

IT Savvy

A guide to technology investment in the new decade

The recent recession afforded yet another opportunity to polish cost-cutting strategy, but is this all that IT managers need to focus on in the first year of the new decade? It is imperative to make sure that IT spending decisions are based on – and working towards – implementing the organisation's business objectives. Developing a bespoke IT strategy aligned with the business strategy and defining clear links between business objectives and IT contributions is critical to successful IT investment.

Once the IT strategy has been determined, IT managers need to develop a technology roadmap which identifies all means to implement the IT strategy and which is closely mapped within agreed timelines.

It's anticipated that the two major focus areas for enterprise IT investment in Japan in 2010 will be 'Service Innovation by IT' and 'Servicisation of IT'. An example of the former may be opening customer channels by mobile broadband – typified by WiMAX and LTE (Long Term Evolution). Enhancing the corporate unified communication infrastructure – including interaction monitoring and telepresence – is another.

In order to respond quickly to the changing business environment, it's essential to 'servicise' IT activities for flexibility, agility and resource efficiency. Many service providers have introduced virtualised solutions which cover components such as servers, storages, network and desktops. Virtualisation can enhance IT asset utilisation and availability improvement, while also contributing to your BCP/BCM with a more resilient IT environment. However, you also need to consider integrated design solutions and consolidated management platforms to minimize related management overhead.

Implementing a Business Intelligence (BI) infrastructure can provide a real-time analytic platform to business that encourages informed and fast decision-making. However, without investing a reasonable amount of time and effort into the methods/process of input, source accuracy and integrity of the data, you may find yourself just putting garbage in a million-dollar box. Take measures to cleanse existing data, develop a data integration plan and utilise Master Data Management systems, together with linking BI output with business application systems, such as for ERP and CRM.

Due to rapidly maturing and greater quality SaaS (Software as a Service) and cloud computing solutions, competitive advantage will be enhanced through IT managers' decisions on what not to have, rather than merely well negotiated



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procurement of IT assets. While security and inter-operability need to be considered, IT strategies utilising externally managed IT infrastructure such as public/private clouds or SaaS stored offsite are becoming increasingly common.

After achieving consensus among IT stakeholders on 'what' needs to be done and 'when' based on the technology roadmap, the focus should shift to 'how' and 'with whom' to implement the strategy. According to a recent CHAOS report, only 32% of IT projects are completed on time, on budget, and with the required features and functions. Some 44% of IT projects finished late, over budget, or not-compliant with the required functions, while the remaining 24% were considered failures. The selection of an appropriate IT project manager, who can aptly deal with a variety of stakeholders, is the most important project milestone.

In smaller organisations, often the responsibility of IT decisions can fall on a single individual whose primary function is not with technology, leading to ill-informed purchasing, or vendor agreements not providing the appropriate scope of services required by the business.

Such organisations may decide to source first-level support to a remote internal IT hub (e.g., regional support desk) and outsource onsite second-level support locally. Some prefer to outsource both support levels locally for convenience, or because the organisation does not have shared services in the technology domain. This has led to a niche of smaller service companies evolving with the flexibility, touch and focus the large global outsource companies cannot supply.

Technology is integrated into every transaction, communication and sale. It makes sense for every business to consistently review where the 'IT budget' goes, and how this expenditure is enhancing business operations. ☺