

Aligning just a BIT

How the marriage of IT and BT produces results

Introduction

Business technology (BT) can be broadly defined as technology that directly enables employees, processes, and customers. If IT is concerned with the operation of foundational technology like hardware, networks, and server-side software, BT is concerned with applications, algorithms, and visualizations. BT and IT are necessarily complementary in practice (there can be no killer app without hosting, delivery, and security) but they are distinct in concept. BT focuses on creatively solving problems and driving value, while IT focuses on finding the most efficient way to build and maintain the engine.

Even if the idea of BT is relatively new (Forrester's report, "Business Technology Defined" was published in 2007) it's already reached something of a break point. It's becoming less distinct, as technology worms its way into the processes behind sales, marketing, support and other departments. What was once considered a BT project is often now simply the most obvious means to an end. Is a new tablet application to help retail employees sell products in-store "business technology," or is it just another twist on a retail channel, like an eCommerce storefront?

This natural melding of technology into various business practices doesn't mean that organizations should forget about BT as a concept, however. Some 65% of spending on digital experience technology is done by a combination of marketing, sales, and the line of business. This diffusion leads to lacking channels for cross-departmental communication, unclear role definitions, and a disorganized response when things go awry. Worse, without proper governance and leadership, organizations struggle to be deliberate and visionary in their long-term technology endeavors.

To combat this trend, leading organizations ranging from retailers like Fathead to publishers like The Economist are doubling down on BT by aligning it with the existing IT organization. This accomplishes a few things. For one, it brings together those interested in contributing to the ideation stage of new BT projects with those who can best carry them through (the IT organization). For another, it uplifts the IT organization by pairing it with projects that drive value, rather than simply being a cost center. Aligning BT and IT will also help to push the entire organization toward serving the customer and developing great experiences.

In this paper we will explore these and other benefits of aligned "BIT" (BT and IT), offer steps to achieve this alignment, and caution against a few drawbacks of the approach.



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How Aligning BT and IT can benefit your organization

IT is typically the largest line item on the corporate budget. After a recession-related dip, growth in IT spending returned to form: **Gartner predicts IT spending will grow 3% in 2015.** Yet much of that budget is not held to the same standards of value delivery as the rest of the departments. While sales, marketing, and support departments must continually justify their budgets by hitting goals based on generating sales, leads, and customer loyalty, IT remains focused on improving efficiency and reducing costs.

Why is that?

As George Colony, CEO of Forrester Research, noted in a 2009 interview, companies at that point were in the midst of a long-term “tech spending hangover.” In the post-dotcom crash 2000’s, many companies saw in the harsh light of day that their massive technology expenditures were not producing value once cash got tight. As organizations began to dig out of that crisis and disruptive “aaS” services came to market, they placed an ever-greater emphasis on cost effective and efficient IT – smarter spending, but yet not value-driven spending.

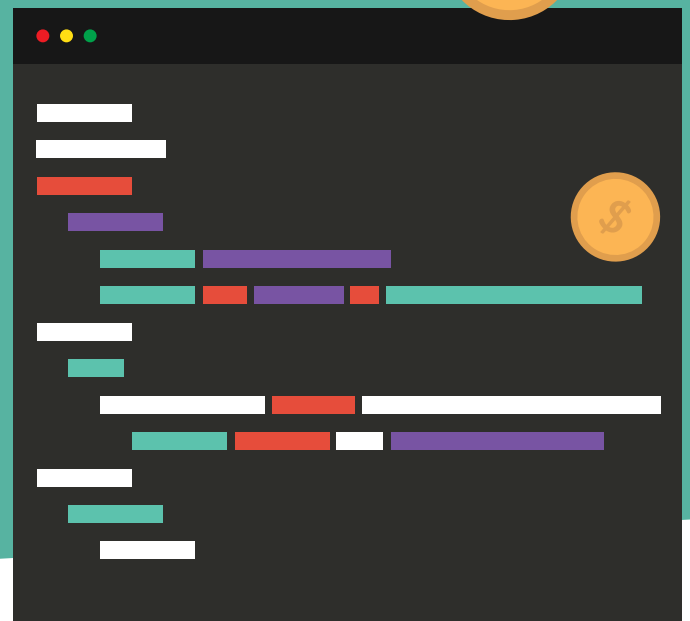
In the five years since that interview, innovative IT services and technologies have continued to emerge, and corporate balance sheets have strengthened as the wider business environment rebounds from the recession. These factors have allowed organizations to begin to be more strategic and intentional about IT spending than ever before. The novel concept of ROI-driven IT development and procurement has been born, and is just now starting to grow.

BT drives IT value delivery

The shift to considering IT as a value driver is also related to the rise of BT, in its many forms. When new business applications end up improving the customer experience and driving revenue, future spending on technology looks much rosier to line-of-business executives and boards.

In fact, BT not only brings new applications and ideas, it can help to frame all technology activity in terms of the business results – even “traditional” kinds. IT departments have always indirectly contributed on the user experience, as they worked to bring consistency, security, and speed to systems and applications. Aligning BT with IT simply forges a direct link by drawing end users, be they customers or employees, into the picture. This enables leaders to take a higher-level view at how overall services drive value, instead of focusing on SLAs for individual components, like availability and response time.

As the movement to align BT and IT spreads, the goals for technology in general will evolve from “cheaper – faster – more efficient” to “more engagement – more revenue – more value.” That’s a boon not only for IT managers and their teams, but for the entire business, as dollars will flow to a positive resource.



BIT helps push companies toward serving the customer and “disruption”

The digital economy is marked by the race to adapt early and stand out. Being “average” or worse will not cut it, as brand loyalty declines (as it has for the past three years and running, according to the BBB) and switching costs are low or zero.

Yet Gartner reports that **46% of companies polled admit they are “just marginally effective or average at generating ideas and converting them to commercial opportunities.”** Accordingly, the report also predicts that **just 30% of companies will succeed in undergoing a digital business transformation.** These data each point to this year as an inflection point for companies seeking to better serve customers into the future. Incremental progress won’t cut it any longer – innovation is essential.

Aligning BT and IT is one way to ensure that an organization cultivates bold new ideas and executes on them. Aligned BIT provides a platform for innovation that focuses on customer needs. Technology is expensive; it makes sense to consider procurement and project planning in terms of the entire business, not how it helps one department with a narrow goal. In other words, with alignment there are opportunities for a single technology to be used for a number of novel and unforeseen applications. That’s “disruption” in a nutshell.

Moreover, companies today are seeking to better serve the customer in all ways. One study by Forrester found that fully **92% of companies claim that improving the customer experience is a top priority.** In order to turn the idea of a “customer transformation” into reality, the focus must extend across the entire organization. It’s “easy to talk about but hard to do” according to another Forrester study, “it requires remaking your company, systematically, to re-orient each element toward improved customer experience.”

Aligning BT with IT will provide the platform of governance needed to apply this top-down customer focus. It will encourage line-of-business managers and executives to consider the technology-related implications of their strategies, and encourage IT teams to keep the customer in mind when building and architecting applications.

One of the challenges in engendering innovation within an organization is that technology tools and reporting exist in silos. Yottaa helps companies break down silos and align BT with IT by bringing together the management of performance, user engagement and security in a single tool. In one example, Pure Romance, an online retailer, used Yottaa to solve for performance and engagement on its applications and began a concerted effort to better serve its customers.

“We can now take a step back and look at the bigger picture of what the mobile app is, and how it works,” says Dan Ashbridge, VP of eCommerce, *“Yottaa frees us up to push the mobile experience as far as we can.”*

Outside in vs. inside out ideology

Another key part of serving the customer is the shift from thinking of technology as “inside out” to “outside in”. That means a shift to regarding the individual end user’s context as an instrumental part of the experience they receive, rather than thinking of “users” as a singular group that can be delivered a static experience.

By aligning BT with IT, organizations can achieve “outside-in” thinking, practically by default.

Alignment brings together technologists who may rarely think of the end user with those who constantly think about the end user – those who pick up the phones for support, sell the product, or are closely monitoring engagement within web applications. If any company seeks to become more “outside-in” the best way to do so is not by fiat, it’s by aligning BT and IT to generate organic connections and lines of communication between customer-facing and technology departments.



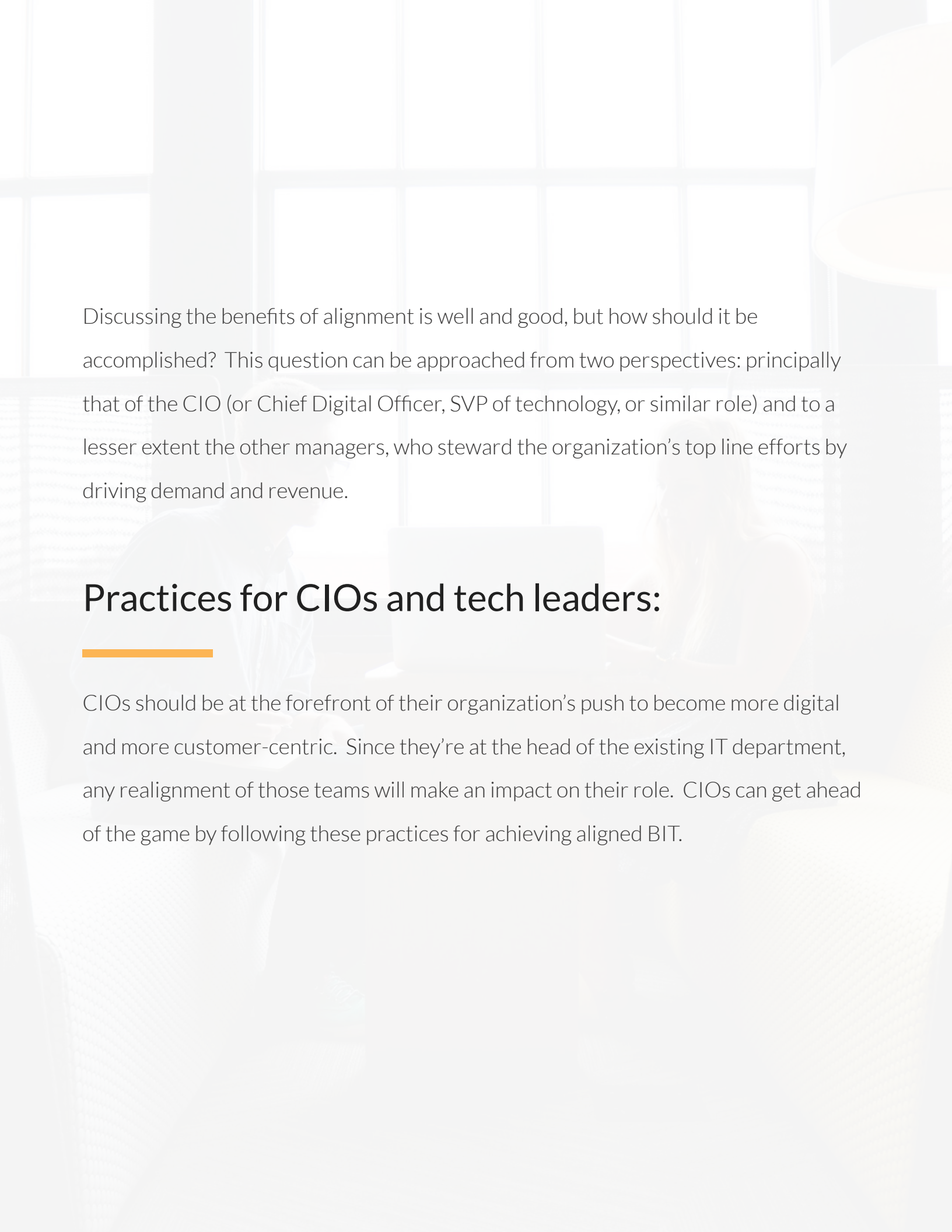
One example of outside-in thinking comes from Fathead, a retailer of customized wall art, who uses information about its end users' locations to serve on-page content. In the run-up to the Super Bowl this year, Fathead dynamically served Patriots or Seahawks gear on the front page of its retail app, per the location of the user. In the same vein, Fathead uses Yottaa to drive contextual performance optimizations for each individual user so that their applications perform optimally on any device or connection speed.





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Practices for Aligning BT and IT



Discussing the benefits of alignment is well and good, but how should it be accomplished? This question can be approached from two perspectives: principally that of the CIO (or Chief Digital Officer, SVP of technology, or similar role) and to a lesser extent the other managers, who steward the organization's top line efforts by driving demand and revenue.

Practices for CIOs and tech leaders:

CIOs should be at the forefront of their organization's push to become more digital and more customer-centric. Since they're at the head of the existing IT department, any realignment of those teams will make an impact on their role. CIOs can get ahead of the game by following these practices for achieving aligned BIT.

Create a structure around driving BT strategy

CIOs are often limited by the general conception of their role as the supplier of a utility, or worse, the “helpdesk”. In trying to align BT and IT, CIOs should seek to break out of their traditional archetype and become leaders, or “partner players” as Forrester puts it. One way they can accomplish this is by spearheading a working group of cross-departmental stakeholders with designated goals for discussing and defining the customer strategy.

This “people and processes” approach will help to change the technology outlook across the organization. Since it’s led by the IT leader and staffed by both IT and line-of-business stakeholders, it represents the first step in a larger, long term alignment. When the group produces results – for instance by generating a plan for a net-new application of user data that will help sales, support, and marketing – the group will gain trust and clout. The alignment will become more entrenched and perhaps lead to a more official designation in the form of a reorganization.

Bring vision to the table

Aside from the structural process, the CIO should seek to expand and leverage her particular expertise. As noted in an Ernst and Young study of CIOs, those in the role often have come from strictly-defined IT management background, rather than the more diverse business backgrounds of the typical CMO or CEO. In order to bring together BT and IT, a technology leader should demonstrate that the governance implied in the alignment efforts will be met. She could do this by seeking out the counsel of peers in other departments and getting to know more about the end users of various services. Also, simply starting to speak the lingua franca of the line-of-business leaders will help them to see the alignment more clearly.



Leverage IaaS and other cloud offerings

As Gartner notes in its predictions for 2015, the development of new apps is “already almost fully targeted toward public cloud deployment, as large-scale public cloud caters very well [to apps where mobile, social, cloud and information come together]”. In essence what this means is today’s BT is already dominated by the use of cloud services, sometimes employed by non-IT or non-traditional IT teams.

IT departments that are stuck in the slow-moving manner of big in-house departments are not in a position to help align BT with IT. CIOs should seek to bring their departments into the fold of next-generation cloud services – not only because it will save time and resources once the (potentially painful) transition is complete, but because it will enable them to better serve the needs of the rest of the business. One of the main ideas behind aligned BIT is that more of the technology procurement and development should be centralized and carried out by those who are most capable. If the IT department relies too heavily on previous-generation technology, this plan will flounder, and individual departments will continue to drive BT on their own terms.

For more on how CIOs can drive customer strategy, download our eBook:

Hacking Value Delivery: CIOs in the Age of the Customer

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Hacking Value
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CIO and the Age
of the Customer

*How Technology Leaders Can Change
Perceptions, Drive Strategy, and Create
Value for Any Organization*

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Practices for CEOs, CFOs, other leaders

Naturally, any effort toward aligned BIT will need a push from on high. It's a potentially large shakeup. But these leaders can help the alignment effort along without being too heavy-handed. Their goal should be to help break down existing silos without losing quality or precision in the main business practices. This will engender innovation in the customer experience through improved communication and knowledge sharing.

Get other executives invested in the idea

The executive team has surely seen the value of BT in the form of one-off projects and applications that helped their own departments meet and exceed goals. But they may not yet see BT more broadly as a huge potential driver for top-line value across the organization.

Ask them how they plan to help in transforming the organization to better serve customers who are growing more demanding, more mobile, and less loyal. They're likely to mention using data and new or upgraded applications – **Forrester has found that 65% of tech spending in the area of customer experience is done by marketing,** sales, and line-of-business. Ask them if they believe they have sufficient budget, expertise, and resources needed to carry out those projects. You'll likely hear “no” all around.

Whatever terms you use, express that the need for innovation is urgent, and demonstrate that the organization is not currently optimized for carrying it through. This may entail discussing specifics about how BT projects are currently being carried out. If your organization is like most, then the seams will start to show as soon as you probe the current process. In many organizations, IT already struggles to meet demands of the business, and teams are forced to compromise on standards or delivery time. User experiences are disjointed across platforms. Changes made in one system negatively impact another. There could be different departments doing essentially the same work, or technology applied in one department where it could easily be applied in another.

The other executives and leaders should see this for what it is, and get on board with the idea of pursuing aligned BIT.

Empower the technology leadership

If the CIO is ready to carry through the actions described in the previous section, then she will benefit greatly from the support of other leaders. The Ernst and Young study found that a general lack of support from executives is the single biggest barrier to effectiveness in the CIO role. Without addressing this, her potentially risky efforts to make a change could flounder.

Start by reforming what's already one of the main official lines of communication between the CIO and the other executives: reporting of results. Welcome the CIO and other technology leaders to suggest changes to the way technology is reported on and how goals are set. Given the opportunity to demonstrate business value, a CIO who is ready for aligned BIT will happily jump at the chance.



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Cautions: What to Know Before you Dive In

Aligning BT and IT isn't necessarily a simple, easy shortcut. There will be pain points, and the organization should be prepared to meet these challenges.

BIT Introduces Instability

The change may be easier for some departments to adapt to than others. Especially for IT, there may be growing pains. The strict processes and that have worked for years may be adjusted or upended – and while that’s a good thing, it will introduce instability.

As Gartner notes in its assessment of how businesses approach customer experiences, *“The use of unstable business processes is on the rise...a deliberately unstable process is designed to be agile and to dynamically adapt in potentially unexpected ways to changing priorities and requirements.”* The unstable process the firm speaks of is essentially BT by another name. We already know that BT is agile and at times ad hoc – and when aligning it with a well-developed departmental structure it’s basically introducing an element of chaos into the system. This should be planned for, and accommodated by introducing discipline early on.

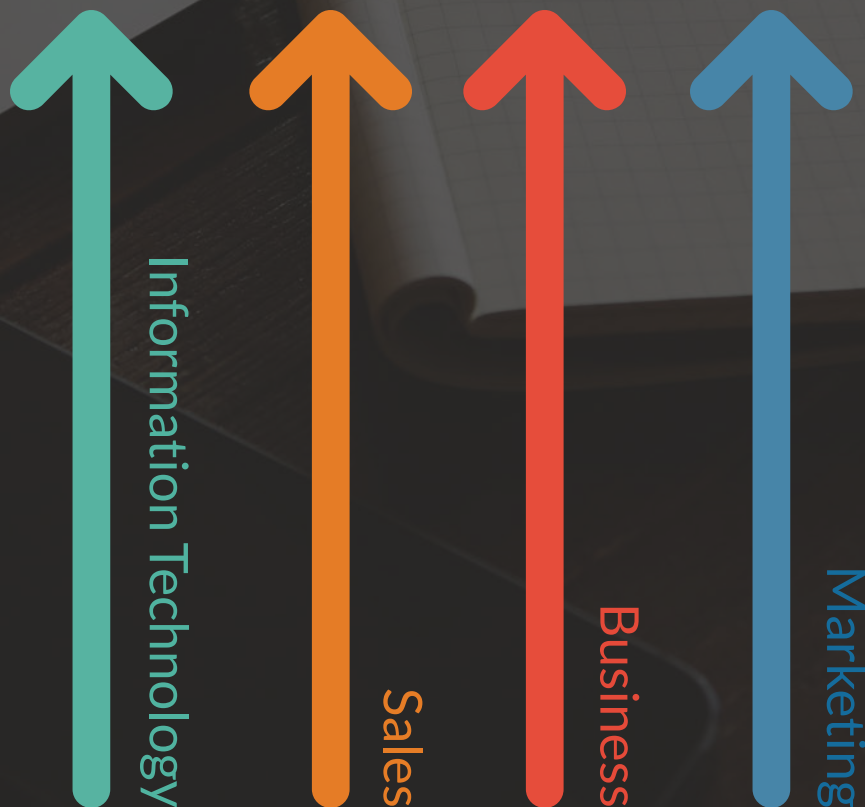
BIT may be costly, and ROI may not be immediate

In a culture accustomed to large budgets and high costs, the Holy Grail has been cost savings and efficiency. Aligned BIT will subvert this ideology, and result in an increased pace of growth for technology budgets as more ideas are generated and more emphasis is placed on innovation. There will also be failures. BIT is a microcosm of the technology industry, where not every idea will work out, but there's an opportunity to fail fast. It will be important to build up a mindset where testing, iterating, and in some cases abandoning projects is accepted.

As companies wade into the new world of aligned BIT, new ways to track and measure progress are needed. Namely, solutions like Yottaa's ImpactAnalytics combine traditional measures of IT, such as availability and backend app performance, with measures of business impact like conversions, user engagement, and revenue. This unified view helps companies to see how their BIT projects and applications are driving value for the business in real time.

The Ideal

The ultimate goal of aligned BIT is to achieve a rich customer journey in which each touchpoint includes input and validation from IT, marketing, sales and lines of business, while the monitoring, analysis, and maintenance for all channels are covered in a unified and centralized fashion. This alignment will allow organizations to innovate faster, serve customers better, and operate more efficiently. Organizations that achieve BIT will be well positioned to compete as the economy grows more mobile, more diffuse, and more demanding.



About Yottaa

Yottaa is a SaaS solution to manage, optimize and secure digital experience delivery.

Yottaa accelerates online and mobile performance, maximizes end user engagement, and delivers instant, actionable insights to drive business results via an intelligent, automated cloud platform. Our ContextIntelligence™ platform is purpose-built to deliver the power and flexibility required by IT organizations to exceed SLAs for uptime, performance, scalability and security, paired with patented technologies that accelerate the delivery of innovative features and products to improve online and mobile channel execution.

For more information, please visit www.yottaa.com.

If you'd like to discuss this paper, or meet with one of our experts to help you expand upon this topic, please feel free to send an email to info@yottaa.com, or contact us toll free in the USA at 1-877-767-0154.

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If you'd like to learn more about Yottaa's solutions please contact us!

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