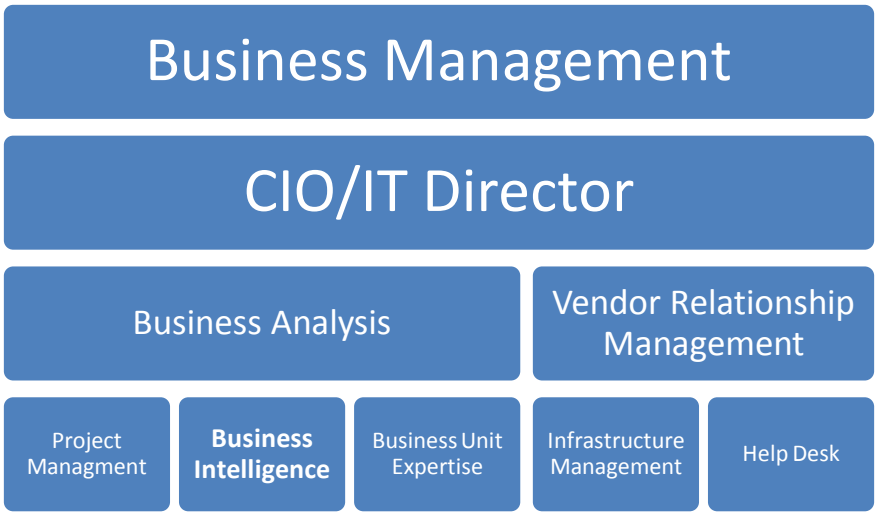
The New Face of IT

The future of IT is not in building and maintaining technology, but in the application of technology in solving business problems. This new IT organization should not be focused on maintaining a technology infrastructure, but in using IT as a value-added tool to enhance the operation of the business. Making the switch to concentrating on the 'information' in Information Technology will be challenging for many of today's IT managers. They have always worried about the 'speeds and feeds' and less about how the equipment under their control provides good support and value to the people who use that equipment to do their jobs. Infrastructure management is necessary but not sufficient to provide business users and managers with the information that they need to make critical business decisions each and every day.

A better approach is to organize the IT department to emphasize the information and downplay the technology. To that end the new face of IT becomes the business analyst and project manager. The role of infrastructure management falls to outside vendors and someone in IT will have the role of vendor relationship management for those service providers who are providing and maintaining the computing power that the business technology uses. Managing SLAs becomes the primary goal for this group.



Within the Business Analysis function, there are 3 major components. Project management provides the methodology for getting things done in a timely, cost effective way. Business unit expertise is used to provide knowledgeable individuals who know the business processes within a particular department. This expertise allows them to provide sound advice on how technology can be used within that business unit. Since this group falls within the overall business analysis function, they can also provide the cross-functional view that is missing so many times in projects. Helping to avoid the unintended consequences of system changes is a side benefit of this cross-function view of the world.

The third component of business analysis is that of Business Intelligence. This group is focused on the information that is needed to make timely and well-informed decisions by business management. This group is the keeper of the Key Performance Indicators (KPIs). These KPIs are the dashboard that every manager sees daily to determine if the business is running the way they expect. Business Intelligence provides the controls that keep the ship of business afloat and on an even keel.

The challenge to implementing this model is developing a true cost model of the current IT services so a reasonable comparison of costs and goals can be achieved. Today the cost of IT is calculated largely on the personnel costs and the capital costs of the assets that IT provides. In truth the opportunity costs of not providing more effective utilization of people in the business units is unaccounted for. The cost of not being able to determine the state of the business in a more timely way is left out of the equation. And the cost of decisions being made with incomplete information is missed. Putting real dollar figures to many of these missing items is difficult, but the risk to the business is too high to not make an educated estimate.

Most business managers never think about the technology they use every day and how lost they would be without that technology. They also are concerned about the cost of the technology and how it is not providing them with what they need to run the business. These are real concerns. If business management can step back and think about IT as a utility they will begin to see that trying to keep the IT infrastructure running is like buying and maintaining your own power plant. You wouldn't do that because you can't justify the cost. You use the power to run your business and focus on the things that make your business successful, you don't worry about buying coal to keep the power plant running. IT should be viewed the same way, it is an information utility. The real value comes from the information that is generated by the plant, not in the electricity flowing through the wires.