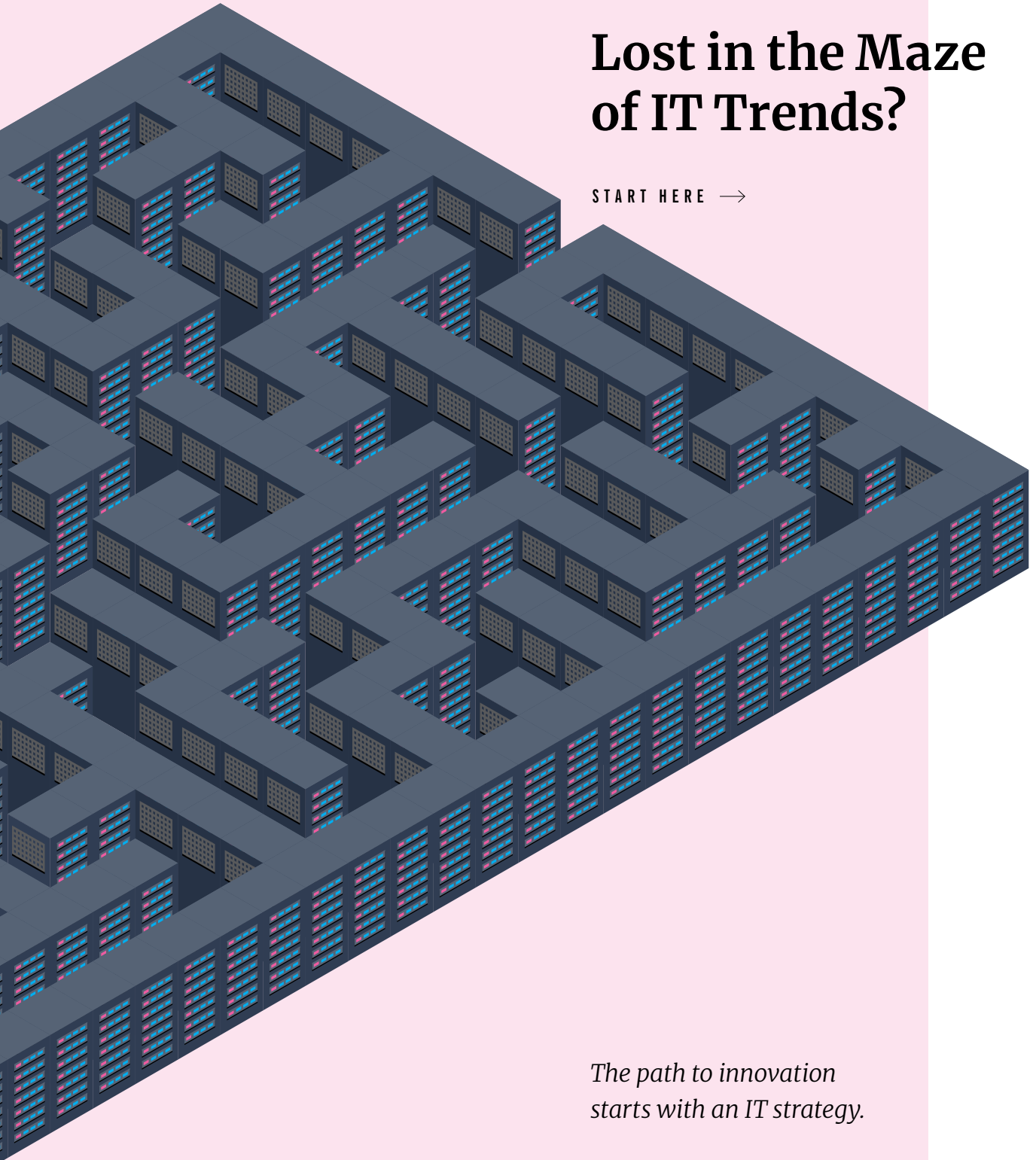


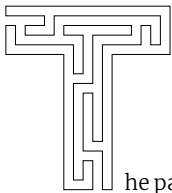
By Jacob Horr and Stefan Sokerov

# Lost in the Maze of IT Trends?

START HERE →



*The path to innovation starts with an IT strategy.*



The pace of technological innovation is faster today than ever before. This is apparent when you compare today's technology to the turn of the century, when barely 5 percent of the global population had an internet connection, when floppy disks were still very much alive, when social networking sites like Facebook were just getting their start, and when smartphones were years away from being in everyone's hands.

IT innovation today can take many forms. Recent trends range from increasing business insights in order to grow market share, to driving efficiency and cost savings through automation, to predicting customer needs and improving their experience, to transforming employee engagement and organizational interactions.

While these trends provide new ways to create more effective and profitable organizations, they also create a risk of distraction from other priorities or wasted investments in unneeded or poorly implemented initiatives.

## THESE ARE JUST SOME RECENT TECHNOLOGY TRENDS:



### AUTOMATION

The linking of disparate systems and software in such a way that they become self-acting or self-regulating, such as robotic process automation (RPA) or artificial intelligence (AI)



### ADVANCED ANALYTICS

Combination and analysis of large data sets that are too large or complex for traditional data processing to reveal patterns, trends, and associations in order to make better decisions



### BLOCKCHAIN

Incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions, but virtually everything of value



### CLOUD

Hardware and software services from a provider on the internet, replacing in-house operations, no matter their size or applications



### CYBERSECURITY / DATA PRIVACY

The body of technologies, processes, and practices designed to protect networks, computers, programs, and data from attack, damage, or unauthorized access



### DEV / OPS

Set of practices that emphasize the collaboration and communication between development, operations, and testing to enable continuous delivery



### DIGITAL TRANSFORMATION

Transformation of business and organizational activities, processes, competencies, and models to fully leverage the changes and opportunities of a mix of digital technologies



### INTERNET OF THINGS






The network of physical devices embedded with electronics, software, sensors, actuators, and connectivity, which enables these things to connect, collect, and exchange data

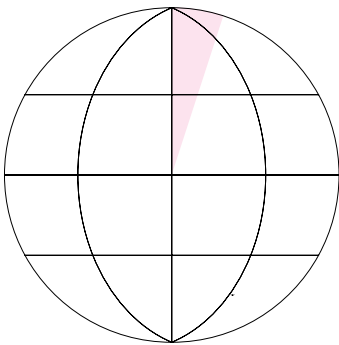


### SCALING AGILE

The scaling of Agile principles and practices to the enterprise, while continuing to deliver on the promises of the Agile development method

## AN IT STRATEGY WILL ANSWER THE FOLLOWING QUESTIONS:

<p>Can our strategy support current and future business needs?</p>	<p>Are we making the right technology investments, and do we measure the value created by our technology investments?</p>	<p>How do we provide a better customer experience to our internal and external customers?</p>	<p>Do we effectively and successfully plan, manage, and deliver IT solutions?</p>	<p>Is our technology environment properly managed, maintained, secured, and able to support the clients, and is it cost effective?</p>
				



At the turn of the century, barely 5 percent of the global population had an internet connection.

business value and assess the organization's innovation ability through the creation of an IT strategy and roadmap. Not only will this strategy and roadmap help you answer these important questions, but it will also ensure that you answer others that might not have come to mind and are pertinent to determining which trends are relevant and helpful to you and your business.

- What are the business needs and true value we are trying to capture?
- When are we trying to realize benefits?
- Do I have the business alignment and sponsorship to be successful?
- Do we have the technological capacity (capabilities, processes, and infrastructure) to execute these initiatives?
- What impact will this have on my workforce?
- What other barriers or risks are there to success?

### APPROACH OVERVIEW

IT strategy and planning is the process for defining an IT vision and roadmap that align to and enable business strategy. There should be a conscious decision to define IT's vision for enabling the business. The process to define an IT strategy occurs across three steps:

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As you hear about and review new trends, you may be asking yourself:

- Do we need to innovate to better support the business?
- Which trends can deliver value to our business?
- Which ones are the real deal rather than a fad?
- How much should I invest on technology innovation?

The best way to answer these questions is to answer an even more important one first: "Does our IT strategy clearly support and enable our business strategy?"

If not, start there. The technology trends that will add the most value to your organization will become clear through the lens of your IT strategy.

### DEFINING AN IT STRATEGY

An IT strategy sets the vision for the IT organization and ensures that everyone is moving in the same direction. It allows the business to identify and enable IT innovation.

The following steps will help CIOs and technology leaders determine the

## Step 1:

### IDENTIFY THE BUSINESS STRATEGY AND DEFINE IT'S VISION

*What are the business needs? What is the justification for investment in technology and innovation?*

According to the Harvey Nash/KPMG CIO Survey 2016,<sup>1</sup> 59 percent of CIOs and technology leaders report being held back from innovation because they lack resources or funding.

This statistic brings to light one of the main risks of not building the business foundation and justification for an IT strategy. Without first understanding the business strategy and overall business direction, it is difficult to build alignment with the business and create a business case for IT spending.

While not all business leaders may see IT as a strategic partner, IT leaders should ensure that their organization has a strong understanding of the business strategy. This will begin to give the organization insight into whether IT needs to innovate to better support the business and, if so, the biggest opportunities for technology and innovation investment.

Once that understanding is built, the organization should define an IT mission and vision, along with guiding principles that align with the business strategy, and provide key directional statements for IT to follow.

## Step 2:

### ASSESS IT'S CAPABILITIES AND TECHNOLOGY NEEDS

*What is your ability to meet business needs? Do you have the technological capacity to innovate? What gaps exist?*

After understanding the business strategy and developing IT guiding principles, you must get a clear picture of IT's capabilities, the maturity of the IT organization and innovation ability, and its technology architecture.

Without an understanding of IT's current capabilities, it is impossible to evaluate trends and know the organization's ability to implement innovation initiatives. For example, the capabilities, process maturity, people, and infrastructure required to implement blockchain are much different from those required to build advanced analytics capabilities.

We believe it is important to assess the IT organization across three dimensions to provide a holistic view of capabilities across IT:

#### **Business Processes—Why?**

Develop or use an existing business process framework or capability map to review the business with a process lens. This process view of the organization identifies areas that would benefit from technology and innovation investment and serves as the justification for IT.

Without an understanding of IT's current capabilities, it is impossible to evaluate trends and know the organization's ability to implement innovation initiatives.

#### **IT Capabilities—How?**

Evaluate IT's capabilities across IT governance and management, solutions delivery, operations and infrastructure, and common services to assess the maturity of the IT organization—including IT functions and roles and responsibilities.

Throughout this assessment, use a maturity model to review the IT organization's ability to innovate and assess the balance of capabilities and investments (spending analysis) to determine the ability to fund technology and innovation initiatives.

#### **IT Solutions—What?**

Develop an application and infrastructure view of the organization's technology solutions to assess the current state of technology architecture and determine whether it optimally supports business processes and provides the foundation to enable innovation initiatives.

## Step 3:

### DEVELOP YOUR IT STRATEGY AND ROADMAP

*How do you prioritize, understand impacts, and measure progress?*

Once you understand IT's current capabilities, you can develop an IT strategic plan and roadmap of initiatives that align IT with the business and address the gaps. During this step, identify potential capability improvement and innovation initiatives, then prioritize them based on an analysis of business value and effort versus cost.

In order to do that, conduct working sessions to identify potential capability improvement and innovation initiatives, assess the business value, and estimate effort and cost for each initiative. At that point, score and prioritize initiatives by complexity and business value.

Evaluation of business value and the benefits of potential initiatives should look past the easy-to-see benefits. For example, when considering robotic process automation (RPA), cost savings may jump out as the immediate benefit. But well-implemented RPA can also improve a wide range of areas, including compliance, consistency, accuracy and error reduction, risk avoidance, improved customer experience, and data security enhancements. All are powerful reasons to pursue RPA.

Additionally, you must identify when the business is looking to realize that value. The implementation of most, if not all, innovation initiatives will require up-front investment; benefits are often incremental.

An organization also needs to understand how its business will change and what is needed to implement innovation initiatives. Once again looking at RPA, successful implementation requires mature business process definition, as well as new skills to program and manage bots.

Once you've prioritized initiatives and output from previous phases, you can use those priorities to define a timeline, ownership, and objectives for each initiative, create a high-level implementation roadmap, and develop an IT strategic plan to summarize the roadmap, vision, guiding principles, and current-state maturity.

It is important that the business walks through this journey with IT to gain alignment early on. The evaluation of change management needs and a communication plan will help enable buy-in and obtain business sponsorship.

### BENEFITS OF THIS APPROACH

A well-defined and well-executed approach to an IT strategy will:

**Align the IT organization.** It instills a set of guiding principles that align to the business strategy and provide key directional statements for IT to follow.

**Improve relationships with business partners.** Tie your IT strategy back to the business to provide context and gain alignment between IT spending and business capabilities.

**Ensure organizational alignment and support.** Your strategy will communicate IT's vision and plan, leading to better buy-in, sponsorship, and engagement across the organization.

**Identify true business value of initiatives.** It identifies and documents the full set of benefits for the business.

**Prioritize your investments appropriately.** It ensures that the organization agrees to and delivers on its highest priorities to achieve its goals.

**Ensure that you have the capabilities, resources, and technology to deliver the priorities.** A strategy evaluates the organization's technological capacity to execute IT initiatives—and it identifies gaps.

**Support the people side.** The strategy considers the effect of change to roles and responsibilities, organizational design, leadership development, and culture. It also ensures that resources are aligned to the right priorities.

This approach will not only help IT leaders take a step back and evaluate which trends will bring business value before making investments, but it will also build credibility and relationships with the business as they put IT initiatives in the context of driving the overall business strategy. → **END**

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Source:

1 Harvey Nash/KPMG CIO Survey 2016, accessed on the web Nov. 17, 2017: [https://www.harveynash.com/group/mediacentre/HarveyNashKPMG\\_CIOSurvey2016.pdf](https://www.harveynash.com/group/mediacentre/HarveyNashKPMG_CIOSurvey2016.pdf)