

ERP for IT: Ready for primetime?

Deloitte Debates



Some CIOs are knitting together point solutions to help them run the IT organization and operation as a more integrated business. Meanwhile, others are holding out for a fully integrated “ERP for IT” suite that can do for IT what ERP did for finance and other core functions. Which approach should a CIO take?

Currently there is no truly integrated suite of applications that can integrate the full scope of ad-hoc processes, workarounds, and system and data siloes that define many IT environments. Until this changes, what can CIOs do to achieve the uniformity, scale, and efficiency that IT organizations need today? Some are deploying and integrating available point solutions to begin achieving some benefits of “ERP for IT” now. Others are resisting this piecemeal approach, holding out for an integrated, multi-function suite that can address overall IT business challenges with a single deployment. Which is a more effective approach?

Here's the debate:

Point	Counter-Point
<p>Is “ERP for IT” really that important?</p> <p>If it were, wouldn't the big software vendors be offering integrated solutions by now?</p>	<p>Even if a full suite is not available today, component parts can still add value.</p> <p>Remember, before there were integrated suites for finance, manufacturing, etc., many companies found value integrating leading solutions.</p>
<p>Focusing on the business of IT is not a priority right now.</p> <p>There are pressing front- and back-office requirements that seem like they will provide more business value.</p>	<p>Don't sell IT's needs short.</p> <p>Budgets, schedules, talent... CIOs face the same operational challenges as CFOs, COOs, and CMOs. Why shouldn't the CIO enjoy the benefits of IT to address these challenges?</p>

Point

We tried to automate some IT functions a few years ago – it didn't work.

Remember enterprise systems management (ESM) and IT Portfolio Management (IPM)? They over-promised and too often under-delivered.

If IT's not broken, why try to fix it?

The business is happy and we're getting the job done with the resources at hand.

Counter-Point

Monitoring is not management.

ESM and IPM placed dashboard capabilities on top of systems without necessarily integrating business process and data flows. "ERP for IT" expresses the intent to simplify, standardize, virtualize, automate, and integrate the end-to-end business of IT.

Are current results a good predictor of future performance?

If you're operating in the green now, it's a good opportunity to improve IT systems, data, and processes. Don't wait for budget, talent, or schedule pressures to boil up (and over).

My take



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For years, CIOs and IT have been providing the valuable benefits of technology and automation throughout the enterprise: scale, uniformity, repeatability, agility, and performance. Yet, because few viewed IT as an integrated set of business flows, CIOs typically denied themselves those same benefits.

Many CIOs face chronic pressure from budget, talent, and other constraints; many are seeking ways to accomplish for IT what ERP accomplished for back-office operations: the ability to simplify, standardize, virtualize, automate, and integrate interdependent data and processes. In short, they want an "ERP for IT" solution that can enable running the IT organization in an efficient business-like fashion.

The problem is that the term "ERP" implies an integrated suite that covers virtually the entire footprint of the IT function and features a similarly integrated underlying data model. That full-scope single-vendor packaged solution may not exist (yet). If you ask software providers, some may claim to fit this bill. But in reality, many of the offerings available today address piece-parts of IT business flows with, at best, an umbrella dashboard capability. To date, I know of no single suite that covers the footprint of IT operations, talent, finance, production, service management, delivery, etc.

Yet, that does not diminish the value proposition of "ERP for IT": simplifying, standardizing, and integrating tools, data, and processes to manage IT can be a good start to address some of today's operational challenges, create efficiencies, and position the CIO to be competitive in their internal and external market of services.

CIOs can begin with the component parts that are currently available. There is certainly precedent for this approach. Think back to the early days of packaged software. To make the manufacturing floor more efficient, companies didn't wait for an end-to-end MRP suite. Rather, CIOs in the manufacturing sector tied leading inventory, shop floor, supply chain, and other parts together to enable and transform the manufacturing process. When integrated MRP suites eventually emerged, these manufacturers had already accrued value in automating their operations and processes.

CIOs should consider this approach for the business of IT – starting today. By integrating IT finance, IT HR, IT Service Management, IT Service Delivery, and other component parts that may someday become standard capabilities in an IT ERP suite, we can begin creating the transparency, agility, and economies of scale that IT operations need.

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