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Business Managers Drive More Technology Initiatives

Shift in Roles Sharpens Focus on Innovation

By Rick Ludolph, President, Productive Solutions LLC

Think back to your company's ERP implementation and you will likely recall that your IT team was firmly in charge of the system selection and implementation. This comes as no surprise, as historically these roles fell almost exclusively under the domain of IT. Today, however, a distinct shift is taking place in our industry as business managers and department heads are taking a much more proactive approach to obtaining and using technology to meet their specific business needs. Indeed, software buying is changing; we believe for the better.

Of course, the ERP purchase is somewhat unique in that it provides backbone services across the entire business. Enterprise solutions of this type require the big-picture perspective and technical resources that typically must come from the IT department. But more and more, the driver for new technology within a fashion company is the operations or department manager who most acutely recognizes the need for solutions to real problems that they face everyday. Interestingly, a significant number of today's software purchases are being made to fill functional gaps left by earlier ERP system implementations.

The significance of this shift can be seen in both large and small companies, where line of business managers are not only driving the purchase of specific 'point' solutions such as CAD/CAM systems, but are also playing a major, if not the primary role in selecting, implementing, and ensuring results from wider-ranging systems like product lifecycle management (PLM) and supply chain management (SCM).

By no means am I suggesting that the IT department should be bypassed for such projects. In fact, in virtually every case we see IT continuing to play a critical role in these projects. But it's clear that business managers are no longer simply relying on IT to deliver the project. Simply put, business wants more innovative solutions – faster. Another important difference here is that, while most technology budgets are centrally controlled, a growing number of projects are actually being funded by division or departmental budgets.

The shift to more business-driven technology initiatives is positive on a number of levels. Sure it means that companies must guard against a return to investing in 'islands' of automation that benefit one area but negatively impact others. Nor can they afford to waste time and money on technology efforts without considering the impact to the entire business from both a financial and operational perspective. Senior management and IT clearly must be involved to help avoid these pitfalls.

But in my experience, business managers often have even higher expectations for technology than their IT colleagues. They focus more on product innovation, not in the purely technical sense, but with a different set of metrics that includes ease of use, quick deployment, greater flexibility and adaptability of the technology to the business need. With this audience, usability is 'in' while whiz-bang features are 'out', and packaged products are preferred to customized applications.

More business participation also changes the game for technology vendors. Business managers are often more willing to invite smaller, more innovative suppliers to their party. At the same time, the risk of selecting newer technologies is diminishing due to things like subscription pricing, hosted services, and simpler integration options. This means that larger vendors will need to focus more on communicating the value they bring and reduce the tech talk to win in this changing arena.

We expect the shift to business-driven technology initiatives will continue to grow. The results of many business-driven initiatives are impressive. The mid-sized companies that are accounting for more new technology purchases are bringing a leaner, more organic approach to their technology initiatives. After all, isn't technology about solving business problems?

Productive Solutions, LLC is an Atlanta-based consulting firm providing actionable advice and measurable results through business strategy, enterprise consulting, and technology guidance services. Contact Rick Ludolph at r.ludolph@productivesol.com or visit the website at www.productivesol.com.