

Surfing a digital wave, or drowning?

Information technology is everywhere. For companies' IT departments, that is a mixed blessing



THE days of derision are long gone: now geeks are gods. Amazon, Apple, Facebook, Google and Twitter are reinventing the ways in which mere mortals converse, read, play, shop and live. To thousands of bright young people, nothing is cooler than coding the night away, striving to turn their own startup into the next big thing.

A little of this glamour should by rights be lighting up companies' information-technology departments, too. Corporate IT has been around for decades, growing in importance and expense. Its bosses, styled for 20-odd years as chief information officers, may perch only a rung or two from the top of the corporate ladder.

However, IT departments have, in many non-tech firms, remained hidden away, automating unexciting but essential functions—supply chains, payroll and so forth. And by now, this digitising of business processes “has played itself out in a lot of enterprises,” says Lee Congdon, the chief information officer of Red Hat, a provider of open-source software.

There is still plenty going on in the back office: the advent of cloud computing means that software can be continually updated and paid for by subscription, and that fewer companies will need their own data centres. But the truly dramatic change is happening elsewhere. Demands for digitisation are coming from every corner of the company. The marketing department would like to run digital campaigns. Sales teams want seamless connections to customers as well as to each other. Everyone wants the latest mobile device and to try out the cleverest new app. And they all want it now.

Rich prizes beckon companies that grasp digital opportunities; ignominy awaits those that fail. Some are seizing their chance. Burberry, a posh British fashion chain, has dressed itself in IT from top to toe. Clever in-store screens show off its clothes. Employees confer on Burberry Chat, an internal social network. This may explain why Apple has poached Angela Ahrendts, Burberry's chief executive, to run its own shops.

In theory, this is a fine opportunity for the IT department to place itself right at the centre of corporate strategy. In practice, the rest of the company is not always sure that the IT guys are up to the job—and they are often prepared to buy their own IT from outsiders if need be. Worse, it seems that a lot of IT guys doubt their own ability to keep up with the pace of the

digital age. According to Dave Aron of Gartner, a research firm, in a recent survey of chief information officers around the world just over half agreed that both their businesses and their IT organisations were “in real danger” from a “digital tsunami”. “Some feel excited, some feel threatened,” says Mr Aron, “but nobody feels like it’s boring and business as usual.”

One reason for worry is that IT bosses are conservative by habit and with good reason. Above all they must keep essential systems running—and safe. Those systems are under continual attack. If they are breached, the head of IT carries the can. More broadly, IT departments like to know who is up to what. Many of them gave up one battle long ago, by letting staff choose their own smartphones (a trend known as “bring your own device”). When the chief executive insists on an iPhone rather than a fogyish BlackBerry, it is hard to refuse.

That has been no bad thing, given the enormous number of applications being churned out for Apple’s devices and those using Google’s Android operating system, many of which can do wonders for productivity. The trouble lies in keeping tabs on all the apps people like to use for work. With cloud-based file-sharing services or social media, it is easy to share information and to switch from a PC in the office to a mobile device. But if people are careless, they may put confidential data at risk. They may run up bills as well. Many applications cost nothing for the first few users but charges kick in once they catch on.

Impatient marketers

The digital world, however, runs faster than the typical IT department’s default speed. Other bits of the business are not always willing to wait. Marketing, desperate to use digital wiles to woo customers and to learn what they are thinking, is especially impatient. Forrester, another research firm, estimates that marketing departments’ spending on IT is rising two to three times as fast as that of companies as a whole. Almost one in three marketers thinks the IT department hinders success.

The IT crowd worry that haste has hidden costs. The marketers, points out Vijay Gurbaxani of the Centre for Digital Transformation at the University of California, Irvine, will not build in redundancy and disaster recovery, so that not all is lost if projects go awry. To the cautious folk in IT departments, this is second nature.

A lack of resources does not help. Corporate budgets everywhere are under strain, and IT is often still seen as a cost rather than as a source of new business models and revenues. A lot of IT heads, indeed, report to the chief financial officer—although opinions differ about how much formal lines of command matter. But even if money is not in short supply, bodies are. When the whole company is looking for new ways to put technology to work, the IT department cannot do it all.

In different ways, a lot of companies have decided that it shouldn’t. Many technology-intensive organisations have long had chief technology officers, who keep products at the cutting edge, while leaving chief information officers in charge of the internal plumbing. Lately a new post has appeared: the chief digital officer, whose task is to seek ways of embedding digital technology into products and business models. Gartner estimates that 5-6% of companies now have one. About half practise some form of “two-speed IT”.

If the chief information and digital officers work nicely together, it’s “fantastic,” says Didier Bonnet of Capgemini, a firm of consultants. He points to Starbucks, where such a pair have operated in tandem since last year. The chief digital officer, Adam Brotman, oversees all the coffee chain’s digital projects, from social media to mobile payments, which used to be spread around different groups. But there are also examples, Mr Bonnet adds, of conflict, which “can slow you down rather than speed you up”. Whatever the digital team comes up with still needs to fit in with the business’s existing IT systems.

So IT chiefs somehow have to let a thousand digital ideas bloom, while keeping a weather eye on the whole field. At Dell, a PC-maker shifting towards services and software, Adriana Karaboutis, the chief information officer, says that she works closely with the marketing

department: people there have developed applications which, once screened by the IT team, have ended up in Dell's internal and external app stores. With such co-operation, says Ms Karaboutis, "people stop seeing IT as something to go around, but as something to partner with."

Corporate IT bosses are right to fear being overwhelmed. But cleaving to their old tasks and letting others take on the new unsupervised is not an option. Forrester calls this a "titanic mistake". The IT department is not about to die, even if many functions ascend to the cloud. However, those of its chiefs who cannot adapt may fade away.

Fonte: The Economist, London, v. 409, n. 8865, p. 65-66, 7 a 13 Dec. 2013.

A utilização deste artigo é exclusiva para fins educacionais.