High Performance IT Insights

Managing IT Consumerization

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Employees are taking technology decisions into their own hands—literally. In a major workplace shift termed "consumerization," staff are increasingly making decisions about how they work, what technology devices they use and where they use them. In doing so, they are unwittingly raising major questions about the IT organization's traditional responsibilities, funding, and staffing, and creating challenges for the CIO.

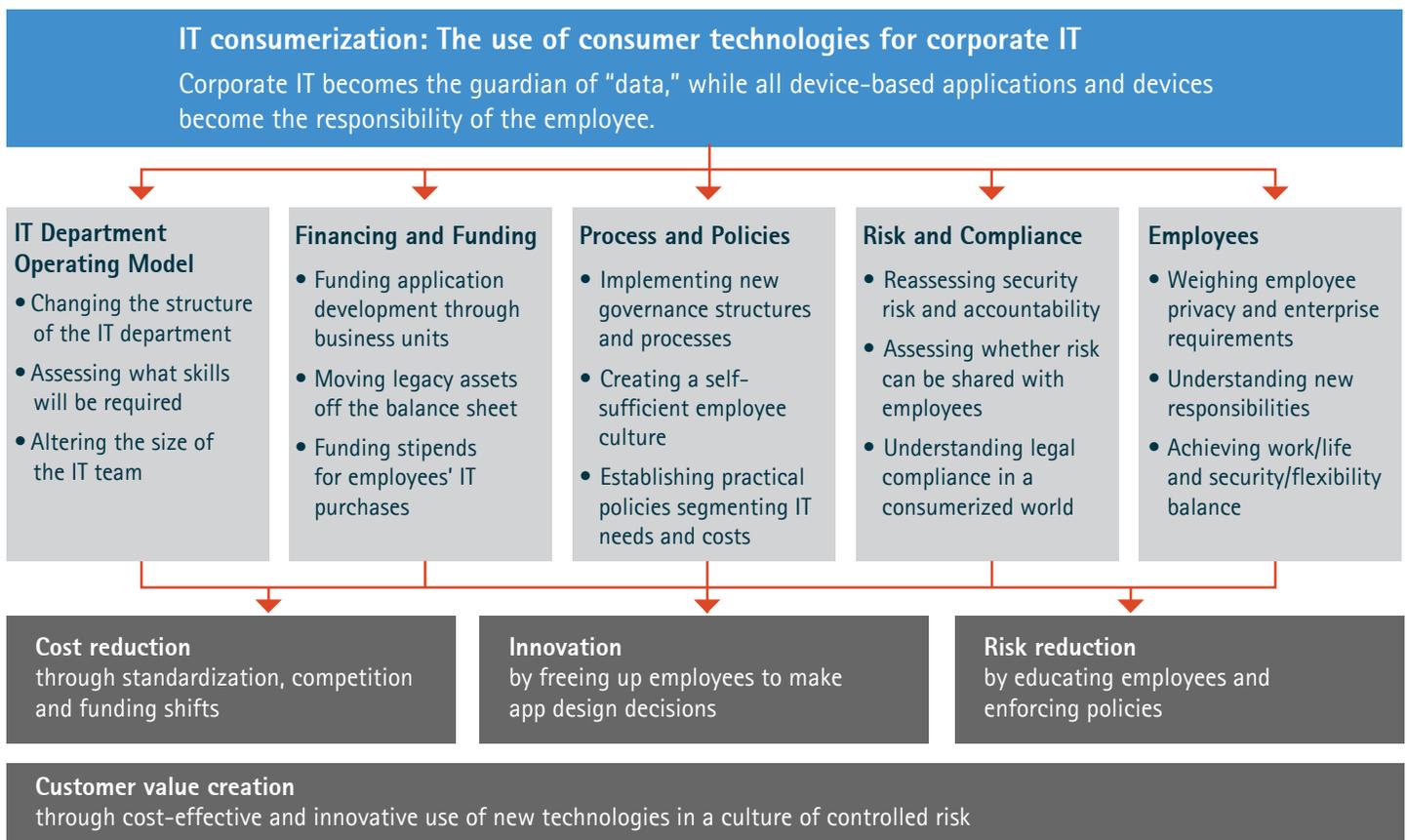As consumerization gains momentum, it is creating both challenges and opportunities for IT departments. With its emphasis on employee self-service, the trend is changing IT's traditional roles and responsibilities—rewarding organizations that embrace this evolutionary model of IT provisioning and delivery, and penalizing those not yet prepared to make the changes to leverage the agility, scalability and flexibility of consumer technology.

Ongoing evolution in common ways of working means that organizations that do not adapt to the consumerization trend are likely to be at a disadvantage. For the CIO, the changes call for balancing employee enablement with control, a balancing act that is central to working out the benefits to the business, the customer and the employee (Figure 1).

Our view is that consumerization will revolutionize IT departments. This paper highlights the major areas of change likely in the IT operating model, and examines how implementing the changes can result in significant benefits for business.

Figure 1. The impact of consumerization on IT

IT consumerization: The use of consumer technologies for corporate IT
Corporate IT becomes the guardian of "data," while all device-based applications and devices become the responsibility of the employee.

IT Department Operating Model
- Changing the structure of the IT department
- Assessing what skills will be required
- Altering the size of the IT team

Financing and Funding
- Funding application development through business units
- Moving legacy assets off the balance sheet
- Funding stipends for employees' IT purchases

Process and Policies
- Implementing new governance structures and processes
- Creating a self-sufficient employee culture
- Establishing practical policies segmenting IT needs and costs

Risk and Compliance
- Reassessing security risk and accountability
- Assessing whether risk can be shared with employees
- Understanding legal compliance in a consumerized world

Employees
- Weighing employee privacy and enterprise requirements
- Understanding new responsibilities
- Achieving work/life and security/flexibility balance

Cost reduction
through standardization, competition and funding shifts

Innovation
by freeing up employees to make app design decisions

Risk reduction
by educating employees and enforcing policies

Customer value creation
through cost-effective and innovative use of new technologies in a culture of controlled risk

Consumerization is part of a much wider devolution of computing power from centralized IT management to end-user control. This trend began with client-server computing; accelerated with the mass availability of wireless broadband, handheld smartphones, cloud and mobility; and heralded the arrival of rich, context-based services that have radically reshaped what it means to have access to services and how these services are accessed.

With consumerization gaining ground in the enterprise, employees are increasingly seeking self-enablement through app stores where employees can select applications that enable them to effectively access and productively use information. Many applications provide cloud-based services offering users the mobility they seek to work whenever and wherever they want.

As the consumerization trend continues, responsibility for sourcing, testing, purchasing and supporting hardware, software and services could shift from the enterprise to the employee. This shift could significantly change the IT department's responsibilities and focus. Many tasks, including device management, software acquisition and engagement with third-party support services companies, would be "outsourced" to the employee.

Meanwhile, the IT department would intensify its focus on the data layer, performing the crucial task of maintaining the complex and growing mass of corporate data, while managing secure and policy-based access to that data (Figure 2).
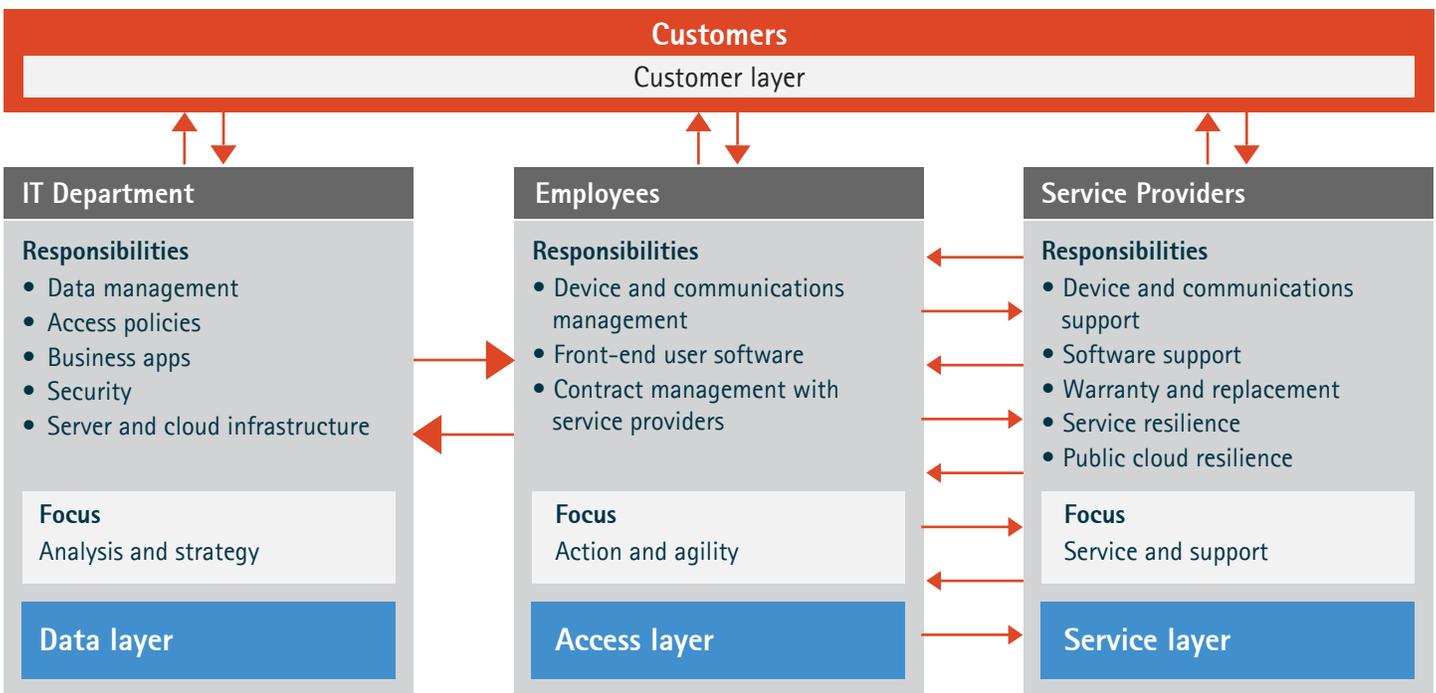
Most organizations are at least aware of consumerization and are in varying stages of adoption. To realize the potential benefits of consumerization, enterprises will need to make significant changes in the following five areas of corporate IT management.

IT operating model: A shift in skills and focus

Consumerization requires fundamental rethinking of the skills needed in the IT function. A business adopting consumerization can expect to reduce its IT support teams while simultaneously increasing its skills in areas like big-data management, security, analytics, and policy administration. IT's ability to provide collaboration environments and tools will become more important.

IT will need to build capability in "app" development with the ability to deploy across multiple types of devices. Application development teams may see their focus shift from creating software to creating open application programming interfaces (APIs) across their intellectual property. Testing and certifying the compatibility and security of employees' devices and apps for corporate use would also become a major new area of activity for software specialists, as employees use more technology components developed and delivered outside the firewall.

Figure 2. Consumerized IT vision

Customers		
Customer layer		

IT Department	**Employees**	**Service Providers**
Responsibilities • Data management • Access policies • Business apps • Security • Server and cloud infrastructure	**Responsibilities** • Device and communications management • Front-end user software • Contract management with service providers	**Responsibilities** • Device and communications support • Software support • Warranty and replacement • Service resilience • Public cloud resilience
Focus Analysis and strategy	**Focus** Action and agility	**Focus** Service and support
Data layer	**Access layer**	**Service layer**

The IT governance model will change to reflect the distribution of the type of decision making, either centralizing or decentralizing. CIOs will need to play a leadership role in understanding and conveying the challenges associated with the implementation of new technologies.

Finance and funding: A shift from IT capital expenditures to salary costs

As IT begins to share control of technology and its grip on data becomes more flexible, it will need to reconsider the financial structure and metrics supporting IT investments.

Employees may expect to be rewarded for bringing their own technologies to work. One implication of this trend could be that a significant part of IT cost is budgeted as salaries, with a corresponding reduction in the budget for centralized provision of IT. For the business overall, this may mean a significant reduction in capital expenditures on hardware and software—a change that may improve financial agility for the enterprise as a whole and increase operating expenses.

Another implication is that it may become more challenging to demonstrate a high return on investment in IT. Yet IT will still have a significant role to play. Proving IT's worth to the business will become less about delivering the latest gadgets and more about providing secure and open access to corporate data, as well as certifying the tools that employees use to do this.

Processes and policies: Staying aligned with change

Consumerization is a cultural and behavioral shift that changes how we consume content and services, and how we interact with information. New processes and policies are a prerequisite to support these changes while retaining sufficient control. The challenge lies in gaining acceptance of a multi-platform, multi-device world.

Clearly, this shift won't happen overnight, and effective change management is crucial. The most important attribute will be staying aligned with the pace of change, and providing guidance on new roles and responsibilities when the organization is ready.

Risk, security and compliance: Reshaping for the new environment

Hand-in-hand with development of new policies is the need to understand the new risk environment, and to ensure the organization's new processes are legally compliant. Organizations need to reassess employee liability and accountability, and review legal obligations regarding risk and financial liability.

In addition, many companies are not prepared for the implications of consumerization for the organization's established security posture. In order to protect IT infrastructure and data in the new environment, organizations will need to adopt a proactive IT security strategy, integrated with overall IT strategy for managing change and supporting innovation and adoption of new technologies.

Consumerization significantly shifts the balance of risk in an organization. If managed successfully, consumerization can enable the company to be more agile and responsive.

Employees: Self-sufficiency and education

A critical success factor for achieving the changes mentioned above is the creation of a self-sufficient employee culture in which people are willing and able to provide IT support for their own devices and software, as well as engage with relevant third parties to source IT support and services. Companies wishing to provide for and benefit from enterprise-level consumer IT need to inform employees about the new role of the IT department and about their own responsibilities—both legal and commercial.

IT consumerization will likely alter employees' work/life balance, with the individual determining the appropriate mix. As organizations embrace the flexibility that consumerization brings, employees are likely to become more productive, engaged and valuable to the organization. At the same time, privacy issues must be thoroughly considered, both for the individual employee and for the business, whose data is being shared across consumer devices and apps.

Generating customer value from consumerization

Handing employees the bulk of the responsibility for end-user hardware, software and services tends to focus the enterprise's IT resources on core data management and central technology operations. This change could help increase business agility, thereby enhancing customer service in four ways:

Innovative services

Consumerization offers the ability to create new digital services and products that leverage app stores and the popular tablet form, thus engaging customers in new ways. The resulting revenue streams can come from new industries and channels and be shaped to the organization's customer base. Organizations that have embraced consumerization are seeing diversification of revenues and increased customer engagement.

The decentralization of end-user computing could free up employees and teams to innovate at a faster pace. Business units, teams and employees with responsibility for their own IT tools might make decisions about end-user IT that are more closely aligned to the needs and strategy of the business. Meanwhile, the IT department is freed up to focus on providing secure but open access to high-quality corporate data that will support implementation of the business strategy.

Consumerization enhances the business's ability to attract the best talent and improve employee engagement. Users' IT decisions could become more attuned to the specific needs and values of each employee if IT end-user device costs can be aligned to an employee's role and performance via his salary and benefits package.

Additionally, as employees become more comfortable with the tools, they are finding new ways to leverage them in their relationships with clients, suppliers, and each other. Because some of the IT services are relatively easy to purchase without the help of the IT department, employees are sourcing them through channels and processes that do not require IT.

With the IT department providing a foundation of high-quality, secure and open data, replacing the "blanket" approach to IT purchasing with employee-driven purchasing could free up each individual member of a business to be more responsive, strategic and innovative.

Risk reduction

Viewed through the traditional lens of IT management, devolving responsibility and liability for a significant portion of IT devices and services to employees can be a worrying step. Yet when managed effectively, the move can actually reduce business risk.

Employees are already using their personal devices to communicate and to access corporate data, often without formal security, accountability or auditing processes. By adopting a strategic approach to consumerization, businesses could reduce risk by establishing new measures to properly secure all devices, infrastructure and data, and by instituting "contracts" between employer and employees regarding their responsibilities and liabilities in the new model.

Cost reduction

In an environment that leverages consumer technology, users' device costs could be aligned directly with an employee's salary and benefits package. This approach could shift the device funding burden away from central IT, freeing up IT budget for crucial data and application management tasks.

Moreover, employees could choose devices and apps that are closely suited to their work styles, and refresh these components on their own timetables. Employees who regularly update their technology could benefit from the falling prices and rising device power in the highly competitive consumer device market.

In contrast, other employees could be expected to hold on to their devices for longer periods, because of either comfort with the devices or desire to use their IT allowance for other purposes. End-user device costs could therefore remain in line with—or lower than—market pricing, freeing the enterprise from long-term contracts with third-party suppliers.

In sum, consumerization of IT can improve employees' productivity, flexibility and information access, and create new digital services and ways of consuming content.

Value for the customer

The first three aspects of enhanced agility—cost reduction, innovation, and risk reduction—can provide significant dividends to the customer in the form of greater responsiveness, enhanced security and deeper relationships with the business.

By selecting and using their own consumer technologies to do the business's work, employees could get in closer touch with the tools and techniques their customers are using every day to access the business's products and services.

Consumerization is not a matter of "if" but "when." In Accenture's view, customers will increasingly recognize high-performance businesses as ones that proactively adopt IT consumerization—and will avoid those that are still playing catch-up.

About Accenture

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