

## How well do you do IT?

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How good is your IT? Does it contribute more to productivity or cost? Do your staff have the skills or inclination to make the best use of the facilities provided? Can e-commerce make a worthwhile contribution to your bottom line? Working in the field of IT it is increasingly clear to me that as an industry we place too much emphasis on selling our wares and not enough on providing our expertise at a business level. The fact is that whilst IT can make a huge impact on productivity, these gains can be stubbornly elusive in practice. The big payback is always just over the horizon... The cause of this frustration is simple enough, it is the cumulative result of insufficient business know how (or focus) within the IT community and a lack of technical understanding, and consequently, confidence at a management and decision making level within client organisations.

Neither of these points are intended as a direct criticism, it is simply a fact that a combination of in depth understanding and experience of both IT and business are relatively rare. As a consequence, most organisations which have been investing in IT over a number of years find themselves saddled with a complex patchwork of incompatible departmental systems, single purpose systems, and information sources which do not easily integrate to provide a joined up set of services and information.

Consultancy services can help an organisation bridge the gap between business and IT and provide organisations with a clear roadmap for the development of IT from 'where they are now' to a more cost effective, integrated and generally simpler edifice in the future. In this article I would like to briefly discuss some of the aspects of a strategic review of this kind, based on my own experience of a number of recent consultancy projects.

## Business goals

Any investment in IT must be in support of the overall goals of the organisation so any strategic plan for IT must start with a clear understanding of the business strategy. This is best expressed by a brief description of the short medium and long term goals of the business which then provides a context for any recommendations. This is a vital part of the process in that the greater the understanding of the commercial direction of the business the more focused the recommendations are likely to be. This analysis must be based on discussions with key members of the management team and a review of any relevant documents such as mission statements, strategy documents, budgets and forecasts.

## Current Systems

A review of all current 'line of business' systems provides the starting point for the technical audit. This should be a technology oriented analysis aimed at identifying the degree of compatibility between systems, their likely lifespan and any maintenance / ongoing cost issues associated with individual systems.

In addition to the technological aspects of each system they should also be assessed in terms of customer satisfaction from the perspectives of the main users, responsible management, and systems administrators. This work will document the perceived strengths and weaknesses of the application from a user perspective alongside the technical analysis.

## Current suppliers

Most businesses have too many IT suppliers, some will be important partners, others will be one off product vendors who have little or no ongoing commitment to the business and who may or may not still be in business. One of the most important goals of a review of IT strategy should be to ensure that the organisation has a manageable number of suppliers who have a long term interest in the success of the partnership. To achieve this it is also important to define which aspects of IT procurement should be regarded as commodities and which as services.

## Core technologies

There is very little to be gained from having a proliferation of database and core networking technologies within a business. Similarly there are considerable cost incentives to exploiting the convergence of telecommunications and data networks through technologies such as Voice over IP (VoIP). The strategy should establish the basic network, database and communications technologies and infrastructure which will form the foundation for all business systems whether bought off the shelf or developed to order.

## Information assets and requirements

This in many ways is the core issue in determining a forward looking strategy and in determining the degree of alignment of information systems with business goals. The review should provide a non technical view of what information assets the organisation does and does not have in the context of its business objectives. This analysis should be based on the potential of the information held rather than its current use.

## Human resources and know how

It is blatantly obvious that the success of business systems depends ultimately on the skills and motivation of the people who use them. It is however quite difficult to quantify the overall level of IT awareness and understanding in a business, not least because this tends to be measured in terms of the use of specific systems rather than an overall understanding of the information assets of the business.

My approach during the course of the an IT audit is to attempt to gauge the level of IT awareness and know-how at different levels within the organisation and also the overall culture with regard to the use of information and software as general business tools. This will inevitably be a qualitative assessment but it is one worth making as it will have a significant bearing on the approach to IT support and services in the long term.

## Strategy and tactics

Having looked at the business objectives and the current status of systems and information assets, it should be possible to set out a series of strategic objectives to maximise the benefit of Information Technology in furthering the success of any organisation in terms of its stated business goals. These recommendations should identify objectives at a business level and may include both technical, financial and human resource considerations.

A strategic review of this kind also provides value by identifying a number of immediate actions which could be undertaken to give significant benefits in the short term. These could be in the form of cost savings or improvements in business processes / customer service or systems performance. Identifying and implementing quick wins should in itself provide a sufficient payback for a review of this kind but it is the long term benefit of aligning technology with the business that will reap even bigger rewards.