

Bridging the Gap between Technology & Business

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Information technology (IT) and business are undeniably interdependent — yet there exists a perceived gap between technology and most other business units. Whether it is a difference in perception, culture, language, goals, or any combination thereof, the gap impacts both the IT business unit and the corporation as a whole. The rift is not, however a vast chasm. It is bridgeable through knowledge, understanding, and cooperation. This article examines the misperceptions shared by IT and traditional business units and provides direction on how to bridge the gap between IT and business.

THE TOP SIX GAPS

1. IT is a cost center.

Business units are often divided into two sweeping categories — revenue producers (income) and cost centers (expense). In most corporations, IT is viewed as the latter. This perception is so pervasive that it has been adopted by IT/IS department leaders and staff, as well as other business units. This skewed viewpoint may cause a technologist to not introduce new technologies which would benefit the business, due to the feeling that they have no voice in the business. With the view of IT as a cost center, business may not hold their technology departments to the same standards as the other business units. Common adoption of a belief does not make it fact. An effective information technology department is an enabler for productivity and profitability.

Effective use of technology facilitates business to increase productivity. For technology to be used successfully, it must not only be appropriate, but applied to the existing business model. Technology enables us to get more done. In the past, an accounting department might have had half a dozen or more junior accountants to support a single senior accountant. Accounting books were immense volumes that were

poured over to produce a single, simple report. Today, this same report is available instantly with a click of a mouse. No one would go back to the pen and paper days. Are you leveraging technology to optimize your business' productivity?

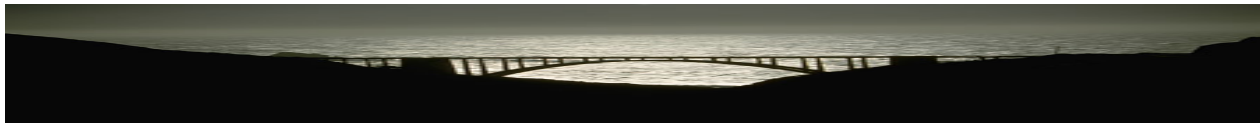
Telephones did not exist until the late nineteenth century. Today it would be foolish to not have a business phone. It is the backbone of our communication system. The ability to conduct business created by the introduction of this “new” technology was immense. Appropriately leveraging current technology provides revenue generating opportunities. Whether it is an appropriate web presence, collaborative virtual workspace, online meeting place, IP telephony, or any one of a million new technologies, you can increase your total revenue with technology.

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2. The cheapest way is the best way.

When faced with a need, IT often looks for the cheapest solution. Knowing that they are viewed as a cost center, the primary challenge becomes how to reduce cost. This often leads to solutions which do not solve the defined problem, are not scalable for future business needs, or have hidden costs such as operational expenses or support costs which far exceed the immediate savings.

“You get what you pay for” might sound like a rationalization for overspending but the central idea is that cheaper is not always better. When IT is no longer viewed as a cost center, but as a vehicle for revenue generation, purchases will be driven by standard business metrics, not by cost alone. No other business unit would function as if cost were the primary driver. We would not purchase a tricycle for a shipping department if the business need was



for a delivery truck. Nor would we purchase the oldest running truck we could find. We would purchase the appropriate truck, with the appropriate capacity and horsepower, with consideration for cost, depreciation, the increase of revenue generation provided by the delivery capacity, life cycle of the truck, anticipated maintenance costs, operational expenses, future business shipping needs, and a hundred other factors. The same logic applies to IT purchases. If a company needs 3 web servers to provide a satisfactory customer experience, then it should not limp along with one.

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It may only choose to use two (based on business drivers, not just cost) with a plan to add a third (based on anticipated growth and other business drivers) but the plan would center on intelligent business decisions, not cost reduction.

This brings us to our next misperception “IT is a back office function.”

3. *IT is a back office function.*

Information technology is often seen as a back office function, something that the customer never should see or be impacted by. This “back office” mentality has been adopted by technologist and traditional business leaders alike. Both believe that IT can do IT things and it will not impact the customer or business. This misperception allows IT to continue to function independent of accountability to business drivers and allows the view of IT as a cost center and not a revenue enabler to continue.

With the increasing access to technology and sophistication of the average customer, companies are expected to have mature, stable technological communication bases. Failing in this area will cause loss of business. One corporation had a web site that was, at best, simplistic. Searching for a product took 3-5 seconds. Reporting on an order took half a minute. The home page was comprised of poorly designed text and

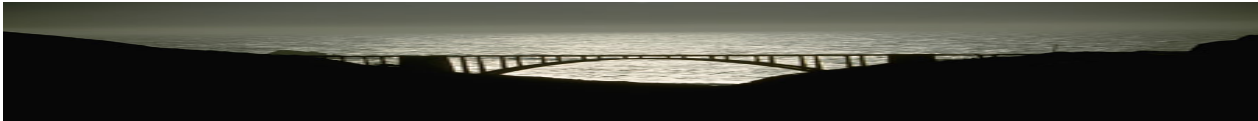
pixelated images. The corporation excused their poor web presence by pointing to the few sales driven by the web site; however, a little research told a different story. Customers said that they did not have confidence in ordering from the company online *or over the phone!* These customers did not believe that a multimillion dollar company would have such a poorly designed web site. Furthermore, prospective employees noted that they were unsure of employment because of the web site. Internet savvy technical and non-technical individuals were unsure

about working for an employer with this grade of web presence. As customers grow in technological sophistication, they know that a high quality web presence, telephony service, email service, and computer system are expected. “Our computers are down” is not an acceptable excuse in the enterprise today.

The result of this back office mentality excuses poor performance and fosters low expectations from information technology. It is a myopic view that underestimates the hi-tech knowledge of the customer, allows the information technology department to produce low quality, and excuses not expending resources to improve the technological backbone.

4. *We speak different languages.*

People in technology frequently say “I can’t believe [insert users name here] doesn’t know how to [insert technological function here]”. Business people have been heard to say “IT just doesn’t understand business”. Is it unreasonable to expect a critical business unit to understand a foundational function of the enterprise? This door swings both ways. Technologists should understand basic business and accounting principles. Conversely, executives need to understand the basic technological systems which provide functions of the company.



If IT staff meetings cause executive eyes to glaze over as acronym after acronym drift by, remember that IT feels the same way about accounting and business meetings. Management needs to understand the difference between routers, switches, DMZ, firewalls, and servers to confidently approve a request for large technology expenditures. IT must understand critical path, cost-benefit analysis, ROI, depreciation, and total cost of ownership to have the expectation that executives will approve dollars for an upgrade request.

Without a shared vocabulary, the end result is that the technologist requests resources for something that the executive does not understand. The executive, looking for justification, asks for information that the IT professional does not know how to provide. The technologist thinks the executive doesn't understand why this is necessary. The executive thinks the technologist cannot justify his purchase. Both are partly right, but it is opportunity for improvement that suffers and the gap widens.

5. Business and IT have different goals. Business managers and IT both have the same goals in the business, just different tool sets. "If all you have is a hammer, every problem looks like a nail" is the cliché that comes to mind. No one would suggest that a hammer is better than a screwdriver. No one would suggest that a screwdriver is better than a hammer. It is possible to build something with one or the other but *the best solutions use both tools!* Business skills look at a problem and present a business solution. Technological skills look at a problem and present a technological solution. The best solution will use both.

Look for technology that will improve business processes. Look for business processes that can be changed to better leverage technology. Information technology and traditional busi-

ness units both desire to make the company better, to do things better. By bridging the gap, we can take advantage of our unique skills to produce the best possible solution.

6. Technology is its own island. It is not uncommon to find technology existing as an island within a company – governed by a completely different set of guiding principles and management oversight than the mainland business. In the last 20 years, technology has become pervasive in most companies yet has remained the orphaned child when it comes to executive decision-making and governing oversight. Several contributing factors to this governance gap have been discussed previously.

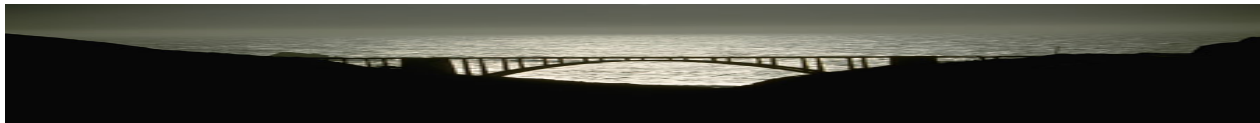
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Companies are now beginning to implement IT governance to bridge this gap between technology islands and the mainland business. This shift is driven by growing executive awareness of their fiscal responsibility and accountability associated with technology systems as a result of Sarbanes-Oxley, HIPAA, and other federal regulations. Leadership better understands the implications of the total dependence on information technology for mission critical business operations – giving rise to IT risk management and disaster recovery concerns with technology.

Ten Things To Be Done

These action items will bridge the gap between business and technology:

- **IDENTIFY:** Identify business processes. Look for ways to improve them. Identify technologies that will enhance operation, bottom-line performance, and revenue generation.
- **QUANTIFY:** Quantify the productivity and profitability gains enabled by technology in the business.
- **COMMUNICATE:** Communicate areas for additional gains in productivity and profitability.



- **MEASURE:** Assess technological requests based on standard business metrics, rather than initial cost. Measure performance gains. Look at the hard and soft savings and benefits of technology.
- **STANDARDS:** Hold technologists to the same business and governance standards as any other department. Including budgeting, business practices, accountability, reports, and culture (including dress code!).
- **CROSS-TRAIN:** Cross training is a loaded concept and most technologists will be specialists with years of training in their chosen field. This does not mean that IT professionals should be able to *do* another job; however they can *understand* another job. Expose technologists to other business units. The Cisco engineer does not have to know how to put together a marketing presentation; however, they should know that the marketing department puts together a presentation regularly. Conversely, the CFO doesn't need to know how to implement an upgrade, just why it is important.
- **INCLUDE:** Invite the technology team to participate in other business meetings. And attend technology staff meetings.
- **BILINGUAL:** Being bilingual does not mean being fluent, but that basic comprehension is required. Business leaders should learn the basic lingo of their technology department. Technologists should learn the difference between 'ROI' and 'business drivers'.
- **ASK:** If you don't understand, ask. Technological specialists are highly trained individuals and often feel intimidated or belittled when exposed to a business concept that they do not understand. Executives and business leaders are highly trained individuals and often feel intimidated or belittled when exposed to a technological concept that they do not understand. Set aside the ego. Ask for an explanation. Listen.
- **CROSS THE BRIDGE:** Go to a TechNet presentation. Go to a Cisco seminar for the technologist. Sit in through a technical web presentation. Let the sheer volume of information wash over you. You do not have to

understand any part of it. *Appreciate that your technologist does.* Invite your technologist to your next business luncheon. Pay for an accounting or business class. Let the system administrator sit in on a budgeting meeting with the CFO.

These guidelines are not technological changes or business changes. They are changes in attitude and perception, which are often the hardest to change. By implementing these guidelines, you can be on the way to bridge the gap between technology and business.

David Rettig holds technology certifications from Red Hat, Microsoft, Cisco, and the Computer Technology Industry Association and is pursuing a MBA from Franklin University. He is currently the LAN Administrator for the engineering design firm Burgess & Niple, established in 1912 and headquartered in Columbus, Ohio. Question can be directed to rettig2005@gmail.com.

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