

Gaining Business Respect by Operating IT as a Business.

Information and Technology (IT) is NOT an adjunct to business, IT is business but if IT is to have the respect of the business, IT needs to operate as a customer driven service that guarantees delivery and returns a profit to its shareholders – the business.

Gaining the respect of the business comes from applying proven business principals. First IT operates on a cost recovery basis. Any profits are either ploughed back into IT and/ or returned to shareholders – the business.

IT will give the customer what they want when the bulk of its funding comes from the business by providing cost effective services and meeting expectation. No service, no funding. A portion of the IT budget will still need to come from core funding for strategic initiatives and other activities that it is not effective to charge for, e.g. standards.

Investment in IT for increased sales or to deliver cost savings would by definition encompass the true cost, including that of business integration, meaning that only those activities delivering the appropriate Return on Investment would be commissioned by the business.

The business would obviously approach in-house IT first, because of all the business benefits, but when the required service is not provided, customers would vote with their feet and their wallets - sourcing services elsewhere as needed.

Like any other business, the customers of IT would set its priorities. Bonuses for delivery ahead of schedule and for performance above expectation would be earned.

IT needs to sell “What IT can do for the business” and “What IT does for the business”. IT needs to be professionally marketed. A marketing brochure should be put on every ones desk, together with newsletters and invites to breakfasts and road shows. IT needs to be running competitions and giving

away I-pods for the best ideas and best innovations.

Like any other business, Directors (executive or non-executive) are properly accountable for both IT and information management and work-flow, with their bonuses and their jobs tied directly to the performance of IT. The performance of IT would also appear in annual reports.

Just as billing and legal services are often provided using a shared services model and operated as a Pty. Ltd., so it makes sense to do the same for IT. In addition to accounting, tax and liability advantages, a separate Pty. Ltd. and cost recovery is an effective way to drive the required cultural change.

In business, the contradictory needs of providing a common standardised environment (lower costs, guaranteed service delivery and binding the different areas of business together), whilst being highly responsive to meet evolving and dynamic needs, is all too familiar. The competing forces of the market, customer demand, cost and legislative

requirements successfully drive business to deliver choice, service and value for money. What is the difference with IT?

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