Park Hyatt Toronto, Toronto, ON • Wednesday, January 28, 2015

HYBRID IT: The Solution to Business Bypass

CanadianCIO
EXECUTIVE ROUNDTABLE

SPONSORED BY

hp

Executive Summary

On January 28, 2015, CanadianCIO hosted a round table discussion with several CIOs from the Toronto area. The discussion revolved around the idea of Hybrid IT as a solution to the "business bypass" whereby business areas side-step IT, and pursue their own solutions primarily using cloud or SaaS applications.

It's not that CIOs are not keeping up with the Cloud applications. It's not that they can't add value. As one attendee quipped during our discussion "someday I'm more of a lawyer than a CIO."

Despite the value that they could bring to Cloud and SaaS acquisitions CIOs find themselves left out of the loop – bypassed by line-of-business managers taking it upon themselves to pick out and deploy technologies from a vast array of Software-as-a-Service and cloud options. This by-pass can have disastrous impacts.

Another obstacle for CIOs to face is that even while they struggle to meet new challenges and to be innovative, they are still weighted down with the responsibility for keeping the operation running and secure. As all CIOs at the meeting agreed, they could be a lot more agile if they could get rid of their legacy and start from scratch.

"In some organizations IT is saddled with tackling daily issues rather than taking part in the laying down the long term plans," stated Charlie Atkinson, vice president and general manager, Enterprise Group, HP Canada. "When IT is not meeting customer expectations, that's when you get business bypass."

One of the key elements of our discussion was that agility is cultural rather than technical. CIOs must find ways to help teams collaborate to continuously deliver new value to customers.

While many CIOs are intent on delivering innovation and change in the enterprise, pushing this agenda is often met by roadblocks. Among the challenges identified during the discussions where:

• Lack of a clear, cohesive and measurable strategy for the organization – While struggling to align IT with the organization, CIOs often discover that there is no real clear strategy for them to follow

• Budget/strategy disconnects – Too often money is not allocated to areas which are supposedly strategic priorities

• CIOs left out of the discussion and decision making – Many CIOs are too far down on the reporting line to be "in the loop". They are called upon to implement but not to help develop strategy.

• Line-of-business bypassing CIO in IT purchases – In today's Software-as-a-Service (SaaS) world, LOB execs can purchase software on a credit card – and they often do.

This last point is not just the CIO trying to protect their territory. The issue is that business purchasers don't have the experience in software purchase and as a result can make some serious mistakes. Software is chosen that doesn't integrate with other systems. Or there is missing functionality that while seemingly minor in nature, prevents the full use of the system. Lastly, business purchases often lean toward the industry leader and miss other alternatives.

An empowered CIO who can get out from behind the legacy and be seen as an agile leader is of real value.

This is where the concept of Hybrid IT can help. With hybrid IT, some IT resources are provided for and managed in-house and others are sourced through cloud-based services. This hybrid allows organizations to add capacity and new functionality by leveraging cloud resources. "For example, the HP Haven big data platform enables organizations to collect, index and gain insights from data not only from enterprise data centres but other

sources as well", said Atkinson. This functionality can be rapidly deployed and scaled up or down to accommodate the changing needs of the business. The net result is that IT has a greater capability to quickly meet business demands.

This speed of deployment and ability to rapidly scale up and down enables organizations to really use agile methods of delivery which in turn leads to positive results for the organization – early delivery of solutions and more flexible responses to change.

The result is a win-win. Organizations are able to focus on growth and leverage cost savings and efficiencies to help pay for that growth. Instead of the vicious cycle of legacy IT, organizations can start to transform themselves into strategy partners enabling the business transformation which is needed in today's hyper-competitive environment.