CRACKING THE IT CODE

Technology Management for Non-Technology Managers

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For all of the entrepreneurs trying to make their mark.

My deepest hope is that *Cracking the IT Code* will help you focus on your core business.

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CHAPTER ONE

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The Riddle

"Introducing new technology alone is never enough. The big spurts in productivity come when new technology is combined with new ways of doing business."
—Thomas Friedman, *The World Is Flat*

For most managers technology is a mystery. It seems to endlessly eat away at profit, hampers productivity, and can bring business to its knees with outages. It almost feels like a crime in progress conducted by three super villains: Money Pit, The Productivity Bandit, and that business destroyer: Outage. Businesses are in a constant struggle with the evil triad that continues to rear up over and over again.

The riddle for every business is how to spend the right amount on information technology (IT) while ensuring outstanding productivity and minimizing downtime. It entails understanding the implications of the investment toward risk management purposes but also for productivity and efficiency.

The technology landscape is a confusing morass of technical and marketing jargon. Never before has it been so easy for a company to make a poor technology decision that cascades through the entire business. Good, actionable information is hard to find.

Executives are turning to the technology community for expert advice. Often the advice is correct in and of itself, but in the context of the business plan it is often flat out wrong; or possibly worse, it is self-serving to the person giving the advice and comes with costly and often dangerous bias.

Technology for technology's sake is meaningless. It must have more utility than just a certain "cool" factor. In the last few years, dozens of new technologies have inundated the market with an incredible amount of hype and little clarity to their actual usefulness to a business. A large number of marketing tag lines have been introduced with very little real explanation of their meaning. SaaS, VaaS, virtualization, VoIP, social media, cloud computing—the list is quite long and getting longer every day.

Hidden behind the jargon and hype are real benefits for businesses and part of the difficulty is in separating the hype from pragmatic useful tools. Various technologies are opening new doors of opportunity for middle marketing and small businesses that only a few years ago were available only to the largest enterprises with the biggest budgets. For example, real time marketing, customer, and sales data are available to companies smart enough to integrate and implement the right technologies.

Technology is the cornerstone of nearly all business innovation in this decade. It is helping large companies leverage data to deliver intimate customer service in ways that were nearly impossible before. And small and medium businesses can afford advanced technology if they can only understand how.

Technology is improving at an exponential rate and the rate of change itself is accelerating as well. This accelerated rate of change is an important leadership challenge. It requires leaders to rethink how they do business. It needs to be part of the strategic plan in selecting the technology tools of the business and how they are purchased, leased, or subscribed to.

Much of the resistance to adopting new technologies and adopting new ways of doing business are more philosophical and even emotional in nature than pragmatic. Many executive teams have difficulty releasing control of a major business function that can be handled by their own people or infrastructure. Outsourcing a portion of their IT or subscribing to a SaaS program goes against much of their view of the business world. Owning and controlling a function on the surface seems safer and more cost effective. Business as usual feels right. They cloak the insecurity of changing their way of doing business inside concerns about security, performance, disaster recovery, and costs.

There is also some subtle sabotage by in-house technology professionals aiding the three villains. They are currently the trusted advisors business leaders rely on for their technology advice. But technology professionals are often threatened by the very technologies they support. Cloud services are quickly

rendering the need for in-house IT professionals obsolete. Their job functions can be mostly automated and as software improves the issues they used to address are in sharp decline. Why does a company need them if technology is finally becoming seamlessly easy to use?

The cost structure of cloud services and emerging virtual technologies makes employing in-house IT professionals much more expensive than before: in many cases, these services make them unnecessary altogether. Technology professionals by and large are terrified of the future. The cloud is most likely the death knell of their entire profession. Very few IT professionals have the courage to recommend that their job be eliminated or outsourced to a cloud service and you have to be on guard with their recommendations.

After engaging with thousands of executives and realizing how poorly most of them understood what they were buying for their business, I realized there is a need for a practical how-to guide to the basics of technology management. Often executives relied on biased information from their technology advisor and didn't know the right questions to ask to get the desired result. The purpose of this book is to help you unravel the IT riddle and make sound decisions toward controlling costs, maximizing productivity, and minimizing downtime.

This book gives a basic understanding and foundation of IT management from the standpoint of what work needs to be done and how to calculate the risks, as well as a basic understanding of the issues facing a company from a technological standpoint.

Understanding why certain issues will crop up in a stage of growth will help to plan for them and remove technology friction from the business, as well as save countless hours of lost time or over investment. The goal is to explain the basics of technology management and to act as a prism through which to weigh the risks versus benefits of a particular technology without delving into the deep technical details. The next chapter will help you understand the basic IT Conundrum and how to start to unravel it.

CLUES TO CRACKING THE CODE

▶   Seek to understand the why behind any technology decision.

▶   Beware of advice with an agenda.

▶   Disregard technology marketing hype; find the business case.