Managing Business Consumption of Technology Services
Bob Morison – December 2013

This is another in our series of points of view drawn from Stryve's recently published Outcome Project report on *Business Executive Responsibilities for Information Technology*. This one looks at how business organizations can be smart consumers of IT services.

Business demand for information and technology services is higher than ever and still growing fast. It's driven by opportunities – and sometimes competitive necessities – to leverage big data and analytics, mobile applications, social media, sensor-generated data, and other technologies. But if demand seems limitless, resources and budgets aren't. So businesses must be disciplined and consume technology services wisely.

Whenever there's an imbalance between demand and supply (or ability to consume), there are three basic courses of action:

- ***Increase supply.*** Your organization can pay for more supply of technology services either internally or in the marketplace, and perhaps pay for assistance in absorbing them.
- ***Constrain demand.*** This often happens arbitrarily through budget caps and staffing limits. But especially if the limits are set annually, opportunity and responsiveness are hampered. Another way to reduce demand for technology services is for business people to do more on their own. The "consumerization of IT" has created a lot of employees capable of self-service.
- ***Make demand smarter.*** Make sure that your organization is working on and paying for things really worth doing. Don't ask for service levels that exceed real need. Don't spend too much of your technology budget on running in place at the expense of innovating and moving forward.

The first step in making demand smart is segmenting it. Commodity services, including infrastructure and helpdesk support, are governed by service level agreements that can be calibrated. If, for example, you don't need 99.9% availability of a system, don't pay for it. Software and technology upgrades needed to "keep things running" can have their timing and scope adjusted. But note that if you fall too far behind, catching up can be expensive. Projects introducing significant business innovation and change may seem attractive, and, in theory, a business might like to pursue any technology-based initiative that creates significant value. But these

> *"Be a good consumer. Pay attention to costs and be crisp about what you need. Force people to rethink what they're asking for. Start with what you're trying to get done, then talk with IT about how to do it – we don't know all the options."*
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> – VP of Strategy and Marketing

projects must compete for resources, preferably on a level playing field with other candidate business initiatives. The projects you sponsor can be scoped and phased, including to yield early benefits.

The point is that you can monitor and guide consumption of services. You can encourage your management team and organization at large to be attentive to the cost and value of services consumed. And you can manage the mix of effort and expenditure across those categories of services. If your business unit also helps fund corporate IT beyond chargeback for services, you can monitor and influence that arrangement as a member of the enterprise IT governance committee.

If you're not familiar or experienced with managing technology services consumption in this way, you might take advice and assistance from a "technologist advisor," a business-IT hybrid person on your staff who is focused on enabling your organization to use information, systems, and services both effectively and cost-effectively. The IT organization may offer such people, often called "business relationship managers." Just make sure your advisor is in your camp and preferably on your payroll. You want someone focused not only on how your organization works with IT, but more fundamentally on how well your organization puts technology to work, wherever the services are sourced. The advisor can help you plan, monitor, and adjust technology usage, and adjudicate when competing interests or priorities arise. The advisor can also help keep IT honest.

> *"Technology leadership is not a part-time job for a business person. Each business unit should have someone devoted to how the unit uses IT."*
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> – CIO

In order to help you effectively manage your organization's consumption, you should insist on several things from IT:

- Services clearly defined in business terms.
- Straightforward pricing schemes, including pay-by-use where sensible.
- Transparency around service performance and cost.
- Reliable communication of bad news as well as good.
- General business acumen and genuine interest in how your organization as customer puts the services to use.

Many IT organizations are trying to transition to "IT as a Service," delivering and pricing services more like an outside provider would, and sometimes competing directly against outside providers for your business. You can help IT's progress by being a disciplined consumer, by insisting on the right management practices and customer-oriented behaviors in IT, and by communicating with IT regularly. You'll simultaneously, of course, make your organization a smarter consumer.