

The Information Technology department challenge

The Information Technology department can be a key competitive advantage for organizations operating in this global market. However, at many companies the IT department still occupies strictly a service position where it is restricted to maintaining the existing systems, infrastructure and applications. To remain competitive companies must convert their IT department from a cost center to a strategic partner.

A large aerospace manufacturer in the American heartland was struggling to harness IT's potential for driving business processes improvements. So, they hired Aculocity to spearhead the realignment of their IT department with an emphasis on empowering the IT group to improve operations. Our team of consultants deployed onsite and collected data by interviewing key leadership, staff, customers, and internal service providers. Aculocity also conducted a comprehensive skills assessment and reviewed budgets, architecture, internal project presentations, performance measurements, and process flows.

What the Aculocity consultants found was a situation that is playing out again and again at manufacturers around the globe; IT perceived as a necessary evil. IT thought of as being overly expensive. IT interpreted as strictly a service organization. IT uninformed in the development of best practices. IT lacking clear goals or performance measurements outside of budget. As such, IT is positioned as a cost center rather than as a strategic partner. Often in these instances we find that Senior Management doesn't know their IT budget off-hand but is still absolutely certain that IT spending is out of control.

Aculocity responded to this situation by implementing a full reorganization that transformed the previously elaborate and top heavy structure into distinct service silos with clear roles and responsibilities. Our specific considerations and action plans ensured their IT department a position driving business process improvements while safeguarding the organization's bottom line and reputation.

In its new alignment the IT department is run as a profit centre, where expenses are budgeted and balanced against created value. With every activity run for a profit, and exerted effort no longer a measure of success, IT counters any negative perception of their strategic value with concrete contributions to the company's balance sheet.

How you can drive change

Aculocity consultants help our clients pragmatically and proactively manage their IT services. We recommend you overcome similar challenges in your organization by:

- Having the organizational alignment of your IT services support the broader strategy.
- Making IT responsible for managing their relationship with the rest of the organization.
- Differentiating between strategic projects initiated by IT and those just passed on to IT for implementation.
- Improving financial reporting so that the IT department can be run like a profit center.