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4 Reasons Why IT Matters More Than Ever

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Ashlee Vance at Bloomberg BusinessWeek has declared that, after 10 years, [IT simply doesn't matter](#). He's basing his current premise on the original conclusion reached back in 2003 by Harvard Business Review's [Nick Carr](#), who essentially argued that IT has become a commodity, a place where an increase in dollars spent represents no correlation in increased business result. Essentially, IT is a department to minimize whenever possible. "The point is, however, that technology's potential for differentiating one company from the pack—its strategic potential—inexorably declines as it becomes accessible and affordable to all," Carr wrote nine years ago.

Although it's impossible to know for sure, Ashlee might have been the victim of an overzealous headline writer. However, Carly ["Let's Make Everyone's Cubicle Two Feet Shorter"](#) Fiorina, the old chief of Hewlett Packard got it right when saying that Carr was, in fact, "dead wrong"—and everyone glomming on to that Carr-Vance sound bite is wrong, too.

Why? Consider the following four reasons.

1. Despite Outsourcing, IT Remains Important.

Just because a company chooses to outsource parts of its information technology investments to other providers doesn't mean IT doesn't stay relevant internally. A team still has to be a guide. Who selects these vendors? Who comes up with the jargon necessary to translate business requirements into technical mandates? Who sorts through the requests for proposals? Who monitors the market for outsourcing, keeps track of pricing and adds and removes services as necessary?

Case Study: [IT Roles Shift with Move to Cloud](#)

No team is in a better position to integrate the true value of technology across the entire business than IT. No team can better drive business results, via the profit and loss statement, across the entire business through the value created and costs reduced via smart computing.

2. Eliminate Busywork, and IT Can Create Value.

As a CIO or someone in your technology department, you well know how much time is spent reacting to situations. This application is down. Internet access is slow. It's time to manage a desktop operating system refresh. You need to buy a new SAN appliance because you're bringing up more virtualized servers. There's a lot of busywork.

Imagine if, instead, your IT department could focus on writing a new point of sale system for your stores. What if you could assist your marketing department in putting out a killer mobile application for

smartphones? Perhaps you could find a way to bill customers for a service you've never thought of. In these scenarios, IT becomes a business partner, not just a cost center. IT can now focus on creating real, true business value, not just on caring for and feeding boxes with blinking lights. That's important. That's game changing. And that's entirely relevant.

3. You Wouldn't Neglect HR or Finance, Would You?

In his article, Vance quotes Siobhan McFeeney, who leads AAA's information systems management in Northern California, Nevada, and Utah. "Sometimes it is a harsh reality when companies realize they are not IT companies," McFeeney says. "We are in road service and a huge insurance agency. We are not an IT company."

One can understand this point of view, of course. There's an old management maxim: Focus on the things only your business can do and leave the rest to another firm. However, that logic only goes so far, and it's rooted in the concept of minimizing cost. Does AAA have a finance department, even though it's not an accounting firm? AAA most likely has a human resources division, even though it's not a temporary hiring business.

Just because something isn't core to your business vision doesn't mean it's irrelevant, lest paychecks bounce and employees run amok and your systems go down or you miss the next big way to gain more functionality and reduce cost with a core application, as the above points suggest. Just because your company isn't an "IT company" doesn't mean running that part of the business successfully isn't important.

4. IT Is Best Suited to Navigate Ever-Changing Technology.

The rate of disruption and change in the technology sector is increasingly rapid. Just in the past month we've seen reports that [tablets will upend notebooks in four years](#). This year we've found you can run [email and collaboration in the cloud](#) with feature parity to desktop Microsoft Office for \$6 per month per user, or even lower. Who better than IT to sort through all of this? No other team will have the necessary expertise—or even the interest—in how to do more with less.

News: [Mobile Devices Will Turn IT Security "Stateless." Says Forrester Analysis](#)

Since most organizations aren't "IT companies," as McFeeney points out, employees won't be going to industry conferences, networking with key technology groups and executives and generally understanding what is new and what's on the horizon. Businesses need information technology departments to sort the wheat from the chaff.

IT: The Last Greenfield of the Customer

What *is* true is that IT as it was defined in the 1980s and 1990s, and even the very early 2000s, may not matter as much as it did. IT as a place where money is spent and things don't work—the place where [Nick Burns, Your Company's Computer Guy](#), had a chair and a desk—shouldn't exist anymore.

The premise that IT doesn't matter may be valid, if you're not allowing your definition of a group of professionals to grow and change as technology evolves. There's no solid reason to expect any sort of correlation in shoveling budget dollars to Windows administration and website delivery. Only so much differentiation can be done on your desktops. Every company has computers. You're not going to win any battles there.

But there's an entirely different argument to be made for giving IT a proactive mission, a purpose to use its money to gain a competitive advantage through effective, custom, efficient use of technology. Whether that's the decision to outsource email to free up money to build a custom system for customer self-delivery for a new product, or that's the decision to build a new website on the Amazon cloud platform and invest your capital money and bandwidth charges in developers that can create compelling applications to beat the pants off your competition, the conclusion remains the same.

IT isn't a commodity. IT's utility doesn't approach zero as more people get computers, websites and mobile apps. No, it's precisely the opposite—IT is the last greenfield to the customer, where relationships can be won, lost, cemented, expanded, reduced or even created out of nothing through opportunities to do cool things we've never seen before.

Think about it. Five years ago, [Amazon's Elastic Compute Cloud](#) didn't exist. Today you can go spin up a complete virtual server on Amazon EC2 for pennies per hour. Five years ago, you had to budget thousands of dollars in time and hardware to do that. What happens when technology itself is commoditized? Highly engaging, valuable, and rich experiences are created—see [Netflix](#), [Pinterest](#) and others. Who better than IT departments to guide us safely in that direction?

Yes, IT does matter. In fact, in this day and age of disruptive technology, IT matters more than ever. IT is where the battle for the customer is won. It's a key weapon, a competitive advantage and nothing less than a necessity you can't afford to be without.

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