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CYSE 200T

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AI vs. Human Debate: Organization Placement Under Cybersecurity

BLUF: In this analysis AI will give its opinion on department placement under cybersecurity. We will then analyze the reading and create our own opinion on the research.

ChatGPT Output

Placement of the Information Technology Department: Analysis and Recommendation

Executive summary

Where the IT department sits in the organizational structure matters: it shapes IT's strategic influence, budget authority, relationships with the business, and ability to deliver secure and scalable services. Common placement options include reporting into Finance, Operations, the CEO, or being decentralized within business units. For a large publicly traded company, the recommended approach is a **centralized IT organization led by a CIO who reports to the CEO (or to the COO with a direct executive relationship to the CEO)**, combined with a federated delivery model that embeds business-aligned IT leads in major business units. This hybrid balances strategic visibility, operational alignment, cost control, and business responsiveness.

Introduction

Information Technology is no longer just inward-facing infrastructure; it underpins product innovation, customer experience, regulatory compliance, and competitive advantage. Placement of the IT function therefore should reflect its dual role as both an enabler of day-to-day operations and as a strategic partner for growth. Below I examine the pros and cons of several common placement options and conclude with a **pragmatic** recommendation and implementation considerations.

Option 1 — IT under Finance

Placing IT under Finance emphasizes cost discipline, procurement control, and alignment with financial reporting and compliance. Advantages include stronger budget oversight, centralized vendor management, and an orientation toward measurable cost-efficiency that can reduce wasteful duplication. For highly cost-sensitive organizations or those consolidating legacy systems, Finance ownership can drive necessary rationalization.

However, the disadvantages are significant. Finance typically lacks deep technical expertise and may prioritize short-term cost savings over long-term architectural health and innovation. IT reporting through Finance can slow decision-making for technical investments and undermine IT's credibility with business and engineering stakeholders. In the worst case, IT becomes seen primarily as a cost center rather than a strategic partner, which can hamper modernization and increase operational risk.

Option 2 — IT under Operations (COO)

Aligning IT with Operations strengthens the connection between technology and the company's delivery systems, supply chain, and service continuity. This placement supports operational reliability and makes it easier to coordinate initiatives that affect production, logistics, or customer-facing systems. Operations' process orientation often complements IT's role in systems hardening and business continuity planning.

Conversely, Operations leadership may prioritize throughput and efficiency in ways that deprioritize transformational IT investments or innovation. The focus can skew toward keeping existing systems running rather than enabling new digital capabilities. That said, when the company's core value rests on operational excellence, having IT report to the COO can be an effective choice — provided the CIO retains a strategic voice in enterprise planning.

Option 3 — IT reporting directly to the CEO

Giving the CIO a direct reporting line to the CEO elevates IT as a strategic function. It brings IT into board-level conversations about digital strategy, M&A, regulatory risk, and customer experience. This arrangement helps ensure enterprise-wide alignment on digital initiatives and signals to investors and regulators that technology is a top priority.

The downsides are practical more than conceptual: the CEO's bandwidth is limited and day-to-day IT decisions still require close operational partners. If not carefully structured, the CIO may have strong visibility but insufficient delegated

Commented [ar1]: How would this still be considered a task for the IT department? IT department focuses on things like network security and data management, so to me this just seems like a task that the financial department would do anyway.

authority over budgets, procurement, or operational teams. However, for large public companies facing rapid digital disruption or heavy regulatory scrutiny, CEO-level reporting is often the best route to ensure timely, enterprise-wide decision making.

Option 4 — Decentralized / Business-unit IT (federated)

A federated model places IT staff and leaders inside business units, giving them direct customer or product line focus. This structure maximizes responsiveness, domain knowledge, and ownership of product outcomes. It's effective for diversified companies whose business units operate very differently.

The main trade-offs are fragmentation and duplication. Without strong central governance, federated IT breeds inconsistent architectures, varied security postures, and higher total cost of ownership. Integration across units becomes harder, and the company loses leverage in vendor negotiations and platform standardization. A pure federation seldom works well at scale unless central standards and shared services are enforced.

Recommended model — Central strategic IT with federated delivery

For a large publicly traded company the recommended structure is a **centralized IT organization led by a CIO with a direct executive reporting line to the CEO (or to the COO with a formal, direct relationship to the CEO and the board)**, combined with **federated delivery teams embedded in major business units**. Key features:

- The CIO owns enterprise strategy, architecture, shared platforms, vendor relationships, cybersecurity alignment, and budget authority for core systems.
- Business units host product-aligned IT leads who are accountable for local delivery and prioritize product-market fit, but operate within enterprise standards and use shared platforms.
- Clear governance (steering committees, architecture boards, and KPIs) enforces standards, ensures security and compliance, and balances local agility against enterprise needs.
- The CIO maintains close dotted-line relationships with the CFO (for budget discipline), COO (for operational alignment), and CISO (for security posture). Board-level reporting on major technology risks and investments ensures transparency and executive accountability.

Commented [ar2]: If the IT department focuses directly on customers and products, who will manage the internal IT business tasks?

This hybrid preserves the business proximity and speed of federated teams while protecting enterprise integrity, economies of scale, and strategic alignment.

Implementation considerations

Execution matters. To make the recommended model work, the company must establish: a clear operating model (roles, decision rights, RACI), a prioritized roadmap balancing maintenance and transformation, a shared services catalog (cloud, identity, data platforms), consistent cybersecurity controls and incident response protocols, and incentives that align business unit leaders with enterprise goals. Recruitment and leadership structure matter: appoint a CIO with both business acumen and technical credibility, and empower business-unit CTOs or IT leads with binding performance objectives. Finally, adopt measurable KPIs (uptime, time-to-market, cost per service, security posture) and a governance cadence that prevents turf battles.

Conclusion

The placement of the IT department is a strategic choice that affects innovation, risk, cost, and customer experience. While Finance or Operations placement can yield benefits in specific contexts, they usually limit IT's strategic influence. A purely decentralized model accelerates delivery but risks fragmentation. For large publicly traded companies, the optimal approach is a centralized IT organization led by a CIO who has executive access (preferably reporting to the CEO or with direct CEO ties), combined with embedded business-aligned IT teams and strong enterprise governance. This hybrid structure delivers visibility, control, and agility — the balance required to support both reliable operations and strategic digital transformation.

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Amyah's Memo To The CEO

To: CEO

From: Amyah Robinson

Date: September 17, 2025

Subject: Placement of the Information Technology Department

The placement of Information technology should be under Operations. Being that Operations and IT both involve protection and monitoring of systems and data, the IT department would be beneficial to operations. IT will uphold the infrastructure of operations by maintaining essential components. Overall operations will thrive more have the IT department as an internal service aide.

Pros:

- The IT department keeping systems up to date will help Operations detection for threats.
- There are specialists to help with technical difficulties so if anyone in the department is having issues the IT specialists will be there to help.
- The IT department makes sure that accessing data and having effective communication.
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Cons:

- There is the possibility that there will be more focus on how the systems work and not on making sure that there is strong security.
- Security wouldn't be as good because there would be people focused on maintaining systems while also trying to keep things secure.

Conclusion

Putting Information Technology under Operations will be structurally beneficial for the systems, security, and data. Having internal access to technical help promotes efficiency in operations. The improvement of systems, tech support, and etc. promotes the reduction of risk in cybersecurity. The improved structure of Operations will promote high quality system and support functions.