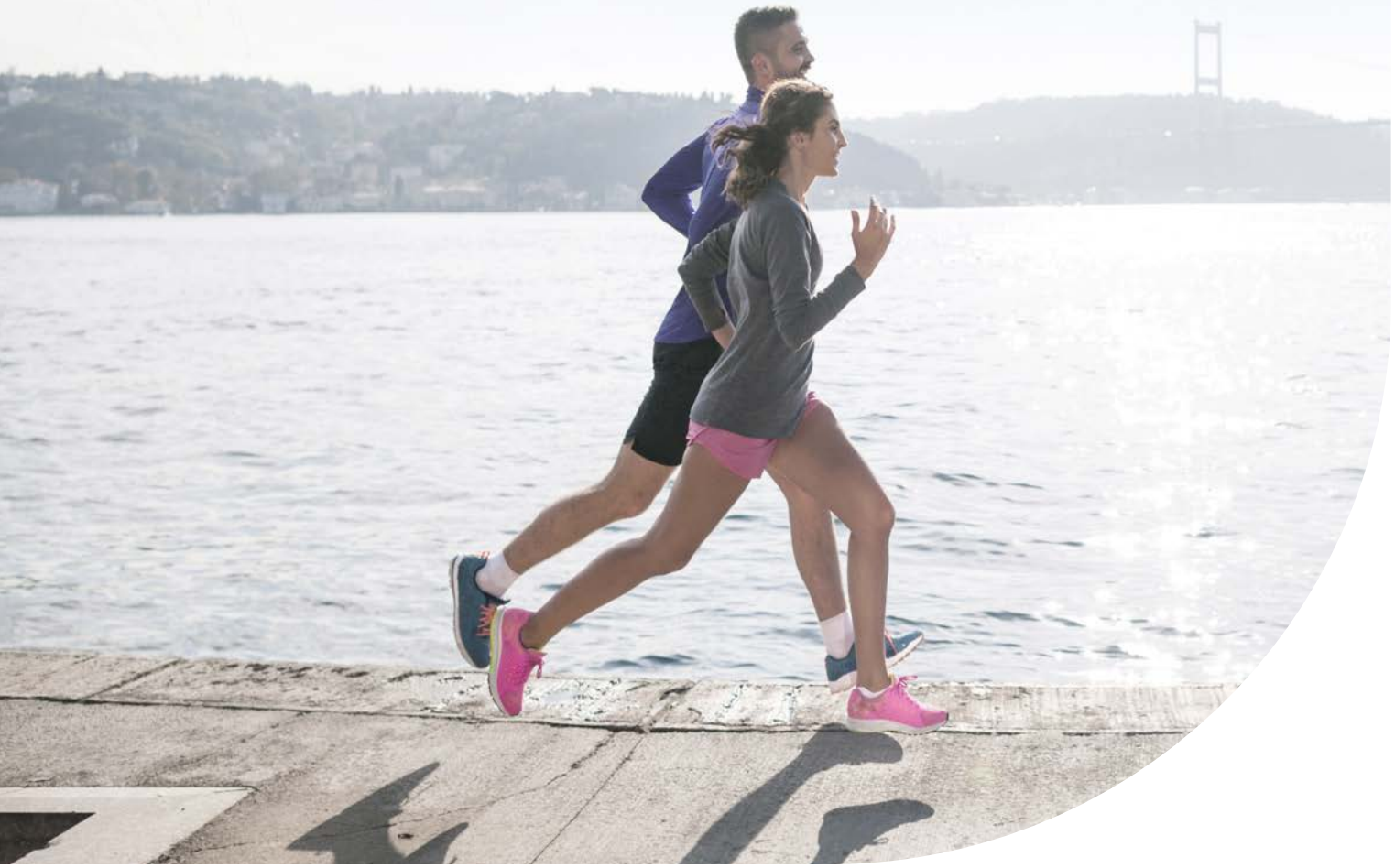
White paper

Embracing a two-speed IT paradigm



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Introduction

At some point in your life, you've likely encountered the tale of the tortoise and the hare. On the surface, this story conveys the message that endurance and promoting standards will always prevail over speed. While the swift hare becomes distracted by all the things it can do along the trail, the modest tortoise stays focused on the course and eventually crosses the finish line ahead of its friend.

This dichotomy of speed versus standards is deeply entrenched in our culture and in our corporate values. For years, companies have focused their resources and IT budgets on their long-term, endurance game. IT departments consisted of engineers who were tasked with maintaining the status quo and ensuring that products and services were consistently available 24/7, without incident. This required a tremendous amount of coordination. For these folks, no news was good news; it meant they were doing their jobs well.

Then came mobile devices, which shifted the way consumers expected to interact with companies. As smartphones, tablets, and wearables began to proliferate in the market, they irreversibly changed the way businesses relied on their IT departments. Consumers began to use these devices in their everyday lives, and their expectations for mobile-enabled retail and financial companies grew. Many IT departments needed to begin supporting complex consumer apps, robust online portals for account maintenance, and an omnichannel customer experience. With that came the necessary infrastructure upgrades to support the increased demand.

At the same time, these organizations also went from generating a lot of their own data to collecting tremendous amounts of data from their customers. By leveraging many of the features available on mobile devices, such as GPS or accelerometers, organizations of all types are able to capture customer data in ways they never could before. On an aggregate level, companies can leverage this data to uncover trends and to make predictions with a high degree of accuracy.

The speed with which technology is changing IT departments is unprecedented. And, like the hare, it's easy to become distracted by all of the cool, data-driven projects you can undertake and never reach the finish line. While IT departments must adapt to new technologies and mounting consumer expectations, they must also maintain standards and continuity for the business. Today's most successful IT departments will be able to strike the right balance.

Approaching IT in two stages

Whether your idea of efficiency is based on the story of the tortoise and the hare, or a philosophical debate between old-school versus new-school, one thing is certain: to be successful in today's rapidly evolving digital age, organizations need to balance speed with standards. To do this, many organizations have structured their IT departments into two teams that work independently, yet synergistically, to meet ongoing business needs.

This is a popular conversation happening among IT and business professionals, such that Gartner refers to this concept as "bimodal IT." Here's a closer look at how the two parts of IT are meant to function:

Traditional IT

The traditional IT team is intended to function in the normal, tried-and-true capacity (think of the tortoise), ensuring that IT standards are upheld and that the organization's products are reliable and secure.

There's an old saying, "If it ain't broke, don't fix it." This is particularly true when it comes to your business's core products and services.

The traditional IT team ensures that you're up and running when your customers need you. While they eventually work toward supporting major software releases, they do so in a slower, waterfall-style approach.

An online retailer, for instance, might want to think twice before overhauling their functioning Ecommerce infrastructure, as any downtime can result in sizable losses for the business. This traditional mode of IT is focused on meeting the needs of the business by making sure things don't break.

Agile IT

The agile team is designed to function in a faster, more nimble capacity (think of the hare) with more financial and governance flexibility to explore new capabilities and push boundaries.

If you've ever attended an agile team meeting, you've likely heard someone say "If you're not moving ahead, then you're falling behind." This modern breed of IT is focused on developing a culture of collaboration whereby developers and business professionals can work together, in an iterative fashion, to release products.

The focus on communication and collaboration allows them to build and test software quickly through a process known as "agile development." This flexible mode of IT helps them meet the needs of the business by experimenting with new products and features that can propel the business ahead of its competitors. This team focuses on fast, short-term projects that can easily be abandoned without interrupting business continuity.

While speed and standards often tend to be at odds, in a two-speed IT setting both teams work together for the business and are not competing against one another. The purpose of this approach is to balance the two teams in order to help organizations take on more complex and market-expanding projects, while also upholding their standards.

Benefits of a two-speed IT paradigm

Embracing a two-speed IT approach can have some major advantages for your organization, including:

- Greater flexibility to react more quickly to changing market conditions
- Ability to explore and test new technologies without risking business continuity
- Deeper understanding of consumers by integrating disparate data sources
- Lower risks associated with the full-scale deployment of new technologies
- Empowered staff with new, preferred technologies
- Renewed focus on products and features, rather than fixing IT issues

Considerations for a two-speed IT paradigm

Before adopting a two-speed IT approach, you should carefully consider some of the potential drawbacks so that you can account for them in your strategy:

- Technical debt can build up over time, as rapid developments by the agile team may require more robust support in the long-term
- A culture of division within the IT department may result unintentionally
- Misalignment of priorities between teams can lead DevOps to create tools that traditional IT cannot support
- Some employees may be resistant to change and see the other team as compromising their work

Building a proactive data management program with two teams

Developing a data management strategy is well-suited to a two-speed approach. Businesses today collect a lot of information about their customers, and, thanks to the Internet of Things (IoT), the amount of data being created increases every day. In fact, the most recent estimates indicate that 2.5 quintillion bytes of data are created every day.

With so much data being created, forward-looking organizations will need to develop data management and governance practices in order to make sense of it all. By harnessing this information, they will be better positioned to understand their customers and to drive revenue growth.

We recently polled 1,400 data professionals for our annual global data management benchmark report, and we found that 98 percent of companies have a desire to turn their data into insight – but they are not all there yet. In order to make use of their data, the organization's IT systems and processes must be optimized to handle it. Our survey revealed that only 55 percent of such organizations have a big data strategy in place to analyze these large sets of data.

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Not surprisingly, many organizations approach their data management processes in a reactive fashion. In fact, 65 percent of organizations we surveyed wait until there are specific issues with their data until they address and fix them.

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This reactive approach to data management can lead to internal and external problems. For example, when businesses wait until employees have uncovered an issue, undesirable consequences like poor data analysis and decision-making, drops in efficiency, and even lowered morale can occur. And, when businesses wait until consumers discover issues, consumer dissatisfaction with the overall business and reluctance to return can occur, negatively impacting your bottom line.

Enabling two-speed IT at your business

Are you ready to take a proactive stance on improving your data management processes? Utilizing a two-speed approach will help you to ensure that your organization takes a proactive approach toward resolving your data quality issues, while also empowering IT staff to explore new possibilities.

In a two-speed IT approach, your traditional IT team should work with your Chief Data Officer (CDO) or other data owner to define a data governance policy and develop a data management strategy. The data governance policy will set forth the rules and practices surrounding the creation, storage, and disposal of data for all employees across the organization. These rules will help to ensure that your company remains in compliance, as well. As part of the data governance umbrella, a data management program should also be established with appointed stewards who will ensure the data quality is upheld.

By focusing on these critical areas, the traditional IT team will help to improve the integrity, accuracy, and security of your systems as a whole.

While the traditional IT team focuses on governing your data, the agile IT team should be focused on exploring potential enhancements or new data applications. This team is best suited for projects that are experimental in nature and not tied to the continuity of your business. The agile team should be tasked with looking for new ways to leverage your existing data to enhance your products or to create new streams of revenue for the business.

While both teams in this example are working independently, it's important to remember that they must be in lock-step when it comes to the overall data strategy. This is where the CDO plays a vital role in ensuring the data strategy's overall implementation. He or she should communicate the needs of the business leaders clearly to both teams, while also ensuring that the teams are working synergistically.

Conclusion

When it comes to your IT department, true success is met by balancing speed with standards. Adopting a two-speed approach is one way to do that. This paradigm will afford your business many advantages, flexibility being chief among them. Where IT and business users once operated in silos, a two-speed approach allows IT departments to respond more quickly to the needs of the business. While certain staff will be dedicated to ensuring the continuity of your products and services, other IT team members can be dedicated to more forward-looking initiatives that improve your products or leveraging your data to create new streams of revenue.

Before implementing a two-speed approach, however, it's important to consider the possible repercussions of such an approach to avoid creating a culture of divisiveness or misalignment within your organization. By addressing the potential pitfalls, you'll be well positioned to implement a two-speed IT approach successfully.

Are you implementing a two-speed approach in your IT department? Our robust data management solution can help both IT teams be successful. Check out Experian Pandora today!

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