



# With a little help from my friends

## Technology management in a disruptive world

There are two varied forms of industrial complexes in business today—one, asset-heavy and driven by maximization of utilization; the other, asset-light and driven by scale. Chief Information Officers (CIOs) today have a similar technology construct to manage—large-scale, asset-heavy enterprise systems that are built to address complex business processes on the one hand, and agile new age technology stack like cloud, digital, analytics and Internet of Things (IOT) on the other.

How do they do it? [▶](#)

The world's largest taxi firm, Uber, owns no cars. The world's most popular media company, Facebook, creates no content. The world's most valuable retailer, Alibaba, carries no stock.

**M**arriott International merged with Starwood Hotels & Resorts Worldwide to create the world's largest lodging company. Marriott now boasts more than 5500 hotels and 1.1 million rooms worldwide as per Bloomberg.

Meanwhile, AirBNB has 1.5 million room listings in 190 countries. The world's largest taxi firm, Uber, owns no cars. The world's most popular media company, Facebook, creates no content. The world's most valuable retailer, Alibaba, carries no stock.

Now imagine an organization that has to run both these business constructs. In the world of technology management this is the reality for all CIOs and it is known as "Bi-Modal IT". It essentially translates into CIOs running two distinct organizational capabilities in parallel.

The first is focused on running business as usual. It deals with the enterprise grade systems entrenched in the waterfall model: slower-moving, sure-footed, incremental enhancements in capabilities to run complex business processes and generate Management Information Systems (MIS) for management teams. The second is focused on leveraging new age technologies that allow businesses the flexibility to cope in a fast-changing environment: minimal viable products, quick development cycles and rapid release timelines being the mantra.

Creating and managing this complex construct isn't an easy task for any CIO and they need support in several areas:

#### **Financial management**

Most enterprises understand the benefits that can be derived from increasing IT cost transparency, managing

IT like a business, and improving the interaction between IT and business units. However, identifying and implementing the right financial model for technology management is unique to most business environments. There is a range of possibilities between strategic single partner outsourcing models to full in-house capabilities. Selective outsourcing strategy and managed services models are perhaps the more prevalent ones today. CIOs need support in identifying the financial construct that works best for the business and executing that construct with the right set of partners within their business.

Once the financial and partnership models have been defined, CIOs need support in identifying the key metrics that need to be monitored and the governance processes needed around calculating and reporting those metrics to the board.

#### **Digital-ready enterprise**

Getting digital-ready for an enterprise is not a trivial task. It entails far more than just creating a few digital assets and monitoring their uptake. From an IT standpoint it requires a complete overhaul of the IT architecture. Everything from data flow patterns to integration points and, most importantly, master data management needs to be redesigned and at times redeployed to work in the digital space. To enable this journey, CIOs need support in managing a digital blueprint, creating new master data models, redesigning the application stack and executing the vision with metrics embedded into processes that previously did not exist.

#### **Risk management**

As the technology landscape changes substantially, so does the risk distribution across the enterprise. From a CIO

perspective, the ability to identify, articulate and have a mitigation strategy—especially for some of the new age technologies—is critical. A good example to illustrate this point is the migration of data from traditional data stores to the cloud. A cloud risk matrix that enables the CIO to look at all risks, from contractual to in-country data regulations can make or break the business case.

Enterprise risk assessment allows the CIO to proactively manage these risks and to conduct timely audits and assessments to showcase current state and gaps with a roadmap to mitigate them.

### Human Capital

One of the most difficult issues plaguing CIOs and most of the technology ecosystem is the changing requirements and dynamics in the human capital space. On one end, hyper competition in being able to acquire skills in the enterprise space due to employee expectations of quality of work, growth prospects and reward management and on the other end, a shortage of skilled manpower in the digital space due to the unique intersection of skills required by data scientists. Added to this is the complexity of identifying and leveraging opportunities for interoperability of skills between the two operating models.

Human capital strategy, skills evaluation of current team members, skills upgrade options, interoperability opportunities are areas where most CIOs look for support from internal Human Resources teams and partners within the organization. Outsourcing and augmentation of manpower does help however, a large portion of the capabilities in enterprise architecture, data modeling and partnership management are still engineered in-house and can potentially

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create competitive differentiation in the marketplace.

In conclusion, there is much disruption in today's technology ecosystem that calls not only for rapid reaction times but also for the correct decision-making. While managing the expected—having the right talent, developing the right capabilities, getting resources to the right place at the right time, maintaining vendor relationships, growing revenues, delighting customers—is not to be foregone, organizations need to ensure that the proper framework is put in place to absorb and manage the unexpected, the disruptive. That is where support from the ecosystem counts the most! ●

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