

Making Smarter Bank Tech Decisions: Aligning Technology with Bank Strategy

Insights from GSB's Bank Technology Management School



Executive Summary

Banks don't fail because of hackers, budget cuts, or regulators. Often, they fail quietly when technology decisions drift out of alignment with business priorities, risk tolerance, or long-term strategy.

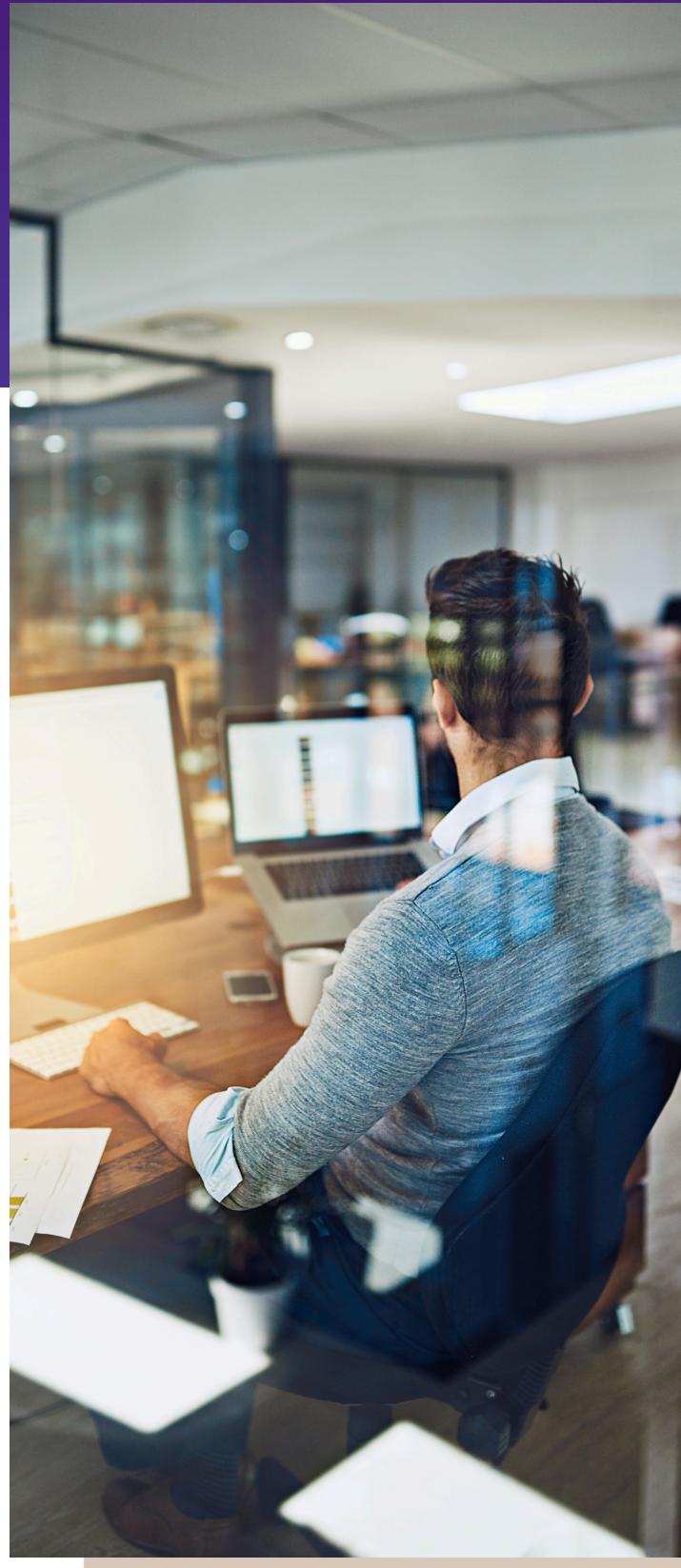
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Alignment

Less than half of enterprise digital initiatives meet or exceed their intended business outcomes ([Gartner, 2025](#)), highlighting just how common this misalignment can be.

At the [GSB Bank Technology Management School](#), we help IT leaders evolve from reactive problem-solvers into trusted strategic partners.

A critical component of this transition is mastering the **IT Strategic Planning Hierarchy**.



1. The Hierarchy of Planning

To ensure your technology investments support bank and broader business goals, planning should follow a clear cascade:

- **The Bank Strategic Plan (*The "Why*")**
 - This sets the direction. If the bank's goal is to expand its customer base or improve operational efficiency, technology initiatives should directly support that outcome.
- **The IT Strategic Plan (*The "How": 3–5 Years*)**
 - This multiyear roadmap guides decisions related to budgeting, board reporting, and risk management.
- **The Tactical Plan (*The "Now": 1 Year*)**
 - These are the specific steps, personnel assignments, and tool implementations needed to achieve the strategic goals.

Insight: If you buy software before defining the business objective it supports, it may not be effective.

2. The Information Security Program (ISP) Ecosystem

Strategic IT leadership means recognizing that information security is not a single control or tool — it is an interconnected ecosystem. In GSB's Bank Technology Management School curriculum, we utilize a risk-driven model designed to promote consistency, clarity, and accountability:

1. **Risk assessments:** The foundation — cannot protect what isn't measured
2. **Policies:** High-level rules derived from risk assessments (e.g., vendor management policy)
3. **Programs:** The operationalization of policy (e.g., vendor management program)
4. **Deliverables:** Tangible evidence of the program (e.g., vendor reviews, access logs)
5. **Reporting:** The feedback loop to the board and IT committee

3. Moving from Inherent to Residual Risk

Strategic planning also requires thoughtful consideration of risk appetite. We introduce a simple but powerful formula to evaluate risk-based decisions:

IT Asset x Threat = Inherent Risk

Inherent Risk – Mitigating Controls = Residual Risk

The Challenge: Are you spending your budget on the "bleeding edge" (high risk, high reward) or the conservative (low risk, delayed reward) side of the spectrum — and does your IT strategic plan clearly communicate this stance to align with the board's risk appetite?

Ready to Lead the Future of Banking Technology?

The concepts outlined above represent just a fraction of what is covered at [GSB's Bank Technology Management School](#). Join us to master the intersection of technology, security, and business leadership.



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Learn more or enroll at gsb.org/banktech

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