

SEVENCORE IT STRATEGY GROUP

Executive Brief

BEFORE YOU BUY NEW TECHNOLOGY

7 Questions Every CEO Should Ask Before Approving New Technology

A SevenCore Executive Technology Brief

A new ERP system.

A cybersecurity platform.

A cloud migration.

An AI solution.

A communications platform.

New infrastructure.

A major software implementation.

Technology investments can improve productivity, reduce risk, enable growth, and create competitive advantage.

They can also become expensive investments that fail to deliver the expected business value.

The difference often begins **before the purchase is approved.**

Too many technology decisions start with:

"What should we buy?"

Executive leadership should start somewhere else:

"What business problem are we trying to solve?"

Before approving a significant technology investment, CEOs and their leadership teams should be able to answer seven questions.

1. WHAT BUSINESS PROBLEM ARE WE SOLVING?

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Business value should come before technology selection.

Technology should not be purchased simply because the existing system is old, a vendor recommends something new, competitors are adopting it, or a new capability has become popular.

Start with the business.

What needs to improve?

Perhaps the organization needs to:

- Increase employee productivity
- Support business growth
- Reduce operating costs
- Improve customer experience
- Reduce cybersecurity exposure
- Increase reliability
- Improve business continuity
- Automate manual processes
- Improve access to information
- Replace an unsustainable legacy platform

Once the business problem is clearly defined, leadership can determine whether technology is actually the appropriate solution.

Executive question

What specific business outcome should improve because we make this investment?

If the answer isn't clear, the organization may not be ready to approve the purchase.

2. DOES THIS INVESTMENT ALIGN WITH WHERE THE BUSINESS IS GOING?

Today's technology decision must support tomorrow's organization.

A technology solution may meet today's requirements and still be the wrong strategic investment.

Consider an organization planning to:

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Open three new facilities.

Acquire another company.

Expand into new markets.

Double its workforce.

Introduce new services.

Increase automation.

Move operations to the cloud.

The technology selected today should be evaluated against those future requirements.

Otherwise, leadership may approve an investment now only to discover that the organization has outgrown it 12–24 months later.

Executive questions

Where is the organization going over the next three years?

Can this technology support that direction?

Warning sign

If the technology recommendation was developed without understanding the organization's business strategy, the decision may be technically sound but strategically wrong.

3. WHAT IS THE EXPECTED RETURN ON INVESTMENT?

Technology ROI isn't always about direct revenue.

Some technology investments generate measurable financial returns.

Others create value through avoided costs, reduced risk, improved productivity, resilience, or increased organizational capacity.

Potential returns may include:

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- Increased revenue
- Reduced labor requirements
- Lower operating expenses
- Reduced downtime
- Faster business processes
- Improved employee productivity
- Reduced cybersecurity exposure
- Lower vendor costs
- Improved customer experience
- Increased capacity without proportional headcount growth

Leadership should determine what success looks like **before** approving the investment.

Executive question

What measurable business improvement do we expect, and how will we know whether we achieved it?

4. WHAT WILL THIS REALLY COST?

Purchase price is not total cost.

A \$200,000 technology purchase rarely costs exactly \$200,000.

The true investment may include:

- Implementation
- Consulting
- Licensing
- Integration
- Data migration
- Infrastructure
- Cybersecurity requirements
- Training
- Internal staff time
- Maintenance
- Vendor support
- Cloud consumption
- Upgrades
- Additional personnel
- Change management

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Leadership should understand the **total cost of ownership**, not simply the initial purchase price.

Think beyond Year One.

Consider the cost over:

Year 1

Year 3

Year 5

A solution that appears inexpensive initially may become significantly more expensive once recurring costs are considered.

Executive question

What will this technology cost us over its full lifecycle?

5. WHAT NEW RISK ARE WE INTRODUCING?

Every technology investment changes the organization's risk profile.

New technology can reduce one risk while introducing another.

A cloud platform may improve scalability but create new vendor dependency.

An AI platform may increase productivity while creating data governance concerns.

A new SaaS application may solve a business problem while increasing cybersecurity exposure.

A new ERP platform may modernize operations while creating significant implementation and change-management risk.

Leadership should evaluate:

- Cybersecurity risk
- Data privacy
- Vendor dependency
- Integration risk

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- Business continuity
- Compliance
- Implementation risk
- Operational disruption
- Concentration risk
- Contractual exposure

Executive question

If this technology fails, becomes unavailable, is compromised, or the vendor relationship changes, what happens to the business?

Technology risk should be understood before the organization becomes dependent on the technology.

6. WILL OUR PEOPLE ACTUALLY USE IT?

Technology only creates value when the organization adopts it.

A technically successful implementation can still be a business failure.

Organizations sometimes invest heavily in systems only to discover employees continue using:

Spreadsheets.

Email.

Manual processes.

Legacy applications.

Workarounds.

Old procedures.

Why?

Because implementation was treated as a technology project rather than an organizational change.

Successful adoption requires consideration of:

- Business processes

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- Employee workflows
- Training
- Communication
- Leadership sponsorship
- User experience
- Process redesign
- Change resistance
- Accountability

Executive question

What must change in the way our people work for this investment to produce the expected value?

If the organization cannot answer that question, adoption risk may be underestimated.

7. WHO WILL OWN AND SUPPORT THIS TECHNOLOGY LONG TERM?

Implementation is the beginning—not the end.

Technology requires ownership after the project team leaves.

Before approval, leadership should understand:

Who owns the platform?

Who administers it?

Who supports users?

Who manages the vendor?

Who monitors cost?

Who manages security?

Who evaluates upgrades?

Who measures whether the technology is delivering value?

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The organization should also understand what happens if the vendor changes pricing, discontinues the product, experiences financial problems, or no longer meets business requirements.

Executive question

Are we building a sustainable capability—or creating another long-term dependency?

THE CEO TECHNOLOGY INVESTMENT CHECK

Before approving a major technology investment, leadership should be able to confidently answer **YES** to these seven statements:

- ☐ We can clearly define the business problem this investment will solve.
- ☐ The investment supports our organization's strategic direction.
- ☐ We have defined the expected business value or return.
- ☐ We understand the total cost of ownership—not simply the purchase price.
- ☐ We understand the operational, cybersecurity, vendor, and implementation risks.
- ☐ We have a realistic adoption and change-management strategy.
- ☐ We know who will own, govern, support, and evaluate the technology after implementation.

If several answers are **NO** or **UNSURE**, the organization may need additional planning before making the investment.

WATCH FOR THE THREE MOST EXPENSIVE WORDS IN TECHNOLOGY

"WE ALREADY BOUGHT IT."

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Once a contract is signed, the organization's options begin to narrow.

That is why strategic technology leadership is most valuable **before** the investment decision.

Before approving a significant purchase, leadership should understand:

Why we're buying it.

What business outcome it supports.

What it will actually cost.

What risks it introduces.

Whether employees will use it.

Whether it supports where the organization is going.

The best time to challenge assumptions is before the organization becomes financially and operationally committed.

DON'T START WITH THE TECHNOLOGY

Consider this scenario:

Your organization expects significant growth over the next three years.

The existing infrastructure is approaching capacity.

The immediate response might be:

"We need to upgrade the infrastructure."

But executive leadership should ask more questions first.

What is driving the growth?

How quickly will capacity requirements change?

Are new locations planned?

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Will more employees work remotely?

Are major applications changing?

Could cloud services alter infrastructure requirements?

What are the business continuity expectations?

What technology investments are already planned?

Only after understanding those factors should the organization determine what infrastructure investment makes sense.

The business strategy should influence the technology strategy—not the other way around.

TECHNOLOGY SHOULD COMPETE FOR CAPITAL LIKE EVERY OTHER INVESTMENT

Technology should not automatically receive funding because IT says something needs to be replaced.

Technology investments compete with:

New facilities.

Hiring.

Marketing.

Equipment.

Acquisitions.

Product development.

Debt reduction.

Other strategic initiatives.

That means technology leaders should be prepared to explain investments in business terms.

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Instead of:

"The infrastructure is approaching end-of-life."

Leadership needs to understand:

"If we delay this investment, here's the operational risk we're accepting, the potential business impact, and the point at which the risk becomes unacceptable."

Instead of:

"We need a new platform."

Explain:

"This investment could eliminate approximately 2,000 hours of manual processing annually while giving us capacity to support the planned expansion."

That is how technology moves from a **cost discussion** to an **investment discussion**.

SOMETIMES THE RIGHT DECISION IS NOT TO BUY ANYTHING

One of the most overlooked technology strategies is deciding **not to purchase new technology**.

An independent review may reveal that the organization could achieve the desired outcome by:

- Optimizing an existing platform
- Consolidating redundant systems
- Renegotiating a vendor agreement
- Redesigning a business process
- Increasing adoption of existing capabilities
- Changing configuration
- Eliminating unnecessary technology
- Improving governance

The objective should never be to buy more technology.

The objective should be to produce the required **business outcome**.

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FIVE QUESTIONS YOUR CFO MAY ASK

A strong technology proposal should survive financial scrutiny.

Expect questions such as:

What happens if we don't make this investment?

Why now?

What alternatives did we evaluate?

What is the three-to-five-year cost?

What business result should we expect?

If the technology recommendation cannot answer those questions, more work may be needed before requesting funding.

FROM TECHNOLOGY PURCHASES TO STRATEGIC TECHNOLOGY INVESTMENT

Organizations don't need more technology simply because more technology exists.

They need the **right technology investments at the right time for the right business reasons.**

That requires connecting:

Business Strategy

↓

Business Requirements

↓

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Technology Strategy



Investment Priorities



Technology Decisions



Measurable Business Outcomes

That is the difference between managing technology and providing **strategic technology leadership**.

BEFORE YOU SIGN THE CONTRACT, ASK THE RIGHT QUESTIONS

SevenCore IT Strategy Group provides organizations with independent executive technology guidance designed to help leadership make better technology investment decisions.

Through **Fractional CIO Advisory**, SevenCore works alongside executive and internal technology leadership to evaluate significant decisions through a business, financial, operational, risk, and long-term strategy lens.

SevenCore can help leadership evaluate:

Strategic alignment

Technology investment priorities

Business cases

Total cost of ownership

Vendor decisions

Technology risk

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Roadmap priorities

Major technology initiatives

Executive technology governance

Our objective isn't to sell your organization technology.

SevenCore does not need you to buy the product.

That independence allows the conversation to focus on a different question:

Is this the right investment for the business?

**NEED AN INDEPENDENT PERSPECTIVE
BEFORE YOUR NEXT MAJOR TECHNOLOGY
DECISION?**

SevenCore Fractional CIO Advisory

Before committing significant capital to a new platform, infrastructure upgrade, cloud initiative, AI solution, vendor agreement, or technology transformation, give leadership an independent strategic perspective.

The cost of asking the right questions before an investment can be considerably lower than correcting the wrong decision afterward.

SevenCore IT Strategy Group, LLC

Removing Technology Chaos. Creating Strategic Clarity Through Executive IT Leadership.

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