

Quocirca's Changing Channels – The investment divide

The IT department vs business management

By Bob Tarzey, Service Director, Quocirca Ltd

Persuading businesses to invest in new or upgraded IT infrastructure can be a testing task at the best of times. The deployment of a new application can be a good time to review existing infrastructure to make sure it is running securely and efficiently, but why wait for a new application to upgrade infrastructure when there can be considerable benefits for all the existing applications?

The latest round of research on the adoption of grid technology carried out on behalf of Oracle by Quocirca shows the degree to which businesses are investing in the IT infrastructure to enable the efficient running of all applications. The areas where they continue to invest are in consolidation, virtualisation, and in some cases a move to a grid based infrastructure.

As reported previously by Quocirca's Changing Channels, a key step in getting any IT investment decision approved is to make sure you have the buy-in of the financial management in the prospective purchasing organisation. While an IT manager can say "yes", this may well be over-ruled by a "no" from the finance department, because other spending has been prioritised by the business management.

To understand when and how this might happen, it helps to have a view of the differing attitudes to IT that are held by IT and business managers. This was something the latest round of grid research looked into to better understand how businesses make decisions with regard to IT infrastructure investment.

One thing was clear. Business managers are more confident in the capabilities of their IT infrastructure than IT managers. From the point of view of the business, this gap in perceptions is intriguing.

Is it that the business managers are over confident in the capabilities of IT and this is leading to complacency, which in itself could lead to a disaster at some point in the future? Or is it that IT managers have a tendency to

recommend unnecessary and expensive upgrades due to unfounded worries over functional capabilities?

Business managers see the value of IT through the lens of value delivered to their organisation by business applications. The research shows that their view of IT spending is more likely to be associated with individual applications than IT infrastructure and they are more likely to expect the existing infrastructure to carry the burden. IT managers on the other hand are more likely to worry about the burden of a new application and consider how the infrastructure needs to be modified to carry it.

All this is not as gloomy as it might sound. The research shows a high degree of overlap in most organisations. It is the more extreme cases where problems will be found in matching up the views of the IT department and the business it serves. But those recommending and selling IT infrastructure upgrades need to be aware of the possible pitfalls if they do not understand how the views of the business differ from those of the IT department.

Many of the business managers Quocirca spoke to in this research – which was about one third of the sample of almost 1,500 – felt that IT management was being involved at an early stage in the decision making process, while many of their IT counterparts thought their views were being neglected until late in the investment process.

When this is the case there is probably not much the reseller can do to fix the problem that exists within their customer, but the reseller must understand that the problem is there and work with both business and IT management to make the case for IT infrastructure investment and win their deal.

The findings of the latest research are available to readers of The Register in Quocirca's free report which can be found here. ®

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About Quocirca

Quocirca is one of Europe's leading independent industry analyst firms. One of its biggest assets is the core team of highly experienced analysts drawn from both the corporate and the vendor communities. This team prides itself on maintaining a bigger picture view of what's going on in the IT and communications marketplaces. This allows all of Quocirca's activities to be carried out in the context of the real world and avoids distractions with fads, fashions and the nuts and bolts of specific technologies. Quocirca's focus has always been the point of intersection at which IT meets "the business".

Quocirca Services

The insight and experience that comes from working as an industry analyst as well as a practitioner allows the Quocirca team to contribute significantly to IT Vendors, Service Providers and Corporate clients. To this end, it provides a range of consulting and advisory services. Details of these, along with some of Quocirca's latest analysis, may be obtained by visiting <http://www.quocirca.com>

Quocirca's primary research involves the surveying of many thousands of technical and business end users each quarter, analyzing their perceptions of the possible impact of emerging, evolving and maturing technologies on their businesses.