BOARD & EXECUTIVE BRIEFING

Technology Spending vs. Technology Value: A CFO's Guide

FOR CFO · CEO · CIO · Board

A cost centre records spending; a value portfolio explains why investment is justified and whether the benefit materialised.

The decision in context

01 Classify technology costs into run, grow and transform, reconciling contracts and internal effort with finance.

02 Define benefits as realised cash savings, revenue enablement, risk reduction or measurable service improvement; avoid double counting.

What a defensible decision requires

A decision should be based on a common fact base, realistic alternatives, explicit assumptions, a named business owner and a measurable follow-through plan. Avoid comparing a narrow low-cost scenario with a broader transformation scope.

Five evaluation dimensions

DIMENSION	BOARD / MANAGEMENT TEST
01	Business alignment and sponsor
02	Cash-flow and TCO profile
03	Benefit measurability
04	Execution risk and capacity
05	Post-launch accountability

How to apply the framework

Score each feasible option on the five dimensions using a documented 1–5 scale. Agree weights before seeing the result; record assumptions and unresolved dependencies. The score is a decision aid, not a substitute for executive judgement.

Financial discipline

Compare the cash profile, recurring operating cost, one-off transition investment, delivery contingency, downside exposure and post-implementation ownership. Benefits should have baselines, timing and accountable sponsors.

Questions before approval

01. What costs are truly avoidable?

02. Who signs off benefit baselines?

03. Which projects should we stop?

04. How will we verify value after go-live?

Recommended next steps

1. Commission a short, evidence-based baseline assessment. 2. Agree two or three credible options and common evaluation criteria. 3. Validate the business case and operational dependencies. 4. Assign delivery and benefits accountability. 5. Approve the next decision gate, not an untested end-state promise.

About Carlavia

Carlavia combines enterprise technology expertise with practical business transformation, hands-on delivery, management accountability and disciplined cost control. We support clients in making informed decisions and carrying them through execution.

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This briefing is an executive decision aid, not a client case study or a substitute for legal, tax or regulatory advice.