'll already know your department's worth and where it's spending its money – and, more importantly, why it's spending it. Cutbacks may still be painful, but they may be less random. And you may even have the numbers at hand to demonstrate how shallower cuts pay off.

Good luck.



Learn how Redis can help you think and operate like an IT leader. To get started, watch this recorded webinar, [Three Ways to Cut Your IT Costs With Redis Enterprise](#).