

If IT isn't enabling new revenue or freeing capital, it won't survive the next budget cycle. That's not a threat — it's arithmetic.

CIO Survival Test

CIOs are being evaluated on a new metric — capital efficacy, not technology delivery. Most haven't been told.

Boards and CFOs have quietly rewritten the IT mandate: enable revenue or free capital.

Everything else is noise that competes for budget it no longer deserves. Cloud eliminated the structural dependency that gave CIOs their leverage. Modern SaaS platforms deploy without deep IT involvement.

IT's role has been reduced, in many organizations, to data plumbing.

WHY THIS MATTERS NOW

AI is the clearest current example: business units are already experimenting with AI tools, prompting vendors, and building ad-hoc workflows — with or without IT's involvement. Employees are spending 30–60 minutes per day untracked, experimenting with AI tools with no governance, no data policy, and no visibility from IT or finance. The CIO who builds governance infrastructure first earns a seat at the table. The CIO who waits becomes the compliance department.

The Only Two Outcomes That Justify IT Investment

Enable new revenue. New customer segments previously unreachable. New business models enabled by digital capability. Products and services that embed technology as a value component. Customer-facing capabilities that competitors can't easily replicate.

Free capital. Automation that eliminates manual process cost. Cloud governance that reduces uncontrolled spend. Vendor optimization that improves contract economics. Legacy rationalization that reduces carrying cost and risk.

"The CIO who can't answer 'how does this generate revenue or free capital?' in the first 60 seconds of a CFO conversation has already lost the budget."

What CIOs Must Do Differently

Build the business case in capital terms, not technology terms. Every IT initiative should be presented with a capital efficacy analysis: what revenue does this enable or protect, what cost does it eliminate, what capital does it free, what risk does it reduce.

Own the outcomes, not just the delivery. The CIO who defines success as go-live is playing by rules that no longer exist. Ownership means accountability for the business value realized.

Make IT strategy part of the capital efficacy portfolio. The CIOs who survive and thrive are the ones who extend capital discipline expertise into technology decisions — becoming indispensable to the capital outcomes that boards and CFOs care about.

KEY TAKEAWAYS

- The IT mandate has been simplified: enable new revenue, or free capital. Everything else competes for budget it cannot justify.
- The CIO who can't answer the capital efficacy question in 60 seconds has already lost the budget conversation.
- Lead on AI governance now — before business units establish vendor relationships that make IT governance a constraint rather than an enabler.
- Build business cases in capital terms, not technology terms. Every initiative needs a revenue, cost, and risk answer.
- Own outcomes, not delivery. Go-live is not success. Business value realized is success.

<p>PLATEAU STRATEGY Capital Efficacy Series Authored by Allan Salek</p>	<p><i>Four continents. Multiple capital cycles. I've watched brilliant CFOs get blindsided — by vendors selling certainty, by organizations caught in politics, by leaders advancing careers ahead of the balance sheet.</i></p> <p><i>We work alongside CFOs so they walk into every room ready for the conversation that defines whether they keep the seat.</i></p>	<p>GET IN TOUCH allan.salek@plateaustategy.com Capital Efficacy · IT Balance Sheet · External Risk plateaustategy.com</p>
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