

5 IT STRATEGIES FOR BUSINESS SUCCESS



cloud
business

Reimagine everyday

Turn your information technology
into a strategic asset



INTRODUCTION

Organisations that embrace IT as a strategic function increase their market share, financial figures and overall competitiveness

Information Technology (IT) has revolutionised the lives of individuals and organisations. Innovation in this sphere has created business opportunities that did not exist five, ten or twenty years ago, both in the way companies operate as well as the services and products they sell.

There are few functions within a business that do not require IT. From communicating with employees and customers, to business planning, marketing and sales, management, monitoring, data analytics, customer support and long term business growth; IT has to perform at the optimal level.

Yet in some organisations IT departments are little more than fire-fighting functions: managing incidents, setting up user accounts, ensuring systems are up and limiting damage when they go down. This approach, while essential for business continuity and productivity, does not add value to the business because it is not proactive and strategic. Organisations that embrace IT as a strategic function increase their market share, financial figures and overall competitiveness.

This whitepaper explores five IT strategies that enable

organisations to leverage IT to support business objectives. IT provides organisations with the tools not only to implement business strategies, but also the tools to develop those strategies in the first place. From analysing data, identifying opportunities and business planning, to solving complex problems, creating effective systems and processes; and providing flexible and scalable solutions that allow businesses to be agile, responsive and to continually innovate.

Cloud Business has worked with many companies and organisations both in the private and public sectors on optimising their IT for business success. Here we share our insights that can turn your IT department from a passive, reactive function into a proactive and strategic ally within in your organisation.




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Strategy one:
Measure the
right IT metrics



Business functions and departments do not operate in isolation.

IT plays a pivotal role throughout; from customer service to payroll, marketing and sales, most organisations would struggle without a robust IT infrastructure.

The first step to optimising IT for business success is to benchmark its performance today. With a clear picture of what IT does within an organisation, it becomes easier to understand how it can be used more effectively in the future. IT systems and applications are interwoven into every business function. How do businesses know if they are generating enough value from their IT infrastructure? Can it help a business become more agile, responsive and competitive?

Yes, IT can, providing you understand the metrics and processes that high-performance technology departments and companies measure themselves against. Here is how you get the most from your IT infrastructure:

1. Conduct an IT Audit

Before you start measuring IT performance, it is important to get a handle on your IT assets; costs; the role they play in the organisation; and current performance metrics. Many software applications come with their own data; such as customer service tools that measure response times. Feed this information into an audit.

2. Include Service Desk Response Metrics

How helpful is your service desk? Many companies have an underused talent pool in their own offices. Overstretched IT staff can do a lot more than reset passwords and retrieve misplaced Excel spreadsheets. Instead your IT team should contribute to strategic growth objectives. They know your infrastructure better than anyone, they also know and understand your business. Who better to help you succeed?

If the IT team is focusing on day-to-day help desk activities, it limits their ability to have a strategic impact and deliver projects that will generate outsized returns. IT teams are also invaluable when working with IT consultancy partners, especially on large projects. Look at what your IT team do every day, the value this delivers, how much it costs the business and whether this valuable internal resource is being used effectively.

3. Factor in Long-term Goals

Is your IT infrastructure helping you reduce costs and increase revenue? What assets are being under-utilised? Where do you need extra support?

What business functions would benefit from cost savings and improved efficiencies? And finally, who can help you achieve these goals? Looking at this through a wide-angle lens, means asking whether the organisation can operate in fast-changing, volatile markets? Preparing for uncertainty does not mean bracing for a storm. It means ensuring you have the right infrastructure to keep growing, even in adverse conditions.

Forward-thinking companies are moving beyond the deploy-and-pray approach with IT software and applications. Instead, those that have gone through a digital transformation are working with in-house tech staff and outsource partners to increase profits whilst reducing overheads. An IT audit will demonstrate just how complex most modern IT infrastructures are and highlight multiple ways you can make operations more efficient just with small changes.

Once that is complete, it should be clear that dealing with reactive tasks are a waste of your IT team's time, especially when external teams can handle simple queries far quicker; giving your IT staff the time and resources to work on strategic objectives that will deliver much higher returns.

Many organisations benefit from using IT consultancy services to analyse and advise them on how to align IT with business objectives, growth and future needs.

Strategy two: Finding scalable solutions for legacy systems

In today's fast moving world of technology, the reality is that most organisations will be running out-dated computer systems, programming languages or application software.

Such systems, known as 'legacy systems' are usually associated with old terminologies and processes that no longer fully meet the growing and changing business demands, and as a result often creates endless business headaches.

For many organisations it would be great if they were able to throw away old systems and replace them with new ones that contain the latest advances in technology - much the same as we might replace a laptop?

Unfortunately it does not work like that, as many organisations have found to their cost.

Most businesses - large and small - that have been around for some time, nearly always experience major difficulties when trying to migrate from the traditional IT systems of the 90's and even the early 2000's, to today's modern, interactive and secure information technology systems.

Why You Need To Upgrade IT Legacy Systems

There are a number of reasons why companies increasingly see the need to upgrade or change out their old systems, many of which are creaking with age.

Here are the main issues:

1. It takes too long to implement upgrades on legacy systems, and they are often delivered too late to satisfy urgent business demands.
2. Demands from business managers for system enhancements are not possible at all - or if they are, they will be very expensive, with no guarantee of success.

3. Companies that are in fast growth mode have increasing requirements for new technology, both to develop their business and also to meet customer expectations. Business models change rapidly in new and innovative ways. In these situations, old legacy systems cannot keep up with modern IT demands.
4. The cost of maintaining, and enhancing legacy systems can be prohibitively expensive and frequently have a serious impact on bottom line profits.
5. IT staff are dedicated to maintaining their legacy systems in isolation. They may lack the mind-set to understand and appreciate the new demands of business, and provide the necessary support and passion to be a key part of the business.
6. Businesses may be reluctant to ask their passive IT staff for urgent enhancements. They compromise their business growth plans due to lack of faith in IT staff to deliver the necessary changes. Departments may feel obliged to develop their own bespoke PC systems which not only divert resources, but also serves to make the company's IT infrastructure even more complex.
7. IT staff that have the required technical knowledge on the maintenance of legacy systems are becoming scarce. Imminent staff retirements can make this knowledge gap ever more critical.

8. Vendors who have previously provided the maintenance contracts for legacy systems may withdraw their support services. System designers have moved on and the documentation has either been lost or incomplete. Or vendors have been acquired by or merged with other companies and can no longer offer support.
9. The security on legacy systems often falls short of what is required in a modern IT environment.

Your business has changed, but your IT assets have not.

So What Is The Solution?

There are a number of varying strategies available to companies who have legacy systems that are either hampering their business growth or becoming prohibitively expensive. Most businesses will have a measure of both problems.

Assess the size of the problem.

An in depth examination of your business and existing systems to identify the various alternatives open to you is required. Also assess the precise levels of risks, and the on-going costs associated with each option.

Carry out a weaknesses and threats analysis.

This will determine whether your system is well past its 'use by date', whether it is keeping up with increased and changing demands, and whether it is becoming a techno-dinosaur that is a constant drain on valuable resources.

Consider the following options:

A complete replacement of your legacy system from scratch with state-of-the-art hardware and software solutions that will meet your varying business needs. A new system that will be much easier to use, to change and to maintain; and will be cost effective. This option may not be suitable for some companies - especially large businesses - whose legacy systems have been the mainstay of their businesses for many years - possible decades.

- Carry out a partial upgrade of your existing legacy system to satisfy your new business needs and security concerns.
- Carry out some maintenance work on your existing system that will increase the functionality and extend the lifetime.
- Create better documentation to ease the maintenance of your existing systems.

In considering the above options, organisations will need to determine whether a pragmatic approach to the existing system will be the best course forward, after taking into account 'what works' and what needs to be enhanced and/or fixed. Creating a new system from scratch will be a major undertaking but with the right expertise and level of resource there is no reason why it should not be successful, provided that it is properly planned and that full attention is paid to data migration from day one.

The quality of the migration will determine the success of the project, and if carried out successfully, your new system will more than pay for itself by providing a more efficient, future-proof and scalable service.

If none of the above 'traditional' IT solutions will provide the best course of action. In recent years, the advent of Virtualisation and Cloud Computing have revolutionised how organisations run their IT, and can bring legacy systems to a new level of functionality and successfully align them with new business objectives.


The key is often to maintain necessary legacy systems that simply cannot be put out to pasture, while developing new systems that will enable growth and innovation.

The task of effectively dealing with the myriad of issues and challenges created by legacy systems is extremely complex. However, if they are not dealt with in a professional and timely manner, they can become a hammer blow to your business.

An IT audit with a focus on IT infrastructure helps organisations identify the legacy systems that are prohibiting business success, and calculate the value and return on investment of implementing the solutions outlined above.



Strategy three:
Promote a
culture of
education and
training



Innovative technology is at the centre of several competing narratives. More than ever, people embrace innovation, especially when it makes their lives or work easier. Dynamic businesses are on the whole overwhelmingly in favour of innovation.

However there is a competing narrative: innovation is bad, disruptive, unwelcome, especially when it threatens jobs or whole sectors. Technological innovation is never welcomed with entirely open arms. The New is sometimes scary, especially when The Old is familiar, comforting and a known factor.

Far too often we see the impact of failed digital transformation projects in organisations. Costly technology, deployed without sufficient understanding, training, buy-in, senior sponsorship, or resources, can harm growth and detract from mission critical targets. And yet, more often than not, the reasons behind a project still make sense: Improve operational efficiency, reduce costs, increase revenue, enhance the customer experience, and dozens of other benefits

Why New Technology Fails To Take Root?

Companies of all sizes have been rolling out new technology for the past few decades. Not too long ago, even email was an innovation.

These days, implementing new software or other solutions is usually to replace legacy systems or fill a gap where technology still does not have a role to play, such as health and safety management.

In medium to large organisations, new software and other systems often go through a multi-layered purchasing process. Numerous managers, including budget holders, need to be convinced and sign-off.

Even after all that happens, things can still go wrong. According to a Genpact study*, 'more than two-thirds of digital transformation projects entered into fail to meet expectations.' These failures are expensive, with a price tag of £258 billion a year, for technology solutions that underperform expectations. Poor communication and understanding, along with a talent and training deficit, all contribute to negative returns on investment from projects that should deliver impressive results.

At a fundamental level, there is not enough training and cultural awareness of new technology to prepare staff for digital innovation.

How To Support Staff For Digital Innovation

The following three steps can help employees embrace innovation and use IT as desired.

1. Encourage BYOD Implementation

Consumers are leading the way with new technology. Even in business environments, many would prefer to use their own devices (Bring Your Own Device: BYOD), which is forcing corporate IT departments and service providers to keep pace, to provide new security, remote desktop, help desk and other solutions for device-independent employees and contractors.

Ask employees what work-orientated apps are they using? Do they use what you provide, or have they found another solution? Digital transformation does not have to start in the boardroom. Your staff may already have a solution for a company-wide operational challenge.


2. Support Training Initiatives

Technology that no one can use no solution. It is a costly mistake. Whenever possible, pilot new software on a small team, to fully understand the training they need and how to make a rollout as smooth as possible. Encourage staff to ask questions, to try and break things, to think through the different scenarios they will use the software. Make a training program robust enough to support team members with a diverse range of technical abilities.

3. Improve Communication Processes

Despite numerous advances in communication technology over the last few decades, including dozens of social networks and messaging platforms, this is still one of the main reasons for digital transformation project failures. Training and articulating project values and the business case can often get lost in translation between technical and business teams.

Before commencing a project, it is vital to ensure everyone is on the same page, to avoid miscommunication or a failure to manage exceptions once resources have been allocated. Ensure everyone,



from project sponsor to team lead are in open and honest communication, to keep things moving along smoothly, whilst working closely with front-line staff who are starting to use the new technology. With effective resource management, communication and training, digital transformation projects and new software implementation should generate impressive returns. Keep everyone on the same page, manage expectations, and train staff to be curious about new technology and trial solutions on their own devices; before investing time and money in a project without sufficient front-line buy-in and training.

*<http://www.consultancy.uk/news/2656/two-thirds-of-digital-transformation-projects-fail>

With any transformation programme it is essential that support be in place to ensure employees and other key stakeholders can get assistance if required. Your IT service desk will be at the front line, so ensure it has the capacity to meet increased demands for support.

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Strategy four: Document it policies and procedures

Documenting IT policies and procedures is common sense but often overlooked because of more pressing demands.

When documentation is not in place and up-to-date, organisations are vulnerable. Key members of staff become vital to business operations as they have the knowledge, not the business.

Many in-house IT team function within a knowledge black box. Requests go in, and results come out. As IT is critical for most business functions and activities, if processes and policies are not documented business continuity and performance can suffer if something goes wrong.

Email, phone lines, payment systems, network access, Wi-Fi and a dozen other IT essentials could break, crippling most operational functions. Without written procedures, expertise and knowledge can get stuck in the IT department. Normally, this is not a problem, until a key person leaves; or you need to hire more IT team members; or the organisation wants to outsource functions, freeing that team up to focus on strategic growth.

Standard Operating Procedures: Documenting IT Policies

Hence the value of Standard Operating Procedures (SOPs), where the golden rule is that anything that needs to be done more than twice should be documented. Your business would benefit from considering the following when documenting IT policies and procedures.

1. Who Is Responsible?

Always outline this aspect based on job titles, not individual team members. Policies work when they are documented in the context of organisational charts and job descriptions.

This also makes it easier to identify the skills required if departments expand or you outsource operational functions. When applicable, list the required skills for each job role, especially when dealing with a range of technical systems.

2. Outline Actionable Steps

Business continuity planning is essential to manage worst case scenarios and put steps in place for disaster recovery. Consider what needs to happen across different areas of the business and different members of staff. This knowledge needs to be downloaded from your IT teams' brains and step-by-step instructions put onto paper.

Work through each scenario with those who can fix problems, or implement IT changes, and ensure each stage is documented. You can also link these back to KPIs and service desk service standards.

3. Document How You Measure Success

Outsource partners already document everything, since targets are set according to achieving service standards for customers.

Internal IT teams should have the same standards; otherwise there is no clear way to measure performance. This can only be done once you know what it is being measured against, such as implementing actionable tasks and working to deliver on project objectives.

4. Create a Training Tool

Not only is a policy and procedures manual an effective way to measure IT outcomes, but also it can serve as a great training manual. Policies only work when everyone uses them, which means new and current staff.

Apprentices and junior staff find training manuals created directly from policies especially useful, since the institutional knowledge comes from practical work and more experienced team members. It will also serve as a useful introduction to a company's systems when working with external providers.

This way, handovers between internal and external, or outgoing and incoming staff are not fraught with difficulties, since everyone is reading from the same operational manual.

It is also important to remember that this is a living document: update it as procedures and systems change. Documenting everything involves some work now, to reduce headaches going forward.

IT teams are more effective when institutional knowledge has been documented in an open source format.

Documenting all IT policies and procedures ensures that knowledge is retained within an organisation.

This allows business leaders to take advantage of opportunities such as IT outsourcing without a protracted on boarding process; ensuring that the business can be agile and benefit from these solutions immediately.





Strategy five:
Focus on using IT
for growth



The key to most business growth is harnessing innovation and advances in digital technologies. These, when used to their full potential, have the potential to revolutionise a business.

In this complex and fast-changing business landscape, not only can technical innovations drive down costs, but also they can offer new and exciting ways to attract customers and increase competitiveness.

Are you an ambitious CEO?

Are you driven by a desire to increase your market share, to outperform your competitors and to boost your bottom line profits?

If so, you should be aware that one of the best ways to achieve this is by working closely with a like-minded and proactive CIO.

Chief Information Officer

Far too often innovation is blocked by 'inward-looking' CIO's who are primarily concerned with maintaining out-dated legacy systems that are essential to keep businesses running. The CIO considers his main responsibility is to ensure systems do not break down, and therefore any overtures for changes or upgrades are met with resistance and concerns that the status quo may become disrupted.

In a survey from Accenture*, over 90% of CEO's agreed that IT-led innovation is essential for their business growth, and that they are willing to devote substantial new capital investment to further these aims.

Yet only half said that their organisations were at the forefront of making the best use of new technology.

It is essential therefore that your CIO is given a critical role in business innovation and development. Today's CIO must have a comprehensive, in-depth understanding of the business, play a major role in its development, and understand what needs to be done.

They must be continually on the lookout for new digital tools that might benefit your business and improve your business models.

Your CIO's business 'know-how', combined with his/her technical expertise, should be the focal point of your company's digital revolution.

CIOs must be relentless in their pursuit of innovation, and ensure that their systems are made sufficiently flexible to adopt and adapt to the new technology challenges.

- They need to find ways to remove barriers to digital innovation.
- They must reorganise existing technology structures so that they can embrace new technology.

This can be achieved in a number of ways:

- **Incremental enhancements**
Implement small but significant changes to the company's existing systems over a period of time.
- **Major enhancements**
Carry out a major upgrade to the system and business model.

Major upgrades can be implemented over period of time, testing and ensuring validity of each change before moving on to the next phase.

However, similar to the above, many major upgrades can be implemented over period of time, testing and ensuring validity of each change before moving on to the next phase.
- **New system and processes**
Implement a brand new system that will embrace innovation and provide a stable platform for future growth.

This rarely happens, unless it is a new business start-up.

The four key technologies that drive business innovation are:

1. Social networking

This has created a sea change in attitudes and expectations - from both customers and employees. All stakeholders now expect more transparency, more openness, and an engagement in the selling/buying process.

Customers like to interact and review what they are buying and the staff expects to be a part of the decision making process.

2. Mobile Computing

Smartphones have transformed the business environment. Customers are digitally connected wherever they go, and are better informed and more interactive than ever before.

Businesses who understand this phenomenon are well placed to create a competitive advantage by building on customer/employee relationships, experiences and expectations.

Mobile computing enables communication in its myriad forms without employees having to be at their desks. This provides a more flexible approach to their work.

Smartphone applications, which assist both management and staff in organising their daily work routines, such as making appointments, keeping track of their diaries and tasks, carrying out management initiatives etc. can all become integrated into an innovative systems platform.

Many types of businesses can also take advantage of the smartphones' built-in capabilities for GPS and location finders, high quality cameras and videos.

3. Analytics

Just about everything we do in our personal and business lives generates digital data that can be used for analysis to improve our business models. It is the CIO's duty to provide the correct analytical frameworks that can turn this mass of data into something useful to the business.

4. Cloud Computing

As well as the advantages of creating an environment ripe for collaboration and open communications, cloud computer also provides CIOs with many opportunities to streamline their systems and reduce costs. The migration of business systems and software to cloud computing platforms frees up IT staff to focus on improving their business processes and driving innovation to deliver new products and services.

The Role of the IT Service Provider

There are a number of ways in which a good IT service provider can become an important cog in the drive for business growth and innovation.

Consultancy Sounding Board

Service providers can work with CEOs and CIOs to identify the best ways that business processes can be improved or changed to stimulate business growth. They can carry out in depth appraisals of business needs and help to identify and set out a plan for the quickest and safest ways to implement changes to the IT environment.

Help organisations become digital leaders - Most businesses are extremely reluctant to innovate until they are convinced that the new digital benefits have a proven track record. This mind-set always puts them behind the digital curve and condemns them to be 'followers' rather than leaders. Even companies with highly proactive CIOs will often not give the go ahead on new systems development until they are convinced it will work.

An IT service provider is well placed to work with a CIO on proposed innovations and provide the necessary assurances and 'health checks' to enable new processes to be implemented sooner rather than later. With support you can be the vanguard, rather than the backstop.

Takes the backroom strain

Service providers can provide the expert resources needed to keep existing systems running and properly maintained, while the CIO and their team concentrate on developing new business models and processes. When the time comes to implement changes - whether they are incremental or a one-time major upgrade, an IT service provider / partner will be there to take the strain and ensure the minimum disruption to your on-going business.

*<https://www.accenture.com/gb-en/insight-driving-technology-innovation>

Conclusion

Few companies and organisations can attain long term business success without the support of their IT team. Companies must make an investment in IT to achieve success by recruiting the right skills within the business, investing in technology and optimising systems for performance and productivity.

IT provides the tools to solve complex problems, make better decisions, streamline business processes, manage operations more effectively and drive profits and sales.

If your organisation is not using it for this, your IT team is not aligned with long term business success.

IT should be seen as an enabler; not a passive operational tool that does not contribute to overall strategic goals.

As IT solutions increase the productivity, efficiency and effectiveness of business operations and communication, it is important to continually evaluate the value being derived from existing systems and IT infrastructure; and explore ways to get more from your IT.

It is a dynamic and innovative environment and as such there are many opportunities to use IT as a scalable, flexible partner to achieve business success.

From embracing new technologies to IT outsourcing and utilising IT service providers, there are many ways to use IT as a strategic resource.

Cloud Business would welcome the opportunity to discuss your organisation's IT requirement and explore ways to optimise it for business success. Contact our team for an informal discussion **today**.

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About Cloud Business

At Cloud Business we are committed to ensuring all our clients and stakeholders succeed. Our highly qualified technical staff and specialised business processes facilitate the ongoing success of our client's businesses. We are dedicated to supporting our clients to achieve their business goals.

We never stop learning. We continue our drive for excellence and we have learnt to consistently invest, remain focused and be agile to stay at the forefront of technology. Find out some more about us and the history of technology.

We focus on the fundamentals

- More than 17 years of process and procedure refinement
- Long-term organic growth
- Real financial stability with a significant equity to debt ratio
- ISO-9001 certified quality frameworks which result in our on-time, on-budget delivery track record
- SDI 4* Accreditation – 1 of less than 5 service providers in the world to have attained this mark of distinction





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