

IT hasn't been transformed. It's been bypassed — and the CFO is inheriting the bill.

Business-Led IT: The Silent Reorganization

A structural reorganization that no one formally approved — and that finance is now paying for.

Business units now buy their own cloud tools, make their own technology decisions, and trigger spend the CFO never sees. Modern SaaS platforms are pre-configured for specific functions with built-in best practices and minimal implementation requirements.

The result: every function is now its own CIO. And none of them are reporting their architecture decisions to the CFO.

WHY THIS MATTERS NOW

Cloud vendors have engineered their go-to-market strategy to bypass IT entirely — selling pre-configured, industry-specific solutions directly to business leaders who can approve OPEX without a capital request. The governance model didn't evolve with the procurement model.

The Capital Problem Hidden Inside the Efficiency Story

Business-led IT is often presented as an efficiency gain — lower IT overhead, faster deployment, more business ownership.

The reality is more complicated. Decentralization creates capital problems that are structurally invisible to finance: duplicate systems across functions, redundant data flows where multiple vendors bill for the same transaction, unmanaged integrations, and vendor lock-in that accumulates silently.

The CFO who counts OPEX lines without mapping the architecture behind them is governing a symptom, not the system.

The Accountability Vacuum

The deeper problem is not that business units are using the wrong evaluation criteria when they procure technology. It is that they are not measuring return at all — and nobody is asking them to.

When a business unit selects a CRM enhancement or a marketing automation platform, the evaluation is instinctive and directional: does this solve the problem in front of us, does the demo look credible, can we

afford the monthly fee. That is not a capital evaluation. It is a purchasing decision dressed up as one. The questions that would constitute a real evaluation — what measurable outcome does this produce, by when, attributable to this specific investment, net of the time and organizational energy required to adopt it — are almost never asked. Not because business leaders are unsophisticated. Because nobody has ever required them to answer those questions, and the organizational systems that would hold them accountable for the answers do not exist.

The result is a governance structure that is perfectly designed to produce the outcome it produces. Business units buy technology to solve immediate problems. Vendors measure success by renewal rates and expansion revenue. IT measures success by uptime and ticket resolution. Finance measures success by whether the invoice matches the budget line. Nobody in this system is measuring whether the capital deployed against the technology actually returned what it should have — because that measurement would require defining the return before the purchase, tracking it after deployment, and holding a named individual accountable for the gap. That accountability structure is absent in almost every organization that has embraced business-led IT. The freedom to buy without the obligation to prove — that is the real governance failure. And it compounds with every renewal cycle, every expansion, and every new platform added to a portfolio that nobody has ever audited for return.

Business units have the freedom to buy without the obligation to prove. That is not decentralization. It is an accountability vacuum — and it is compounding on every renewal cycle.

A Governance Model That Matches the New Reality

The answer is not to re-centralize IT. The answer is to build a governance model that allows business-led procurement while imposing the financial discipline that only the CFO has the authority and incentive to enforce.

Architecture review as a financial function. Before any business unit signs a technology contract, the CFO's office should review the architecture implications — not to approve the technology, but to understand the capital exposure it creates.

Standardized vendor evaluation criteria. Include total cost of ownership across a five-year horizon, switching cost assessment, and data portability terms — not just the initial contract value.

Consumption guardrails at the enterprise level. Spend above threshold triggers a capital review, not just a budget variance flag.

Usage justification, not just license approval. Require business units to demonstrate value per unit of consumption at defined intervals.

KEY TAKEAWAYS

- Every function is now its own CIO — and none of them are reporting architecture decisions, procurement choices, or technology spend to the CFO.
- Business units evaluate technology the way they evaluate any purchase — does it solve the immediate problem, does the demo look credible, can we afford the monthly fee. That is not a capital evaluation.
- Nobody in the system — not the business unit, not IT, not the vendor, not finance — is measuring whether the capital deployed actually returned what it should have. The measurement would require defining the return before the purchase. Almost no organization does this.
- Business units have the freedom to buy without the obligation to prove. That is not decentralization. It is an accountability vacuum — and it compounds on every renewal cycle, every expansion, and every new platform added to a portfolio nobody has audited for return.
- The governance model that fixes this does not re-centralize IT. It installs the accountability structure that business-led procurement removed: defined return expectations before funding, named ownership of outcomes after deployment, and a CFO-led review process that treats technology spend the same way it treats every other capital allocation decision.

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We work alongside CFOs so they walk into every room ready for the conversation that defines whether they keep the seat.

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