A few years ago, I got into a car with the CEO of a large company. As I entered the car, he moved an object off the seat and placed it under his derriere. I asked him, “What did you just do?” He looked at me strangely and said “Nothing.” I said, “Come on, when I got into the car you moved something under your derriere. What is it?” “If you must know,” he said, “it’s an iPad.” Completely confused, I said, “Why are you hiding an iPad under your derriere?” He looked all around and said, “Because IT hasn’t approved iPads.”

Obviously, his company defined technology governance narrowly, and just as obviously, he ignored his company’s governance policy, although he didn’t want anyone to know, not even the consultants he hired to improve the business–technology relationship. In fact, this CEO was part of shadow IT—that is, IT spending that’s accountable to no one, including the enterprise CIO.

Is this experience indicative of the old or new business–technology relationship? Let’s look at trends in this relationship and where it’s likely to be over the next five to 10 years.

New Technology Governance

For decades, the IT police wreaked havoc in companies where just thinking about a nonstandard hardware device or software application was a prosecutable offense. But how things have changed! The police are gone, and digital flowers are blooming everywhere: there’s no need—except in very few companies—to hide devices from the technology standards police.

I described this new technology governance to the CFOs of 50 global corporations who visited the University of Pennsylvania’s Wharton School last year to learn how to become better strategic partners with their business units. I told them that consumerization, democratization, and cloud delivery had redefined the rules around the acquisition, deployment, support, and measurement of technology, that there were now many participants in the governance process. Many of them weren’t even employees of the companies buying (or renting) technology and were often vendors.

Not all of the CFOs liked what I had to say, but I came armed with survey and interview data that demonstrated that the worst way to manage IT is through centralized, organizational structures in which a control group dictates what’s allowed and what’s not. In the old days, we called this centralized governance, but by the late 1990s and early 2000s, the world moved to federated governance, in which IT was jointly controlled by the enterprise and the business units.

Today, governance—no matter how much old CIOs and CFOs question it—is participatory, which means that the control of technology is shared among a variety of participants, including the vendors that provide cloud services and the independent developers of applications that run mostly on mobile devices.

New Device Deployment Models

At Villanova University, our undergraduates arrive on campus with iPhones and Mac Airs. They’re very familiar with these devices and of course want to use them when they get to campus. A bad management practice would ban these devices because there’s a history of, for example,
supporting Windows machines, and the IT team is therefore more familiar with Dells than Macs. (Fortunately, our CIO has a more flexible perspective on technology choices and allows Macs and Dells to live together in harmony.) The good news is that bring your own device (BYOD) deployment is gaining acceptance as more and more companies discover that their employees are more efficient when they’re happy, and they’re happiest when they get to play with their own digital toys. This is the new deployment model—and it’s gaining traction.

**New Skills and Competencies**

How about the skills and competencies of the professionals responsible for cost-effectively sourcing, deploying, and measuring technology? For example, how many IT professionals really understand the nuances of cloud service-level agreements (CSLAs)? Or the differences between structured and unstructured data analysis? Or how the Internet of Things (IoT) will change supply chain optimization and big data injection, processing, storage, and analysis? New business technology managers are quickly developing skills, competencies, and best practices around CSLAs, the IoT, and related activities.

Many IT professionals also have precious little subject matter expertise about what their internal clients actually do. IT professionals who support pharmaceutical marketing need to know a great deal about what pharma marketers do and how technology can make them more productive. IT professionals who support insurance brokers, bankers, and police departments should know nearly all there is to know about how these industries work. Most IT teams are weak subject matter experts, pretty inadequate “SMEs.” But this is changing. Business technologists are now dually informed about the business and the technology that can enable and extend business models and processes. Increasingly, CIOs are drawn from the business side of companies, not home-grown technologists whose previous jobs included running the company’s Oracle database or help desk.

Old IT management also usually ignores horrible internal communications skills. Have you ever sat through a PowerPoint presentation that’s essentially incoherent? We all have. Technologists are notoriously tone-deaf. Business units just want technology to work; they don’t need to understand bits and bytes. They also need to know how their business models can be transformed with emerging technology. They don’t need condescending lectures on what they should know about mobile communications, automated reasoning, or parallel processing. They need continuous, quick, simple, and impactful written, verbal, and video communications. That’s IT for them!

**New Partnerships**

The worst IT managers are the ones who still believe that technology and business are distinct business enablers, when today it’s clear that there’s no distinction between the two. In fact, they are one process with the same goals. CIOs and CTOs that see IT as somehow different from business models and processes have reached retirement age; it’s impossible to separate or differentiate technology from business models and processes, or vice versa. Bad IT managers insist on perpetuating the us-versus-them mindset in continuous corporate combat, which is expensive and distracting.

**New Organizational Structures**

All of these trends will manifest themselves in new organizational structures. IT will bifurcate into operational and strategic parts. Operational IT will define and run the infrastructure—that is, email, office productivity tools (such as MS Office), backup, recovery, storage, security, and the like. Strategic IT will move to the business units that will select the software applications they need to profitably grow. The old enterprise CIO will become the chief infrastructure officer. CTOs will migrate to the business units as CDOs—chief digital officers. Eventually, operational technology will migrate to enterprise Audit, where many infrastructure activities will be deployed and certified. Both new CIOs and CTOs will rely almost exclusively on cloud providers to deliver operational and strategic technology.

**IT’s a Whole New World**

Many enterprise CIOs are already stunned by the pace at which the changes I’ve described are occurring. In fact, according to industry analysts at Forrester and Gartner, these changes are gaining momentum. Years ago, the field was described as MIS (management
information systems). Then it was described as IT. Now it’s DT (digital technology) or DT (digital business technology).

Companies are completely re-thinking how they leverage technology for competitive advantage. What are the drivers of such dramatic change? Here are the primary ones and how they’re changing IT:

- Demographics are killing IT.
- Consumerization is diluting IT and replacing technology innovation.
- Globalization is spreading IT.
- Cloud delivery is democratizing IT.
- Business processes are crushing IT.
- Vendors are confusing—and forcing—IT.
- Employees are ignoring IT.

Here are the outcomes:

- We will no longer access Web addresses; we will seek solutions.
- Expensive physical plants (such as offices) will be replaced by work-at-home, work-whenever/whenever-you-want, and BYOD models that indiscriminately cross personal and professional boundaries.
- Transportation infrastructure will simultaneously improve and shrink as digital communication improves and grows.
- Business processes will be unscheduled, personal, continuous, and mobile.
- Personal computers—and all single-purpose devices—will disappear.
- Web-enabled, intelligent wearables will be pervasive, integrate various technologies, and enable a variety of personal and professional activities.
- “Natural” interface technology will enable integration and efficiency.
- Everyone will be talking—and watching—all the time: social media will become pervasive.
- “Money” and traditional payment processes will disappear.

All of these drivers, trends, and outcomes have revealed themselves. More are on the way as technology evolves.

The new business–technology relationship is therefore likely to be based on integration and cooperation. All of the old animosities will disappear as the pace of technology change itself overpowers old organizational traditions and structures. A full partnership is likely to emerge within the next five years, 10 at the latest. We all need to embrace the next phase of the business–technology relationship—especially since it’s already here!

**Reference**


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