



CXO FOCUS

# SIX CHALLENGES AND OPPORTUNITIES FOR TRANSFORMATIONAL CXOS

TOPICS THAT ARE RESHAPING THE ROLE OF BUSINESS  
TECHNOLOGY LEADERSHIP

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“In the CXO track, leading thinkers shared research, and attendees discovered six challenges that are impacting organizations”



The return of the .Next conference in 2023 brought the CXO and Nutanix communities together to share insights. In the CXO track, leading thinkers shared research, and attendees discovered six challenges that are impacting organizations and will continue to do so in the years to come.

Hybrid multicloud will become increasingly important as CXOs tackle the need for greater environmentally sustainable, rising cybersecurity threats, new working methods, and the continued rise of enterprise cloud computing



# 1. Strategize the cloud

Cloud computing is no longer seen as a cost-saving to business. However, enterprise cloud computing can deliver increased business agility, digitization for more efficient business processes, and support sustainability and new ways of working. These objectives can only be achieved through a strategic approach to cloud computing.

“If you are not engaged in building new business services in the cloud, then you are saying you are not going to engage with the future of application modernization,” said Joshua Surre, assistant vice president of infrastructure and operations at HCA Healthcare.

Surre advised CIOs to have an enterprise cloud computing strategy. With a strategy in place, the entire organization can see and pursue opportunities where the cloud can change business. “You have to balance your cloud strategy with good business reasons,” he noted.

“We don’t have a strategy to move 12,000 virtual machines to Google, AWS or Azure, as it doesn’t make financial or operational sense,” Surre continued. With a cloud strategy, business technology leaders can aptly demonstrate that moving all workloads to the cloud will not improve business, which leads to improved management of costs and expectations.

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# 2. Understand cloud scaling costs

“It is tempting to use all the services and build an app and get it out there, but then you realize during the scaling of the app that you are spending more than expected,” revealed Nutanix CEO Rajiv Ramaswami.

Like many of his business technology leadership peers, Ramaswami is paying close attention to the costs of scaling enterprise cloud computing and analyzing usage to ensure the right application is on the right platform to meet business needs.

“A well-run private cloud infrastructure can beat the public cloud in terms of cost,” said Ramaswami. “As a result, businesses are being much more circumspect about what will be in the public cloud and what is not.”





### 3. Breaking the myth of the meeting

World-class teams don't believe that meetings are the only way to collaborate, and they happen to be the digital native disruptors of most industries, observed Keith Ferrazzi, executive team coach and author.

The best-selling book [Competing in the New World of Work](#), by Ferrazzi, Kian Gohar and Noel Weyrich, makes the case for hybrid teams and an end to the traditional culture of meetings.

“Our dataset of thousands of teams compiled over decades of working with Fortune 500 businesses, fast-growing unicorns and global brands shows that only 15% approach levels

four and five on our five-point hybrid index for leveraging the most innovative practices for collaboration, decision-making and innovation,” said Ferrazzi.

“They recognize the myth that collaboration must start with a meeting,” he added. “They also know it's a myth that the broader you get people's involvement, it thins down and creates consensus and mushy outputs. Those are the myths of old meeting strategies. It's not the truth of today's powerful best practices for world-class hybrid teams, leveraging the best tools that have been available to us for years.”



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Ferrazzi advocates an asynchronous work practice called meeting shifting. Ahead of any meeting, a leader sponsoring a major decision circulates a quick one-page brief to the team in the following format:

- Here's what we know and have done already.
- Here's where we're struggling and there are challenges and knotty issues on this topic.
- Here's our plan for going forward as it stands today.

The one-pager is shared in the form of a simple narrative document or slide and is accompanied by a group-editable spreadsheet with all team meeting attendees named in the left-hand column. Along the top row, there are three simple questions for each member of the team:

1. What challenges do you see that we're missing?
2. What innovative/bold ideas or solutions do you have that could benefit the situation?
3. What help or support can you and your team provide to address this?

The one-pager is sent out at least a week before the meeting for all teammates to read, which gives every contributor serious time to think, consult their teams, answer the questions before the meeting, and then read each other's answers.

What we've just done is meeting shifting. There is now a whole cycle of thinking, dialogue and collaboration in a shared one-page sheet that everyone can see prior to the meeting.

“What we've done is significantly shorten the cycle time of collaboration and getting to the answer,” said Ferrazzi. “By virtue of having everybody's input, we have not abdicated the responsibility or authority of the decision-maker.”

“Decision-making hasn't changed,” Ferrazzi pointed out. “What we've done is open a much more transparent, bolder, inclusive process that would achieve faster decisions with better, bolder information. This also allows us to reduce our meetings by 30%, which we have seen repeatedly in our research.”



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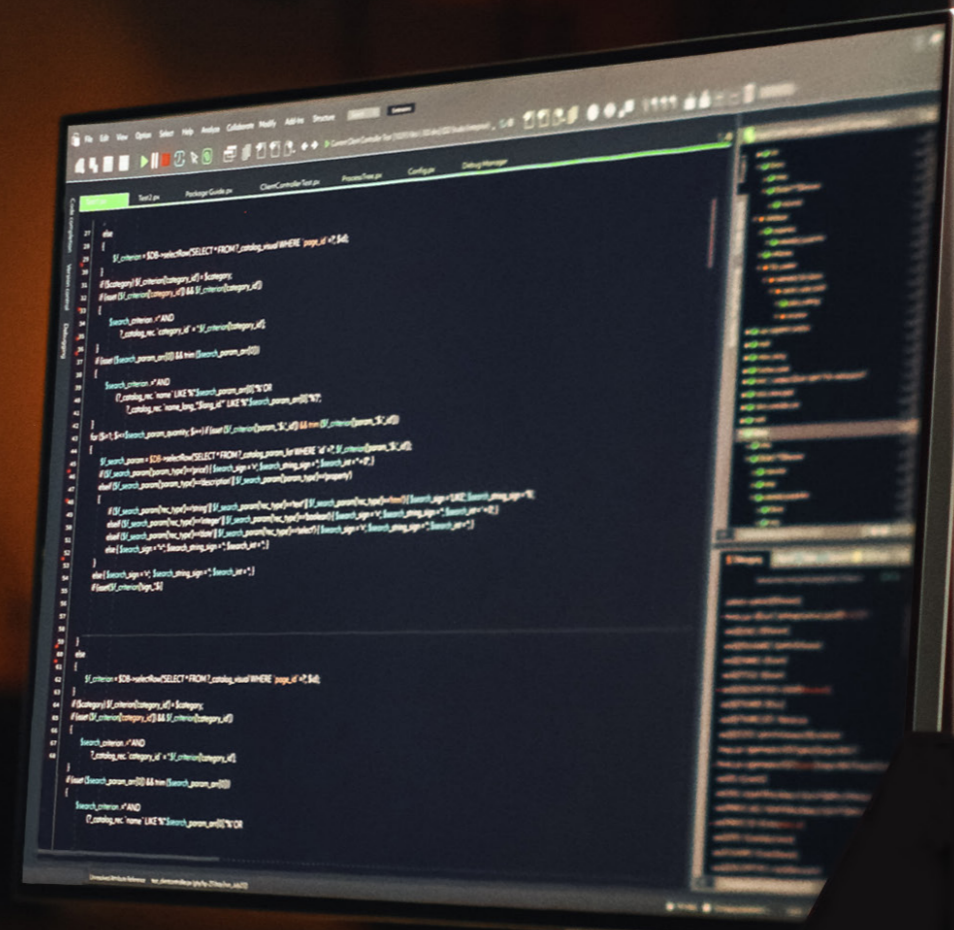


## 4. Know your risks

Cybercrime levels have been on the rise since the COVID-19 pandemic. Nonetheless, senior leadership teams at many organizations are still unaware of the risks they face.

"A lot of executives don't want to do an exploration of their risks because once you know something exists, then you have to do something about it," said Dan Lohrmann, field CISO with Presidio, the cloud services company.

"The internet is an accelerator for evil and the bad guys are using this against us," Lohrmann added, while revealing to business technology leaders examples of completed security forms, staff records and schedules found on servers across Asia, Europe and the United States by a major Asian business.



## 5. Prepare to recover

Even if senior leadership teams understand their risks and deploy the right processes and technology to protect their organizations, cyberattacks will continue to occur and some will be successful. Attendees at .Next 2023 learned that not only must organizations fortify their defenses, but also have in place an actionable recovery strategy.

“How you react, respond and learn from incidents is about the culture and values of the organization,” Lohrmann said. HCA Healthcare’s Surre agreed. “We had a disruption last year that shut down our network for one of our datacenters for 18 hours,” Surre said “So let’s figure out the lessons from that, as we are an essential service.”



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## 6. Optimize to be sustainable

Technology plays a central role in making organizations environmentally sustainable. However, technology uses energy and “if you are a non-manufacturing company, your technology footprint can be the biggest part of your carbon footprint,” said John Frey, chief technologist of sustainable transformation at HPE.

Technology can optimize every aspect of an organization and reduce the impact of the business on the environment. Frey said CXOs must ensure all technology is “doing the most amount of work possible.” This will enable CXOs to reduce over-provisioning, especially at the infrastructure level.

“The average CPU utilization is 30%, according to the Uptime Institute,” he noted. “This means organizations have significantly underutilized infrastructure in their datacenters and the public cloud can have similar levels of underutilization.” Frey believes CXOs should aim for 60-70% CPU utilization.

Whether in response to regulations or sustainability ambitions, reducing the impact of business on the natural environment is good for business. Research from IDC shows that the number one reason for making a business more sustainable is to attract institutional investors, followed by attracting customers, and then attracting and retaining talent in a tight labor market.

“There will be a direct business value from being more sustainable,” Frey said. “Your cybersecurity will improve, it will save you money, and your work from break-fix will reduce dramatically.”

While a series of challenges are next on the agenda of CXOs, technology and business leaders can position themselves to guide their organizations toward greater sustainability, stronger cybersecurity, digitization, and increased cost-effectiveness.





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