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SOLUTIONS FOR A RAPIDLY CHANGING WORLD



# Harnessing the potential of IT

BY CAROLINE MONCUR

Many, if not most businesses in the Bahamas, perceive the Information Technology (IT) Division within their organisations as a cost burden. This is highlighted by the fact that the majority of IT spending is devoted to maintenance and support items. The IT Manager is also largely perceived as no more than a high-level technician.

## Value of Technology

The perception of the IT Division in many organizations around the world has been evolving as business leaders reap the financial rewards of an innovative and strategic IT Division. It is now widely accepted that technology can deliver:

- Improved business performance
- Effective business intelligence
- Improved and integrated business processes

The success of the 7-Eleven organization in the US, as recently reported in CIO Magazine, is a good example of how IT can be used to advance a business. The company has experienced 33 consecutive quarters of improvement in sales, which the CEO attributes primarily to the company leveraging IT's capabilities. The growth in sales can be traced back to a CEO-sponsored investment in IT to improve the decision support systems at each store. This gave the organization access to crucial business intelligence: daily information on customer-buying trends. Now, the CEO states that "Technology is a key part of our strategy, and our CIO is a key member of our executive committee and involved in our strategic planning process".

## Adding value to the bottom line

For companies in the Bahamas to take advantage of IT's potential, there are significant changes required, both within the Executive Team and within the IT Division.

Executives must first assess how separate the IT function is from the decision making and strategic planning function of their organization. If the answer to all of the following questions is "No," Executives will first need to close the gap between the IT Manager and the Executive Team before being able to harness the full potential of IT:

[continued >>](#)



- Have you, as an Executive, used IT to advance the organisation's strategic goals?
- Is the board involved in the development of the IT strategy?
- Is there a long term commitment to IT in the organisation's financial planning?

In closing the gap, there will be a need to address a range of barriers. For example, there may well be skills shortages within your IT Division which means that your IT Manager must spend a significant portion of their day fire fighting. Or there may be a need to address cultural issues in changing the perception of IT amongst the Executive Team.

### **Changes required in the IT Manager role**

There are also changes required within the IT Manager role. According to the Gartner Group, the IT Manager must be capable of:

- a. Delivering an efficient core of IT services
- b. Building a strong CEO relationship
- c. Aligning the IT Division with business strategy
- d. Paying attention to security and risk
- e. Building business process capability

IT Managers have always been primarily assessed on their technical skills and the IT Manager will need a new skill set to deliver the above. An IT Manager needs to understand business, finance and marketing. They must be able to delegate and develop high performing IT teams. IT Managers must also learn how to build credibility with the executive team. They cannot assume that the executive team value or even know what they do. IT Managers must learn to value what they do in business terms and communicate that value successfully.

No business division has the potential to deliver as much growth and competitive advantage as the IT Division does. Companies that can successfully incorporate their IT Divisions into their strategic planning and decision making processes will reap these rewards.

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