



# White Paper

## Business IT Relationship Renewal In the Quantum Age of IT

Like a marriage that has stagnated, the ushering in of The Quantum Age of IT will force both IT and the business to come to the table with open minds and fresh ideas. We must move past a focus on past failures and instead focus on the future in front of us. As we do, we will realize that there is great hope and promise. The opportunity to renew and reinvigorate this relationship is real and immediate. And using BiSL, in conjunction with other frameworks and some good, old-fashioned common sense, we have a real opportunity to finally create the IT-business relationship that we have always needed and deliver the true, lasting value that technology has always promised.

Charles Araujo, 27 November 2012



## It takes three to tango

I am going to hope that I don't get this wrong.

I am nowhere close to a BiSL [Ref: BiSL] expert, but let me try to sum it up here. BiSL's foundational principle is this: The customer is responsible for knowing what they want.

There is a lot to it, of course, but in my (admittedly simpleton) view, BiSL is a structured framework for ensuring that the customer understands the informational needs of the business process so that those needs can be translated into application and infrastructure requirements and managed throughout the delivery of the systems designed to deliver that information to the business process.

Am I close?

I am a fan of BiSL because it solves one of the great challenges that IT organizations have always had - this view that the customer has no role or responsibility in ensuring the successful deployment of technology to meet a business need. Not only does BiSL make the case that the customer has a role and responsibility, but lays out an extensive framework of processes to help meet that responsibility.

But there is a problem.

The dance between Business Information Management, Application Management and IT Infrastructure Management (as put forth in BiSL) is not a solo act. Application Management and IT Infrastructure Management typically live within the IT organization, so the relationship between these two and Business Information Management is fundamentally impacted by the relationship between IT and 'the business'. But this relationship is changing right before our very eyes.



## IT as we know it is Dead

In my new book, *The Quantum Age of IT: Why Everything You Know About IT is About to Change* [Ref: ARAUJO], I explain how our history and the dysfunction it has borne, combined with three indelible market forces have combined to change the fundamental operating paradigm of the IT organization. In the end, everything is going to change. Actually, it already has.

I continue by laying out a vision for what the new IT organization, what I call a Quantum IT organization, will look like. I do this not in structural terms, but in terms of the organizational traits it must possess and the skills of the professionals that will lead and run it. They are things like becoming a learning organization, transparency, intimacy, financial management and leadership skills. Not the stuff of typical IT organizations.

Intrinsic in all of this is the fact that the relationship between IT and its customers has changed permanently. I believe that the market forces that I describe in the book have created a 'perfect storm' that is simply unavoidable. The real impact of the widely discussed 'consumerization of IT' is that it has resulted in a fundamental shift in the expectations of IT's customers. Through experiences delivered by Google, Facebook and Apple, they are no longer satisfied with the customer experience they get from their internal IT organization. At the same time, their reliance on those very systems has continued to increase exponentially. There is almost no business process or customer interaction that is not fuelled or enabled by IT. Yet our customers have very little understanding of what happens inside the walls of IT - and it scares them to death. They are left relying for their very livelihood on systems they do not understand, run by people they do not trust.

All of this was bad enough, but in the end, what choice did our customers have? IT was the only game in town. But in the last few years, the rise of Software-as-a-Service and other cloud-type providers has given our customers what they have desperately wanted - choice. They are no longer locked into relying on the internal IT organization for all things IT. And they are leaving in droves. These three market forces have combined to create a perfect storm that has changed the business and operating paradigm for good. This change is happening. That is unavoidable. But there is one question that still lies in front of IT leaders: will you lead this change forward or simply let this change happen to you?



## A Change in Paradigm

This change is really taking place in two forms. First, we are moving from a manufacturing paradigm to a retail one. For most of our history, we have built the technology services that we delivered to our customers. Consequently, we were largely structured and operated like manufacturing plants. But as customer perceptions changed, they began looking at us like retailers. We began buying more and more software and managed services, but we still operated ourselves using a manufacturing paradigm. And this created a huge gap in the customer experience. They came to IT expecting the Apple Store and we gave them a manufacturing plant.

But the shift to a retail paradigm is not as simple as it may seem on the surface. What retailer sells you every single thing that you need to run your life? None. Retailers specialize to deliver on a promise of value to a certain customer segment. The same will be true of IT organizations. The days of IT being the sole source provider of all things technology are over. IT organizations must understand how value is realized from their technology investments and focus all of their energy in those areas. Typically, that will result in one of two business models: what I call being a Strategic Sourcer or a Strategic Innovator.

Think of Walmart and Nordstrom. They are both world-class retailers. But they serve different markets with different value expectations. As a consequence, they do not employ the same processes, policies, hiring practices or training approaches. They carry only the products that are relevant to their target customers - those that provide strategic value. IT organizations will need to make the same shift, exiting non-strategic lines of business and refocusing their process, policies, hiring practices, etc. in a way that will deliver the greatest value in the context of their customer's needs.



## The Righting of the Relationships

As we enter The Quantum Age a realization will set in. The relationship between IT and its customers has fundamentally changed. In the end, this is a good thing, but it will bring with it a few unpleasant moments. With IT no longer being the sole source provider of all things technology, the business customer will rapidly come to terms with the importance of their ownership of the business information model and their role in managing it. After a few moments of glib chortling, the IT organization will realize that this new world will require much more interaction, communication and coordination with both customers and with other members of the supply chain and value network.

Fortunately, BiSL will be there to provide a framework to help everyone find their proper role and function. It will be as it was always meant to be. The business customer will no longer have some misguided idea that IT will somehow magically figure it all out. And IT will finally see themselves and their role in the proper light with the primary focus being on providing business value rather than being mere caretakers of technology.

IT has the power to transform the customer experience and supercharge business processes. But it only works when IT and its customers come to the relationship with the right mindset and understanding of how value is generated through the leveraging of technology. While this has always been true, it has largely been an academic discussion up until now. Under the operating models of the past, this level of interaction and co-dependence was a nicety rather than a necessity. But as the landscape shifts, so does the importance of the relationship between IT and its customers.

Like a marriage that has stagnated, the ushering in of The Quantum Age will force both IT and the business to come to the table with open minds and fresh ideas. We must move past a focus on past failures and instead focus on the future in front of us. As we do, we will realize that there is great hope and promise. The opportunity to renew and reinvigorate this relationship is real and immediate. And using BiSL, in conjunction with other frameworks and some good, old-fashioned common sense, we have a real opportunity to finally create the IT-business relationship that we have always needed and deliver the true, lasting value that technology has always promised.



## References

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## Author

Charles Araujo is the founder and CEO of The IT Transformation Institute, which is dedicated to helping IT leaders transform their teams into customer-focused, value-driven learning organizations. He is a recognized leader and expert in the areas of IT transformation and IT organizational change. He is the author of the upcoming book *The Quantum Age of IT: Why Everything You Know About IT is About to Change*, is presently at work on two new books and is the creator of DeepRoots, an organizational change methodology designed for IT teams. He speaks and writes frequently on a wide range of subjects related to his vision of the future of IT. He serves on the boards of itSMF USA and The Executive Next Practices Institute and has been quoted in or published in magazines, blogs and websites including ZDNet, IT Business Edge, ITSM Portal, TechRepublic, itSMF USA's Forum, HDI SupportWorld, Computerworld and USA Today.



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