



IT IS NOT A DEPARTMENT. IT IS AN ENABLER.



John Schroder
PRESIDENT & CEO



INTRODUCTION

Organizational charts have evolved and actually “de-volved” over time. There have been backlashes to hierarchical structures due to their seeming overemphasis on rank, while at the same time, there have been recent studies that indicate that despite our 21st century egalitarian mindset, we actually crave structure. In an era in which knowledge is quickly democratized and universally available, there seems to be a human need to make thinking and planning easy, and structure facilitates that. In a study conducted by Stanford professor Larissa Z. Tiedens and Cornell professor Emily M. Zitek, some interesting conclusions were found. According to Tidens: “We



produce hierarchies to make our lives easier cognitively. And the fact that they (hierarchies) are easier to think about and understand makes us like them more.”

The sentiment behind these findings comes at an interesting time, as organizations of all stripes are having to re-assess capabilities and competencies while fending off competitors (both known and unknown). That ATT is now competing against Amazon couldn't have been foreseen 20 years ago, but it's a reality that old Ma Bell must contend with. This new reality that all of these companies are dealing with, managing, and potentially taking advantage of, all revolves around technology and the quantum leaps that are seemingly taking place on a daily basis. What does this have to do with the traditional org chart? Everything. Whereas IT used to be a department, it must now become the strategic hub. Quite simply, IT is not HR. It is not A/P. It should not be confused with Sales, or Production. Regardless of what sort of organization you are in, IT is what now powers the entire operation.

Don't think this is true? How did your move to electronic health records go? If this was merely a regulatory compliance issue and was pushed down from on high, without strategic insight from the IT leaders, it was probably painful. On the other hand, if it was an initiative that had best practices, efficiencies, and long term profitability tied to it, than chances are, it went much smoother. The new reality, whatever your take on the hierarchy and structure is this: IT is not a department. IT is an enabler. IT is every other department's strategic ally in the quest to build value. If IT is simply where you go when you can't get your computer to print, than yes, IT is merely a department where you work, and that spells trouble for the future of your organization.

Years ago, Juvo Technologies was Cynergy Services. Our name change back in January of 2014 was based on the reality that we were morphing into a technology company, a company that was far more than the telecom management company that we started as. While we still have customers who see us more like the Cynergy of a decade ago, we are doing more for our customers than ever before. Whether doing network security assessments or introducing creative ways to turn the A/P function into a revenue generator, Juvo does far more than simply calling a carrier when a customer network goes down. In the same way that we now do more for our clients, your IT department must do more for your organization, but that demands understanding their capabilities, while also scanning the horizon for both threats and opportunities.

WHY IT IS NOT “HR”

Take a ride on the highway or interstate and you might find yourself behind an 18 wheeler advertising the idea that “People are our Driving Force.” Maybe you’ve come across some witty comments on “People Power” or how “Our People Make the Difference.” The sentiment behind all of these slogans are nice, and HR managers and directors have been attempting to drive home this sentiment for decades now, with varying degrees of success.

At Juvo, we’ve trumpeted similar sentiments, as there is much to be said for the idea that what makes one company different than another is the people. The change that is upon us now, is that “getting the right people on the bus,” is now considered a given, something that everyone accepts as truism. So, what is the difference between the HR mentality and the IT mentality? In a capitalist society, it is really quite simple: technology usually replaces people. To be fair, that sounds a little crude, and perhaps elitist, but these different sentiments represent a conflicting mindset that must be grappled with and understood. Can a “people centric” mindset co-exist with a “techo-centric” mindset? The answer is a resounding “yes,” but again, only when you come to grips with the idea that most technological advances involve the elimination of a task that was previously done by a human being. This means conflict is inevitable, and will continue to be divisive until all the humans with the organization come to see IT as the enabler, the part of their company that allows them to increase value, drive innovation, and improve customer satisfaction. This idea of innovation and value is where leadership is really required.

For years, the business literature has been full of words like “vision” and “foresight.” Never has this need been greater, as leaders must see beyond the tasks that can be eliminated by technology, and must be capable to seeing what value might be created by these technologies. This is not easy, as the bottom line reality of cash flow and profitability is something that never goes away, but consistently building value demands that technologies be viewed for not only their short term impact, but also, for what they might be able to facilitate in the future.

OBSTACLES

In the December 2009 study, “Future State of the CIO” study issued from the CIO Executive Council, it was stated that: “the Future-State CIO will not only be accountable for IT function success and business process transformation, but will adopt a more company-external focus and concentrate the majority of his/her time on using information to drive innovation and strategic advantage in pursuit of business goals.” The general tone of this study implied that this “future state” was good for both the organization and those who work within the IT realm. It begs the question, “What’s preventing this from taking place?” Steven Romero, in his work *Eliminating Us and Them*, offers up three answers to the question of what is preventing this future-state reality:

1. The greatest benefit of IT is in its potential to enable business innovation, but the majority of businesses do not look to IT for innovative value.
2. Anyone can innovate but few people are empowered to innovate. (No formal mechanisms to foster and develop ideas).
3. Innovation offers incredible promise and potential but most organizational cultures are risk averse and/or afraid of failure.

With these three obstacles in mind, it is easy to assume that it is everyone outside of the IT realm that fails to grasp the new reality, but here is where IT simply must step up and be held accountable. It is here that IT leadership must assume a more pro-active role in organizational success. If others within the organization are going to view IT differently, than IT must act differently. Romero points to three things that IT professionals must do in order to achieve that future-state mentioned in the CIO study:

1. Understand the business
2. Understand innovation in order to empower everyone in the organization to innovate
3. Understand IT innovation

This list sounds simple enough, but honest assessments within most organizations would reveal that these three things are not currently the norm. Why not? To understand the business sounds quite simple, but if IT is merely the place where new hires go to get a laptop, or simply the folks responsible for monitoring the network, it ceases to become imperative that they understand why customers pay them money

to provide a specific set of products or services. The current model that most organizations employ is that IT has “internal” customers, whereby making Sally in accounting happy for getting rid of the virus on her computer is their main function. True, this task needs doing, but it’s entry level type work, not a strategic initiative.

N

CONCLUSION

The issues that face today’s organizations are unique, and tomorrow’s issues will be unique when compared to today. That’s both frustrating and exciting at the same time. If technology is simply used to replace people, than there is reason to be apprehensive as we move forward. At the same time, if these technological advances are made at the same time that employees are receiving valuable training and gaining new experiences, than new opportunities to build value arise. A February article in the New York Times describing ATT’s attempts to retrain its workforce is a great example. With over 280,000 employees, ATT has a huge challenge when it comes to ensuring they can compete. Whether they succeed or not remains to be seen, but they certainly grasp the reality that technology is pushing change, and people must be capable of using the technology to do things that customers value.

Driving value has been a Juvo hallmark since our inception. In the early days, we were really all about saving money for customers through better carrier contracts. We got pretty good at that, we built some software and we got pretty good at managing the entire telecom life cycle. That software wasn’t the “value” we brought our clients though. Sure, that brought insight, but our value proposition centered around saving time, money, or both. Realizing that no one is in love with our services simply for the sake of the services themselves has allowed us to move into more areas of the customers’ operations. From e-payables to risk management, from telecom management to security assessments, we enable IT departments to become strategic enablers for entire organizations, creating value not possible in a world in which IT is simply “just” another department.

Hardy, Quentin. Gearing up for the cloud; ATT tells its workers: adapt or else. February 13, 2016. New York Times. http://www.nytimes.com/2016/02/14/technology/gearing-up-for-the-cloud-att-tells-its-workers-adapt-or-else.html?smid=fb-nytimes&smtyp=cur&_r=0

Nash, Kim. 2010 State of the CIO: today’s focus for IT departments – business opportunities. December 17th, 2009. CIO Magazine. <http://www.cio.com/article/2421968/strategy/2010-state-of-the-cio--to-day-s-focus-for-it-departments---business-opportunities.html>

Romero, Steven. Eliminating us and them: making IT and the business one. CA Press. 2011.

Zitek, Emily and Tiedens, Larrisa. The fluency of social hierarchy: the ease with which hierarchical relationships are seen, remembered, learned, and liked. Journal of Personal Social Psychology. January 2012. <http://www.pubfacts.com/detail/21910553/The-fluency-of-social-hierarchy-the-ease-with-which-hierarchical-relationships-are-seen-remembered-l>