

Changing Role of IT Department: From Cost Reduction to Enabling Growth

Expert Profile



Mr. Chandran Raghuraman
CIO, Daimler India Commercial
Vehicles Pvt. Ltd.

Mr Chandran Raghuraman, a.k.a. Chandy, is an experienced business leader with over 27 years' experience. In his current role he is responsible for Business Applications (SAP), R&D Software and Infrastructure. Previously he has served in various leadership roles in organizations like Zensar, Satyam, HCL HP, and Tata Unisys among others. He is a mechanical engineer with post-graduation from NITIE.

Trend

Information Technology (IT) Department had been primarily tasked with the responsibility of deploying & managing technology for improving productivity and reducing cost. Now with businesses going global & intensified competition in all markets, it is also expected to contribute towards revenue growth. In order to meet this expectation, IT Departments are turning towards innovation & increased level of collaboration with business.

Business Impact

This is transforming the role of IT Departments from service management into IT Governance. They not only have to contribute to present business operations & performance but also have to gear up for meeting future business challenges.

With IT Departments becoming integral to business, some of the key impact areas are,

- Changed focus from managing data to managing business processes
- IT investment is no more a cost but a strategic investment to be well managed
- CIO has an increased involvement in business planning
- Rapid decision making is a reality now
- Deliver more with less
- For greenfield operations, IT function is required to be ready even before the start of production activity
- During M & A, IT Departments are playing key role

Adoption Challenges

Realising this top management is insisting increased collaboration between business & IT Department and treating them as a key partner in business growth.

- Perception that IT Department can provide solution to all problems
- If anything goes wrong, IT Department is the one to blame
- CIO's need to go beyond technology and understand business impact
- Business is still wary of IT Departments

Conclusion

Companies have now realised the changing role of IT Departments & their importance in strategic business decision making. Multinationals originating from western countries are early adopters, while those originating from other parts are also catching up fast.