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Assessing the Small IT Shop (small IT governance)

How many small inefficient IT shops are out there? Does it really matter?

The problem often faced is that a company is small (usually a couple hundred people max) and IT has been pretty much left to run itself via a few IT equipment junkies, or software hackers. But, that may not be good enough anymore given that application and infrastructure needs, previously exclusive to large companies, have become business necessities in current domains of communications, inbound marketing, mobile management, logistics and virtually all small business back office processes.

As consultants, the call we get usually comes from the CFO or other executive, along the lines of: "I don't know what my IT organization doesAnything I want done doesn't get done Are we compliant and disaster protected? How can we meet our market's demand for xxxxx new application/technology? The competition has implemented some killer new technology Do we need to outsource?And, we don't have the money to spend on all this stuff." In other words HELP US!

At CIO Services, LLC <http://cioservices.us> we have accumulated experience in addressing multiple situations of this kind, and have some hopefully-helpful tips and techniques to pass along. The following breakdown is around the tried and true people-process-technology paradigm.

Situation	Assessment	Recommendations
People		
No CIO, An IT Manager in name only, Long-term employees	No real leadership or management. People have acquired technical, administrative type skills in a software or hardware area over time, addressing mostly "keep it running" issues. In-depth technical skills not present and/or not broad.	Leadership and management must be added by either adding to the personnel skill base (very difficult to do) or bring in new technical personnel capable of also managing. Outsourcing management or shifting management to a non-IT functional person generally does not work. With very technical savvy people coming out of colleges and tech schools beefing up tech skills should not be difficult.
Long-term employees have the SME knowledge	Typically the knowledge is only in a few specific areas. With a plan it should be transferable	Documentation must be required from existing personnel. Overlap newer employees with old. Sharing of knowledge must be fostered.
IT salaries are high	Long-term employees at times are overpaid based on longevity vs. technical or managerial skills. Outside services may be used excessively to make up for lack of internal skills.	An honest but tough decision must be made about the value of current personnel. A financial trade-off of the cost of external services being used vs. potential new personnel must be made.

Process		
Very few consistent processes and virtually none documented	Inefficiencies, rework, waste, frustration exist	A trade-off of non-added-value work etc. must be made vs. spending time and money to design and document processes and governance. Money is normally saved as quality goes up.
No Governance	Typically business management is negligent in providing proper governance.	Governance of IT must be looked at as an investment that can add to the bottom line, and managed as any other business investment.
Poor vendor management	Reliance by inadequately skilled IT personnel on vendors raises services and hardware costs	A third party should evaluate IT vendor spending and reduce any waste
Process tools usually not in place	Use of even free software tools to manage processes (e.g. helpdesk) not utilized	Education of IT personnel in use of these tools must be conducted. Institutionalize good processes through use of good tools.
Technology		
Wrong, inadequate or antiquated technology in place	A lack of understanding of what new technology can do, along with lack of implementation knowledge	Education via internal or external means must be done so that IT and the business understand potential added value of upgrades and/or replacements
New unnecessary technology in place	In some cases, software, services and hardware have been over-bought on a whim either by IT or at the direction of the business	Either learn how to get true value out of the purchases, or eliminate unnecessary over-purchases.
Lack of new technology	Many times no one is empowered to explore new value added technology for the business, or no personnel are available or capable to do this.	As part of the business governance and planning processes a formal technology plan must be made, at least looking out 2-5 years so that research and budgeting can take place

Governance of IT is often thought of as too burdensome, costly and time consuming. But, even small IT shops need to have a governance process. As evidenced by many of the above, very common, situations we face as IT consultants, addressing the overall IT situation and putting simple overview and operating processes in place can potentially, greatly improve the performance of even small IT shops.

See our Project Lifecycle Governance application at <http://ppmlitecycle.com> and see additional papers on this subject on our website <http://cioservices.us>