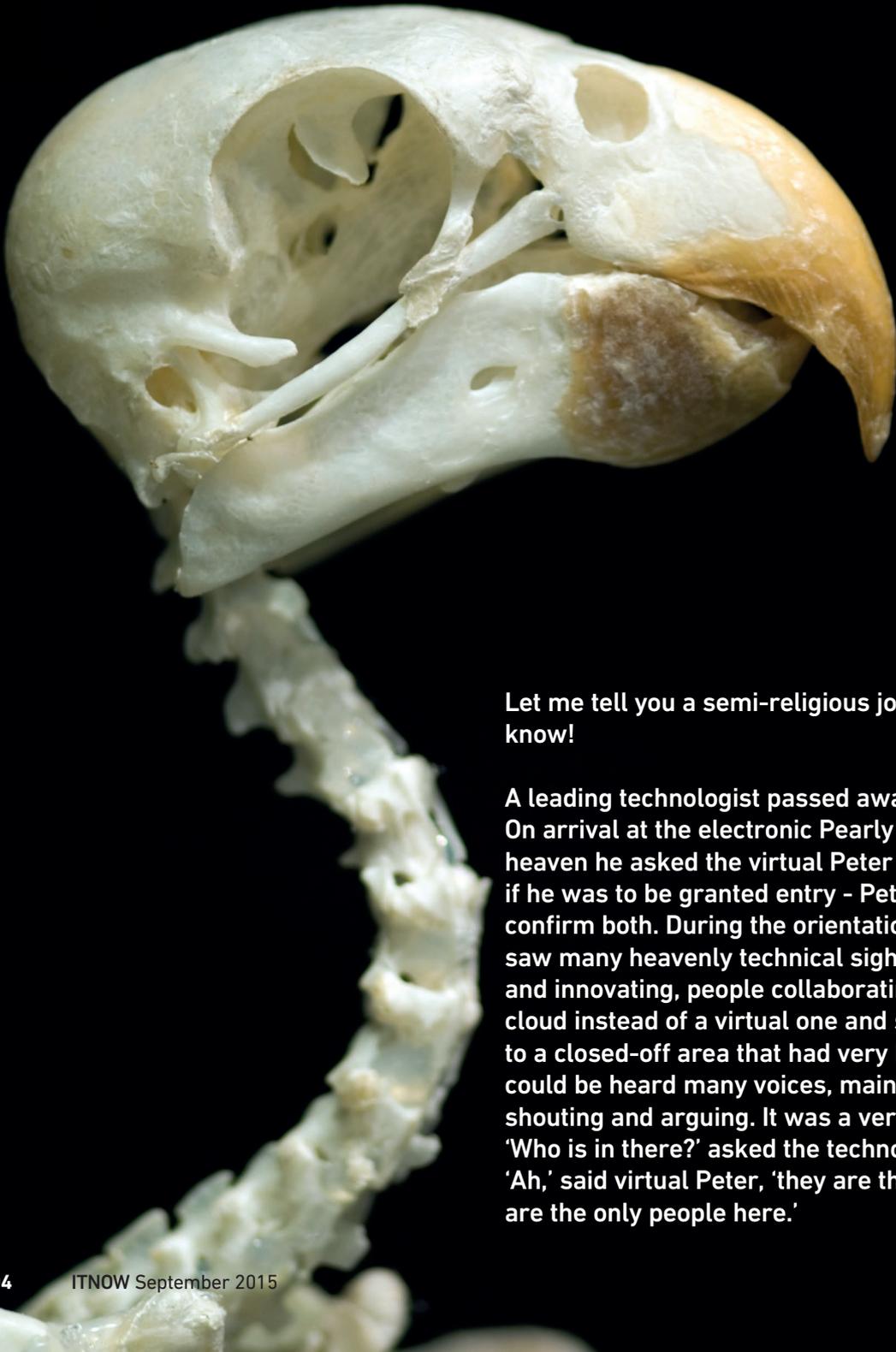# IS THE IT DEPARTMENT DEAD?

Let me tell you a semi-religious joke, always a bit of a risk I know!

A leading technologist passed away peacefully in his sleep. On arrival at the electronic Pearly Gates in technology heaven he asked the virtual Peter for a brief orientation tour if he was to be granted entry - Peter was happy to confirm both. During the orientation tour, the technologist saw many heavenly technical sights - people just thinking and innovating, people collaborating at all levels, a real cloud instead of a virtual one and so on. Eventually they got to a closed-off area that had very high walls, behind which could be heard many voices, mainly male with lots of shouting and arguing. It was a very dark and closed area. 'Who is in there?' asked the technologist.
'Ah,' said virtual Peter, 'they are the CIOs, they think they are the only people here.'

So, as Guest Editor, *writes Phil Pavitt*, I could have chosen any popular technology subject: digital, big data, the role of CRM, shadow IT, innovation etc. Or I could have chosen some trendy technical conundrums such as virtual cloud on legacy instances (whatever that means), but no, I have chosen an oft avoided subject because we don't wish to confront our own business mortality - the potential death of the IT department.

Let me set out my thesis - you can wriggle all you want, rename your team without the words IT department, but you can't avoid the simple fact that the IT department, team or whatever floats your boat in terms of organisational title, could be no more. Someone just needs to tell the team and the leaders that lead it!

The case - extreme version
Let me make my case and, of course, it is an extreme version, firstly because that's who I am and, secondly, because I need to split the room and provoke a debate about this dead man walking syndrome which is afflicting our industry… (in my humble opinion of course!). I believe there are a number of developments and trends that have emerged that prove that my assertion may well be true. Let's look at a few.

Technology is ubiquitous. We keep saying it but it is true and depressingly it works, even more depressing than that is that it is cheap and even more (if that's possible) depressing than that, it can be understood, bought and maintained by non-technical savvy business teams.

Horror of horrors we in the industry have used the transaction or commodity or ubiquitous labels so carelessly to drive a better market price and simpler service and now it turns out to be true! IT solutions are easier to specify, purchase and maintain than ever before and yet the traditional IT team hang on trying to play a brokering role. Yet I have just chatted with one of our partners who is currently marshalling 50,000 (yes that's not a typo) testers within 24 hours to test my market-facing internet sites all on the strength of an email request.

Is the IT team dead because the business is no longer requiring a technical interpreter? It needs to change its role dramatically and be an agile broker of services.

Shadow IT is the norm now in most enterprises. Let's face the truth - it has

not got better, it has got worse. It is estimated that the core IT team may only control 50 per cent of the real cost of IT in an organisation and we all know that is conservative. Why? Speed, cost, ubiquity and the secureness of solutions encourage business teams to buy direct. Codeless integration, highly secure apps and an 'anything as a service' set of solutions drive this behaviour. There is no apparent need for a central body to control all these technology activities right? Is the IT team dead because the business has the money and the appetite to buy and run

Is the IT team dead because the business has the money and the appetite to buy and run technology services directly?

technology services directly? It needs to change its role dramatically and become the technology subject matter expert that business teams see can deliver as fast as them so they can trust their IT partner and concentrate on their core function.

CIO versus CDO
Technology versus digital is the talk of the CIO offices - let me help. If your enterprise has just appointed a chief digital officer (CDO) then, as a CIO, resign and job hunt immediately. They are making a statement of intent and the CIO is no longer relevant!

The CDO in an organisation should naturally be the CIO, it always was, but

the CIO community has generally failed to persuade the CEO/board in most cases that this is true. Digital is now the new fashion and CIOs are not seen as fashionable, and we only have ourselves to blame. Digital could be the death knell for the relevance of the IT industry unless we regain the ground quickly. Is the IT team dead because digital is now someone else at board level's agenda? It needs to move and retake the central ground in the business thinking, it needs to be sexed-up, stop flirting, and do digital properly, with style and passion.

Use of interims
Let's really get to the heart of it now. In my

humble opinion the flagrant and uncontrolled use on interims, consultants, day-raters and consultancies have killed our credibility as an industry. Oh don't get me wrong, all of these worker types have a critical role to play when used judiciously and as short-term subject matter experts. But that is not what has happened. We have grown lazy as a function, seduced by a quick insertion of bodies that never turns out to be quick, cheap or frankly that successful. In fact most of our key knowledge is often on a month's notice!

Why is that important? Well I believe it

has reduced the core professional advisory role of an IT team to the business, if we are happy to 'buy it in' then why should the business see us as credible? Interim head hunters say excitedly to me that the contracting market has never been better - that is not good news in my view. Is the IT team dead because we are full of contracting types? It needs to rediscover that its credibility comes from permanent, dedicated subject matter expertise again.

The IT team is no longer at the heartbeat of the business; it can be seen as a barrier. Proof? Less and less CIOs sit on the main board; the gathering pace of the appointment of CDOs; the UK government's

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flawed approach to the removal of CIO's from each department and the behaviour of the business units who are reaching past the IT department to the suppliers direct, encouraged by the IT supply and consultancy industry.

Rather than react badly, carry out a quick audit of your company's annual planning process. Where in the timetable was a horizontal, key function like IT - at the beginning or the end? You have your answer on being at the heart of your business. Is the IT team dead because we are no longer seen as core or relevant? It needs to regain its own confidence that it is the market differentiator for the company and stride to the centre, the heartbeat of

BCS asked...

How do you view your IT team? (anonymously!)

'Whilst the IT leadership has been more business savvy, and the business has become more tech savvy, the rest of the IT organisation remain archaic and unfit for purpose.'

any company, it needs to be a business-centric team again.

We are not seen as professional technology advisors - we talk about legacy systems bemoaning their inflexibility and cost to swap out. We talk about last year's architecture being so last century. And surprisingly the business now believe us so we are seen as the guardians of the slow, systems of record - legacy to me and you.

We spend all our time telling anyone who will listen that these systems are so hard to change and manage, yet they are your company's heritage. They are not legacy engines, they are heritage systems on which your enterprise has reached this stage of the growth curve.

Change your language, change your approach, change your architectural approach, change the point where you bring business differentiation, stop wholesale replacement talk and become the agile managers of your heritage systems.

Is the IT team dead because it is choked

Is the IT team dead because it cannot manage its partners and its costs?

on its inability to manage these huge legacy engines? It needs to change its attitude and brand. Stand up! You are the managers of the heritage systems that have made your company great.

Poor management of the SI/outsourcing players is a common issue in many companies - the problem is the IT team did not gear themselves up to be commercial brokers. Costs have escalated, inflexibility has grown and business is frustrated by these supposed life-changing deals that have failed to live up to expectations. IT hailed such deals, the business believed, and it all feels less than average. Why?

Well, IT did not tool themselves up to manage such relationships and the SI and outsourcing partners have become fat and lazy. Adopt, adapt and transform (a typical outsourcing selling slide show) in reality has become 'adopt', 'it's worse', 'use the cheque book'. Is the IT team dead because it cannot manage its partners and its costs? It needs to tool up, get commercial, get cost transparency and re-learn to be

the customer with these third parties.

Finally in my extreme view of why the IT team could be considered dead or at least down if not out then think on this; cost versus pace versus agility versus value for money, that's what the IT teams debate eternally. I hear it all the time - wake up, the potential audience (the internal customers) are down at the 'technology

pound shop' gearing up. The buyer is not debating the subject, not looking at trade-offs, they are following the market and missing out the debating IT team. Of course cost, pace and agility are important subjects but we need to launch ourselves and let those three levers find their own level. Is the IT team dead caught up in its struggle on cost, quality and speed? It needs to stop agonising, grasp the value for money debate and deliver at speed.

Okay, pause, deep breath - I suggest you stop reading for a second and print a picture of me (try **www.bcs.org/ futureitteam/phil**) and go into a small room and shout, deface the picture and get

So what do we do about it? Like any patient we have choices. We can:

- Bury our head and hope this news and obnoxious message carriers like me go away, batten down the hatches.
- Aggressively disagree and point out the flaws and proof points the other way - in fact just shoot the change agent!
- Play at it a little, concede some ground to Marketing, reduce some costs, have some Agile projects kicking off and invite a change agent to chat to our leadership
- Admit where we are, accept the diagnosis no matter how unpalatable and determine to fundamentally change. We can recognise we are failing as an IT department and reinvent the professional technology team your board, my board, thought they were buying.

MEET OUR GUEST EDITOR

Phil Pavitt is recognised by his peers as a strong business leader and a change agent who can revolutionise any enterprise. He was BCS CIO of the Year 2009, has featured in Silicon.com's 'Top 50 CIOs' for four years in a row and has been the focus of a Gartner case study concentrating on his approach as a change leader.

Phil is Global CIO at Specsavers and was formerly at Aviva, as the Global Transformation & Operations Director responsible for the major IT change programme across the group.

Prior to Aviva, Phil was Director-General and main board member for HMRC, responsible for all technology across the estate and managed a total annual budget well in excess of £1billion. Under his watch, HMRC simplified its IT estate reducing its run costs by hundreds of millions of pounds. Phil was also responsible for delivering the change agenda for HRMC resulting in a strategic investment of over £1.2 billion and a reduction in costs of 25 per cent. The National Audit Office remarked this was the most complex and successful change programme in Whitehall.

Also a board member at Specsavers,

Phil is overseeing a huge revolution in the way that technology is delivered in this successful global, retail operation. Specsavers has recognised that IT needs to be at the heart of its business and Phil is making this happen.

it all out of your system because despite being very angry with my assertions you know it's right!

Done? Well, look at the facing column for what I think could be done. I have finally got off of my chest my deep-seated belief, based on 30 years experience in all parts of this IT world both here and abroad.

Still breathing?

Perhaps the IT department is not quite dead but it is close, paralysed as it watches the world pass it by. Please don't get caught up in arguing each point but hear the spirit of the piece as it reflects many comments and conversations I have with CEOs.

Don't worry if I sound as if I am having a bash at my fellow IT industry leaders but I have the debate with myself and my team all the time. Do I have it right? Have I worked it all out? Of course not. I am on a journey to reinvent my IT team here in Specsavers and it is painful, but it is a journey that we now accept we have to take, to turn completely round and rediscover our value for today and tomorrow but not bemoan yesterday.

I believe we are getting somewhere - how? Well there are lots of indicators but once a year our joint-CEO, John Perkins, publishes an internal planning statement that sets out our global priorities. Imagine my pleasure, pride even that we were being recognised as relevant again when the first two points, unprovoked by me, said this:

1. Enhance the customer experience through the innovative use of technology;
2. Deliver our strategic IT programmes - the rollout.

The debate I have hopefully started doesn't stop here, firstly I have assembled a talented set of people with views on this subject - read on. Secondly please see the BCS website **www.bcs.org/futureitteam** where you can post views on this - give us your opinion. Thirdly, tell me why I am wrong, tell me why I am right and most importantly tell me the stories of your journey. Email your views to **editor@bcs.org** with 'Feedback for Phil' in the subject line.

RIP the IT department?

The choice is entirely yours. It's time I went and broke through that wall in the digital heaven - it may come as a big surprise to those inside!

www.bcs.org/futureitteam

A straightforward, remedial and deeply cutting guide to fundamentally reinventing the IT department.

1. Leadership - the leaders in IT teams should stand up and apologise for what has happened, for letting the business down and for getting lost in themselves.
2. Role - the IT team needs to sit down and look realistically at where they are, re-evaluate what the business now wants and redefine their role in partnership with the business, this is painful and honest but critical to resus the IT team.
3. Business centric - the IT team needs to redesign how it thinks, operates and relates to all aspects of the business. Design must be business-centric, give all your projects away to business leaders, become the signpost for tech and driving true partnership.
4. User-centric - IT has to throw away their current design process and think about all solutions through the eyes of the ultimate user. It might mean less systemisation, more use of business process re-engineering, and better UI that is less technical. User-centric design should be an IT vision statement.
5. Commercial -IT teams need to re-tool and become professional commercial managers at all levels. IT's amateur approach to managing third parties has rebounded on its credibility.
6. Permanent subject matter experts - we need to accept the credibility challenge that IT does not have permanent, professional staff that are fully trained and dedicated to a long term commitment towards the business. We have been lax and full of interims and consultants. We must clean our house.
7. Value for money - the cost of IT is still a mystery in most companies, user teams have big blobs of cost with little breakdown and virtually no breakdown by user, key stroke or transaction so they can pull levers to change their cost consumption. In the past IT has shrugged its shoulders and said that's just the way it is. There are transparency tools now easily installed that publish user key stroke costs in real time. When you can give the business total control of their costs, they will then begin, with understanding, to change their behaviour and therefore the cost profile. IT will look (and be!) a transparent costed partner.
8. Pace - let's get some, step up the pace to exceed business expectations, drive at an almost reckless speed to prove to the business you are a partner that can better external suppliers.
9. Change the language - IT have got to talk the language of positive, professional advisors managing heritage systems but with a clear vision of how they will deliver business differentiation. IT are the tech experts, the natural partner of choice of the business, we do digital and are technical leaders. Trust us.
10. Professionalisation - so an electrician turns up to your house, quotes full rate for a job but confesses he has had much experience but never kept up with the appropriate kite marks, in fact he has largely ignored the qualifications now required by government. Of course you wouldn't employ him, he is not offering to do it cheaper, in fact it could be dangerous with no standards to come back on. Well welcome to the IT world, partly qualified (I have been doing this for years guv) happy amateur hour. I am of course being over aggressive, but the level of professional qualifications and external research is the lowest I have ever seen - yet the business is paying 'full price'. Let's get professional and quick.
11. Dealing with the digital magpie - this subject is not going away soon so deal with it. Redesign your capability and become the digital partner, earn your stripes in small steps, make bigger and bolder digital strides. Eventually the business will begin to sit up and take notice and realise that the IT team is the heart of the digital future.