IT strategy is dead... so what’s next?
Introduction

Over the course of the last decade, the alignment between business and IT has become increasingly critical to an organization’s success. This shift has given IT leaders a seat at the table as accepted partners of the business. At least, in some cases it has.

Too many business leaders still see IT as nothing more than an internal service provider: an important function, but replaceable or even outsourced if necessary. If IT leaders are going to change this perception, they must become essential to business success—and that starts with the recognition that IT strategy is no longer relevant.
IT as usual is no longer an option

Traditionally, organizations succeed when they achieve measures directly associated with financial performance: increasing revenue, growing market share, lowering costs, etc. And while that’s still true, modern business environments have expanded to include indirect measures. A focus on customer satisfaction through better experiences, products, or services translates into increased loyalty and decreased turnover, contributing to greater revenue and reduced costs of acquisition.

Successful IT departments are familiar with this expanded focus. After all, it’s been one of the main drivers for the rapid adoption and expansion of agile software development. IT departments are also aware that the success of an agile approach has now expanded beyond IT into different departments and to more strategic levels of the organization. And the reasons are the same—organizational agility to achieve better outcomes.

Simultaneously, the speed of business continues to accelerate. Technological advancements continuously redefine what is possible, lowering the duration of customer satisfaction windows and driving more frequent delivery cycles. New technology-enabled tools are reducing delivery times in multiple industries. The global economy, lower barriers to entry, and the blurring of the lines between traditional industry segments are redefining entire markets and industries.

In this technology-driven environment, IT can feel like an anchor, slowing down the organization’s ability to adapt and respond. That’s because IT strategy is typically based on the current technology landscape. And while strategies will anticipate emerging technologies, the speed of such emergence makes those projections uncertain and subject to change.
Business strategy drives all

As a corporate department, IT simply cannot adjust quickly enough to those changes because of the commitments they have made to their strategies: infrastructure commitments, service contracts, platform upgrades, etc. In addition, legacy IT thinking—the idea that IT departments exist in a vacuum, independent of the rest of an organization—persists. But IT can no longer thrive on being a “black box,” providing little insight into their activities and believing themselves exempt from business strategy.

Organizations as a whole have recognized that their strategic plans are being disrupted by the pace of transformation. That’s why they have embraced the concept of organizational agility. This is the idea that business leaders must continuously monitor the external operating environment, identifying threats and opportunities that may impact them, and responding quickly and with minimal disruption. To achieve this, organizations are changing how they define and deliver on strategy:

• Annual planning is now generally limited to funding decisions, the allocation of investment dollars, and high-level goal setting.

• Project planning is shifting to a quarterly cadence and even showing signs in progressive organizations of becoming monthly.

• Successful organizations have already made the shift from output based to outcome based.

• Goals and objectives are fluid at the project and organizational level.

• Project teams are becoming more autonomous.

• Focus is shifting from temporary projects created for an artificial bundling of features to living products structured around permanent teams delivering a continuous stream of functionality as soon as it is ready.

To be respected as true partners of the business, IT leaders must succeed in this environment, and here’s how they can do it.
Business strategy integration

IT used to be an execution function. It was focused on delivering work to advance the technology backbone of the organization. Everything from the largest program to the smallest help desk ticket was geared around enhancing the hardware, software, and network infrastructure. That model becomes more obsolete every month, and IT must evolve from an execution focus to an intelligence focus.

To do this, IT must shift its emphasis from the physical delivery of enhancements and upgrades to technology thought leadership. IT leaders must become experts on emerging technologies and, more importantly, the impacts and opportunities for their organization and industry that are created by those technologies.

This role becomes critical in an environment of organizational agility. IT leaders should be in the best position to understand which emerging technologies will be disruptive, which will provide opportunities, and which can be ignored. Business leaders need this guidance if they are going to make the right decisions on where to focus their work, resources, and money, what kind of performance goals should be set, and when adjustments must be made.

Essentially, business leaders require a complete and accurate technology context for the business decisions they make. And that context has to be provided by IT leaders.
Business leaders simply don’t have enough insight and awareness of technology at the leading edge. Even if those leaders are technologically savvy, advancements happen too quickly and the impacts are too nuanced. Success requires IT leaders to understand enough about the business they serve to provide context and to inform and guide the decision-making process. This is the essence of modern IT strategy—tightly integrated with business strategy to the point where it is simply a continuation of business strategy.

IT leaders today have an opportunity to become what they have always wanted: true partners of the business. Partners in the development of a single, integrated strategy that aligns all work to deliver common goals. To achieve that IT leaders must:

• Understand the business environment the organization operates in. To provide relevant technology-based guidance, IT leaders must understand how technology has the potential to influence business results, customer satisfaction, etc.

• Contribute to the development of the long-term vision and strategy. Technology is an enabler, more so today than ever before. IT leaders must be brave enough to imagine what may be possible through technology and encourage their business colleagues to develop long-term plans that fully leverage those possibilities.
• Embrace diverse technology delivery models. Increasingly, the right approach to technology is through outsourcing and external partnerships. This doesn’t undermine the value of IT. It enhances the value. By implementing and managing the best strategic solutions, regardless of how those solutions mechanically operate, IT leadership is making the best possible contribution to organizational success, which is what is required of all departments.

• Ensure all decisions and recommendations are objective and focused. Rightly or wrongly, the business perception of IT has often been one of putting technology ahead of business. To build trust, IT leaders must deliver guidance and advice that always prioritizes business performance as the singular focus.

It’s time for IT leaders to unequivocally claim their place at the strategic table. But they can’t do it alone. They need business leaders who recognize the importance and value of the guidance IT can provide and who are willing to provide a platform for that advice. They need to understand that without IT at the core of organizational agility, business performance will always be compromised.
The bottom line

The way new technologies are integrated into how the business operates can make or break that company’s success.

Organizational strategy must consider business factors, technology factors, and the way those factors interact and align. At the speed of today’s business, there is no room for any misalignment of strategy, and organizations must develop an effective, integrated single strategy that can be executed seamlessly to achieve success. At the same time, that strategy must be capable of evolving in response to emerging threats, challenges, and opportunities. The organization that can do that consistently will win.

Integrated strategies cannot be developed without integrated leadership, and that has created the opportunity for IT leaders to become real partners with business leaders. They have the opportunity to evolve from a role of service provider to one of trusted advisor, owning their part of making the entire enterprise successful. But to do that, they must change how they view themselves and technology.

The IT leaders who succeed will find themselves becoming a driving force in organizational success. The ones who can’t will find themselves sidelined, their functions becoming increasingly obsolete as the business moves on without them.
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