

TOP 5
CONSIDERATIONS
for CIOs

CAPEX vs OPEX

Why are they switching?

Opting for OpEx

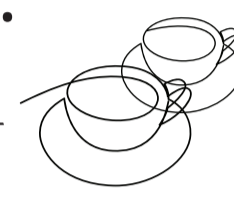
By 2025 80%
of enterprises will largely or entirely move...

Ref: Gartner

Across to OpEx
because they can pay for services as they use them

Bottom line: CIOs must be attuned to their business preference when it comes to investment. For example, moving to OpEx lets them pay as they use and enjoy a flexibility and scalability not permitted by CapEx's large, upfront costs.

Similarly, others keep their operating expense low to get more access to capital to drive business transformation. The application of which comes down to knowing your industry, and financial treatments applied within your organisation.



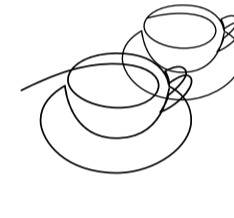
Cost Management and Predictability

On the surface
CIO's can easily budget for ongoing expenses with OpEx

Lurking
But hidden costs can see OpEx spike unexpectedly

OpEx lets you pay for resources only as used, rather than committing to and maintaining physical infrastructure. However, concealed costs in low optimised cloud adoption, unused subscription licensing models, and unseen data charges can incur a spike in OpEx that racks up more IT costs over time.

Bottom line: The rigour in applying for CapEx funds is not always applied to incremental OpEx investment and costs creep.



Faster Implementation & Time-to-Value

Newer, quicker
technologies offer better business outcomes

'Not so fast'
But gains can be hampered by internal mindsets

Bottom line: CIOs can be challenged with organisational attitudes that seek to apply rapid technological solutions in a *slow, linear manner*. Currently, the thinking seen too often is **implement fast, iterate, keep or kill**.

After 30+ years of experience...

“ Regardless of the financial treatment delivered, value trumps anything. In the subscription world OpEx is on the rise but failed projects remain the same. ”



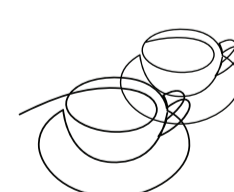
Access to Advanced Technologies

Times a'changing
Many CIOs appear unable to take on singular outcomes

Ending end-to-end
Gone are the days that CIOs had unfettered control

OpEx models give easier access to the latest technologies, with subscription-based services and cloud offerings often including updates to new features, ensuring that businesses can stay competitive in a rapidly evolving digital landscape.

Bottom line: However, adopting any quality singular outcomes seems to challenge many CIOs. Line of business owners are now adopting their own technology stack and gone are the days where the CIO had end-to-end control (and nor should they).



Flexibility & Scalability

Not locked
into large, inflexible infrastructure investment

But not free
either when new implementations are over-shadowed by the 'next' ones

Bottom line: OpEx sees businesses scale digital transformation more flexibly, adjusting service and technology usage to evolving needs. But CIOs can be tested in navigating the next technical implementation versus maximising a newly applied one still needing a blueprint for baseline, refinement and optimisation.



Like to delve into, dissect or draw on my experience over a coffee — let's set up a time...

