# Formicio Insights
## On business operations, technology, people and change

## Leadership Implications of Business-IT Convergence

Most organisations continue to pursue the elusive goal of aligning business and IT – but is this goal still valid? For most organisations today, information and technology have become such integral elements of the business model that the goal has moved beyond *Business-IT Alignment* to *Business-IT Convergence*. As a result the traditional specialist roles of analyst, developer, architect and systems integrator, that we have built up over the past 30 years, are breaking down and new ones are emerging that rightly reside in the business. This shift has enormous implications for both Business and IT Operating Models.

### Emergence of the IT savvy organisation

The growing confidence with IT that many business executives, line managers and workers (especially knowledge workers) increasingly feel is further driving this convergence. This is in part generational as highly IT literate people are now entering the workforce with the expectation that they will be well equipped with IT and allowed significant freedom of choice of devices and platforms. In part, it is a by-product of people's personal engagement with the Internet – no matter what generation they represent – through social media and the rapid consumerisation of IT devices.

### So, where do IT capabilities belong?

While the answer depends on the nature of the business, and the levels of IT savvyness of business managers and knowledge workers – and their shared vision of how they want to deploy and manage information and IT – I do see a trend and would argue that many IT capabilities that have traditionally been the domain of IT specialists ultimately belong in business operations. Examples include Business Process Management, Business Analytics, Project Management and Business Unit Application Development.

Other IT capabilities will increasingly become part of the *governance* of the business and, as such, integral to mainstream business governance. Such capabilities might include Enterprise Architecture (which goes way beyond IT Architecture), IT Strategy (which should be one or more dimension of Business Strategy) and Portfolio and Programme Management

## Five Reasons We Can't Ignore the Consumerisation of IT

In a recent article Paul D'Arcy argues that at the heart of the consumerisation of IT is human desire; people want to work the way they live and use the Internet to facilitate relationships and communication. It's also the foundation for the next wave of business. Companies that adapt quickly, and thoughtfully change the relationships between employees and the IT department, will be better able to attract talent, execute new business models and enhance competitiveness.

To read Paul's five reasons article, click here.

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## 2010: The Year the Cloud Rolled In

Andrew McAfee argues in a recent HBR article that the Cloud Era is not only about the Cloud, but three other fundamental trends in computing that became unmistakable in 2010. These are:

- Emergent social software platforms – which are here to stay.
- Technology Delight – where today's technologies are so compelling that we get lost in them for hours.
- Scientific Organisations – that have so much information and processing power that they don't have to rely so heavily on conventional wisdom, lore, abstract theories or HiPPOs (the Highest Paid People in the Organisation).

To read Andrew's article, click here.

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## The Net Generation Has Changed Everything

Formicio's Peter Cochrane argues in a recent video that the Net Generation expects wifi everywhere and everything on the face of it to be free. They communicate and network on a scale and in a way we've never seen before. As a result over the past 10 to 20 years the power has shifted from the communications industry to the consumer. Everything has and is changing.

To watch Peter's video, click here.

(addressing all forms of business change initiatives).

And finally, some IT capabilities should be centrally coordinated and shared across the enterprise. Examples here include common and shared IT Infrastructure and Enterprise Applications.

**So, what are the leadership implications of Business-IT Convergence?**

The reality today is that most companies are not quite ready for the shift I'm espousing (and, indeed, predicting). I believe that visionary leaders do recognise the shift that is taking place and are looking for ways to accelerate their journey to Business-IT Convergence.

Ultimately, I believe it is the responsibility of both business and technology leaders to navigate this transition and converge their IT and Business Operating Models in ways that anticipate the inevitable advances that are happening today. Cloud Computing, the consumerisation of IT and the emergence of the 2.0 Enterprise are examples we know of today, but more will emerge.

To read my full article, where I give an historical perspective and practical steps to convergence, click here.

I welcome your thoughts.

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## Understanding through Collaboration

Our Collaborative Explorations are an excellent way of understanding trends and their impact as they give executives the opportunity to learn from peers in other organisations.

Each exploration is shaped by the participating organisations. We tap into our extensive network to form a consortium of member organisations, facilitate the process and provide subject-matter experts as needed.

If you have a need to better understand a trend and feel that the best way to do this is through collaboration with other organisations across the globe, we'd love to hear from you. To find out more, click here.

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## Parting Thought

"Simplicity is the ultimate sophistication."

Leonardo da Vinci