Beyond the downturn

Meeting the next wave of change on the front foot

By Martin Atherton, May 2009

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There is no shortage of business advice at the moment and one can only wonder about its effect had it been so readily available some time ago. However, one offering in particular struck a chord. It pointed out that businesses often do the opposite of what's good for them in both boom and bust times.

The assertion is that in good times, businesses focus on 'macro' strategic plays - mergers, acquisitions, new markets, new branches/outlets -and ignore the 'micro' plays - the detail that keeps a business lean and efficient. The opposite is true in a downturn. Businesses obsess over the details and ignore the bigger picture. The result is that businesses coming out of recession risk missing growth opportunities as they align their micro and macro plays once more.

Freeform Dynamics analyst Tony Lock recently discussed some of the issues relating to effective use of IT in the downturn. Options open to the IT department to help the business are discussed here [1] and summarised in the figure below.
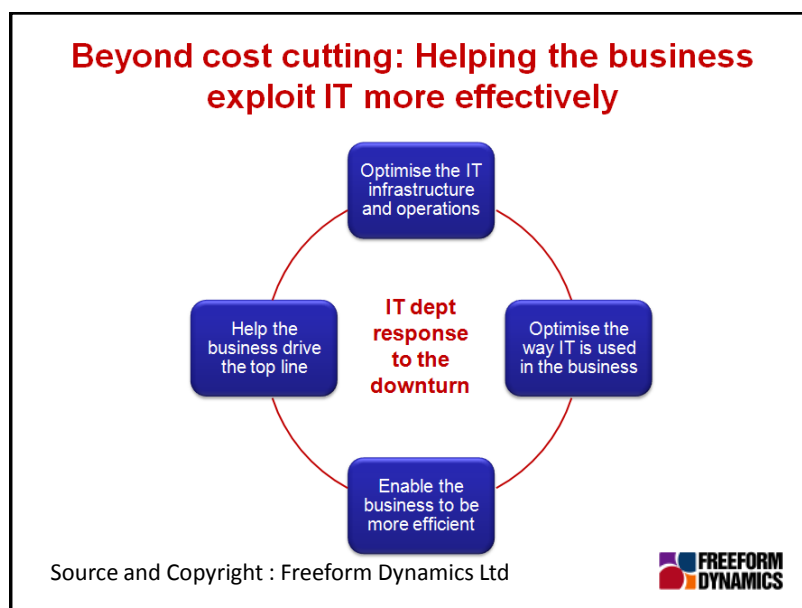

Figure 1

While the IT department has numerous ways to help the business drive more effective use of its capabilities during the downturn, it also needs to start thinking ahead. At a time when business strategies and operations are largely enabled by technology, it stands to reason that if anyone should be starting to think 'macro', it's the CIO.

However, is there enough slack in the system to raise the sights and to start looking ahead? Freeform Dynamics' research [2] suggests there might be if some of the burdens that IT labours under (figure 2) can be addressed. Individually, some of the common headaches the IT department spends its time dealing with look innocuous. However, of over 1000 IT practitioners surveyed, around 60 per cent stated that up to 10 of the burdens were causing them considerable headaches at the same time.
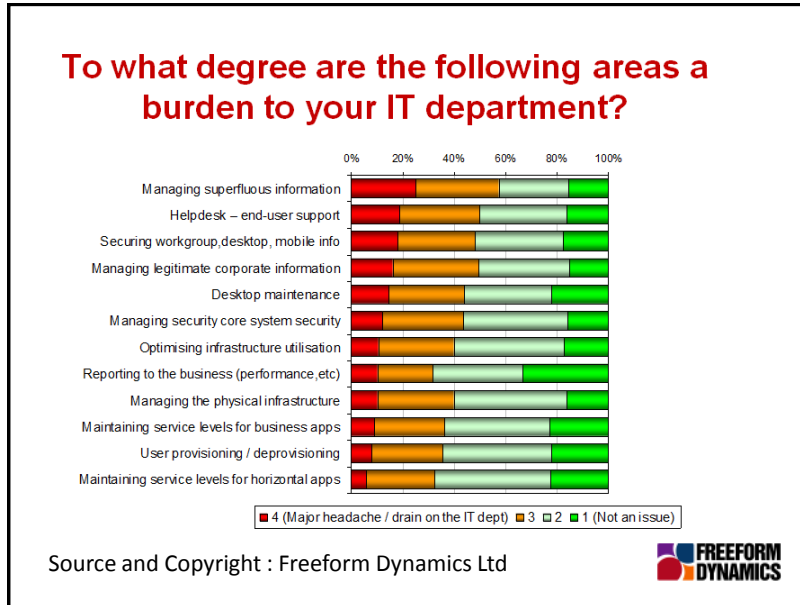

To what degree are the following areas a burden to your IT department?

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Figure 2

These burdens can be placed in three distinct but related groups:

The user burden: helpdesk, desktop maintenance, securing distributed information and user provisioning. The effort associated with administering these is typically blamed for IT not having the time to streamline the processes designed to handle them in the first place.

The core burden: core systems security, service levels, optimising infrastructure utilisation and keeping everything running. This is the area which suffers most due to the disproportionate efforts expended on the user burden.

The information burden: technology and process inadequacies lead to difficulties in controlling information flows in and out of the business and cause problems for employees when seeking the right information to do their jobs.

IT departments which have not created the slack needed to allow it to start positioning for the upturn will need to do some clever manoeuvring. While business leaders dislike being asked to change their position ('micro' versus 'macro') they do like initiatives with multiple benefits. For the IT department then, the current climate represents a significant opportunity to appease the 'micro' sentiments of the business while establishing some of the 'macro' initiatives which will drive longer term benefits from IT.

The challenge is to assess priorities with the minimum amount of fuss. 'Just enough' detail can lay the foundations for improvement initiatives designed to align IT capabilities to business needs.

Something as simple as an old fashioned 'SWOT' analysis could prove a worthy mechanism to help achieve insight without getting bogged down in detail. Freeform Dynamics has conducted several analyses recently - one for a client and one internally. Both were effective in providing insight into

how existing capabilities could drive or limit the business going forwards, and how weaknesses in the user, core and information 'burden groups' posed risks to forward-looking requirements. The simple exercise proved to be an effective way to gain consensus and to scope an improvement plan.

Ultimately, expectation will fall on the IT department to help drive the business forward as the economy gains strength, so seeking out early chances to get its own house in order is prudent. By addressing the areas it needs to enable forward-looking priorities, not only will it be able to meet the next wave of change on the front foot, but it will find it easier to gain the support of the business too.

[1] '*IT Delivery in the Downturn*', by Dale Vile and Tony Lock, December 2008.

[2] '*Relieving the Systems Management Burden*', by Martin Atherton, January 2008.

About Freeform Dynamics

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